



MOISELLE

MOISELLE INTERNATIONAL HOLDINGS LIMITED



(Incorporated in the Cayman Islands with limited liability) Stock Code : 130

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2021

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**CHAIRMAN'S
MESSAGE**



MOISELLE

CHAIRMAN'S MESSAGE



The financial year ended 31 March 2021, which was marked by the worldwide outbreak of novel coronavirus pneumonia pandemic, will go down in history as an extraordinarily trying time. It is also in that situation that businesses' sustainable development capability has been put to the severe test.

Undaunted by the difficulties, Moiselle International Holdings Limited and its subsidiaries (the "Group") remained dedicated to fulfilling its responsibility towards all stakeholders and improving its environmental, social and corporate governance practices.

During the pandemic, the Group did its best to ensure the health and safety of its employees, customers and suppliers. For instance, it provided face masks to its staff from March to September 2020 when there was a shortage of such protective wear. It also provided hand sanitizers for its retail outlets to protect both the sales staff and customers against the disease. In mainland China, the Group kept migrant workers in two-week quarantine before allowing them to work at its fashion manufacturing plant in support of the Chinese government's anti-pandemic efforts. As part of its anti-pandemic measures, the Group also moved some of its business activities online. For example, it made use of the social media platform WeChat to conduct training for the sales staff in the marketing of its latest fashionable apparel and accessories and to market its products to its VIP customers. It also had meetings with some suppliers online. To contribute to Mainland China's efforts to prevent and control the pandemic, the Group also donated money to certain charitable institutions, which then used the donation to purchase personal protective equipment for the country.

**CHAIRMAN'S
MESSAGE**



In addition to fulfilling its social responsibility, the Group also made an effort to improve its environmental practices. During the financial year ended 31 March 2021, it relocated its fashion manufacturing plant from Shajing, Bao'an District to an industrial park reserved for the garment industry in Longhua District, Shenzhen. The move, which was principally aimed at optimizing the cost, also enabled the Group to better meet the Chinese government's stricter environmental requirements on businesses.

Sincerely,

CHAN YUM KIT

Chairman



ABOUT THIS REPORT

ABOUT THIS REPORT

OVERVIEW

This Environmental, Social and Governance (ESG) Report (the “Report”) of Moisselle International Holdings Limited and its subsidiaries (“the Group”) for the year ended 31 March 2021 covers environmental and social subject areas in accordance with the requirements of Environmental, Social and Governance Reporting Guide stated in Appendix 27 of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Corporate governance is addressed separately in the Corporate Governance Report.

SCOPE OF THE REPORT

The Report endeavours to present a balanced representation of the Group’s environmental and social performance and covers the entire operations of all entities in the Group.

The content of the Report is defined through a process to determine ESG management approach, strategy, priorities and objectives relating to the Group’s operations, to describe our management, measurement and monitoring system employed to implement ESG strategy, and to disclose our key policies, compliance with relevant laws and regulations, our performance, and key performance indicators (“KPIs”).

APPROVAL BY THE BOARD

The Board has overall responsibility for the Group’s ESG strategy and reporting. The Board is responsible for evaluating and determining the Group’s ESG-related risks, and ensuring that appropriate and effective ESG risk management and relevant internal control systems are in place. The Report was approved by the Board on 22 October 2021.



**ENVIRONMENTAL
AND SOCIAL
SUBJECT AREAS
OF THE GROUP**



MOISELLE

ENVIRONMENTAL AND SOCIAL SUBJECT AREAS OF THE GROUP

ABOUT THE GROUP

The Group is principally engaged in design, manufacture and retail of fashion apparel and accessories. The Group mainly operates in Mainland China, Hong Kong, Taiwan, Macau, and Singapore. Particulars of the Group's principal entities are set out in note 34 to the consolidated financial statements for the year ended 31 March 2021.

STRATEGIES

Environmental and social responsibilities are viewed as the Group's core commitment to environment, internal workplace, and external community, and an integral part of the Group's practice to create value for stakeholders. Our strategy is to fulfil the Group's environmental and social responsibilities through achieving environmental and social objectives during daily operations.

