

2019

DMKOTVA

SUSTAINABILITY
REPORT

WE DO IT THE RIGHT
WAY TO DRIVE TOWARDS
A BETTER WORLD.

we love, we care, and we take responsibility.

OPERATIONAL HIGHLIGHTS

1,158,000

39,000,

NET SALES:

APPROX. HKD 1,158 M

GARMENTS PRODUCED:

APPROX. 39 M PCS

EMPLOYEES:

APPROX. 9,000

0,000 HKD

000 PCS


9,000 EMPLOYEES

SUSTAINABILITY PERFORMANCE HIGHLIGHTS



23% Reduction in
carbon intensity from
2017

Fabric recycling
project to turn textile
waste into new fabric

An aerial photograph of a forest with a mix of green and yellow trees. A road or path is visible in the middle ground. Several semi-transparent text boxes are overlaid on the image. The boxes are in shades of green and yellow. The text is white and centered within each box.

Replaced wood boilers
with waste-to-energy
incinerators

Began key tier 2
suppliers audit

12% Reduction in
energy intensity from
2018

Use of big data on
production planning
and orders handling



***Dakota makes ceaseless
efforts to improve its
sustainability performance.***



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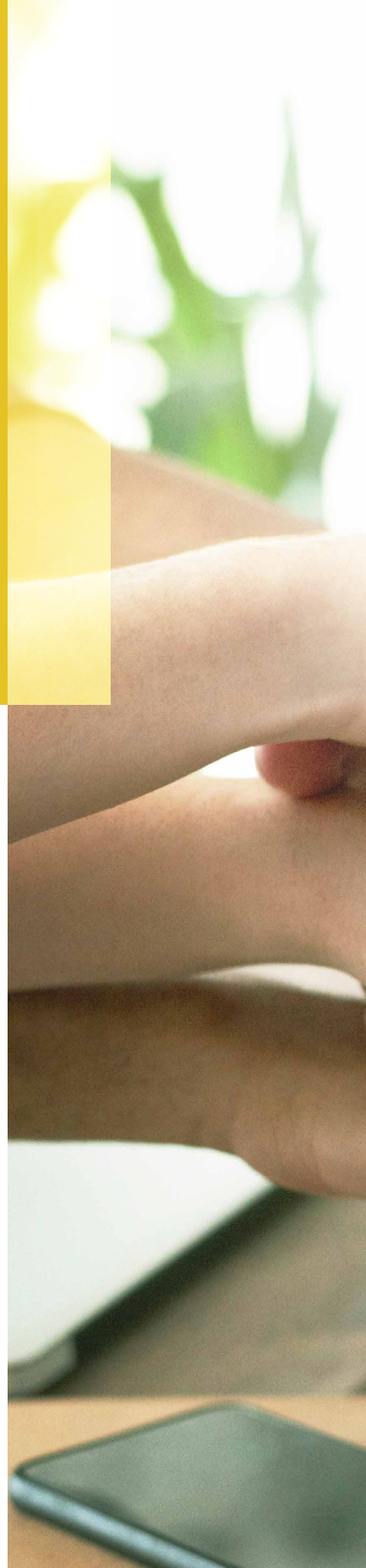
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ABOUT THE REPORT

This is the third sustainability report of Dakota Industrial Co., Limited (“Dakota” or the “Company”). The Board of Directors recognizes and confirms that the report reflects our social and environmental performance and its impacts in an accurate and balanced manner.

SCOPE OF THE REPORT

This sustainability report has been prepared in accordance with the Core option of the Global Reporting Initiative (“GRI”) Standards Sustainability Reporting Guidelines, and is subject to an annual reporting cycle. The report covers sustainability performance of four of our manufacturing facilities, on which we have direct control, located in China, Myanmar and Cambodia for the reporting period from 1 January to 31 December 2019. The new fabric mill in Cambodia is excluded as we are preparing its data collection systems.





FEEDBACK

We have done our utmost to dwell upon interests of diverse stakeholder groups in this sustainability report. We recognize there is always room for improvement and highly value any feedback. The Company is also continuously looking for opportunities to further sustainability in the apparel industry and is open to working with any potential collaborators.

Please contact us at:

Dakota Industrial Co., Ltd

Address: Flat A&B, 3/F Fast Industrial Building, 658 Castle Peak Road, Lai Chi Kok, Kowloon, Hong Kong

Tel: (852) 2417 0768

Fax: (852) 2411 3061

Email: csr@dakota.com.hk

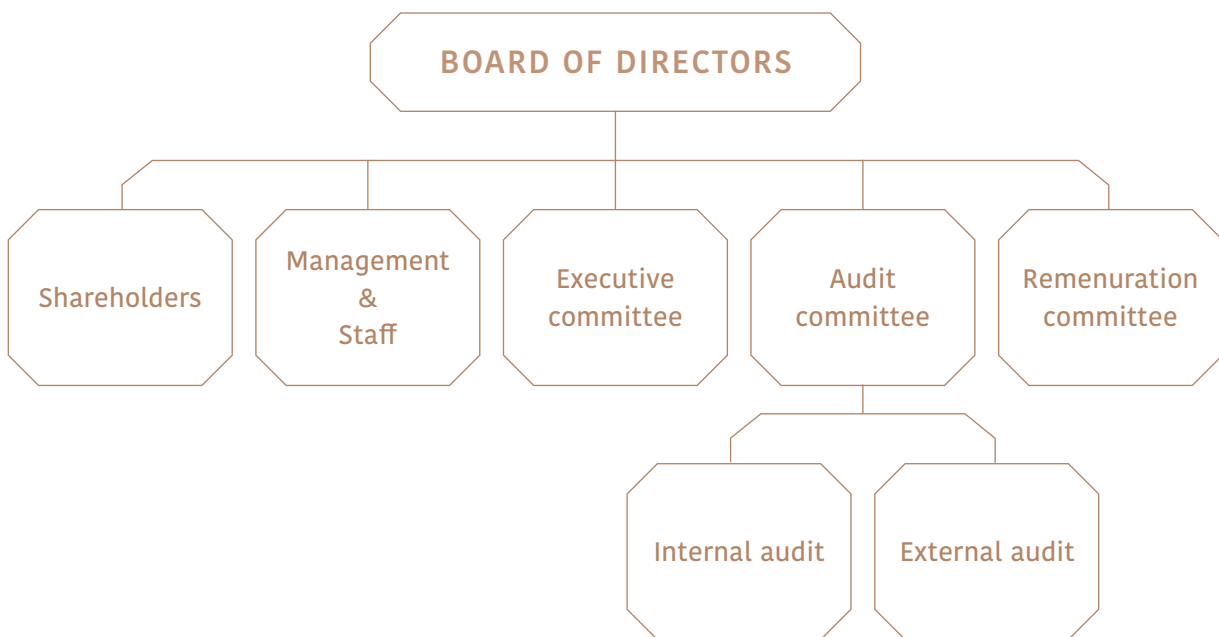
ABOUT DAKOTA

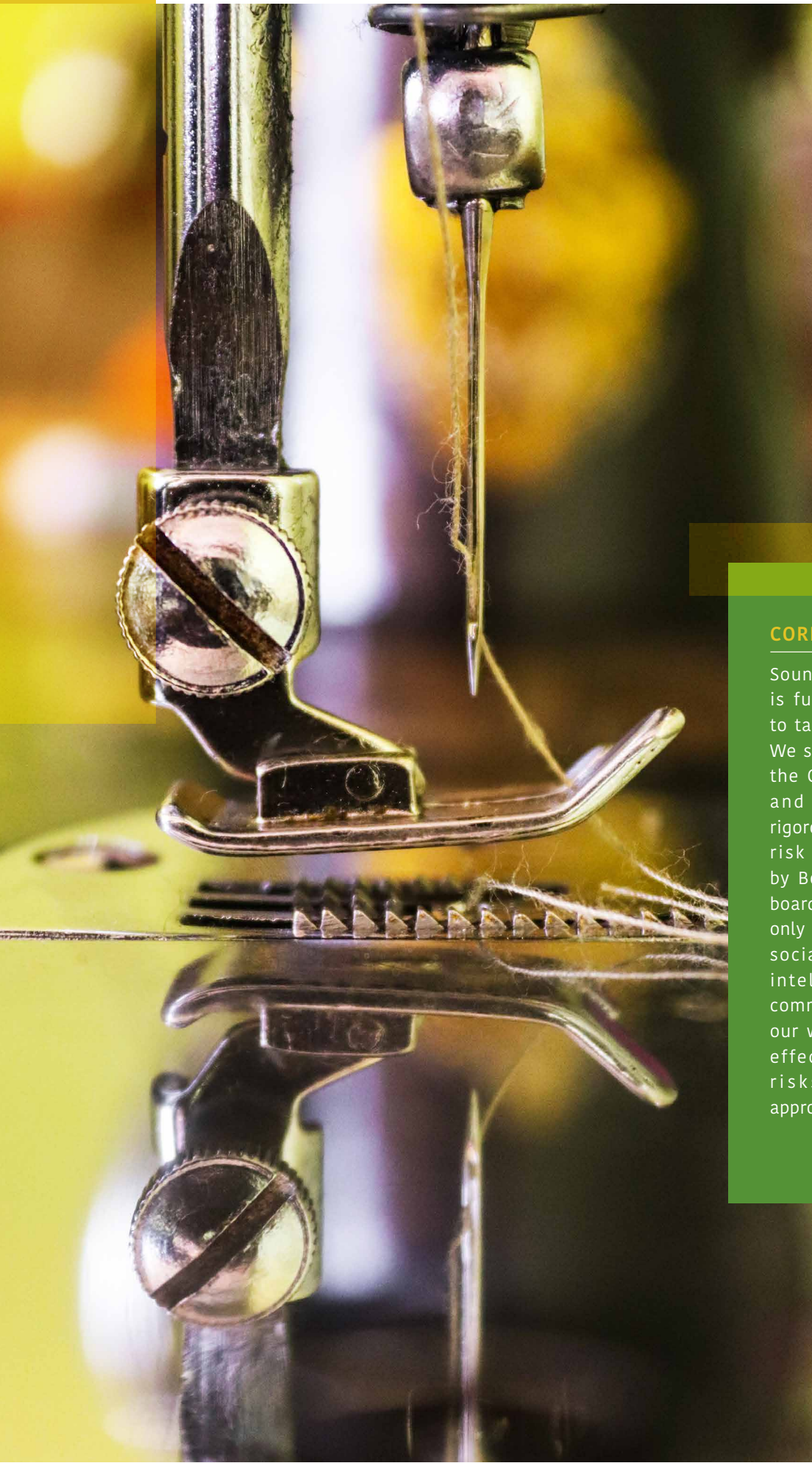
Since a humble beginning with a mere 20 sewing machines in 1979, Dakota Industrial Co., Limited (“Dakota” or the “Company”) has grown to be a reputable major industry player.

