



# MOISELLE

MOISELLE INTERNATIONAL HOLDINGS LIMITED

STOCK CODE: 130

Environmental,  
Social and  
Governance Report

2017



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# ABOUT THE REPORT

This is the first Environmental, Social and Governance Report (the “ESG Report”) of Moiselle International Holdings Limited (the “Company”) and its subsidiaries (collectively the “Group” or “We”). The ESG Report summarizes the efforts and achievement made by the Group in corporate social responsibility and sustainable development. As for the information of corporate governance, please refer to the “Corporate Governance Report” on pages 21 to 30 of the Annual Report of 2017.

## 1.1 SCOPE OF THE REPORT

The ESG Report focuses on the sustainability approach and performance in the environmental and social aspects of the Group’s headquarters, retail of its house brands in Hong Kong and its manufacturing plant in Shenzhen of the People’s Republic of China (the “PRC”), during the reporting period from 1 April 2016 to 31 March 2017 (the “Year”). The Group will continue to strengthen information collection in order to enhance the performance in environmental realm and to disclose relevant information in sustainable development.

## 1.2 REPORTING FRAMEWORK

The ESG Report was prepared in accordance with the “Environmental, Social and Governance Reporting Guide” under Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

## 1.3 STAKEHOLDER ENGAGEMENT

The engagement of our employees from different divisions of the Group helps us recognize our sustainability performance. The diligently collected and carefully analyzed data underscores not only the Group’s sustainable initiatives for the Year, but also the Group’s short-term and long-term sustainability strategy. The Group will continue to increase the involvement of stakeholders via constructive conversation with a view to charting a course for long term prosperity.

## 1.4 INFORMATION AND FEEDBACKS

For detailed information about the environmental, social and corporate governance, please refer to the official website (<http://www.moiselle.com.hk>) and the 2017 Annual Report of Moiselle International Holdings Limited. Your opinions will be highly valued by the Company. If you have any advices or suggestions, please email to [enquiry@moiselle.com.hk](mailto:enquiry@moiselle.com.hk).

# CHAIRMAN'S MESSAGE

As a trendsetter in the high-end and upper-middle markets for ladies' fashion apparel, Moiselle International Holdings Limited ("Moiselle" or the "Company") has the knack of adding a human touch to its pursuit of excellence.

The Company works closely with its customers, employees, suppliers and the wider community in the quest for aesthetically pleasing fashion designs and sustainable development.

A socially responsible company, Moiselle cares about the well-being of its stakeholders and the environment. It makes an effort to ensure compliance with relevant regulations throughout the entire process of its business, from corporate governance, raw material procurement, in-house garment processing and outsourced production, quality assurance, advertising to the protection of intellectual property rights and customer data. It also gives back to society by committing itself to charitable causes. All these endeavours are combined to form the Company's holistic approach to the fulfilment of its corporate social responsibility and the attainment of sustainable development.

To minimize the environmental impact of our business operations, we select raw material suppliers and processing factories by considering their environmental performances. For instance, we choose those who supply or use low-lead materials or materials which contain environmental friendly dye. Although the Company is engaged in in-house garment processing that does not involve any laundry or dying processes, it still tries its best to minimize emissions from transportation and the energy and material consumption in its daily operations.

Also high on our agenda is customer satisfaction which hinges on quality assurance and product safety. Our well-established business relationships with the suppliers and processing factories in addition to our own stringent quality control help to ensure the consistency of the product quality and product safety. We also seek customer feedback to improve our products and services. Our VIP custom product design service is a case in point.

Employees play a pivotal role in creating value for the Company's customers and shareholders. To recruit and retain talent, we provide equal opportunity, ensure fair treatment and offer employee benefits and training that fosters work skills and safety awareness. We aim to create an intellectually stimulating environment for the staff, and offer clear career paths tailored to their job knowledge, skills and performances so as to retain the talent and enhance the quality of the products and service.

While taking care of its immediate stakeholders, the Company does not lose sight of the big picture – the well-being of society. Moiselle commits itself to various charitable causes as a way to give back to society. In the financial year of 2016/2017, it participated in events held by religious organizations such as The Oaks to support the spread of a faith. Our team was invited to the event The Oak Nite 2017 as guest speakers to share our experience of running a business with the owners of small and medium-sized enterprises. Moiselle also donated money to amfAR, the Foundation for AIDS Research, to support research on new types of treatments for AIDS and better methods of preventing the illness.