OBJECTIVES

We integrate environmental and social considerations into the Group's business objectives to achieve:

Environmental objectives:

- Add environmentally-friendly elements to our daily design, development, manufacturing, sales, and service activities;
- Continuously improve waste management;
- Use energy and resources efficiently; and
- Reduce greenhouse gas emissions



Social objectives:

- Respect rights of employees and promote an equal opportunity workplace;
- Commit to occupational safety and health, and provide a safe and healthy workplace;
- Promote community participation; and
- Commit to ethical business practices, and build integrity within the workplace

APPROACH

Monitored by the Board, the Group is executing its environmental and social strategy and achieving its related objectives through a series of actions and commitments:

- Embed environmental and social objectives into business processes including decision making process;
- Formulate and document environmental and social policies for management and staff members to follow;
- Comply with environmental and social laws and regulations;
- Report our performance on a balanced picture;
- Disclose KPIs as measurement of actual results;
- Ensure appropriate and effective ESG risk management and internal control systems are in place; and
- Practise corporate citizenship in things we do



ENVIRONMENTAL AND SOCIAL SUBJECT AREAS OF THE GROUP

Environmental and social management system comprises:

- The direction from the Board to fulfil the ESG responsibilities;
- Day-to-day execution of environmental and social strategy and achieving its objectives by management;
- Performance and achievements done by employees in accordance with the Group's environmental and social policies;
- Compliance with environmental and social laws and regulations;
- Review and monitoring of ESG risks management and internal control systems by the Board; and
- Reporting and disclosure of our performance and KPIs

ENVIRONMENTAL AND SOCIAL SUBJECT AREAS OF THE GROUP



Measures for the achievement of environmental and social objectives are:

- Environmental policies;
- Social policies;
- Checklists for the compliance with applicable environmental and social laws and regulations;
- Requiring documentation for the performance and achievements of environmental and social related activities or matters; and
- Data collection, calculation, and disclosure of KPIs

The implementation of environmental and social strategies, management of environmental activities, and measurement of achieving environmental and social objectives are monitored by dedicated managerial staff members and finally by the Board for its overall ESG responsibility.



STAKEHOLDER ENGAGEMENT AND MATERIALITY

STAKEHOLDER ENGAGEMENT AND MATERIALITY

Stakeholder engagement is a key success factor in formulating our environmental and social strategy, defining our objectives, assessing materiality, and establishing policies. Our key stakeholders include customers, suppliers, employees and management, and shareholders. We have discussed or communicated with stakeholders to understand their views and respond to their needs and expectations, evaluated and prioritised their expectations to improve our performance, and finally strived to provide value to our stakeholders, community and the public as a whole.

We have also identified issues with significant environmental and social impact and issues concerning stakeholders. The results of materiality assessment made us focused on the material aspects for actions, achievements and reporting. We present below the relevant and required disclosure.



**GENERAL
DISCLOSURE
AND KPIs**



MOISELLE

GENERAL DISCLOSURE AND KPIs

A. ENVIRONMENTAL

The Group recognises the importance of a practice to protect the natural environment for the benefit of humans. We are committed to doing things we can to reduce the degrading of the biophysical environment.

ASPECT A1: EMISSIONS

Emissions refer to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

Emissions disclosed as KPIs are calculated based on the consumption data collected and applicable emission factors. Since certain emission factors of areas are not accessible or updated from official sources, we have applied relevant emission factors which are available from recognized or reputable sources. If certain emission factors of areas are not available, available consumption data collected, waste produced, or emission measured is disclosed.

- **Air and Greenhouse Gas Emissions**

Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.

- *Air and Greenhouse Gas Emissions from Production*

The Group controls air emissions during the production process. We established policies to control air emissions by requiring employees to operate and maintain the production equipment properly to avoid excessive air and greenhouse emissions. External environmental agency is engaged to measure the emissions if it is necessary. Excessive emissions are required to be addressed and remedied timely.

In view of the Group's business nature, there was no air emissions as a result from gaseous fuel consumption in production.



A. ENVIRONMENTAL (continued)

ASPECT A1: EMISSIONS (continued)

- **Air and Greenhouse Gas Emissions (continued)**

- *Air and Greenhouse Gas Emissions from Vehicles*

The Group believes that green logistics brings benefits, which include reduction of transportation costs and reduction of energy consumption and pollution. As such, the Group requires that trucks used for long-distance transportation are loaded to the optimal capacity. In particular, the Group encourages optimising transportation routes, high loading rate and proper tire pressure to achieve efficiency.

