

# DAKOTA

20  
22

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

we love, we care, and we take responsibility.



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An aerial photograph of a dense forest. The trees are mostly green, with some showing yellow and orange autumn colors. A small stream or river flows through the bottom left corner of the image. The text 'DAKOTA' is centered in the middle of the image in a large, white, sans-serif font.

# DAKOTA

**2022** ENVIRONMENTAL, SOCIAL  
AND GOVERNANCE REPORT





## ABOUT DAKOTA

Since being established in 1979, Dakota Industrial Co., Limited (hereafter referred to as “Dakota” or the “Company”) has grown from a single garment unit in Hong Kong, to establishing itself as a leading garment manufacturer with production units across Asia. Innovation has been at the heart of Dakota’s operations and adopting a future-driven outlook has resulted in Dakota continuing to make its mark in the garment industry.

Dakota’s key business operations revolve around being a one-stop solution for garment manufacturing, as an Original Equipment Manufacturer (OEM) and Original Design Manufacturer (ODM). With 4 garment manufacturing facilities and a textile mill positioned in China, Cambodia, and Myanmar, Dakota handles sourcing, development, design, merchandising, production, industrial engineering, quality control, and logistics for all of its products, and has developed global partnerships with renowned brands.

Dakota’s vision and mission lay the foundation of its long-term strategies, including investing in large-scale garment production facilities all over Asia, developing innovative automation projects, integrating operations to shorten production lead times, nurturing in-house experts, and operating in a sustainable manner.

### Vision

To remain in the forefront of the garment manufacturing industry in the years ahead, and to serve and improve the industry

### Mission

To increase Dakota’s competitive edge with regard to Product Quality, Lead Time, Cost Optimisation and Sustainability





## ABOUT THIS REPORT

2022 marks the publication of Dakota's sixth Sustainability Report ("report"), which has been prepared with reference to the guidelines set out by the Global Reporting Initiative ("GRI").

This report highlights Dakota's initiatives for improving its sustainability performance, and to provide an overview of the Company's environmental and social impact. The report has been reviewed and validated by the Company's Board of Directors ("Board"), and accurately reflects Dakota's efforts over the past year.

## Reporting Period and Scope

The reporting period covers Dakota's efforts and performance from 1 January 2022 to 31 December 2022, and the boundary of this report includes the 4 garment manufacturing facilities in China, Cambodia, and Myanmar.

## Feedback

Dakota welcomes all comments from all its stakeholders. We understand that there will always be room for enhancement and growth, and thus aim to incorporate all feedback into our next reporting cycle to ensure that all stakeholders' voices are heard.

For any comments or inquiries, please contact us at: Dakota Industrial Co., Ltd

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## MESSAGE FROM CHAIRMAN

Dear Stakeholders,

As Dakota began to stabilise against the uncertainties brought about by the COVID-19 pandemic, we found ourselves head-to-head with yet another global challenge in 2022. Global conflicts have impacted the economy in unprecedented ways, and this has posed challenges that affect the apparel industry's entire value chain, from dampening global demand to feasibility and logistics of different freight options.

Situating ourselves in the centre of the current economic context, Dakota continues to push forward and overcome these hardships, one hurdle at a time, to maintain its position as an industry leader. While we are navigating through these tough times together, we want to make sure that these external complications do not make us lose sight of our internal sustainable development.

Our five-pillar sustainability framework, which encompasses themes of our workforce, clean production, innovation, customers, and community, has always allowed us to view sustainability through a holistic and whole perspective. We continue to work in tune with this framework, focusing on sustainability initiatives that strengthen our sustainability pillars. Over the past year, Dakota has focused more on adopting Industry 4.0 technologies to keep up with innovative ideas, move towards automating its warehouses, and enhance operational efficiency.

This automation of operations represents a strategic move to keep up with the rapidly changing and demanding market, while also building an even sturdier foundation to support our sustainability initiatives. Turning towards automation and smart warehouses will provide Dakota with access to real-time monitoring of its inventory.





When paired with AI solutions, we can generate roadmaps to enhance our production plans and optimise our resource usage and inventory control.

## LOOKING AHEAD

Besides gaining better control over inventories, I am proud to announce that our solar panel installation project has been completed in September 2022, and is expected to have a peak power capability of 751 kWp, which will translate into an expected annual carbon reduction of 505 tonnes CO<sub>2</sub>-eq.

This completion marks the beginning of Dakota's journey towards investing in renewable sources of energy to power its operations.

We want to continue making strides and maintaining our status as an industry leader, despite the current conditions of the global market. Dakota will continue to uphold the pillars of its sustainability framework through innovative solutions and meaningful partnerships with stakeholders throughout the value chain.

With the right partnerships and a supportive community backing us, I am confident that we will overcome these challenging times, and march towards a brighter future together.



Philip Tsang  
Chairman  
31/12/2022



# SUSTAINABILITY APPROACH

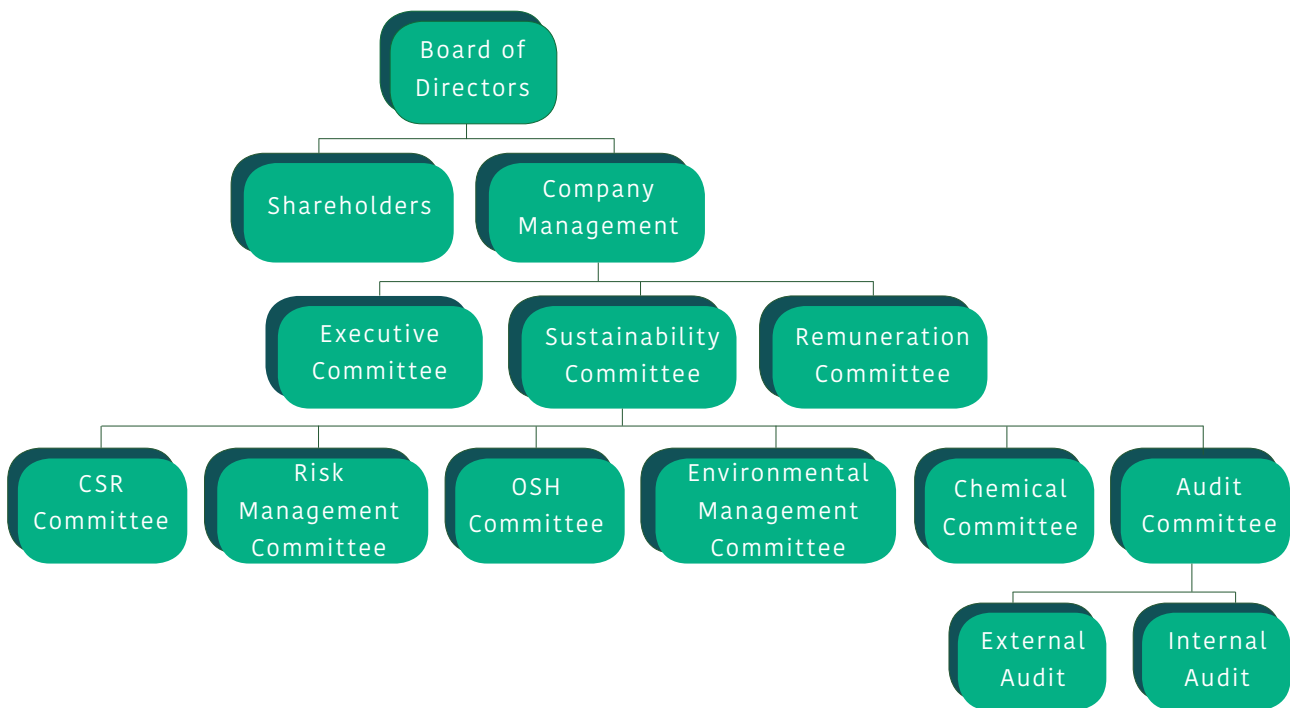
## Sustainability Governance

Leading the industry with a forward-looking attitude and a penchant for innovation, Dakota understands the important role governance plays in its success. We rely on our governance bodies to guide us and manage the risks along our journey.

Our Board of Directors maintain an open line of communication with our shareholders and company management, which includes the Executive Committee, the Sustainability Committee, and the Remuneration Committee. Each Committee provides the Board with their respective expertise, and ensures that the Board remains up to date with current initiatives being undertaken. Directly under the Sustainability Committee lies 6 committees, including the Corporate Social Responsibility(CSR) Committee, Risk Management Committee, Occupational Safety and Health Committee, Environmental Management Committee, Chemical Committee, and Audit Committee.

With the expertise arising from the collaboration of these committees, the Sustainability Committee is responsible for overseeing the development and implementation of Dakota's sustainability-related strategies and policies. In doing so, the Sustainability Committee aims to improve both social and environmental aspects of sustainability, and to coordinate the implementation of Dakota's action plan, comprising of key areas that cover climate change, employee welfare, and chemical safety. To fulfil this goal, the Sustainability Committee will collaborate with relevant governance groups and provide recommendations to the company management.

With the expertise of these stakeholder groups, we ensure that the Board remains equipped with the right knowledge to steer Dakota towards a more sustainable future, taking into consideration not only financial risks, but also environmental and social risks.



## Strategic Positioning / Overview of Sustainability Initiatives

### 1. Decent Workforce Along Value Chain

Dakota has established a comprehensive internal management system and HR policies to ensure fairness, transparency and consistency in hiring, remuneration and promotion. We take a zero tolerance approach to any form of discrimination and strictly enforce our labor code, respecting employee rights and freedom of association. We have worked with multiple international organizations to promote social responsibility and labor relationships.

Safety inspections are regularly conducted in all manufacturing facilities by Dakota's occupational safety and health (OSH) coordinator, together with workers representatives and the maintenance manager. In addition to inspecting the physical work environment, periodic OSH assessments of the organizational and psycho-social aspects of the environment are also performed in order to identify potential safety risks, create action plans, and conduct training to mitigate them.

Furthermore, our Leadership Training Program, combined with other essential survival and safety skill trainings, have been implemented to improve employee livelihood and wellbeing. This year we organized diverse employee activities and launched a Living Support programme to support employees with ongoing distribution of supplies of consumer essentials. In addition, we conducted two internal risk assessments to understand labor-related issues and continuously improve employee engagement and well-being.

### 2. Advance Towards Cleaner Production

Dakota has completed installation of solar panels, and they began operations in September 2022. We are expecting that they will lead to power generation of 751 kWp overall, meeting 30% of our electricity consumption. The solar panel installation is expected to cut our carbon emissions by 505 tonnes annually.

### 3. Growth Through Innovation & Exceeding Customers' Expectations

Through adopting Industry 4.0 technologies, Dakota is opting for innovative manufacturing facilities with purpose. Automation of operations has contributed to reducing our employees' manual workload, so that they can focus their expertise on other areas of production. Furthermore, through combining Big Data and AI solutions, we have begun optimising production plans to enhance efficiency and reduce stock wastage. The optimisation of operations will allow Dakota to meet customers' expectations in a smoother manner, thus enhancing customer experience and satisfaction.

