

ENVIRONMENTAL  
SOCIAL AND  
GOVERNANCE  
REPORT 2018



**Trinity Limited**

Incorporated in Bermuda  
with limited liability

Stock Code: 891

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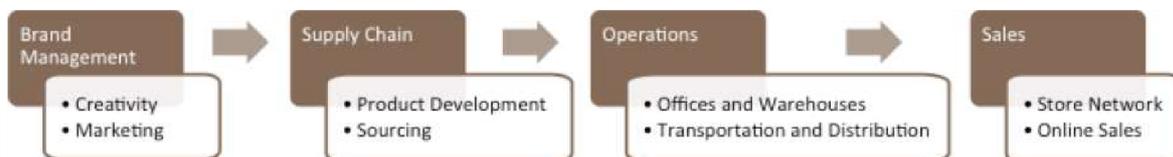
# About this Report

This report is the third stand-alone environmental, social and governance (“ESG”) report for Trinity Limited (the “Company” or “Trinity”) and its subsidiaries (together “the Group”) covering the period from 1 January 2018 through 31 December 2018.

While the scope of this report is aligned with the Company’s 2018 Annual Report, its content has been informed by the principle of materiality. To identify the material topics, we reviewed industry disclosure practices with a focus on the environmental and social impacts of our operations and sales activities in Greater China and Europe, as well as our approaches to brand management and supply chain management.

The content of this report satisfies the “comply or explain” provisions for The Stock Exchange of Hong Kong (“HKEX”) Main Board Listing Rule 13.91 and Appendix 27 ESG Reporting Guide. The disclosures made in this report are intended to complement ESG information discussed in the business review section of our 2018 Annual Report, as required by HKEX Main Board Listing Rules Appendix 16.

## *Global Value Chain*



## **Engaging with our Stakeholders**

We believe that engaging our stakeholders is important because good communication helps us identify and prioritise risks and opportunities for our business.

In 2017, we conducted a survey with our employees to seek their views and expectations with respect to our ESG performance. Our employees are brand ambassadors and integral for the Group’s success. Many are also loyal customers of our products, which gives them a unique perspective on our business. Our survey invited employees to provide their feedback on our environmental performance, supply chain management, employee health and safety, and the impacts of our community investment programmes. The results of the survey are helping to provide us with a clearer understanding of issues that are important to our employees so that we can develop strategic initiatives to address them.

# Message from our President

Trinity is proud to publish this ESG Report and share our progress towards a positive and sustainable future. As a responsible company, we continue to take steps to further improve the management of our ESG-related impacts, including the oversight and supervision of our comprehensive supply chain. We are committed to ethical and responsible corporate governance, and to conduct our business within the guidelines of our Code of Conduct and Business Ethics. Furthermore, we have ensured that the Company's ESG risks and strategies are overseen by the Board, with support from our Senior Management Team. We endeavour to grow and develop our business, responsibly, ethically, and sustainably in the near and long-term future.

Our core principles serve as our operational foundation and guide our company to deliver the best product and service quality to our customers, and doing so in a responsible manner. We work closely with our suppliers and partners to ensure our principles are embraced throughout all aspects of our operations. We have created channels for two-way communication with our diverse stakeholders to gather their thoughts and views, so that we could understand their needs, as well as to work together for achieving our goals. We will continue to make the best effort to listen and communicate with our stakeholders so that we could better serve the potential wants and needs.

The rise of e-Commerce trends provides us with a unique opportunity to better serve our customers on a global scale. However, we will also be aware of the associated risks of expansion and utilisation of new technologies. We are acutely conscious of the issues of data protection and customer privacy, so as to implement proper controls to mitigate these potential negative impacts. The talented individuals who make up our Company are one of our greatest assets, and we strive to develop every employee by supporting their careers, personal development and growth. Aside from improving our employees' work environment, we also aim to provide benefits and implement policies that have positive impacts on our staff away from work as well. Through various initiatives and programmes, we have developed a holistic approach to caring for our employees, which includes a robust support framework for work-life balance.

As we move forward as an organisation, I am confident in our strength and resilience to face future challenges and seize on opportunities to grow and develop. Our ability to adapt to changes in the global market will be critical for our future, and I am glad to see Trinity lead on, while continuing our traditions.

**Paul David Haouzi**  
*President*

Hong Kong, 26 March 2019

# Our Business

Trinity is a premium menswear retailer headquartered in Hong Kong with key operations in Greater China and Europe. We manage four international menswear brands, namely Gieves & Hawkes, Kent & Curwen, Cerruti 1881 and D'URBAN. As at 31 December 2018, our retail network comprised of 253 stores, of which 241 were located in Greater China including the Chinese Mainland, Hong Kong, Macau and Taiwan. We have developed one of the largest premium menswear retail networks in Greater China by successfully introducing, promoting and managing premium menswear and accessories under our international brands.

Our corporate culture is customer-centric with teams in Europe and Asia working closely together to deliver high quality, honest products. Under our brand management structure, we have appointed function heads in Asia to oversee all key functions of our business in Asia including marketing, buying and retail execution. The European team focuses on design and product development as well as brand building. Our supply chain network also continues to reflect the European heritage and traditions that we embody through our brands together with the evolving nature of our business with increasing focus on opportunities in the Greater China market.

## *Global Presence as at 31 December 2018*

	Greater China			Europe	Others
	Hong Kong & Macau	Chinese Mainland	Taiwan		
Stores	36	163	42	12	
Offices	Hong Kong SAR	Shanghai	Taipei	London, Paris	
Employees	438	1,050	166	United Kingdom: 112 France: 30	
Product Origin (Note 1)		40%		48%	12%

Note:

1 Refer to purchases of finished products of the Group.

## Our Business

### Brands & Identity

The rise of e-Commerce provides unparalleled opportunities to expand the reach of our heritage brands to more customers, while providing new and existing customers with convenient access to information about our products and physical retail network, as well as online purchases. We are in the process of laying the foundations for a truly omni-channel experience across all of our brands. In doing so, overall satisfaction of our customers with their e-Commerce transactions — what we call ‘e-fulfillment’ — is our priority.

