

NEXT IN FASHION





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ABOUT TOP FORM

Top Form International Limited (the “Company”) is a full-service design and supply chain partner to global brands and retailers of intimate apparel listed on the Main Board of the Stock Exchange of Hong Kong Limited (Stock Code: 333). With headquarters in the Hong Kong Special Administrative Region, The Company and its principal subsidiaries (collectively “Top Form” or the “Group” or “our” or “we” or “us”) employ over 6,000 people across mainland China, Thailand, Cambodia and Indonesia.

Our end-to-end service ranges from material sourcing to the production of finished garments, including intimate apparel and sports bras. Customers include many of the world’s leading brands and retailers, who trust us to deliver uncompromising quality in every product we make.



Integrity



“Can Do” Attitude



Accountability



Curious & Creative



Collaborative



Care & Respect

Courage

OUR VISION

To be a leading international apparel partner, from ideation to delivery, driven by innovation and insights, and built upon sustainable forward-thinking operations.

OUR MISSION

“WE STRIVE TO MAKE A LASTING POSITIVE IMPACT THROUGH OUR CHOICES AND OUR ACTIONS, OUR RELATIONSHIPS AND THE QUALITY WORK WE DO”.

ABOUT THIS REPORT

This Environmental, Social and Governance Report (the “ESG Report”) was compiled in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Guide”) contained in Appendix 27 of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited.

The board of directors (the “Board”) recognizes the importance of robust environmental, social and governance performance in meeting the expectations of stakeholders. The Board has taken overall responsibility for the Company’s Sustainability Strategy as well as the reporting and endorsement of this year’s ESG Report.

This report discusses information on our policies, efforts and achievements with regard to the Company’s environmental, social and governance issues for the period from 1 July 2022 to 30 June 2023 (“FY2023”).

All relevant sustainability policies, including our codes of conduct for employees and suppliers, are available on our [website](#).

Names of some of the relevant social and environmental laws are not available in English or Chinese in the jurisdictions where we operate; Top Form has made every effort to ensure these names have been translated accurately.

PROFILE AND SCOPE

This report covers the activities of the Company and its principal subsidiaries. Top Form Brassiere Mfg. Co., Ltd (“Top Form Bra”) represents the brassiere manufacturing arm of Top Form and is the major principal subsidiary.

The data disclosed in this report were captured from production plants in mainland China, Thailand, Cambodia, Indonesia and all operating offices of the Group¹. We have taken into account the potential social and environmental impacts of these principal subsidiaries during the reporting period.

REPORT ASSURANCE

Data contained in this report originate from our internal documents and statistics. The Group is responsible for the authenticity, accuracy and completeness of the content contained in this report.

CONTACT

You are welcome to send us any feedback you may have on this year’s report by contacting us at query@topform.group.

1. The new facilities in Sri Lanka and Thailand are newly established for less than 6 months and data collection system is being developed and ready for disclosure in the next reporting period.

OUR SUSTAINABILITY STRATEGY

Top Form's Sustainability Strategy comprises three pillars and seven focus areas to drive positive change for society and the environment. Each pillar is aligned with the Sustainability Development Goals of the United Nations ("UNSDG"), to effectively address global challenges in a coherent and holistic way.

OUR 3 PILLARS OF SUSTAINABILITY



SAVE OUR PLANET



Protect our environment through implementing low carbon footprint principles, minimize resource consumption and waste generation through the prevent, reduce, recycle and reuse concept across our operations.



EMPOWER OUR PEOPLE



Promote a healthy, safe and inclusive working environment, foster a culture of innovation and empower our employees.



BUILD OUR COMMUNITIES



Strengthen the well-being of the local communities in which we operate via employee volunteerism and community investment.



Pathway to
Carbon Reduction



Pathway to Circularity



Ethical Recruiting



Grooming Talent



Health and Safety






Nourishing Our
Community



Women Empowerment

FY2023 HIGHLIGHTS

PILLAR	FOCUS AREA	GOALS	FY2023 HIGHLIGHTS
 SAVE OUR PLANET	Pathway to Carbon Reduction	Reduce 15% of scope 1 and 2 GHG emissions by FY2025	<ul style="list-style-type: none"> Commission a new solar project in China that provides 2.5 megawatts of newable energy -0.36% energy intensity (kWh/revenue) compared to base year
	Pathway to Circularity	100% targeted production plants comply with relevant circularity certificates by FY2024	<ul style="list-style-type: none"> Shipped nearly 1 million certified circularity products since FY2020 75% of our targeted production plants comply with relevant circularity certifications
 EMPOWER OUR PEOPLE	Health and Safety	Continuous improvement in H&S Management	<ul style="list-style-type: none"> Lowest number of lost day accidents since FY2020 Zero work-related fatalities
	Ethical Recruiting	100% of targeted production plants comply with internal Ethical Recruiting Standard	<ul style="list-style-type: none"> Zero sexual harassment or discrimination incident Zero child or forced labor incident Completed Code of Conduct refresher training to 100% of targeted employees
	Grooming Talent	Develop talent development programs for business growth	
 BUILD OUR COMMUNITIES	Nourishing Our Community	Meet the nutrient or health needs of local communities	<ul style="list-style-type: none"> Over 600 employees participated in our Global Blood Donation Campaign to support blood shortage in local blood bank Partnered with local community expert to empower 10,000 school children and families with good personal hygiene practices
	Women Empowerment	Invest in education for children and women	

MESSAGE FROM THE CEO

At Top Form, our commitment to driving progress is unwavering. We recognize our pivotal role in fostering positive sustainability values across the apparel industry's supply chain and within our community.

Sustainability stands as a cornerstone of our business strategy. In our pursuit of a greener future, we are raising our ambition in our carbon emission target, making a bolder reduction till FY2030. This extended horizon encompasses our new facilities and integrates their data from our FY2020 baseline. By measuring the carbon intensity of our evolving product mix, we're propelling decarbonization efforts as we stride toward a more vertically integrated business model.