Furthermore, in 2022, the percentage of Cambodian workers receiving their wages through bank transfers increased to 80% and is expected to reach the target of 100% by 2025.

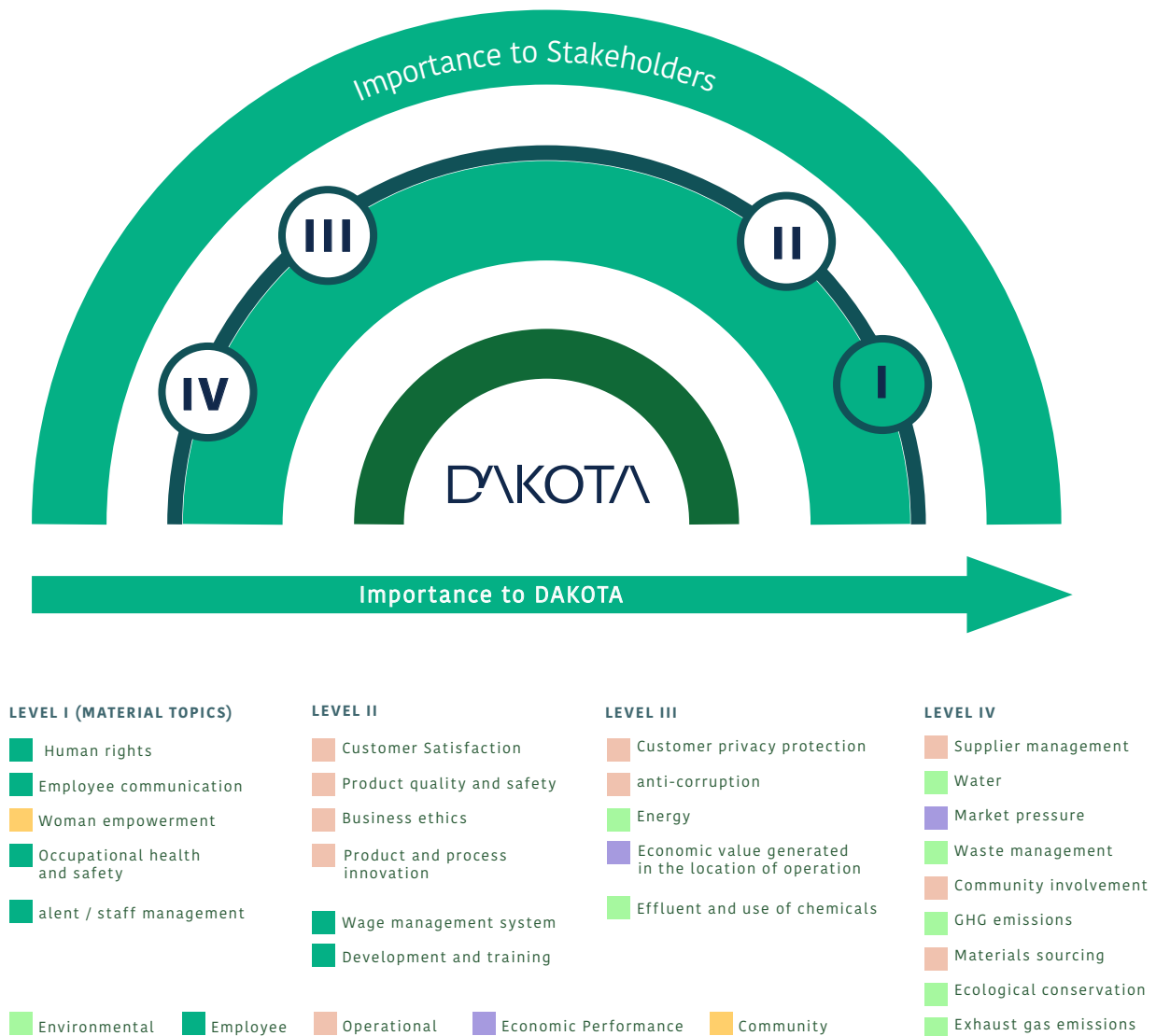


#### 4. Partnering for Sustainable Industry and Community

Our social responsibility projects take cognizance of local characteristics and needs and focus on improving the educational conditions of children and adolescents and commit to empowering women. There were several CSR programmes during the Year, including donations to a local Cambodian school and a Cambodian orphanage, besides breastfeeding training for our employees.

In 2022, Dakota remained committed to protecting the marine ecosystem, recycling old nets from fisherman communities as a raw material to manufacture fabrics. Visiting the Green Machine to learn new methods to reduce the impact during the production process, achieving greening of the industry.

#### Dakota's Materiality Assessment

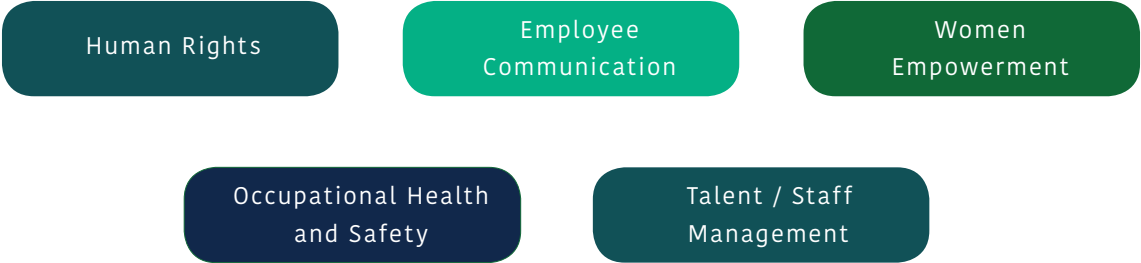





Dakota has identified material ESG topics by conducting a materiality assessment, which investigated a range of sustainability-related topics and categorised them based on the level of importance to stakeholders and to the Company.

Topics that are deemed most material to both the Company and its stakeholders are classified under Level I and topics deemed the least material are categorised under Level IV topics.

Through the assessment, Dakota has identified 5 issues as being most material to its operations. These five topics are fully addressed in this report, with our management approach and overview of the Company performance being provided in the next sections. This report outlines our management approach to the material topics as below.





A close-up photograph of two business people shaking hands over a desk. One person is wearing a blue and white striped shirt, and the other is wearing a dark pinstripe suit. In the background, a laptop, a coffee cup, and some papers are visible on the desk. The lighting is warm and focused on the handshake.

## Supply Chain Management

Engaging our suppliers has always represented a crucial step in our sustainability journey.

Our suppliers significantly contribute to the environmental and social impacts of our operations, and Dakota realises the importance of ensuring that they are compliant with our standards for sustainability.

# EXCEEDING CUSTOMERS' EXPECTATIONS



## Supply Chain Assessment

To understand our suppliers' performance, Dakota conducts sustainability assessments that reviewed suppliers' practices in terms of their product quality, environmental responsibilities, employee rights, anti-child and anti-forced labor, and occupational health and safety.

We continue to engage our suppliers through the Higg Index self-assessments, the results of which will be validated by third-parties for additional verification. Beyond these assessments, our suppliers have signed our Sustainability Commitment, are provided with Social Responsibility Questionnaires that assessed their outlook towards social responsibility, and are subject to audits and evaluations.

These steps have been integrated such that they form the foundation of our procurement requirements in order to screen our suppliers and maximize transparency between all parties.

Going a step further, Dakota has visited 7 our Tier 2 suppliers in 2022 to monitor their operations for specialist fabric production and to evaluate new fabric mills. In addition to face-to-face meetings, we actively engage our Tier 2 suppliers through meetings before securing our bookings and orders.





## Operational Excellence

### Automation of Operations

Using an Automated Hanging System, Dakota upgraded our operational equipment to optimise factory workflows and to assist our employees. The hanging conveyor belts facilitate the movement of garments from one workstation to another, thus reducing the amount of physical labor for our employees.

This convenience has allowed our operators to direct their focus on sewing and stitching procedures, which we have found to significantly improve efficiency.

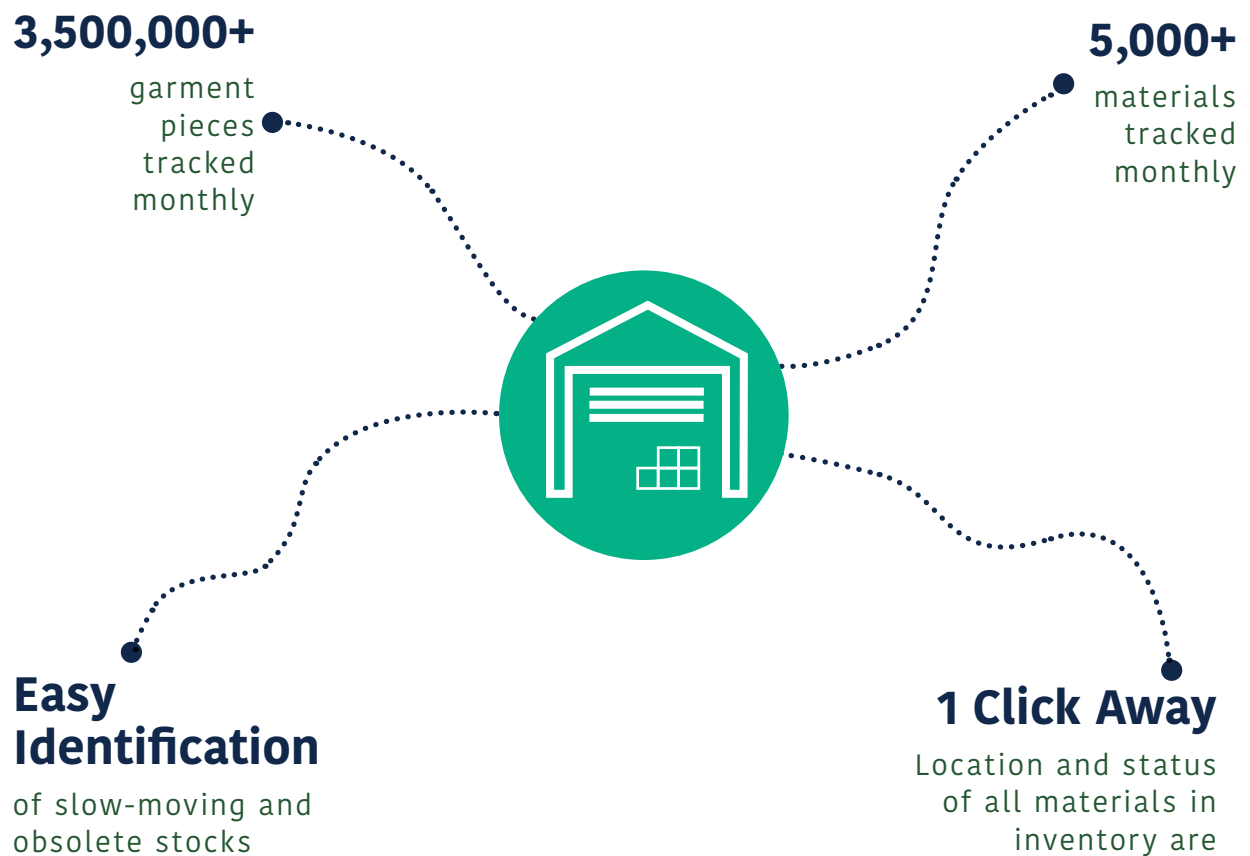
Furthermore, our uptake of automatic cutting machines contributes to the removal of non-value-added actions during our production phase. Through equipping our employees with rapid and precise cutting technologies, Dakota has successfully enhanced our fabric cutting capability and accelerated our manufacturing process.

