

This is the sustainability report, which outlines our major members' approaches, commitment and strategies in four aspects of sustainability – workplace quality, environmental protection, operating practices and community involvement. The reporting period of this report is from 1 April 2016 to 31 March 2017. The data disclosed in this report are prepared and provided by the respective administration departments of Panyu plant and Vietnam plant of the Group.

### VISION

"To make the world a more comfortable and better place through our products" – Pacific Textiles is a creative and sizeable knitted fabric manufacturer and marketer whose business scope covers integrated services of knitting, dyeing, printing and finishing.

### MISSION

"In global textile community, we strive for:

- Quality products and services;
- Equitable opportunities and respect;
- High returns to the investors;
- Excellent environmental protection;

through the faith of social responsibilities and innovation." – Pacific Textiles considers green manufacturing and environment protection not only as the responsibility of a responsible enterprise citizen, but also as the basis of long-term viability for any enterprises. Pacific Textiles has been actively taking steps to ensure that by-products from its manufacturing facilities are disposed of with minimal effects to the environment and trying its best to achieve a harmonious development of the enterprise, natural environment and all stakeholders.

### WORKING ENVIRONMENT

Each employee is required to sign an employment contract and receipt of hazardous notice of occupational health to job holder as referred to the local government requirements and it mainly covers the job title and duties; work hours; rest period; statutory benefits and preventive measures for occupational hazards etc. We conduct assessment on labor working environment to ensure good and safe working conditions for our employees in terms of light, noise, air, dust, wind, gas, etc. All related factors have been managed in accordance with the standard of local government. We also provide our employee proper PPE to prevent potential labor accident and minimize the influence on employee's health: ear plug, goggles, dust respirator, mask, rubber gloves/boots, insulated shoes, apron, hair net, safety belt, etc. Annual health check is conducted for all employees to help employees and the company knows their health status and has proper arrangement of work as well as medical treatment, if necessary.

此可持續發展報告概述本集團的主要屬下成員在工作環境質素、環境保護、營運慣例及社區參與等四個方面之工作方法、承諾及策略。本報告之報告期自2016年4月1日起至2017年3月31日止。本報告所披露的數據由本集團屬下之番禺廠和越南廠的負責管理部門整理、提供。

### 願景

「讓我們的產品，令世界更舒適美好」— 互太是一個具創意和具規模的針織布生產及營商，其業務範圍涵蓋了針織、染色、印花及整理之綜合處理。

### 使命

「在國際紡織界中，以社會責任及創新思維的信念，努力做到：

- 優質的產品及服務；
- 平等工作機會及互相尊重；
- 豐厚的投資回報；
- 卓越的環境保護。」

— 互太不但視綠色生產和環境保護為其盡企業公民之責任，而且更視之為企業能夠長遠持續發展的基礎；互太一直主動採取各項措施以確保生產過程中所產生的副產品能得到妥善處理，致力將對環境的影響減到最小，盡力成就企業、自然環境和各持份者之間都能和諧發展。

### 工作環境

每名僱員均須簽署僱傭合約及簽收當地政府規定所提及須向任職人員發放的職業危害告知。該告知主要涵蓋職位及職責、工作時數、休息時間、法定福利及崗位職業危害因素防控措施等。我們就光線、噪音、空氣、粉塵、通風及氣體等對勞動工作環境進行評價，確保為僱員提供良好及安全的工作條件。所有相關因素均依照當地政府的標準進行管控。我們致力為僱員提供適當的個人防護裝備以預防潛在的勞動意外及儘量減少對僱員健康的影響，該等裝備包括：耳塞、護目鏡、防塵口罩、面具、橡膠手套／靴子、絕緣鞋子、圍裙、髮網及安全帶等。我們每年對所有僱員進行健康體檢，以幫助僱員及本公司了解僱員的健康狀況，並作出適當的工作安排及進行治療（如需要）。

#### EMPLOYEES' BASIC INFORMATION

As of March 2017, 4,344 employees were under full-time employment in Panyu plant (previous year: 5,000); age range from 18-60 and come from various provinces of Mainland China. About 35% (previous year: 5%) for age group from 18-30 and come from various provinces of Mainland China.

As of March 2017, total 848 employees are hired for full employment in Vietnam plant (previous year: 729). Vietnam plant's employees come from different provinces nationwide, but majority is local resident. Vietnam plant implements hiring health checking for new employees to ensure a healthy labor force for effective and efficient production.