The fight against climate change remains paramount for us. Energy benchmarks are now embedded in our factory operations, with each facility embracing tailored reduction targets. Exploring renewable energy avenues, we've embarked on a compelling journey. Our collaboration with renewable energy experts has illuminated the greater potential of solar technology for us and we are poised to generate an additional 2.5 megawatts of solar energy during the period of our measurement, showcasing our commitment to cleaner, sustainable practices.

Central to Top Form's Mission is the well-being of our workforce. By integrating safety metrics into our operation KPIs, we've achieved a remarkable decline in occupational injuries. This year has marked our lowest record of lost-day incidents, testament to our consistent execution of Environmental Health and Safety (EHS) policies. Additionally, our engagement with local communities remains steadfast. In Thailand, our partnership with community experts empowered 10,000



school children and their families with essential hygiene practices. Further, our corporate Blood Donation Campaign garnered immense support, embodying our commitment to making a positive impact beyond our walls.

I'm humbled by the dedication of our employees and EHS teams in advancing our sustainability goals. Together, we're honoring our commitment to the environment and community. To our stakeholders, your support has been instrumental on this journey toward a brighter, more sustainable tomorrow.

With gratitude,
Kevin Wong
Chief Executive Officer
October, 2023

SUSTAINABILITY GOVERNANCE

GOVERNANCE STRUCTURE

The Board is responsible for overseeing the Group's sustainability and climate-related strategy, policy and annual reporting.

An effective risk management system and reporting mechanism are in place to report significant sustainability and climate-related risks to the Board in a timely manner. Our Sustainability Strategy provides a strategic direction for the Group, and our sustainability progress and performance are reported annually to the Board for their review.

Chaired by CEO, our Sustainability Steering Committee (the "Steering Co.") is a group of executives who lead and drive Top Form's Sustainability Strategy and monitor its implementation.

A Sustainability Task Force (the "Task Force") has been created to support the Steering Co. and develop sustainability and climate-related strategies and policies, track sustainability performance and prepare the Sustainability Report. Bi-monthly meetings are held to report the progress of our sustainability initiatives to the Steering Co.

The local Environmental Health and Safety Committee (the "EHS") is responsible for the implementation of the Group's Sustainability Strategy.

For further details on our Corporate Governance structure and practices, our Board and its composition, please refer to the Corporate Governance Report and the Directors' Report in the [Annual Report](#).



MAINTAINING AN ETHICAL BUSINESS CULTURE

Guided by Top Form's Code of Conduct ("the Code"), we expect our employees to act with integrity and honesty in all business activities and standing firm against corruption.

The [Code](#) is accessible in Top Form Company website and is applicable to employees of Top Form irrespective of their position and function. Training is provided to newly joined employees and in FY2023, we have digitalized and translated our training material into local languages to meet our training need. We have completed 100% of the trainings to all targeted employees of our two year training plan.

Our suppliers are also required to meet the expectation of our Vendor Code of Conduct and comply with

applicable anti-corruption and anti-bribery laws, rules and regulations.

All Board members take refresher e-training through circulation of e-training materials and regulatory updates on a regular basis.

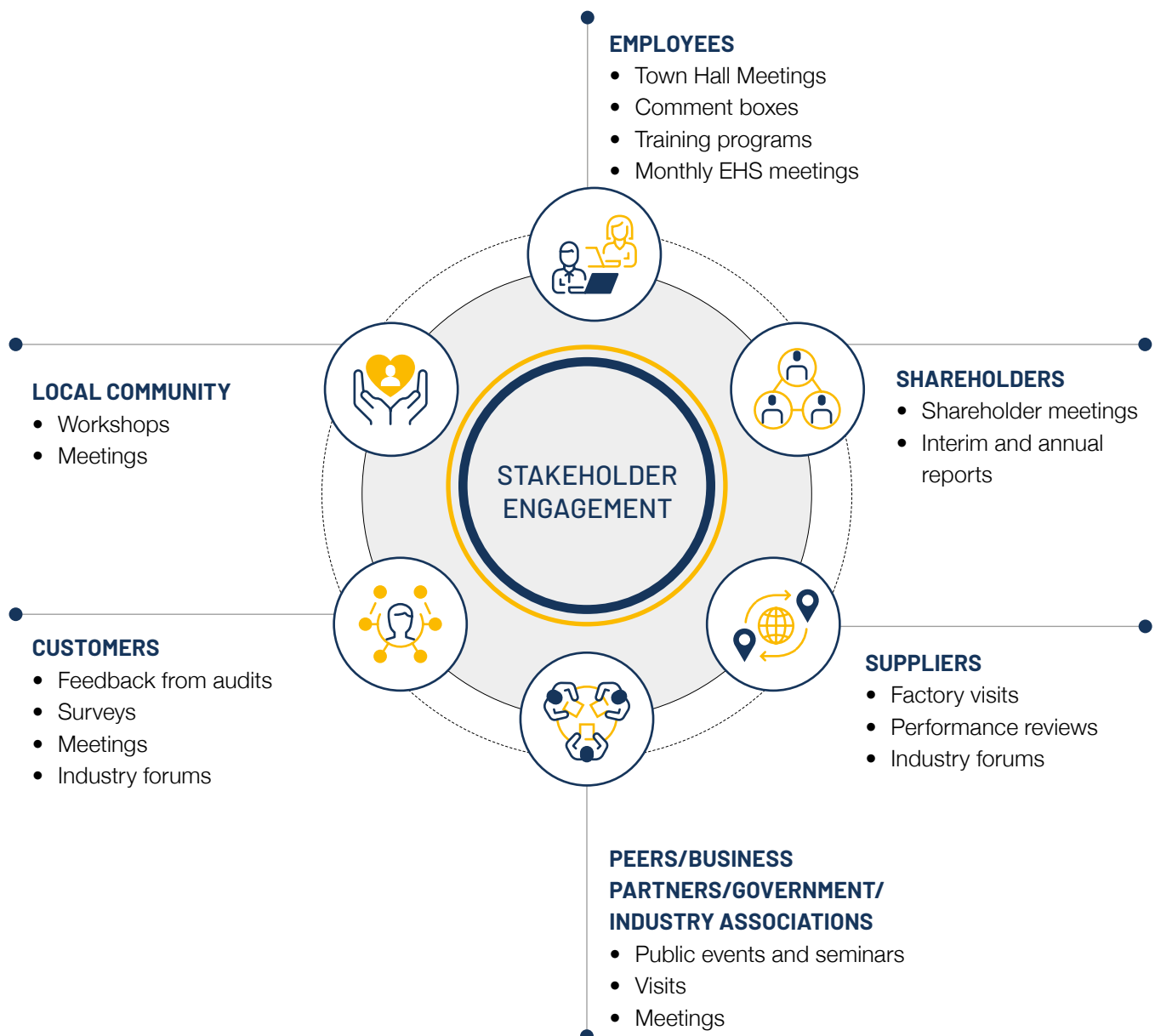
Whistleblowing procedure is covered in the Code to assist employees to raise concerns directly to the Audit Committee in writing about any valid violation to the Code through a dedicated email or business mailing address. Any concerns received will be handled with care and strictest confidence.