## Smart Factories: Digital Warehousing

By leveraging upon modern Industry 4.0 concepts and technologies such as the application of RFID, Dakota continues to strive for digital efficiency, thus enhancing our supply chain and streamlining logistics workflows.

Through the adoption of RFID technology to monitor our real-time production, we have been able to digitize our warehouse operations to maximize efficiency, resource usage, and productivity.

The digitization of our warehouses provides us with valuable insight and visibility into our inventory and shipment statuses, allowing us to access the information of thousands of different materials and millions of garment pieces at the tips of our fingers.





Beyond that, Dakota has embraced self-learning AI solutions, and has begun studying predictive models to maximize production efficiency.

By feeding in big data from our automated production facilities and different desired parameters, we are able to generate the most optimised production plans for our shop floors. This insight has facilitated better decision-making in phases such as raw material preparation, and work allocation to increase on-time delivery rate.

These improvements represent only the beginning of the benefits that could be reaped from our transition towards smart manufacturing. In the future, Dakota hopes to leverage the increase in overall operational efficiency to look into slower but more environmentally friendly freight options, such as sea and rail transportation methods.



## Sharing Our Expertise

This year, Herman Leung, our Head of Operations, was invited as a speaker for the Global Textile and Apparel Carbon Neutral Summit 2022, held in Shanghai. The summit comprised over 20 speakers, 120 delegates, and 100 enterprises.

In the summit, Dakota shared our insights regarding the sustainability assessment of the entire supply chain – from material processing to recycling from consumers – and on our sustainability transformation strategy. This opportunity allowed us to highlight the importance of traceability, using transaction certificates (TCs) and our experience in utilising the TextileGenesis™ platform as case studies.

As an industry leader, Dakota understands that transparency represents a key factor to facilitate the drive towards a sustainable transformation of the garment industry. Transparency sets the foundation for accountability and comparability, which is the basis for positive change. With more transparency across the entire value chain, consumers would also benefit as they would be able to make more informed decisions regarding their purchases. Through actively using TextileGenesis™ – a custom-built platform for sustainable, certified, and differentiated fibres in the textile value chain – Dakota hopes to demonstrate a commitment to embracing article-level transparency from the fibre to retail stages.



Furthermore, in the spirit of sharing, Dakota set aside time to reflect upon our experience as being one of H&M's suppliers in the year-end reflection workshop.

During this time, our workers were able to get together and reflect upon their individual as well as group experiences throughout the year.

## Anti-corruption

Business ethics are at the heart of our operations and Dakota is committed to complying with laws and regulations and to operating with integrity and honesty.

A Code of Conduct has been issued and is strictly adhered to when working with suppliers and other partners.

We also implement the Whistleblowing mechanism to monitor business operations and ensure that all business partners comply our anti-corruption policy.

The Usage of Undeclared Unit (UUU) is strictly prohibited in working with our partners.

Follow-up action will be taken against any form of violation, including reporting to relevant authorities and termination of business relationship.

## PRODUCT QUALITY

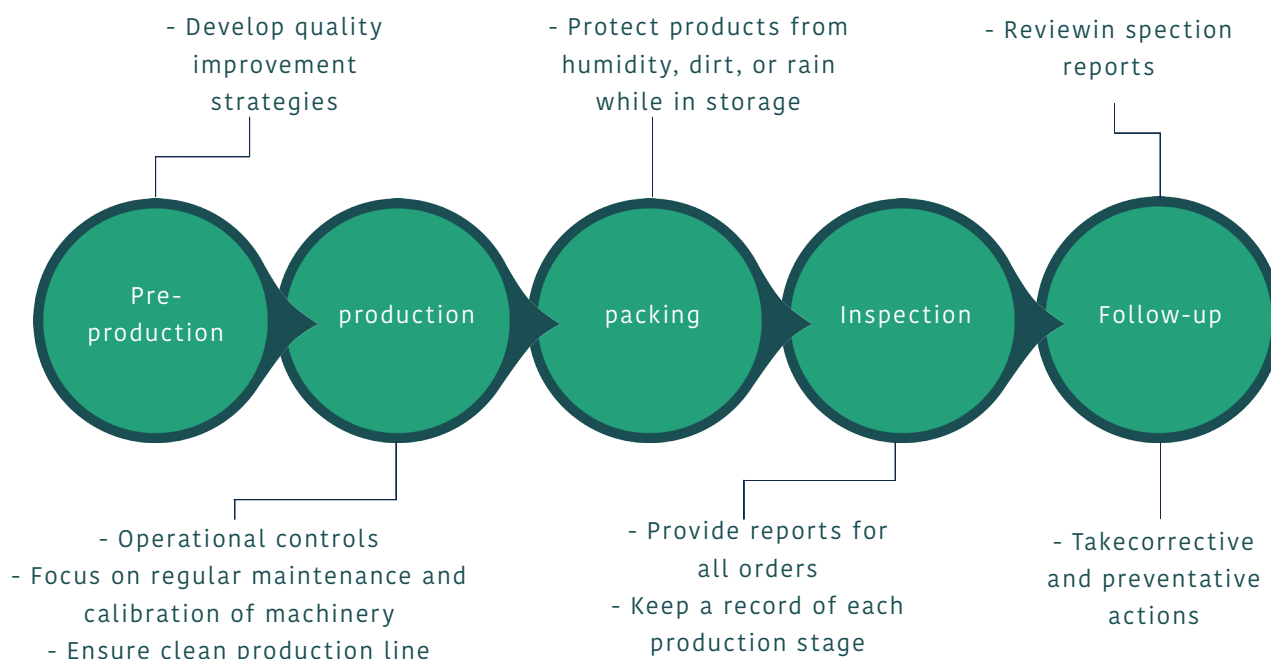
Our Quality Management System (QMS) aims to standardize and ensure the quality of Dakota's products in order to meet customers' expectations and all relevant quality-related regulations.

As upholding a high standard of quality is an interdepartmental task, our QMS has a clear outline of roles and responsibilities allocated to each department.

Quality control policies are in place to highlight Dakota's quality expectations, and are regularly reviewed to keep them up-to-date.

To evaluate the effectiveness of our management approach and policies, we perform internal audits to continually strive for improvements wherever possible.





In line with our stance for producing high quality products, our quality assurance procedure is broken down into 5 steps, and we scrutinise each phase to minimize quality mistakes.

## Ensuring Customer Satisfaction

Dakota takes a proactive approach to engaging our customers to achieve maximum satisfaction. To communicate with our customers, we have various channels that they may access, including meetings or collaborations.

## Responsible Production

Being an industry leader, Dakota continues to strive to take responsibility for our production steps in order to pave the way for sustainability. Besides paying special attention to responsible chemical handling through our commitment to the Zero Discharge of Hazardous Chemicals (ZDHC) Foundation and through requiring our chemical suppliers to monitor and comply with the Manufacturing Restricted Substances List (MRSL), we continue to magnify other processes in our value chain to evaluate how we can improve our performance. Furthermore, to keep ourselves accountable, Dakota utilises the BVE3 tool to quantify our environmental impacts.

From engaging our suppliers, to monitoring the environmental and social impacts of our own operations, to demonstrating progress towards sustainable procurement practices, Dakota's garments have obtained the below certifications to illustrate our commitment to sustainability.

### Organic Cotton Standard (OCS)



The (OCS) commitment covers the entire production process of organic fibres, from textile processing and manufacturing, to licensing and labelling.

It represents a leading textile processing standard which takes into consideration the ecological and social impacts of processing, and is certified by a third-party to maximize reliability.

### Global Recycled Standard (GRS)

The GRS is a full product standard that monitors requirements for third-party certification of recycled content, chain of custody, social and environmental practices and chemical restrictions. This helps companies certify the accuracy of their goods.



### Better Cotton Initiative (BCI)

BCI is the largest cotton sustainability programme globally, and aims to help cotton communities survive and thrive, while protecting and restoring the environment.



## Forest Stewardship Council (FSC)

The FSC labels are only provided to products that support responsible forestry, such as using materials that come from responsibly managed, FSC-certified forests, products that are made from 100% recycled materials, or a mix of the two.



## Higg Index



The Higg platform is an integrated sustainability insights software that assists companies in taking responsibility for their impacts, from materials to products, and factories to stores.

Offering multiple assessment frameworks, the Higg platform streamlines the supplier engagement process.

## Zero Discharge of Hazardous Chemicals (ZDHC)

The ZDHC Foundation aids in addressing the environmental impact of the textile industry and to improve sustainability within supply chains.

To do so, the initiative addresses the use of hazardous chemicals within the manufacturing stages and pushes for the responsible discharge of wastewater.



## Bureau Veritas Environmental Emission Evaluator (BVE3)

As a digital solution recognized by the ZDHC programme, the BVE3 is a digital chemical inventory management tool and an emissions evaluator specifically tailored to the textile, apparel, and footwear industry.







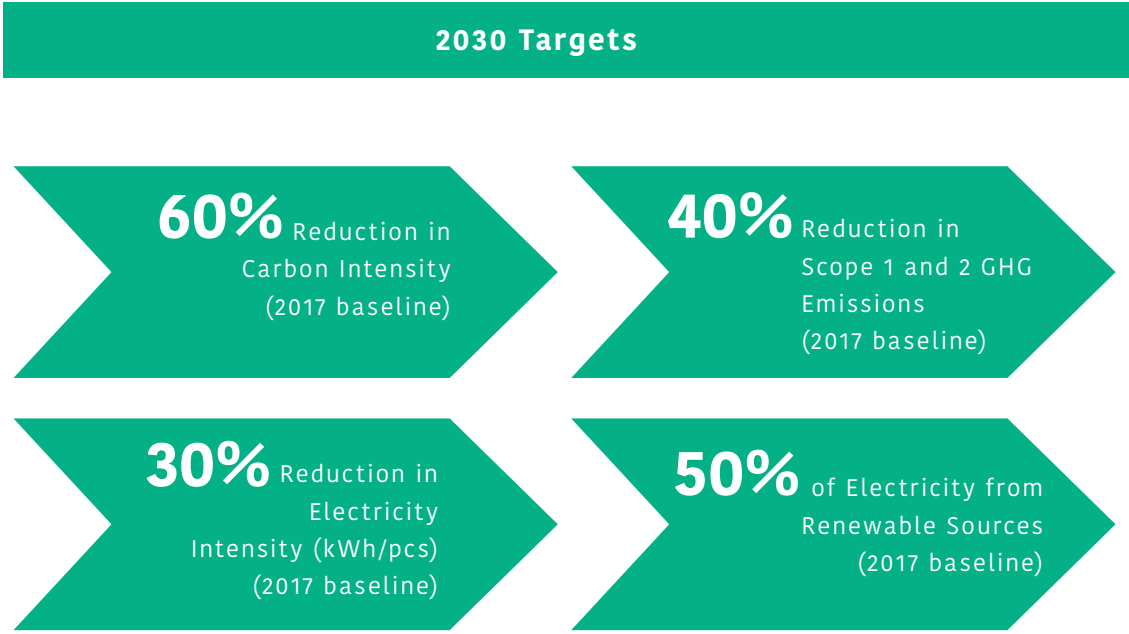
## COMMITMENT TO SUSTAINABILITY

Dakota has set 2030 reduction targets for carbon intensity, greenhouse gas (GHG) emissions, electricity intensity, and renewable energy proportion.

