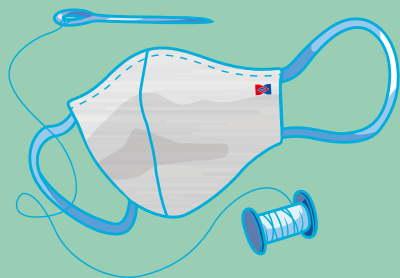
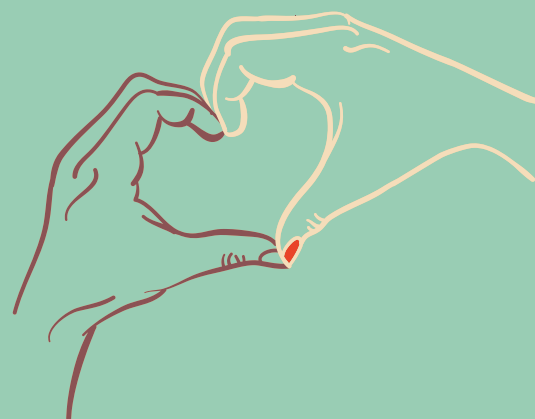
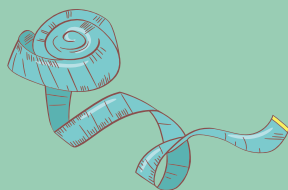
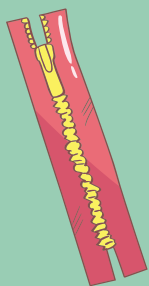


# INNOVATE IN THE NEW NORMAL CARE THROUGH ACTION



SUSTAINABILITY REPORT 2020



晶苑國際集團有限公司  
CRYSTAL INTERNATIONAL GROUP LIMITED  
(STOCK CODE: 2232.HK)



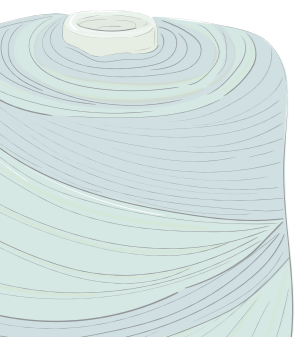
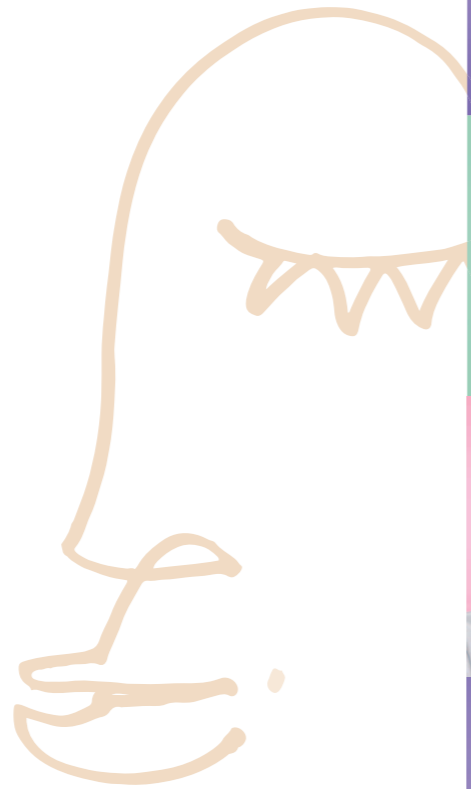


**INNOVATE**

**CARE**

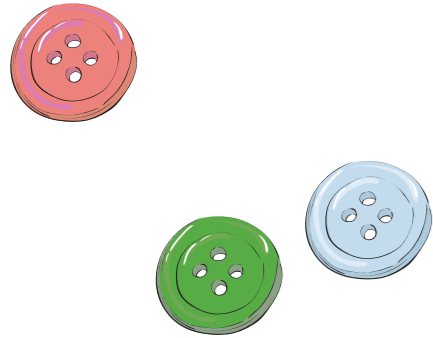
**NEW**

**NORMAL**





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# The Basis of This Report

## *We Innovate and Care in the New Normal*

This Sustainability Report 2020 (“**Sustainability Report**” or the “**Report**”) is prepared in compliance with the Environmental, Social and Governance (“**ESG**”) Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), as well as with reference to the Global Reporting Initiative (“**GRI**”) Standards. This is the twelfth Sustainability Report for Crystal International Group Limited (“**Crystal**” or “**Crystal International**” or the “**Company**” or “**we**” or “**our**” or “**us**”) (Stock code: 2232), covering Crystal’s sustainability performance for the calendar year from 1<sup>st</sup> January to 31<sup>st</sup> December 2020.

We have all gone through a unique year in 2020. While we faced the unpredictability and challenges from the impact of the COVID-19 pandemic, our pursuit of sustainability remained unchanged. The pandemic has further highlighted to us the significance of cultivating a lasting relationship with the natural environment, how crucial it is to deal with the foreseeable climate crisis, the importance of working together to overcome adversity and to be resilient.

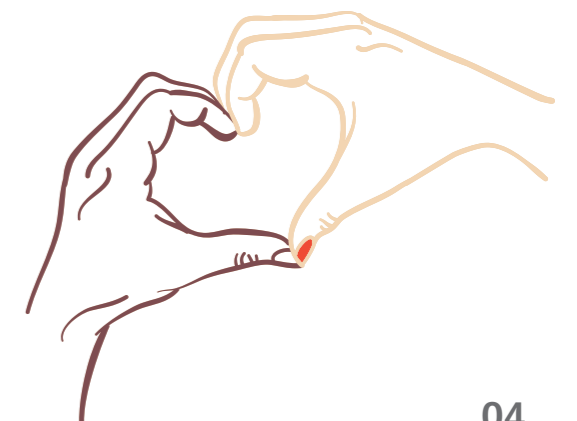
To echo the theme “Innovate in the New Normal, Care through Action”, this Report addresses the challenges we faced during the unprecedented year and how we worked together to embrace the new normal with care and innovation. The Report summarises our performance and key achievements in 2020 in the areas of employee care, community engagement, and environmental stewardship. We illustrate how we have directed our efforts on digitalisation within our business to make advancements with our work and how we continue to make progress in the areas of diversity and inclusion, circular economy, and green building design to address social and environmental concerns that are imperative to our business.

This year, the number of our factories changed from 20 to 18 owing to operational optimisation. The reporting boundary of our Sustainability Report 2020 covers all 18 factories across five countries - Vietnam, China, Cambodia, Bangladesh and Sri Lanka. This Report summarises the positive steps and efforts we have made and how we will navigate the risks and opportunities in the post-COVID-19 world.

Your feedback will help us refine future sustainability plans and we welcome your valuable comments on this Report in relation to our sustainability work, standards and policies.

For any related enquiries, please contact us at [sustainability@crystalgroup.com](mailto:sustainability@crystalgroup.com).

**Catherine Chiu**  
General Manager  
Corporate Quality and Sustainability





# CEO Message

*“Sustainability is embedded in our culture even under the new normal and we will continue to rebound sustainably.”*



## Embracing the New Normal

We have experienced an exceptional year full of challenges and changes amid the pandemic in 2020, which has created headwinds for all businesses and people worldwide. As we navigate through the uncertainty of the COVID-19 crisis and the challenges of the trade war, global apparel retailers and manufacturers are experiencing a tough period. There is a strong momentum for change and the crisis has highlighted the importance of innovation and resilience in the new normal to sustain business growth.

Our industry has undergone a transformative change and there is a rapid shift in sustainability to meet the requirements of our customers and stakeholders. 2020 has seen how digitalisation has changed the way we work and has accelerated our transformation to digitalising and streamlining our operations to maintain operational excellence. In a year of travel restrictions and social distancing, technology has greatly facilitated our daily business operations and we have transitioned to using digitalisation tools in many of our product development and manufacturing processes, such as automation, virtual sampling and digital showrooms. Virtual audits have been arranged

to monitor product quality, social compliance and to ensure we are running an environmentally friendly operation. These measures are in place to enhance our efficiency and transparency, and to reduce environmental footprint.

## Creating Social Value

Managing health and safety risk was central to our response to the pandemic and our top priority was employee health and safety. A Crisis Management Committee was set up to ensure stringent and comprehensive anti-epidemic measures were in place in all our offices and factories. Our Innovation Team developed our own Crystal face cover for all employees and wider communities. Aside from the welfare of our employees, we continue to create a working environment that fosters trust between us and our employees and supports diversity. Throughout the year we have helped to develop the skills and talents of our employees through our online training and recruitment programmes.

In 2020, we also signed the International Labour Organization (“ILO”)’s call to action “COVID-19: Action in the Global Garment Industry” to protect garment workers’ income, health and employment.

## Creating Environmental Value

We did not slow down and even stepped up the pace of environmental protection. We signed the United Nations Fashion Industry Charter for Climate Action and committed to reducing 30% aggregate greenhouse gas (“GHG”) emissions by 2030 and set up a decarbonisation pathway. To accomplish the long-term climate ambition, we have completed a study to develop a carbon reduction roadmap.

As part of achieving a more sustainable manufacturing business, we have optimised our production processes where we have developed new eco-products and adopted more renewable energy sources. Our sustainability efforts go beyond the production processes into green building design, where our lifestyle wear factory in Vietnam was awarded the international green building certification – Excellence in Design for Greater Efficiencies (“EDGE”) in 2020.

Last year when the world experienced a reduction of global carbon emissions as numerous social and economic activities were suspended, that reinforced our determination to build a more sustainable and resilient future after the pandemic. To demonstrate our commitment to sustainable recovery, we signed WWF’s open letter “Sustainability to be central to post-COVID recovery” to tackle the climate and nature crises.

## Being Resilient Together

The innovative changes we made last year have led to the theme of our Sustainability Report this year “Innovate in the New Normal, Care through Action”. We wholeheartedly appreciate the dedication of all our employees and the support from our considerate customers and stakeholders who walked with us through our sustainability journey during this challenging year, allowing us to react promptly in operation, sustain business growth, and foster recovery.

## Moving Forward

Looking ahead, we will keep driving manufacturing excellence to achieve Industry 4.0, enhance our competitiveness with the adoption of lean operation, digitalisation and automation, and launch a series of innovations. We will continue to spearhead decarbonisation and circular economy over the next few years.

Selection by the World Benchmarking Alliance (“WBA”) as a keystone company of the SDG2000: the most influential 2,000 companies for a sustainable future has been a validation of our efforts. We aim to scale up our strategic planning with the United Nations Sustainable Development Goals (“SDGs”). In addition, the honour of Best ESG Report and Excellence in Environmental Positive Impact Commendation awarded at the Hong Kong ESG Reporting Awards 2020 (“HERA”) has greatly encouraged us to push forward ESG governance, strategies, transparency and risk management within our business.

I am pleased to share the highlights of our sustainable journey so far as well as our vision and commitment to action for the years ahead. It will be difficult to know how severe the long-term consequences of the pandemic will be, but we know that together with our employees, communities, and stakeholders, we can become more resilient and sustainable driving positive changes in our industry.

**Andrew Lo**  
CEO



# Combating COVID-19 and Embracing the New Normal

Creating social and environmental value is imperative for sustainable resilience. Although the COVID-19 pandemic has significantly impacted the global apparel industry, our employees have remained dedicated and determined to do their jobs. We have been concerned about how our people and the communities are coping with the new normal and their well-being. During this period, we have placed a firm focus on safeguarding employees' health, extending our care to the communities and preparing for a sustainable recovery. We supported our employees through innovation and various care initiatives, as well the wider communities worldwide that had been affected to implement and reinforce social and environmental values during a time of great uncertainty.

## Protecting Employees and Communities

### Tightening Pandemic Control Globally

#### Crisis Management Committee

We set up a Crisis Management Committee, comprising the Group Executive Director, Line Presidents, the Head of Corporate Human Resources, Corporate Sustainability and Human Resources Executives of all our factories at the beginning of the pandemic to oversee the situation, closely monitor the circumstances, make strategic decisions, and formulate the required plans for taking preventive measures in the factories.

#### Stringent Visitor Control

To safeguard the health of our employees and visitors, the Crisis Management Committee developed visitor control guidelines to reduce the risk of virus transmission. Meetings were conducted daily to review the pandemic situation and visitor control guidelines were adjusted timely as per the local circumstances.

#### Rigorous Precautionary Measures

Comprehensive pandemic control measures were strictly implemented to control the epidemic situation and to prevent the spread of virus within the factories. Sufficient fabric masks were also provided to all employees to safeguard their health.

#### Proper Personal Hygiene

### All-round Protection





## Combating COVID-19 and Embracing the New Normal

### Social Distancing



Distribution of meal boxes to our workers in Bangladesh with social distancing measures



### Comprehensive Disinfection



### Distributing Masks and Anti-epidemic Supplies to Communities

In addition to the masks distributed to employees, we have also donated face masks and anti-epidemic supplies such as hand sanitisers, digital thermometers and financial aid to wider communities and our stakeholders, including non-government organisations (“NGOs”), customers, local governments and local vulnerable groups. Leaflets giving precautionary advice were also included with the masks along with anti-epidemic supplies.



Employees and their family members received face masks from our lifestyle wear factory in Cambodia.



## Innovation

### Development of Crystal Face Cover

As part of our care for our employees and to provide them with a high level of protection, we expanded the production line to produce a self-developed reusable and high-performance face cover – our own Crystal face cover under the brand name SoterTex.

The Crystal Innovation Team undertook a comprehensive research and design process over a five-month period. Substantial manpower and a tremendous amount of resources were invested into sourcing fabrics and filtration materials from different countries and running prototypes through a series of international laboratory tests and wearer trials before a final product was achieved.

As a sustainable and high-performance face cover, we made Crystal's SoterTex face cover available to other stakeholders and the public.

### PPE Advisory Engagement with the International Finance Corporation (“IFC”)

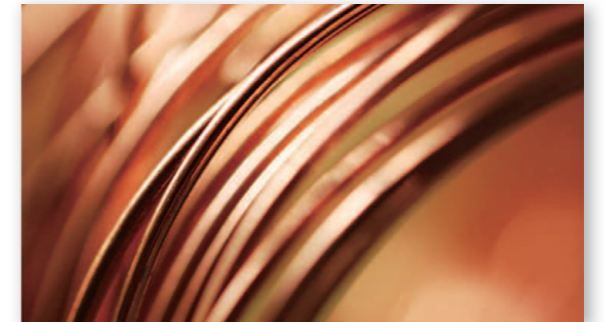
We also undertook a personal protective equipment (“PPE”) advisory engagement with IFC, aiming to seek technical assistance and advisory services to enhance our capability and collaboration in the field of recycled fabric masks.