#### HEALTH AND SAFETY

Panyu plant attaches great importance to production safety management and occupational health management. It spared no effort to consistently implement the occupational health and safety policy of "Compliance, care, safety, health, inspection of hidden dangers, risk control, safety guarantee, full participation, aggressiveness, promotion of harmonious development", firmly enforced a policy of "Observing laws and regulations, dedicating to control and minimize safety risks and adhering to the principle of people-oriented so as to provide a safety and healthy working environment and living environment for employees", proactively carried out works in terms of safety production standardization, established a management system of safety production standardization and also obtained certification of OHSAS18001 Occupational Health and Safety management system.

In Vietnam plant, labor health and safety is in a prior consideration for mill setting in Vietnam and several measures and procedures were set to guarantee the safe and healthy working circumstance all throughout period of working participation in the factory. Health check service is provided in Vietnam plant to all employees when new recruited or annually for enrolled colleagues. Meanwhile, an internal clinic was set in 24 hours service for any emergency aid just in case. Working environment in Vietnam plant is regularly sampled and checked by third parties every three months for noise level, particle level and other parameters that may affect work health. Besides health check and working environment inspection, the Vietnam plant also found a team for internal safety controlling on fire-fighting safety and work safety. Fire-fighting devices, PPEs for works that involve patent dangers or injury were well equipped and managed by the team and under periodical review and reporting.

#### FATALITY NUMBER AND RATE

There is not observed any mortality related to working in Panyu plant.

There is not observed any mortality related to working in Vietnam plant.

#### 僱員基本資料

截至2017年3月，番禺廠僱用4,344名全職僱員（上年：5,000名）。彼等年齡介乎18-60歲，均來自中國內地各省份；約35%僱員屬18-30歲年齡層（上年：5%），均來自中國內地各省份。

截至2017年3月，越南廠僱用共848名全職僱員（上年：729名）。越南廠的僱員來自全國不同省份，但絕大部分為本地居民。越南廠對新僱員進行入職健康體檢，確保僱用健康的勞動人員作有效及高效生產。

#### 健康與安全

番禺廠非常重視安全生產管理及職業健康管理工作，努力貫徹「守法、關愛、安全、健康、查隱患、控風險、保障安全、全員參與、積極進取、促進和諧發展」的職業健康安全方針，堅決執行「遵守法律法規，努力控制及降低安全風險，堅持以人為本，為員工提供安全、健康的工作環境和生活環境」的政策，積極開展安全生產標準化的工作，建立了安全生產標準化的管理體系，並通過了OHSAS18001職業健康安全管理体系認證。

越南廠將勞動健康與安全視為在越南開辦紡織廠的首要考慮，並已設立多項措施及程序保證工廠整個生產過程中安全與健康的工作環境。越南廠為所有僱員提供健康體檢服務，包括新招募僱員的入職健康體檢及已入職僱員的年度健康體檢。同時，越南廠設立了24小時提供服務的內部診所，以防需要緊急救援。第三方每三個月會就噪音水平、粒子水平及可能影響勞動人員健康的其他參數對越南廠的工作環境定期進行抽查。除健康檢查及工作環境檢查外，越南廠還針對消防安全及生產安全成立內部安全控制小組。越南廠的消防設備及用於涉及明顯危害或傷害的生產的個人防護裝備十分齊全。該等設備由內部安全控制小組管理，並定期審查及報告。

#### 死亡人數及比率

番禺廠沒有因工作關係而死亡的案例發生。

越南廠沒有因工作關係而死亡的案例發生。

## LOST DAYS DUE TO WORK INJURY

In 2016, the lost working days due to work injury of Panyu plant was 1,553 man-days (previous year: 2,164 man-days).

Vietnam plant has established arrangement of compensating working hours due to injury during work hour: if any employee had labor accident, company will pay compensation working hour for employee by payment for total working hours that they must leave working for health treatment.

## OCCUPATIONAL HEALTH AND SAFETY MEASURES

In terms of safety production management, Panyu plant conducted thorough hazards identification and risk assessment annually and established risk control measures and necessary emergency practice for important hazards. Safety executives from all departments who have participated in pre-job professional trainings and have passed tests and obtained qualifications manage and control the significant sources of hazards and comprehensively control the potential safety hazards, so as to minimize work safety incidents. In terms of occupational health management, Panyu plant invited Guangdong Prevention and Treatment Center for Occupational Diseases to assess the occupational hazards for all job posts of the Company. According to the assessment result, Pacific Textiles carries out protection from occupational hazards for relative job posts and occupational health protection for employees and conducts occupational health checks annually, so as to guarantee employees' physical health.