Trademark and intellectual property rights (IPR) protection are integral to our strategy for protecting our heritage brands. Our trademarks are registered on the IPR registration with China Customs, which helps to prevent counterfeits from entering the marketplace. We employ company-wide Product Trademark Usage Guidelines and combat trademark infringements when it is appropriate to do so. In addition, we have a team that maintains and monitors updates to the Trademark registration record.

### Our Customers

We strive to cultivate a long-term and loyal customer base by delivering highly personalised service to our customers before, during and after their purchases. Our brands with strong tailoring heritage, Gieves & Hawkes and Cerruti 1881, continue to focus on offering our customers personal tailoring services. At the same time, in line with our customers’ increasing demand for e-Commerce interactions, we invested with key online partners such as Tmall, Farfetch and Mr Porter and using social media channels, such as WeChat, to enhance our online presence and services.



*Gieves & Hawkes is proud to hold three Royal Warrants of Appointment to HM The Queen, HRH The Duke of Edinburgh and HRH The Prince of Wales.*



*True to the brand’s strong tailoring heritage, personal tailoring services are available at Gieves & Hawkes, and CERRUTI 1881.*

## Our Business

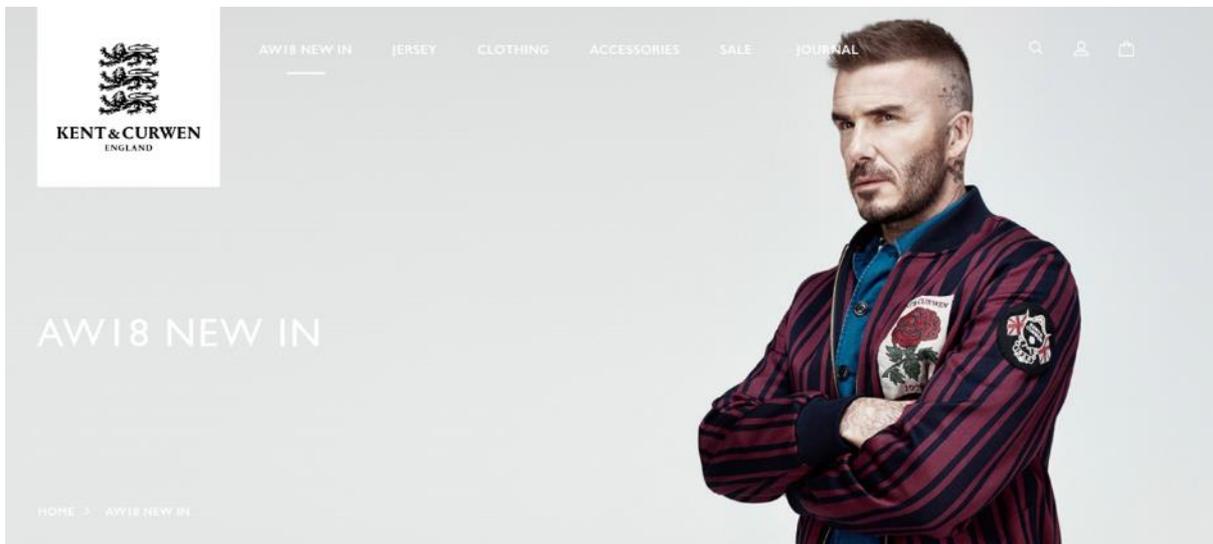
### Data Protection and Customer Privacy

We respect our customers and value their privacy. In compliance with Hong Kong's Personal Data (Privacy) Ordinance, we limit the collection and use of personal information in Greater China to that which is necessary for our business and we apply strict standards of security and confidentiality.

As we expand our presence online for retailing through e-Commerce platforms, we are simultaneously strengthening our data protection procedures to ensure that our customers' privacy is protected. We have relevant policies and procedures in place with respect to transparency of data collection and use, rights to access personal information that we have collected and security measures for preventing the theft and/or accidental disclosure of data.

In addition to engaging a security consultant to undertake penetration testing on our data management system, we work closely with the data security team at Li & Fung Group to review and assess potential data protection impacts on our business on a yearly basis.

We have vetting processes in place to ensure that adequate security measures have been implemented by third-party service providers. For example, all of our e-Commerce websites utilise secure hypertext transfer protocol secure (HTTPS) with authentication and bidirectional encryption to protect the privacy, integrity and security of data exchange.



*Kent & Curwen's e-Commerce website protects the privacy, integrity and security of data exchange.*

# Our Business

## Corporate Values

Trinity's corporate values are fourfold: To be ethical, to be a good corporate citizen, to respect the environment and to respect the communities in which we live and work. These values guide the conduct of our employees internally as well as the Company's relationships with customers, business partners and shareholders.

Our Code of Conduct and Business Ethics (the "Code") provides a framework for all of the Company's operations and sets out standards of behaviour for all employees, including day-to-day business conduct, customer service interactions and working with suppliers. Implementation of the Code's guidance on anti-bribery and anti-corruption is supported by our Whistle-blowing Policy. We encourage our employees to report instances of misconduct. Any reports that we receive are investigated by our Human Resources team or Chief Compliance and Risk Management Officer, and in all cases, the identity of the complainant is protected. Furthermore, all our newly joined staff are well communicated with the Code of Conduct and Whistle-blowing Policy, ensuring that they fully understand the Company's ethical standards. In 2018, no incidents of fraud or misconduct that have a significant effect on the Group's financial statement and overall operations were reported by employees, shareholders or other stakeholders.

The Group is committed to responsible corporate governance and to maintaining strong governance practices to ensure proper monitoring of risk management, internal controls and other compliance matters. The Board is responsible for setting the Company's overall ESG strategy, evaluating ESG-related risks and implementing sustainability practices. The Board is informed for any major changes and potential risks assessed periodically. It is supported by our senior management team, including the Chairman, Chief Executive Officer, President, Head of Finance, Chief Compliance and Risk Management Officer and Company Secretary, who implement risk management and internal control systems. Our Corporate Governance Division reports to the Audit Committee of the Board on the implementation of preventative measures and corrective actions.