Dakota Industrial Co., Limited was established in 1979 in Hong Kong. With over 40 years of strong dedication to product excellence, customer services and craftsmanship, we have grown into a leading garment manufacturer. Our spirit of innovation drives us to constantly seek breakthroughs and become the game-changer in the industry.

Dakota now has 4 apparel manufacturing facilities and 1 textile mill in China, Cambodia and Myanmar, partnering with fashion retailers including well-known global brands, with products sold in Europe, the Americas and Asia.

Our core business is providing a one-stop solution from sourcing and development, fashion design, merchandising and production (including cut and sew, printing and embroidery) to industrial engineering, quality assurance and logistics for garment products as both Original Equipment Manufacturer (OEM) and Original Design Manufacturer (ODM). Our major products include ladieswear, menswear, childrenswear, babywear, sportswear, and swimwear.





CORPORATE GOVERNANCE

Sound corporate governance is fundamental to our drive to take the Company forward. We safeguard the interests of the Company's shareholders and employees by having rigorous internal controls and risk management. Headed by Board of Directors, three board committees ensure not only financial capital but also social, natural, human and intellectual capital. These committees help us manage our working responsibly and effectively and to address risks and opportunities appropriately.

MESSAGE FROM THE CHAIRMAN

Dear stakeholders,

I am pleased to present the third Sustainability Report of Dakota. For the past few years, sustainability has become an integral part of our business transformation. Having identified the material topics, including fair wage, women empowerment, innovation and customer satisfaction, we have developed a sustainability strategy that is seamlessly integrated into our business. I am proud to say we are on the right track to be a sustainable garment manufacturer and are able to highlight some of our achievements in this report.

Sustainability is expected by our customers. At Dakota, we not only ensure consistent delivery of quality products, we also make sure the manufacturing process meets the environmental and social imperatives adopted by our customers. This year, we had the opportunity to join the H&M Supplier Advisory Board meeting, where valuable feedback was provided regarding supply chain strategy, product quality, sustainability, etc.

Our fabric mill in Cambodia is in full operation this year. It not only enables us to move toward being a vertically integrated manufacturer, it is designed to propel waste recycling. Collaborating with the Hong Kong Research Institute of Textiles and Apparel Limited, the fabric mill is able to convert textile waste into high quality materials by leveraging on the latest technology for separating cotton from polyester in blended textile products. While discovering the market reception of such new materials, we have been engaging closely with H&M along the way to make it a success and take a step further along this path to sustainability.

Dakota took another step towards smart manufacturing. We have started utilising the predictive modelling this year, a project collaborating with the Hong Kong University of Science and Technology, for arranging and analyzing our data such that they provide a clearer operational intelligence to help improve the production efficiency.

We continue to strive for environmental sustainability. In addition to 100% recycling of wastewater generated in production processes, at the two sites in Cambodia, we have replaced the wood-based boiler with waste-to-energy incinerators to reduce wood-fuel consumption, greenhouse gases emissions and solid waste disposal. We have achieved a 23% reduction in carbon intensity from 2017. This year, we have also supported the “Low Carbon Development for Productivity and Climate Change Mitigation through Transfer of Environmentally Sound Technology Methodology (TEST)” led by United Nations Industrial Development Organization. The project aims to mitigate the long-term risks of climate change through the transfer of environmentally sound technologies in Cambodian industries.

Our own stringent requirements on environmental and social compliance are taken into account when selecting suppliers. Selected suppliers are required to sign the sustainability commitments adhering to BSCI and BFC principles as well as quality standards agreed with our customers. In 2019, 70% of major fabric suppliers completed and signed the “Social Responsibility Questionnaire” and “Sustainability Commitment”.

Cultivating an inclusive, diverse and capable team, we have continued to strengthen our management approaches in the context of employment practices. Our employee grievance protocol has been further optimized during the year, ensuring issues concerning occupational health and safety, human rights, working hours, OT hours, wages, bonus, etc., are discussed and properly handled. Internal risk assessment on human rights is also conducted twice a year. These management approaches are reviewed by management and regular internal audits to evaluate their effectiveness.

This year, a majority of our social responsibility activities are centered around disaster relief, improving the well-being of orphans and elderlies, and youth development. It is our intention to make a difference by giving back to the communities where we operate. Our long-term collaboration with Marie Stopes in Myanmar has also continued which focuses on educating women about their rights and health.

Looking forward, Dakota wants to contribute towards making the fashion industry more sustainable by setting commitment that permeates our entire organization. Our history shows that investments we make in sustainable solutions and operational efficiencies, would deliver value to our stakeholders in long-run. And I believe that our vision of doing our business in the right way could only be achieved by harnessing the power of our stakeholders and continuing to invest in sustainable and operational innovation.



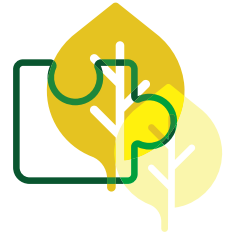
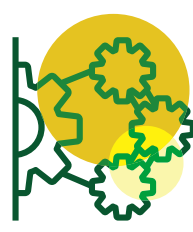
Philip Tsang
Chairman
20-12-2019

SUSTAINABILITY AT DAKOTA

A pair of hands is shown holding a small, vibrant green seedling with several leaves and a small bud, growing out of a mound of dark brown soil. The background is a clear, bright blue sky. The image is framed by yellow and green geometric shapes on the left and right sides.

Aspired to be the pioneer of sustainability in the garment manufacturing industry, sustainability has always been at the core of our business operations.

Addressing our environmental and social impact to ensure sustainability while producing quality products is the key to operational excellence and remain in the industry's forefront. We strive to absorb the negative externalities of our operations and instead generate positive spill-overs that benefit our environment and society.



STRATEGY THEMES

Exceed Customer Expectation

Remain in the forefront of the garment industry

Growth through Innovation



CUSTOMER PERSPECTIVE

Product Quality

Fast Lead Time

Costs Optimization

Sustainability



INTERNAL PERSPECTIVE

Set up large scale & flexible production capacity

Invest in IT & IE

Provide one-stop solutions

Product & brand development

Establish vertical production setup

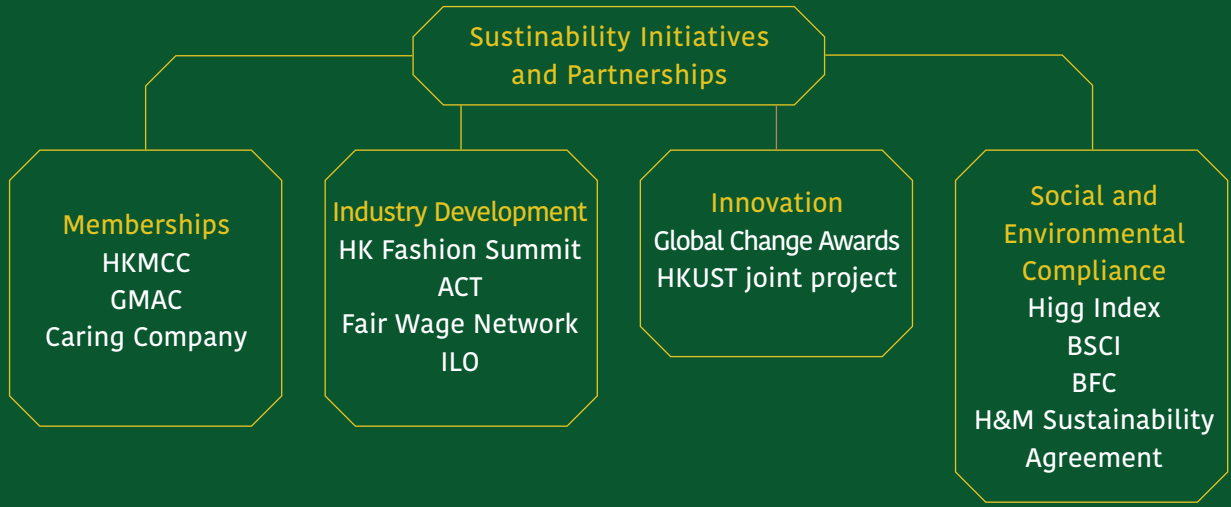
Operate in a sustainable manner



OUR SUSTAINABILITY INITIATIVES AND MEMBERSHIPS



Sustainability has been fully integrated into our decision-making process. Led by the Head of Operations and supported by the regional sustainability manager, each of our factory sites has representative personnel who lead and assist execution of all sustainability-related measures. We hope to build a business that could contribute towards sustainability and this would not have been possible without the support at all levels.