### Superior Features with High Protection

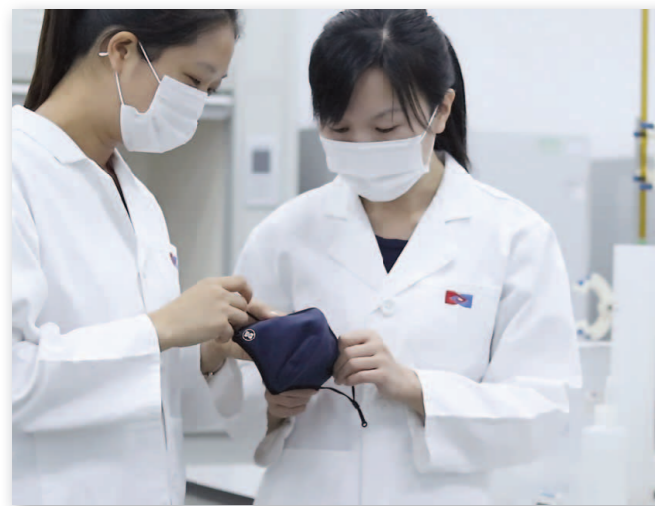
Competitive attributes of the Crystal face cover are:

- Same standards as an ASTM F2100 Level 2 medical mask. Tested by Nelson Labs in the United States
- 98% Bacterial Filtration Efficiency (“BFE”) and Particle Filtration Efficiency (“PFE”)
- Ionised copper with natural anti-bacterial properties
- Water repellent
- Sustainable – functional properties can be maintained for up to 60 hand washes
- 3D ergonomic design



**1** Crystal face cover = **60** disposable surgical masks

Crystal employees can save **14 tonnes** of waste per 60 days.



### We Care. We Mask Up Together

To encourage all employees to wear the Crystal face cover in their daily lives to safeguard their health and that of others, and to spread the word on the importance of wearing a mask, we launched a global campaign “We Care. We Mask Up Together”, involving the distribution of our self-developed, high-performance sustainable Crystal face cover exclusively to all our employees.



The Crystal face cover is more than an ordinary mask – it signifies our genuine care for each of our employees, embodies our love of the planet, and embeds the essence of Crystal's innovation and capabilities.

For further details on our initiatives and engagement activities by our offices and factories, please refer to the section of “Pioneering Social Responsibility” in this Report.

Scan the QR code to watch a fascinating video about our Crystal face cover!



## Digitalisation

Digitalisation offers versatility and flexibility and enhances efficiency in today's digital era, especially when practising social distancing. Digital technologies, including virtual sampling, digital showroom, digital library, and virtual audits were extensively utilised during 2020.

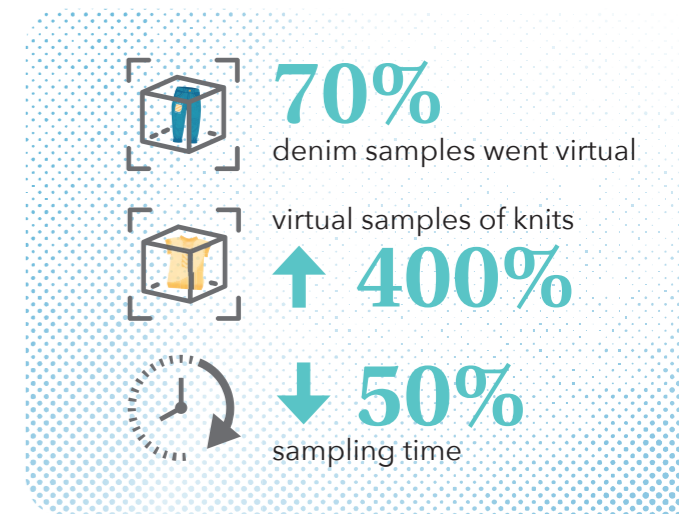
### Digitalisation in Product Development

We started to adopt virtual sampling in 2017, and further scaled it up in 2020. By expanding our digital capabilities, we have been digitalising our whole product development process, starting with the initial design concept through to producing the first sample. Our digital showroom provides higher transparency throughout each product design stage where fabric and material selection can be viewed, and mock ups of 3D virtual samples can be created for review just like a physical prototype.



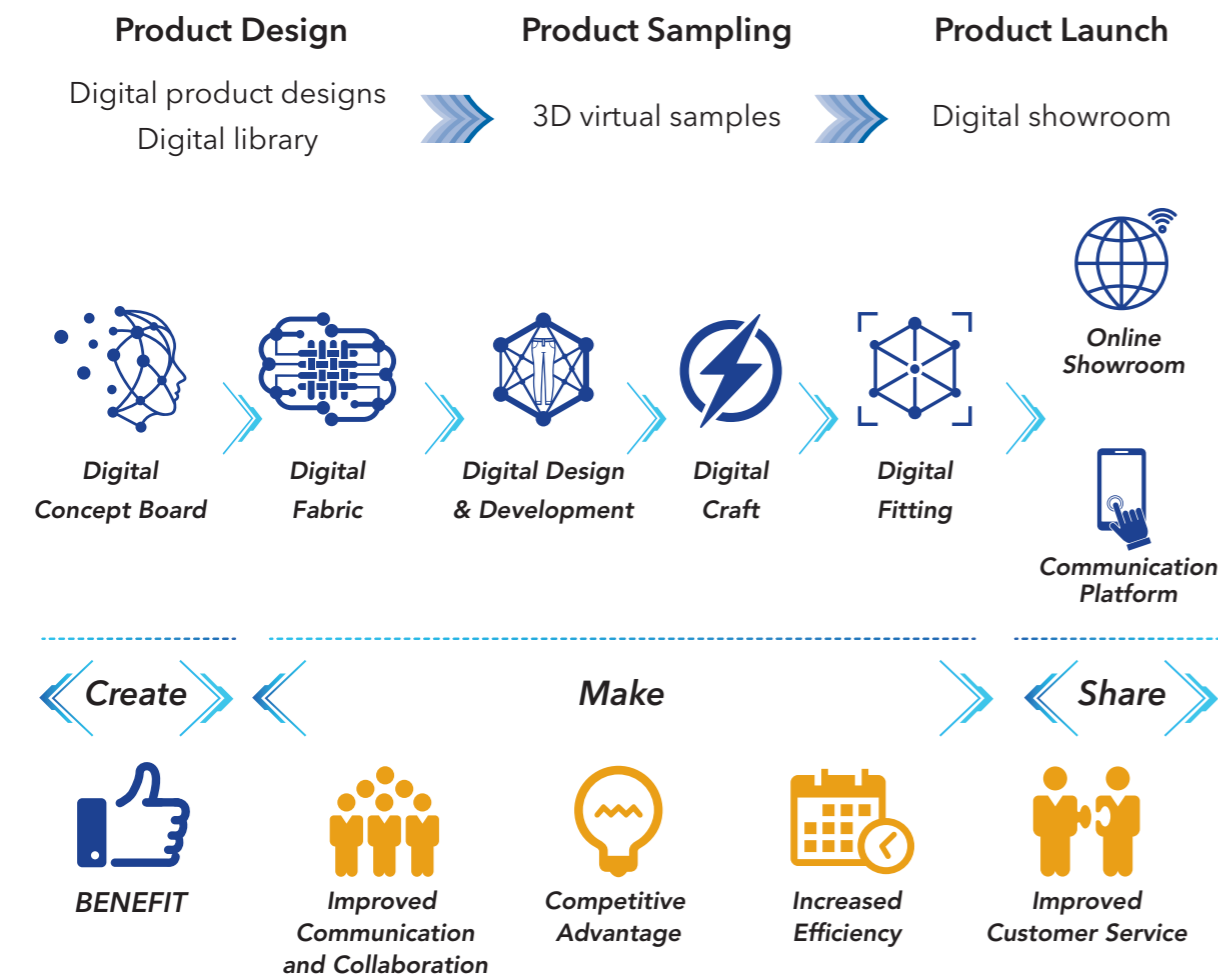
### 3D Virtual Sampling

Using a shared online platform, digital sampling has allowed us to speed up the product development process time by 50%. By using 3D virtual sampling, we eliminate the need for multiple physical samples to be produced as we are able to correct design inaccuracies on the go, modify styles virtually, and allow customers to preview their product instantly using various digital platforms. In addition to offering greater versatility and flexibility, we expect to reduce 75% of physical samples being made, which also means a significant reduction in energy, water and raw material consumption.



### Digital Showroom for a Sustainable Collection – 4Zero

Our denim division launched a digital showroom for its 4Zero sustainable collection. The digital showroom allows customers to view information about their products, including the fabric source, materials and the manufacturing processes of their pair of jeans in the 4Zero sustainable collection, offering higher transparency. Customers are also able to receive seasonal collection inspirations, market news and the latest information of our sustainable collection using this one-stop online platform anytime and anywhere.



### Virtual CSR and Quality Audits

We adopted digitalisation for performing virtual CSR and quality audits in our factories. Our factory in Cambodia partnered with Better Work to conduct a pilot online CSR audit, which assessed all CSR-related aspects, including labour compliance, occupational health and safety, and fire safety.

Virtual audits were also used to assess product quality. We worked with customers to conduct virtual quality audits in our factories in Bangladesh, Vietnam and Cambodia by using electronic devices and apps. During the virtual audits, both auditors and customers were able to see the real-time production status and on-site operation, and immediately communicate with the factories.





## Combating COVID-19 and Embracing the New Normal

### WWF's LCMP Platinum Label by Virtual Verification

Our sweater factory in China renewed its Low Carbon Manufacturing Programme ("LCMP") Platinum Label using remote verification for the first time.



### Cultivating Talent via Digital Channels

#### People Development with Online Training

The flexibility of technology allowed us to continue to offer training through our online programmes, such as the Basic Education Equivalency Programme ("BEEP") and the women empowerment programme – Personal Advancement & Career Enhancement ("P.A.C.E.") where employees were provided with opportunities to enhance their personal skills and receive guidance on their individual career paths.

To equip our employees with specific job skills, we provided virtual training workshops, such as training on quality inspection skills for local inspectors.



### Harvard ManageMentor Training

We also provided Harvard ManageMentor training, a popular on-demand learning and performance support resource for leadership and management skill development, to 191 members of staff in our headquarters and factories. All the topics such as career development, project management and digital intelligence were designed to help enhance trainees' management capabilities and to drive work efficiency.



### Online Talent Acquisition

Due to the restrictions last year, our talent recruitment programme shifted from being face-to-face to online. The annual recruitment of the Associate Programme<sup>1</sup> for different divisions took place online to attract high-calibre talent globally.

<sup>1</sup> The Associate Programme is initiated by Crystal in 2012 to recruit high-calibre graduates and cultivate them to be the next generation of company leaders. The programme unlocks the candidates' leadership potential and builds their capabilities through 30 to 36 months of training and mentoring. The learning process and experiences aim to provide them with a structured career path with the ultimate goal of leading them from being associates to executives.

## Committing to Sustainable Recovery

### Supporting "COVID-19: Action in the Global Garment Industry" by ILO

We understood the drastic consequences caused by the pandemic to the garment industry. To support the action "COVID-19: Action in the Global Garment Industry" initiated by the ILO, we are committed to ensuring business continuity and maintaining stable employment opportunities for global garment workers to protect their income and health.

### Signing up to WWF's Open Letter

With the aim of rebuilding the industry more sustainably with other leading brands, companies and organisations within the apparel and fashion sector, we signed up to the Open Letter calling for "Sustainability to be central to post-COVID recovery" initiated by WWF. This calls for more effort to be placed on better incorporation of water into the business strategy, boosting climate change adaptation and improving the resilience of ecosystems.





# About Crystal International

Crystal International Group Limited is a global leader in the apparel manufacturing industry. Founded in Hong Kong in 1970, the Company and its subsidiaries (collectively, the “Group”) have a diversified product portfolio categorised into five product segments, namely Lifestyle wear, Denim, Intimate, Sportswear and outdoor apparel, and Sweater, with leading positions in corresponding categories. Headquartered in Hong Kong, the Group operates a multi-country manufacturing platform, with around 18 production facilities spanning five countries, namely Vietnam, China, Cambodia, Bangladesh and Sri Lanka.


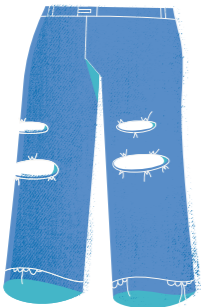



## MISSION

To be the most profitable company in the **industry, customer choice** and **employee choice**.

## OUR CORPORATE VALUES

 Integrity	 Embrace innovation	 Delight our customer	 Deliver bottom line results
 Respect for people	 Energise others	 Live quality	 Boundaryless enterprise

## PRODUCT TYPES

 LIFESTYLE WEAR	 DENIM	 INTIMATE	 SPORTSWEAR AND OUTDOOR APPAREL	 SWEATER
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## Geographical Markets and Operations Worldwide



Multi-country network of production facilities: **Vietnam, China, Cambodia, Bangladesh, Sri Lanka**

GLOBAL EMPLOYEES	WORKFORCE BY LOCATION			WORKFORCE BY GENDER
 <b>~70,000</b>	 Vietnam 55.8%	 China 17.9%	 Cambodia 8.4%	 Male 31.7%
	 Bangladesh 10.9%	 Sri Lanka 6.7%	 Others 0.3%	 Female 68.3%



## Corporate Governance

The Board of Directors (the “**Board**”) of the Company, which comprises the Company’s Chairman, Vice Chairman, Chief Executive Officer (the “**CEO**”), two Executive Directors and four Independent Non-Executive Directors, has established the following four committees to oversee particular aspects of Crystal’s affairs and to assist in the execution of its responsibilities.

- Audit Committee
- Corporate Development Committee
- Nomination Committee
- Remuneration Committee

The roles and responsibilities of each committee are available in Crystal’s Annual Report 2020.

## Sustainability Governance

The Board retains overall responsibility for overseeing Crystal’s sustainability strategy, policy and annual reporting. The role of the Board involves directing and overseeing sustainability initiatives to ensure their effectiveness and relevance in light of the evolving sustainability landscape.

Our Global 5-year Sustainability Targets have been set to provide a strategic direction for all factories. The sustainability performance and progress made against the goals are reported monthly to the Executive Committee (“**Execo**”) members and, half yearly, to the Board for review.

To identify and control sustainability-related risks, as part of an effective risk management system, a mechanism for internal communication and a reporting model are in place to keep the Board and Execo members informed in a timely manner. All sustainability-related key risks and opportunities, which may have a potential impact on the Group, are reported to the CEO and Execo members on a half-yearly basis.

As authorised by the Board, the Corporate Quality and Sustainability (“**CQS**”) Department is delegated to develop sustainability strategies and policies, implement sustainability initiatives, provide sustainability reporting and prepare the Sustainability Report. The CQS and sustainability departments in factories are responsible for executing projects, evaluating results, monitoring potential risks and reporting on performance to senior management.

Please refer to the section of “Stakeholder Engagement” for our process used to evaluate, prioritise and manage material ESG-related issues.





# Our Sustainability Vision and Approach

## Our Sustainability Framework and United Nations Sustainable Development Goals (“SDGs”)

Our sustainability journey started in 2007 when we set out our sustainability framework, serving as a guiding principle when planning sustainability strategies. Our framework and initiatives align with the SDGs of the United Nations (“UN”) to tackle global challenges for building a sustainable future.