For the year ended 30 June 2023, the Group was in compliance with all anti-bribery, extortion and corruption laws in each operating country. There was no concluded corruption case.

STAKEHOLDER ENGAGEMENT AND MATERIALITY

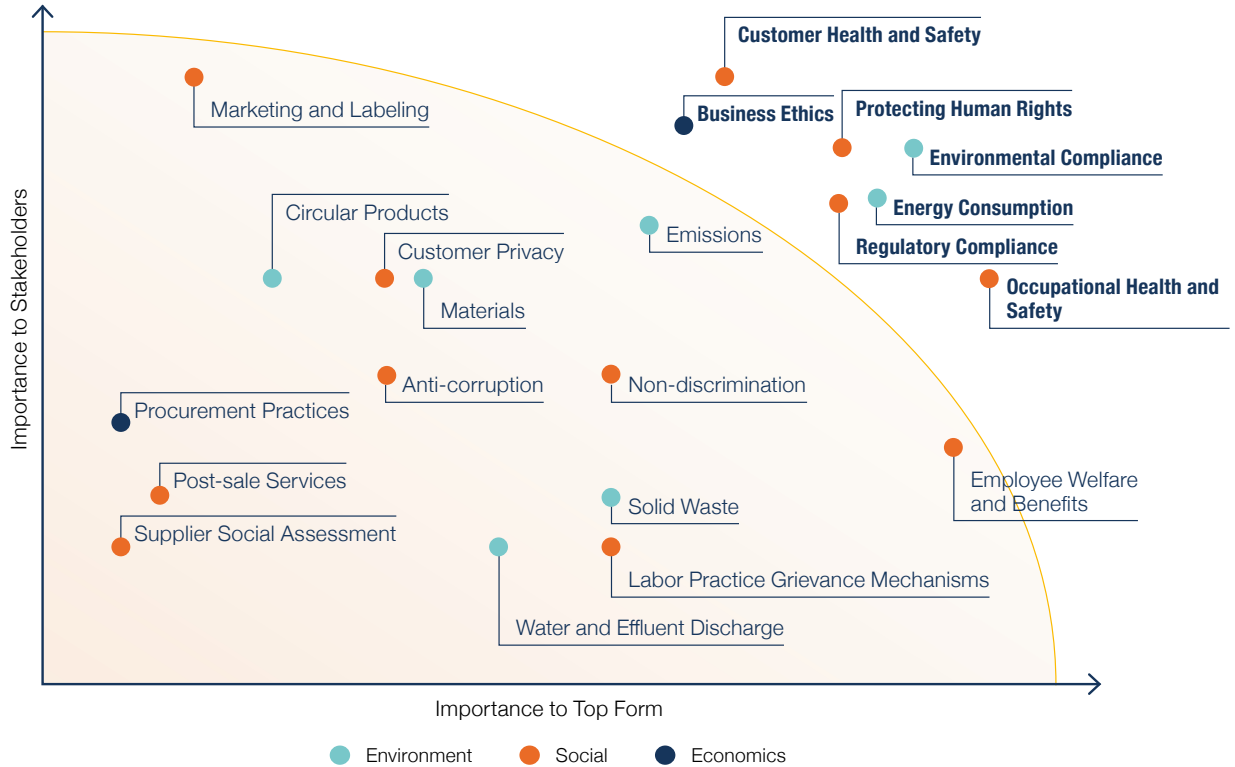
Our key stakeholders are institutions and people that are significantly affected by our business activities and business relationships. We regularly engage both internal and external stakeholders with the goal of evaluating their needs and interests on a range of sustainability topics. From our engagement with stakeholders, we determined which topics are most material to our long-term operational viability or will influence the assessments and decisions of stakeholders.

For more details on our engagement objectives and the methodology we adopted for different stakeholder groups, please visit the [Stakeholder Engagement](#) section of our website. The table below lists our stakeholder engagement framework, including stakeholder groups and the methodology employed:



MATERIALITY MATRIX

We identify and evaluate material issues by assessing the rating of the sustainability issues that matter most to our stakeholders and affect our business.



These material topics are prioritized in our strategic planning and endorsed by the Board. The subsection of this report discloses our action to address the material topics of concern to our stakeholders. Our material topics in FY2023 remain consistent with previous report.

These results are discussed in greater depth in our chapter on sustainability; the management approach and our performance in relation to these material aspects are also disclosed in this report.

How We Address Them



Environmental Compliance

- Save Our Planet



Energy Consumption

- Greenhouse Gas (GHG) Management/ Energy Management



Customer Health and Safety

- Product Responsibility



Regulatory Compliance

- Maintaining an Ethical Business Culture



Protecting Human Rights

- Maintaining an Ethical Business Culture
- Fair and Ethical Employment Practices



Occupational Health and Safety

- Health and Safety Management



Business Ethics

- Maintaining an Ethical Business Culture
- Fair and Ethical Employment Practices

SAVE OUR PLANET

Top Form's Environmental Policy and Environmental Management Manual are the guiding principles and standards of our commitment to the efficient use of natural resources, protection of ecosystems, and, where applicable, ensuring compliance with local regulation requirements. The local EHS Committee is responsible for enforcing activities to comply with our standards including but not limited to periodic audits, conducting refresher training, and tracking of environmental performance. An annual audit is performed by the Head of Compliance to evaluate the effectiveness of our management system.

