

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2017

環境、社會及管治報告



DAPHNE INTERNATIONAL HOLDINGS LIMITED
達芙妮國際控股有限公司

(Stock code)
股票代號: 210

CONTENTS

目錄

1. About This Report 關於本報告	2
2. Environmental 環境	3
2.1 Emissions 排放物	3
2.2 Use of Resources 資源使用	4
2.3 Environment and Natural Resources 環境及天然資源	5
3. Social 社會	6
3.1 Employment 僱傭	6
3.2 Development and Training 發展及培訓	8
3.3 Health and Safety 健康與安全	9
3.4 Labour Standards 勞工準則	10
3.5 Supply Chain Management 供應商管理	10
3.6 Product Responsibility 產品責任	11
3.7 Anti-Corruption 反貪污	13
3.8 Community Investment 回饋社區	14

1. ABOUT THIS REPORT

關於本報告

Daphne International Holdings Limited (“Daphne” or the “Company”, which together with its subsidiaries, is collectively referred to as the “Group”) hereby presents its Environmental, Social and Governance (“ESG”) report (the “Report”) for the year ended 31 December 2017, in accordance with the requirements of the ESG Reporting Guide set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Group is principally engaged in the retailing of footwear and accessories under its own brands, “Daphne” and “Shoebox”, and exclusively-distributed brands. As at 31 December 2017, the Group had a total of 3,836 points-of-sale, in which 3,697 were located in Mainland China. The Group had a total turnover of HK\$5,211.0 million in 2017. Unless otherwise stated, the Report covers the Group’s retail operations in Mainland China only which contributes to the majority of the Group’s turnover.

The management and staff of the Group’s different functions were involved in the preparation of the Report. They assisted the Group in reviewing its operations and identifying relevant environmental, social and governance issues. The board of directors (the “Board”) and senior management team oversee our ESG governance and compliance effort.

Definitions

Definitions of the abbreviations used in the Report are the same as the definitions laid out in the Company’s 2017 Annual Report. For the ease of presentation and reading, the “Group”, “Daphne Group” and “we” in the Report refer to the Company together with its subsidiaries.

Data Description

The methods used to gather, report and verify information in the Report are based on the Company’s own processes and internationally recognised reporting standards.

The direct and indirect greenhouse gas (“GHG”) emissions were calculated and reported with reference to the Baseline Emission Factors for Regional Power Grids in China published by the Department of Climate Change of National Development and Reform Commission of China, and the Greenhouse Gas Protocol published by World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI).

Carbon dioxide emissions and equivalents are determined on the basis of measured or estimated energy and fuel usage, multiplied by relevant carbon emission factors.

達芙妮國際控股有限公司（「達芙妮」或「本公司」），與其附屬公司合稱「本集團」根據香港聯合交易所（「交易所」）證券上市規則附錄二十七中所列的環境、社會及管治（「ESG」）報告指引要求，呈列其截至二零一七年十二月三十一日止年度的環境、社會及報告（「本報告」）。

本集團主要從事旗下自有品牌「達芙妮」和「鞋櫃」，以及獨家經銷品牌鞋履及配飾的零售業務。於二零一七年十二月三十一日，本集團總計有3,836個銷售點，其中3,697個在中國大陸。於二零一七年，本集團的總營業額為5,211.0百萬港元。除另有說明外，本報告僅涵蓋本集團在中國大陸的零售業務，本集團大部分的營業額來自此業務板塊。

本集團的管理層及各職能的員工均有參與編制本報告，協助本集團審查其業務營運及確定與環境、社會及管治相關的事宜。董事會及高層管理團隊負責監督本集團在環境、社會及管治方面的治理及合規工作。

定義

本報告所用縮寫詞之定義與本公司二零一七年報中的定義一致。為方便匯報及閱讀，本報告中的「本集團」、「達芙妮集團」與「我們」指本公司及其附屬公司。

數據描述

有關本報告資料的收集、報告及驗證的方法乃基於本公司內部工作程序及國際認可的報告準則。

直接及間接溫室氣體排放之計算及匯報參照中國國家發展和改革委員會應對氣候變化司公佈之中國區域電網基準線排放因子及世界企業永續發展協會（WBCSD）與世界資源研究院（WRI）出版之《溫室氣體盤查議定書》。

釐定二氧化碳排放及當量時乃根據測量或估計的能源及燃料使用量乘以相關碳排放系數。

2. ENVIRONMENTAL 環境

The Group supports environmental protection and is committed to being a good corporate citizen and using resources wisely and efficiently. In addition to its compliance with relevant local laws and regulations in regard to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste, the Group has also made efforts in minimising the footprint of its business on the environment by implementing waste and emission reduction initiatives, adopting energy-efficient operation processes, encouraging its employees to practice environmentally responsible lifestyles, and promoting environmental protection among its suppliers.

2.1 Emissions

In general, the major source of direct gas emissions for retail business is the truck fleet distributing products from warehouses to shops across the country. As the Group outsources almost all product deliveries to its logistics suppliers, its GHG emissions are mostly indirect and are principally resulted from the electricity consumed by its offices and stores. In 2017, 52,692 tonnes of carbon dioxide equivalent (“tCO_{2e}”) were indirectly generated from the electricity consumption by the Group’s operation.

The Group consolidated its warehouses to improve its supply chain management in 2017. It involved closures of several local warehouses and consolidation of the remaining warehouses. Such actions not just reduced the overall distance for product delivery from warehouses to shops and improved the time-to-shop, but also helped reduce carbon footprint by the truck fleet of the Group’s logistics suppliers.

At the request of the Group, 60% of its fleet for the shuttle bus service at the Group’s headquarters in Shanghai have been replaced by electrical vehicles by its supplier, instead of 50% in the previous year. These electrical vehicles have a much lower carbon footprint than traditional diesel buses and help environmental sustainability.

