



睿鋒集團控股有限公司
Rui Feng Group Holdings
Company Limited

Rui Feng Group Holdings Company Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8312)

2018

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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TABLE OF CONTENTS

ABOUT ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT	2
STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT	3
CARE FOR OUR BUSINESS	5
SUPPLY CHAIN MANAGEMENT	5
PRODUCT RESPONSIBILITY	5
BUSINESS WITH INTEGRITY	6
CARE FOR OUR PEOPLE	7
EMPLOYMENT PRACTICES	7
OCCUPATIONAL HEALTH AND SAFETY	7
STAFF DEVELOPMENT AND TRAINING	8
HARMONIOUS WORKPLACE	8
CARE FOR OUR COMMUNITY	9
CARE FOR OUR ENVIRONMENT	10
HKEX ESG REPORTING GUIDE INDEX	11

ABOUT ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

With greater public concerns on the corporate social responsibility, Rui Feng Group Holdings Company Limited (formerly known as China Hanya Group Holdings Limited) (the “Company”) and its subsidiaries (hereafter “We”, the “Group”) recognise the importance of embedding the sustainability principles into the business models, and guiding us in making our corporate decisions to create positive influences to the society.

We are pleased to publish our second Environmental, Social and Governance (“ESG”) report which presents our ESG management practices of our core business — distribution of apparel products and household products in Hong Kong and Mainland China.

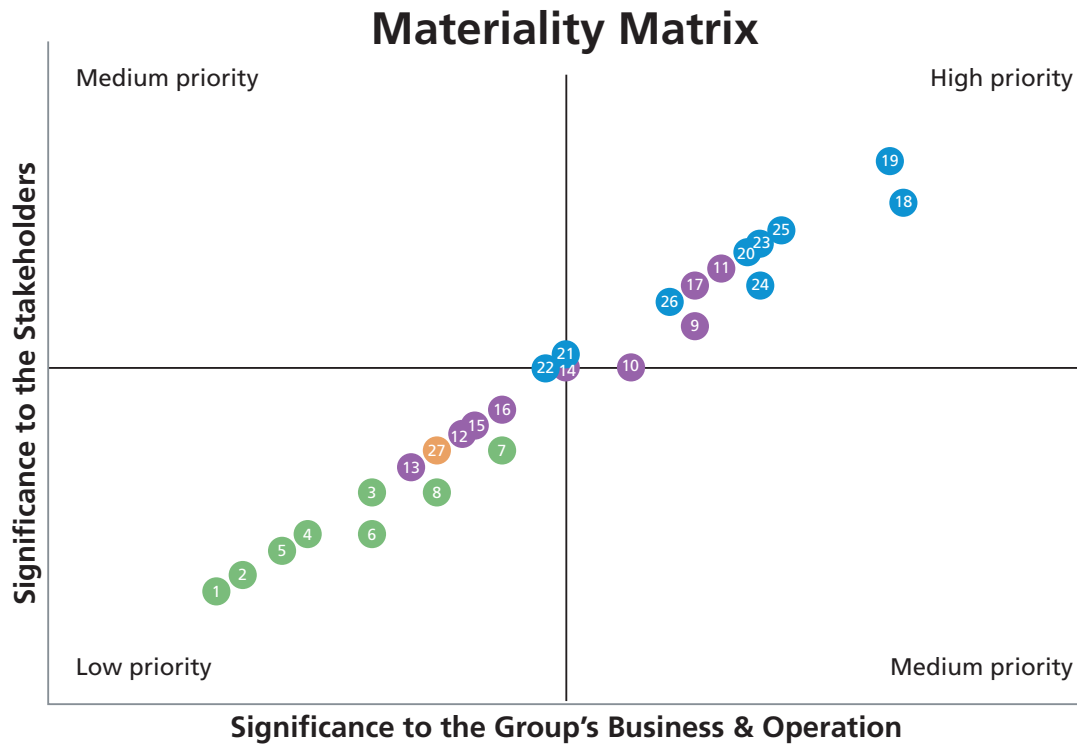
This report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide under Appendix 20 to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (“HKEx ESG Reporting Guide”) and the report covered the period from 1 October 2017 to 31 December 2018¹ (the “Reporting Period”). The report was reviewed and approved by the Board.

We value your feedback on this report. If you have any suggestions, please contact us by phone at +852 3423 1017 or via email at adm@chinahanya.com.hk.

¹ As set out in the Company’s announcement dated on 22 January 2018, the financial year end date of the Company was changed from 30 September to 31 December. The reporting period of this report is thus covered the information of the Group’s ESG management practices for 15 months.