In FY2023, the Group has not identified any legal non-compliance against the relevant laws and regulations in our operating regions pertaining to emissions or other environmental issues, such as, but not limited to, the Environmental Protection Law of the PRC, Energy Conservation Promotion Act (No. 2) B.E. 2550 (2007) of Thailand, the Environmental Protection Tax Law of the PRC, Decree on The Control of Air Pollution and Noise Disturbance (Cambodia).



GREENHOUSE GAS (GHG) MANAGEMENT

OUR CARBON REDUCTION VISION IN 2030

As compared to FY2020, our total GHG emission has decreased by 18%, and this significant drop is mainly due to the optimized resource allocation and streamlining some of our operations. This year, we have re-evaluated our business plan where Top Form operation is more involved in the value chain of material production, and we recognize the urgent call for the apparel industry to align their target with the [Global Warming of 1.5°C](#) to prevent the severe impact of climate change.

Top Form decided to update our target that is closely related to our product by measuring the carbon intensity of our products. This measurement is a good representation of our carbon emission performance in relation to operation efficiency and our decarbonization activities.

Reduce 30% of carbon emission per standard piece¹ by FY2030 from FY2020 base year²

GHG EMISSIONS



CARBON EMISSION BY REGION



Notes:

- ¹ Standard piece reflects the total units of all products mix Top Form sold. The target setting methodology has referenced the APPAREL AND FOOTWEAR SECTOR SCIENCE-BASED TARGETS GUIDANCE of SBTi.
 - ² The carbon emission intensity of FY2020 is 0.2557 kg CO₂e/pc.
- Scope 1 emissions include direct emissions from fuel combustion of stationary sources (e.g. generators, kitchens) and mobile sources (e.g. company vehicles).
 - Scope 2 emissions include indirect emissions from purchased energy.
 - GHG emissions are accounted with reference to the GHG Protocol Corporate Accounting and Reporting Standard issued by the World Resources Institute and the World Business Council for Sustainable Development.
 - The greenhouse gas emission factors of Greater China and Overseas operation refers to 2019 Annual Emission Reduction Project China Regional Grid Baseline Emission Factors, 2019 CLP Sustainability Report and the IGES List of Grid Emission Factors Version 10.9, respectively.

ENERGY MANAGEMENT

Top Form uses no fuels derived from biomass, and our production processes do not create biogenic carbon dioxide emissions. Since electricity accounts to over 90% of our total carbon emission, consuming renewable energy is an important carbon reduction strategy for Top Form.



Renewable energy

In FY2023, a renewable expert completed a feasibility study on expanding the use of rooftop solar PVs across all operating region. Top Form has kicked off and prioritized the solar installation in our largest operating site in China, and this project is expected to generate 2.5 megawatts of solar energy for our operation.

In addition, Top Form is taking the following approaches to manage electricity consumption:



Management of Equipment

- Replaced aging equipment with more energy efficient equipment
- Conduct regular inspections for air compressor leakages
- Purchased electrical appliances with a grade 1 energy label
- Retrofitted sewing and molding machines

ENERGY CONSUMPTION FY2023

13,042

Purchased Electricity
(kWh '000)

1,060

Renewable
(kWh '000)

1,433

Others (kWh '000)

- Diesel and petrol from mobile combustion
- LPG from stationary combustion



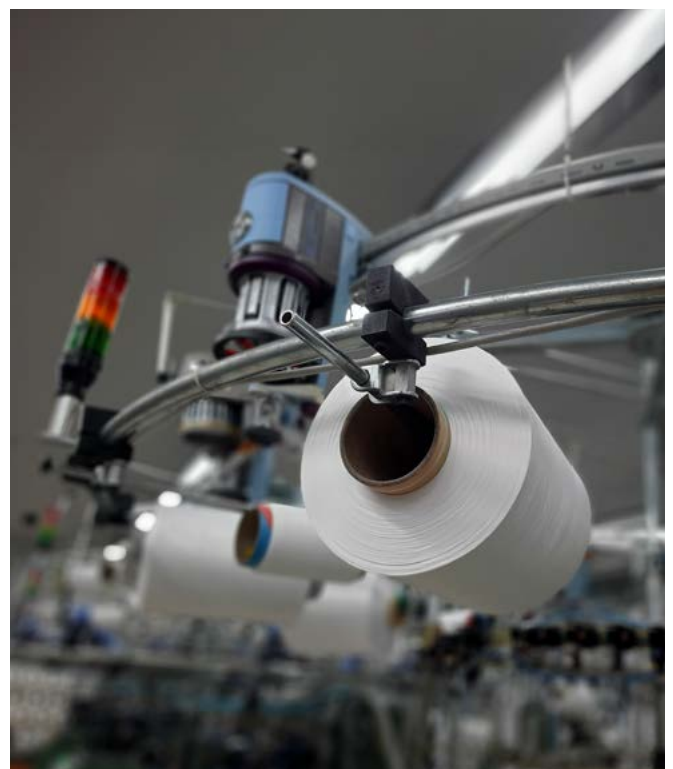
Lighting

- Replaced existing lighting with LEDs
- Turn off lights during non-operating hours



Control measures and practices

- Implemented housekeeping program to minimize energy wastage
- Smart meters are installed in Thailand and China production floor to monitor consumption and control energy consumption
- Air conditioners temperature in offices are set at 25°C
- Heating machines are pre-heated based on seasonal temperature change instead of standardized work shift time



CASE STUDY

THE POWER OF DATA - SMART METERS ENABLING SUSTAINABLE IMPACTS

“Being one of the members of the local EHS Committee, I am responsible for leading energy efficiency programs in our foam cup factory. The recent upgrade of smart meters in the factory has empowered us to better understand the energy usage pattern of our plant and identified energy efficiency improvement opportunities. Energy trends is now available in a real-time data cloud based platform and through our analysis, we identified a number energy saving potentials. This year, we analyzed the efficiency of our air compressors and found one of them did not meet our expected performance. It was replaced with a higher energy efficiency one that consumes 30% less electricity.