We continue to monitor our progress and maintain a robust data collection process to maximize transparency.



# ADVANCE TOWARDS CLEANER PRODUCTION



To manage Dakota’s environment-related risks, the Environmental Management Committee, led by our top management and consisting of the factory manager and representatives from Senior Management, Human Resources, and Corporate Social Responsibility (CSR) departments, is responsible for overseeing the Environmental Management System (EMS) to ensure that we are compliant with all relevant rules and regulations. During the reporting year, the Company was not aware of any issues relating to environmental non-compliance.

Going beyond mere compliance, the EMS provides insights on how Dakota can manage its environmental impacts, in terms of energy efficiency, water consumption, wastewater discharge, chemicals handling and storage, raw materials selection, waste generation, and emissions control. Committed to a journey of continuous improvement, Dakota conducts environmental assessments and energy audits every 3-5 years to review operations and policies, and ensure it is on track to meet its targets.

This year, we are proud to announce that Dakota has received a Certificate of Achievement from H&M, in recognition of its top performance as measured by the sustainability index. Furthermore, we were awarded with the Low-carbon Office Operation Program (LOOP) – Gold Award, as presented by WWF Hong Kong for our overall performance in improving our carbon emissions. We hope to maintain a great partnership with all our stakeholders, and to demonstrate continuous improvements in our sustainability performance.



## TACKLING CLIMATE CHANGE

To better understand the implications of climate change on its operations, this year Dakota undertook an analysis of climate-related risks and opportunities following the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

Through this undertaking, we have identified 6 climate-related risks and 2 opportunities that we will either need to mitigate or leverage. In the future, we will continue to examine climate-related risks and opportunities, and use them to provide insights as to how we can better build our sustainability strategies.

### Climate-related Risks and Opportunities Analysis

Climate-Related Risks		
Risks	Risk Description	Potential Financial Impacts
Physical		
Acute Risk	Extreme weather events such as rainstorms or typhoons may harm our employees and affect our manufacturing facilities.	Loss of employees and factory productivity, and increased medical expenses to take care of our workforce will impact expenses and production.
Chronic Risk	Chronic changes in the weather pattern may normalize unfavorable conditions, such as extreme droughts, that may lead to problems related to sourcing water.	Instability in water sourcing will affect our garment manufacturing and production processes, thus leading to a decrease in sales or revenue.
	Increasingly hot weather and high temperatures will increase energy costs and the probability of machine failure.	Costs of utilities, such as air conditioning, will increase. Increased frequency of machine failures will reduce our production capacity, thus decreasing revenue.

Transition		
Market and Reputational Risk	Climate change is changing consumer attitudes and purchasing patterns. Customers may prefer to choose products having a lower climate impact.	Potential loss of customers in the case that Dakota is unable to transition alongside key players in the garment manufacturing industry.
Technology Risk	Global carbon neutrality plans may require industries to reduce emissions through investing in technological solutions that can reduce carbon emissions.	Technological transformations at a large-scale (e.g., across all Dakota's manufacturing facilities) will be costly, while textile recycling and separating technologies are yet to mature fully.
Policy/Regulation Risk	Companies will need to comply with local regulations that may become increasingly stringent in nature, especially with regard to wastewater discharge or hazardous chemicals usage, which are prevalent in the garment manufacturing industry.	Failure to comply with local regulations may result in the Company being exposed to litigation claims, which are related to other legal risks and costs. Legal disputes may result in loss of existing and potential client businesses.

Climate-Related Opportunities		
Opportunities	Opportunity Description	Potential Financial Impacts
Physical		
Eco-friendly Products	Consumers may prefer to choose eco-friendly products due to increasing awareness regarding climate change.	Transitioning towards products with lower carbon footprints through integrating more recycled materials into our goods may result in improved business sales.
Cleaner Energy	The transition towards cleaner operations and a sustainable future may result in the increased uptake of cleaner and renewable energies.	Investing in cleaner sources of energy will reduce companies' liabilities and exposure to high carbon-related taxes. Installation of solar power and purchase of I-REC to reduce carbon intensity.

## Mitigation Strategies

### 1. Emergency Response Plan

To ensure resilience against climate-related incidents such as floods brought about by extreme weather, we have implemented an emergency response plan to provide guidance on how to keep workers and facilities safe.

### 2. Clean Energy Investments

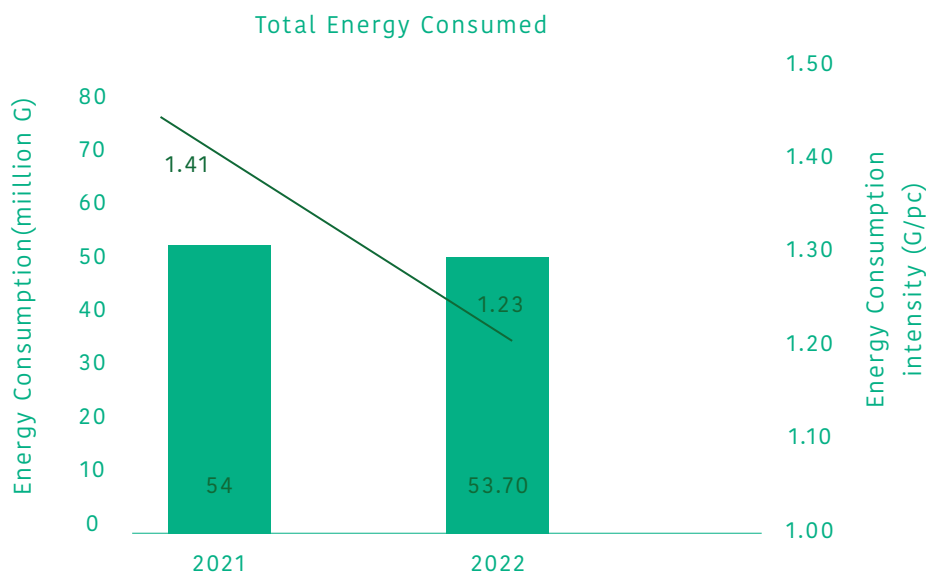
Dakota has begun investing in clean energy investments. Our solar panels are capable of generating 751 kWp of energy, and began operations in September 2022. Through this initiative, we are expecting a solar energy penetration of 30%, thus resulting in an expected reduction of 505 tonnes of carbon emissions annually. To monitor solar energy generation, Dakota has an app to showcase the amount of solar energy being generated per hour, and consequently, the amount that is being poured into the facility per hour.

## Energy Consumption and Reduction

Our Energy Management System (EMS) helps monitor energy consumption and reduction efforts, and facilitates the implementation of initiatives that promote energy efficiency.

We routinely evaluate the effectiveness of our EMS every 3-5 years through energy audits carried out by third-party companies, to maximize transparency. The results from the audits provide guidance on what measures may be taken, and what areas should be focused upon, to improve energy consumption efficiency.

Through our efforts, we have noted a significant decrease in our energy consumption and intensity over the past years. As seen from the graph below, our energy consumption intensity has reduced from 1.41 in 2021 to 1.23 GJ/pc, thus representing a 12.8% decrease.

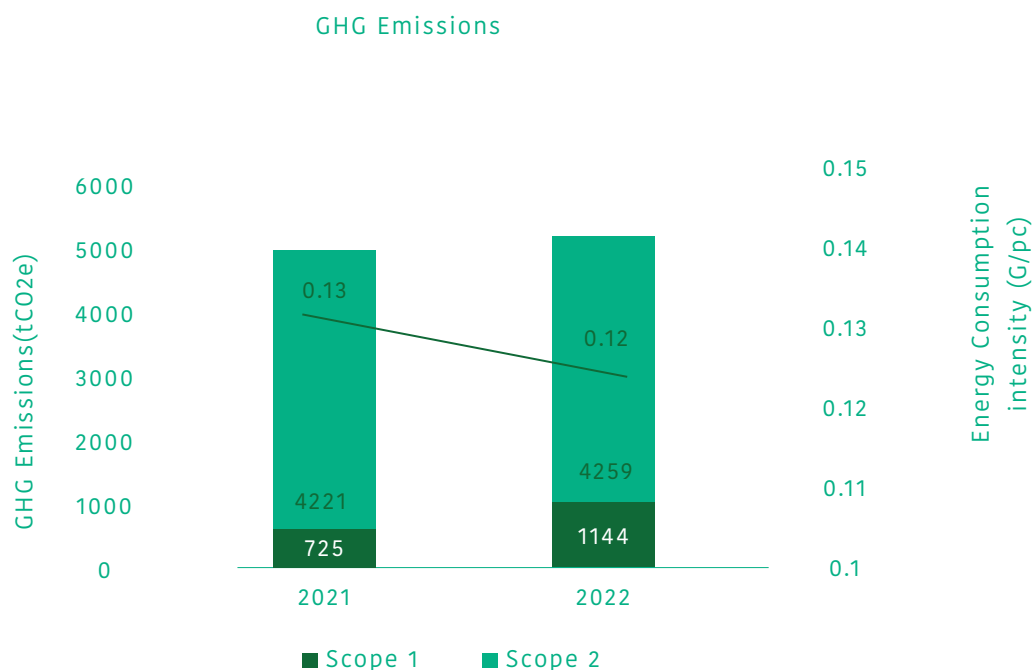




## Greenhouse Gas (GHG) Emissions











Our efforts in reducing our energy consumption and optimising our oil fuel usage have resulted in a gradual decrease in our GHG emission intensity, from 0.13 kg CO<sub>2</sub>e/pc in 2021 to 0.12 in 2022. As we separate our oil fuel emissions from our solid fuel emissions such as wood combustion, the graph below represents the GHG emissions arising from our electricity usage and our oil fuel combustion.

Activities relating to biomass (wood) combustion, however, have resulted in 1,346 tCO<sub>2</sub>e of GHG emissions. Compared to our 2018 GHG emissions intensity figure of 0.16 kg CO<sub>2</sub>e/pc, our 2022 GHG intensity showcases a 25% decrease.



This year, we remained steadfast in following the Transfer of Environmentally Sound Technology (TEST) approach to enhance energy efficiency improvement initiatives, formulated in accordance with the United Nations Industrial Development Organization (UNIDO) guidelines.