The Group made persisting efforts in seeking logistic suppliers to join its pledge to protect environment and reduce carbon footprint. Therefore a majority of its logistics suppliers have already made commitment on reduction of gas emissions and environmental protection in 2017.

With regard to waste, only non-hazardous waste such as paper, cardboards, used boxes are generated from product packaging, and domestic waste from the Group’s stores and offices. The Group collects and sorts recyclable waste, and forwards it to recycling stations for centralised recycling.

In 2017, at its headquarters in Shanghai, the Group forwarded over 19,000 kg of used paper boxes to local agents for recycling.

本集團支持保護環境，致力於成為優秀的企業公民，合理而高效地使用資源。本集團除了遵守與廢氣及溫室氣體排放、向水和土地的排污、產生有害和無害廢棄物相關的當地法例及法規，還通過實施減廢減排的舉措，採用節能的營運流程，鼓勵員工履行環保責任的生活方式，以及在供應商中推動響應環保，從而減少其業務經營給環境帶來的碳足跡。

2.1 排放物

對於零售業務來說，直接氣體排放的主要來源是將貨物從倉庫運輸至全國各地店舖的運貨車隊。由於本集團大部分貨物的運輸均外包予物流供應商，故其溫室氣體排放絕大部分是間接性的，並主要由其辦公室及店舖消耗的電力所造成。於二零一七年，本集團由經費用電間接產生了52,692公噸二氧化碳當量。

二零一七年，本集團整合倉庫以提升供應鏈管理。其中包括關閉幾個當地倉庫，並整合其餘的倉庫。此舉不僅縮短了由倉庫至店舖的產品交付的整體運輸距離、縮短到店時間，還有助減少由本集團物流供應商運貨車隊所產生的碳足跡。

應本集團要求，供應商已將本集團上海總部60%的通勤班車更換為電動汽車，而非前一年的50%。這些電動汽車的碳足跡遠低於傳統柴油巴士，有助於環境的可持續性。

集團一直努力推動其物流供應商加入承諾保護環境和減少碳足跡的行列。因此，於二零一七年，其大部分物流供應商已作出減少氣體排放和環境保護的承諾。

有關廢物方面，僅有由本集團的產品包裝所產生的紙、紙箱和已使用的紙盒等的無害廢物，以及本集團店舖及辦公室所產生的非商業性的家居廢物。本集團收集及分類可循環利用的廢物，並將其送往廢物回收站作集中處理。

於二零一七年，本集團在其上海總部將逾19,000公斤廢紙箱交予當地代理商進行回收。

2. ENVIRONMENTAL

環境

As a result of the “Office Automation” online administration system and other measures promoting paperless office environment, 4.9 tonnes less A4 paper were consumed as compared with that of 2016, representing a reduction of 31%.

由於採用「辦公室自動化」在線行政系統及其他促進無紙化辦公環境的措施，與二零一六年相比，A4紙消耗共計減少4.9噸，下降31%。

2.2 Use of Resources

The Group’s policy is to comply with relevant laws and regulations in regard to the efficient use of resources, including energy and water. The Group has also implemented efficiency improvement initiatives in its energy and water consumption, which are listed in the table below.

2.2 資源使用

本集團的政策是在有效利用資源（包括能源和水）方面遵守有關法律法規。本集團亦實施在能源和用水方面的效率提升舉措，如下表所列。

Energy Reduction 節約能源	
Offices 辦公室	<ul style="list-style-type: none"> Offer shuttle bus service to employees for their commuting to city area (at the headquarters) 向僱員提供往返市區的通勤班車（於集團總部） Reduce the number of lifts in operations during off-peak hours 減少非繁忙時間段運行的電梯數目 Put up signs in offices to encourage employees to use stairways instead of taking lifts 在辦公室張貼告示，鼓勵員工走樓梯，減少搭乘電梯 Regulate the use of air conditioning in accordance with the weather 根據季節調節空調恆溫裝置安排 Arrange regular cleaning of air filters of the air conditioning system 安排定期清洗空調系統的過濾網 Relax dress code to adapt to the energy-saving mode of air conditioning (e.g. no formal suit is required in office) 放寬上班服裝要求，以配合空調的節能安排（例如：允許員工不需穿著正式套裝） Switch off non-essential lighting and electronic office equipment, such as personal computers, out of office hours 關閉不必要的照明及電子辦公設備，例如下班後關閉個人電腦 Control lighting and air conditioning under the zoning system 分區控制照明及空調系統 Adopt energy-saving LED illumination system for showrooms at the headquarters, and plan to replace the illumination system for other parts of the office area with LED lighting 總部展廳採用節能LED照明系統，並計劃將其他辦公區域的照明系統更換為LED照明裝置 Promote teleconferencing to reduce business travelling 提倡電話會議，減少出差 Send email reminders of environmental protection, such as reduction of water, paper, and energy consumption, to employees 向員工發放環境保護的電郵提示，例如節省用水、用紙及用電等
Stores 店舖	<ul style="list-style-type: none"> Approximately 85% of stores adopt energy-saving LED lighting 約85%的店舖已採用LED節能照明 Adjust lighting and air conditioning during non-peak hours 在非繁忙時間調節照明及空調設施
Reduction of Water Consumption 減少耗水	
	<ul style="list-style-type: none"> Toilet flushing system at the headquarters has been modified to improve efficiency of water usage 調整集團總部的廁所沖水系統，以提高用水效率

2. ENVIRONMENTAL

環境

The main resources used by the Group include electricity (indirect consumption) and water. In 2017, the total electricity consumption by the Group was 69,639,009 kilowatt hours, with an energy intensity of 13,364 kilowatt hours per million dollars of revenue (HK\$); the total water consumption was 146,601 cubic metres, with a water intensity of 28 cubic metres per million dollars of revenue (HK\$).