## United Nations Global Compact

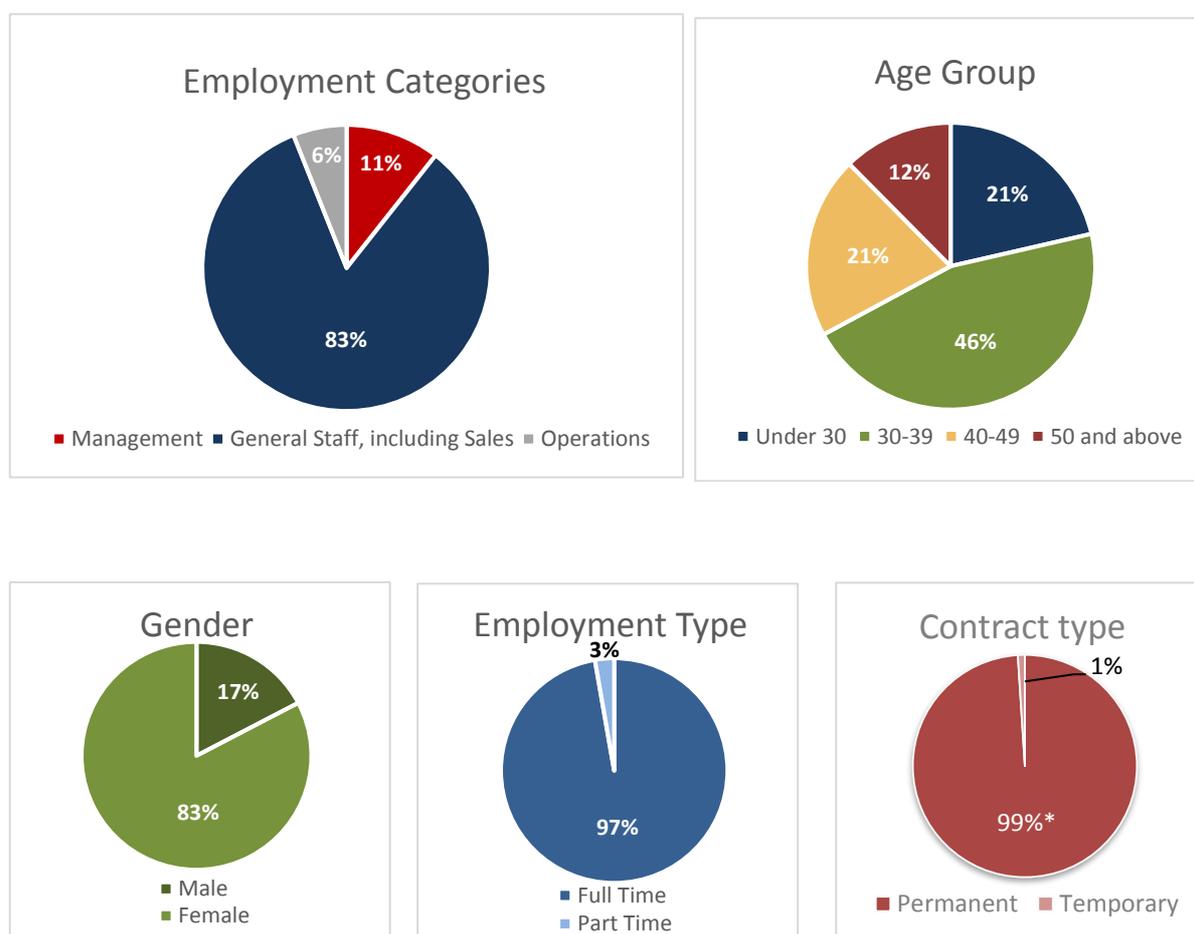
Trinity Limited became a member of the United Nations Global Compact ("UNGC"), as part of the Fung Group, in 2010 and is committed to upholding its ten principles. Derived from the Universal Declaration of Human Rights, the International Labour Organisation's ("ILO") Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption, the UNGC's ten principles provide a framework for businesses to meet their fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption. For example, the UNGC's principles on labour cover issues such as child labour, forced labour and discrimination.

# Our People and Community

## Our People and Community

As at 31 December 2018, the Group employed 1,796 people globally, 97% of whom are employed on a full-time basis. Female employees represent 83% of our total workforce, 63% of our management team (defined as all employees at Assistant Manager Level and above) and 48% of our senior management team (defined as all employees at Assistant General Manager Level and above).

### Profile of our People in 2018

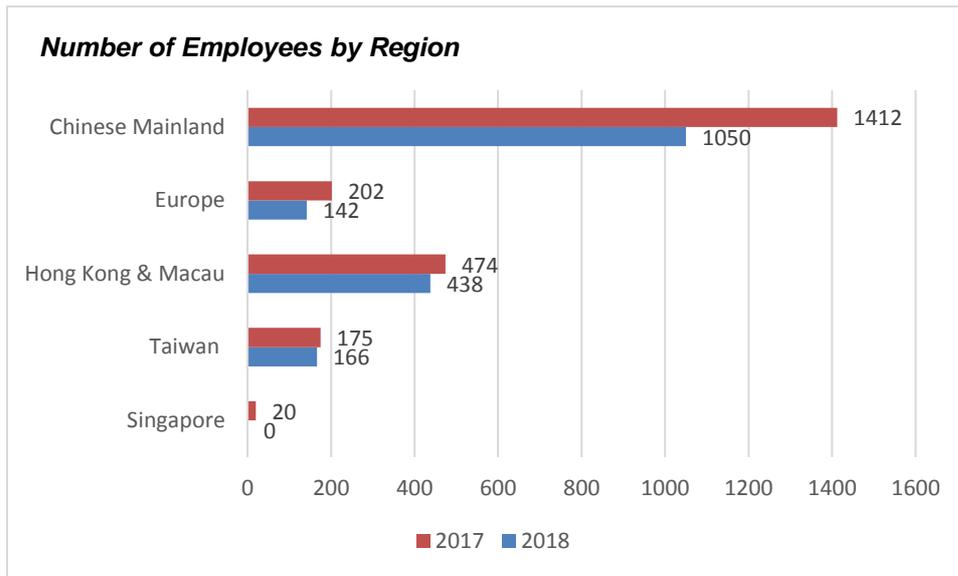


\* including Chinese Mainland long term contractual staff, subject to contract renewal

## Our People and Community

At the end of 2018, 22% of employees (402 staff members) have been with us for over 10 years and 5% of employees (98 staff members) have served us for more than 20 years.