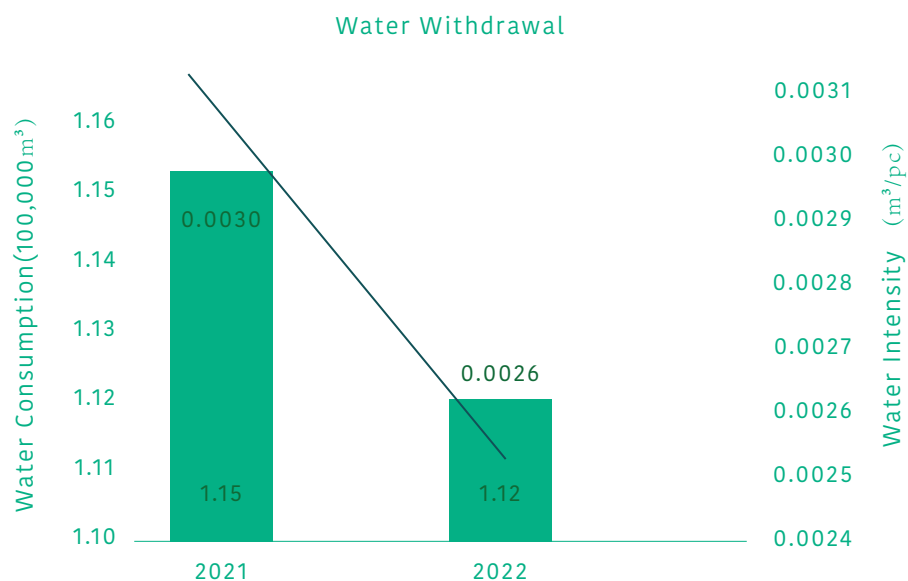
This year, we evaluated our internal operations using the tools provided by the approach to assess our progress towards a sustainable production line.

Implementation	
 Collect natural light	 Replace T8 light lamps with LED lamps
 Install servo motors and lamps for sewing machines	 Compressed air leakage areas
 Automatic switches	 Improved steam recovery system
Planning Ahead	
 Repair all diesel leakages in the generator room	 Run fans at the lowest possible speed level
 Divert hot air from the compressor room	 Never bypass the steam trap

## RESOURCE OPTIMIZATION

### Water Usage and Reduction

Over the past year, we noted a significant decrease in our water consumption and intensity. This year, our water consumption intensity has reduced from 0.0030 to 0.0026 m<sup>3</sup>/pc, thus representing a 13.3% decrease, while our water consumption reduced from 115,314 to 112,094 m<sup>3</sup>.





# GROWTH THROUGH OPTIMISED OPERATIONS

## Striving for Sustainable Wood

In January of 2022, we fostered a partnership with a global organization that would facilitate the tracing of sustainable wood consumed by our Cambodian manufacturing facility.

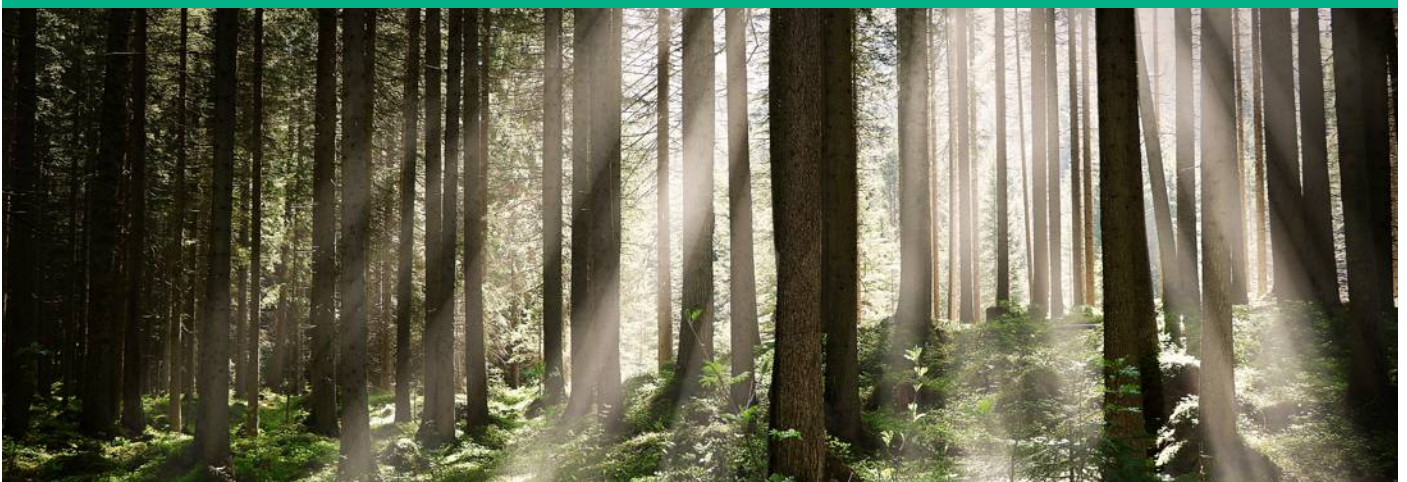
The garment industry in Cambodia relies on wood as fuel, and the informal wood market creates a gap whereby Dakota is unable to monitor how much wood used by our facility comes from a sustainable source.

To bridge this gap, Dakota is using a digital platform called Wood-Chain, that uses blockchain technology.

The Wood-Chain app helps workers record all sustainable wood transactions, thus helping monitor the entire wood supply chain, from wood sources and wholesalers to factories.

Furthermore, with the help of our determined employees, the app allows us to ensure that 100% of the wood we use originates from sustainable plantations.

By having a record of our wood sourcing and purchasing, Dakota can monitor the magnitude of wood transactions originating from sustainable sources, thus providing Dakota with a clearer overview of its supply chain.



### 3D Modelling Platform



#### Benefits of 3D Modelling

- ✓ Reduce physical sampling
- ✓ Reduce material consumption
- ✓ Optimise development time

Through adopting innovative 3D modelling technologies, Dakota avoids tonnes of fabric that would have been wasted during the early pattern designing, sampling, and development processes of the traditional design cycle.

Using a 3D modelling software, we are able to generate physical prototypes at the very beginning of the garment development stage, which shortens the entire design cycle and increases efficiency.

Instead of going through the traditional route, designers are given the liberty to share and further develop their ideas through 3D rendering, which not only lets them visualise their designs, but also provides detailed insights into the construction of the garment.

Besides streamlining the development process, 3D modelling has allowed Dakota to eliminate large amounts of material wastage.

## Real-time Monitoring

Striving to continue optimisation of operations and enhancement of efficiency, Dakota has turned to Industry 4.0 technologies to monitor inventory and stock in a real-time manner, thus allowing coordination of orders, production levels, and shipment dates more proactively. Doing so has led to significant reduction in carbon footprint, energy consumption, and operational costs.

More information regarding our monitoring and modelling initiatives can be found in the “Smart Factories: Digital Warehousing” section of this report.

## REDUCING ENVIRONMENTAL IMPACT

### Air emissions

Due to the manufacturing nature of our business, our facilities and equipment (such as boilers and generators) will generate air emissions, which are released into the environment.

Through the careful monitoring of emissions and air quality tests, we ensure that Dakota’s manufacturing facilities are compliant with local air quality regulatory standards and our smoke permits.





## Waste Management



Our waste management framework and waste classification policies are broadcast to all departments, as they are required to comply with a 4-step waste treatment procedure. We ensure that our waste treatment process remains up to date with relevant regulations, and that waste disposal is handled, recorded, and monitored in a responsible manner.

To do so, Dakota has maintained collaboration with CHIPMONG, a pioneer in sustainable waste management of boiler ash and printing sludge through a co-processing mechanism. The co-processing of waste has enabled Dakota to reduce the amount of waste sent to landfills by 90% from a baseline of March 2021.

Currently, co-processing represents the most viable waste disposal method besides simply turning to landfills, and the method has provided tremendous help in helping Dakota manage waste without creating any additional residues. In line with Dakota's vision and mission, however, we are keen to further explore alternative, innovative, solutions to co-processing that could potentially enhance the value of waste and push Dakota closer to meeting its sustainability goals.

## CARING FOR OUR ENVIRONMENT

### Journey Towards a Circular Economy

Dakota is committed to collecting old nets from local fishing communities in the Jiangsu, Zhejiang, Fujian, and Hainan areas. In doing so, Dakota aims to protect the habitat and life security of marine animals, by preventing sea turtles from getting trapped in fishing nets.

This plan not only achieves the protection of the marine ecosystem, but also contributes to the circular economy as we are recycling the old nets into recycled nylon.

## Green Industrial Development

In our efforts to contribute to greening the garment manufacturing industry, Dakota continues to study the Green Machine to innovate new methods that the textile industry can use to separate and recycle textiles in a closed loop manner.

This year, we toured the recycling system to obtain a better understanding of principles and mechanisms of different treatment modes.

Dakota continues to undertake the development of the Green Machine with HKRITA. We are in the process of determining its market viability and studying the new updates to the Green Machine technology. In the future, we hope to deploy these machines within our Cambodian factories to contribute to closing the textile recycling loop in the market.



**Green Machine**



**Protecting  
marine animals**



**Recycling nylon  
fabric**

## Environmental Rehabilitation

Dakota understands the importance of a clean and sanitary environment. To play its part, Dakota engages its employees to clean local areas, tidying up tree debris and picking up litter.

Furthermore, Dakota attaches significant importance to environmental awareness of its employees. To raise employees' awareness on energy consumption and waste reduction, we have participated in programmes that help build waste recycling knowledge, such as the Environmental Awareness and Waste Reduction Training Program, organized by Prevent Plastics Myanmar, that we participated in in 2022.



## EMPLOYEE AND TALENT MANAGEMENT

At Dakota, we believe that building good and solid relationships with employees is the key to success.

Therefore, we respect and value each employee's voice and opinion, and are committed to building a positive work atmosphere that promotes employee growth and goal achievement.

During the year, we continued to move forward with a more comprehensive approach to employee and talent management and were privileged to be invited to share some insights on industrial relations with other Cambodian manufacturers.

# WORKFORCE ALONG VALUE CHAIN





Dedicated to creating a safe and healthy work environment for our employees, and providing living support and diverse activities, as well as working with multiple organizations to promote employee wellbeing.



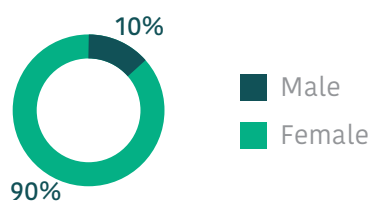
Committed to prohibiting any form of child or forced labor. Improving internal management systems to better safeguard labor rights and create opportunities for decent employment and a better life.

## Employee Profile

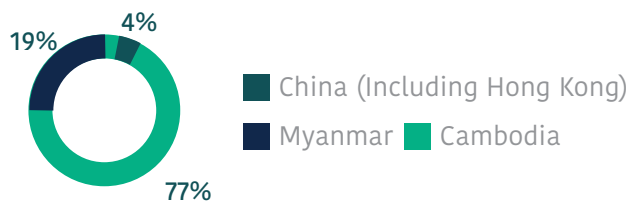
As of 2022, Dakota employed 6,072 people, with 90% of them being female. 77% of the employees are based in Cambodia, 19% in Myanmar and the remaining 4% in China. By age, 62% of employees are between 30-50 years old, 36% are under 30 years old, and just 2% are over 50 years old.