In 2017, the packaging materials used by the Group were mainly shoe boxes, packing papers, carton boxes, reaching a total of 5,369 tonnes with an intensity of 0.2kg of packing materials used per pair of shoes.

The Group pledged to reduce excess product packaging by adopting these measures in recent years:

- Having the warranty card, caring instructions and certificate of quality control directly printed onto shoe boxes
- Changing plastic shoe packing materials into paper ones
- Providing customers with non-woven reusable shopping bags

There were no non-compliance legal cases or confirmed incidents in relation to environmental protection on the Group.

2.3 Environment and Natural Resources

The Group's most significant impact on the environment relates to carbon emissions resulted from its electricity consumed by the shops, warehouses and offices. As for measures adopted by the Group to minimise its impact on the environment and natural resources, examples are as follows:

- Adopt an "Office Automation" online administration system since 2015 to build a paperless office environment
- Assign a photocopy metering account to each employee to discourage photocopying
- Default photocopiers as two-sided copying and black-and-white printing
- Recycle used A4 papers for one-sided printing for internal use
- Use electronic fax
- Promote electronic communication, such as emails and online instant communication tool, as the major communication channel
- Provide greening to the open space on ground floor at the headquarters
- Implement garbage classification and forward the recyclable materials to recycling stations

本集團使用的主要資源包括電力(非直接消耗)和水。二零一七年,本集團的能耗總計69,639,009千瓦時,每百萬港元銷售額的能耗密度為13,364千瓦時;用水總計146,601立方米,每百萬港元銷售額的用水密度為28立方米。

於二零一七年,本集團所使用的包裝材料主要為鞋盒、包裝紙、紙箱,共使用5,369噸,每雙鞋履所使用的包裝紙密度為0.2公斤。

本集團承諾減少過剩的產品包裝,並於近年來採取以下措施:

- 將保修卡、保養說明及合格證直接印在鞋盒上
- 將鞋履的塑料填充包裝物改為紙質
- 向顧客提供可循環使用的無紡布購物袋

本集團於環境保護方面並沒有違規法律案件或經確認的事故發生。

2.3 環境及天然資源

本集團對環境造成最大的影響為其店舖、倉庫及辦公室用電所產生的碳排放。關於本集團為減少對環境和自然資源的影響而採取的措施,具體如下:

- 自二零一五年起實施「辦公室自動化」在線行政系統,以建立無紙化的辦公環境
- 為每位員工設置記錄複印數量的賬戶,以減少複印量
- 複印機預設定為黑白打印及雙面打印
- 內部循環使用單面打印的A4紙
- 使用電子傳真
- 推廣以電子郵件及線上即時通訊工具等電子通訊方式作為主要溝通渠道
- 為集團總部大樓外的空地進行綠化
- 進行垃圾分類制度,將可循環的廢物送至廢物回收站

3. SOCIAL 社會

3.1 Employment

The Group considers its employees as one of its most important assets, and that they are instrumental in the success of the Group's operations and maintaining its leading position in the industry. As at 31 December 2017, the Group had about 12,000 employees, mostly located in the Mainland China.

As an equal opportunity employer, the Group assesses individuals based on business needs, personal qualifications, experience and performance upon recruitment and staff promotion, and will under no circumstances be influenced by an applicant's or employee's race, gender, age, marital status, disability, religion beliefs and nationality. The Group enforces zero tolerance policy in its workplace for discrimination and harassment, in accordance with relevant local laws and regulations. The Group also strives to provide its employees with a safe and healthy working environment and career development opportunities.

The Group endeavours to offer competitive compensation packages and benefits to attract, retain and motivate talents. Working hours, overtime payments, holidays, statutory paid leaves and related benefits are in line with the local labour laws and regulations, as well as respective employment contracts. Key performance indicators ("KPI") are set for individuals and business units to align staff performance with the Group's goals. Many performance incentives including sales commissions and bonuses, discretionary performance bonus, share options, profit-sharing schemes, and other reward and retention schemes are offered to staff in recognition of their contribution and as motivation for even-better performance. The total employee benefit expenses of the Group amounted to HK\$833.2 million for the financial year 2017.

Staff Welfare and Benefits

The Group spends extra efforts to ensure a safe and healthy workplace for all staff while overtime work is not encouraged. The Group also provides a variety of staff welfare and benefits so that staff can enjoy working with the Group and perform to their best. These include:

- Shuttle bus service (at the headquarters)
- Subsidy to lunch at staff canteens at the headquarters and branch offices
- Staff coupons for purchase of house brand products
- Monthly birthday parties (at the headquarters)
- Organising sports and recreational activities for staff (at the headquarters)



3.1 僱傭

本集團視僱員為最寶貴的資產之一，其對本集團的成功經營及保持行業領先地位尤為重要。於二零一七年十二月三十一日，本集團有僱員約12,000名，絕大部份位於中國大陸。

作為平等機會僱主，本集團在招聘及晉升過程中的決定乃考量業務需求及個人資歷、經驗與表現，不受求職者或僱員的種族、性別、年齡、婚姻狀況、殘疾情況、宗教信仰及國籍所影響。本集團遵循當地相關法律法規，並不容許任何職場上的歧視或騷擾。本集團亦致力為僱員提供安全、健康的工作環境及職業發展機會。

本集團提供具競爭力的薪酬及福利待遇，以吸引、挽留及激勵人才。工作時數、加班報酬、法定假期、帶薪休假及相關待遇均遵循當地勞動法律法規及僱傭合同所訂。集團通過為個人及業務部門制定關鍵績效指標，使員工績效與本集團的目標保持一致。本集團提供多項表現獎勵，包括銷售佣金及花紅、酌情表現花紅、購股權、利潤共享計劃，以及其他獎勵及挽留人才機制，以表彰員工對本集團的貢獻，並激勵其發揮更出色的表現。二零一七財政年度，本集團僱員福利開支共計833.2百萬港元。