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

Stakeholder engagement is a key process that enable us to understand the views and opinions of our key stakeholders, as well as to identify the material environmental and social topics relevant to the Group’s business. This process helps us to have a better management on the demands and expectations of the stakeholders and form the basis for preparation of this ESG report. We have employed an independent consultant to carry out stakeholder engagement via questionnaire survey and assess the relative materiality of the determined ESG topics. Our internal and external stakeholder groups were invited to rate the 27 sustainability topics based on their importance and relevance to the Group’s business and operation and stakeholders themselves respectively. With the analysis of the collected results, we defined the most material ESG topics and revealed in the below matrix. Issues that fall on the top right corner of the materiality matrix represent issues with the most concerned to our stakeholders.



Environment	Social	
	Employment	Operation
1. Air emission	9. Labour rights	18. Customer satisfaction
2. Greenhouse gas emission	10. Labour/Management relations	19. Customer service quality and complaints handling
3. Climate change	11. Employee retention	20. Customer health and safety
4. Energy efficiency	12. Diversity and equal opportunity	21. Marketing and product and service labelling compliance
5. Water and effluents	13. Non-discrimination	22. Intellectual properties
6. Waste management	14. Occupational health and safety	23. Customer privacy and data protection
7. Use of materials	15. Employee Training	24. Responsible supply chain management
8. Environmental compliance	16. Employee development	25. Ethical business
	17. Prevention of child labour & forced labour	26. Socio-economic compliance
		Community
		27. Community Investment

From the materiality assessment result, we have identified 10 most material ESG topics and they were: customer satisfaction, customer service quality and complaint handling, customer privacy and data protection, ethical business, customer health and safety, responsible supply chain management, employee retention, prevention of child and forced labour, labour rights and socio-economic compliance. By taking into account of the above result and the perspectives of our stakeholders, the Group will continue to formulate corresponding strategies and framework for the implementation of sustainability throughout the business operations, and continually improve our ESG performance.

CARE FOR OUR BUSINESS

Supply Chain Management

Having engaged in distribution of apparel products and household products business with the targeted customers in Europe, Japan, Mainland China and Hong Kong, we have close collaborations with various vendors and source wide range of apparel products (e.g. infants and innerwear) and household products to cater for the needs of different customers in different regions. Therefore, proper screening and selection of suppliers is the essential factor to maintain a sustainable supply chain. In doing so, the Group has maintained a list of approved qualified suppliers as a mean of supplier management to ensure the product quality, environmental and social compliance. The potential manufacturers are required to provide proofs such as business registrations, certificates, qualifications and audit report to evidence their competency on manufacturing and fulfil the requirements of the applicable laws, regulations and industry standards requested for different regions such as Business Social Compliance Initiative Code of Conduct, OEKO-TEX. After that, they undergo stringent supplier assessment in relevant aspects, including the technical standards and capacity of manufacturing operations, quality assurance management, labour conditions and working conditions, occupational health and safety practices and the control measures of environmental pollutions (e.g. wastewater treatment and discharge) before they are approved as qualified suppliers. These evaluations are carried out by our experienced procurement team through on-site inspections, interviews and documentation checks. Those who failed to meet the Group's procurement requirements will be disqualified and removed from the suppliers' list.

As one of the key material ESG topics expressed by stakeholders, the Group will continue to work closely with our suppliers to optimise the purchase through increasing environmentally friendly products and ethical sourcing, and to encourage the improvements of the suppliers' ESG standards in their operations to attain sustainability in our supply chain.

Product Responsibility

To gain the trust of our customers, mainly the wholesalers and retailers, and maintain a strategic partnership in supporting the progressive business growth, we are dedicated to sourcing and providing high quality, safe and reliable products and services in order to cater for their changing needs and expectations.

Product quality and safety

For the apparel business, our team organises pre-production meeting with our vendors, aiming to make sure they are fully understand the product specifications (e.g. workmanship, materials composition, tag positioning, labelling and packaging etc.) and special requirements requested by the customers before commencing the mass production, and prevent severe defects appeared in the products. We, then, carry out textile product laboratory tests and acceptance inspections, with the objective to validate the consistency of the product conformance towards the specifications and the internationally recognised textile regulations and corresponding local regulatory standards (e.g. the presence of residual chemicals, garment care labelling and packaging), for product quality and safety assurance before delivery. Instant rectification is requested to be made by the suppliers when any defects or non-conformity are detected. For household products business, suppliers are requested to offer certificates of quality inspection reports, certificate of conformity and technical safety inspection report by third parties as evidence to demonstrate the compliance with the applicable laws and industry standards. Besides, after-sales maintenance services are provided to our customers. As part of our standard commitments, home maintenance service will be offered upon received request to best serve our customers' needs.