### Highlighted Initiatives

#### Environment

- Global 5-year Sustainability Targets
- Group-wide roadmap study for long-term carbon reduction
- UN Fashion Industry Charter for Climate Action
- Renewable energy
- Task Force on Climate-related Financial Disclosures (“TCFD”)
- Circular economy
- Eco-product development
- Holistic water conservation

#### Innovation

- Automation for operational efficiency and effectiveness
- Digitalisation in product development for transparency and better efficiency
- Industry 4.0 for manufacturing excellence

#### Product Integrity

- Quality Policy and standards as a guidance for offering products and services to heighten customer satisfaction
- Quality management system throughout our business operation
- Manufacturing Excellence to enhance quality, productivity, efficiency and profitability

#### Employee Care

- People-oriented culture
- Engagement activities to promote human rights and gender equality
- Pilot projects and training on diversity and inclusion, and gender equality
- Talent development
- CARE programme for women empowerment<sup>2</sup>
- Strict pandemic control measures and monitoring

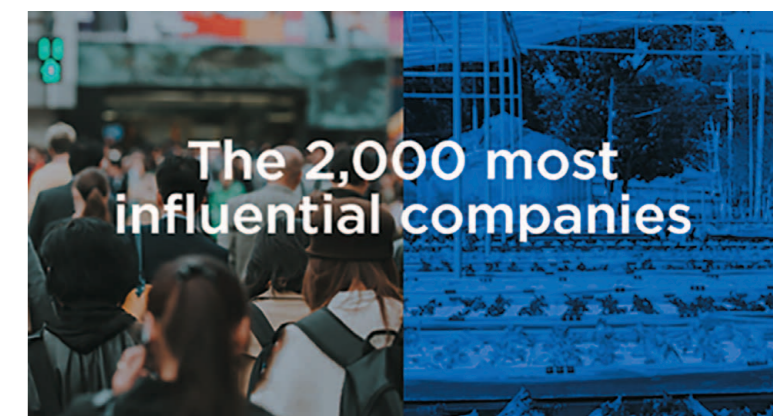
#### Community Engagement

- Creating shared values with local communities
- Employee volunteering to address the needs of different social strata
- Enhancing collaboration for community resilience

## SDG2000 – The Most Influential 2,000 Companies

We were selected by the World Benchmarking Alliance (“WBA”) as a keystone company of the SDG2000. Its purpose is to benchmark the impact of the UN SDGs while recognising our unwavering commitment to SDGs, global influence and the capability to move towards a more sustainable future.

Over the next few years, we will scale up our strategic planning on UN SDGs to integrate them into more specific business strategies.

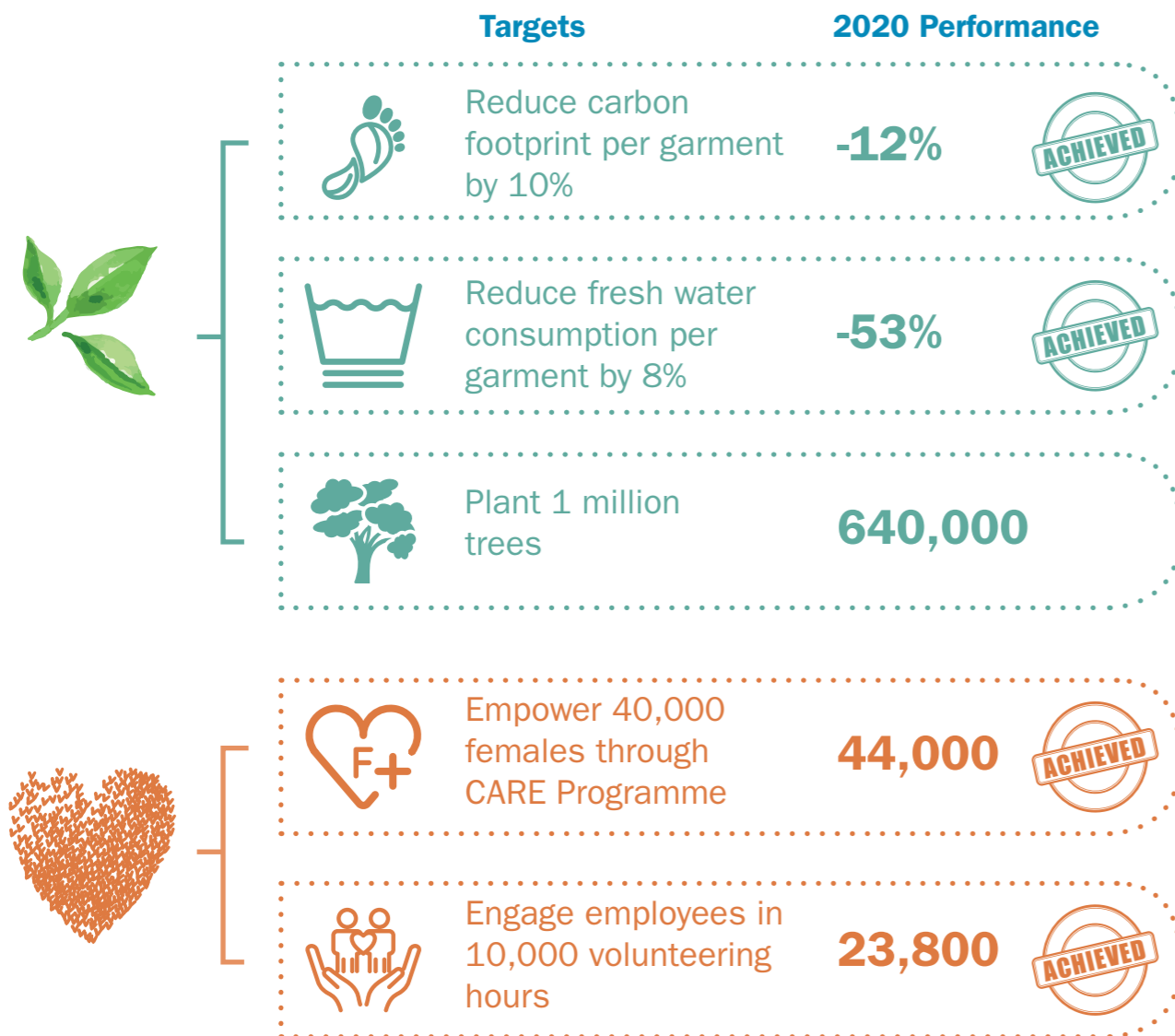


<sup>2</sup> CARE (Crystal Advocates Respect and Engagement) programme is an employee well-being programme initiated by Crystal which consists of 5 learning and development levels which integrate different skills, including: Level 1: Factory culture, skill set, and workplace health and safety; Level 2: Physical health and financial literacy; Level 3: Communication, problem solving and decision making, time and stress management; Level 4: Crystal’s ambassador to motivate others; Level 5: Development of employees with high potential to be future leaders.



## Third Global 5-year Sustainability Targets (2018–2022)

We set our First Global 5-year Environmental Targets in 2007 and started our Third Global 5-year Sustainability Targets in 2018. These targets include both environmental and social indicators. Our third set of targets is dedicated to take our sustainable apparel manufacturing to the next level.



Remarks:

- Base year of carbon and fresh water targets: 2017
- The figures for tree planting, women empowerment and volunteering hours are cumulative figures of activity between 2018 and 2020
- The figure for women empowerment counted the number of female employees who were engaged in level 2 or above of the CARE programme

The carbon and fresh water footprints are calculated as follows:

- Carbon intensity = total carbon emissions divided by equivalent garment piece produced
- Fresh water intensity = total fresh water consumption divided by equivalent garment piece washed

Equivalent garment piece is a common unit to express our garments produced and washed, by normalising the carbon emissions or water consumption respectively of our different product types.

Our different product types have different levels of carbon emissions and fresh water consumption. The use of equivalent garment piece for intensity calculations representatively reflects the characteristics of carbon emissions and fresh water consumption of different product types.

## Our Progress in 2020

### Environmental Achievements

#### Carbon and Fresh Water Intensities

Notwithstanding the impact of pandemic, our factories kept up progress for the accomplishment of our carbon and fresh water targets. In 2020, our absolute carbon emissions reduced by 9%, and our total use of fresh water resulted in an 18% reduction against 2019 levels.

Our product carbon intensity was reduced by 12% compared with the 2017 base year, which reflected the effectiveness of the factories' energy-saving measures and the expansion of renewable energy, such as rooftop solar photovoltaic from 2018 to 2020. To continue our positive momentum, we are now focusing on the long-term carbon reduction goal – reducing 30% aggregate carbon emissions by 2030, with a holistic planning and implementation of our decarbonisation strategy. Please explore the section of “Conserving the Environment” for details of our climate actions.

We achieved a 53% reduction in fresh water intensity compared with the 2017 base year, which signifies our unremitting efforts to expand the use of water efficient equipment and recycled water over the past three years. For instance, our lifestyle wear factory in Vietnam substantially applied water efficient “E-soft” washing equipment and ozone washing, which significantly reduced fresh water consumption by over 95% and 70% respectively compared with traditional methods. Similarly, our lifestyle wear factory in China has also applied “E-soft” equipment extensively, accounting for around 90% of its washing processes.

#### Tree Planting

Despite the difficulties in organising tree planting activities due to COVID-19, we planted around 40,000 trees in 2020, adding up to 2.88 million trees planted in the countries where we operate since 2007. In addition, we took 2020 as an opportunity to visit our tree planting sites in Bangladesh, Cambodia and Vietnam to understand the growth conditions and post-planting care activities. For more information and the outcomes of the visits, please refer to the section of “Conserving the Environment”.





## Our Sustainability Vision and Approach

### Social Achievements

#### Women Empowerment

Women empowerment continues to be of great importance to us in bridging the gender gap and helping us educate the next generation. We have already empowered over 44,000 women in our factories to date through our self-developed CARE (Crystal Advocates Respect and Engagement) programme. The CARE programme is a well-structured learning and development programme of five levels to help employees build on their skills, promote a work-life balance, strengthen their self-respect, uplift their sense of belonging and attain self-actualisation. These 44,000 female workers have been successfully engaged in level two or above of our CARE programme, which covers P.A.C.E initiated by Gap Inc. and HERproject initiated by Business for Social Responsibility (“BSR”), and continue to thrive in both their career and personal lives.

We are committed to providing comprehensive training to equip our employees with professional and personal skills to enable them to unleash their overall potential. To practise social distancing, we shifted some of the training online to overcome geographical and time restrictions, offering flexibility to trainers and attendees.

#### Community Services

Notwithstanding the pandemic, we continue to proactively give back to our communities. For example, we supported local education, visited underprivileged people and made donations to support the communities where we operate. Although we had already exceeded the target of volunteering hours in 2019, our employees continued to participate in various types of community services which aggregated to 6,700 volunteering hours in our operating countries in 2020.

For example, our lifestyle wear factory in Vietnam, located in Lai Vu Industrial Zone, supported the construction of a new teaching building in Lai Vu Secondary School in 2020. We will continue these social initiatives to support different community groups, with the objective of building mutually beneficial relationships with our stakeholders and improving the quality of life in our communities.



Our lifestyle wear factory in Vietnam supported the construction of a new teaching building.



### Risks and Opportunities in Post-COVID-19 Era

The pandemic delivered a heavy blow to economic activities worldwide and inevitably affected the sustainability progress of different industries on many levels. Sustainability is crucial in helping our industry rebound from this devastation and strengthen our operational resilience to prepare for potential challenges in the future. It is important that we grasp fundamental sustainability opportunities amid the challenges faced.

#### Escalating Climate Action and Circularity

As the pandemic constrained economic and social activities worldwide, a by-product was a drop in global carbon emissions. This is an opportune time to push ahead with our decarbonisation roadmap with a vision to achieve our 2030 climate goal. Apart from the effects on climate change, COVID-19 has made the benefits of a circular economy even more evident. We are actively structuring a circular economy model, which is and will be instrumental in decoupling economic growth from resource use and environmental impact.

#### Fostering Diversity and Inclusion

The health and safety of employees is our foremost consideration as we continue to provide a safe working environment in addition to our all-round employee care programmes.

COVID-19 is impacting progress on diversity and inclusion initiatives within many businesses worldwide. During the crisis, inclusion and diversity have been essential to respond to the needs of our employees facing disproportionate challenges. To this end, we will progress diversity and inclusion initiatives to foster a creative, productive workforce.

#### Innovating Our Future

With the pandemic changing the practices of businesses where remote working and virtual meetings are now the norm, we see technology no longer as an option but a necessity. To make full use of new technologies to tackle challenges and innovate sustainability practices, we will accelerate digitalisation and automation within our business.

Please see further details on our initiatives and progress to date in relation to these risks and opportunities in the sections of “Pioneering Social Responsibility” and “Conserving the Environment” in this Report.





# Stakeholder Engagement

*“Listening to stakeholder’s concerns is fundamental for business excellence.”*

We identify stakeholders who are impacted by our decisions, activities and/or outcomes, and then select those with whom we frequently interact to provide feedback under the reporting principles of materiality and inclusiveness. We actively engage with different stakeholder groups through various communication channels on an ongoing basis to allow a two-way communication to understand expectations, interests, requirements and needs.

To remain connected with our stakeholders during these times where in-person meetings and engagement activities were limited, we have diversified the means of communication. Instead of face-to-face meetings, we have met our stakeholders through virtual meetings and also gathered opinions from social media outlets and other online platforms.