### Changes in Employment and Turnover in 2018



### Employee Turnover by Gender and by Region

<b>Total Rate of Turnover for all Employees</b> (Note 1)				54%	
<b>By Gender</b>	Male	64%	<b>By Region</b>	Europe	65%
	Female	52%		Hong Kong & Macau	57%
			Chinese Mainland	53%	
			Taiwan	38%	

Note:

1 The above rate of turnover included one-off restructuring exercise conducted in 2018.

## Our People and Community

### Policy of Non-Discrimination

Our policy on non-discrimination states that our employees will not be subject to discrimination or harassment because of sex, age, marital status, race, religion, nationality or disability. Nor will these factors affect Trinity's decisions regarding any aspect of employment, including recruitment. As part of this commitment, we seek to employ persons of different nationalities and we do not apply age or gender preferences when recruiting new staff.

### Professional Development

At Trinity, we deeply value our people by investing in their development. We believe that cultivating our highly skilled workforce and supporting employees' long-term career goals are integral to sustaining and strengthening our economic performance. As such, we offer a wide array of professional development programmes, ranging from leadership training to seasonal product training.

Our Total Service Management programme ("TSM") for all retail staff is designed to improve customer service, sales and product knowledge. The programme covers new staff orientation, seasonal product training, visual merchandising, customer service standards, selling techniques and fabric training. We also teach management and self-motivation skills to help our colleagues respond to a rapidly changing marketplace.

Our Study Sponsorship Policy is another core component of our professional development programme. This policy encourages staff to build upon their existing skill-sets, industry connections and knowledge by providing sponsorships to support external job-related training and education. It covers a range of external training, including courses, seminars, conferences, workshops, skills training, experiential learning and experience sharing sessions.

*Our retail staff receive comprehensive Total Service Management training.*



## Our People and Community

### Employee Training in 2018

In 2018, our employees in Hong Kong, Macau, the Chinese Mainland and Taiwan participated in over 26,000 hours of TSM retail training, representing an increase of nearly 36% compared with 19,100 hours of training in 2017.

		Retail (TSM) Training		Other Management Training	
		Attendance	Average Hours	Attendance	Average Hours
<b>Total for all Employees</b>		4,553	5.7	534	3.4
	Management	255	5.2	36	0.7
<b>By Category</b>	General Staff, including sales	4,298	5.7	360	4.6
	Operations	n/a	n/a	138	0.9

### Caring for Ourselves

We believe that a healthy and happy workforce creates a positive and productive work environment, which in turn, enhances our overall performance.

Our Employee Assistance and Counselling Programme (“EAP”), launched in Hong Kong in 2014, aims to improve productivity at work and quality of life for our employees in partnership with a well-established external consultancy firm. As part of the EAP, we publish a regular internal newsletter that addresses employee health concerns and provides tips on work-life balance and mental health. We also organise wellness workshops and offer telephone counselling services to staff 24 hours a day. Professional counsellors are also available to assist staff members in person with issues relating to mental health and work, family and personal stress. Furthermore, birthday parties are arranged for staff to promote staff well-being.



*Trinity Birthday Party*

## Our People and Community

### Work-Life Balance

As part of our commitment to being an employer of choice, we respect our employees' lives outside of work. In addition to providing maternity leave and paternity leave in accordance with local statutory requirements, we offer our employees additional family and personal time, including flexible time off, marriage leave, birthday leave, compassionate leave and examination leave. Under our Community Service Leave Policy, we offer full pay for up to two days away from work in order to encourage our employees to participate in charitable and community activities. We also introduced birthday leave to give our employees extra personal time to celebrate their birthdays.

We encourage our employees to stay active and healthy. In 2018, our employees participated in the Hong Kong Marathon, an annual charitable event, for the 12<sup>th</sup> consecutive year. In Taiwan, we organised a family outing day for our staff and their families to spend quality time together. Additionally, we held a fitness session for our Chinese Mainland employees on Mother's Day to promote healthy lifestyles.



*Staff from four of our Chinese Mainland offices participated in tree planting events.*

## Our People and Community

### Health & Safety in the Workplace

We are committed to providing our employees with a safe and secure working environment. In accordance with our Occupational Health & Safety (“OHS”) Policy, we strive to ensure that all work and work-related activities are performed in a responsible and safe manner in compliance with applicable laws and regulations.

Our OHS Policy covers all operations, including our warehouses, offices and retail stores, and contains guidelines specific to the nature of work carried out by employees in each of these environments. Our OHS Management Committee and regional working committees, established in 2012, ensure that the OHS Policy and guidelines are effective and followed consistently. These committees review the OHS Policy regularly and develop new guidelines for implementation as and when required.

To keep our employees safe, we conduct routine internal audits on safety in our Hong Kong warehouse, and educate all warehouse employees about OHS issues through regular training. We have health and safety guidelines in place for all retail stores and a safety training video for retail staff in Putonghua, Cantonese and English. In May 2018, our employees in Hong Kong attended a first-aid training session conducted by the Labour Department to promote workplace safety awareness. Information on emergency situations and corresponding procedures was presented to the group. Afterwards, our colleagues had the chance to practice bandaging techniques under the guidance of the instructor.

*First-aid training at our office in Hong Kong.*



## Our People and Community

In 2018, Trinity experienced no workplace fatalities and incurred 831 lost man-days due to work injury. The bulk of these lost days are attributed to accidents experienced by employees when on their way to/from work. These accidents are considered to be “work-related” according to local labour law even though they did not occur in the workplace.

### Caring for Others

We encourage our employees to participate in community service programmes through our Community Service Leave policy (described above) and other initiatives. In 2018, our employees participated 534 times in 20 events across the Greater China region, and contributed over HKD47,000 of donation. We conducted fundraising events and made donations to benefit various non-governmental and charitable organisations such as Médecins Sans Frontières / Doctors Without Borders (“MSF”), Christian Action, World Vision and Green Sense.

#### *Skip-a-Meal campaign 2018.*



This year, we continue to participate in the Skip-a-Meal campaign to support World Vision in providing food, health, nutrition and livelihood assistance to children and families living in conflict affected areas. Around 90 colleagues participated in the campaign, with total donations reaching HKD9,300 used to help children and their families obtain clean water, cooking utensils and supplementary nutrition to improve their health. We are proud to play our part in supporting World Vision, and of this worthy cause.