The Group reminds employees to consider environmental impact in their commuting decisions to reduce air and greenhouse emissions. Employees are encouraged to take public transportation as often as possible and select fuel-efficient vehicles. While employees are driving, it is suggested to avoid unnecessary acceleration or deceleration, close windows when the vehicle is travelling at high speed, and only use air-conditioning when it is necessary.

The Group requires vehicles to use unleaded petrol and maintain the vehicles properly. Vehicles should undergo annual emissions testing and repair when it is necessary to improve air quality.

KPI A1.1 Emissions from vehicles

Types of emissions	2021 (g)	2020 (g)
NO _x	59,479	76,100
SO _x	171	200
SO ₂ — Mainland China operation	74	—
Particulate Matter ("PM")	2,934	3,600
Hydrocarbons ("HC")— Mainland China operation	2,474	—
Carbon Monoxide ("CO")— Mainland China operation	22,435	—



A. ENVIRONMENTAL (continued)

ASPECT A1: EMISSIONS (continued)

- **Air and Greenhouse Gas Emissions (continued)**

- *Air and Greenhouse Gas Emissions from Vehicles (continued)*

KPI A1.2 Greenhouse gas ("GHG") emissions in total

GHG emissions in total are 904 tonnes for the year ended 31 March 2021 (2020: 529 tonnes), which includes scope 1, scope 2, and scope 3 emissions as disclosed below. GHG intensity is 7.1 tonnes/per million Hong Kong dollars of revenue (2020: 2.8 tonnes/per million Hong Kong dollars of revenue).

KPI A1.2 Scope 1 – Direct emissions from operations that are owned or controlled by the Group

Main categories of Scope 1 emissions:	2021	2020
• GHG emissions from mobile combustion sources		
Types of emissions	(kg)	(kg)
Carbon Dioxide ("CO ₂ ")	38,795	23,798
Methane ("CH ₄ ")	72	49
Nitrous Oxide ("N ₂ O")	2,955	859
• GHG releases from refrigeration and air conditioning equipment		
Types of emissions	(kg)	(kg)
Hydrofluorocarbons ("HFC") and Perfluorocarbons (PFC)	35,248	36,694
Total GHG emissions	77,070	61,400

A. ENVIRONMENTAL (continued)

ASPECT A1: EMISSIONS (continued)

- **Air and Greenhouse Gas Emissions (continued)**

- *Indirect Greenhouse Gas Emissions from Electricity Consumption*

The Group requires workers to turn the machine on only when production preparation work has been done, and turn the machine off immediately at the end of production to reduce the indirect greenhouse gas emissions from electricity consumption.

Installation of energy-efficient lighting has been planned. It is required for proper maintenance of electricity devices to avoid electricity leakage. Air-conditioning should be set at reasonable range. It is also required to disable the standby mode for all electrical appliances, including computers, photocopiers and printers before leaving the office.

KPI A1.2 Scope 2 — Energy indirect emissions resulting from the generation of purchased or acquired electricity, heating, cooling and steam consumed within the Group

Main sources of Scope 2 emissions: Electricity purchased from power companies		
Types of emissions	2021 (kg)	2020 (kg)
CO ₂ equivalent emission — Hong Kong, and Mainland China	689,925	446,500
CO ₂ equivalent emission — Macau, Taiwan, and Singapore	120,926	—
Total GHG emissions	810,851	446,500

- *Indirect Greenhouse Gas Emissions from Paper Waste Disposed at Landfills*

In order to address indirect emissions relating to paper waste disposed at landfills, the Group encourages employees to apply computer technology such as email and storage devices to reduce paper consumption, avoid unnecessary printing or copying on paper, to print on both sides of a sheet of paper, to put recycling boxes near the photocopiers to collect single-sided paper for reuse and used double-sided paper for recycling, and to adjust documents and use space efficiency formats to optimise use of paper.



A. ENVIRONMENTAL (continued)

ASPECT A1: EMISSIONS (continued)

- **Air and Greenhouse Gas Emissions (continued)**

- *Indirect Greenhouse Gas Emissions from Business Travel by Employees*

The Group recognises the severity of indirect greenhouse gas emissions from business travel by employees, and encourages employees to utilise teleconference instead of overseas meetings and choose railway for short-distance travel to reduce the number of air travel and ultimately reduce the carbon footprint of business travel.