## Stakeholder Groups

 <b>Customers</b>	 <b>Employees and their families</b>	 <b>Communities</b>
 <b>Governments</b>	 <b>Institutions</b>	 <b>Media</b>
 <b>NGOs</b>	 <b>Shareholders</b>	 <b>Suppliers</b>

## Diversified Communication Channels

 <b>Announcements</b>	 <b>Social media</b>	 <b>Direct mail</b>
 <b>Focus groups</b>	 <b>Interviews</b>	 <b>Intranet and external websites</b>
 <b>Meetings (Virtual and in-person)</b>	 <b>Press releases</b>	 <b>Site visits</b>
 <b>Sustainability reporting</b>	 <b>Surveys</b>	

## Global Partnerships on Sustainability

The Fashion Industry Charter for Climate Action  
**Signatory**



IFC PPE Advisory Engagement (by International Finance Corporation)  
**Partner**



Better Work (by International Labour Organization and International Finance Corporation)  
**Manufacturer Partner**



Sustainable Apparel Coalition  
**Member**



The Jeans Redesign Project (by Ellen MacArthur Foundation)  
**Participant**



Global Fashion Agenda  
**Associate Partner**



WWF – Hong Kong  
**Gold Member**



The Hong Kong Research Institute of Textiles and Apparel Limited  
**Corporate Member**



Sustainable Fashion Business Consortium  
**Founding Member**



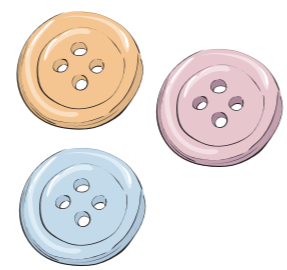
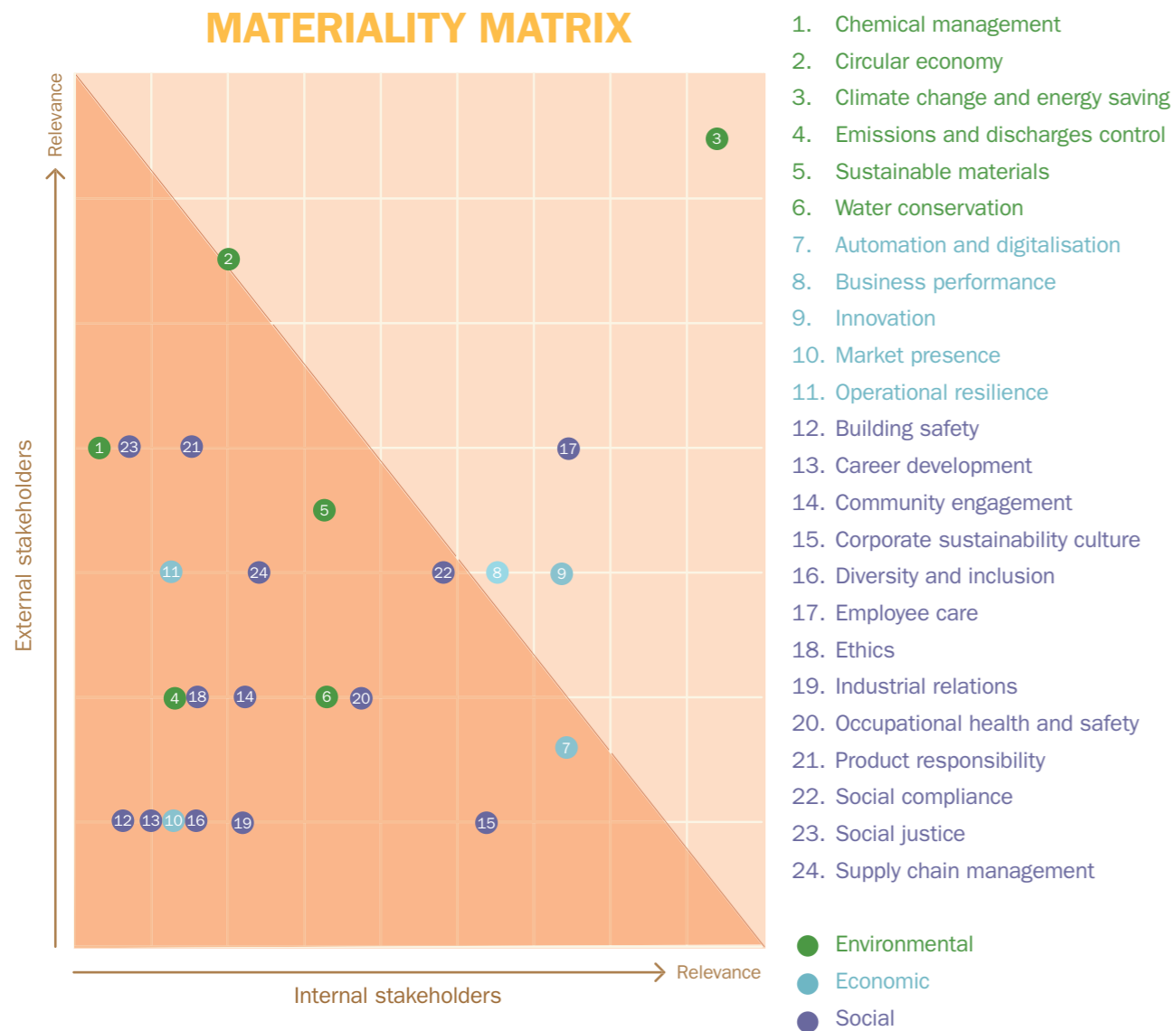
Green Council  
**Corporate Member**





## Materiality Assessment

We engaged both internal and external stakeholders as a fundamental part of our materiality assessment to identify issues within the environment, social and the economy that are relevant to us and our stakeholders. Through the evaluation of feedback collected and survey analysis, we have built the materiality matrix, representing opinions across our internal and external stakeholders that included senior management, employees, NGOs and business partners.



### Material Topics

Most material topics identified in the materiality assessment remain similar to those from last year, with the exception of circular economy, which has grown in importance.

The following topics are identified as material to our business and sustainability:

- Climate change and energy saving
- Circular economy
- Business performance
- Innovation
- Employee care

We believe that effective engagement is the key to paving the way for continuous success, in particular during post-COVID recovery. The insights will be included in our corporate strategy with the purpose of strengthening our approaches to these topics and aligning with our long-term strategic planning in sustainability.

### Enabling Factors Addressing Stakeholder Concerns

In response to the identified material topics, we have determined the enabling factors to mitigate risks and drive advancement. We will continue to increase our efforts to address the concerns of our stakeholders.

#### Climate Change and Energy Saving

- Fashion Industry Charter for Climate Action
- Renewable energy
- Corporate carbon reduction package
- Task Force on Climate-Related Financial Disclosures
- Global greening

#### Circular Economy

- Recycling pilot project
- Partnership on circularity
- Sustainable product development
- Certifications in sustainable materials

#### Business Performance

- 5-year business plan
- Manufacturing excellence continuously enhancing productivity and efficiency
- Superior quality
- Balanced scorecard

#### Innovation

- Digitalisation and automation
- Smart factory and smart warehouse
- Manufacturing excellence to achieve Industry 4.0
- Process and material innovation
- Lean production
- Roadmap for artificial intelligence

#### Employee Care

- Diversity and inclusion
- People-oriented culture
- Employee engagement and well-being
- Talent development
- Industrial relations



# Pioneering Social Responsibility

Adhering to the philosophy “Respect for People”, which is also one of our corporate values, we have been continuously striving to maintain a fair, healthy, safe and happy working environment for our employees.

## Employee Care

### Our Corporate Social Responsibility (“CSR”) Policy and Practices

In order to create a fair working environment and equal opportunities for our employees, we established our Code of Conduct (“CoC”), Social Compliance Policy, and a series of standard operation procedures based on relevant local laws and regulations in the countries where we operate, which relate to various topics including but not limited to:

- Prohibition of child labour and forced labour
- Recruitment practice to avoid discrimination and promotion
- Compensation and dismissal
- No discrimination, harassment and abuse
- Equal opportunities, fair compensation, freedom of association and collective bargaining
- Working hours requirements and rest periods
- People-oriented culture
- Women empowerment
- Other benefits and welfare

### Occupational Health and Safety

To further demonstrate our concern for employees’ occupational health and safety, apart from basic health and safety controls adopted in factories to comply with the relevant laws and regulations in our operating countries, our sportswear factory in Vietnam and intimate factory in China were successfully certified by ISO45001:2018, “Occupational Health and Safety Management System”. The certification reinforced our occupational health and safety systems. Our plan is to have more factories receive this certification in the coming years.



### Safeguarding Employees’ Health with Crystal Face Cover

The health of all employees has always been of the utmost importance to us. We distributed the self-developed Crystal face cover to all employees worldwide, to express our heartfelt appreciation to them for staying committed to their work during these unprecedented times, and to motivate employees to wear the Crystal face cover in their daily lives to protect themselves.

### Global Campaign, Global Engagement

We successfully launched a company-wide campaign “We Care. We Mask Up Together” where we received a tremendous number of positive responses from our employees worldwide, with huge support from our offices and factories. A series of promotion and engagement activities were organised in our factories in Vietnam, China, Cambodia, Bangladesh and Sri Lanka, as well as in the Singapore office and our Hong Kong headquarters, among them:

- Interactive game booths
- Photo competitions and photo collage events
- Production of face cover promotional videos
- Promotion on different social media platforms





## Pioneering Social Responsibility

### Huge Response to Selfie Campaign – Lucky Draw

To encourage people to wear the Crystal face cover, we launched a “Crystal face cover selfie campaign” and held a lucky draw for all our employees worldwide. The response to the campaign was overwhelming as nearly 1,000 employees joined the activity. We hope all our employees receive the care and protection provided by the Crystal face cover and are proud to wear it every day.

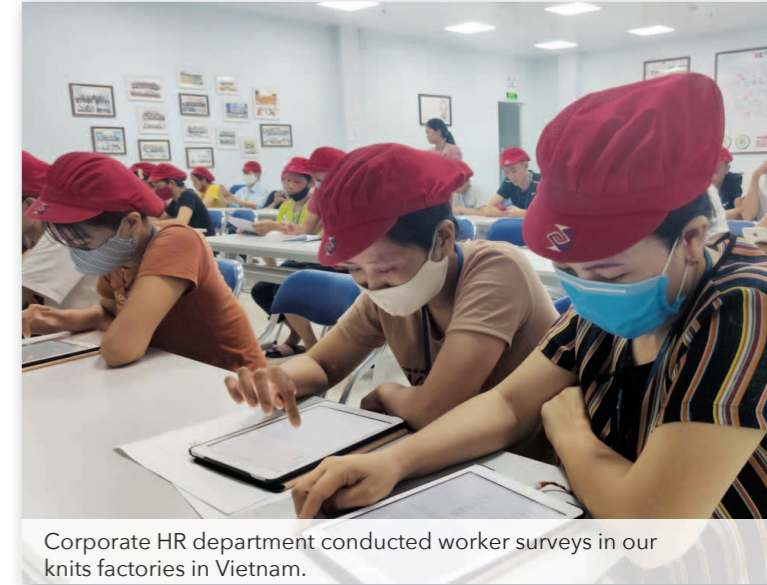


### Worker’s Well-being

#### Corporate Worker Engagement & Well-being Survey

Worker surveys were conducted to gather a balanced and representative view of employees and to enable factories to make data-based decisions, allocate resources more effectively, and to achieve sustainable business growth. Apart from the regular worker surveys at the factory level, our Corporate HR department conducted specific worker surveys in our knits factories in Vietnam. The surveys were available in paper and electronic versions.

We received positive feedback with over 80% of workers responding that their salary was competitive in the market, and they felt trusted and respected by supervisors and management.



Corporate HR department conducted worker surveys in our knits factories in Vietnam.



#### Clothing Donation to Underprivileged Employees

To provide care to our underprivileged employees, our lifestyle wear factory in Vietnam collected clothing in good condition from all employees, and distributed the clothing to the employees who were in need.

#### Vitamin C Supplements – Health Blessing to Employees

To improve our employees’ resistance to infectious diseases, especially with the COVID-19, our intimate factory in Vietnam distributed Vitamin C tablets to all employees.





## Pioneering Social Responsibility

### Gender Equality

As one of the UN SDGs, gender equality is not only a fundamental human right but a necessary foundation for a peaceful, prosperous and sustainable world. We took steps to improve gender equality with a series of self-developed initiatives and collaborations with external organisations.

#### Diversity and Inclusion Pilot Project

We are highly aware that having a diverse and inclusive team of people from different backgrounds and cultures supports business success. We are committed to ensuring that every employee, regardless of age, gender, language, race, marital status, religion, political affiliation, and physical or mental impairment, feels welcome, respected and proud to be a member of our Crystal family.

Our lifestyle wear factory in Vietnam collaborated with a customer to launch a pilot project on diversity and inclusion. A series of workshops were conducted with different topics related to inclusive culture such as age, race, language, gender and food which aimed to encourage the interaction of employees of different ages, levels and educational background, and to facilitate their understanding of each other.

The project built a sense of belonging, provided knowledge of diversity and equipped our employees with skills such as communication, interpersonal and leadership skills with the aim that all employees can thrive.



### Training for Employees

#### Anti-harassment Training

Ensuring a working environment where all employees feel safe and respected is important to us. Our denim factories in Vietnam and Cambodia delivered a Train-the-Trainer programme on anti-sexual harassment in the workplace, which provided our supervisors with the necessary skills in how to handle sexual harassment issues and professional knowledge on preventive measures. The purpose of the programme was to train our supervisors to become trainers themselves so they can deliver knowledge on sexual harassment and training techniques to other employees. The content of the training materials was designed with reference to our Corporate Master Policy, ILO's Code of Conduct on workplace sexual harassment prevention and Anti-Harassment Guidance from Better Work.

#### Gender Equality and Returns ("GEAR") Training

GEAR, initiated by the ILO and the International Finance Corporation ("IFC"), is a four-month training programme that aims to train female workers to help them progress into more senior roles and contribute to increased line-level productivity. Our intimate factory in Vietnam was one of the ten factories invited by Better Work Vietnam for this training. We had five female workers and staff who participated in GEAR Vietnam together with 24 trainees from other manufacturers. The content of the programme included:

- Line balancing techniques
- Bottleneck identification and solving
- Work study knowledge
- Production process

We have achieved the following:

- Production efficiency increased
- The defect rate was reduced
- Trainees gained 15 new skills
- 33 kaizen ideas were implemented
- Three trainees were promoted to line supervisor positions

The factory plans to further develop our own line leader trainee programme, which will draw on the GEAR training programme.

#### Gender Mainstreaming Training

To promote a gender equality culture, representatives from our denim factory in Cambodia joined the gender mainstreaming training held by Better Factories Cambodia ("BFC"), an ILO initiative. The training provided a deeper concept of gender equality, and included the following topics:

- Difference between sex and gender
- Gender stereotyping and its impact
- How to achieve gender equality in the workplace
- How to integrate a gender lens into the workplace

We integrated the training contents into our employee care programme, CARE, to ensure that, regardless of gender, lifestyle choice and abilities, all employees feel empowered to pursue whatever career they choose where their rights, opportunities, and access to society are independent of their gender.





## Pioneering Social Responsibility

### Caring for Women

Female employees account for over two-third of our global workforce. We are determined to make a concerted effort to support them in their personal health, skills and career development, so that the full talent pool of our female employees is educated, promoted and more actively managed within our company. In addition to our existing women empowerment programmes, we keep engaging our female workers with newly developed initiatives to take care of their need.

### United Nations (“UN”) Women Survey

Our intimate factory in China partnered with a customer and UN Women China to advocate women’s equality and economic empowerment with the aim to build a profitable environment in factories and communities and have a positive impact on local communities and the supply chain.

Our programme partners conducted an onsite worker interview. After the data analysis, a specific report was issued to the factory on how to empower female employees to be potential leaders. Based on the findings in the report, an improvement plan was implemented.

### Tetanus Vaccination for Pregnancy

Our intimate factory in Vietnam provided tetanus vaccination for pregnant employees.

### HIV Training

Our factories in Cambodia and Bangladesh provided HIV training to educate employees on how to protect themselves against and prevent the transmission of HIV.



## Community Engagement

“10,000 volunteering hours” is one of our 3<sup>rd</sup> Global 5-year Sustainability Targets. Although we successfully accomplished this in 2019, we have continued to encourage our employees to engage in the communities in where we operate. We have been initiating and participating in projects to engage with local communities in the vicinity of our operations to create shared values. For further details of our activities to support the communities during the pandemic, please refer to the section of “Combating COVID-19 and Embracing the New Normal”.

### Supporting People Affected by Flooding in Vietnam

From August to October 2020, widespread and severe floods swept through many areas of central Vietnam. A large number of crops were flooded, many villages were destroyed and some people lost their lives. Without hesitation, all our factories in Vietnam supported employees, their families, local residents, kindergartens, and schools.