Vietnam plant adopts Occupational Health and Safety Measures and related execution and observation procedures:

- Check health periodically to find out occupation disease;
- Supply personal protective equipment for employee;
- Periodically testing and maintaining the machinery, equipment, workshops;
- Occupation health & safety committee will patrol periodically to find out unusual problem that related with working safety;
- Organization safety training for employee periodically as local government requirement (External training);
- Establish Fire-fighting plan and organization practice every year.

## 因工傷損失工作日數

番禺廠在2016年因工傷損失的工作日數為1,553人日(上年: 2,164人日)。

越南廠已制定安排, 補償因工作時間內受到傷害而損失工作時數。倘任何僱員發生勞動意外, 本公司將以支付該僱員因治療而不得不耽誤的總工作時數的方式向僱員支付補償工作時數。

## 職業健康與安全措施

番禺廠針對安全生產管理, 每年進行全面的危險源辨識和風險評價, 並針對重要危險源制定了風險控制措施和必要的應急演練。各部門經過專業培訓考證上崗的安全執行人針對重要危險源進行管控, 對安全隱患進行全面控制, 努力降低安全生產事故。番禺廠針對職業健康管理, 邀請了廣東省職業病防治院對公司各崗位進行職業危害狀況評價, 互太根據評價結果對這些崗位進行職業危害防護、對員工進行職業健康防護, 並每年進行職業健康體檢, 以保障員工的身體健康。

越南廠採納職業健康與安全措施, 以及相關執行及監察方法:

- 通過定期體檢查出職業病;
- 向僱員提供個人防護裝備;
- 定期檢修機械、設備及車間;
- 職業健康與安全委員會將通過定期視察發現與工作安全相關的異常問題;
- 遵守當地政府規定定期為僱員組織安全培訓(外部培訓);
- 制定消防計劃並每年組織演習。



DEVELOPMENT AND TRAINING

Panyu plant set up standing policies and training programs on improving employees' knowledge and skills for discharging duties at work. Those policies and programs coverage have included induction course for general workers, internal and external job training courses for university level, fundamental and middle level of employees. In 2016, those training activities also included "How to effectively motivate and manage new generation employees", "Effective Management Skills", English and Vietnamese Language training courses. As a whole, it was about 2.50 monthly training hours per employee in Panyu plant (previous year: 1.96 monthly hours).

發展及培訓

番禺廠制定長期的政策及培訓計劃提高僱員的履職知識和技能。該等政策及計劃覆蓋普通工人的入職培訓以及大學水平、初級及中級水平僱員的內外部職業培訓。2016年，該等培訓活動亦包括「如何有效激發及管理新一代員工」、「高效的管理技能」及英越雙語培訓課程。總體而言，番禺廠員工每月人均培訓時數約為2.50（上年：1.96小時／月）。



Effective Management Skill  
高效的管理技能



English Language Training 2017  
2017年英語培訓



Learning Method Training  
學習方法培訓



Managing Age at 90 Generation  
管理90後員工

Vietnam plant provides orientation training: all newly hired employees are required to join the orientation training covering internal regulations on compensations and benefits, labor discipline, health and safety, firefighting, job and operational needs. Vietnam plant also provides annual training and irregular training:

- Annual training will be provided in terms of internal regulations and health and safety for all employees, fire-fighting;
- The company arranges periodical training for different groups of employees in referred to local regulations including safety operation training for forklift driver, waste management in-charge, boiler operator, chemical management in-charge, first aider, etc.
- Irregular training courses is conducted based on actual request of each department to improve working capability of employees such as elementary occupational certificate for boiler operators, forklift driver, crane operator.

越南廠提供入職培訓：全體新入職僱員須參加入職培訓，涵蓋有關薪酬與福利、勞動紀律、健康與安全、消防、工作及職務需要的內部規章。越南廠亦提供年度培訓及不定期培訓：

- 年度培訓將提供內部規章、全體僱員健康與安全及消防方面的培訓；
- 公司根據當地規章規定為不同組別僱員安排定期培訓，包括叉車司機、廢物處理員、鍋爐作業員、化學物管理員及急救人員等的安全作業培訓；
- 不定期培訓課程乃按各部門的實際要求開展，以提升僱員的工作能力，如鍋爐作業員、叉車司機及吊車司機的初級執業證書。

## LABOR STANDARDS

As required by the company employment policy and our foreign customers, no child and forced labor will be permitted for employment in Panyu plant.