MEMBERSHIPS

Our memberships in HKMCC (Hong Kong Myanmar Chamber of Commerce (HKMCC), GMAC (Garment Manufacturers Association in Cambodia) ensure we are in the loop of the latest industry updates.

SOCIAL AND ENVIRONMENTAL COMPLIANCE

Our sustainability compliance is monitored against standards of the Higg Index, BSCI (Business Social Compliance Initiative), Better Factories Cambodia (BFC) and H&M Sustainability Agreement.

INDUSTRY DEVELOPMENT

We further positive industry development by engaging with ILO (International Labor Organization), Fair Wage Network, ACT (Action, Collaboration, Transformation) and the HK Fashion Summit.

INNOVATION

We drive innovation forward through collaboration with academia and global competition.

COLLABORATION WITH THE INDUSTRY



Dakota believes in creating value through partnerships and collaborations. We are enthusiastic about taking part in and interacting with the fashion industry to spread sustainability initiatives and make a resounding impact on the causes we care about.



GLOBAL CHANGE AWARD

By taking part in the Global Change Award, we shared our ideas on achieving a circular economy. It is our great pleasure to meet the Family of H&M, the Chairman of the Board of H&M, Stefan Persson and CEO, Karl Johan Persson. Aspired to create closed-loop fashion, we carry on our collaborations with the award winners on developing eco-friendly fashion production, building a sustainable value chain in the garment industry.



HONG KONG FASHION SUMMIT

At the Hong Kong Fashion Summit, we had fruitful exchanges of views on the latest sustainable fashion trends and technologies with various stakeholders of the fashion industry. We are thrilled to see that our industry partners share a similar vision on sustainable fashion, and reckon it is time to make concerted efforts to create a resilient future for the environment and the society.



THE 3RD MYANMAR TEXTILE SUMMIT 2019

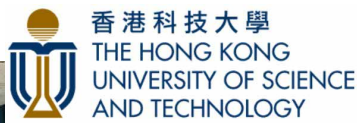
We were invited to speak at the Myanmar Textile Summit, sharing our experience on the textile supply chain development with guests and peers. We deliver a strong message that innovation and technology can be the game changer for the industry, as it equips us with higher capacity to advance in our goal of sustainable production units.





COLLABORATIONS WITH IOM

The International Organization for Migration (IOM) visited our factory in Yangon, Myanmar, providing valuable insights on how to better address migrants workers' needs from recruitment, the workplace to their local communities.



HKUST GUEST LECTURE

Dakota is passionate about nurturing and spreading sustainability awareness among young generations. Our Head of Operations was invited by HKUST as a guest lecturer to share our experience and success stories related to sustainable development of the garment industry. We hope to inspire young generation to join us in moving towards a sustainable future.



BERLIN CHANGE MAKER LAB

Dakota joined the Change Makers Lab 2019 in Berlin. Along with 300 international industry experts, we engaged in thought-provoking discussions on various sustainability topics, such as circular design, fair wages, inclusion and diversity. We are ardent in driving pragmatic social and environmental changes.



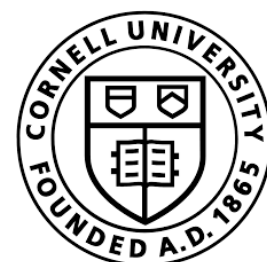
TUFTS UNIVERSITY RESEARCH VISIT

We were interviewed by Professor Mary Davis from Tufts University, who specializes in Urban and Environmental Policy and Planning, in hopes of enriching understanding of management practices for the latest research about compensation in Cambodia factories.



BEST FACTORIES CAMBODIA ACADEMIC EXCHANGE VISIT

Young generations are the backbone of society's future development. Dakota takes an active role in nurturing the youth. In January, students and professors from Cornell University visited one of our Cambodian site to learn about our achievements in sustainable social development. We shared our experiences, visions and stories in building good industrial relations and sustainable development in the apparel industry.

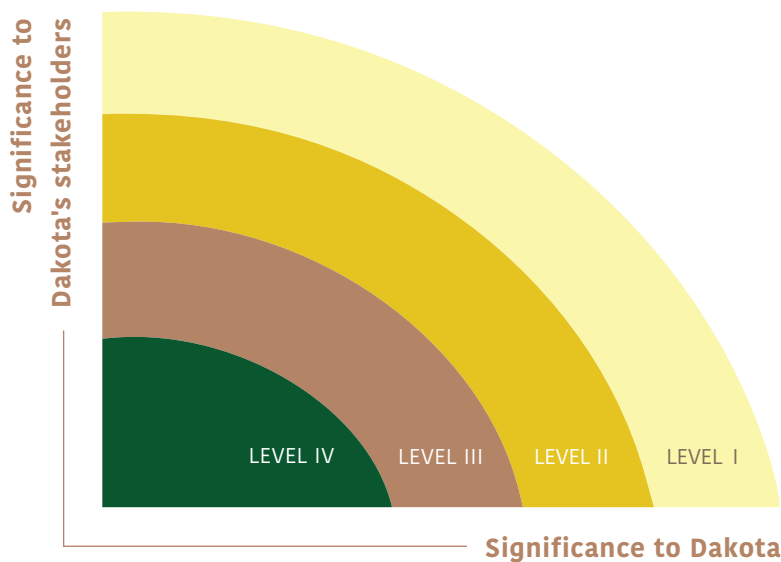


FOCUS ON MATERIAL TOPIC



A materiality assessment enables us to understand the topics that are important to us and our stakeholders. Through process of identification, prioritization, validation and review, a list of sustainability topics is evaluated on its impact to the Company’s business, as well as its significance to stakeholders in relations to the Company.

The top five topics material to the Company concern our social performance. Our report fully discloses the related management approach and performance metrics required by the GRI Standards. In addition to the Level I material topics, the report also outlines our management approach for Level II topics and major environmental topics.



LEVEL I (MATERIAL TOPICS)

- 1 Human right
- 2 Employee communication
- 3 Woman empowerment
- 4 Occupational health and safety
- 5 Talent / staff management

LEVEL II

- 6 Customer Satisfaction
- 7 Product quality and safety
- 8 Business ethics
- 9 Product and process innovation
- 10 Wage management system
- 11 Development and training

LEVEL III


- 12 Customer privacy protection
- 13 anti-corruption
- 14 Energy
- 15 Economic value generated in the location of operation
- 16 Effluent and use of chemicals

LEVEL IV

- 17 Supplier management
- 18 Water
- 19 Market pressure
- 20 Waste management
- 21 Community involvement
- 22 GHG emission
- 23 Materials sourcing
- 24 Ecological conservation
- 25 Exhaust gas emission

STAKEHOLDER ENGAGEMENT

We maintain effective communications with stakeholders on sustainability issues and strive to respond to their needs and concerns. Below we summarize our engagement approach and key topics raised, and how our 2019 actions have contributed to the UN Sustainable Development Goals (SDGs).

STAKEHOLDER	ENGAGEMENT APPROACH	KEY TOPICS AND CONCERNS RAISED (MATERIAL TOPICS BOLDED)	TOPIC BOUNDARY		2019 ACTIONS AND THEIR RELATIONS TO FULFIL SUSTAINABLE DEVELOPMENT GOALS
			INTERNAL	EXTERNAL	
EMPLOYEES	<ul style="list-style-type: none"> • Training • Corporate activities and events • Employee grievance mechanism • Collective bargaining agreement (Cambodia) • Workplace Coordinating Committees (Myanmar) • Sustainability report 	<ul style="list-style-type: none"> • Occupational health and safety • Talent/staff management • Employee communication • Training and development • Welfare and benefits 	√		<ul style="list-style-type: none"> • Joined Industrial Relationship (IR) training and social dialogue training to strengthen communication skills with workers • Continuous improvement through working with BFC <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>3 GOOD HEALTH AND WELL-BEING</p> </div> <div style="text-align: center;">  <p>8 DECENT WORK AND ECONOMIC GROWTH</p> </div> </div>
CUSTOMERS	<ul style="list-style-type: none"> • Customer grievance mechanism • Website • Sustainability report • Meetings and communication regarding quality management business ethics, labour rights and ethics, environmental performance, responsible sourcing 	<ul style="list-style-type: none"> • Human rights • Quality management • Business ethics • Environmental performance • Responsible sourcing 		√	<ul style="list-style-type: none"> • Substituting wood boiler with waste-to energy incinerators • Product certification for organic and recycled content standards • Collaborations with non-governmental organizations on energy-saving programme <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> </div> <div style="text-align: center;">  <p>13 CLIMATE ACTION</p> </div> </div>