With the joint support of our employees, trade unions and local organisations, we:

- Donated over **one billion VND** from our factories, our care fund, employees, and volunteers
- Provided direct support, such as cash and food donation, to our employees and the households who were affected in the flooded areas
- Provided **610 sets of pillows and blankets** to two kindergartens which were severely damaged by the flood
- Purchased **20 sets of computers** together with the help of cash sponsors for two secondary schools
- Donated **20 tonnes of rice** to the communities in urgent need of living necessities

### Keeping Our Living Environment Clean

To maintain a tidy and clean living environment in the community, a volunteer team from our denim factory in Vietnam cleared litter off the main roads in the local town and promoted environmental protection practices to local citizens. In addition, our lifestyle wear factory in Vietnam donated waste trolleys to support cleaning activities in the local community.





## Superior Quality

In accordance with the relevant laws and regulations, the corporate mission and the value of “Live Quality”, we developed the Corporate Quality Policy, Brand Protection Guidelines and Restricted Substances List (“**RSL**”) to emphasise the importance of product quality, health and safety, labelling<sup>3</sup> and privacy matters relating to products and services provided and methods of redress.

### Right First Time Culture

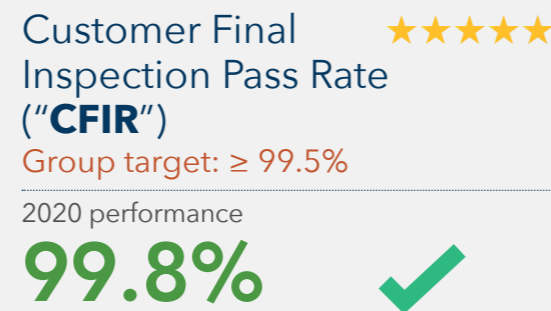
“Right First Time” culture is adopted throughout all our business processes and at all levels. We take a holistic approach to our quality management system and implement standards throughout our operations. From product design and sourcing of raw materials, production and packaging, to inventory storage and delivery, we ensure compliance with the standards and specifications of our company, customers and supply chain.

We have adopted the ISO9001 quality management system and the 6S workplace management method to enable process effectiveness and continuous improvement. In addition, we have corporate quality indices and targets to denote Crystal quality performance for achieving customers’ expectations.

### Quality Cost Management

Quality cost measures have been adopted in our operations, to ensure we are producing the right quality at the right cost, while achieving customer satisfaction. We have undertaken initiatives of quality cost reduction since 2018 by incorporating innovative technology and the programme of manufacturing excellence that we are developing, bringing consistency to quality with higher efficiency.

From mid-2018 to the end of 2020, all our wholly owned factories have joined the quality cost reduction initiative to eliminate redundant checking or inspection, resulting in USD 8.12 million savings.



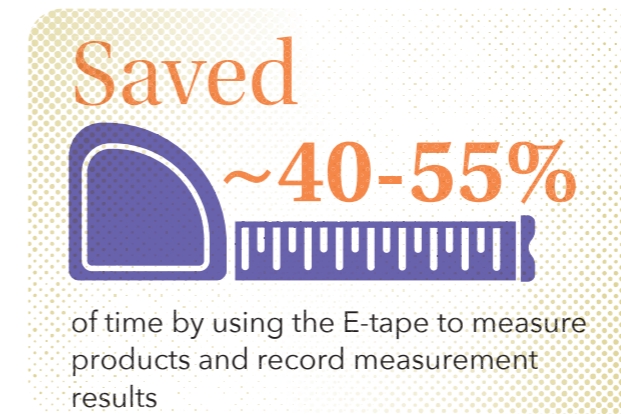
**Breakdown of quality cost reduction result (USD)**

Year	Saving
Mid 2018	1.63 M
2019	2.82 M
2020	3.67 M
<b>Total</b>	<b>8.12M</b>

### New Way of Garment Measurement – Electronic Tape (“E-tape”)

To avoid manual deviation during measurements, we have adopted the use of E-tape to measure garments and transfer the result to an application system in real-time. This tool enhances the accuracy and efficiency of quality data analysis by saving around 40–55% of time to measure products and record measurement results.

We have adopted the E-tape in firewall inspection and quality system risk assessment and completed the trial for the measurement check in the sample rooms, on sewing lines and in final inspections in our factories in China.



### Virtual Robot and Tool for Quality Data Recognition and Analysis

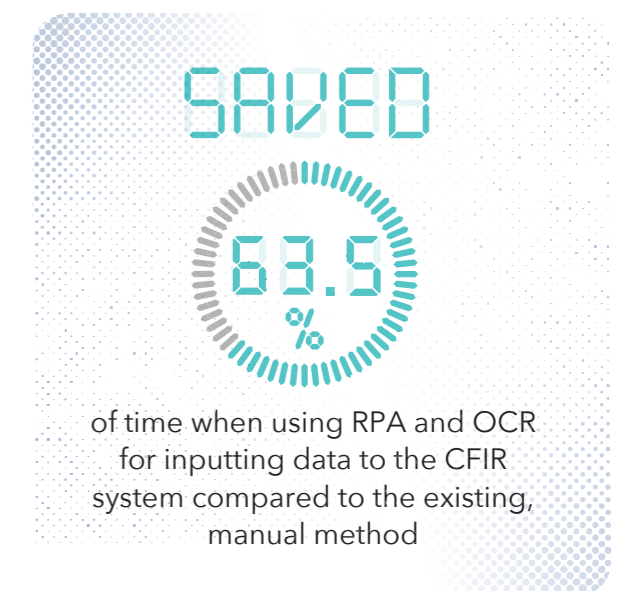
We conducted trial projects on robotic process automation (“**RPA**”) and optical character recognition (“**OCR**”) for quality data capture, consolidation and analysis. This type of technology helps us to avoid manual errors, saves time and achieves cost efficiency.

#### RPA

RPA is a virtual robot that collects quality reports and customer specifications from an online platform authorised by a customer at any time as set.

#### OCR

OCR is a technology to extract and recognise the data in the report with the data being input to our system for further analysis. The extracted data is used in an electronic business process without manual capture. The trial performance with one customer was satisfactory, and we plan to roll this technology out more broadly in 2021.



<sup>3</sup> Product advertising is not material for our garment manufacturing business.



## Supply Chain Management

We are committed to driving sustainable and responsible practices among our factories and along our supply chain. Our suppliers and subcontractors are requested to comply with our Corporate Code of Conduct and RSL.

With the guidelines contained in our Corporate Standard Operating Procedure under our social compliance framework, we have built a strict supplier approval and monitoring mechanism at a group level. We conduct annual social responsibility and quality risk assessments with subcontractors to ensure they comply with the applicable local laws and regulations, including, employment practice, human rights, health and safety, fire safety, environmental performance and discrimination. We work closely with our suppliers and subcontractors, supporting them in improving their performance by providing technical assistance, training and sharing of best practices.

### Monitoring of IPE Environmental Records

By regularly monitoring the environmental supervision records published by Institute of Public and Environmental Affairs (“IPE”), we proactively track environmental performance, including any violation records of our subcontractors and suppliers and support them in disclosing environmental data and submitting an improvement plan if required.

## Anti-corruption

Integrity is one of our core values. We have established a series of Business Conduct (Integrity & Ethics) master policies which include:

- Anti-Corruption (Vendor) Policy
- Anti-Bribery Policy
- Whistle-Blowing Policy
- Anti-Money Laundering Policy
- Anti-Fraud Policy

The policies are to prevent, identify, address and handle any instance of alleged or actual bribery or corruption. We make sure that we are in compliance with relevant laws and regulations. We have also provided online training to our employees to build an ethical culture and reiterate our zero-tolerance approach to bribery while highlighting the significance of proper business ethics.





# Conserving the Environment

Sustainability is instrumental in leading businesses adapting to the future market, which gives rise to various opportunities. In 2020, we:

- Escalated our climate action by signing the UN Fashion Industry Charter for Climate Action
- Expedited digital transformation, such as virtual sampling and digital showroom
- Widened our global partnership for building a circular model
- Continued to improve our Higg Facility Environmental Module (“FEM”) performance

This fruitful outcome is the result of years of effort in both capacity building and standardisation.

It is high time to chart a new course to take the industry in a more sustainable direction. We will continue leveraging our holistic sustainability practices to create shared values for our stakeholders, drive the sustainable recovery of the industry, and simultaneously enhance environmental resilience.

## Environmental Policy and Management System Guidelines

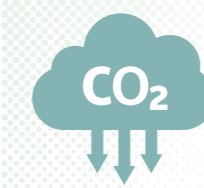
In these unprecedented times, we have complied with relevant laws and regulations and adhered to the principles set out in our Environmental Policy in our daily operations, managing our environmental impact through pollution prevention, resource conservation, the mitigation of climate change, waste management and global greening.

To support the implementation of the Environmental Policy, our Environmental Management System Guidelines provide factories with a thorough set of instructions to help them to establish and implement an effective and robust environmental management system.

To gain further credibility, an increasing number of our factories are now certified with international environmental standards such as ISO 14001 Environmental Management System and ISO 50001 Energy Management System.

## Carbon Reduction and Energy Saving

Confronting climate change was critical even before COVID-19. We pressed on with our commitment to climate action and continued to pursue the implementation of our long-term strategy.



Our absolute carbon emissions had a **9%↓** in 2020 compared with 2019.

### UN Fashion Industry Charter for Climate Action

In October 2020, we joined the UN Fashion Industry Charter for Climate Action as a signatory and committed to a 30% aggregate reduction in greenhouse gas (“GHG”) emissions by 2030. To accomplish this target, we have:

- Developed our long-term decarbonisation strategy, comprising energy efficiency, on-site and off-site renewable energy and appropriate offsetting
- Joined the “Decarbonisation” and “Manufacturing” working groups of the Charter to join hands with more than 150 organisations on the decarbonisation journey of the industry
- Developed a set of corporate standard carbon reduction measures, including adopting advanced technologies, heat recovery, efficient equipment, general utilities, etc. The measures are categorised into different groups, including mandatory measures, recommended measures and renewable energy, that will be progressively implemented in all factories starting in 2021 on into 2025.



### Task Force on Climate-related Financial Disclosures (“TCFD”)

To optimise the management of climate-related risks, we will commence a TCFD study in 2021 with a view to benchmarking our existing practices against TCFD recommendations then assess the potential business implications of climate-related risks and opportunities.



### Renewable Energy

Renewable energy is the key to long-term decarbonisation. Our factories have been actively exploring the feasibility of expanding on-site solar PV panels. For instance, our lifestyle wear and sportswear factories in Vietnam, having completed a feasibility study of rooftop solar PV panels, are targeting to finish their installation in Q3 2021. With a total capacity of 3,600 kW, it is anticipated that we will reduce over 4,000 tonnes of CO<sub>2</sub>e each year.





In 2020, we recycled **2,832,208 m<sup>3</sup> of water** for both production and non-production uses, which is the equivalent of drinking water needed for **~3,800,000 people** per year.

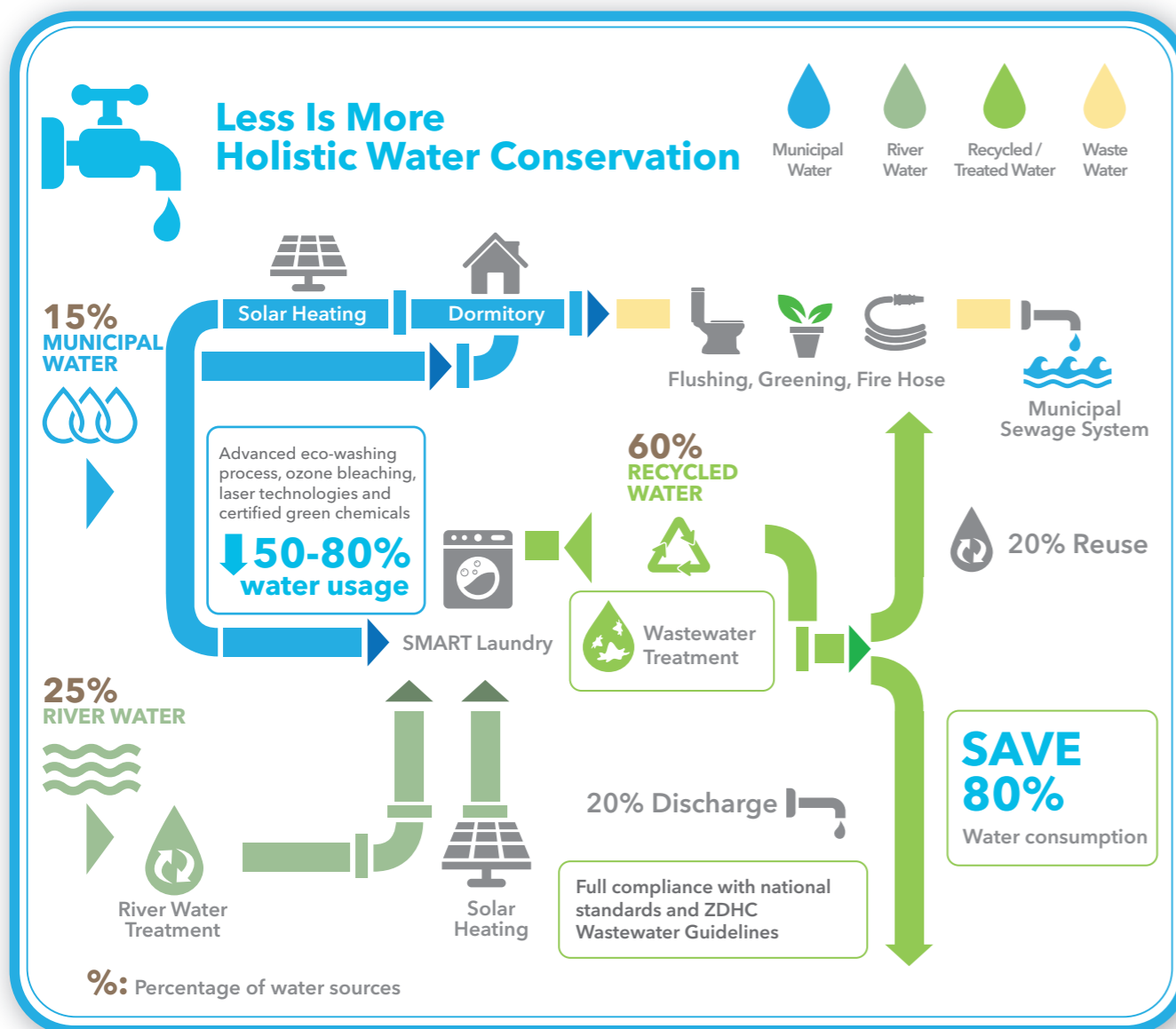
## Water Conservation

*“The time to act is now.”*

Less is more. We make every effort to holistically conserve precious fresh water resources, from extensive water recycling through to using the most cutting-edge washing technologies, such as low water ratio washing, laser and ozone technologies.