With its firm belief in sustainable development, Moiselle will build on the past achievements by remaining committed to fulfilling its social responsibility towards all of its stakeholders in the future.

*Chan Yum Kit*



# PROTECTING OUR ENVIRONMENT

### 3.1 EMISSION TREATMENT

With the reduction of adverse environmental impact from operation dominating its concern, the Group follows the relevant local laws and regulations in respect of exhaust emission, wastewater and waste. Since the Group engages primarily in garment processing, it does not involve any laundries or dyeing processes and hence there is no exhaust emission or wastewater from industrial processes. Therefore, the major exhaust emission of the Group is from vehicles. We adopt an effective fleet management to reduce exhaust emission, under which regular inspection and maintenance are arranged for our vehicles and our drivers are required to switch off idling engine. The major wastewater of the Group is domestic sewage, which enters to municipal drainage system. With regard to the Group's waste, only non-hazardous waste, such as non-reusable cardboards and small fabric pieces, is generated during the production process and operation of business. The non-hazardous waste is first collected and sorted by types, and then transferred to the qualified companies for further treatment.

### 3.2 ENERGY CONSERVATION

The Group recognizes the importance of maintaining environmental sustainability in its daily operation. As part of our initiatives to reduce energy consumption of lighting system, we maximize the use of natural light, divide the office area into different light zones using independent lighting switches, and reduce unnecessary lighting fixtures. We also adopt energy-efficient lighting and clean light fixtures regularly to increase the energy efficiency of lighting system.

Various measures are also employed to enhance the energy efficiency of air conditioning system, such as using variable speed drive for pumping and fan systems according to the actual air-conditioning demand, setting the temperature of the air-conditioners at an energy-efficient level, allowing employees to dress in casual attire in office every Friday, so as to reduce the energy consumption.

Regarding the use of other electric devices, priority is given to energy efficient devices in the procurement process. For example, energy efficient multifunction devices and computer equipment virtualization are employed to reduce energy consumption. Employees are also encouraged to integrate energy conservation initiatives into their daily work by setting the computers to automatic standby or sleeping mode when idle and switching off electric devices before they leave for holiday.

### 3.3 GREEN OPERATION

In the face of climate change, the Group is mindful of its obligation to reduce emission during its operation. While complying with the local laws and regulations relating to environmental protection, our commitment to reducing the carbon footprint can be reflected by holding video conferences where possible to avoid any unnecessary overseas business travel while direct flights are chosen for inevitable business travel to reduce carbon emission.

Also, we use packaging materials to the minimum extent possible and proactively reduce carbon emission generated in the course of organizing internal activities. The Group understands the importance of employees' support and participation to environmental protection at work, thus measures are taken to raise employees' environmental awareness and boost employees' participation. For example, posters are displayed to remind employees to save energy and resources in the office and reminder emails are sent to encourage employees to reduce emission. In addition, to minimize the water waste, employees are encouraged to turn off the faucet tightly.



# PROTECTING OUR ENVIRONMENT

## 3.4 PAPERLESS OFFICE

To promote a paperless office and reduce the carbon emission, the Group always promotes the use of electronic systems to substitute paper-based office administration systems (OA System) and electronic means for information dissemination wherever possible, such as e-fax. Employees are also recommended to use paper on both sides and print on double side. All discarded papers, except printed paper with confidential information, are sent to waste paper recycling companies for recycling. We monitor the printing volume regularly and set print quota for users to lower the paper consumption. Moreover, the Group advocates the use of environmentally friendly materials where appropriate, for instance, our annual reports are printed with soy ink on Forest Stewardship Council (FSC) certified paper which is sourced from well-managed forest.



## 3.5 WASTE REDUCTION AND REUSE

Consistent to our commitment to waste reduction to lower the environmental impact, besides reusing the furniture and other reusable decorations from retail shops, we seek to use the leftover fabrics from the production to the fullest extent by repurposing them for internal use, such as uniforms for employees. Apart from encouraging employees to reuse paper and recycle, the Group also sends the used toner cartridges to the suppliers for recycling and works closely with electronics companies to recycle obsolete computers and other electronic waste, for the purpose of waste reduction.