As internal policy, no child labor is hired under any circumstance in Vietnam plant. Hiring in-charge staff is trained to perform interview techniques to ensure hired employees in compliance with the company standards. Also, no forced labor is allowed in the Vietnam plant. All employees work here in voluntary willing basis. Vietnam plant sets up procedure to receive employee's feedback on all issues including child labor and forced labor. If any case of non-compliance is reported, an investigation will be carried out to settle the case and prevent the repetition.

## ENVIRONMENTAL PROTECTION

Panyu plant's policies in respect of energy management are: proactively utilizing advanced energy-saving technologies, striving to research and develop low-consumption processes, constantly improving energy utilization efficiency and promoting energy consumption level towards international-advanced level. Panyu plant proactively utilized advanced energy-saving technologies, undertook several industrial and national demonstration projects, worked hard on the research and development of energy-saving processes and technologies, and achieved good energy-saving efficiency.

The aggregate energy consumption of Panyu plant for 2016 was standard coal of 162,000 tons (previous year: 180,300 tons), and the energy consumption decreased by 18,300 tons of standard coal as compared with 2015.

In 2016, Panyu plant won the "Top 10 Energy Conservation and Emission Reduction Enterprises of Guangzhou". To propagandize the results of energy conservation and emission reduction of Chinese textile enterprises, Panyu plant was elected by NRDC as a mode of textile enterprises which gained outstanding achievements to shoot promotion videos.

Panyu plant adopted a transfer processing system with regard to treatment of hazardous wastes in compliance with the relevant policy requirements, under which entities obtaining necessary qualifications are entrusted to conduct unified treatment. A qualified treatment rate of 100% was achieved in respect of hazardous wastes. The Company entrusted relevant entities to recycle, reuse and comprehensively treat the non-hazardous wastes, and achieved a comprehensive treatment rate of 100%.

Panyu plant promoted the utilization of clean energy and the optimization of resource utilization structure in an active manner. In particular, in 2014, it carried out the 402KW solar photovoltaic power generating project and the solar heating steam project, to be the pioneer among the industry in using solar clean energy to replace partially fossil energy like coal, aiming at reducing energy consumption and minimize emission of exhaust gas pollutants and CO<sub>2</sub>.

## 勞工準則

按公司僱用政策及外國客戶的要求，番禺廠不得使用童工及強迫勞動力。

作為內部政策，越南廠在任何情況下均不得聘用童工。負責招聘的員工將接受面試技巧培訓，確保聘用的僱員符合公司標準。此外，越南廠亦不得使用強迫勞動力。所有僱員均須自願在越南廠工作。越南廠制定程序接收僱員有關所有問題的回饋，包括童工及強迫勞動力。若收到任何不合規報告，越南廠將展開調查，以解決該事件並防止事件再次發生。

## 環境保護

番禺廠在能源管理方面的政策是：積極採用先進的節能技術，努力研發低耗工藝，不斷提高能源利用效率，推動能耗水準向國際先進水平邁進。番禺廠積極採用先進的節能技術、承擔了多項行業和國家的示範項目，並努力進行工藝和技術的節能研發，取得了良好的節能效益。

2016年番禺廠總耗能162,000噸標煤（上年：180,300噸），比2015年減少能源消耗18,300噸標煤。

2016年，番禺廠獲頒「廣州市度節能減排10佳企業」。為宣傳中國紡織企業節能減排的成果，美國自然資源保護協會(NRDC)挑選番禺廠為成績突出的紡織企業的典型，拍攝宣傳片。

番禺廠對有害廢棄物參照危險廢棄物處理的相關政策要求，執行轉移聯單制度，委託有運營資質的單位統一處理，危險廢棄物合規處置率100%；無害廢棄物委託相關單位回收利用、綜合處理，綜合處理率100%。

番禺廠積極推進清潔能源的使用，優化資源利用結構。其中，2014年度已開展402KW太陽能光伏發電項目、太陽能中溫蒸汽項目，率先於行業內示範使用太陽能清潔能源，部分替代燃煤等化石能源，減少能源消耗的同時，減少廢氣污染物及二氧化碳的排放。



### ENVIRONMENTAL PROTECTION (Cont'd)

Principal measures adopted by Panyu plant in mitigating emissions of exhaust gases from boiler stations of thermal power plants include:

- Newly installing the inside-boiler calcium injection desulfuration device, enhancing raw coal sourcing criteria and purchasing coal with lower sulfur and ash;
- Carrying out modification works in order to enhance the criteria for emissions from boiler station.