By developing a water balance map, our factories can trace water intake, usage and output, identifying improvement opportunities efficiently.

Our denim factories take a holistic approach, from water-efficient washing process to reuse and recycle treated water. This approach saves 80% of fresh water consumption compared with other manufacturing factories.



The efficient fresh water resource management of our denim factory in China

## 4Zero Sustainable Denim Collection

We have kept our momentum in developing water-saving processes. Our denim division officially launched the 4Zero sustainable denim collection, reducing water usage by 90% when compared with the conventional eco washing. In addition, 4Zero collection reduces chemical usage by 70% which is beneficial to the environment and workers' health.



Less is More. Sustainability Act

- Ø MANUAL WORK
- Ø POTASSIUM PERMANGANATE
- Ø STONE
- Ø HYPO

## WWF Water Risk Filter 5.0

We applied WWF's Water Risk Filter 5.0 for water risk screening and it showed that none of our factories are located in regions with a high risk of water depletion.



## Air Emission Control

### Clean Fuel

We continue to encourage the adoption of cleaner fuels for combustion equipment, for instance, all our factories in China are using natural gas as their boiler fuel. We also promote a wide range of control measures for indoor air quality improvement and flue gas treatment.

### Prudent Monitoring and Treatment

All our factories regularly monitor and test air emission sources, including boilers and generators, according to the local legal requirements. In 2020, all our factories fully complied with the relevant legal standards.

Our lifestyle wear factory in Vietnam also further installed a bag filter in its boilers. Together with the original scrubber treatment, it can further reduce air emissions.

In 2020, our factories emitted around 219.1 tonnes of nitrogen oxides (“NOx”), 6.4 tonnes of sulphur dioxide (“SO<sub>2</sub>”), and 91.6 tonnes of particulate matter (“PM”)⁴.

⁴ The amount of air pollutant emissions were estimated by fuel consumption and equipment condition with reference to the methodologies of the United States Environmental Protection Agency and the European Union's European Environment Agency.



## Waste Management

### Corporate Waste Management Guidelines

Our Corporate Waste Management Guidelines set out a framework of how to trace and assure the efficient use of materials, as well as managing operational waste in compliance with legal requirements and applying environmentally friendly production practices.

### Zero Operational Waste to Landfill

We are working towards “zero operational waste to landfill”. Our sportswear factory in Vietnam diverted 100% of its production waste away from landfill in 2020 by working with a qualified waste co-processing partner.

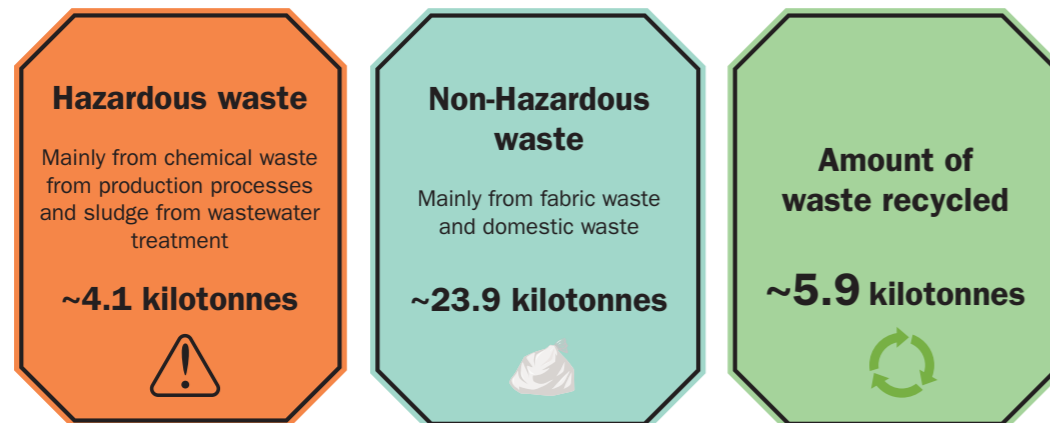
In addition, we are embarking on a number of projects and partnerships to move ahead with building circular economy practices. Please refer to the section of “Highlighted Projects and Initiatives” for more information.

In 2020, around 12.3 kilotonnes of paper products, mainly carton boxes and 5.0 kilotonnes of plastics were consumed for the purpose of packaging finished products.

All waste streams were handled and treated properly in accordance with local legislation and met stringent internal guidelines to minimise our impact on the environment.

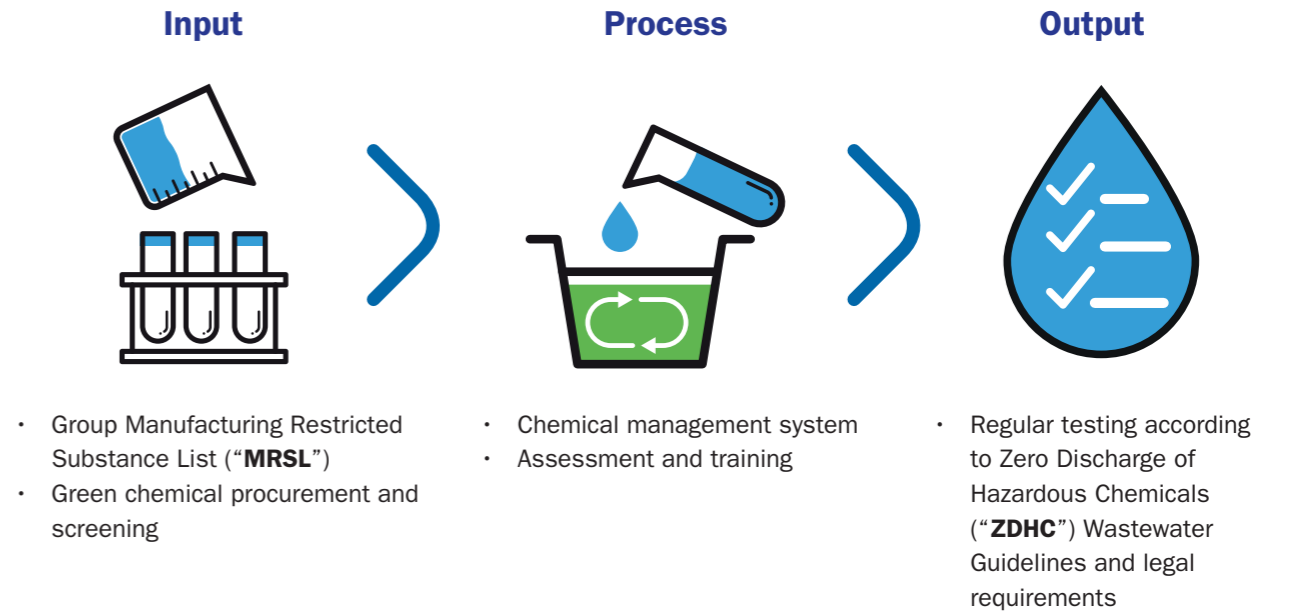


## Waste data 2020



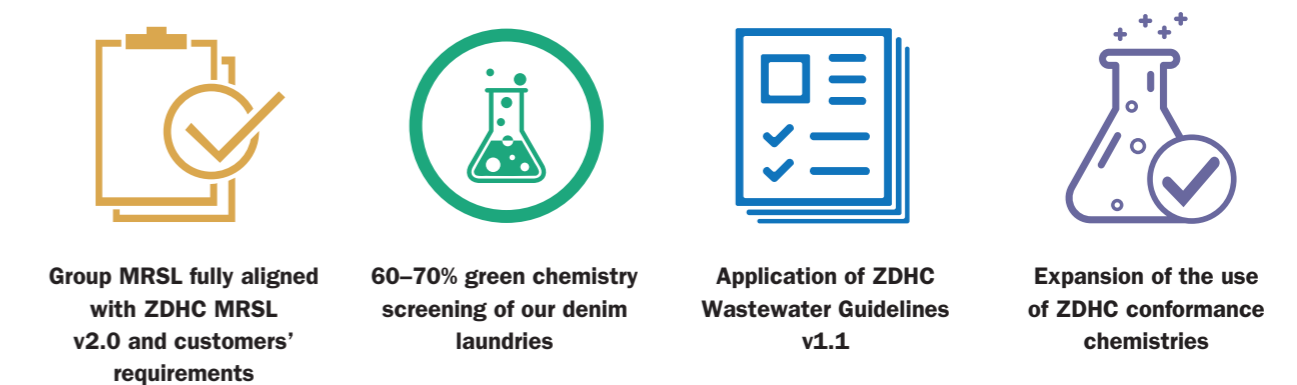
## Chemical and Wastewater Management

### Crystal's Corporate Chemical Management Guidelines



All our factories regularly monitor and test the wastewater according to the local legal standards and requirements.

## Key highlights in 2020



### Support for Research of Wastewater Treatment – HKRITA

We supported and sponsored a research study into “Removal of Indigo Blue Colour in Denim Plant Wastewater by Macroalgae” initiated by the Hong Kong Research Institution of Textiles and Apparel Limited (“**HKRITA**”). The study is now in lab-scale testing to select and test algae for the degradation of dyes via photosynthesis for treating the indigo blue colour of wastewater from denim production.



## Certifications in Sustainable Materials

Most of our factories received certifications such as Better Cotton Initiatives (“BCI”), Global Organic Textile Standard (“GOTS”), Global Recycle Standard (“GRS”), Organic Content Standard (“OCS”), OEKO-TEX STANDARD 100 and Recycled Claim Standard (“RCS”). The certifications demonstrate our commitment to responsible sourcing and production of sustainable products by reducing the material footprints of the products, in parallel attaching great importance to sustainable materials.



## Higg Index

All Crystal factories adopted the Higg Facility Environmental Module (“FEM”) as a standardised environmental assessment and we set the Higg FEM foundational and aspirational targets of 50% and 75% respectively.

Since being fully adopted in 2017, all factories have successfully achieved their foundational targets in 2020. Our factories, on average, achieved a 72.5% Higg FEM score, indicating a 6% improvement rate compared with 2019<sup>5</sup>.

Our eco denim factory in Zhongshan, China and lifestyle wear factory in Vietnam achieved outstanding performances with verified Higg FEM scores of 92% and 91%<sup>6</sup> respectively.

### Tracking Environmental Performance of Supply Chain

In addition to applying the assessment in our factories, we expanded the adoption of the Higg FEM to help us track the environmental performance of our subcontractors and suppliers. In 2020, around 50 subcontractors and suppliers completed and shared their Higg FEM assessments.



<sup>5</sup> The industry mean score of Higg FEM2019 was 39%.  
<sup>6</sup> The top quartile and the highest score of all ~2,750 verified Higg FEM 2019 posted, were 71.6% and 96.0% respectively.

## Global Greening

With the concerted efforts of all our factories, we have already planted around 2.88 million trees in our operating countries since 2007.

### Visits to Tree Plantation Sites

In 2020, we carried out visits to our tree planting sites in Bangladesh, Cambodia and Vietnam to evaluate the conditions, post-planting care and monitoring activities.

Overall, the tree planting sites were properly managed. Good practices at the planning stage and some areas for improvement were identified, such as site maintenance and growing saplings at tree nurseries. We were also pleased to learn that residents were involved in helping maintain the planting sites. The findings have given us encouragement for upcoming joint community greening projects in the future.



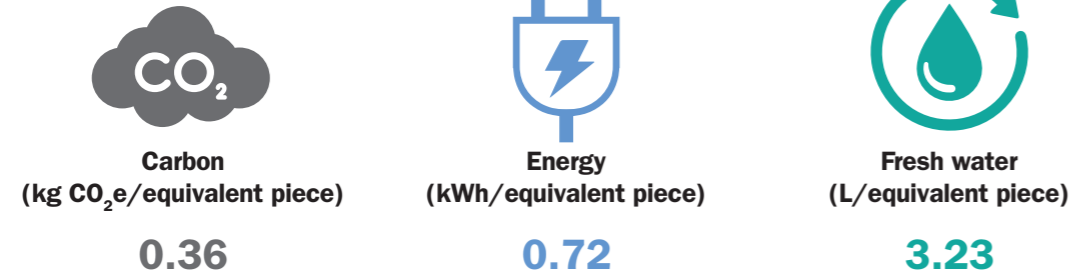
The nursery garden of one of our Vietnam factories, an area of around 2,000 m<sup>2</sup>. The saplings are cultivated in the nursery garden for around 12 months and then transferred to selected tree plantation sites to mature.



Tree plantation at Hai Duong province in Vietnam



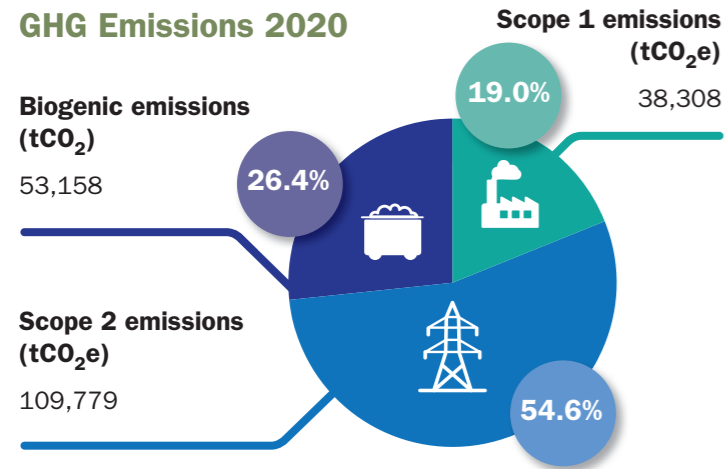
## Product Footprints 2020



Note:

- Carbon intensities are calculated by dividing the total greenhouse gas (“GHG”) emissions of Scope 1, Scope 2 and biogenic carbon dioxide by total equivalent pieces of garments.

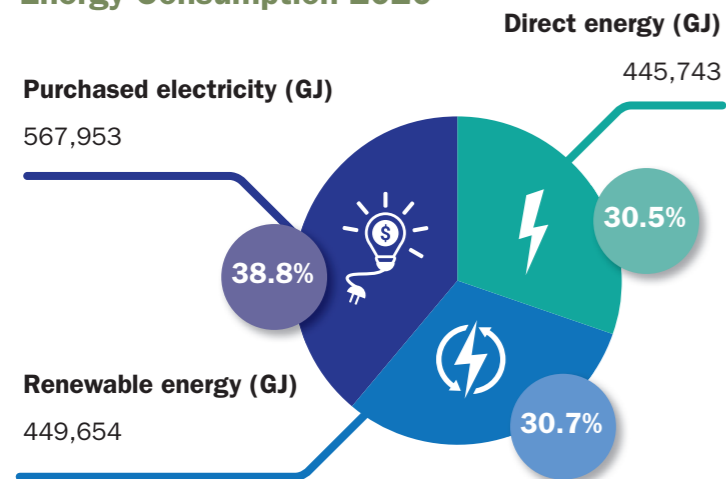
## GHG Emissions 2020



Note:

- Scope 1 includes direct emissions from fuel combustion of stationary sources (e.g. boilers, generators, kitchens), mobile sources (e.g. motor vehicles) and from wastewater treatment facilities plus septic tanks.
- Scope 2 includes indirect emissions from purchased energy.
- GHG emissions are accounted and reported with reference to the GHG Protocol Corporate Accounting and Reporting Standard issued by the World Resources Institute and the World Business Council for Sustainable Development, and relevant guidelines where applicable.