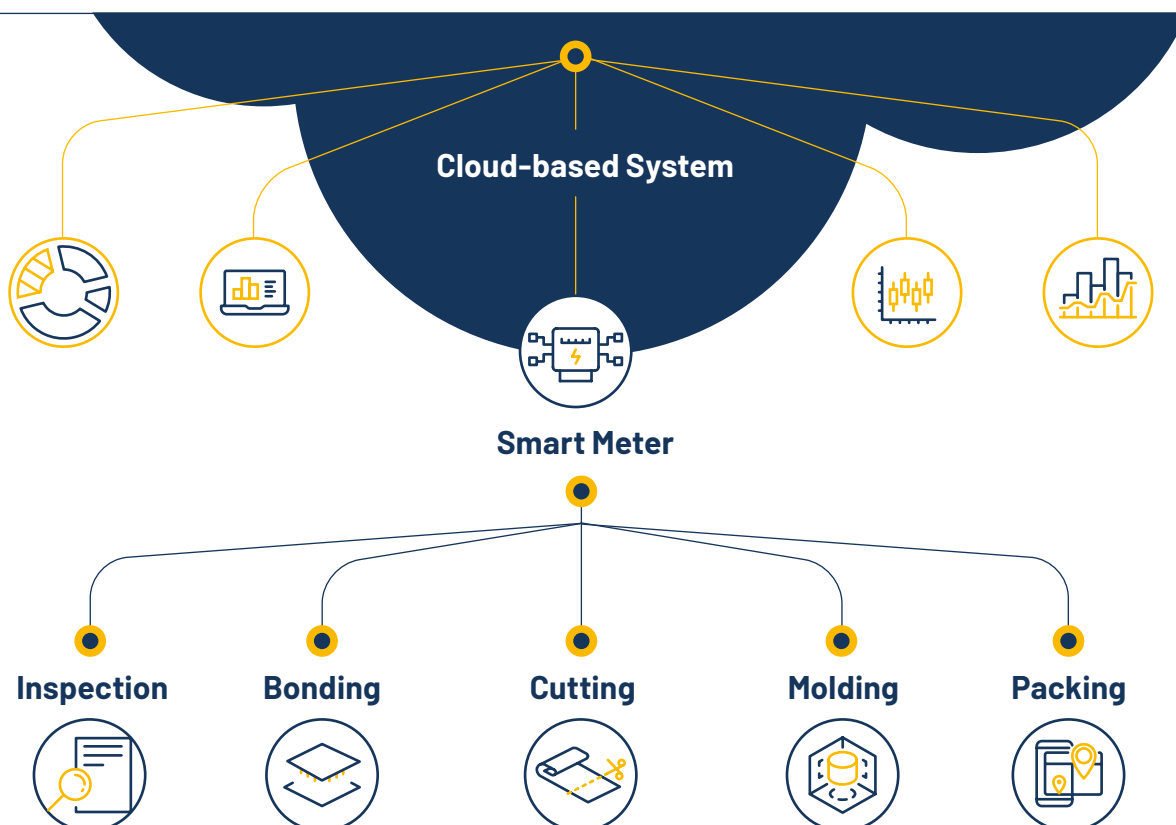
Production equipment accounts for 70% of electricity consumption and we have prioritized testing and analyzing our molding machines because it is one of the highest energy consumption equipment of the production process. Our team has lowered the heating power delivered to the molding machines and we use the real-time data capture to analyze the impact of the changes. It is encouraging to see this initiative

delivers a notable 16% reduction in the daily electricity consumption without having a significant impact on the performance of the molding process.

The additional transparency of the latest implemented technology enhanced the monitoring and controlling process of our energy management system and motivated us to explore new areas of reduction opportunities to meet our reduction target.”



Master Song
Head of Mechanical and Electrical Maintenance Department



WATER MANAGEMENT

We have established a set of water management policies and operation procedures that meets the relevant laws and regulations of the countries we operate. Water conservation management team is established within the local EHS Committee to coordinate and implement activities to raise water conservation awareness and promote effective water saving practices to employees and workers. Water sub meters are installed to track and measure consumption to identify and control wastage. Water is consumed mainly for sanitation and hygiene purposes in our canteens and toilets, as well as for our water-cooling systems that keep working temperatures at a comfortable level and for gardening. The total water consumed this year is 141,431 m³ with an intensity of 22.9 m³/headcount and it is 9% less than last year's consumption due to streamlining our operation. Our water comes mainly from government sources and there is no issue in the water supply in our operation.

Domestic wastewater is discharged into underground septic tank for pre-treatment before being dispersal, and this year, we have completed the water treatment facility for centralized management in China, which the quality of the water discharge complies with "Integrated Wastewater Discharge Standard (GB 8978-1996)" 《污水綜合排放標準 (GB 8978-1996) 》 Grade 1 requirement.



Water Data

Water used for sanitation and hygiene

141,431 m³

Water intensity

22.9 m³/headcount

WASTE MANAGEMENT

Our waste is mainly textile waste from production such as fabric, foam and knitting scraps, domestic waste and a small amount of hazardous waste. Production waste is further sorted and subcategorized for disposal. Textile scraps and carton boxes contributed majority of our waste and they are collected by different qualified contractors for recycling. In our foam cup factory in China, for example, foam scraps are collected by a qualified waste contractor for further processing to convert scraps into energy. Hazardous waste is collected and handled by licensed contractors for proper disposal.