Panyu plant has achieved:

- Improvement in exhaust gas emission criterion from  $\text{SO}_2 < 200\text{mg}/\text{m}^3$  to  $\text{SO}_2 < 50\text{mg}/\text{m}^3$ ;
- Reduction in annual  $\text{SO}_2$  emission of 180.2 tons.

Principal measures adopted by Panyu plant in mitigating wastewater emissions include:

- Newly equipped with magnetic levitation blowers in biochemical treatment section, to save energy by approximately 20% and improve water quality of the discharge water;
- Construction of new wastewater treatment plants, to further improve water quality of the discharge water and increase reuse of wastewater.

Panyu plant has achieved: improvement in executive standards for the maximum wastewater discharging concentration (direct discharging) of newly established enterprises set out in Form 2 of the Discharge Standards of Water Pollutants for Dyeing and Finishing of Textile Industry (GB4287-2012).

Principal measures adopted by Panyu plant in mitigating greenhouse gas emissions include: carrying out energy-saving technology modification works in order to reduce the Company's consumption of coal and purchased electricity.

Panyu plant has achieved: reduction in greenhouse gas emission of 2,850 tons (previous year: 23,524 tons reduction).

Vietnam plant conducts quarterly assessment and analysis on environment covering waste water and air emission from boiler to ensure Company's operation does not have negative impact to surrounding environment and in compliance with local government standards. All kinds of waste including living waste, industrial waste, especially hazardous waste are classified and treated properly by permitted contractors. Some kinds of wastes like nylon, scrap fabric can be recycled for cleaning purpose. Energy saving practice is concerned from small action to turn off unnecessary and un-used electrical equipment. Vietnam plant also reserves certain percentage of land within company premise for planting trees, grass that helps to improve the air quality and landscape as well.

### 環境保護 (續)

番禺廠在熱電廠鍋爐廢氣排放減量主要採取的措施包括：

- 新增爐內噴鈣脫硫裝置，優化原煤採購標準，採購更低硫低灰分燃煤；
- 開展建設鍋爐廢氣提標改造工程。

番禺廠實現了：

- 執行廢氣排放標準由 $\text{SO}_2 < 200\text{mg}/\text{m}^3$ ，提升至 $\text{SO}_2 < 50\text{mg}/\text{m}^3$ ；
- 年減少 $\text{SO}_2$ 排放180.2噸。

番禺廠在廢水排放減量主要採取措施：

- 在污水處理生化段新增磁力懸浮鼓風機，節能約20%，同時提升排水水質；
- 開展建設新污水處理廠，進一步提升排水水質，增加廢水回用量。

番禺廠實現了：提升執行《紡織染整工業廢水污染物排放標準》(GB4287-2012)表二新建企業水污染物濃度限值（直接排放）標準。

番禺廠在溫室氣體排放減量主要措施：實施節能技術改造項目，減少公司燃煤及外購電力使用量。

番禺廠實現了：減少溫室氣體排放量2,850噸（上年：減少23,524噸）。

越南廠每季度開展環境評估及分析（覆蓋廢水及鍋爐廢氣），確保公司營運不會對周邊環境產生不利影響，並符合地方政府的標準。所有種類的廢棄物，包括生活廢棄物、工業廢棄物，尤其是有害廢棄物，均由獲准許承包商妥為分類處理。部分種類的廢棄物（如尼龍及廢棄編織物）可循環使用作清潔用途。節能需從小事做起，如關掉不必要及不使用的電器設備。越南廠亦在公司園區內保留了一定比例的土地，用於植樹種草，以幫助改善空氣質量及風景。

## ENVIRONMENTAL PROTECTION (Cont'd)

Vietnam plant takes very serious of reduce, recycle and reuse of pollutants:

- Reuse sludge generated from water and wastewater treatment plant as Bio-fuel;
- Reduce gaseous pollutant discharging from origin by strictly control on coal quality procured. i.e. low sulfur and dust content;
- Recycle debris generated from boiler as raw material for other industry.