KPI A1.2 Scope 3 — All other indirect emissions that occur outside the Group, including both upstream and downstream emissions

Activities from which indirect GHG emissions arise:	2021	2020
• Paper waste disposed at landfills — Hong Kong		
Types of emissions	(kg)	(kg)
CO ₂ equivalent emission	6,100	6,441
• Paper waste disposed at landfills — Mainland China		
Types of emissions	(kg)	(kg)
CO ₂ equivalent emission	—	2,730
• Electricity used for processing fresh water and sewage by government departments — Hong Kong		
Types of emissions	(kg)	(kg)
CO ₂ equivalent emission from fresh water processing	27	10
CO ₂ equivalent emission from sewage processing	14	—

A. ENVIRONMENTAL (continued)

ASPECT A1: EMISSIONS (continued)

- **Air and Greenhouse Gas Emissions (continued)**

- *Indirect Greenhouse Gas Emissions from Business Travel by Employees (continued)*

KPI A1.2 Scope 3 — All other indirect emissions that occur outside the Group, including both upstream and downstream emissions (continued)

Activities from which indirect GHG emissions arise:	2021	2020
<ul style="list-style-type: none"> • Electricity used for processing fresh water and sewage by government departments — Mainland China 		
Types of emissions	(kg)	(kg)
CO ₂ equivalent emission from fresh water processing	—	3,010
CO ₂ equivalent emission from sewage processing	—	1,430
<ul style="list-style-type: none"> • Business air travel by employees 		
Types of emissions	(kg)	(kg)
CO ₂ equivalent emission	10,369	6,960
Total GHG emissions	16,510	20,581

For Mainland China operation and Taiwan operation, total paper waste disposed for the year ended 31 March 2021 is 458 kg (2020: 570 kg).



A. ENVIRONMENTAL (continued)

ASPECT A1: EMISSIONS (continued)

- **Discharges into Water and Land**

The Group requires that discharges, if any, into waterways and land must comply with relevant laws and regulations.

- **Generation of Hazardous Waste and Non-hazardous Waste**

Our internal guidance encourages employees to handle waste generated in a proper and environmentally friendly manner.

- *Hazardous Waste*

Hazardous wastes are those defined by national regulations. Hazardous wastes are required to be collected by recycling companies and labelled properly with sealed packaging.

KPI A1.3 Total hazardous waste produced and intensity

	2021 (Tonnes)	2020 (Tonnes)
Hazardous waste produced	—	0.0636
	(Tonnes/per million Hong Kong dollars of revenue)	(Tonnes/per million Hong Kong dollars of revenue)
Hazardous waste intensity	—	0.0003

- *Non-hazardous Waste*

The Group promotes “reduce, reuse and recycle” to minimise waste and protect environment. Employees are encouraged to purchase supplies or equipment with an option to be upgraded and longer life-span, to install recycling bins to collect recyclables, and to have recyclers to collect recyclables.

A. ENVIRONMENTAL (continued)

ASPECT A1: EMISSIONS (continued)

- **Generation of Hazardous Waste and Non-hazardous Waste (continued)**

- *Non-hazardous Waste (continued)*

KPI A1.4 Total non-hazardous waste produced and the intensity

	2021 (Tonnes)	2020 (Tonnes)
Non-hazardous waste produced — Landfill	4.2	3.2
Non-hazardous waste produced — Incineration	0.8	—
Non-hazardous waste produced — Landfill or Incineration	0.4	—
Non-hazardous waste produced — Recycled Paper	1.7	1.6
Non-hazardous waste produced — Recycled Cloths	5.2	4.8
Total non-hazardous waste produced	12.3	9.6
	(Tonnes/per million Hong Kong dollars of revenue)	(Tonnes/per million Hong Kong dollars of revenue)
Non-hazardous waste intensity	0.1	0.05

KPI A1.5 Description of measures to mitigate emissions and results achieved

In accordance with policies stated above for the reduction of air and greenhouse gas emissions from vehicles, the Group adopts the following measures: control the numbers of vehicles owned by the Group; control the frequency of employees not to take public transportation for local business commuting; and control the volume of business travel by employees. We consider such measures had been achieved for the year ended 31 March 2021.