Waste Data

1,380 tonnes of non-hazardous waste



964 tonnes

Fabric scraps and production waste



149 tonnes

Carton boxes



65 tonnes

Yarn paper cones



201 tonnes

Others

- Metals
- Domestic waste
- Plastics
- Food waste

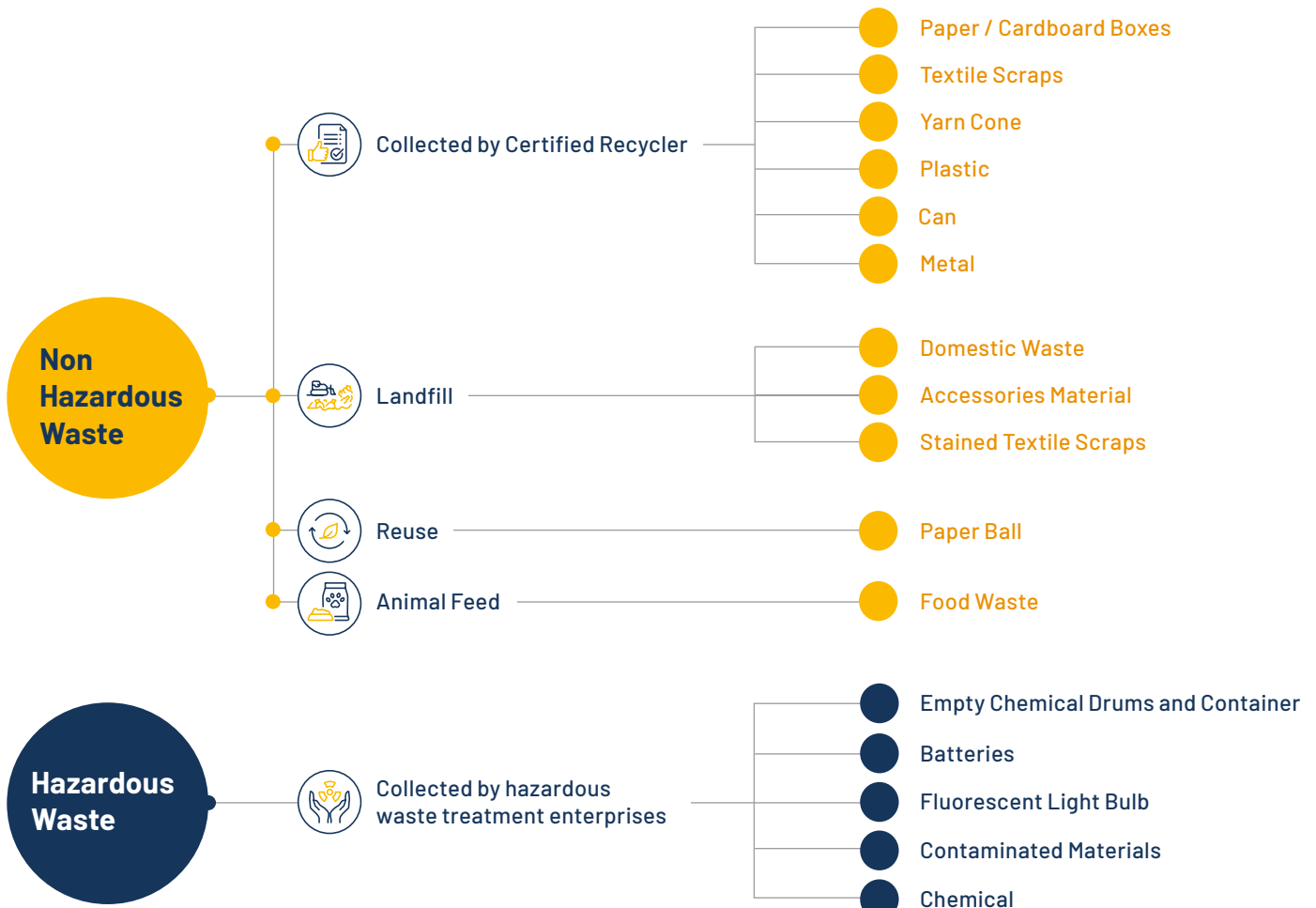
15 tonnes of hazardous waste



- Empty chemical containers
- Ink cans and cartridges
- Contaminated materials

Our waste are mainly textile waste from production such as fabric, foam and knitting scraps, and domestic waste and small amount of hazardous waste. Production waste are further sorted and subcategorised for disposal. Textile scraps and carton boxes contributed majority of our waste and they are collected by different qualified contractors for recycling. In our foam cup factory in China, for example, foam scraps is collected by a qualified waste contractor for further processes the scraps and converted into energy. Hazardous waste is collected and handled by licensed contractors for proper disposal.

Waste Handling Process



| Plastic bottles



| Fabric waste



| General waste



| Seamless paper cone



| Plastic silicon tapes



| Food waste

Top Form has adopted the following practice in our operation to minimize waste:

- Control allowable material surplus per order
- LEAN waste management approach (Transportation, Inventory, Motion, Waiting, Overproduction, Over processing and Defects)
- Implementation of 5R practices
- Reduce quality defects through an internal quality management system

TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURES

Following the preliminary climate-related risk analysis conducted last year, we have continued to enforce the risks mitigation action disclosed in our last report. The identified risks are integrated into our Sustainability Strategy and risks management system to ensure significant business risks posed by climate change are reported to the Board on an annual basis and considered in our business and financial planning.

The identified risks and their associated impact on our operations, together with our mitigating actions, are summarized in the following table.