By functional profile, 89% are technical employees, 8% are administrative employees and the remaining 3% are production employees.

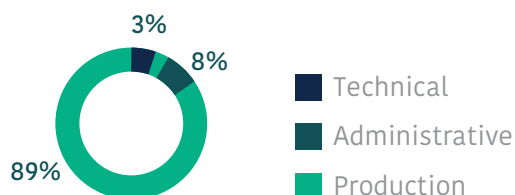
### Gender profile



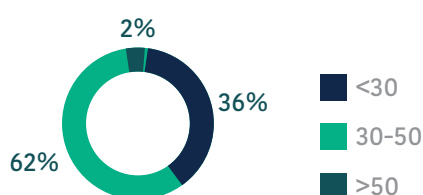
### Geographical profile

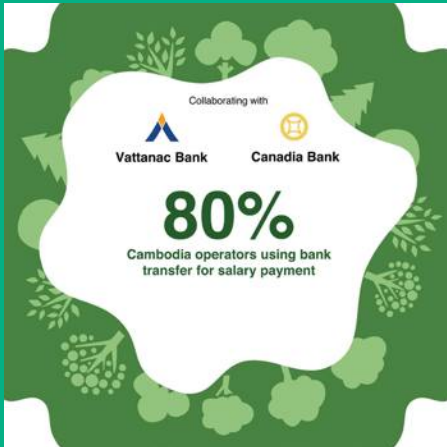


### Functional profile



### Age profile





“

**OUR COMMITMENT  
100% CASHLESS  
PAYMENT**

## WELFARE AND BENEFITS

### Payroll

Dakota strictly complies with employment-related laws and regulations applicable at locations where it operates and pays employees in a timely manner, including overtime compensation, bonuses and allowances.

We are committed to promoting transparency in payroll calculations and hold regular meetings with employees to ensure they understand how payroll is calculated. We have also created a wage grid to reward skilled workers in different fields.

In addition, we encourage the establishment of a positive balance between life and work, so overtime work is done on a voluntary basis only.

### Better Than Cash

Our Better than Cash programme is dedicated to reducing the time spent on cash transactions by using digital payroll, while increasing transparency and security for Cambodian workers when receiving their wages.

Through collaboration with Vattanac Bank and Canadia Bank, around 80% of our Cambodian operators are using bank transfer for salary payment, a 30% increase compared to last year, which means we are one step closer to our goal of 100% cashless payments.

## Welfare Caring Program

Dakota spares no effort for creating a satisfying working environment and empowering employees to improve their lives and well-being. Starting in September 2022, we support our employees by providing them with rice and eggs.

The project is expected to last for six months and the materials involved are distributed in the middle of each month. We discussed the project with the Workplace Coordinating Committees (WCC) at the very beginning and then reviewed and summarised it every three months for further improvement.



## Engaging Our Employees

Dakota regards its employees as valuable assets of the Company and believes that a positive working environment is the key to creating a vibrant and high-performing company. During the year, we organized various employee welfare activities to enhance employee communication, motivation and collaboration while making them feel cared for by Dakota.





**Happy holidays**



**Basketball game and BBQ**



**Khmer New Year**

## **Freedom of Association**

Dakota values and respects its employees' freedom of association. There is no discrimination against employees who exercise their rights to unionise.

The most representative unions in our two factories in Cambodia have already signed the Collective Bargaining Agreements (CBA) according to the Trade Union Law. In Myanmar, WCC are set up with elected worker representatives and we maintain close communication with elected union leaders to address workplace problems.

## Ensuring a Safe Workplace



Eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous people.



Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic and public life.

The Group is committed to providing and maintaining a safe and healthy work environment for its employees through an effective occupational safety and health (“OSH”) management system.

Safety inspections are regularly conducted in all manufacturing facilities by the Group's OSH coordinator, together with workers representatives and the maintenance manager.

In addition to inspecting the physical work environment, periodic OSH assessments of the organizational and psycho-social work environment are performed in order to identify potential OSH risks and formulate action plans and conduct training to mitigate them.

The Group is dedicated to ensuring that the workplace is free of hazards that can cause injury or health issues, and to this end we consistently enforce and improve the following procedures:

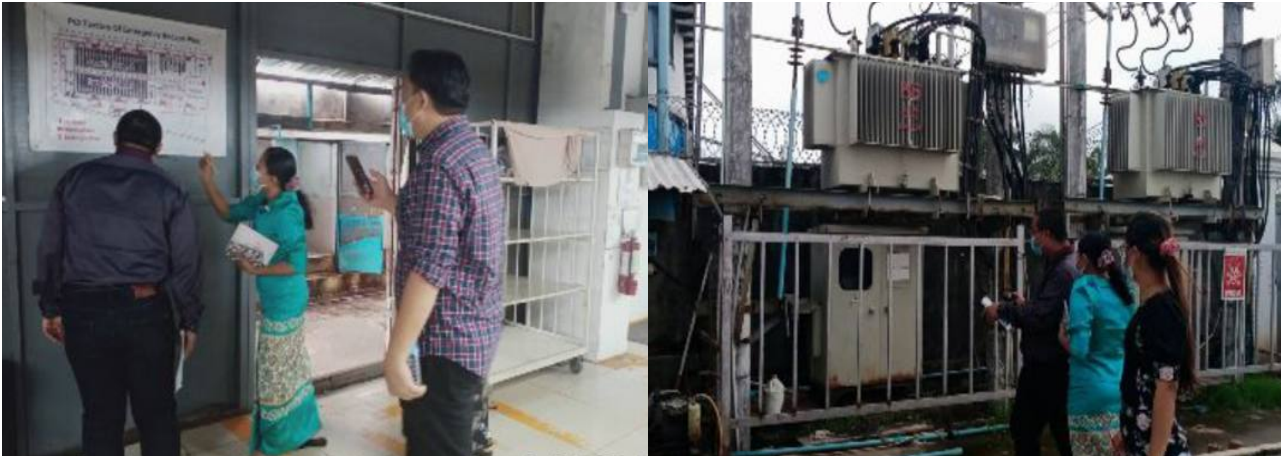
Creating consistent safety guidelines and educating all employees on how to safely use any equipment, vehicles, or tools used in their job.

Inspecting all tools, vehicles, and equipment regularly to ensure their safety and proper functioning.

Creating and enforcing a clear system of communications and awareness to ensure that all employees are aware of any potential risks and hazards.

Responding quickly and appropriately to any reports of unsafe behaviour or conditions in the workplace.

Holding regular safety meetings, safety audits and incident investigations to enhance safety awareness and review current safety protocols.



## REGULAR OHS INSPECTIONS”

### Safety Risk Assessment

The Group recognizes its operations inherently involve potential risks and hazards, and believe it is its duty to ensure safety of its workers and put procedures in place to identify workplace risks and mitigate possible hazards.

Assessment of safety risk elements includes, but is not limited to, the use of cutting and sewing machines, welding, electricity, and mechanical activities, which are prioritized based on severity and probability of occurrence of accidents. Our ongoing preventive actions include:



Electrical safety is a propmity electriciclans.Pre-sevice training is provided to newcomers in electrical safety to familiarise them with the proper method of operating the equipment.



Permanent locking devices are provided for fire safety,ensuring that exit doors remain open in the event of a fire.



Permanent locking devices are provided for fire safety,ensuring that exit doors remain open in the event of a fire.



Throughout the year, we collaborated with Better Factories Cambodia (BFC), United Nations Development Programme (UNDP), as well as GIZ, to further monitor and analyze our workplace environment.

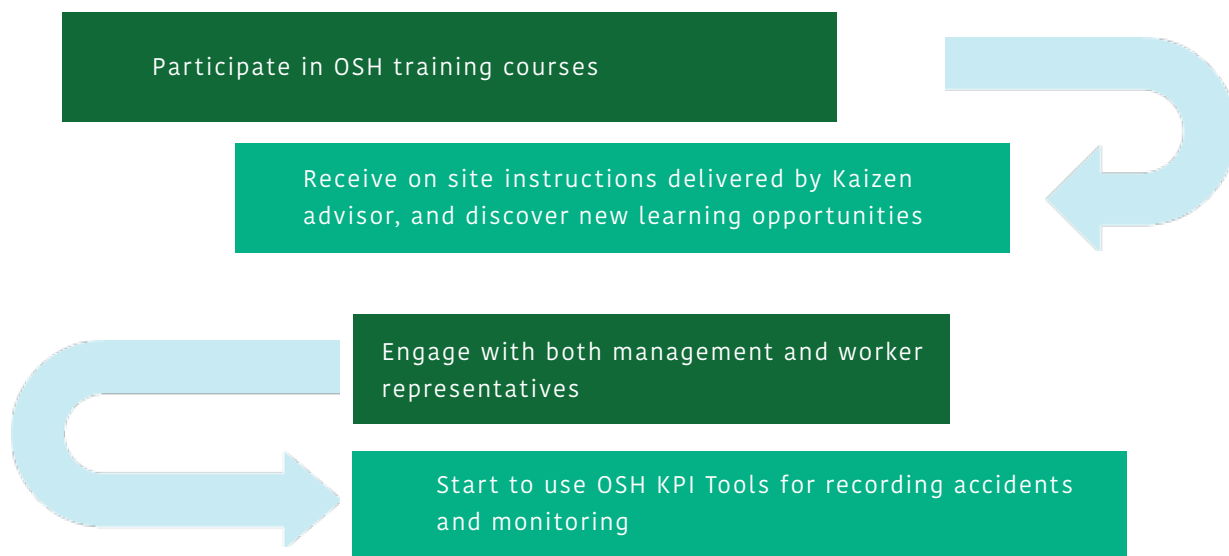
As a result, we developed a targeted plan to address high-risk activities and take necessary corrective actions to alleviate any potential workplace-related accidents.



## Health and Safety Trainings

In order to protect and bolster workplace safety and avoid accidents, continuous education and training is vital.

The Group offers regular safety instructions, along with refresher courses in First Aid, safe use of Personal Protective Equipment (PPE), management of hazardous materials, emergency response plans, and fire protection. During the year, our Group joined hands with H&M and ILO for a new OSH training project that offers technological expertise, on-site support, and helps improve occupational safety.



As part of our health initiative, we provide training on family planning, reproductive health and general health to female workers. Furthermore, to ensure their safety while commuting, we have partnered with the AIP Foundation to provide commuter safety training and awareness-raising measures.

An important aspect of this training is the teaching of appropriate helmet selection and wearing methods which guarantee the safety of our employees while they are away from the workplace.

## Anti-discrimination and Anti-harassment

The Group is committed to providing a workplace free of harassment or discrimination based on race, colour, ancestry, national origin, caste, sex, religion, creed, age, mental and physical disability, or on any other basis protected by law. We do not tolerate discrimination or harassment of our employees or those with whom we have a business, service, or professional relationship (including customers), nor do we tolerate workplace violence of any kind. We have established a grievances redressal system to protect the workers' rights and regulate ethical behaviours of both the management and workers.