## Our People and Community

*MSF Day 2018.*



In July 2018, 125 of our employees raised approximately HKD16,600 for MSF on “MSF Day 2018”. During the event, our volunteers wore bracelets to advocate for all the positive impacts put forth by MSF, including medical aid to ill or injured individuals due to armed conflicts, natural disasters or epidemics.

# Our Environmental Footprint

## Our Environmental Footprint

We are committed to mitigating our environmental impacts and to integrating responsible environmental practices into all aspects of our business. As stated in our Environmental Policy, we comply with local laws and regulations concerning the environment and environmental protection in every jurisdiction in which we operate. We strive to continuously improve our environmental performance by conserving natural resources.

Our Sustainability Management in Achieving Reduce, Reuse, Recycle Targets (“SMART”) team is comprised of colleagues from various departments and regions. The team educates and engages colleagues in different areas of our business to improve our overall environmental performance.

## Hong Kong Environmental Initiatives at a Glance

<p><b>ENERGY SAVING CHARTER</b> Member since 2014</p>	<p><b>WASTEWISE SCHEME</b> Participants since 2010</p>
<p><b>INDOOR TEMPERATURE CONTROL</b> 24°-26°C in summer months</p>	<p><b>WASTE SEPARATION &amp; RECYCLING</b> Paper, plastic, metals &amp; glass</p>
<p><b>ENERGY SAVING CHARTER</b> Implemented at all stores</p>	<p><b>100% RECYCLED PAPER</b> For general office use</p>
<p><b>SWITCHING OFF</b> Computers, lights and appliances in offices and across our store network when not in use</p>	<p><b>PLASTIC BAG CHARGING SCHEME</b> 100% fees donated to Environmental NGOs in support of projects to reduce plastic waste</p>

The majority of our greenhouse gas emissions arise from the consumption of purchased (grid) electricity. Across Hong Kong, Macau, the Chinese Mainland and Taiwan, we operate a fleet of 7 vehicles for goods delivery and employee transportation in 2018. We use municipal water supplies for general cleaning and toilet facilities in our offices and warehouses, and we collect water consumption data for all premises where water metering is available.

# Our Environmental Footprint

## Highlights of Environmental KPI for 2018

Refer to ESG KPI Summary Table to see the Notes for this table, which provide information about the basis of calculation for this data. We also disclose additional Environmental KPIs in the ESG KPI Summary Table.

KPI	Description	Unit	Hong Kong & Macau		Chinese Mainland		Taiwan		United Kingdom	
			2017	2018	2017	2018	2017	2018	2017	2018
<b>A1.2</b>	Greenhouse gas emissions									
	Scope 1									
	GHG emissions from vehicles	tonnes CO2e	40.3	37.6	6.8	13.6	-	-	-	-
	Scope 2									
	GHG emissions from purchased electricity	tonnes CO2e	1,133.4	1,166.1	3,549.4	3,714.1	116.8	174.7	92.5	85.7
	Scope 1 & Scope 2 combined	tonnes CO2e	1,173.7	1,203.7	3,556.2	3,727.7	116.8	174.7	92.5	85.7
<b>A1.3</b>	Hazardous waste produced									
	Hazardous waste produced	tonnes	-	-	-	-	-	-	-	-
<b>A1.4</b>	Non-hazardous waste produced									
	Paper waste (recycled)	tonnes	9.9	2.2	-	-	-	-	-	-
	Plastic waste (recycled)	tonnes	1.8	0.6	-	-	-	0.5	-	-
<b>A2.1</b>	Energy consumption and intensity									
	Diesel for vehicles	'000 litres	10.8	7.4	-	-	-	-	-	-
	Unleaded petrol for vehicles	'000 litres	5.0	6.3	3.0	5.0	-	-	-	-
	Electricity purchased from grid	'000 kWh	2,148.5	1,968.4	5,660.6	5,394.0	200.3	285.5	333.0	302.7
	Intensity of electricity consumption	'000 kWh/sqm/ year	0.2	0.1	0.2	0.2	0.1	0.1	0.1	0.1
<b>A2.2</b>	Water consumption and intensity									
	Municipal water use	cbm	741.0	-	-	-	-	-	145.0	254.2
	Intensity of municipal water consumption	cbm/sqm/ year	0.1	-	-	-	-	-	0.1	0.1

# Our Environmental Footprint

## Energy Management in our Retail Network

We are actively managing electricity consumption in our network of stores in order to reduce environmental impacts and costs. Since July 2017, we have been utilising the CLP GREEN PLUS Energy Billboard to help us track and manage energy use in our stores located in Kowloon and the New Territories of Hong Kong that are served by China Light & Power (CLP). This energy-benchmarking tool is helping us gain a better understanding of electricity consumption patterns in our retail network. It allows us to compare the monthly energy consumption of our stores with peers in the retail industry and also provides recommendations on targeted measures to improve our energy performance, such as replacing light fixtures with energy-efficient light-emitting diodes (LEDs), which is now our standard practice in all new stores.



*Our stores and offices dimmed the lights and switched off unnecessary electrical appliances in support of the Earth Hour Campaign.*

## Lean and Green

We believe that environmentally responsible practices make good business sense because in addition to reducing our environmental footprint, greater efficiency in our business also reduces costs. Guided by the “Three Rs” of Reduce, Reuse and Recycle, we embrace resource conservation and practical resource management.

Throughout our retail network, we try to minimise consumption of packaging materials and use sustainable materials for necessary packaging as much as possible. In our stores, for example, we use sustainable paper and cardboard packaging, including materials that are recycled or derived from sustainable sources. We also promote the reuse of equipment, supplies and in-store displays. Cardboard boxes used in our warehouse, for example, contain up to 30% recycled content, and are recycled when they are no longer fit for reuse. As a result of our efforts, our offices, warehouses and shops achieved a 23% decrease in paper usage during the reporting year.

## Our Environmental Footprint

We communicate our sustainability objectives to our designers so that they use sustainable materials in product design, where practicable. Our garments are high quality and durable; they are designed and manufactured to be valued by our customers and worn over the long-term rather than quickly discarded into a landfill. Consistent with this philosophy, we make careful use of labelling and frontline staff to educate our customers about the care of our garments to increase their longevity. Our end-of-season stock is retired in our outlet stores and through staff sales.