Customer Privacy

As a Group policy and reflected in the employment contract, all employees are required to exercise all due care and diligence keeping all the corporate and customer information (e.g. trade secrets, business forecasts, plans and budgets, programs design and drawings etc.) in strict confidentiality, and forbidden to divulge, communicate and disclose any information to unauthorised persons, or use for the own purpose to obtain any personal benefits. Only authorised staff of relevant departments can access, handle and keep the information for operational purposes. We will seek prior consent from the customers before furnishing any confidential and sensitive information to the authorities.

During the Reporting Period, we were not aware of any non-compliance with the applicable laws and regulations relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and method of redress.

Business with Integrity

Upholding the highest level of business integrity, honesty and accountability is the cornerstone for the successive business development and growth. We are committed to devoting our best efforts to prevent potential corruption, bribery and money laundering within the Group.

In order to prevent falling into the traps of corruption, bribery and money laundering, and comply with the applicable laws and regulations (e.g. Hong Kong Prevention of Bribery Ordinance and the Criminal Laws of the People's Republic of China), we have promulgated the code of conduct (the "code"), which outlined the required behaviours and practices in business dealings, information confidentiality, conflicts of interest declaration and prohibition of soliciting gifts and loans, in the employee handbook and employment contract for all employees to strictly abide by. All employees are subject to disciplinary actions including termination of the employment contract if they violate the term of employment and the code. Likewise, we require our vendors to follow the anti-corruption practices stated in the procurement contract when operating with the Group.

Furthermore, we encourage our employees to report any suspect fraud, corrupt or unethical activities conduct by any Director or employee in the Group to the Human Resources Department. The whistle-blower identity together with the reporting information is kept in strict confidentiality and internal investigation on reported matters will be undertaken promptly followed by remedial actions where appropriate.

During the Reporting Period, we were not aware of any non-compliance with the applicable laws and regulations relating to corruption, bribery, fraud and money laundering.

CARE FOR OUR PEOPLE

Our people are the foundation of the Group's continuous success. In order to retain talents, we strive to provide a safe, fair and supportive workplace for all employees.

Employment Practices

Our staff are remunerated with competitive wages, fixed working hours, medical insurance coverage and mandatory provident fund, which are in line with relevant labour laws and regulations such as Hong Kong Employment Ordinance, the Labour Law of the People's Republic of China and the Labour Contract Law of the People's Republic of China. Review on remunerations and benefits is conducted annually to ensure all employees are rewarded competitively in line with the market standard, and also according to corporate and individual performances. In addition to statutory holidays and annual leaves, all employees are entitled to sick leave, compassionate leave, maternity leave, paternity leave, jury leave and marriage leave.

The Group strongly upholds the principle of equal opportunity and strives to create a workplace that is free from discrimination. We grant fair and equal opportunities for all employees solely based on qualifications, experiences and abilities in all areas of decision making process such as recruitment, evaluation of performance, training, remuneration, benefits and promotion. We do not take any differentiated treatment due to differences on the ground of nationality, age, gender, sexual orientation, gender identity, ethnicity, disability, pregnancy, political inclination, and/or other forms of difference that is unrelated to job requirements. Staff are welcomed to report any case of unlawful discrimination to the management or the Human Resources Department.

We respect and protect the human rights, and hence employees can have free choice of employment and make resignation by serving requested notice period or the payment in lieu. Besides, the Group has zero tolerance on child and forced labour in our workplaces. Candidates' identity are checked before work commencement to ensure they are above statutory employment age.

During the Reporting Period, the Group has complied with the applicable laws and regulations relating to employment practices, equal opportunity, diversity and anti-discrimination and preventing child and forced labour in Hong Kong and Mainland China, and we were not aware of any material breaches with the relevant laws and regulations.

Occupational Health and Safety

Due to the Group's business nature, there is no material occupational hazard envisaged as our operation mainly quartered in office environment. Nevertheless, we always put workplace safety as our first priority by maintaining a safe, comfortable and pleasant working environment for all employees. Our approach on occupational health and safety management is to raise employees' awareness of the use of display screen equipment and emergency situation (e.g. fire), as well as keeping the good housekeeping in the office areas.

During the Reporting Period, the Group was not aware of any material non-compliance with applicable laws and regulations relating to occupational health and safety in Hong Kong and Mainland China.

Staff Development and Training

Understanding each position has professional and training needs, we offer a range of training opportunities to our employees. For new joiners, orientation training is held, covering topics such as corporate culture and company policies, which helps them to swiftly adapt to the working environment. Sponsorship for external professional training and reimbursement of professional membership fee are also offered to eligible staff to acquire professional knowledge and skills.

For effective two-way communication, we have a performance management system in place. Staff performance review is conducted annually, not only to evaluate their performances but also to enable supervisors to identify their career development goals and necessary training needs.