Workers are encouraged to report directly to the person-in-charge in a confidential way. On receipt of a report, investigations are carried out and follow up actions are taken, after which a formal report is prepared, and punishment is awarded where necessary.

In order to ensure the management and workers understand the procedures, we arrange anti-harassment training for employees which educates them on workplace behaviour.

We have collaborated with Better Factories Cambodia to engage worker representatives and management on anti-sexual harassment training. rights. We check the welfare and remunerations consistently and respond to workers' concerns and complaints in a timely manner.

## PROMOTING HUMAN RIGHTS

### Internal Management System

Dakota is committed to build a fair and equal workplace where workers enjoy their basic rights in alignment with relevant laws and regulations. We have developed an internal management system with a management approach stipulating a series of HR related policies, including the code of conduct, recruitment management system, child and forced labor prevention, wage policy and anti-harassment policy.

Our sustainability team and the Human Resources department ensure relevant policies are in place and are updated regularly to ensure compliance with relevant laws and regulations in locations where we operate. The management and supervisors also organize meetings regularly to ensure all employees feel a sense of belonging and they can voice any issues regarding their rights. We check the welfare and remunerations consistently and respond to workers' concerns and complaints in a timely manner.

## OUR AFFILIATED ORGANIZATIONS

### International Labor Organization (ILO)

Dakota is committed to complying with the ILO's recommendations and has adopted a number of safety measures to protect employees' health and well-being.

### Better Work - Better Factories Cambodia (BFC)

BFC is dedicated to testing and reporting on working conditions in Cambodian garment factories, helping factories to improve working conditions and productivity, and working with government and international buyers to ensure a rigorous and transparent improvement cycle. In recent years, we have continued to commission advisory services from ILO-BFC to help our factories improve social compliance.



International  
Labour  
Organization





## United Nations Development Programme (UNDP)

Dakota aligns its approach and policies with UNDP recommendations and is committed to assisting Cambodia in achieving sustainable economic growth and human development.

## Business Social Compliance Initiative (BSCI)

The BSCI is the European social monitoring system for ethical sourcing initiated by the Brussels-based Foreign Trade Association (FTA). In terms of social responsibility and labor relationships, we maintain the highest level of compliance with local laws and international regulations, including obtaining BSCI certification.

## IndustriALL Global Union

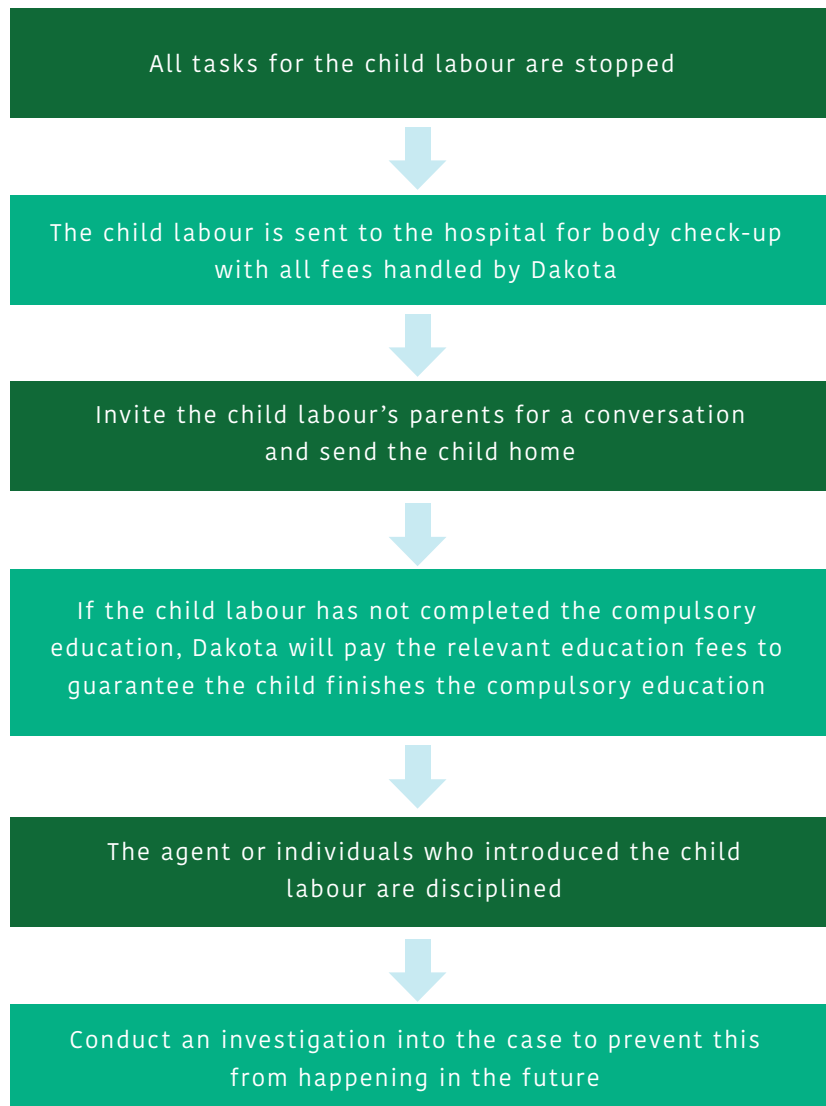
Dakota supports IndustriALL's initiatives and is therefore committed to creating safe workplaces, supporting workers to defend their rights and promoting women's participation, as well as helping to promote industry policy and sustainability.

## Anti-child and Anti-forced Labor

Dakota has a zero tolerance approach to the use of any form of child or forced labor in its operations. The HR department carries out recruitment in accordance with the Labor Law and checks and verifies applicants' identity documents in order to prevent the use of child labor. We also protect the basic rights of employees through various measures and prohibit confiscation of ID documents, employment deposits and any form of coercion.

If there are employees who appear to be young, department supervisors need to report them to HR for investigation. The HR department also visits the factory regularly to check for any falsification of identity documents. Once an instance of a child having been employed is detected, it is reported to the Labor Ministry and Dakota takes immediate follow-up action.





### **Follow-up actions when child labor is found**

For young employees aged between 16 and 18, Dakota requires their guardians' permission before they start working in the factories.

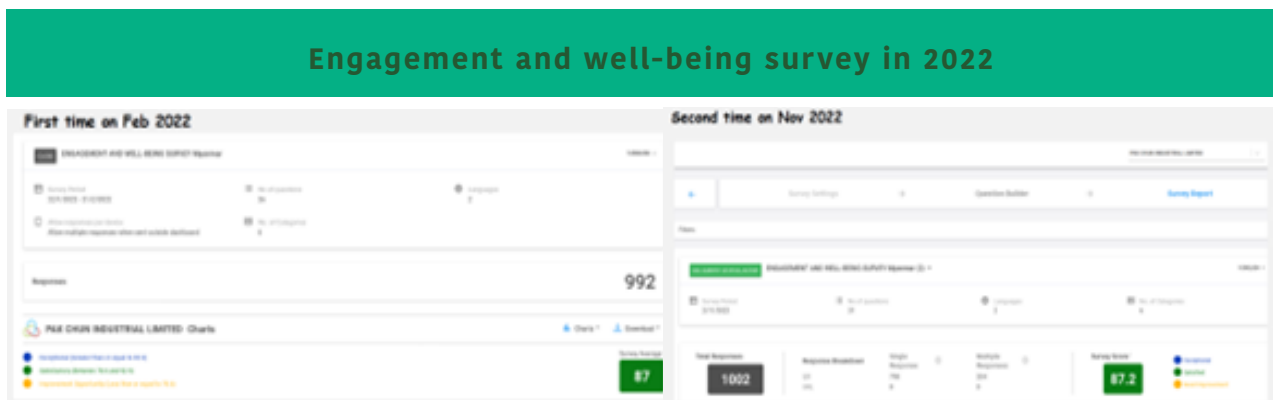
We also assign the young workers with specific working positions that do not pose any health or safety risk, and overtime work is not allowed to them.



## Our Right App

Launched by GIZ and supported by H&M, our factories in Cambodia joined a program on training our workers to improve their awareness of basic labor rights through a dedicated app.

We organized a Training of Trainers Workshop and shared thoughts on the Our Right App, and conducted an Our Rights End-line Survey to evaluate the effectiveness of the project.



## Assessment and Improvement

Dakota assesses labor risks in operations by conducting an internal risk assessment twice a year. In 2022, we collaborated with Labor Solution on the Employee Engagement and Wellbeing Survey, which examined areas that included child and forced labor, health and safety, wages, working hours, employment contracts and freedom of association.

In order to align with relevant legal and customer requirements, we review key issues and related documents regularly. In 2022, we passed social compliance audits conducted by Better Factories Cambodia (BFC), Global Recycle Standard (GRS), Higg Facility Social and Labor Module (FSLM) to meet the requirements of our clients.



# EQUIPPING EMPLOYEES

## Training and Development Initiatives

The Group is deeply committed to training and developing all employees and improve their livelihood and well-being. We strive to provide employees with resources to be effective in their job roles as well as personal lives.

We offer extensive training opportunities under the supervision of experienced professionals and through self-guided education modules. We also promote a healthy work-life balance by providing flexible scheduling and wellness programs to help employees maintain their physical, emotional, and mental well-being.



## EQUIPPING EMPLOYEES

The Group values all employees and appreciates the immense contributions they make each and every day. During the year, we initiated several new learning programs to diversify our community experience and support career development of our employees:



**Breastfeeding  
training**

**Leadership for  
change  
Management  
Training Program**

**Direct tra  
on OSH  
human r**

The Group welcomes all feedback and ideas on how to further enhance benefits packages for employees and continually works to improve the lives of its employees.



## Empowering Women

Female employees account for a large part of workforce in the apparel industry. At Dakota, females account for nearly 90% of the total number of workers. We focus on engaging women workers through different empowerment initiatives.

In 2022, we promoted more female workers to positions of line leaders so as to increase their participation in leadership roles and to move towards greater gender equality.





## Investing Into Our Communities

In Cambodia, Dakota invests in the local community and contributes to promoting development aligned with SDGs, resulting in a great reputation in the region.

According to the local characteristics and needs, our social responsibility projects focus on improving the educational conditions of children and adolescents and commit to empowering women.

# PARTNERING FOR SUSTAINABLE COMMUNITIES





Ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education.



Ensure universal access to sexual and reproductive health and reproduction rights, and recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies.



## Donation to Local Cambodian Orphanage

In Cambodia, there are many orphans who have difficulty in receiving appropriate care and education. To address this problem, Dakota has built the first orphanage schools in remote area of North West part of Cambodia to help the poor orphans.

## Donation to Local Cambodian School

We funded local schools with the aim of alleviating the financial burden of students' families and thus providing them with a more equitable and better education.

On 8th May 2022, Dakota organized a donation trip to the local school in the remote area at 80 km away from Phnom Penh, Cambodia.