員工福利及待遇

本集團努力為全體員工提供安全、健康的工作環境，也不鼓勵加班。本集團同時也提供一系列員工福利待遇，使員工樂於在本集團工作，並發揮最佳的工作表現。福利待遇包括：

- 班車服務（於集團總部）
- 集團總部及分公司員工食堂的午餐補貼
- 員工購物券（自有品牌）
- 每月員工生日聯歡會（於集團總部）
- 集團組織員工參加體育休閒活動（於集團總部）

3. SOCIAL 社會

A series of policies, operating manuals, employee handbook and protocols are in place to build a fair and healthy working environment. The employee handbook and the Code of Conduct signed by all employees list out policies, guidelines and procedures to facilitate mutual respect between the Group and its staff by clarifying the Group's expectation on the staff's conduct, and promote a harmonised environment among the employees. Some of the policies and guidelines included in these two documents are:

- Equal opportunities and anti-discrimination policy – to maintain a workplace that is free from discrimination and harassment in any form
- Guideline on confidentiality – to ensure proper handling of the Group's confidential information

The Code of Conduct is reviewed from time to time, and updated as necessary, by the Group's human resources department, together with its internal audit department and legal department.

The Group's human resources policies are to comply with applicable labour legislations in the countries it has operations in.

Workforce Distribution at a Glance

(Refer to staff located in Mainland China as at 31 December 2017)

本集團已制定了一系列政策、營運指引、員工手冊及守則，以建立公平、健康的工作環境。員工手冊及須由僱員簽署的《員工操守準則》(「員工守則」) 清晰列明了本集團與員工之間賴以互相尊重的政策、指引及程序，明確了集團對員工行為的期望，並促進員工之間的和諧共處。涵蓋在這兩項文件中的政策和指引包括：

- 平等機會及反歧視政策—使工作場合免除任何形式的歧視和騷擾
- 保密指引—確保妥善處理本集團的機密信息

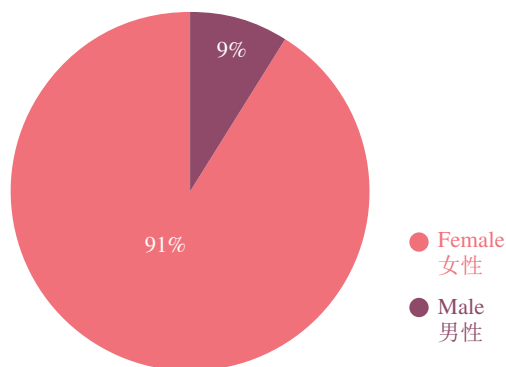
本集團人力資源、內審稽核及法務部門不定時審視《員工守則》，並於必要時進行更新。

本集團人力資源政策是遵守經營所在國家適用的勞動法規。

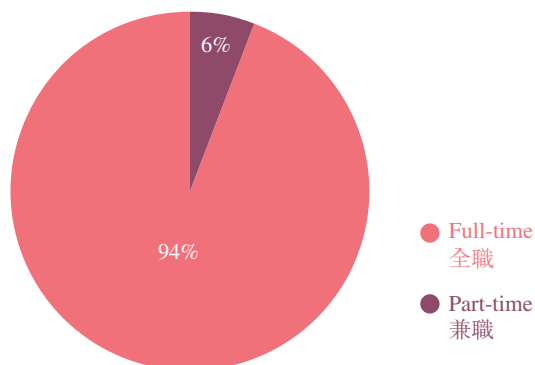
員工分佈概況

(指於二零一七年十二月三十一日位於中國大陸的員工)

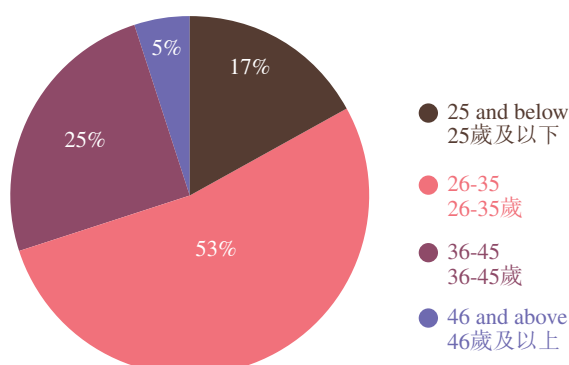
Gender Distribution
按性別分佈



Distribution by Employment Contract Types
按僱傭合同類別分佈



Age Distribution
按年齡分佈



3. SOCIAL

社會

3.2 Development and Training

By offering training and development to its staff, the Group aims to enhance staff capabilities to remain competitive, and address staff's aspiration for personal growth and career development. Relevant training courses are tailored to different levels of staff to realise their potential and optimise their performance, so that they will become a major force in supporting sustainable development of the Group's business.

The Group has crafted a comprehensive training and development programme for its sales staff to ensure that each of them is equipped with adequate product knowledge and perform to their best in order to offer customers a satisfactory shopping experience.

- New sales staff are required to take a training course via the Group's online training platform and pass the examination within the first month they join the Company. There are 8, 15 and 23 modules in the training courses for Sales Representatives, Supervisors, and Store Managers, respectively. All staff in stores are required to pass the quarterly assessment to ensure effective sales and satisfactory services.
- Quarterly seasonal product training was introduced in 2017 for each of the Group's brand.
- Brand Operation Managers are required to take training course every year to improve their level of competence.
- 34 Brand Operations Managers attended a comprehensive advancement programme in 2017 by the Group to strengthen their management skills.

The Group's development support for its staff is constantly under review to align the training programmes with the talents' need in terms of the content and media format and adapt to the increasing sophistication of customers. In this financial year, over 93,000 hours of training were provided to the Group's frontline and supporting staff.