Reminder Poster Placed in the Office Area

# CARING OUR EMPLOYEES

## 4.1 EMPLOYMENT AND WELFARE

To protect the rights of employees, the Group strictly complies with the relevant laws and regulations, such as the Employment Ordinance of Hong Kong, Labour Law of the PRC (《中華人民共和國勞動法》) and Labour Contract Law of the PRC (《中華人民共和國勞動合同法》). As an equal opportunity employer, we ensure job applicants who meet the job requirement receive equal opportunity during the recruitment process and no job applicants shall be subject to unfair treatment on the grounds of gender, nationality, pregnancy, disability or marital status. After the acceptance of job offer, new employees are required to provide the copies of identification documents to the Group for age verification and prevention of child labour. The job position of employees is also clearly stated in the employment contract in order to avoid any form of forced labour. Upon the receipt of resignation, we pay the outstanding wages to employees on time as required by the relevant laws and regulations.

The Group derives strength from its focus on talent development, therefore it endeavours to offer its employees attractive remuneration package and conduct regular pay adjustment with reference to the performance of employees, job nature, economic conditions and market trend. As for retail employees, we also provide welfares in accordance with the relevant local laws and regulations on the employment insurance to ensure occupational protection. For example, we make contributions to “Five Social Insurances and One Housing Fund” (「五險一金」) for employees in the PRC and provide medical allowance to employees in Hong Kong. Employees are entitled to annual leave, marriage leave, funeral leave, maternity leave, paternity leave and public holidays. Also, the working hours of employees are clearly stated in the employment contract and in compliance with the relevant laws and regulations to ensure sufficient rest time is given.

We also attach great importance to the work-life balance of the employees, thus leisure activities are often held for employees' relaxation. For example, we organized several leisure activities for our employees in the Hong Kong headquarters, including annual dinner and Christmas party, as well as inviting them to join the birthday party for the Chairman and Vice Chairman.





CARING OUR EMPLOYEES

4.2 HEALTH AND SAFETY

As a responsible employer, the Group is committed to safeguarding the health and safety of employees through conformity to the local laws and regulations related to occupational health and safety, such as the Occupational Safety and Health Ordinance of Hong Kong and Law of the PRC on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》). For example, procedures about fire drill and handling of emergency, and the provision of necessary personal protection equipment to our factory employees are stated in work safety guidelines to get them acquainted with our health and safety practice and enhance the awareness of workplace safety. To build an injuries-free and comfortable working environment, greeneries are placed in the office area and employees are encouraged to maintain a clean and organized workplace.



4.3 TRAINING AND DEVELOPMENT

With employees’ career development and the Group’s business being core part of our operation, it is our aim to create an intellectually stimulating environment where employees can receive specific training tailored to their needs and goals, so as to be trained with sufficient knowledge and skills. For instance, trainings related to the safety policy and operation of garment processing are devised for employees working in factory while trainings on the shop operation and customer service skills are provided to the retail employees. Retail employees are also introduced to different collections of the seasons and prepared for the launch of new products during the training sessions.

Apart from the comprehensive training scheme, the Group paves a clear career path for its employees. Regular appraisal with respect to the job knowledge and skill, quality of work and work attitude is conducted to assess employees’ performance. Employees with outstanding performance are given the promotion opportunities. Training is also arranged for newly promoted retail employees to facilitate their adaptation to the new positions, and foster greater customer satisfaction.



# OPERATING PRACTICES

## 5.1 SUPPLY CHAIN MANAGEMENT

The selection of suppliers, including the raw material suppliers and processing factories, involves thorough consideration of product quality, product safety, location of suppliers and delivery time, to minimize the social risks in the supply chain. In addition, to mitigate the environmental impact of our products, environmental performance of suppliers is also assessed where applicable, such as the use of low-lead materials or materials which contain environmentally friendly dye.

## 5.2 QUALITY ASSURANCE

The major business, manufacturing and retail of women's apparel for high-end and upper-middle markets, features high quality, customer satisfaction and compliance with relevant local laws and regulations related to product quality and safety. To attain this goal, we place importance on the opinions from customer, so as to improve our services and further better the product quality. Moreover, we maintain well-established relationships with trustworthy raw material suppliers and processing factories, and deliver samples of each style of products provided to external parties for inspection.

In order to assure the quality of our products, quality checks conducted by corresponding departments take place at various production stages, such as the receipt of raw materials, design and sample development and mass production. After the mass production of garment, the quality control department performs final quality examination before delivery to the retail shops. Moreover, as part of our production process may be outsourced to the external factories, personnel from quality control department are sent to the external factories to conduct the quality check. Upon arriving at our factories, those products undergo second quality check, so as to avoid compromise of product quality caused by the third parties.