Key climate-related risks and our mitigation plans

TYPE	CLIMATE RELATED RISKS	POTENTIAL FINANCIAL IMPACTS	MITIGATION
Physical Risk	Acute		
	Extreme weather, e.g., floods and storms	<ul style="list-style-type: none"> Staff injuries and facilities damage Logistic disruption 	<ul style="list-style-type: none"> Diversified production locations Developed disaster recovery and business continuity plan
	Chronic		
	Extreme temperatures and heat stress	<ul style="list-style-type: none"> Increased energy cost to provide cooling to workplace Lower workers' productivity 	<ul style="list-style-type: none"> Use energy-efficient cooling system and provide comfortable workplaces
	Rising sea levels	<ul style="list-style-type: none"> Property and asset damage 	<ul style="list-style-type: none"> Consider environmental risk in the planning of new campuses
Transition Risk	Policy and Legal		
	Stringent decarbonization plan and stricter compliance	<ul style="list-style-type: none"> Operation disruption Compliance cost 	<ul style="list-style-type: none"> Regular update on new regulatory and industry trends Continue to review strategy and addressing potential impact proactively
	Technology and Innovation		
	Renewable energy and low-carbon technologies	<ul style="list-style-type: none"> Additional capital expenditures for technology investment 	<ul style="list-style-type: none"> Continue execution of corporate decarbonization plan
Transition Risk	Markets		
	Shift in customer preferences to sustainable products	<ul style="list-style-type: none"> Lost market share Customers reduce PO placements 	<ul style="list-style-type: none"> Continue to certify our factories and products with relevant circularity certificates, e.g., GRS, OEKO-TEX®
	Adoption of carbon pricing	<ul style="list-style-type: none"> Cost of carbon offset 	<ul style="list-style-type: none"> Continue execution of corporate decarbonization plan
	Supply chain disruptions	<ul style="list-style-type: none"> Shipment delays caused by raw materials delays 	<ul style="list-style-type: none"> Regular supplier engagements to minimize logistic delays
	Reputation		
	Rising concerns about ESG performance by investors and banks	<ul style="list-style-type: none"> Limited funding channels Increased cost of borrowing 	<ul style="list-style-type: none"> Improve ESG performance and reporting transparency Adoption of various ESG and climate related standards

PRODUCT RESPONSIBILITY

Top Form Group's Quality Management System consists of policies and procedures that ensure our products meet customer quality expectations. Both Quality Assurance (QA) and Quality Control are integral parts of our quality management system, which emphasizes risk management, internal inspection, and corrective actions when necessary.

Quality risk assessment begins at product development and selection of raw materials stage, fabric is tested to ensure hazardous substances in products are strictly controlled and no restricted substance is contained in our product.

The quality department performs incoming quality control on all raw materials according to the agreed quality standard with suppliers before mass production. Fabrics are tested by customer-approved internal or external laboratories to verify if the material meets the industry's health and safety standards. Non-conforming materials will be processed and handled according to escalation procedures.

End-of-line inspections are conducted for each order according to the Acceptance Quality Standard (AQL) sampling standards specified by customers. Only after our strict quality standards have been confirmed will a shipment be dispatched for delivery.

In the rare case of a significant quality failure, it will be reported to our business leads and Head of Quality for

rectification. These policies provide guidance on the necessary measures to be taken to rectify the issue and prevent similar quality issues from recurring in the future. By implementing these measures, we demonstrate our dedication to product responsibility and our commitment to delivering products that meet the highest quality standards.

Our Sales Operation Team and Quality Assurance Team are responsible for handling quality complaints. If a complaint is received, we will conduct an investigation to determine the root cause of the issue and identify an acceptable solution. Valid quality complaints with financial impacts are reviewed and reported to Senior Management Team on a monthly basis as part of our risk management process.

FY2023 QUALITY PERFORMANCE		
	ACHIEVED	TARGET
Accepted Quality Standard "AQL"	99.82%	100%
Observed Quality Performance "OQL"	0.95%	1%

In FY2023, the Group had no products sold or shipped subject to recalls for safety or health reasons.

PROTECTING INTELLECTUAL PROPERTY RIGHTS

Top Form respects the intellectual property rights of our customers, including their designs, printed logos and artwork, as this is critical for maintaining their trust and preventing loss. At the beginning of each new business engagement, we sign confidentiality agreements with our customers and suppliers; we also require our employees to follow the confidentiality clause in our Code of Conduct when handling sensitive information.

Our Disposal Policy stipulates the procedures to take when disposing of leftover production materials that contain brand names or licensed logos.

During the reporting period, there were no cases of non-compliance related to intellectual property rights regarding our products and services.

SUPPLY CHAIN MANAGEMENT

The Group attaches importance to establishing and maintain good partnerships with suppliers throughout our sustainability journey. We expect vendors to share our commitment and meet the compliance requirements in our Vendor Manual. Meanwhile, vendors must complete a self-assessment, adhere to the Code of Conduct, and sign a non-disclosure agreement. Top Form also uses both internal and third-party testing labs to ensure product safety compliance.

We engage new suppliers through on-boarding meetings and on-site visits as necessary. Policies and procedures

are formulated to screen new suppliers and selected suppliers are required to agree to our Code of Conduct for the compliance of below business practices, which includes but not limited to:

- Compliance with local social and environmental laws
- No child labor, force labor and harassment
- Anti-corruption and bribery
- Declare Conflict of Interest
- Prohibit of unauthorized subcontracting

Management Process

01



Strategic Alignment –
Identify material suppliers that aligns with our strategic goals.

02



Screening and Validation
– Assess and validate compliance of Top Form Code of Conduct, delivery and quality requirements, business terms, and sustainability related requirements, etc.

03



Demand and Capacity Planning – Establish a comprehensive model for demand and capacity planning.

04



Raw Material Management
– Collaborate with material suppliers to meet Top Form's delivery lead time and quality standard in order to meet customers' delivery expectation.

05



Execution – Manage material booking, procurement, logistics, and delivery.

06



Track Performance and Feedback – Assess performance through internal scoring system and continue engagement with suppliers to manage business risks.

NUMBER OF SUPPLIERS BY GEOGRAPHICAL REGION BY %



Vendor evaluations are regularly conducted to evaluate supplier's overall performance including, product innovation, compliance to regulations, product sustainability, quality, on time and on time in full delivery, responsiveness to feedback, and among others. Our vendor evaluation this year covers 50 key suppliers, representing 85% of total material purchased.

Based on our internal scoring system, the suppliers under evaluation are categorized as "Strategic", "Core" and "Phase out". Top Form will consider giving business priorities to Strategic partners whereas lesser business or possibly no business to poorly scored vendors to

reduce our risk exposures. This year, no assessed suppliers are categorized as "phase out".