STAKEHOLDER	ENGAGEMENT APPROACH	KEY TOPICS AND CONCERNS RAISED (MATERIAL TOPICS BOLDED)	TOPIC BOUNDARY		2019 ACTIONS AND THEIR RELATIONS TO FULFIL SUSTAINABLE DEVELOPMENT GOALS
			INTERNAL	EXTERNAL	
SUPPLIERS	<ul style="list-style-type: none"> • Site visits and assessments • Interviews and appraisals Supplier relation meetings 	<ul style="list-style-type: none"> • Occupational health and safety • Responsible sourcing • Corporate reputation 		√	<ul style="list-style-type: none"> • Began key tier 2 suppliers on quality system and social compliance  
COMMUNITY	<ul style="list-style-type: none"> • Volunteerism • Donations • Sustainability report 	<ul style="list-style-type: none"> • Community investment 		√	<ul style="list-style-type: none"> • Volunteer visits to orphanage and elderly homes • Donation trip to Myanmar • Collaboration with the Scout Association of Hong Kong  
NGOS	<ul style="list-style-type: none"> • Fair wages approach • Sustainability report • Site visits by international organizations and academia • Conference and forums 	<ul style="list-style-type: none"> • Human rights • Employee communication • Women Empowerment • Environmental performance 		√	<ul style="list-style-type: none"> • Collaboration with Marie Stopes in employee health care training • Collaboration with Global Change Awards winners • Visit by IOM  
MEDIA	<ul style="list-style-type: none"> • Site visits by media • Interviews 	<ul style="list-style-type: none"> • Human rights • Industry innovation and development 		√	<ul style="list-style-type: none"> • Introduction of our sustainability initiatives to media  



OUR PEOPLE

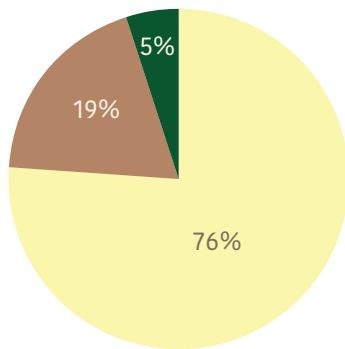
We put the welfare and job satisfaction of our employees on the top priority. Apart from providing a decent workplace, we strengthened communications with workers to better understand their needs. We also collaborate with workers and other industry actors in protecting workers' basic rights, driving change in the industry towards best practices.





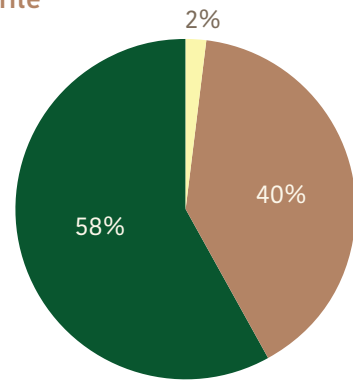
EMPLOYEE PROFILE

Geographical profile



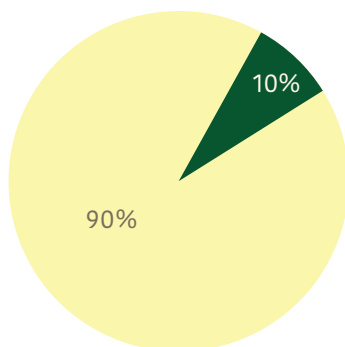
- China (Including Hong Kong)
- Myanmar
- Cambodia

Age profile



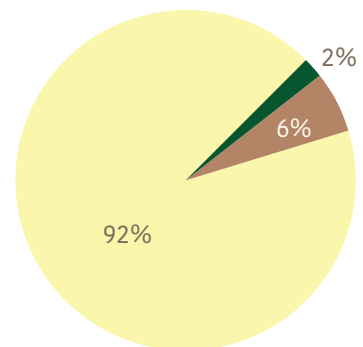
- <30
- 30-50
- >50

Gender profile



- Male
- Female

Functional profile



- Technical
- Administrative
- Production



PROTECTING WORKER RIGHTS



Protecting Worker Rights

With approximately 9,000 employees working at Dakota, it is our first priority to protect their rights and well-being. Upholding the principles of fairness and mutual respect, we ensure decent working environment and effective employee management at our sites.

The human resources department and the sustainability team implement, monitor and review the effectiveness of the company policies on recruitment, child and forced labour, code of conduct, wage policy and anti-harassment policies. Child labour and abuse are also strictly prohibited in our operations. We conduct surveys with workers regularly to check on their knowledge on basic rights, awareness on reporting procedures, and satisfaction on working environment. The results are useful in improving the policies and provide appropriate training to workers and managers.

We conduct internal audits twice a year to assess the level of labour-related risks and the current conformance of our facilities. The audit covers critical issues from human rights, wages, working hours as well as health and safety etc. It is concluded that the risk level has been low. Our sites also passed external social compliance audits from third-parties and customers, including Better Factories Cambodia (BFC) and Business Social Compliance Initiative (BSCI). We have also achieved an increase in Higg Index assessment. There were no reported cases of child and force labour, nor cases of harassment and abuse during the year.



Preventing child labour

Clear guidelines are in place for checking against child labour. We implement stringent checks on identity documents and interview during recruitment. Regular patrol is carried out at the factories. We report any discovered cases to local authorities and protect the child's rights under local laws and company policy.

Decent work

Young labour are not allowed to carry out hazardous work procedures. Workers are encouraged to report on any cases of harassment and abuse to the management by verbal or written forms. Confidential investigation is taken in a victim-centered approach. We ensure the complainants are informed of the final outcome and are protected from any threats and retaliation during and after the process.

Welfare and benefits

Overtime work is on a voluntary basis. All wages including OT compensation, bonuses and allowance are paid according to local laws and regulations. Under the fair wage management system, we have established a wage grid to reward workers with different skills. Wage calculations are clearly communicated with employees through meetings and trainings.



ADDRESSING INDUSTRIAL RELATIONSHIP

A good industrial relationship (IR) is essential not only for maintaining productivity but also employee satisfaction. We continuously collaborate with the International Labour Organization (ILO) and Better Factories Cambodia (BFC) to manage and monitor potential labour risks.

The Performance Improvement Consultative Committees (PICC), formed by the management, workers and union representatives, consult workers on their concerns and issues that need to be addressed, while at the same time disseminates information to them. It is a platform for the management and workers to communicate and resolve any issues of common concern and follow up on improvement plans at the factories through regular meetings and advice from BFC and ILO.



IR Leadership program in Cambodia

To build a stronger capacity for communication with our workers and their representatives. Our managers participated in the 17-day IR Leadership Development Programme, which includes various industrial relations topics, such as Freedom of association, grievance handling, labour dispute settlement and workplace cooperation etc., equipping them with skills in solving communication problems at work and cultivating a harmonious and inclusive workplace culture.

TRAINING AND DEVELOPMENT

We are committed to the ongoing development of our people. As we always believe, training and education are crucial to maintain morale of the workforce to foster productivity and product quality. Our HR department manages the training management system and prepares training plans annually after identifying training needs and formulating content in tune with the latest industrial, technological and customer demands. We invest in our people to build knowledge and skills for their job needs and personal growth through various internal and external training programmes. For example, we provide training in income and spending management to improve the financial literacy of our workers.

This year, we focused on upgrading the supervisory skills of the managers. Selected managers joined the social dialogue training, training of trainers program and industrial relations (IR) training, organized by BFC and ILO, to foster better workplace communication and relations with workers. They also participated in trainings provided by Ministry of Labour and Vocational Training (MOLVT), Garment Manufacturers Association in Cambodia (GMAC) to keep themselves updated on the latest labour laws and regulations, strengthening their management skills on labour issues.

TYPES OF TRAINING OFFERED

Induction training	Introduction to code of conduct, wage policy, welfare system, health and safety, etc.
Rights-related training	Build awareness on labour rights, contractual and legal requirement, fair wage and anti-harassment
Safety and health training	Knowledge on first-aid, fire safety, machinery operation, chemicals handling, management and occupational health
Skills training	Income and spending management skills, and machinery operation skills training
Management training	Catered for managers, with focus on supervisory skills, industrial relationship, social dialogue trainings etc.

FREEDOM OF ASSOCIATION

Dakota respects the freedom of association of its workers. Collective Bargaining Agreements (CBA) have been signed with the most representative union in two of our factories in Cambodia, in accordance with the Trade Union Law. Discrimination against workers who exercise their rights to unionize is prohibited. At our site in Myanmar, Workplace Coordinating Committees (WCC) are established, with annual elections held among workers to choose their representatives. We cooperate closely with the elected delegates and union leaders to solve workplace issues.

The Company actively supports initiatives that advocate change in the garment industry and that respect workers' right to freedom of association. We took part in discussion with industry actors at ACT (or Action, Collaboration, Transformation) initiative. In 2019, a Myanmar Freedom of Association (FoA) Guideline has been agreed by participating manufacturers who committed to effective collaboration with trade unions. We will continue to move forward in contributing to healthy development of the industry and pleasant workplace for workers.