Vietnam plant has achieved:

- Zero sludge disposal;
- Gaseous pollutant discharging level is far below local standards;
- Debris generated from boiler is fully reused by third party contractor.

In Vietnam plant, all hazardous waste is registered with local authorities. All storage and transfer is done according to local regulations with transferring records sent by authorized contractor. Hazardous waste is legally disposed of in compliance with local laws. Normal waste is recycled, reused or disposed of by third parties.

Pollutant discharged from Vietnam plant during daily operation mainly includes emission from boiler station and treated effluent after wastewater treatment system. Though there's not yet official regulation on installation of on-line monitoring system in Vietnam, in a concern of real time monitoring and fast reacting to environmental safety issues, Vietnam plant had equipped both treatment systems, either boiler or wastewater treatment plant, with on-line monitoring system for daily observation and reporting.

Natural resources that Vietnam plant utilized are river water and coal. River water is deriving from surface water nearby, specified as Rang River in Hai Duong, Vietnam. Coal procured in local Vietnam is restricted to low sulfur and dust content, i.e. hard coal.

City Power is a main source of energy consumption in Vietnam plant.

## 環境保護 (續)

越南廠非常重視減少、回收及再利用污染物：

- 水及污水處理廠所產生淤泥的再利用（作生物燃料）；
- 通過嚴格控制所採購煤炭的質素（即較低的硫磺和煙塵含量）從源頭減少廢氣排放量；
- 將鍋爐所產生的廢渣回收作其他行業的原材料之用。

越南廠目前所取得成效：

- 淤泥零排放；
- 廢氣排放水平遠低於當地標準；
- 鍋爐所產生的廢渣悉數被第三方承包商再利用。

在越南廠，所有有害廢棄物須於地方當局登記，其一切儲存及轉移須遵照當地法規進行，轉移記錄由經授權承包商提交。有害廢棄物須遵照當地法律進行合法處置。一般廢棄物乃由第三方回收、再利用或處置。

越南廠日常運營中所排放的污染物主要包括鍋爐廢氣及廢水處理系統的經處理廢水。儘管越南目前尚未正式對安裝在線監控系統進行規管，著眼於對環境安全問題的實時監控和迅速反應，越南廠已為其兩個處理系統（鍋爐及廢水處理廠）分別配備在線監控系統，以方便日常監測及報告。

越南廠所利用的自然資源為河水及燃煤。河水乃取自附近（具體而言為越南海陽的穰河（Rang River））的地表水。在越南本地採購的燃煤限於硫磺和煙塵含量較低的無煙煤。

城市電力乃越南廠能源消耗的主要源頭。

### SUPPLY CHAIN MANAGEMENT

Yarn suppliers of Pacific Textiles mainly come from Asia, covering various countries and regions including Mainland China (with approximately 20 yarn suppliers)/India (with approximately 10 yarn suppliers)/Vietnam (with approximately 5 yarn suppliers)/South Korea (with approximately 4 yarn suppliers)/Taiwan (with approximately 4 yarn suppliers)/Indonesia (with approximately 3 yarn suppliers)/Thailand (with approximately 3 yarn suppliers)/Pakistan (with approximately 2 yarn suppliers)/Japan (with approximately 1 yarn supplier), which minimize geopolitical risks.

Pacific Textiles pays great attention to product quality. To become a recognized yarn supplier of Pacific Textiles, each yarn supplier has to have its yarn quality to meet the quality standards as required by our factories. Practices are as follows:

#### 1) FOR NEW SUPPLIERS

- At first, new suppliers are required to provide sample yarn for Pacific Textiles to conduct quality testing;
- If the sample yarn passed the quality testing and the yarn price and delivery time satisfy relevant requirements, the material department would procure a small amount of yarn for further quality assessment;
- There is a half-year assessment period for each new supplier. If the relevant supplier delivers a stable performance in all aspects including product quality during such period, we would promote it to be a qualified supplier.

#### 2) FOR EXISTING SUPPLIERS

- At first, existing suppliers are required to provide shipment sample in batches for quality testing by factories of Pacific Textiles;
- If the shipment sample passed the quality testing, the relevant supplier may ship such batch of bulk yarn;
- Meanwhile, quality control staff of Pacific Textiles will continue to monitor the consistency between quality performance of shipment sample and bulk yarn of such supplier.