Since many of our products are manufactured in Europe, we continuously seek to optimise transportation efficiencies to help us realise carbon and financial savings. We assess modes of transport, for example, sea versus air, and seek to reduce the environmental impacts of transporting our products to the extent that is feasible.

### Reducing Waste Through Reusing and Recycling

Our employees are encouraged to practice waste separation and recycling, wherever possible. In our new head office, the waste collection and disposal is handled by a centralised system that is managed by the property management company of building, so we are working with other tenants and building management to implement building-wide waste and recycling measures to help us track our waste. At our head office, waste reduction measures were implemented, including the adoption of high efficiency printers which resulted in a 32% decrease of toner usage this year.

During the 2018 Chinese New Year holiday, we participated in the Lai See Recycling Campaign organised by Greeners Action. Designated boxes were set up at convenient locations in the office, and in the end, 5.2kg of red packets were collected and recycled. Through this campaign, we were able to minimise our impact on the environment, as well as raise awareness of the importance of waste reduction to our staff.



*Lai See Recycling Campaign*

# Our Supply Chain

## Our Supply Chain

As outsourcing of production becomes an increasingly important aspect of our supply chain, we are strengthening our management processes to mitigate social and environmental risks, while exploring new opportunities to improve our performance through our relationships with suppliers.

We endeavour to source environmentally responsible fabrics and employ clean, low-carbon modes of transport, whenever practicable. Our product development, sourcing and production teams work actively with suppliers to identify fabric mills that have international accreditations. Since 2011, we do not buy fabric from mills that use Uzbek cotton because we believe the Uzbek Government's forced labour system violates fundamental international and human rights conventions.

Animal welfare is a key consideration in our core business and we manage animal welfare proactively in our supply chain. We have established an Animal Welfare Policy that insists upon the humane treatment of animals. We expect our suppliers to uphold practical and commercially viable standards of animal welfare, including with respect to animal handling, housing, grazing and care for general health, welfare and wellbeing. We do not accept the use of fur from endangered species and we do not accept the mulesing of sheep. We are working closely with our suppliers to ensure that they understand our new policy and abide by our expectations.

## Vendor Compliance

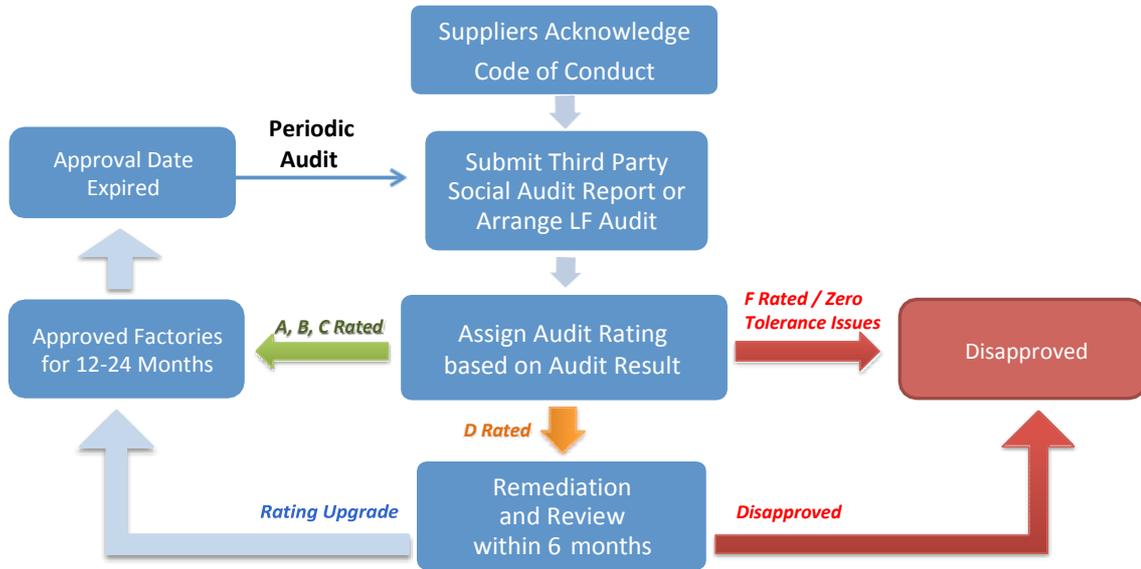
We outsourced production and merchandising of three brands, namely, Gieves & Hawkes, Kent & Curwen and Cerruti 1881 to Li & Fung Limited ("LF"). For these brands, LF is responsible for selecting all suppliers and for overseeing vendor compliance. We continue to handle supplier sourcing and vendor compliance for our licensed brand, D'URBAN.

Under our supply chain management framework, we work closely with the LF vendor compliance team to monitor social compliance in our supply chain. All suppliers are required to sign and acknowledge our Supplier Code of Conduct, which details the principles and practices that we expect them to uphold. Since LF is our sourcing agent, the Supplier Code of Conduct also applies to them. Our requirements are based on local and national laws and regulations, the International Labour Organisation's core conventions and internationally recognised occupational health, safety and environmental standards, with particular emphasis on workers' safety and workers' rights to collective bargaining and freedom of association. In addition, the Supplier Code of Conduct stipulates voluntary labour and working age requirements to avoid child and forced labour.

The LF vendor compliance team conducts periodic audits to ensure compliance with our Supplier Code of Conduct and "zero-tolerance issues". In 2018, no supplier failed its compliance audit.

# Our Supply Chain

## Vendor Compliance Monitoring Procedure



### Quality Assurance

Quality assurance is an essential part of our business. We have rigorous systems in place to ensure product safety and compliance with all laws and regulations in the various markets in which we operate.

We strive to source materials that meet international requirements such as Oeko-Tex 100, Azo-free, REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) and RoHS (Restriction of Hazardous Substances) to ensure that our fabrics do not contain legally prohibited substances or chemicals that are known to harm health, and we conduct pre-tests of key materials to establish quality and safety. Our laboratory tests in Chinese Mainland are conducted in accordance with China Inspection and Quarantine protocols to assure compliance with relevant P.R. China national standards, for example, GB 18410-2010. We are not aware of any material non-compliance or breach of legislation relating to product safety in 2018.