3.2 發展及培訓

本集團通過向其員工提供培訓和發展，使員工的工作能力得到提升，以維持其競爭力，並滿足員工對個人成長及職業發展的期望。本集團為不同層級的員工設計相關培訓課程，以使他們的潛能得以發揮並提升表現，使他們成為支持集團業務可持續發展的重要力量之一。

為了確保銷售人員具備充足的產品知識並發揮其最佳表現，本集團為銷售人員制定了完善的培訓發展計劃，從而使顧客享受到滿意的購物體驗。

- 每位新入職的銷售員工須在本集團在線培訓平台上修讀培訓課程並於入職一個月內通過考試。店員、副店長及店長分別需要完成8個、15個及23個培訓課程。所有店舖員工均須通過季度考核，以確保店舖的銷售具有效益並提供令人愜意的服務。
- 本集團旗下各品牌於二零一七年開展每季度的季節性產品培訓。
- 品牌運營經理每年都要參加培訓課程，以提高他們的能力水平。
- 於二零一七年，本集團共有34名品牌經理參與綜合深造培訓，以增強其管理技能。

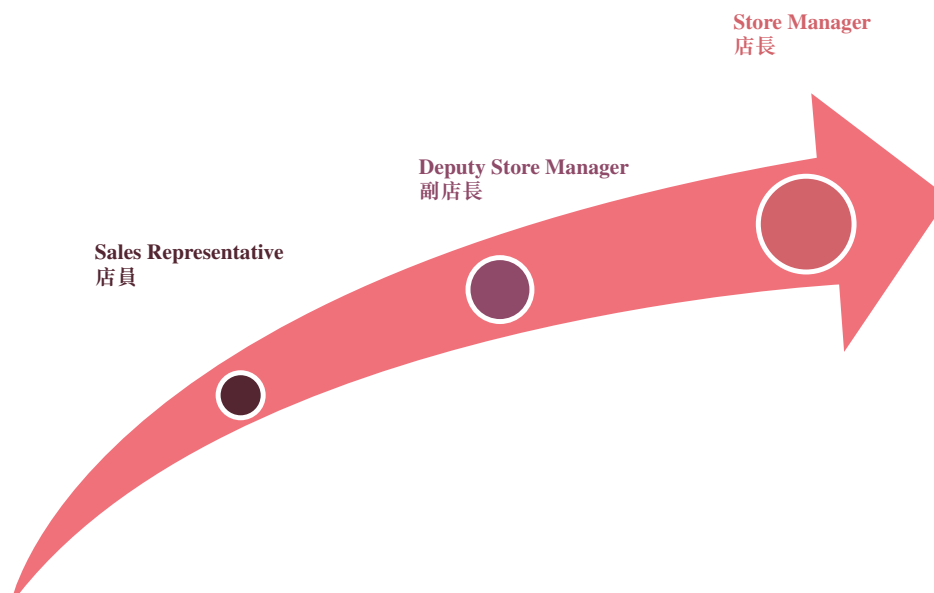
本集團經常檢討對其員工發展的支持，務求培訓課程在內容及授課方式上可配合員工所需及日益提升的顧客要求。於本財政年度內，本集團向前線及後勤員工提供逾93,000個小時的培訓。



3. SOCIAL 社會

Career Path for Frontline Sales Staff

前線銷售員工的發展路徑



The Group's "Sales Management Trainee" programme aims to build a talent pool of future Store Managers. The programme provides a fast track to retail management professional career by allowing trainees to acquire all the necessary skills and knowledge for a manager position in an accelerated and systematic manner.

本集團「未來之星」銷售培訓計劃旨在打造未來店長人才庫。該項目提供零售管理專業的捷徑，使實習生能有系統地快速學習所有必須具備的技能和知識。

3.3 Health and Safety

The Group ensures compliance with all local employment regulations, labour laws related to occupational health and safety, and it puts emphasis on safeguarding employees' health and safety.

Health and safety statistics for 2017:

- Zero case of fatality due to workplace accidents
- 35 cases of work-related injuries
- 1,430 lost days due to work-related injuries

In addition to compliance with the fire safety requirements for the office premises, the Group conducts fire drills and training on the use of basic fire-fighting facilities once a year. Posters and notices are posted in warehouses and offices to enhance staff awareness of relevant health and safety guidelines. The Group also provides employees with safety training for moving goods.

3.3 健康與安全

本集團確保恪守當地所有與職業健康及安全相關的僱傭條例及勞動法，並著重保護僱傭的健康安全。

二零一七年健康及安全數據：

- 無因工死亡案例
- 35宗工傷事故
- 工傷事故引致的病假天數全年合共為1,430天

除了符合辦公場所的消防安全規定外，本集團每年進行一次消防演習，及就使用基本消防設施作培訓。倉庫及辦公室均有張貼海報及告示，以提高員工對相關健康及安全方面的注意。本公司亦為員工提供搬運貨物的安全培訓。

3. SOCIAL

社會

3.4 Labour Standards

The Group's employment policies in regard to prohibiting child and forced labour are implemented to respond to the local employment laws and regulations in the PRC.

Prior to confirmation of employment, the Group's human resources department will require job applicants to provide a valid identity document to verify that the applicants are lawfully employable, and ensure full compliance of relevant laws and regulations that prohibit child and forced labour. Furthermore, staff undergoing unfair treatment can report to the Group through whistleblowing policy.

In 2017, the Group had no non-compliance cases in relation to labour laws and regulations in regard to child and forced labour.

3.5 Supply Chain Management

The Group adopts a stringent supplier management system to meet its business goals, achieve sustainable development and fulfil its responsibility as a corporate citizen. The supplier management system includes a careful screening process and comprehensive KPI assessment. The KPIs consist of research and development capability, production flow and scheduling, product cost, reliability of delivery and quality of bulk production, among others. The Group constantly reviews its KPI assessment system, and improves its pool of suppliers.