Secondly, quality control staff of Pacific Textiles will update the quality conditions of each kind of yarns (including any findings identified during the process of trial production and bulk production) at the raw material meetings held every Tuesday.

Thirdly, every month, quality control staff of Pacific Textiles will provide comprehensive quality assessment results of major yarns supplied for material department's reference in making future procurement.

Should any supplier suffer a decline in yarn quality and not be able to convince us that its yarns will meet the quality requirements of factories of Pacific Textiles within a specified three-month period, the material department would cease to procure from such supplier.

### 供應鏈管理

互太的紗供應商主要來自亞洲區，分別是中國大陸（約有20個紗供應商）／印度（約有10個紗供應商）／越南（約有5個紗供應商）／韓國（約有4個紗供應商）／台灣（約有4個紗供應商）／印尼（約有3個紗供應商）／泰國（約有3個紗供應商）／巴基斯坦（約有2個紗供應商）／日本（約有1個紗供應商）等不同國家和地區，盡可能分散地緣風險。

互太高度關注產品質量，所有紗供應商的來紗品質必須達到工廠要求的品質標準才有機會成為「互太」認可的紗供應商。慣例如下：

#### 1) 新供應商

- 先提供樣板紗給互太測試品質；
- 如果樣板紗品質測試合格，以及紗價格交期做到要求，原料部採購少量紗做進一步品質評估；
- 新供應商需要半年時間的評估期，如果該供應商在這段時間的品質等各方面表現穩定，我們會把該供應商升級為合格供應商。

#### 2) 目前在用的供應商

- 首先，目前的紗供應商分批提供「船頭辦」給互太廠測試品質；
- 如果「船頭辦」品質測試合格，該供應商可裝出該批大貨紗；
- 同時間，互太的品管同事將繼續監察該供應商「船頭辦」和大貨紗品質表現的一致程度。

其次，互太的品管同事在每週二原料會議上反映各種紗的最新品質情況（包括試紗，以及大貨生產過程發現的任何問題）。

第三，互太的品管同事每個月提供主要紗供應的綜合品質評分給原料部做日後採購的方向指引。

如果紗供應商的品質下降，並且不能在限定的3個月內證明能做到互太廠要求的來紗品質，原料部將暫停跟該供應商採購。



## PRODUCT RESPONSIBILITY

The products of Pacific Textiles are manufactured in strict compliance with the relevant international standards. No products of Pacific Textiles were subject to recalls for safety and health reasons.

Upon receiving a customer's complaint on product quality, Pacific Textiles will deliver the relevant information (office of complaint and the content of complaint) to its quality control department to conduct investigation and analysis on the reasons and determine the responsibilities which are divided as follows based on the sources of defective products:

- If the quality issue occurs due to materials, the material department will inform the relevant supplier to investigate and verify and the supplier shall bear the responsibility if it is true.
- If the quality issue occurs due to manufacturing errors or process issues, the quality control department will inform the relevant factory headquarters to investigate and verify and the relevant factory headquarters shall bear the responsibility if it is true.
- If the quality issue occurs due to improper loading and unloading during transportation and other reasons, the carrier shall bear the responsibility.

The products of Pacific Textiles will be verified in accordance with the verification standards as agreed with the relevant customers. Pacific Textiles has established specific arrangements in relation to recall procedures. Upon receiving a customer's complaint on the quality of its products, the quality control department or the person in charge from the relevant responsible factory headquarters will confirm recalling (as defective products or for repairs). Then the sales personnel will inform the transportation department to arrange for collecting the fabrics from the customer and returning the fabrics to the relevant factory. If the products are considered to be defective, then they will be warehoused upon confirmation by competent personnel (factory in-charged or above). If the products need to be repaired, then they will be repaired by the relevant factory headquarters, and won't be delivered to the relevant customer until passing inspection.

## MAINTENANCE AND PROTECTION OF INTELLECTUAL PROPERTY RIGHTS, CONSUMER DATA PROTECTION AND PRIVACY POLICIES

Pacific Textiles respects and protects its customers' intellectual property rights, privacy and other trade secrets. After receiving customers' designs, Pacific Textiles will take measures to ensure the safety of their intellectual property rights, privacy and other trade secrets and prevent the unauthorized disclosure of such secrets.

For some products involving to intellectual property rights, Pacific Textiles will enter into confidentiality agreements with the relevant suppliers and customers in relation to the intellectual property rights and trade secrets.