It is our policy to label our products in accordance with applicable local requirements. We have systems in place to ensure that our product labels accurately reflect product specifications and quality standards. Our brand management team reviews, verifies and approves all marketing memorandums published by individual brands prior to release to assure the integrity and accuracy of the information.

# ESG KPI Summary Table

## ESG KPI Summary Table

The KPI numbers and descriptions in this section of the report correspond to the HKEX Main Board Listing Rules Appendix 27 ESG Reporting Guide.

### Emissions and Waste & Use of Resources (HKEX Comply/ Explain Provisions)

KPI	Description	Note	Unit	Hong Kong & Macau		Chinese Mainland		Taiwan		United Kingdom	
				2017	2018	2017	2018	2017	2018	2017	2018
<b>A1.1</b>	Emissions from vehicles										
	NOx		kg	180.2	115.7	1.3	-	-	-	-	-
	SOx		kg	0.2	0.2	0.0	0.1	-	-	-	-
	Particulate matter		kg	17.9	5.4	0.1	-	-	-	-	-
<b>A1.2</b>	Greenhouse gas emissions										
	Scope 1										
	GHG emissions from vehicles	1	tonnes CO2e	40.3	37.6	6.8	13.6	-	-	-	-
	Scope 2										
	GHG emissions from purchased electricity	1	tonnes CO2e	1,133.4	1,166.1	3,549.4	3,714.1	116.8	174.7	92.5	85.7
	Scope 1 & Scope 2 combined	1	tonnes CO2e	1,173.7	1,203.7	3,556.2	3,727.7	116.8	174.7	92.5	85.7
<b>A1.3</b>	Hazardous waste produced										
	Hazardous waste produced	2	tonnes	-	-	-	-	-	-	-	-
<b>A1.4</b>	Non-hazardous waste produced										
	Paper waste (recycled)		tonnes	9.9	2.2	-	-	-	-	-	-
	Plastic waste (recycled)	3	tonnes	1.8	0.6	-	-	-	0.5	-	-
<b>A2.1</b>	Energy consumption and intensity										
	Diesel for vehicles		'000 litres	10.8	7.4	-	-	-	-	-	-
	Unleaded petrol for vehicles		'000 litres	5.0	6.3	3.0	5.0	-	-	-	-
	Electricity purchased from grid	4	'000 kWh	2,148.5	1,968.4	5,660.6	5,394.0	200.3	285.5	333.0	302.7
	Intensity of electricity consumption	5	'000 kWh/sqm/ year	0.2	0.1	0.2	0.2	0.1	0.1	0.1	0.1

# ESG KPI Summary Table

## Emissions and Waste & Use of Resources (HKEX Comply/ Explain Provisions) (cont'd)

KPI	Description	Note	Unit	Hong Kong & Macau		Chinese Mainland		Taiwan		United Kingdom	
				2017	2018	2017	2018	2017	2018	2017	2018
A2.2	Water consumption and intensity										
	Municipal water use	6	cbm	741.0	-	-	-	-	-	145.0	254.2
	Intensity of municipal water consumption for offices	6	cbm/ sqm/ year	0.1	-	-	-	-	-	0.1	0.1
A2.5	Total packaging material used										
	Packaging materials	7	tonnes	67.1	40.4	161.0	27.7	-	-	-	-
	Data for intensity calculations										
	Floor area of offices	8	sqm	4,009	2,872	4,045	1,764	580	360	1,050	749
	Floor area of shops (adjusted figure)	9	sqm	2,582	3,415	28,602	22,431	3,327	3,937	1,143	1,143
	Floor area of warehouse		sqm	7,086	7,086	3,978	4,944	-	-	638	1,089

### Notes:

- Fuel emission factors were obtained from the Hong Kong Environmental Protection Department's ("EPD") EMFAC-HK Vehicle Emission Calculation model and grid emissions factors for 2018 were obtained from Greenhouse Gas Protocol for Taiwan and United Kingdom, CEM (Companhia de Electricidade de Macau) for Macau, China Electricity Council for China and Hong Kong Electric and CLP Power for Hong Kong.
- No hazardous waste were generated in 2017 and 2018.
- During the year, 1,643 kg of fabric surplus were donated to Redress. 15kg of Lai See pocket has been donated through the "Lai See Recycling" campaign organised by Green Sense.
- Electricity consumption data excludes the Taiwan office and some stores in Hong Kong, Macau, Taiwan and the UK because electricity metering is not currently available in these premises.
- We have not reported the electricity intensity in our Taiwan office and shops. We are still improving our systems for data collection and evaluation for our operations in Taiwan to ensure the completeness and accuracy of the data that we report.
- Data for water consumption reflects UK warehouse (4 months only) and shops (7 months only). Water consumption data is not available in Hong Kong & Macau, Chinese Mainland, Taiwan and United Kingdom in 2018.
- Data for 2018 includes carton boxes and other packaging materials such as accessory boxes, tissue paper, stickers, shop cards, coat bags, plastic bags and shopping bags. Data reported for Hong Kong and Macau includes Taiwan because packaging materials for Taiwan are ordered through our Hong Kong office. This data is not currently available for our stores in the United Kingdom.
- Data for intensity calculations in our Hong Kong office in 2018 reflects the average floor area for these reporting periods taking into account office relocations. At year-end 2018, the office floor area in Hong Kong was 2,872 sqm.
- Data for intensity calculations in our shops reflects the average floor area of shops that have contributed electricity consumption data during the reporting period taking into account stores opening and closing. Including shops for which no electricity consumption data is recorded, at year end 2018, the floor area of our shops was 3,415 sqm in Hong Kong, 22,431 sqm in The Chinese Mainland, 3,937 sqm in Taiwan and 1,143 sqm in the United Kingdom.