HEALTH AND SAFETY

The Company’s success depends on the contribution of its employees. Health and wellness of the workforce constitutes the core values at Dakota. We have implemented a robust occupational health and safety (OHS) management system and all our operating facilities are tailored to meet the local legal requirements. These requirements also apply to activities performed by workers employed by third-party hiring agencies.

Seeking to improve the OHS management system, our safety policies and measures are reviewed via regular meetings of the OSH committee, which over 40% is made up of worker representatives. By directly involving our workers in the management of health and safety issues, we ensure the concerns and opinions raised by our on-site workers are addressed effectively. Our sustainability teams monitor the safety performance of our factories through monthly audits and daily checks. During the year, we have carried out internal and external audits for our OHS management system to identify areas for improvement.



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PROTECTING WOMEN WORKERS

In view of female workers accounting for a large proportion of our workforce, we pay special attention to their well-being. To prevent discrimination against pregnant women, pregnancy test is not allowed in the recruitment process. Apart from maternity leave and day care allowance, we also assign breastfeeding hours to women workers with new-born infants. Women workers who are pregnant and have given birth are not assigned dangerous tasks.

In 2019, we collaborated with external organisations including International Labour Organisation (ILO) and Marie Stope Myanmar to arrange training on gender equality and female health knowledge enhancement to over 150 women workers, raising awareness of women workers on sexual and reproductive health.



SAFETY AT WORK

Safety of our workers is our top priority and we strive to ensure that workplace hazards are minimised and mitigated. To avoid accidents and keep workers safe when operating machinery, policies are in place guiding the operation, precautions and maintenance of the machines. Qualified mechanics are responsible for checking, keeping record of the machinery condition and providing prompt repair to malfunctioning machinery. Besides, factory staff are required to equip themselves with appropriate personal protective equipment (PPE) such as eye and hearing protection gear when performing tasks with high potential safety risks. All our new and current workers have undergone necessary safety training arranged by the HR department.

Concerning fire safety and emergency handling, the HR department arranges evacuation training sessions at least twice a year to prepare all staff for worst-case scenarios such as natural disasters and fire outbreaks. At least one member is nominated in each department to undergo first-aid training to handle medical emergencies. Our factories have advanced fire alarm systems, smoke detectors, and fire sprinkler systems, which are above the required standards and are subject to routine checks.

In 2019, we delivered safety training to our staff covering the following topics:

- Occupational Safety and Health
- Electrical and fire safety
- Machinery safety
- Boiler Safety
- Chemicals management
- Hazard and risk assessment and control
- Accident Investigation
- Safe Workplace Arrangement



WORKING ENVIRONMENT

Safeguarding workers' health and wellness at work, we provide comfortable working conditions by installing amenities such as large fans and water walls to maintain optimal temperature and ventilation. We also maintain a decent, secure and hygienic working environment with easy access to:

- Properly-maintained sanitary facilities
- Clean and safe drinking water
- Clinical services with certified practitioners
- First-aid kit and training at each department
- Welfare facilities such as rest areas and nursing rooms

HEAT STRESS PREVENTION

In 2019, we engaged in a Heat Stress Project led by the Institute of Technology of Cambodia (ITC), which aims to study how heat affects productivity in the workplace. We pay close attention to the risk of heat stress and will take appropriate temperature comfort measures.



Clean water access at Dakota

Access to clean and safe drinking water is a fundamental need and human right. We secure the supply of qualified and clean drinking water at our factories and ensure it is easily accessible by our workers. In addition, reusable water bottles are provided to workers for free to reduce plastic waste.



Heat stress prevention

In 2019, we engaged in a Heat Stress Project led by the Institute of Technology of Cambodia (ITC), which aims to study how heat affects productivity in the workplace. We pay close attention to the risk of heat stress and will take appropriate temperature comfort measures.





HAZARD IDENTIFICATION AND RISK ASSESSMENT

Believing all incidents are preventable, we are committed to eliminate and mitigate all hazardous risks at the workplace. We strictly follow the risk management policy and take a preventive approach to identify workplace hazards and eradicate OHS related risks that may be present.

The risk assessment follows a 3-step framework: risk identification, risk analysis, and risk management. The factory manager oversees the risk assessment process, while the sustainability executive coordinates the resultant action plans with support from the department heads. The results of hazard identification and risk assessment are documented and communicated to our workers. Employees are also welcome to report potential hazards in daily work.

In 2019, we recorded a work-related injury rate of 0.3 per 100 full-time equivalent (FTE) workers. We stringently followed procedures outlined in the accident management and investigation policy to carry out investigations. Thorough analysis of the cause and liability of the incidents is conducted, and subsequent corrective actions and preventive measures are implemented and communicated to respective departments.

PROMOTING WORKERS' HEALTH

We are devoted to enhance measures to protect the health of our staff. Besides taking care of the medical needs of our workers at our clinic with certified medical practitioners, we arrange medical examinations for new and current workers in accordance with the labour laws. During the year, we invited the Social Security Board to provide free physical check-ups for over 500 workers in our production units in Myanmar.

EYElliance
Glasses Change Lives

The EYElliance

In 2019, we participated in the Eyelliance programme led by See Change, an organisation dedicated to promoting eye health. Through this programme, not only vision checks are provided for our staffs, they are also educated on ways to protect eyesight.

OUR COMMUNITY

Dakota invests and strives to bring positive social impact to the community



Dakota actively engages with the community and is keen on making a difference by giving back to the communities that our businesses operate. During the year, we focused our contributions to disaster relief, improving well-being of orphans and elderly, and youth development.

Last summer, we organised a donation trip contributing to combat flooding in Myanmar, where thousands have been affected and displaced by the overflowing of Laymyo River. Responding to this catastrophic situation, we provided direct disaster relief support by delivering emergency supplies and assisting the victims.



We have been continuously helping the underprivileged in the community. Our volunteers have organized donation trips to orphanages in Cambodia and Myanmar, also visits and rice donation to elderly homes in China. All with the mission to give care and spread love.



One point of our focus is youth development. We organised a service trip to Cambodia in collaboration with the Scout Association of Hong Kong, aiming to educate and spread social awareness among young people. During the trip, participants have the opportunity to experience local culture and learn about the history of Cambodia by visiting village schools, Phnom Penh slum, Home of Toughness and Dakota's factory. The trip was led by our Sales Director, Pascal Tsang.



In Hong Kong, we also supported the HKUST Alumni Endowment Fund Golf Day by providing functional POLO sport-tee with our sustainability initiatives.

OUR ENVIRONMENT

By implementing a sound environmental management system (EMS), Dakota ensures all its factories comply with all applicable local and international environmental laws. Our environmental governance structure is spearheaded by the Head of Operations, supported by an environmental committee, ensuring environmental policies are established and necessary training is provided to responsible departments and individuals. These policies and management approaches are updated and reviewed regularly in accordance with the latest requirements and trends. At each of our factory sites, factory manager and an officer responsible for sustainability are accountable to the Head of Operations regarding the implementation of EMS as well as other environment related issues. The person responsible for sustainability leads the execution of environmental projects, maintenance of environmental records and internal evaluation, with assistance from the factory's environmental coordinator, engineer and assistant.

Subsequent to the expansion of our factory in Myanmar this year, we commissioned specialist consultants to ensure our EMS fully complies with local laws. During the reporting year, we were not aware of any material environmental non-compliance.

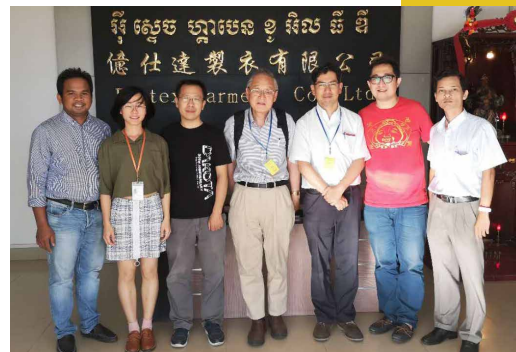


CONTRIBUTING TO FASHION CIRCULARITY THROUGH INNOVATION

Dakota is committed to driving positive change in the industry and transiting towards a more sustainable production. This year, we were pleased to support the “Low Carbon Development for Productivity and Climate Change Mitigation through Transfer of Environmentally Sound Technology Methodology (TEST)” led by United Nations Industrial Development Organization (UNIDO). The project aims to reduce the long-term risks of climate change through TEST methodology, as well as improving productivity and minimizing environmental impact. An energy audit was conducted jointly by the Overseas Environmental Cooperation Centre (OECC) and a local consultancy for one of our Cambodian sites. The audit report presented energy saving opportunities to reduce both Greenhouse gas emissions and operational costs. We will continue to explore and apply new eco-efficient technologies, alongside with updating our energy management strategy, in order to gain resource efficiency and environmental benefits within our operation.



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION



Contributing To Fashion Circularity Through Innovation

Striving to be a vertically-integrated garment manufacturer, we have launched the fabric recycling project in our fabric mill, aiming to transform textile waste into high quality new materials. On one hand, we collaborated with The Hong Kong Research Institute of Textiles and Apparel (HKRITA) to develop technologies that recover and recycle polyester fibre from textile wastes. On the other hand, we closely work with our customer brand at our factory, using leftover cut fabric to conduct a full trial for spinning, knitting and dyeing trial, which brought satisfactory results. Although challenges remained, we continue to develop colour fabric recycling technologies that meets our customers' requirement, playing our part in saving resources and introducing sustainable garment that are fashionable to the market.