## 5.3 MANAGEMENT ON ADVERTISING

To safeguard the interest of the potential customers, the Group forbids any misleading information in its promotion works through rigorous compliance with the laws and regulations related to advertisement and labelling, such as the Trade Descriptions Ordinance of Hong Kong and Advertisement Law of the PRC (《中華人民共和國廣告法》). A series of stringent procedures is taken before the publication of advertisement to ensure the contents of our advertisement are true and accurate.

## 5.4 PROTECTION OF INTELLECTUAL PROPERTY RIGHTS

Much has been done to protect the intellectual property rights and patents of the Group and other parties which can be reflected by our abidance by the laws and regulations related to intellectual property rights. We respect intellectual property rights and do not tolerate any breach of third parties' copyrights. To prevent infringement of intellectual property rights, employees are required to sign software usage agreement which prohibits the use of pirated computer software.

## 5.5 PROTECTION OF CUSTOMER DATA AND PRIVACY

The Group is in strict compliance with the laws and regulations in relation to the protection of customer data and privacy. In accordance to the policy of confidentiality, it is the responsibility of employees to maintain the information of customers and the Group with highest degree of confidentiality and refrain from disclosing the information to other parties without consent from the Group. In addition, the customer data collected for the VIP scheme is kept confidential as stated in the declaration of application form and signed acknowledgements from the customers are obtained.

## 5.6 ANTI-CORRUPTION

The Group adheres to a high standard of business integrity throughout its operation and closely observes the anti-corruption laws and regulations, such as the Prevention of Bribery Ordinance of Hong Kong and Criminal Law of the PRC (《中華人民共和國刑法》). To deter any improper behaviours and misconduct, our employees are required to follow the code of conduct and uphold the highest standards of ethical and professional conduct. Under the policy on conflict of interest, employees are strictly forbidden to undertake any activity which collides or competes with the interests of the Group during the employment. Employees are also required to make declaration on any possible conflict of interest. Receipt of any kinds of gifts or favours from suppliers, customers and other related parties to the Group is prohibited.

Moreover, whistle blowing system is established for employees to lodge complaints and report suspected misconducts or illegal practice to their supervisors and even the management. Upon the receipt of complaint or report, internal inspection will be conducted and the personal information of complainant will be protected.

# CONTRIBUTING TO OUR COMMUNITY

Apart from the pursuit of business development, the Group spared no efforts in committing its charitable goal. During the Year, we have participated in various charitable activities to contribute to our community. We also actively participated in events held by religious organizations, such as The Oaks (公義樹), in support of the promotion of religious belief. In the Year, Mr. and Mrs. Chan, the Chairman and Vice Chairman of the Group, were invited as guest speakers to share their experiences during “The Oaks Nite 2017” (公義樹之夜 2017) where owners of small and medium enterprises gained valuable insight into enterprise operation.

Besides, a donation was made to amfAR, the Foundation for AIDS Research as an endorsement of the research on new treatments and better prevention methods for AIDS.



Mr. and Mrs. Chan as the guest speakers of “The Oaks Nite 2017”

# APPENDIX: CONTENT INDEX OF ESG REPORTING GUIDE

ESG Indicators	Summary	Relevant Sections	Page
A. Environmental			
A1 Emissions	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	Emission Treatment; Waste Reduction and Reuse	8 11
A2 Use of Resources	General Disclosure  Policies on the efficient use of resources, including energy, water and other raw materials	Energy Conservation; Green Operation	8 9
A3 The Environment and Natural Resources	General Disclosure  Policies on minimising the issuer’s significant impact on the environment and natural resources	Green Operation; Paperless Office	9 10



ESG Indicators	Summary	Relevant Sections	Page
<b>B. Social</b>			
B1 Employment	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	Employment and Welfare	12-13
B2 Health and Safety	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	Health and Safety	14
B3 Development and Training	General Disclosure  Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Training and Development	15
B4 Labour Standards	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 labour	Employment and Welfare	12-13

ESG Indicators	Summary	Relevant Sections	Page
B5 Supply Chain Management	General Disclosure  Policies on managing environmental and social risks of the supply chain	Supply Chain Management	16
B6 Product Responsibility	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	Quality Assurance; Management on Advertising; Protection of Intellectual Property Rights; Protection of Customer Data and Privacy	16-17
B7 Anti-corruption	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	Anti-Corruption	17
B8 Community Investment	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	Contributing to Our Community	18