# ESG KPI Summary Table

## Employment (HKEX Recommended Disclosure)

KPI	Description	Note	Unit	2018
B1.1	Employment by gender			
	Male		# employees	311
	Female		# employees	1,485
B1.1	Employment by contract type			
	Permanent contract	1	# employees	1784
	Temporary contract		# employees	12
B1.1	Employment by employment type			
	Full time		# employees	1,747
	Part time		# employees	49
B1.1	Employment by age group			
	Under 30 years		# employees	384
	30 - 39 years		# employees	821
	40 - 49 years		# employees	369
	50 year and above		# employees	222
B1.1	Employment by geographical region			
	Hong Kong & Macau		# employees	438
	Mainland China		# employees	1,050
	Taiwan		# employees	166
	United Kingdom		# employees	112
	France		# employees	30
B1.1	Employment by employee category			
	Assistant General Manager and above		# employees	44
	Senior Manager		# employees	19
	Manager		# employees	63
	Assistant Manager		# employees	64
	General Staff, including retail staff		# employees	1,498
	Operational Staff		# employees	108
B1.2	Employee turnover rate by gender	2		
	Male		%	64%
	Female		%	52%
B1.2	Employee turnover rate by age group	2		
	Under 30 years		%	76%
	30 - 39 years		%	55%
	40 - 49 years		%	40%
	50 year and above		%	30%
B1.2	Employee turnover rate by geographical region	2		
	Hong Kong & Macau		%	57%
	Mainland China		%	53%
	Taiwan		%	38%
	United Kingdom		%	66%
	France		%	61%

### Notes:

1. Designation of permanent employees includes contractual staff in the Chinese Mainland who are subject to contract renewal.
2. Turnover rate, by category = Number of employees leaving during reporting period per category ÷ (Number of employees at the beginning of reporting period per category + Number of employees at end of reporting period per category) ÷ 2. The rate of turnover included one-off restructuring exercise conducted in 2018.

# ESG KPI Summary Table

## Occupational Health & Safety (HKEX Recommended Disclosure)

KPI	Description	Note	Unit	2018
B2.1	Number and rate of workplace fatalities			
	Number of workplace fatalities		# employees	nil
	Rate		%	0%
B2.2	Lost days due to work injury			
	Number of lost days due to work injury	1	# days	831

Note:

1. This is the number of days that relevant employees are absent from work because of an occupational accident or disease. A return to limited duty or alternative work does not count as lost days. Having regard to relevant local legislation, injuries occurring during travel to and from work in the Chinese Mainland and Taiwan are included.

## Training – General Training (HKEX Recommended Disclosure)

KPI	Description	Note	Unit	2018
B3.1	Percentage of employees trained by gender			
	Male		%	10%
	Female		%	90%
B3.1	Percentage of employees trained by employee category			
	Assistant General Manager and above	1	%	1.9%
	Senior Manager		%	0.2%
	Manager		%	2.6%
	Assistant Manager		%	1.9%
	General Staff, including retail staff		%	90.7%
	Operational Staff		%	2.7%
B3.2	Average training hours completed by gender			
	Male	2	Hours	3.4
	Female		Hours	5.7
B3.2	Average training hours completed by employee category			
	Assistant General Manager and above	2	Hours	4.2
	Senior Manager		Hours	0.9
	Manager		Hours	4.7
	Assistant Manager		Hours	3.6
	General Staff, including retail staff		Hours	5.7
	Operational Staff		Hours	0.9

Notes:

1. Percentage of employees trained per category = Number of attendance per category ÷ Total number of attendance X 100
2. Average training hours completed per category of employee = Total number of training hours attended per category of employee ÷ Number of attendance per category of employee X 100

# HKEx ESG

## Content Index

### HKEx ESG Content Index

Trinity has complied with all "comply or explain" provisions in accordance with Hong Kong Exchange Main Board Listing Rule 13.91 and Appendix 27 ESG Reporting Guide. This index summarises the location of relevant content in this report and provides supplementary information.

Comply or Explain Provisions	Disclosures in this Report and Supplementary Information
<p>Aspect A1 – Emissions and Waste GENERAL DISCLOSURE on policies and regulatory compliance KPIs: A1.1, A1.2, A1.3, A1.4, A1.5 and A1.6</p>	<p>Our Environmental Footprint (p 15 - 18) ESG KPI Summary Table (p 21 - 24) The scope of reporting on Aspect 1 KPIs includes our operations in Hong Kong &amp; Macau, the Chinese Mainland, Taiwan and the United Kingdom. We collect and report data on our waste management initiatives e.g. reuse and recycling, where applicable.</p>
<p>Aspect A2 – Use of Resources GENERAL DISCLOSURE on policies KPIs: A2.1, A2.2, A2.3, A2.4 and A2.5</p>	<p>Our Environmental Footprint (p 15 - 18) ESG KPI Summary Table (p 21 - 24) The scope of reporting on Aspect 2 KPIs is the same as for Aspect 1. We do not experience any issue in sourcing water that is fit for purpose and we do not currently implement any targeted water efficiency initiatives. Data on packaging is available for Hong Kong &amp; Macau, the Chinese Mainland and Taiwan.</p>
<p>Aspect A3 – Environment and Natural Resources GENERAL DISCLOSURE on policies KPI: A3.1</p>	<p>Our Environmental Footprint (p 15 - 18) Our Supply Chain (p 19 - 20) Trinity has strategies in place to manage significant impacts in its value chain, including brand management, supply chain and engaging with customers, and we report on our progress in these areas.</p>
<p>Aspect B1 – Employment GENERAL DISCLOSURE on policies and regulatory compliance</p>	<p>Our People &amp; Community (p 7 - 14)</p>

# HKEx ESG Content Index

Comply or Explain Provisions	Disclosures in this Report and Supplementary Information
Aspect B2 – Health and Safety GENERAL DISCLOSURE on policies and regulatory compliance	Health & Safety in the Workplace (p 12 - 13)
Aspect B3 – Development and Training GENERAL DISCLOSURE on policies	Professional Development (p 9)
Aspect B4 – Labour Standards GENERAL DISCLOSURE on policies and regulatory compliance	Corporate Values (p 6) Our Supply Chain (p 19- 20)
Aspect B5 – Supply Chain Management GENERAL DISCLOSURE on policies	Our Supply Chain (p 19 - 20)
Aspect B6 – Product Responsibility GENERAL DISCLOSURE on policies and regulatory compliance	Our Business (p 3 - 6) Our Supply Chain (p 19 - 20)
Aspect B7 – Anti-corruption GENERAL DISCLOSURE on policies and regulatory compliance	Corporate Values (p 6)
Aspect B8 – Community Investment GENERAL DISCLOSURE on policies	Caring for Others (p 13 - 14)

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