THE HONG KONG 香港紡織及成衣研發中心
RESEARCH INSTITUTE OF TEXTILES AND APPAREL



CONSERVING ENERGY



Dakota recognizes the importance of energy conservation. Since 2011, we have commissioned third-party consultancies to conduct energy audits. All of our factory sites were subjected to such audits in 2017, followed by the implementation of customized action plans. The implementation of our energy reduction program is reviewed through conducting follow-up site visits by the third-party agency.

We maintain regular practices such as air compressor leakage check and ventilation system optimization. We pursue greater energy saving by making investments with longer payback periods. The total energy intensity was recorded as 3.6 MJ/pc, achieving a 12% reduction from 2018.

Moreover, to strengthen the employees' knowledge and skills on reducing energy consumption, we integrated the energy saving and emission reduction concept in pre-employment training. We also displayed the pay bills and energy saving tips on notice board to promote energy saving behaviors. All group leaders are responsible for monitoring and rectification of employees'



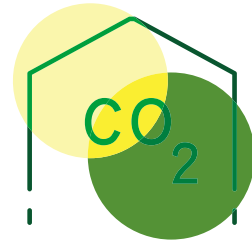
⁴ Third-party energy audit

Type of Energy	2019 consumption (MJ)	Percentage (%)
Biomass(wood)	86,922,117	61.0%
Electricity purchased	30,805,906	21.6%
Diesel	24,028,836	17.0%
Petrol	537,728	0.4%
LPG	33.72	Negligible

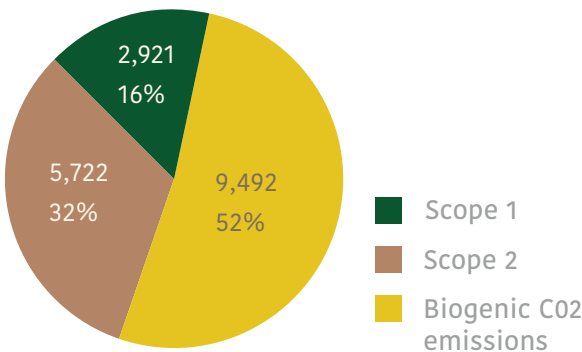


OUR CARBON FOOTPRINT

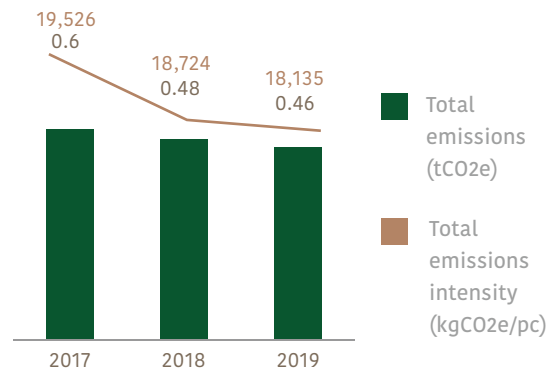
By continuously putting efforts to improve our operational efficiency, our carbon intensity stands at 0.46 kgCO₂e/pc, which is a 23% decrease from 2017. Energy consumption accounts for the majority of our carbon footprint. With the replacement of wood-fueled boiler by waste-to-energy incinerators, the biogenic CO₂ emissions also dropped by 20%, from 11,983 tCO₂e in 2018 to 9,492 tCO₂e in 2019.



Carbon Footprint (tCO₂e)



Total GHG emissions and intensity



CONTROLLING AIR EMISSIONS

Our operation does not involve the use of heavy-duty machinery or equipment that emit concentrated amounts of air pollutants.

Dakota ensures it controls air emissions in accordance with the licensed air emission and smoke permits. At our production units in Cambodia and China, we maintain an inventory of sources of air emissions which covers our boilers, generators and manufacturing processes including fabric relaxing and printing. Routine tests are conducted to ensure emissions are within regulation limits, and equipment are functioning properly. Our waste-to-energy incinerators in Cambodia have high combustion efficiency and discharge of soot and other air pollutants is minimal.



UNDP air emission and energy efficiency assessment

Dakota makes every effort to control our emissions. In November last year, UNDP visited our site in Cambodia to conduct an air emission and energy efficiency assessment for the new incineration boilers which aim to improve energy efficiency and reduce solid waste landfill.

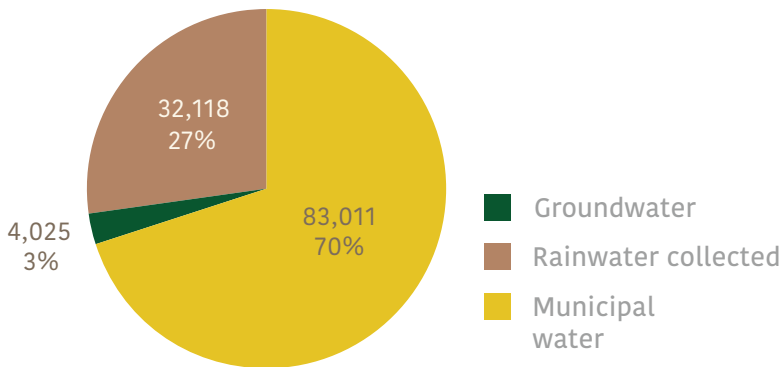


WATER AND EFFLUENTS



We treasure water resources and have continued to make efforts to reduce our water consumption and maintain a sustainable water source. Water recycling system is available at the effluent treatment plant for our printing screens, allowing reuse of some of the site’s water withdrawal. The water recycled accounts for about 27% of the site’s water withdrawal this year.

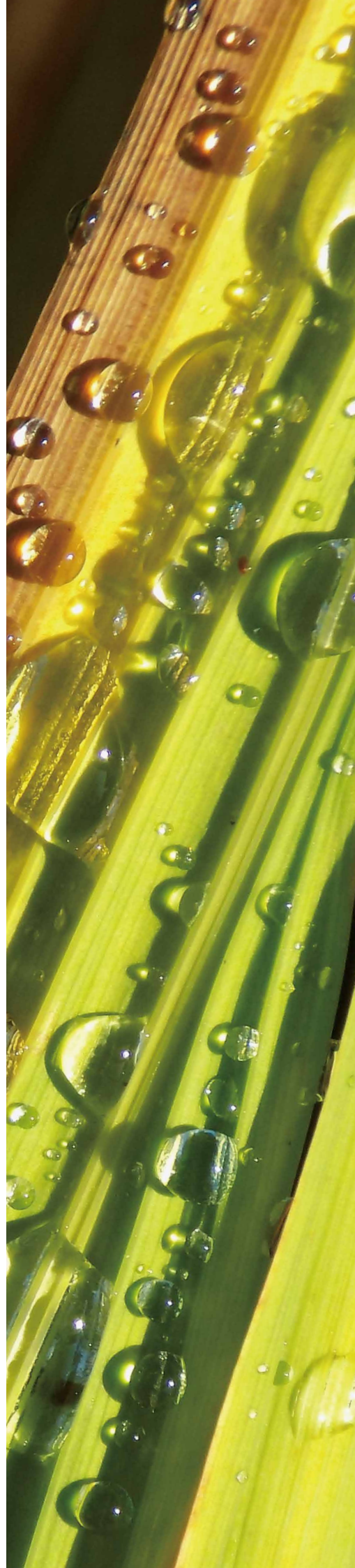
Source of Water Withdrawals (m3)



With our well-developed wastewater management systems, we ensure no untreated effluents are discharged into any body of water. Wastewater recycling systems are operated at a number of our sites.

At one of our Cambodian factories, the entire water needs of the factory are fulfilled by the rainwater harvesting system. 100% of the production wastewater is recycled, we treat wastewater on-site and reuse it for cooling and toilet flushing, which greatly reduces our water consumption as well as sewage generation.

Sludge generated as the by-product from the wastewater treatment process is collected and handled by government-approved third parties. To go beyond regulatory compliance, we have re-designed our industrial effluent treatment plant to meet the updated requirements of customers. We monitor parameters such as Biochemical Oxygen Demand and Chemical Oxygen Demand to ensure the quality of recycled water is up to standard.



MANAGING WASTES



Our EMS and waste classification management policy enable us to strictly control waste discharge. All solid waste generated is handled properly according to the solid waste discharge permits licensed to our operational facilities. Major hazardous waste generated by our operations include chemicals, sludge, welding metals and oil/lubricants, which are securely collected, stored and transferred to licensed third-parties for proper disposal. Non-hazardous waste is collected for recycling. These include fabric, paper, cardboard and plastic. Our fabric recycling project allows us to reduce the disposal of cutting waste, as well as to transform waste into valuable products. Incinerators are also available to convert waste into useful heat energy, enabling a better and more efficient waste management.

To reduce plastic waste and protect the ecosystem, we distribute reusable water bottles to workers for refill. In our site in China, we organized a recycling and design competition, encouraging employees to turn production wastes into reusable gadgets, raising their awareness on resources conversation.

WASTE-TO-ENERGY PROJECT

One of our major retrofits is the replacement of a wood boiler with the waste-to-energy incinerators which has yielded significant environmental benefits. By using the cutting leftovers as fuel sources, not only can we reduce our consumption of wood fuel, but also reduce our waste disposal by turning waste into valuable resources. This year, the use of wood fuel has been greatly reduced by 21%.