A. ENVIRONMENTAL (continued)

ASPECT A1: EMISSIONS (continued)

- **Generation of Hazardous Waste and Non-hazardous Waste (continued)**

- *Non-hazardous Waste (continued)*

KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved

Non-hazardous wastes are preferred to be recycled, otherwise, they are sent for landfill or incineration. In accordance with policies stated above for the reduction of non-hazardous wastes, the Group adopts the following measures: control the commercial wastes generated by employees; control the waste of papers; control the volume of non-hazardous waste going direct to landfill or incineration without recycling. We consider such measures had been achieved for the year ended 31 March 2021.

- **Compliance with Relevant Laws and Regulations that Have a Significant Impact on the Group**

For the year ended 31 March 2021, there were no confirmed non-compliance incidents or grievances in relation to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste that would have a significant impact on the Group.

ASPECT A2: USE OF RESOURCES

The Group recognises that efficient use of resources, including energy, water and other raw materials, in production, storage, transportation, buildings, electronic equipment, etc. is one of the important aspects to protect environment.

- **Efficient Use of Energy**

The Group established policies and procedures to reduce energy consumption in the facility, to assess the energy efficiency and utilisation of machineries as well as facilities, to increase the use of clean energy, if possible, to set targets to monitor energy consumption, and to ensure power is turned off when electrical appliances are not in use.



A. ENVIRONMENTAL (continued)

ASPECT A2: USE OF RESOURCES (continued)

- **Efficient Use of Energy (continued)**

KPI A2.1 Direct and/or indirect energy consumption by type in total and intensity

Direct and/or indirect energy consumption by type	2021 (kWh in '000s)	2020 (kWh in '000s)
Non-renewable fuel consumed	162	98.2
Electricity purchased for consumption — Hong Kong and Mainland China	949.3	742.4
Electricity purchased for consumption — Macau, Taiwan and Singapore	177.3	—
Total energy consumed	1,288.6	840.6
	(kWh in '000s/ per million Hong Kong dollars of revenue)	(kWh in '000s/ per million Hong Kong dollars of revenue)
Total energy consumption intensity — per million Hong Kong dollars of revenue	10.1	4.4

- **Water Consumption**

The Group requires employees to reduce water consumption. For example, employees are encouraged to fully empty any containers before washing, and to turn off water taps promptly.

Some of our shops operate in leased premises for which both the water supply and discharge are solely controlled by the building management, therefore, the provision of water withdrawal and discharge data or sub-meter for individual occupants are not feasible.



GENERAL DISCLOSURE AND KPIs

A. ENVIRONMENTAL (continued)

ASPECT A2: USE OF RESOURCES (continued)

- **Water Consumption (continued)**

KPI A2.2 Water consumption in total and intensity

	2021 (Cubic metres)	2020 (Cubic metres)
Water consumed		
Water consumed — Hong Kong and Mainland China	9,160	10,370
Water consumed — Macau, Taiwan and Singapore	134,267	—
Total water consumed	143,427	10,370
	(Cubic metres/ per million Hong Kong dollars of revenue)	(Cubic metres/ per million Hong Kong dollars of revenue)
Water consumption intensity — per million of Hong Kong dollars of revenue	1,129.3	54.1

A. ENVIRONMENTAL (continued)

ASPECT A2: USE OF RESOURCES (continued)

- **Water Consumption (continued)**

KPI A2.3 Description of energy use efficiency initiatives and results achieved

The Group's ability to use energy efficiently can be revealed by its intention and measures for the reductions in energy consumption. Energy consumption has a direct effect on the environmental footprint of the Group, its operational costs, and exposure to certain risks (e.g. fluctuations in energy supply and prices). The Group's policies and measures specific to managing energy use have been stated above. We consider such policies had been adopted and measures had been achieved for the year ended 31 March 2021.

KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved

The Group's ability to use water efficiently can be revealed by its intention and measures for the reductions in water consumption. Water consumption has a direct effect on the environmental footprint of the Group, its operational costs, and exposure to certain risks (e.g. reliance on sources of water that may be considered sensitive due to their relative size or function; or status as a possibly rare, threatened, or endangered system; or to their possible support of a particular endangered species of plant or animal). The Group's policies and measures specific to water use have been stated above. We consider such policies had been adopted and measures had been achieved for the year ended 31 March 2021.