## Conduct Breastfeeding Training

Dakota values women's health and rights and conduct the breastfeeding training for women to teach them knowledge about pregnant and breastfeeding, through which we hope to promote women's reproductive health, take on some of their burdens and achieve greater potential for women.



## Conduct Nutrition Training

We conduct nutrition training courses for our Cambodian staff to guide them to consume adequate amount of nutrients in their daily diet to ensure good health. In addition, Dakota provides daily nutritional supplements for our employees to promote their health.





# APPENDIX

## PERFORMANCE DATA SUMMARY

Company		Unit	2022	2021	2020
Sales of Organization by Region	China	%	1	2	2
	Cambodia	%	79	86	80
	Myanmar	%	20	12	18
	Total (Approximate)	Million HKD	951	988	960
Capitalization	Total Debt-to-Capitalization Ratio	%	51.4	46.1	44.1
Production Volume (Approximate)	Garment Pieces Manufactured	Million	38	39	41
Environment		Unit	2022	2021	2020
Resource Consumption					
Energy Consumption	Electricity	MJ	22,829,416	25,815,625	29,547,061
	Biomass (wood fuel)	MJ	15,107,961	13,224,199	7,889,129
	Biomass (waste fuel)	MJ		4,643,670	11,175,645
	Diesel	MJ	15,036,304	9,641,122	15,601,348
	Petrol	MJ	249,717	297,985	477,253
	LPG	MJ	475,534	455,354	483,942
	Total energy consumption	MJ	53,698,932	54,077,955	65,174,378
Water Withdrawal by Source	Rainwater	m3	29,215	33,393	27,150
	Groundwater	m3	7,263	7,435	7,422
	Municipal water	m3	75,616	74,486	107,334
	Total water	m3	112,094	115,314	141,906
	Total Volume of Water Recycled or Reused	m3	8,045	9,152	9,029
Materials	Raw materials	kg	8,399,863	8,796,006	
	Renewable materials	kg	2,362,983	1,983,286	
	Recycled materials	kg	2,748,166	3,187,366	
Emissions					
Greenhouse Gas Emissions (tCO2e)	Total Emissions	tCO2-e	5,403	4,946	5,933
	Scope 1	tCO2-e	1,144	725	1,159
	Scope 2	tCO2-e	4,259	4,221	4,774
	Biogenic CO2 emissions	tCO2-e	1,346	1,719	1,983
Emissions					
Hazardous Waste	Recycling	kg	928	1,119	1,217
	Landfill	kg	1,962	2,615	6,321
Non-hazardous Waste	Recycling	kg	108,106	96,660	86,094
	Landfill	kg	189,952	197,300	37,600
Intensities					
Energy		MJ/pc	1.23	1.41	1.71
Water		m3/pc	0.0026	0.0030	0.0037

Employment		Unit	2022	2021	2020
Group-wide Employees					
Total (Approximate)		Headcount	6,100	7,200	7,744
By Region	China	%	4	4	3
	Cambodia	%	77	81	79
	Myanmar	%	19	15	18
By Employment Type	Full-time	%	100	100	100
	Part-time	%	0	0	0
	Permanent	%	100	100	100
	Temporary	%	0	0	0
By Age Group	Under 30	%	36	41	44 <sup>1</sup>
	30-50	%	62	57	55 <sup>1</sup>
	Over 50	%	2	2	2 <sup>1</sup>
By Gender	Male	%	10	11	10
	Female	%	90	89	90
By Employee Function	Technical	%	3	4	2
	Administrative	%	8	7	5
	Production	%	89	89	93
Company-wide Turnover Rate <sup>2</sup>					
By Age Group	Under 30	%	20	10	17
	30-50	%	14	6	10
	Over 50	%	7	7	5
By Gender	Male	%	17	10	11
	Female	%	16	8	13
By Region	China	%	9	18	28
	Cambodia	%	22	4	13
	Myanmar	%	-7	27	12
Health & Safety*3		Unit	2022	2021	2020
Work-related Injuries Rate (per hours worked by 100 full-time workers)	Recordable work-related injuries rate (exclude fatalities)		0.49	0.29	0.33
	High-consequence work-related injuries rate		0.03	-	0.01
	Occupational diseases		-	-	-
	Work related fatalities		-	-	-
Diversity & Equal Opportunity <sup>4</sup>		Unit	2022	2021	2020
Ratio of the basic salary and remuneration of women to men					
China*	Technical	%	103	106	101
	Administrative	%	86	97	101
	Production	%	103	97	103

Cambodia	Technical	%	99	99	93
	Administrative	%	96	98	93
	Production	%	102	99	101
Myanmar	Technical	%	95	98	99
	Administrative	%	98	96	96
	Production	%	97	96	98
Training and Education*		Unit	2022	2021	2020
Number of Employees Trained					
By Gender	Male	%	100.0	95.1	/
	Female	%	100.0	95.2	/
By Employee Categories	Technical	%	100.0	93.9	/
	Administrative	%	100.0	89.0	/
	Production	%	100.0	95.7	/
Average Employee Training Hours					
By Gender	Male	Hours	3.9	3.7	/
	Female	Hours	14.0	12.2	/
By Employee Categories	Technical	Hours	14.0	11.0	/
	Administrative	Hours	5.6	4.9	/
	Production	Hours	10.0	9.0	/
Employees received a regular performance and career development review					
By Gender	Male	%	100.0	95.1	/
	Female	%	100.0	95.2	/
By Employee Categories	Technical	%	100.0	93.9	/
	Administrative	%	100.0	89.0	/
	Production	%	100.0	95.7	/

## Notes:

1. Clarification: The 2020 employee profile breakdown by age shows 44%, 55%, and 2% of our employees being under 30 years old, between 30 and 50, and over 50, respectively.

These figures total 101%. To be more precise, 43.8% of our employees in 2020 were under 30 years old, 54.6% were in between 30 and 50, and 1.6% were over 50, which yields a total of 100%. The figures were rounded up to maintain consistency in the data presentation of the Performance Data Summary

2. Employee turnover = (Employees left – Employees hired) / [(No. of employees at year begin + No. of employees at year end )/2]

3. Employee injury rate = No. of injuries / total hours worked x 200,000

4. Ratio of the basic salary and remuneration of women to men = Total average pay to women/ Total average pay to men

\* Means that Hong Kong data has been excluded from the China or general calculations

/ Indicates a lack of data

- Corresponds to “0” or none



# GRI CONTENT INDEX

GRI Standard Opportunity4		Disclosure	References and Remarks
THE ORGANIZATION AND ITS REPORTING PRACTISES			
GRI 2: General Disclosures 2021	2-1	Organizational details	ABOUT DAKOTA
	2-2	Entities included in the organization’s sustainability reporting	ABOUT THIS REPORT
	2-3	Reporting period, frequency and contact point	Reporting Period and Scope
	2-4	Restatements of information	There are no restatements of information.
	2-5	External assurance	We have not sought out external assurance.
ACTIVITIES AND WORKERS			
GRI 2: General Disclosures 2021	2-6	Activities, value chain and other business relationships	ABOUT DAKOTA COMMITMENTS ACROSS SUPPLY CHAIN
	2-7	Employees	PRODUCT QUALITYEMPLOYEE AND TALENT MANAGEMENT
GOVERNANCE			
GRI 2: General Disclosures 2021	2-9	Governance structure and composition	Sustainability Governance
	2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Governance
	2-13	Delegation of responsibility for managing impacts	Strategic Positioning / Overview of Sustainability Initiatives
	2-14	Role of the highest governance body in sustainability reporting	Dakota’s Materiality Assessment COMMITMENT TO SUSTAINABILITY
	2-16	Communication of critical concerns	Sustainability Governance
	2-17	Collective knowledge of the highest governance body	Sustainability Governance COMMITMENT TO SUSTAINABILITY
STRATEGY, POLICIES AND PRACTICES			
GRI 2: General Disclosures 2021	2-22	Statement on sustainable development strategy	MESSAGE FROM CHAIRMAN COMMITMENT TO SUSTAINABILITY
	2-28	Member associations	Responsible Production OUR AFFILIATED ORGANISATIONS
MATERIALITY ASSESSMENT			
GRI 2: General Disclosures 2021	2-29	Approach to stakeholder engagement	MESSAGE FROM CHAIRMAN Dakota’s Materiality Assessment
	2-30	Collective Bargaining Agreements	Freedom of Association
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Dakota’s Materiality Assessment
	3-2	List of material topics	Dakota’s Materiality Assessment
	3-3	Management of material topics	Dakota’s Materiality Assessment EMPLOYEE AND TALENT

MATERIAL TOPICS			
EMPLOYEE WELLBEING			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Employee Profile PERFORMANCE DATA SUMMARY
	405-2	Ratio of basic salary and remuneration of women to men	PERFORMANCE DATA SUMMARY
	406-1	Incidents of discrimination and corrective actions taken	Anti-discrimination and Anti-harassment
	408-1	Operations and suppliers at significant risk for incidents of child labor	Anti-child and Anti-forced Labor
	409-1	Operations that have been subject to human rights reviews or impact	PROMOTING HUMAN RIGHTS
OCCUPATIONAL HEALTH AND SAFETY			
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Ensuring a Safe Workplace
	403-2	Hazard identification, risk assessment, and incident investigation	Safety Risk Assessment
	403-3	Occupational health services	Ensuring a Safe Workplace
	403-4	Worker participation, consultation, and communication on occupational health and safety	Ensuring a Safe Workplace Anti-discrimination and Anti-harassment
	403-5	Worker training on occupational health and safety	Health and Safety Trainings
	403-6	Promotion of worker health	Ensuring a Safe Workplace Health and Safety Trainings
	403-9	Work-related injuries	PERFORMANCE DATA SUMMARY
TRAINING AND EDUCATION			
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	PERFORMANCE DATA SUMMARY
	404-3	Percentage of employees receiving regular performance and career development reviews	PERFORMANCE DATA SUMMARY
OTHER TOPICS			
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Energy Consumption and Reduction PERFORMANCE DATA SUMMARY
	302-3	Energy intensity	Energy Consumption and Reduction PERFORMANCE DATA SUMMARY
	302-4	Reduction of energy consumption	Energy Consumption and Reduction PERFORMANCE DATA SUMMARY

GRI 303: Water and Effluents 2018	303-2	Management of water discharge related impacts	COMMITMENT TO SUSTAINABILITY Responsible Production
	303-3	Water withdrawal	Water Usage and Reduction PERFORMANCE DATA SUMMARY
	303-4	Water discharge	Responsible Production
	303-5	Water consumption	Water Usage and Reduction PERFORMANCE DATA SUMMARY
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Greenhouse Gas (GHG) Emissions PERFORMANCE DATA SUMMARY
	305-2	Energy indirect (Scope 2) GHG emissions	Greenhouse Gas (GHG) Emissions PERFORMANCE DATA SUMMARY
	305-4	GHG emissions intensity	Greenhouse Gas (GHG) Emissions PERFORMANCE DATA SUMMARY
	305-5	Reduction of GHG emissions	Greenhouse Gas (GHG) Emissions PERFORMANCE DATA SUMMARY
GRI 306: Waste 2020	306-2	Management of significant waste related impacts	Waste Management



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