Dakota is committed to supporting procurement practices that encourage sustainability.

SUSTAINABLE PROCUREMENT

Dakota is committed to supporting procurement practices that encourage sustainability. Our suppliers and subcontractors are required to make a pledge and affirm the Sustainability Commitment of Dakota, and assure their products are not manufactured under inhuman, unsafe or exploitative working conditions.

We use raw materials from those following sustainable farming practices. For example, we purchase cotton for garment production from sources in compliance with the Better Cotton Initiative (BCI). Several of our factories also procure natural and synthetic fibres from organic and recycled sources, in compliance with the Global Organic Textile Standard (GOTS), Organic Content Standard (OCS) and Global Recycled Standard (GRS). Verified by third-party agencies, a transparent system is in place to ensure traceable sourcing and use of eco-friendly fibres throughout the production process.

GREENING OUR CHEMICAL INVENTORY



Dakota is striving to move towards the goal of “Zero Discharge of Hazardous Chemicals” (ZDHC) and to reduce the industry’s chemical footprint through business partnerships with its customers.

Adhering to the precautionary principles, a chemical inventory platform aligned with ZDHC standard is in place in our Cambodian factories. To ensure all stipulated restrictions on use of chemicals, including the relevant updates, we hold training programmes with ZDHC compliant Best Chemical Management Practices. This helps eliminate the use of questionable substances during production. In addition, we disclose our chemical discharge data to the Institute of Public & Environmental platform, a non-profit environmental research organization, contributing to the greening of the industry.

Each of our factory sites complies with relevant local laws and regulations and undertake systematic monitoring. We ensure the use of chemicals is well recorded and they are handled under proper controls. Our purchase department in China is responsible for ensuring all chemicals and reagents entering our operational chains are subject to the Restricted Substances List Compliance Procedure as presented below.

OUR COMPREHENSIVE ENERGY PROGRAMME

Triple-check procedure	Training and communication	Record-keeping
MSDS (Material Safety Data Sheet) checking	Chemical risk and impact	Chemical inventory list
Internal hazards assessment	Emergency procedures	Training records
Chemical testing	Fire Prevention	
	Spill control	
	Chemical storage and disposal	

This year, we enhanced our chemicals handling and management by improving the utilization of BVE3 tool, in which monthly chemicals usage can now be inputted and submitted online. One of our Cambodian facilities has achieved 100% transparent compliance. We have adopted an IT platform with the Environmental Emission Evaluator to evaluate pollutants discharged by our sites. The evaluation includes estimating discharge quantities and analysis of data.



STRIVING FOR OPERATIONAL EXCELLENCE

Dakota pursues excellence in every piece of garment it produces, from design to production, devoting efforts on continuous improvement of product quality and production efficiency. Together with the support from our customers, we aim to achieve win-win outcomes and create value for both parties.



MOVING TOWARDS SMART MANUFACTURING

Our project with the department of Industrial Engineering & Decision Analytics at the Hong Kong University of Science and Technology enables us to improve the efficiency in handling orders and production arrangements through gathering, analyzing and utilizing real time production data with a predictive model. Our next step is to further optimize the user experience by developing automated efficiency data generation and interactive data visualization.

Digitization and smart technology are the gateway to the future of garment manufacturing. We will continue to optimize such technologies to have a better understanding of production trends, reflect on production efficiency and improve competitiveness of the Company.

Benefits of the Production Data Analysis and Predictive Model

Enhance Order Efficiency

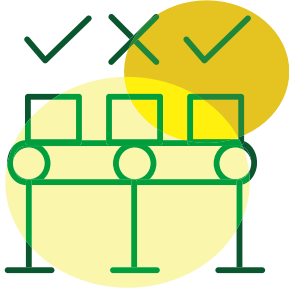
- Detect the key factors that affect the order efficiency to better manage and improve the production processes
- Predict production efficiency for new orders

Enhance Operation Efficiency

- Visualize and monitor the real time efficiency for a better understanding and control of production process.
- Detect specific orders which production is out of control.

ACHIEVING CUSTOMER SATISFACTION

Dakota has been engaging with customers on key issues including product quality, environmental and social responsibility, through regular meetings, workshops and site visits. We strive to maintain customer satisfaction through frequent communications regarding their requirements, ensuring each production procedure meets their quality standards and sustainability code of conduct. We often share our thoughts and ideas with our customers on sustainability matters. During the year, we were invited to join the meeting of H&M Advisory Board where we provided direct and honest feedback. Both parties are committed to putting sustainability into action.



ASSURING PRODUCT QUALITY AND SAFETY

Dakota implements rigorous quality assurance and control procedures at all stages of production, adhering to ISO and AATCC standards, as well as customers' quality requirements. Risks analysis on materials and machinery is conducted at the production planning stage. Production guidelines for each production procedure such as sewing, cutting, embroidery, product testing, etc., are established and implemented. Quality targets and indicators for these procedures including minimum inspection passing rate and rework rate are set to monitor the production. We aim to maintain the number of customer complaints at no more than 3 cases per year.

The quality management system (QMS) is reviewed once every half year. Reviews can be more frequent in case of changes in quality requirements or quality incidents. We carry out internal audits to assess the adequacy of the current quality management practices and performance before formulating improvement plans to enhance the effectiveness of the QMS. We also utilize the Six Sigma methodology in discovering and solving quality issues.

Quality improvement measures

Product defect management

- Clear labelling and immediate isolation of flawed products
- Regular maintenance and calibration of machinery

Mould and insects prevention

- Maintain production, packaging and storage areas dry, clean, tidy and well ventilated

Chemical pollution

- Monitor and educate workers on chemical usage and storage

Needles and sharp objects

- Strict management on the use of sharp tools
- Inspection on broken needles during QC

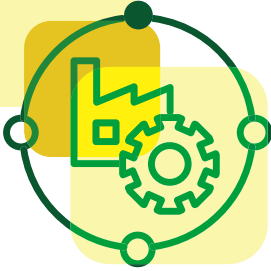
² The American Association of Textile Chemists and Colourists

SUPPLY CHAIN MANAGEMENT

Our procurement activities mainly involve production equipment, textiles, accessories and chemicals, and services including logistics and software systems.

Recognizing that products and services provided by suppliers and subcontractors have a direct impact on product quality, Dakota subjects suppliers to stringent requirements, including but not limited to compliance, price, delivery, quality and social responsibilities.

Supplier Assessment Criteria	
Employee Communication	<ul style="list-style-type: none"> • Protect the rights of freedom of association • Establish a grievance policy
Business Practices	<ul style="list-style-type: none"> • Have legal licenses as required in the locations where they operate, e.g. EIA report, building quality inspection, fire safety inspection
Environmental Protection	<ul style="list-style-type: none"> • Establish chemical purchasing procedures to prevent purchase of restricted or banned substances • Keep track on resources usage • Treat wastewater to ensure effluents meet with legal standards
Occupational Safety	<ul style="list-style-type: none"> • Have suitable type and quantity of fire extinguishers • Ensure the exit routes are clear of obstructions
Lawful Employment	<ul style="list-style-type: none"> • Prohibit employment of forced or child labour • Implement anti-harassment and anti-discriminatory recruitment policies • Pay wage premiums for employees including foreign workers and homeworkers, working overtime and on holidays



Their sustainability performance is taken into account when selecting suppliers. Qualified suppliers are required to sign a sustainability commitment, which are formulated with reference on BSCI and BFC and quality standards agreed with our customers. In 2019, 70% of major fabric suppliers completed and signed the “Social Responsibility Questionnaire” and “Sustainability Commitment”.

Annual assessment is conducted to ensure their performances are up to our standards. Regular and surprise on-site inspections are carried out for assessing the quality and labour management at the facilities. Procurement from those scoring with the lowest grade is suspended. During the year, we conducted on-site audits for six key suppliers. We also began tier 2 supplier audits to further manage our sustainability risks within the supply chain. Improvement plans are suggested to tier 2 suppliers on problems discovered:

Suggestions for tier 2 suppliers	
Problems Discovered	Improvement Plan Implemented
Weak quality management organization structure	Lead by the General Manager to establish comprehensive quality assurance system
Unable to achieve some of the quality targets	Organize monthly meeting to analyse quality defects discovered and share preventive
Do not have raw materials testing records	Purchase equipment for testing raw materials and keep records for comparison and analysismeasures

Dakota maintains corruption-free operations by close supervision of the procurement and outsourcing processes. Both internal employees and business partners are required to abide by the internal anti-commercial bribery agreement. Whistleblowing mechanism is established to handle reported cases of corruption under confidential investigation. Terms for rewarding whistleblowers and disciplinary actions against violators are laid out in the anti-bribery policy.

PERFORMANCE DATA SUMMARY

This section provides statistical information on the Company's sustainability performance. To facilitate stakeholders' understanding and benchmarking of our corporate responsibility performance, our reporting follows Global Reporting Initiative's (GRI) disclosure framework, which is an internationally recognized set of indicators for economic, environmental and social aspects of business performance.