- **Efficient Use of Raw Material and Packaging Material**

The Group endeavours to adopt the lifecycle assessment approach to consider the environmental impact of products throughout their lifecycle, covering raw material selection, acquisition, production, usage, disposal, and recycling. The Group encourages employees to use recycled or renewable material for packaging, and to design the packaging to be returnable, reusable, and renewable.



A. ENVIRONMENTAL (continued)

ASPECT A2: USE OF RESOURCES (continued)

- **Efficient Use of Raw Material and Packaging Material (continued)**

KPI A2.5 Total packaging material used for finished products and, if applicable, with reference to per unit produced

The disposal of products and packing materials at the end of a use phase is a steadily growing environmental challenge, tracking the use of packaging materials is to reduce, reuse and/or recycle the packaging materials.

Total packaging material used by type	2021 (Tonnes)	2020 (Tonnes)
Paper	1.3	3.6
Carton	8.6	0.9
Plastic	5.4	2.8
<hr/>		
Total packaging material used	15.3	7.3
<hr/>		
	(Tonnes/ per million Hong Kong dollars of revenue)	(Tonnes/ per million Hong Kong dollars of revenue)
Intensity of packaging material use	0.12	0.04

A. ENVIRONMENTAL (continued)

ASPECT A3: THE ENVIRONMENT AND NATURAL RESOURCES

The Group is committed to reducing the production and operation impacts on environment and natural resources. Policies are established to consider the actual impacts on environment and natural resources and to reduce such impacts, especially for the impact as result of expansion of facilities and production.

Environmental education and advocacy among employees encourage the adoption of environmentally responsible behaviour which helps fulfil the Group's commitment to minimising its adverse impact on the environment. We encourage our employees to join external events that promote environmental protection on a regular basis.

To raise the awareness of impacts on the environment and natural resources, certain internal promotion and trainings on environment protection are required. For example, administrative department is responsible to organise training on environmental protection, energy saving, and efficient use of resources.

KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them

We understand that our performance in respect of emissions, waste production and disposal, and use of resources impacts the environment, we endeavour to minimise such impacts, and communicate our environmental policies, measures, performance, and achievements to our stakeholders. No significant impacts on the environment and natural resources were caused, in view of the Group's business nature. Policies and/or measures adopted in the year ended 31 March 2021 specific to manage potential impacts of activities on the environment and natural resources are mentioned above.



B. SOCIAL

The Group recognises that fulfilling social responsibilities is our duty as a corporate citizen. We endeavour to establish harmonious relationship with our employees, customers, suppliers, and the community at large. We care about the well-being and development of employees, ensure high standard of product responsibility, enhance transparent relationship with customers and suppliers, and contribute to our community development.

EMPLOYMENT AND LABOUR PRACTICES

Aspect B1: Employment

The Group has established employment policies, including compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

- *Compensation and Dismissal*

The Group offers competitive remuneration to attract and retain talented staff. Remuneration packages are reviewed periodically to ensure consistency with employment market. Laws and regulations on minimum wage and statutory social benefits are required to be followed. Dismissal is required to comply with employment laws and regulations, and to follow the internal policies and procedures, including policy on prevention of dismissal purely on employees' gender, marital status, pregnancy, disability, age or family status.

- *Recruitment and Promotion*

The Group attracts talent through flexible, fair and transparent recruitment strategy. Our recruitment process includes application for recruitment, description of position, collection of job applications, interview, selection, approval, and job offering. Promotion is based on performance and suitability. Promotion process includes recommendation of candidates, evaluation, approval, and confirmation of promotion.



B. SOCIAL (continued)

EMPLOYMENT AND LABOUR PRACTICES (continued)

Aspect B1: Employment (continued)

- *Working Hours, Rest Periods, Benefits and Welfare*

Employees' working hours, rest periods, benefits and welfare, including social security benefits and retirement pension plans, are required in compliance with employment or labour laws and regulations.

- *Equal Opportunities, Diversity and Anti-discrimination*

The Group endeavours to provide a fair workplace for employees and follow the principles of equality and non-discrimination. Recruitment, remuneration, promotion, and benefits are required to be handled based on objective assessment, equal opportunity and non-discrimination regardless of gender, race, employment type, age, geographical region, or other measure of diversity.