## 產品責任

互太的產品是嚴格按相關的國際標準進行生產。互太沒有因產品安全與健康理由而回收。

互太接獲到客戶關於產品品質的投訴後，會將相關資料（投訴辦，投訴內容）交由質管部門先調查分析原因及判斷責任，按產出不良品的源頭分以下幾種責任：

- 由於原料問題導致品質不良問題，由原料部通知供應商查証，屬實的由供應商承擔責任。
- 由於生產製造失誤或工藝問題導致的品質問題，由質管部通知相關廠部查証，屬實的由相關廠部負責。
- 由於運輸裝卸失誤等原因導致品質不良問題，由承運方承擔責任。

互太的產品檢定會按與各相關客戶約定的檢驗標準做檢定。互太對於回收程序有確定的安排，接收到客戶對該產品之質量投訴後，由質管部門或者相關責任廠部負責人確認回收（作次或者返修）。後由營業人員通知運輸部安排到客廠收布、返廠，如作次就交合格人士（廠長級以上）確認後入倉，如返修，交相關廠部進行返修，直到檢驗合格再送貨。

## 維護及保障知識產權、消費者資料保障及私隱政策

互太尊重及維護客戶的知識產權及私隱等商業機密。收到客戶的設計圖稿，互太會採取相關措施確保知識產權，私隱等商業機密的安全防止洩漏。

如果有涉及知識產權的部分產品，互太會與相關供應商及客戶簽訂知識產權及私隱商業機密的保密協議。

### ANTI-CORRUPTION

We formulate anti-corruption policy, rules and regulations for our employees, contractors and suppliers as well in both Panyu plant and Vietnam plant. Any contravention to the policy, rules and regulations are identified with solid evidence, the contravened parties of or for services will be terminated immediately.

Relevant working policy, rules, regulations and procedures will be reviewed from time to time for avoiding repeated cases. We also set up a compliant mechanism for reporting corrupted behavior if any.

Detailed anti-corruption procedures are well informed to all of employees, contractors and suppliers through internal notice and business letter respectively in both Panyu plant and Vietnam plant. The procedures cover various channels for reporting the corrupted behavior including email, phone, letter, letter box or in person etc.

### COMMUNITY ENGAGEMENT

Panyu plant has solicited policies to understand and support local community needs by using different means. Panyu plant joined the local community activities including respectful activities for senior people, entertainment performance for local community, visit and subsidizing money to poverty villagers, providing scholarships for outstanding middle school students and joined the local government-organized money raising activities for poverty by contributing money and employment of local residual manpower etc. (About RMB150,000.)



Community Activity  
社區活動



Social Policy Training for Women  
婦女社會政策培訓

### 反貪污

互太就番禺廠及越南廠的僱員、承包商及供應商制定反貪污政策、條例及規定。一經發現違反該等政策、條例及規定，證據確鑿的，違規方或違規服務將會即刻予以終止。

我們將不時審閱相關工作政策、條例、規定及程序，避免再次發生違規事件。我們亦已就舉報貪污行為（如有）設立申訴機制。

我們已分別通過內部通告及商業信函明確告知番禺廠及越南廠的全體僱員、承包商及供應商詳細的反貪污程序。程序覆蓋舉報貪污行為的各種渠道，包括電郵、電話、信件、信箱或親身舉報等。

### 社區參與

番禺廠已通過不同方法徵集政策，了解及支持當地社區的需求。番禺廠參與了敬老活動、當地社區娛樂表演、拜訪及資助貧困村民、為優秀中學生提供獎學金等當地的社區活動，並通過捐款及僱傭當地剩餘勞動力等方式參加當地政府組織的救助貧困人士募捐活動（約人民幣150,000元）。



Poverty Subsidy Program  
貧困資助計劃

### COMMUNITY ENGAGEMENT (Cont'd)

The motto of Vietnam plant is to do business in respect of balancing company benefits and employee's benefits and in responsible manner to local community where the company is located in. Vietnam plant will base on actual needs and internal resource in each period to contribute for local resident as well as community in aspect of charitable activities for impoverished and disable persons, local festival event or environmental protection activities.

### 社區參與 (續)

平衡公司利益及僱員利益，對公司所在社區負責是越南廠開展業務的座右銘。越南廠將根據各期間的實際需求及內部資源，就為貧困及殘疾人群舉辦的慈善活動、當地節日活動或環保活動為當地居民及社區做貢獻。