	2018	2019
NET SALES		
By Regions		
China (including Hong Kong)	2%	2%
Cambodia	87%	80%
Myanmar	11%	18%
Total (Approx. million HKD)	1,210	1,158
CAPITALISATION		
Total Debt-to-Capitalisation ratio	42.8%	46.4%
PRODUCTION VOLUME		
No. of garment pieces manufactured (Approx. million)	39	39

SCALE OF ORGANISATION

WORKFORCE DEMOGRAPHICS

		2018	2019
TOTAL HEADCOUNT			
By Regions			
China*		5%	5%
Cambodia		78%	76%
Myanmar		17%	19%
By Age Group			
<30		59%	58%
30-50		40%	40%
>50		1%	2%
By Gender (permanent and temporary)			
Male	permanent	10.3%	10%
	temporary	0%	0%
Female	permanent	89.7%	90%
	temporary	0.01%	0%
By Gender (part-time and full-time)			
Male	part-time	0%	0%
	full-time	10.3%	10%
Female	part-time	0%	0%
	full-time	89.7%	90%
By Function			
Technical		4.0%	2%
Administrative		6.6%	6%
Production		89.4%	92%
Total (Approx)		9,000	9,000

		2018	2019	
WORKFORCE DEMOGRAPHICS	TURNOVER RATE[^]			
	By Regions			
	China*	3.7%	4%	
	Cambodia	4.8%	9%	
	Myanmar	47.4%	-7%	
	By Age Group			
	<30	6.7%	4%	
	30-50	4.5%	9%	
	>50	- 17.8%	13%	
	By Gender (permanent and temporary)			
	Male	2.5%	6%	
	Female	10.6%	6%	

*The China data for workforce demographics has included the Hong Kong data.

[^]The following formula is used to calculate employee turnover: (Employees hired – Employees left) / [(No. of employees at year begin + No. of employees at year end) / 2]

		2018	2019	
HEALTH AND SAFETY	OCCUPATIONAL HEALTH AND SAFETY PERFORMANCE			
	Recordable work-related injuries (rate)	per 100 full-time equivalent (FTE)	0.4	0.3
	High-consequence work-related injuries (excluding fatalities) (rate)		0	0.03
	Work-related fatalities		0	0

		2018			2019		
		RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN					
By Function and Region	China#	Cambodia	Myanmar	China#	Cambodia	Myanmar	
	Technical	/	0.89	/	0.97	0.97	0.95
Administrative	1	0.88	0.86	1.02	0.98	0.94	
Production	1.01	0.96	1	0.98	0.97	0.94	

The China data for health and safety and diversity has excluded Hong Kong.

		2018	2019
		ENERGY CONSUMPTION WITHIN THE ORGANISATION	
Non-renewable fuel		Units	
Diesel	MJ	19,629,129	24,028,836
Natural gas	MJ	0	0
LPG	MJ	26.24	33.72
Petrol	MJ	355,488	537,728
Renewable fuel consumed		Units	
Biomass (wood)	MJ	109,738,032	86,922,117
Electricity and steam purchased		Units	
Electricity purchased	MJ	30,243,697	30,805,906
Total	MJ	159,966,360	142,294,620
Energy intensity		Units	
Energy consumption per garment piece	MJ/pc	4.10	3.60

		2018	2019	
WATER	WATER CONSUMPTION WITHIN THE ORGANISATION			
	By source of withdrawal	Units		
	Rainwater*	m ³	63,845	32,118
	Groundwater*	m ³	7,880	4,025
	Municipal water supplies	m ³	86,479	83,011
	TOTAL		158,204	119,154
	Water recycled and reused	Units		
	Water recycled and reused	m ³	11,198	8,231

* The reduction in rainwater and groundwater withdrawal was due to drought at the location we operate.

		2018	2019	
EMISSIONS	GREENHOUSE GAS EMISSIONS			
	By scope	Units		
	Scope I	tCO ₂ e	2,094	2,921
	Scope II	tCO ₂ e	4,647	5,722
	Biogenic (from combustion of biomass)	tCO ₂ e	11,983	9,492
	TOTAL	tCO ₂ e	18,724	18,135
	Energy intensity	Units		
	GHG emissions per garment piece	kgCO ₂ e / pc	0.48	0.46

		2018	2019	
WASTE	HAZARDOUS AND NON-HAZARDOUS WASTE#			
	Hazardous waste by disposal method		Units	
	Recycling	kg	3,336	2,827
	Licensed waste collector	kg	10,045	7,314
	Non-hazardous waste by disposal method		Units	
	Recycling	kg	125,258	183,458
Municipal waste collector #	kg	670,949	124,756	

Data of municipal waste collector for Myanmar and Cambodia only

GRI CONTENT INDEX

GRI INDICATOR	DESCRIPTION	REPORT SECTION	PAGE
GRI 101: FOUNDATION 2016			
GRI 102: GENERAL DISCLOSURES 2016			
ORGANIZATIONAL PROFILE			
102-1	Name of the organisation	About Dakota	08
102-2	Activities, brands, products and services	About Dakota Our major operational activities include sewing, cutting, embroidery, printing, ironing, pre-shrinking, washing, drying, trading and purchasing of garments, and as well as inspection and warehousing. Our R&D team is also involved in the design of garments.	08
102-3	Location of headquarters	Hong Kong	N/A
102-4	Location of operations	About Dakota	08
102-5	Ownership and legal form	Private Limited Company	N/A
102-6	Markets served	About Dakota; Performance Data Summary; We operate in apparel and textile manufacturing, and supply to fashion retailers and garment suppliers located in Europe (65%), North America (18%), Asia (10%) and South America (7%).	08 50
102-7	Scale of the organisation	Our People; Performance Data Summary; Only a small portion of our activities are performed by workers who are employed by third-party hiring companies.	24 50
102-8	Information on employees and other workers	Our People; Performance Data Summary	24 50
102-9	Supply chain	Striving for Operational Excellence	46
102-10	Significant changes to the organisation and its supply chain	There are no significant changes to the organization and its supply chain during the year.	N/A
102-11	Precautionary principle or approach	Sustainability at Dakota	14
102-12	External initiatives	Collaboration with the Industry; Our People	18 24
102-13	Membership of associations	About Dakota	08

GRI INDICATOR	DESCRIPTION	REPORT SECTION	PAGE
STRATEGY			
102-14	Statement from senior decision-maker	Message from the chairman	12
ETHICS AND INTEGRITY			
102-16	Values, principles, standards and norms of behaviour	About Dakota; Sustainability at Dakota	08 14
GOVERNANCE			
102-18	Governance structure	About Dakota; Sustainability at Dakota	08 14
STAKEHOLDER ENGAGEMENT			
102-40	List of stakeholder groups	Stakeholder Engagement	21
102-41	Collective bargaining agreements	All workers in Cambodia (76%) are covered by collective bargaining agreements.	N/A
102-42	Identifying and selecting stakeholders	Focus on Material Topics; Stakeholder Engagement	20 21
102-43	Approach to stakeholder engagement		
102-44	Key topics and concerns raised		

GRI INDICATOR	DESCRIPTION	REPORT SECTION	PAGE
GRI 102: GENERAL DISCLOSURES			
REPORTING PRACTICE			
102-45	Entities included in the consolidated financial statements	A total of six entities are included in the consolidated financial statements <ul style="list-style-type: none"> • Dong Guan Dong Ming Garment Limited • Eastex Garment Co. Limited • Vanco Industrial Co. Limited • PCI Industrial Co. Limited • Texson (Cambodia) Knitting Washing Dyeing & Printing Co., Ltd • Ricotex Industrial Co. Limited Texson and Ricotex are out of our report scope this year.	N/A
102-46	Defining report content and topic Boundaries	About the Report; Focus on Material Topics	08
102-47	List of material topics		20
102-48	Restatements of information	There are no restatements of information.	N/A
102-49	Changes in reporting	There are no significant changes from previous reporting periods in the list of material topics and topic Boundaries.	N/A
102-50	Reporting period	About the Report	08
102-51	Date of most recent report	March, 2019	N/A
102-52	Reporting cycle	About the Report	08
102-53	Contact point for questions regarding the report		
102-54	Claims of reporting in accordance with the GRI Standards		
102-55	GRI content index	GRI Content Index	56
102-56	External assurance	We have not sought external assurance.	N/A

GRI INDICATOR	DESCRIPTION	REPORT SECTION	PAGE
GRI 401: EMPLOYMENT			
GRI 103: MANAGEMENT APPROACH 2016			
103-1	Explanation of the material topic and its Boundary	Our People;	24
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
TOPIC-SPECIFIC DISCLOSURES			
401-1	New employee hires and employee turnover	Our People; Performance Data Summary	24 50
GRI 403 : OCCUPATIONAL HEALTH AND SAFETY			
GRI 103 : Management Approach 2016			
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Our certificates:



DAKOTA INDUSTRIAL CO. LTD.

Flat A&B, 3/F Fast Industrial Building,
658 Castle Peak Road, Lai Chi Kok, Kowloon, Hong Kong

Tel : (852) 2417 0768
Email : csr@dakota.com.hk



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Our Instagram



Our LinkedIn



Our Website

DAKOTA



DAKOTA INDUSTRIAL CO. LTD.

Flat A&B, 3/F Fast Industrial Building, 658 Castle Peak Road, Lai Chi Kok, Kowloon, Hong Kong

www.dakota.com.hk