In addition to the assessment on suppliers' production capability, the Group also assesses their environmental and social impact as part of the Group's selection process of suppliers. This is to ensure that the Group's suppliers do not commit serious violations, including but not limited to the abuse of child labour, forced overtime work, illegal discharge of sewage and hazardous chemicals, illicit and unauthorised reselling.

Most of the Group's suppliers are located in Mainland China. The Group maintains close communication with its suppliers through regular meetings. The Group also conducts annual reviews of its suppliers and performs inspection of the suppliers' factories from time to time.

Throughout the years, the Group has established solid and stable relationship with its long-term suppliers.

3.4 勞工準則

本集團推行禁止童工及強迫勞工相關的僱傭政策，以響應中華人民共和國當地的僱傭法律法規。

在確認聘請前，本集團人力資源部會要求求職者提供有效身份證明文件，以核實求職者合法被僱用的身份，並確保集團全面遵守禁止童工和強迫勞工的相關法律法規。此外，本集團的員工可通過申訴渠道匯報不公平待遇。

二零一七年內，本集團並無任何涉及違反有關禁止童工或強迫勞工法律法規的個案。

3.5 供應商管理

本集團採取嚴謹的供應商管理機制，以符合其業務目標需要、達成可持續發展，並履行企業公民的責任。供應商管理機制包括審慎的篩選流程及全面的關鍵績效指標(KPI)考核。關鍵績效指標包括開發能力、生產流程、產品成本、交貨期的可靠度及批量生產品質。本集團經常審視其關鍵績效指標考核制度，並持續在供應商方面作開拓及改善。

除了對供應商的生產能力方面進行考核，本集團亦會評估供應商對環境及社會所造成之影響，作為本集團供應商篩選流程的一部份。這是為了確保本集團的供應商不會出現嚴重的違規情況，例如但不限於僱用童工、強迫超時工作、非法排放污水和危險化學品以及違禁轉售等。

本集團大部份的供應商都位於中國大陸。本集團通過進行定期會議，與其供應商維持緊密的聯繫。本集團亦對其供應商進行年度審核，並不定時審查供應商的工廠。

多年來，本集團已與其長期供應商建立了堅穩的關係。

3. SOCIAL

社會

3.6 Product Responsibility

The Group's products are in compliance with the local laws and regulations in the PRC related to health and safety, as well as quality management, and no legal case of the Group's products violating these regulations was recorded in the year under review.

Quality Control

Product safety and quality is the fundamental to what the Group offers its customers. As part of the Group's commitment to product safety and quality, all products go through stringent quality control, with those passed being offered a certificate which is included in the product package. To ensure quality reassurance to its customers, the Group offers product warranty allowing customers to enjoy aftersales service of return, exchange, or repair service, which is in line with the local authority's regulations.

In terms of recall of defective products, the Group has formulated a set of standards and procedures and requires its staff in quality assurance, sales operations and other related departments to strictly follow the guidelines. The Group believes there should be no compromise to consumers' health and safety.

Zero product recall rate related to health and safety reasons was recorded during the year under review.

Customer Service

It is the Group's priority to ensure that every care is taken to deliver an enjoyable shopping experience to customers. The Group places great emphasis on recognising the needs of its customers, matching them with desirable products, undertaking relevant assurance measures and ultimately delivering excellent services.

To ensure the Group's offerings meet our customers' needs, the Group has established multiple channels to help anticipate customers' needs and for customers to provide their feedback. These include:

- Social media platforms such as Weibo, WeChat official accounts and internet live-streaming video platforms
- Customer reviews on e-commerce platforms
- Customer questionnaires and customer hotline
- VIP members surveys and analysis
- Regular debriefs from frontline staff on customer feedback
- Adoption of business intelligence to analyse customer preferences and trends

3.6 產品責任

本集團的產品符合中華人民共和國有關健康和 safety，以及質量管理的法律法規。於回顧年內，本集團的產品並未錄得有違反此類法規的法律案件。

品質控制

產品的安全及質量為本集團產品及服務的基礎。作為本集團產品安全及質量承諾的一部份，所有產品均經過嚴格的品質檢測，合格的產品包裝內附有合格證書。為了向其顧客提供質量保證，本集團遵從當地法規，向顧客提供售後服務，包括包退、包換的產品保證，以至維修服務。

在回收有問題的產品方面，本集團制定了一套標準及程序，並要求其品質控制、銷售營運及其他相關部門嚴格遵守該指引。在顧客的健康及安全方面，本集團決不妥協。

於回顧年內，因健康及安全理由而引致的產品回收率為零。

顧客服務

本集團的業務重點是確保為顧客提供愉悅的購物體驗。無論是對顧客需求的理解、提供符合顧客期望的產品、採取相關的質量保證措施、以至在提供優質服務各方面，本集團均非常重視。

為確保本集團的產品能切合顧客的需求，本集團一直致力通過多個渠道去了解顧客的需求，並讓他們提供意見，這包括：

- 社交媒體平台：微博、微信公眾號以及在線直播視頻平台
- 顧客在電商平台上的評價
- 顧客意見問卷和熱線
- VIP會員的意見調查及分析
- 前線員工定期匯報顧客意見
- 通過商業數據分析顧客購買喜好及市場趨勢

3. SOCIAL 社會

The Group has established a well-defined customer feedback protocol to allow its customer service centre and sales operation team to respond to and resolve issues in relation to product and service quality in the most appropriate manner and on a timely basis.

A total of 7,567 customer complaints were reported during 2017, representing 0.02% of volume sold by the Group in the year under review. Nevertheless, the Group will continue to strive for further improvement in its product quality and customer service.