Harmonious Workplace

The Group is committed to establishing a workplace based on mutual trust, which is free from coercion, intimidation or harassment. Expecting all employees to conduct in a professional manner, we have zero tolerance on offensive actions or behaviours and any forms of sexual harassment. Staff are welcomed to report any case of misconduct to the management or our Human Resources Department. The same practice is also extended to our supply chain.

We regularly organise lunch gathering and festive celebrations in order to keep a tight bonding along with our employees and strengthen their sense of belonging towards the Group. Additionally, we highly respect and value opinions of our staff. We welcome all employees to make suggestions to the Group via multiple communication channels such as letters, emails or reports to Human Resources Department. We promise to deal with all suggestions timely.

CARE FOR OUR COMMUNITY

The Group is committed to its corporate social responsibility and giving back to the society where it operates. We aim to leverage our resources and expertise to foster the social community development, with the focus on helping the people who are underprivileged, and create a better place to live in. During the Reporting Period, we supported the 4th annual fund-raising charity run organised by Run to Your Home Charitable Foundation Limited, which its charity projects are in supporting of the youth, the disable people and the elderly in the poverty, by offering five hundreds souvenir tees in a discounted price. In addition, we make donations for the Po Leung Kuk Child Sponsorship Programme and other local non-profitable organisations (e.g. Hong Kong Red Cross and World Vision), in order to aid more needy children and families in local community and developing countries.

CARE FOR OUR ENVIRONMENT

The Group has its commitment on environmental conservation by minimising the adverse impacts on the environment. Regarding to the business scale of the Group, we have spaced in business centre and shared office in Hong Kong and Mainland China respectively for our day-to-day operation. As the idea of shared office itself has been integrated the concept of sharing and environmentally-friendly practices (e.g. share the use of common facilities and office equipment with other office users, reduce the use of disposable products and utensils), where aligning with the principles of sustainability. Thus, operating our business from a business centre or shared office space can reduce the energy and water usage, and lower the resources wastefulness, compared this with the entire solo offices. This helps to reduce the carbon footprints and enhance the resource efficiency as a whole which can benefit to the environment.

As the result of the office facilities are managed by the service provider, hence the record of environmental key performance indicators (“KPIs”) outlined in the HKEx ESG Reporting Guide were unavailable to be collected during the Reporting Period. With the consideration in the opinions of stakeholders towards the environmental issues, the actual insignificant environmental impacts resulted in the Group’s activities, as well as the availability of environmental KPIs collection, the Group has no disclosure of the environmental quantitative information in this report.

HKEx ESG REPORTING GUIDE INDEX

HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/Reference Section
Aspect A: Environment		
A1 Emissions	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p>Note:</p> <p>Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations.</p> <p>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.</p> <p>Hazardous wastes are those defined by national regulations.</p>	CARE FOR OUR ENVIRONMENT
KPI A1.1	The types of emissions and respective emissions data.	N/A
KPI A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	N/A
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	N/A
KPI A1.4	Total non-hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).	N/A
KPI A1.5	Description of measures to mitigate emissions and results achieved.	N/A
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	N/A
A2 Use of Resources	<p>Policies on the efficient use of resources, including energy, water and other raw materials.</p> <p>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</p>	CARE FOR OUR ENVIRONMENT
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	N/A

HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/Reference Section
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	N/A
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	N/A
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	N/A
KPI A2.5	Total packaging material used for finished products (in tonnes), and, if applicable, with reference to per unit produced.	N/A
A3 The Environment and Natural Resources	Policies on minimising the issuer's significant impact on the environment and natural resources.	CARE FOR OUR ENVIRONMENT
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	N/A
Aspect B: Social		
B1 Employment	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. 	CARE FOR OUR PEOPLE — Employment Practices CARE FOR OUR PEOPLE — Harmonious Workplace
B2 Health and Safety	Information on: <ul style="list-style-type: none"> (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. 	CARE FOR OUR PEOPLE — Occupational Health and Safety
B3 Development and Training	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	CARE FOR OUR PEOPLE — Staff Development and Training

HKEx ESG Reporting Guide General Disclosures & KPIs		Explanation/Reference Section
B4 Labour Standards	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child or forced labour.</p>	CARE FOR OUR PEOPLE — Employment Practices
B5 Supply Chain Management	Policies on managing environmental and social risks of the supply chain.	CARE FOR OUR BUSINESS — Supply Chain Management
B6 Product Responsibility	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p>	CARE FOR OUR BUSINESS — Product Responsibility
B7 Anti-corruption	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.</p>	CARE FOR OUR BUSINESS — Business with Integrity
B8 Community Investment	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	CARE FOR OUR COMMUNITY