	2021 (Number of employees)	2020 (Number of employees)
Total number of employees	374	257
Workforce by gender		
– Female employees	312	200
– Male employees	62	57
Workforce by age group		
– < 30 years old	47	28
– 30 – 50 years old	277	180
– > 50 years old	50	49
Workforce by geographical location		
– Hong Kong	104	95
– Mainland China	214	127
– Macau	18	26
– Singapore	7	9
– Taiwan	31	–
Workforce by employment type		
– Full-time	344	233
– Part-time	30	24



B. SOCIAL (continued)

EMPLOYMENT AND LABOUR PRACTICES (continued)

Aspect B1: Employment (continued)

- *Compliance with Relevant Laws and Regulations that Have a Significant Impact on the Group*

For the year ended 31 March 2021, there were no confirmed non-compliance incidents or grievances in relation to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare that would have a significant impact on the Group.

Aspect B2: Health and Safety

The Group is committed to maintaining a healthy and safe workplace for employees, and to preventing workplace injuries and illnesses.

- *Providing a Safe Working Environment*

The Group requires entities to establish and document policies and procedures on safety for employees to follow, set targets for the safety of employees, monitor the safety performance against the targets periodically, and report any safety incidents to management.

- *Protecting Employees from Occupational Hazards*

One of the success factors for protecting employees from occupational hazards is to train employees to protect themselves from psychological and physical hazards. The Group requires such training to be delivered to employees, especially those who operate equipment and tools.

- *Work-life Balance*

The Group organises leisure and sports activities outside of workplace including annual dinners to promote work-life balance for employees.



B. SOCIAL (continued)

EMPLOYMENT AND LABOUR PRACTICES (continued)

Aspect B2: Health and Safety (continued)

- *Compliance with Relevant Laws and Regulations that Have a Significant Impact on the Group*

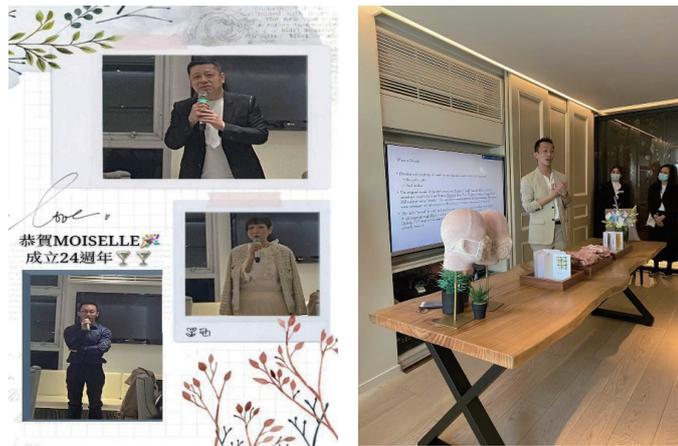
For the year ended 31 March 2021, there were no confirmed non-compliance incidents or grievances in relation to providing a safe working environment and protecting employees from occupational hazards that would have a significant impact on the Group.

Aspect B3: Development and Training

The Group is committed to providing adequate training to our employees to improve their knowledge and skills for discharging duties at work. Training includes vocational training courses provided internally or externally and paid by the Group.

- *Employee Development*

The Group requires employees to attend internal and external training courses, including new employee orientation and employee continuing education to improve employees' knowledge and skills for their job positions. The costs of qualified training courses are borne by the Group.





B. SOCIAL (continued)

EMPLOYMENT AND LABOUR PRACTICES (continued)

Aspect B3: Development and Training (continued)

- *Training Activities*

The Group recorded attendance for employee training, including attendance for a new employee orientation training. Various training classes were organised for our staff as well.

	2021 (Number of hours)	2020 (Number of hours)
Total training hours	406	419
Training hours by gender		
– Female employees	197	279
– Male employees	209	140
Average training hours per employee by gender		
– Female employees	2.4	1.4
– Male employees	4.3	2.5
	(Percent)	(Percent)
Trained employees by gender		
– Female employees	26	58
– Male employees	79	81



B. SOCIAL (continued)

EMPLOYMENT AND LABOUR PRACTICES (continued)

Aspect B4: Labour Standards

The Group is committed to avoiding child and forced labour in the workplace.

- *Preventing Child and Forced Labour*

The Group prohibits child labour, and requires human resource department and user departments to work together to prevent or identify child labour, and to ensure child labour is not in our workforce.

The Group is committed to protecting human rights, to prohibiting forced labours, and to creating a workplace with respect, fairness, and free will for our employees.