A number of programmes are implemented and reinforced to strengthen customers' shopping experience:

- **Mystery Shoppers:** VIP members and industry veterans are recruited as the Group's mystery shoppers in this systematic service assessment to identify existing service gaps in serving the changing needs of customers.
- **Shop KPI:** The score in customer service is incorporated as part of the KPIs of all shops.
- **Customer Loyalty Programme:** "United Brands", the Group's VIP members club, serves as a platform for the Group's customer loyalty programme and offers its VIP customers exclusive benefits and incentives, as well as information on latest products and member activities.
- **Customer Service Competition:** To enhance and ensure the quality of service, the Group has held an annual customer service competition for its frontline staff in all stores since 2012. The competition aims to cultivate positive attitude and team spirit among the Group's sales staff, strengthen their service capabilities and offer a cross-learning platform for them.

本集團設立了完善的顧客反饋機制，以便其顧客服務中心及銷售營運團隊能及時對產品及服務質量問題作出最恰當的處理。

二零一七年全年合共有7,567宗顧客投訴，此數字佔集團全年銷售量的0.02%。然而，本集團將繼續努力進一步提高產品質量及顧客服務。

本集團實施並強化了一系列措施，以提升顧客購物體驗：

- **神秘顧客：**邀請VIP會員及業內資深人士為本集團的神秘顧客，對服務進行系統性評估，以尋找在滿足顧客不斷改變的需求中仍存在的服務不足之處。
- **店舖關鍵績效指標：**顧客服務的評分計入所有店舖關鍵績效指標的一部份。
- **顧客忠誠度計劃：**「有悅無限」是本集團旗下的VIP會員俱樂部，作為本集團顧客忠誠度計劃的平台，向其VIP顧客提供獨家優惠和獎勵，以及最新產品及會員活動的資訊。
- **顧客服務競賽：**為提升並確保服務質素，本集團自二零一二年起每年舉辦顧客服務競賽，所有店舖的前線員工均須參與。這比賽旨在培養銷售員工積極的態度及團隊精神，提升其服務能力，並為其提供一個互相學習的平台。



3. SOCIAL

社會

Protection of Intellectual Property Rights

The Group is dedicated to protecting and enforcing its intellectual property rights which are crucial in maintaining its industry leadership and sustainable development. Proactive actions have been taken to protect the Group's intellectual property rights. These include registration and renewal of the Group's trademarks and filing for opposition against trademarks identical or similar to the Group's. Regarding work against infringement on the internet, a total of approximately 80,000 infringing merchandise links were removed from Taobao and Tmall of Alibaba in 2017 through the joint efforts of the Group and Alibaba. The Group is also proactive in bringing criminal indictments against the sale of counterfeit products under its brands, and bringing civil and criminal actions against brand infringement if necessary. Employees are bound by the Group's Code of Conduct to keep trade secrets and other proprietary intellectual properties confidential. The Group believes that it has taken effective measures to observe and protect its intellectual property rights.

Customer Data Protection and Privacy

The Group is committed to abiding by local laws and regulations in regard to personal data and customer rights protection in the PRC, and endeavours to protect customers' rights. Customer information collected will only be used for the purpose for which it is collected. The Group prohibits the provision of consumers' information to a third party without authorisation from the customers. All collected personal data is kept strictly confidential.

3.7 Anti-corruption

The Group advocates a high standard of business integrity throughout its operations and has no toleration of corruption or bribery in any form. The Group strictly adheres to the laws and regulations in regard to anti-corruption and bribery in all locations where the Group is conducting business. The Group has formulated and strictly enforced its anti-corruption policies as stipulated in the Group's Code of Conduct, such as policy on gifts and entertainment, policy on conflict of interests and guidance on prevention of bribery, to prevent and manage possible conflicts of interests and bribery.

Employees are required to abide by the Group's Code of Conduct by signing a statement to acknowledge receipt of the Code of Conduct and agree to abide by its terms. In addition, new staff member receives training on anti-corruption. The Group's management will investigate any suspicious or unlawful conduct involving bribery, extortion, fraud or money laundering to protect the Group's interests.

Furthermore, the Group has set up a whistleblowing policy to enable its employees to lodge complaints or report misconducts and any suspicious activities within the organisation to the designated officer in either verbal or written form. The Group advocates a mechanism of confidentiality to protect the whistleblowers without fear of retaliation. Where criminality is suspected after investigation, disciplinary actions will be taken, including termination of employment and reporting to the relevant authorities.

There was no legal case in regard to bribery, fraud, extortion or money laundering during the year under review.

保護知識產權

本集團致力於保護並執行其知識產權的權利，這對其保持行業領先地位及可持續發展至關重要。本集團已採取積極行動保護其知識產權。這包括對本集團的商標進行註冊及續期，並針對相同或近似商標向政府有關部門提請異議等。關於網絡打假，二零一七年本集團聯同阿里巴巴移除阿里巴巴旗下淘寶及天貓上共計約80,000條侵權產品鏈接。本集團亦積極主動地對銷售其品牌的假冒產品提請刑事取締，並在必要時對品牌侵權提請民事或刑事訴訟。僱員亦受集團《員工守則》的約束，必須嚴守商業秘密及保密其他專有知識產權。本集團相信已採取有效措施來維護及保護其知識產權。

顧客數據保密及私隱

本集團致力於遵從中華人民共和國當地有關個人數據和顧客權益保護的法律法規，並努力保護顧客的權利。所收集的顧客信息僅作其收集的用途。本集團嚴禁未經顧客授權向第三方提供任何顧客資料。所有收集的顧客資料均獲嚴格保密。

3.7 反貪污

本集團在其經營過程中倡導高標準的商業誠信，並不容忍任何形式的貪污或賄賂。不論本集團在任何地區經營業務，均嚴謹遵守所有有關反貪污及賄賂的法律法規。本集團已制訂及嚴格執行其反貪污政策，並在集團《員工守則》中對相關政策作明文規定，例如對收受禮物及接受款待的規章、對利益衝突的規章及對防止賄賂的指引，從而預防並管理可能發生的利益衝突及行賄。