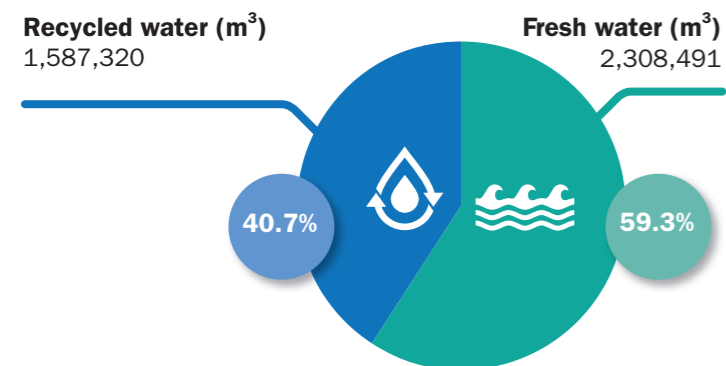
## Energy Consumption 2020



Note:

- Direct energy includes the combustion of fossil fuels and alternative fuels.
- Renewable energy includes the combustion of biogenic fuels and the use of solar energy.

## Water Consumption for Production Use 2020



Note:

- Sources of fresh water include municipal water, river, ground and well water.

## Highlighted Projects and Initiatives

### Ellen MacArthur’s Jeans Redesign – Circular Denim Development

Our denim division participated in the Jeans Redesign project initiated by the Ellen MacArthur Foundation. By adopting the Jeans Redesign Guidelines, which were developed by more than 80 denim experts, we expect to improve material circularity and enhance product durability, material health, recyclability and traceability. This project allows us to collaborate with our customers to reduce the impact of waste, pollution and hazardous chemicals and will also minimise the potential risks to end-customers and workers. The trailblazing sustainable collection is set to launch in mid-2021.



### Partnership with a Customer and Social Impact Company – Denim “Reimagined”

Partnering with a customer and Social Impact Company, we supported the development of the Denim Reimagined series – a fully traceable, upcycled collection. By including elements of innovative design, the series was made using unsewn and unstitched denim fabric from a customer’s aged inventory and irregular or leftover samples. The end products were embedded with scannable labels for more transparent disclosure of information.



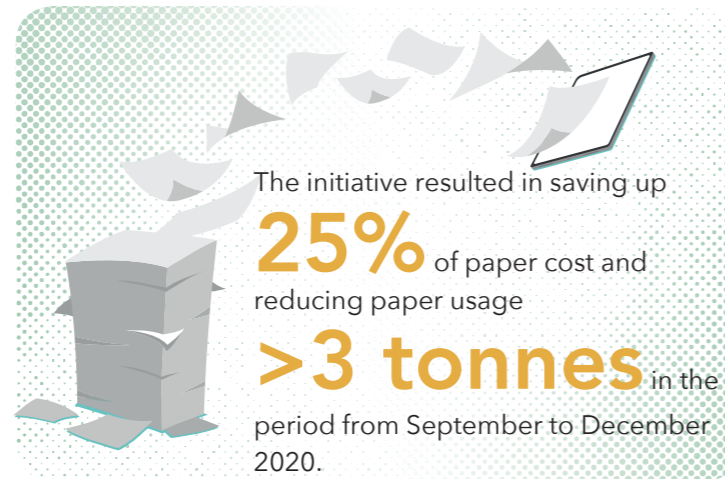


## Conserving the Environment

### “Go Paperless” Campaign

To enhance employees’ awareness of deforestation and climate change, our knits factories in Vietnam initiated a “Go Paperless” campaign starting in September 2020 together with a call for action to save paper and cultivate green habits. Paper saving practices and a series of promotional activities were implemented to promote waste reduction and environmental protection, including:

- Digitalising documents and information to minimise paper use
- Checking inspection reports using electronic devices rather than reading the printed version
- Thinking before printing
- Using recycled paper
- Displaying awareness banners and promotional videos in factory premises
- Promoting the campaign through social media
- Inviting employees to share best practices in saving paper



Employees recorded fabric information by scanning the barcode directly instead of using paper for recording.

### Green Building Design – Excellence in Design for Greater Efficiencies (“EDGE”)

We embrace sustainability at the early stages of green building design. The expansion project of our lifestyle wear factory in Vietnam has received a preliminary green building certification, EDGE. By adopting innovative design features and modern technologies, the new building can reduce energy usage by 28%, water consumption by 37% and benefit from embodied energy in materials by 44%.



### Global Support to WWF Earth Hour

The pandemic did not curb our enthusiasm to promote environmental protection. Joining hands with other companies in over 190 countries, our Crystal headquarters and factories in Vietnam, China, Cambodia and Bangladesh participated in Earth Hour, a global environmental movement, held by WWF, to promote awareness of climate change and sustainability.



Our employees in our lifestyle wear factory in Bangladesh participated actively in Earth Hour activities.



Our denim factory in Vietnam turned the lights off at the factory to support Earth Hour.



# Awards and Recognition

11

Employee Care

13

Business

4

Community Service

16

Environment

## Highlighted Awards and Recognition

### SUSTAINABILITY AND ESG REPORTING

### EMPLOYEE CARE

**Group**

- World Benchmarking Alliance SDG2000
- BEST SMALL CAP ESG REPORT COMMENDATION HERA 2020
- EXCELLENCE IN ENVIRONMENTAL POSITIVE IMPACT COMMENDATION HERA 2020
- X EDITION LE FONTI AWARDS INTERNATIONAL
- Excellence of the Year Innovation & Sustainability Lifestyle Wear Factory Asia Pacific

**Lifestyle wear factory in Vietnam**

- AMERICAN CHAMBER OF COMMERCE VIETNAM Corporate Social Responsibility Recognition Award

**Lifestyle wear factory in Vietnam**

- HR Asia BEST COMPANIES TO WORK FOR IN ASIA 2020
- BEST SAFETY ENTERPRISE OF THE TEXTILE INDUSTRY IN VIETNAM 2020

awarded by the Vietnam Textile and Garment Trade Union, the Vietnam National Institute of Occupational Safety and Health, and the Labour Magazine

### ENVIRONMENT

**Crystal Headquarters**

- GO green.org 綠色機構
- WastewiSe Certificate
- EnergywiSe Certificate
- Green Office Awards Labelling Scheme
- ECO-Healthy WORKPLACE

**Lifestyle wear and Sweater factories in China**

- EcoChallenger 環保優秀企業
- 中銀香港 BOCHK 企業環保領先大獎 2019
- 5 Years + 環保先驅 EcoPioneer
- 中銀香港 BOCHK 企業環保領先大獎 2019
- LCMP PLATINUM WWF LOW CARBON MANUFACTURING PROGRAMME

**Lifestyle wear factory in Vietnam**

- Edge Excellence In Design For Greater Efficiencies

### AWARDS FROM CUSTOMERS

**Lifestyle wear factory in China**

- 2019 CLASS-A FACTORY awarded by Uniqlo

**Intimate factory in Bangladesh**

- has achieved M&S Eco-factory Standard awarded by Marks & Spencer

**Knits division**

- 2019 PEOPLE AWARDS adidas awarded by Adidas Vietnam Liaison Office

Remarks:  
<sup>1</sup> Our sweater factory in China renewed the LCMP Platinum Label in 2020.



# Glossary

6S	6S is developed from 5S, which originated in Japan and was named after the initial letter of the Japanese Romaji (Seiri, Seiton, Seiso, Seiketsu, Shitsuke) to which the sixth “S” – Safety has been added. 6S stands for Sort, Systematise, Sanitise, Standardise, Self-discipline and Safety, and contributes to an enterprise’s overall standardisation through effective management of people, machinery, materials, methods and the environment.
ASTM F2100	ASTM F2100 is a standard specification for performance of material used in medical face masks, set by the American Society of Testing and Materials, ASTM. It specifies the performance requirements for medical face masks with five basic criteria including Bacterial Filtration Efficiency, Particle Filtration Efficiency, Fluid Resistance, Pressure Differential and Flame Spread.
Basic Education Equivalency Programme (“BEEP”)	The BEEP is an initiative led by the United Nations Educational, Scientific and Cultural Organization UNESCO and the Royal Government of Cambodia to provide flexible, alternative education to out-of-school youth to complete lower secondary or basic education.
Better Cotton Initiatives (“BCI”)	The BCI is a global, not-for-profit organisation, the largest cotton sustainability programme in the world, which aims to transform cotton production worldwide by developing Better Cotton as a sustainable mainstream commodity.
Better Work	Better Work is a comprehensive programme that brings together all levels of the garment industry to improve working conditions and to respect labour rights. It was jointly created by the United Nation’s International Labour Organization and the International Finance Corporation.
Biogenic emissions	Biogenic emissions are the carbon dioxide emissions from the combustion or biodegradation of biomass.
Carbon dioxide equivalent (“CO <sub>2</sub> e”)	CO <sub>2</sub> e is the common unit of measurement to indicate the global warming potential of greenhouse gases, expressed in terms of the global warming potential of one unit of carbon dioxide.
Crystal Advocates Respect and Engagement (“CARE”)	The CARE is an employee well-being programme self-initiated by Crystal. It contains five levels to help employees build on their skills, promote a work-life balance, strengthen their self-respect, uplift their sense of belonging and assist them to attain self-actualisation.
Customer final inspection pass rate (“CFIR”)	The CFIR is a measure of factory quality performance derived from analysing the first-time pass rate of a customer’s first-time final inspection.
Diversity and inclusion	Diversity refers to the traits and characteristics that make people unique while inclusion refers to the behaviours and social norms that ensure people feel welcome and respected.
Earth Hour	Earth Hour is a worldwide environmental movement organised by the World Wide Fund for Nature. The event is held annually encouraging individuals, communities, businesses and governments to turn off non-essential lights for one hour on a designated date.

Excellence in Design for Greater Efficiencies (“EDGE”)	EDGE, launched by the International Finance Corporation, a green building certification system for emerging markets, aims to help developers measure the green savings and create credible solutions to achieve green savings.
Facility Environmental Module (“FEM”)	The Higg FEM is one of the facility tools of the Higg Index that standardises how facilities measure and evaluate their environmental performance.
Fashion Industry Charter for Climate Action	The Fashion Industry Charter for Climate Action is an industry-wide initiative, driven by the United Nations, to collectively address the climate impact of the fashion sector across its value chain.
Global Organic Textile Standard (“GOTS”)	The GOTS was developed by leading standard setters to define world-wide recognised requirements for organic textiles. From the harvesting of the raw materials, environmentally and socially responsible manufacturing to labelling, textiles certified to GOTS provide a credible assurance to the consumers.
Global Recycle Standard (“GRS”)	The GRS is an international, voluntary, full product standard that sets requirements for third-party certification of recycled content, chain of custody, social and environmental practices and chemical restrictions.
Greenhouse gas (“GHG”)	GHG is the gaseous constituent that is able to absorb and hold heat in the atmosphere, either occurring naturally or resulting from human activities.
HERproject	HERproject, initiated by Business for Social Responsibility, is a collaborative initiative that strives to empower low-income women working in global supply chains through workplace-based interventions on health, financial inclusion, and gender equality.
Higg Index	The Higg Index is a suite of tools developed by the Sustainable Apparel Coalition that enables brands, retailers and facilities to measure and score a company or product’s sustainability performance.
Industrial Relations	The interrelations between company management, supervisors, workers and unions.
Industry 4.0	Industry 4.0 is the digital transformation that is characterised by automation and data exchange in manufacturing technologies. It includes cyber-physical systems, the Internet of things and cloud computing.
Institute of Public and Environmental Affairs (“IPE”)	The IPE is a non-profit environmental research organisation registered and based in Beijing, China, offering a pollution database to monitor corporate environmental performance.
Lean production	Lean production is a production model that focuses on minimising waste and thus cost, whilst maximising productivity and adding value to products and services.
Low Carbon Manufacturing Programme (“LCMP”)	LCMP, hosted by WWF-Hong Kong, provides manufacturers with a carbon accounting and labelling system, which helps to measure their effectiveness in carbon reduction and also to equip them with best practices.



## Glossary

Manufacturing Restricted Substance List (“ <b>MRSL</b> ”)	MRSL is a list of chemical substances that are subject to a usage ban or restrictions in manufacturing processes.
Observed quality level (“ <b>OQL</b> ”)	OQL is a measure of factory quality performance by analysing the defect rate of the customer’s first-time final inspection.
OEKO-TEX STANDARD 100	The STANDARD 100 by OEKO-TEX is a globally uniform, testing and certification system for textile raw materials, intermediate and end products at all stages of production. Its aim is to ensure products are free from harmful substances.
Organic Content Standard (“ <b>OCS</b> ”)	The OCS is an international, voluntary standard that sets requirements for third-party certification of certified organic input and chain of custody.
Personal Advancement & Career Enhancement (“ <b>P.A.C.E.</b> ”)	P.A.C.E. is an innovative factory-based programme initiated by Gap Inc. The main focus is to positively impact female garment workers by providing them with foundational skills and support that will help them advance in the workplace and in their personal lives, through life skills education and technical training.
Recycled Claim Standard (“ <b>RCS</b> ”)	RCS is an international, voluntary standard that sets requirements for third-party certification of recycled input and chain of custody.
Restricted Substance List (“ <b>RSL</b> ”)	RSL is a list of chemical substances restricted or banned from use in finished products.
SDG2000	SDG2000 is developed by the World Benchmarking Alliance that identifies the most influential 2,000 companies globally on the SDGs.
Smart factory	In a smart factory, physical production processes and operations are combined with digital technology, smart computing and big data to create a more opportunistic system. It represents a leap forward from traditional automation to a fully connected and flexible system.
Task Force on Climate-related Financial Disclosures (“ <b>TCFD</b> ”)	The TCFD was created in 2015 by the Financial Stability Board to develop consistent, climate-related, financial risk disclosures for use by companies, banks and investors in providing information to stakeholders.
United Nations Sustainable Development Goals (“ <b>SDGs</b> ”)	SDGs are a collection of 17 global goals set by the United Nations General Assembly in 2015 for the year 2030. These goals provide a blueprint to achieve a more sustainable future and address global sustainability challenges.
WWF’s Water Risk Filter 5.0	The WWF’s Water Risk Filter 5.0 is an online tool developed by WWF and the German finance institution DEG, which helps companies and financial institutions to explore, assess, value and respond to water risk.
Zero Discharge of Hazardous Chemicals (“ <b>ZDHC</b> ”)	ZDHC is formulated by a group of apparel and footwear brands and retailers working together to lead the industry towards zero discharge of hazardous chemicals.