- *Compliance with Relevant Laws and Regulations that Have a Significant Impact on the Group*

For the year ended 31 March 2021, there were no confirmed non-compliance incidents or grievances in relation to child and forced labour that would have a significant impact on the Group.

OPERATING PRACTICES

Aspect B5: Supply Chain Management

Supply chain management is one of the important areas of our business, which includes managing environmental and social risks of the supply chain. The Group requires suppliers to provide products and services for us with up-to-standard quality, health and safety to ensure compliance with environmental laws and regulations, and to ensure compliance with labour standards. The contracting for purchase of products and services is required to be based solely upon specification, quality, service, delivery, price, and tendering.

The Group requires impartial selection of suppliers and service providers, maximisation of competition in tendering process, approval of contract terms, compliance with laws and regulations, prevention and detection of bribery or fraud in the tendering and procurement process, and achievement of efficiency and cost saving in procurement.



GENERAL DISCLOSURE AND KPIs

B. SOCIAL (continued)

OPERATING PRACTICES (continued)

Aspect B5: Supply Chain Management (continued)

Supply chain management policies and procedures are established, including assessment, selection, approval, procurement, and performance evaluation. Performance evaluation is based on quality, service, cost, and delivery.

	2021 (Number of suppliers)	2020 (Number of suppliers)
Total number of suppliers	58	41
Number suppliers by geographical region		
— Asia	52	37
— Europe	6	4

Aspect B6: Product Responsibility

Product responsibility refers to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.

- *Health and Safety*

The Group is fully responsible for our products and services, including health and safety relating to our products. We ensure health and safety relating to our products from the following areas: product design to ensure health and safety, selection of raw materials with health and safety consideration, quality control during the manufacturing processes, health and safety check for finished products, proper delivery and after-sale services.

- *Advertising*

The Group understands our customers' rights and is committed to providing accurate product and service information for customers in connection with their purchase or consumption decision. The Group requires careful review of advertising material to protect customers' interest.

B. SOCIAL (continued)

OPERATING PRACTICES (continued)

Aspect B6: Product Responsibility (continued)

- *Labelling*
The Group requires that labelling is accurate, legitimate, clear, and not misleading, and intellectual property rights are protected.
- *Privacy Matters*
The Group is committed to protecting customer data and privacy information and keeping business information confidential. Training to employees in this regard and proper information system security are required.
- *Methods of Redress*
Although we ensure the quality of our products and services, at the same time, the Group requires that products or services with quality, safety, or health issues should be returned or compensated in accordance with terms of sales or services. Return, recall, or compensation of products and services is required to be offered to all customers who are affected with consistent treatment and procedures.
- *Compliance with Relevant Laws and Regulations that Have a Significant Impact on the Group*
For the year ended 31 March 2021, there were no confirmed non-compliance incidents or grievances in relation to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress that would have a significant impact on the Group.

Aspect B7: Anti-corruption

The Group established anti-corruption policies to prohibit employees from receiving any advantages offered by customers, suppliers, colleagues, or other parties, while they are performing employee duties, and prohibit any activities involving conflicts of interest, bribery, extortion, fraud, and money laundering. The Group encourages employees, customers, suppliers, or other parties to report incidents relating to any conflicts of interest, bribery, extortion, fraud and money laundering.

- *Compliance with Relevant Laws and Regulations that Have a Significant Impact on the Group*
For the year ended 31 March 2021, there were no confirmed non-compliance incidents or grievances in relation to bribery, extortion, fraud and money laundering that would have a significant impact on the Group.



B. SOCIAL (continued)

COMMUNITY

Aspect B8: Community Investment

The Group is committed to contributing to the communities in which we operate, including community engagement to understand the needs of communities, and to ensure the Group's activities take into consideration of the communities' interest.

- *Labour Needs*

The Group strives to enlarge the business operation so that we can hire more workers to utilize communities' available labour resources.

- *Community Activities*

The Group encourages employees to participate in community activities, such as community health initiatives, sports, cultural activities, education and volunteer work. Charitable donations made by the Group for the year ended 31 March 2021 is HK\$30,000 (2020: HK\$20,000).

- *Environmental Protection*

All employees of the Group are encouraged to participate in environmental protection activities and raise the environmental awareness of people in the communities.