本集團的僱員均須簽名作實其接受並同意遵守集團《員工守則》所列的所有條款。此外，新入職員工須接受反貪污的培訓。本集團的管理層會對任何涉及賄賂、勒索、欺詐或洗黑錢的可疑或非法行為開展調查，以保障本集團的利益。

再者，本集團已設立舉報政策，使僱員可以通過口頭或書面形式向指定的內部職員對任何不當及可疑行為作出申訴或舉報。本集團提倡保密機制以保護舉報人，令其免於遭報復之虞。調查後若涉嫌違法，本集團將會採取紀律行動包括終止僱傭關係以及向有關政府部門舉報。

回顧年內，本集團並無任何與賄賂、欺詐、勒索或洗黑錢相關的法律案件。

3. SOCIAL 社會

3.8 Community Investment

As a corporate citizen in China, the Group is committed to contributing to a brighter future of China by helping the less fortunate in the society. The Group has joined the Fashion Association Charity Events (“FACE”) since 2007, which was established by H.H. Brown, a major shoe company in the United States, and other partners in the footwear and fashion industry in China and across the globe with a mission to bring hope and prosperity to children in poverty and others in dire circumstances. Together with other members of FACE, the Group made donations to charities and non-government organisations dedicated to providing immediate and long-term relief throughout China. Their programmes focused on education, healthcare and medical research, enrichment and social outreach.

Charity projects on which Daphne Group and FACE worked together in 2017:

- The Group’s staff joined the “*Eyesight Recover Action*” of China Foundation for Disabled Persons to Enshi Tujia and Miao Autonomous Prefecture in Hubei Province, to sponsor the cataract surgery for an old man so that he could restore his vision. Daphne Group and “*Eyesight Recover Action*” of China Foundation for Disabled Persons also provided joint sponsorship for an ophthalmic hospital so that it was able to offer free treatments to children with congenital ptosis, thus helping to bring a happy childhood and bright future to these children.

3.8 回饋社區

作為中國的企業公民，本集團通過幫助社會中的弱勢社群，致力為中國的光明前景作出貢獻。本集團自二零零七年起加入由美國大型鞋業公司H.H.Brown聯同其他中國以及國際的鞋業、時尚界企業成立的FACE時尚協會慈善活動（「FACE」），旨在向社會上的貧困兒童及其他弱勢群體帶來希望和溫暖。本集團聯同FACE的其他成員向專注於在中國各地提供即時與長期援助的慈善及非政府機構提供捐獻。他們的慈善項目主要在教育、健康及醫療和豐富人生及社工外展等領域。

二零一七年達芙妮集團與FACE合作參與的慈善項目：

- 本集團員工參與中國殘疾人福利基金會「啟明行動」，前往湖北省恩施土家族苗族自治州，全費贊助一位老人的白內障手術，使其恢復視力。達芙妮集團亦與「啟明行動」聯合贊助當地一家眼科醫院，向患先天性眼瞼下垂的病童提供免費手術，有助這些兒童擁有愉快的童年和光明的未來。



3. SOCIAL 社會

- The employee volunteer team “Angel Footprints” of the Group’s own brand Shoebox visited the left-behind children studying in the Mazhe Hope Primary School in the Enshi Tujia and Miao Autonomous Prefecture in Hubei Province. The team worked with children in classes and activities. The foreigners in the team gave a fun English lesson to the children to foster their enthusiasm for learning a foreign language. The Group also brought children shoes as a gift to show its love and care to these children.
- 本集團自有品牌鞋櫃旗下的員工義工團隊「天使的足跡」到訪湖北省恩施土家族苗族自治州「馬者希望小學」的留守兒童。義工與孩子們一起上課及做活動。義工團隊中的「外籍友人」還為這些學童帶來一堂別開生面的英語課，培養孩子們對外語學習的熱情。本集團還為孩子們帶來童鞋作為禮物，向這些兒童展示其愛心和關懷。



3. SOCIAL 社會

- The Group's employee volunteer team "Angel Footprints" and the well-known violinist Chai Liang participated in The Wings of Music Programme's child aid project by paying a visit to the Beijing Xinghe Bilingual School where the children of the migrant workers studied. The visit let these children who cannot afford to learn music feel the power of music, and helped enrich their spiritual life.
- 本集團的員工義工團隊「天使的足跡」與著名小提琴演奏家柴亮參與「音樂之帆」少兒資助項目，到訪北京星河雙語學校，看望了在這裡就讀的外來務工人員的子女們，使這些本來無力負擔音樂學習的孩子們感受到音樂的力量，有助豐富他們的精神生活。



Charitable organisations that benefited from the funds raised by the Group and FACE in 2017 include: The China Foundation for Disabled Persons, The Pearl Retrieval Programme of Xinhua Love Foundation, The China Beauty Charity Fund, The Guoli Love Foundation, The Traces of Love Education Programme by Johnny Jiang, Shanghai Special-Care Foundation Hai Kang Bei Foundation and Liu Qian Charity Fund, and The Wings of Music Programme of China Symphony Development Foundation.

The Group made donations both in cash and in kind, in which the monetary donation was HK\$2.9 million for 2017.

於二零一七年，受惠於本集團及FACE的善款的慈善組織包括：中國殘疾人福利基金會、新華愛心教育基金會－撿回珍珠計劃、中國美基金、國立愛心基金、姜育恆「愛的痕跡」慈善教育項目、上海特殊關愛基金會之海康貝公益基金會及劉謙基金，以及中國交響樂發展基金會「音樂之帆」計劃。

本集團通過現金及實物進行捐贈，其中於二零一七年的現金捐款為290萬港元。

DAPHNE INTERNATIONAL HOLDINGS LIMITED
達芙妮國際控股有限公司

www.daphneholdings.com