# ESG Reporting Guide Index and GRI Content Index

## ESG Reporting Guide Index

ESG Reporting Guide	Description	Section or feedback
<b>Environmental</b>		
<b>Aspect A1: Emissions</b>		
General disclosure		Conserving the Environment
KPI A1.1	The types of emissions and respective emissions data.	Conserving the Environment – Air Emission Control; GHG Emissions 2020
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity.	Conserving the Environment – Product Footprints 2020; GHG Emissions 2020
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity.	Conserving the Environment – Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity.	Conserving the Environment – Waste Management
KPI A1.5	Description of measures to mitigate emissions and results achieved.	Conserving the Environment – Carbon Reduction and Energy Saving; Air Emission Control; Highlighted Projects and Initiatives
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Conserving the Environment – Waste Management; Highlighted Projects and Initiatives
<b>Aspect A2: Use of Resources</b>		
General disclosure		Conserving the Environment
KPI A2.1	Direct and/or indirect energy consumption by type in total (kWh in '000s) and intensity.	Conserving the Environment – Product Footprints 2020; Energy Consumption 2020
KPI A2.2	Water consumption in total and intensity.	Conserving the Environment – Product Footprints 2020; Water Consumption for Production Use 2020
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Conserving the Environment – Carbon Reduction and Energy Saving; Highlighted Projects and Initiatives
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Conserving the Environment – Water Conservation; Highlighted Projects and Initiatives
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Conserving the Environment – Waste Management
<b>Aspect A3: The Environment and Natural Resources</b>		
General disclosure		Conserving the Environment
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Our Sustainability Vision and Approach – Third Global 5-year Sustainability Targets (2018–2022) Stakeholder Engagement – Materiality Assessment Conserving the Environment



**Social**

**i. Employment and Labour Practices**

**Aspect B1: Employment**

General disclosure	Pioneering Social Responsibility – Employee Care
KPI B1.1 Total workforce by gender, employment type, age group and geographical region.	About Crystal International – Global Employees

**Aspect B2: Health and Safety**

General disclosure	Pioneering Social Responsibility – Employee Care
KPI B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.	Pioneering Social Responsibility – Employee Care

**Aspect B3: Development and Training**

General disclosure	Combating COVID-19 and Embracing the New Normal – Digitalisation Pioneering Social Responsibility – Employee Care
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**Aspect B4: Labour Standards**

General disclosure	Pioneering Social Responsibility – Employee Care
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**ii. Operating Practices**

**Aspect B5: Supply Chain Management**

General disclosure	Pioneering Social Responsibility – Supply Chain Management Conserving the Environment – Higg Index
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**Aspect B6: Product Responsibility**

General disclosure	Combating COVID-19 and Embracing the New Normal – Digitalisation Pioneering Social Responsibility – Superior Quality
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**Aspect B7: Anti-corruption**

General disclosure	Pioneering Social Responsibility – Anti-corruption
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**iii. Community**

**Aspect B8: Community Investment**

General disclosure	Combating COVID-19 and Embracing the New Normal – Protecting Employees and Communities; Innovation Pioneering Social Responsibility – Community Engagement
B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Combating COVID-19 and Embracing the New Normal – Protecting Employees and Communities; Innovation Pioneering Social Responsibility – Community Engagement
B8.2 Resources contributed (e.g. money or time) to the focus area.	Combating COVID-19 and Embracing the New Normal – Protecting Employees and Communities; Innovation Our Sustainability Vision and Approach – Third Global 5-year Sustainability Targets (2018–2022) Pioneering Social Responsibility – Community Engagement

**GRI Content Index**

GRI Standards	Description	Section or feedback
<b>GRI 102: General Disclosures</b>		
<b>1. Organisational Profile</b>		
102-1	Name of the organisation	About Crystal International
102-2	Activities, brands, products, and services	About Crystal International – Product Types
102-3	Location of headquarters	About Crystal International
102-4	Location of operations	About Crystal International – Geographical Markets and Operations Worldwide
102-5	Ownership and legal form	Listed on Hong Kong Main Board of The Stock Exchange of Hong Kong Limited.
102-6	Markets served	About Crystal International – Geographical Markets and Operations Worldwide
102-7	Scale of organisation	About Crystal International – Geographical Markets and Operations Worldwide
102-8	Information on employees and other workers	About Crystal International – Global Employees
102-9	Supply chain	As an owner, developer, and manager of garment manufacturing facilities, as well as a provider of apparel products and relevant services, Crystal International’s supply chain is comprised of hundreds of suppliers of various products and services. Significant procurement categories include fabric, trims, accessories, building materials, furniture and fittings, cargo and logistics services, as well as production equipment and machinery. For more details of our supply chain management, please refer to “Pioneering Social Responsibility – Supply Chain Management” section.
102-10	Significant changes to the organisation and its supply chain	Please refer to Crystal International’s Annual Report 2020, which is publicly available on our <a href="#">website</a> .
102-11	Precautionary principle or approach	About Crystal International – Corporate Governance; Sustainability Governance
102-12	External initiatives	Combating COVID-19 and Embracing the New Normal – Innovation; Committing to Sustainable Recovery Our Sustainability Vision and Approach – Our Sustainability Framework and United Nations Sustainable Development Goals Stakeholder Engagement – Global Partnerships on Sustainability Conserving the Environment – Carbon Reduction and Energy Saving; Higg Index; Highlighted Projects and Initiatives
102-13	Membership of associations	Stakeholder Engagement – Global Partnerships on Sustainability



## ESG Reporting Guide Index and GRI Content Index

### 2. Strategy

102-14	Statement from senior decision-maker	CEO Message
102-15	Key impacts, risks, and opportunities	Our Sustainability Vision and Approach – Third Global 5-year Sustainability Targets (2018–2022) Stakeholder Engagement – Materiality Assessment

### 3. Ethics and Integrity

102-16	Values, principles, standards, and norms of behaviour	About Crystal International – Our Corporate Values Pioneering Social Responsibility – Employee Care; Anti-corruption
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### 4. Governance

102-18	Governance structure	About Crystal International – Corporate Governance; Sustainability Governance
102-19	Delegating authority	About Crystal International – Sustainability Governance
102-20	Executive-level responsibility for economic, environmental, and social topics	About Crystal International – Sustainability Governance
102-21	Consulting stakeholders on economic, environmental, and social topics	Stakeholder Engagement
102-22	Composition of the highest governance body and its committees	About Crystal International – Corporate Governance
102-23	Chair of the highest governance body	About Crystal International – Corporate Governance
102-29	Identifying and managing economic, environmental, and social impacts	About Crystal International – Sustainability Governance Stakeholder Engagement
102-30	Effectiveness of risk management processes	About Crystal International – Sustainability Governance
102-31	Review of economic, environmental, and social topics	About Crystal International – Sustainability Governance
102-32	Highest governance body's role in sustainability reporting	About Crystal International – Sustainability Governance

### 5. Stakeholder Engagement

102-40	List of stakeholder groups	Stakeholder Engagement
102-42	Identifying and selecting stakeholders	Stakeholder Engagement
102-43	Approach to stakeholder engagement	Stakeholder Engagement
102-44	Key topics and concerns raised	Stakeholder Engagement – Materiality Assessment

### 6. Reporting Practice

102-45	Entities included in the consolidated financial statements	Please refer to Crystal International's Annual Report 2020, which is publicly available on our <a href="#">website</a> .
102-46	Defining report content and topic boundaries	The Basis of This Report
102-47	List of material topics	Stakeholder Engagement – Materiality Assessment
102-48	Restatements of information	There is no revision of the information provided in the previous report.
102-49	Changes in reporting	The Basis of This Report Stakeholder Engagement – Materiality Assessment
102-50	Reporting period	The Basis of This Report
102-51	Date of most recent report	Crystal International's previous Sustainability Report was published on 21 <sup>st</sup> Jul 2020.
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	The Basis of This Report
102-55	GRI content index	GRI Content Index
102-56	External assurance	This Report is not externally assured at the present.

#### GRI 103: Management Approach

103-1	Explanation of the material topic and its Boundary	Stakeholder Engagement Applicable to all topic-specific disclosures.
103-2	The management approach and its components	Our Sustainability Vision and Approach – Third Global 5-year Sustainability Targets (2018–2022) Pioneering Social Responsibility Conserving the Environment
103-3	Evaluation of the management approach	Our Sustainability Vision and Approach – Third Global 5-year Sustainability Targets (2018–2022) Pioneering Social Responsibility Conserving the Environment

#### GRI 302: Energy

302-1	Energy consumption within the organization	Conserving the Environment – Energy Consumption 2020
302-3	Energy intensity	Conserving the Environment – Product Footprints 2020
302-4	Reduction of energy consumption	Our Sustainability Vision and Approach – Third Global 5-year Sustainability Targets (2018–2022) Conserving the Environment – Carbon Reduction and Energy Saving

#### GRI 303: Water and Effluents

303-1	Interactions with water as a shared resource	Our Sustainability Vision and Approach – Third Global 5-year Sustainability Targets (2018–2022) Conserving the Environment – Water Conservation; Water Consumption for Production Use 2020
303-2	Management of water discharge-related impacts	Conserving the Environment – Chemical and Wastewater Management
303-5	Water consumption	Conserving the Environment – Water Consumption for Production Use 2020



## ESG Reporting Guide Index and GRI Content Index

### GRI 305: Emissions

305-1	Direct (Scope 1) GHG emissions	Conserving the Environment – GHG Emissions 2020
305-2	Energy indirect (Scope 2) GHG emissions	Conserving the Environment – GHG Emissions 2020
305-4	GHG emissions intensity	Conserving the Environment – Product Footprints 2020
305-5	Reduction of GHG emissions	Our Sustainability Vision and Approach – Third Global 5-year Sustainability Targets (2018–2022) Conserving the Environment – Carbon Reduction and Energy Saving; Product Footprints 2020
305-7	Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	Conserving the Environment – Air Emission Control

### GRI 306: Effluents and Waste

306-2	Waste by type and disposal method	Conserving the Environment – Waste Management; Highlighted Projects and Initiatives
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### GRI 307: Environmental Compliance

307-1	Non-compliance with environmental laws and regulations	No significant fines or non-monetary sanctions for non-compliance with environmental laws and/or regulations recorded within the reporting period.
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### GRI 403: Occupational Health and Safety

403-1	Occupational health and safety management system	Pioneering Social Responsibility – Employee Care
403-6	Promotion of worker health	Combating COVID-19 and Embracing the New Normal Pioneering Social Responsibility – Employee Care

### GRI 404: Training and Education

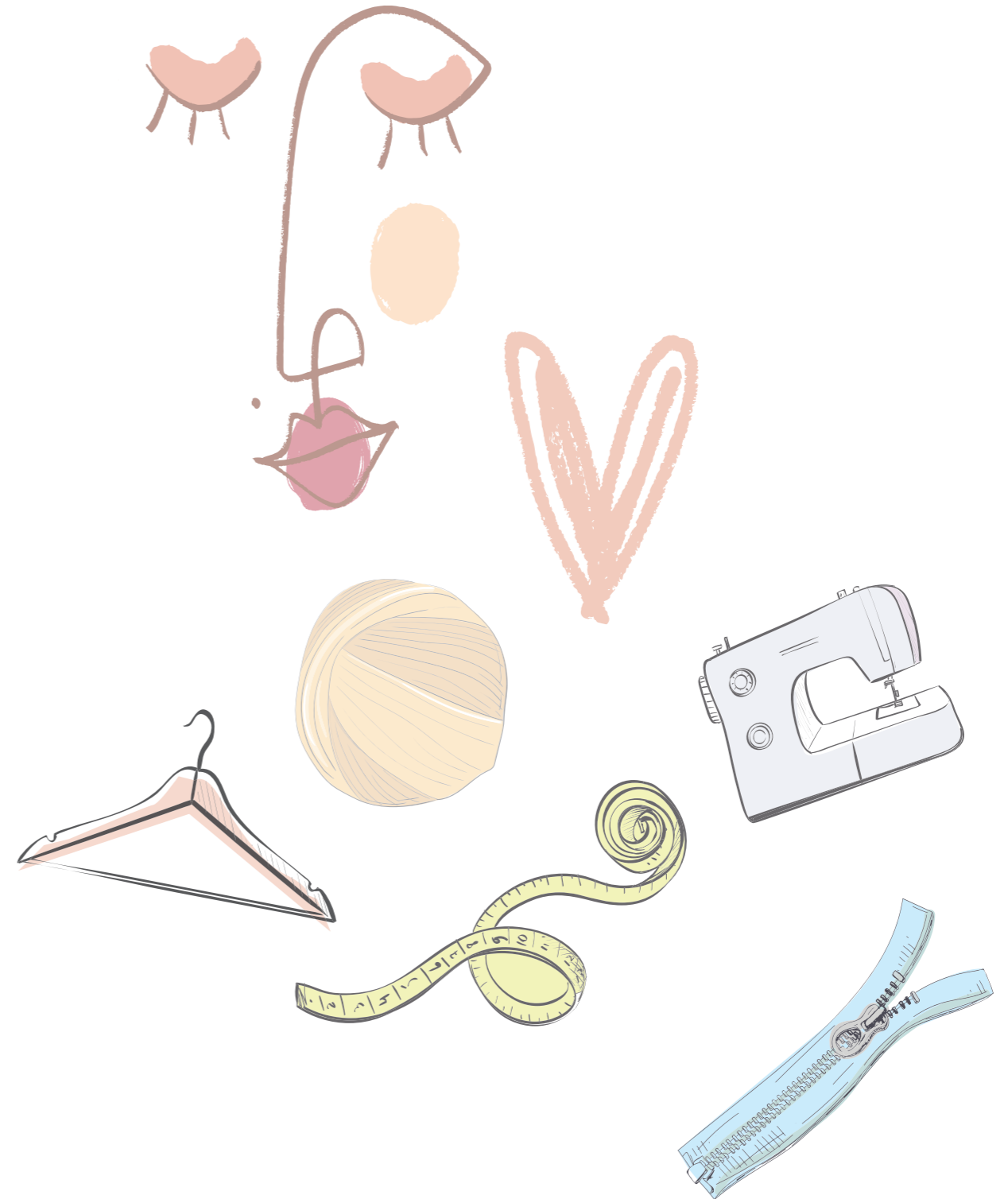
404-2	Programs for upgrading employee skills and transition assistance programs	Combating COVID-19 and Embracing the New Normal – Digitalisation Pioneering Social Responsibility – Employee Care
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### GRI 405: Diversity and Equal Opportunity

405-1	Diversity of governance bodies and employees	About Crystal International – Global Employees Please refer to Crystal International’s Annual Report 2020, which is publicly available on our <a href="#">website</a> .
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### GRI 419: Socioeconomic Compliance

419-1	Non-compliance with laws and regulations in the social and economic area	No significant fines or non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic areas recorded within the reporting period.
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The paper for this report cover  
is upcycled from potato waste



## SUSTAINABILITY REPORT 2020



晶苑國際集團有限公司\*  
CRYSTAL INTERNATIONAL GROUP LIMITED

(Incorporated in Bermuda with limited liability and registered by way of continuation in the Cayman Islands)  
(於百慕達註冊成立的有限公司並以存續方式於開曼群島註冊)

Stock code 股份代號：2232

\*For identification purposes only 僅供識別