Third party accreditation of OEKO-TEX® or bluesign® is required to ensure their products do not exceed chemical restriction limits set by brands and accreditation of relevant circularity claimed material is also required in order to validate the material comes from ethical and sustainable sources. In fiscal 2023, 100% of our fabric suppliers obtained the STANDARD 100 by OEKO-TEX® Certificate, and 22% of them obtained a number of circularity certifications such as the Global Recycled Standard (GRS) or the Recycled Claim Standard (RCS) certification.

ACTING ON CIRCULARITY

Top Form is committed in driving a more sustainable value chain in the apparel industry, and in FY2023, 75% of our targeted factories have received circularity certifications such as the Global Recycling Standard (GRS), Organic Content Standard (OCS), and Recycle Claim Standard (RCS). and our goal is to have all targeted facilities to attain relevant certification by FY2024.

These standards indicate that the certified products manufactured in our facilities contain a specified amount of recycled and/or organic content in the raw materials used and that environmental and chemical impacts were minimized during the production process.



CU1023930



GCL10C301267



CU1136890



CARING FOR OUR PEOPLE

FAIR AND ETHICAL EMPLOYMENT PRACTICES

Core to our people agenda is ensuring that the Group complies with all local laws and regulations and demonstrates respect for all our people, together with values-based management in addressing broader social issues.

Our Ethical Recruiting Standard, [Code of Conduct](#), [Social Policy](#) and other human resources policies and procedures are in place to meet the requirements of all local laws and regulations in relation to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, non-discrimination and harassment, and those covering benefits and welfare in the markets in which it operates. To build trust and transparency, our employment practice and standard are communicated to our employees through orientations, training, employee handbook and bulletin boards.



In FY2023, our global workforce is reduced by around 15% compared to last year as we optimized resource allocation and streamlined the operations during the year.

WORKFORCE STRUCTURE

(as of 30 June 2023)

BY GENDER



BY RANK



123

SENIOR MANAGEMENT

917

MIDDLE MANAGEMENT

5,107

GENERAL STAFF

BY AGE GROUP



BY REGION



1,976

CHINA AND HONG KONG

4,171

OVERSEAS (CAMBODIA, INDONESIA, THAILAND)

WORKFORCE TURNOVER RATE

BY GENDER



5% FEMALE

3% MALE

BY AGE GROUP



6% 30 AND UNDER

3% 31 to 50

8% OVER 50

BY REGION



3% CHINA AND HONG KONG

5% OVERSEAS

Notes:

- The turnover rate is calculated by taking the average annual turnover of the specified category and divided by the headcount of the same category of the recording period. It reflects the overall changes for the year.
- In FY2023, all employees were employed full-time at Top Form; the number of employees is based on their employment status as of the last day of our reporting period.
- The number of workforce did not cover the employees at the new Sri Lanka and Thailand facilities to maintain consistent scope throughout this report.

EQUAL OPPORTUNITY

Top Form provides work environments that are free of discrimination for any reason including, but not limited to race, color, religion, sex, national origin, physical or mental disability and age; or any other attribute recognized by the laws of the country in which we operate.

Top Form develops standard operating procedures that provides equal job opportunities for potential candidates including the following tasks:

- Explain the job description and give a written copy to the jobseeker in a language they understand
- Explain any risks and hazards associated with this specific job or work environments
- Develop a checklist for all employment contract that is in a language understood by the workers



FAIR WAGE AND COMPENSATION

Top Form conducts an annual salary review to evaluate our employee compensation package is both competitive and fair base on market studies and performance. Employee performance is evaluated through a systematic process where expected performance is clearly defined and how the performance is measured. Promotion occurs during annual salary review or interim review. Spontaneous promotions

may also occur if a business need arises or when an opening occurs or an existing position becomes vacant. Top Form provides equal opportunities to all qualified employees for promotion and career development. The selection of employees for promotion and career development opportunities will be based on objective criteria of a non-discriminatory nature.

PREVENTION OF CHILD LABOR

Top Form maintains a zero-tolerance approach to child labor and have rigorous recruiting procedures to prevent child labor, and our recruiting personnel are provided with professional trainings to implement the required background checks during recruiting process:

- Legal age requirement is stated in our HR procedures.
- All applicants must submit their ID cards and declare the submitted information is correct.
- Age and identification checks are conducted in interviews.
- Applicants who do not meet legal age requirements during the recruitment phase will be rejected.
- If a case of child labor is identified, the employee will be asked to stop work immediately, and any outstanding wages will be paid.
- A full investigation of the non-compliance incident will be carried out to prevent its reoccurrence.

PREVENTION OF FORCED LABOR

Top Form treats forced labour, human trafficking, and slavery as zero tolerance issues. We hire only people who are of legal working age and who choose to work voluntarily. Management procedures and standards are developed and implemented by local human resources department and management team.

- New workers sent by agencies will be interviewed in one-on-one sessions to ensure no recruitment fees were charged or solicited.
- Employment contracts must be signed in a language understood by new hires.

- All overtime work must be voluntary; overtime wages are paid in strict compliance with relevant regulations.
- Changes in labor regulations are communicated in refresher training.
- A full investigation of any non-compliance incident will be carried out to prevent its reoccurrence.

Concerns and complaints about violations of our policies are handled through a grievance procedure established in each of our local offices and factories. Complaints received are then investigated with guaranteed confidentiality.



LEARNING AND DEVELOPMENT

Within Top Form's talent management strategy, formal succession planning is in place to systematically groom pipeline of talents to fill critical positions. We deploy a plan-do-check-act management method to regularly assess the organizational requirements, identify critical roles and their successors, and develop action plan to support the career advancement of identified talents. The goal of our succession planning is to minimize operation risks and disruption and better prepare high potential talents to step into more senior roles to support the business continuity.

We also coordinate outstanding employees to attend domestic and overseas exhibitions of our industry and forums, providing them opportunities to broaden their exposure and keep abreast with the trends in the apparel market. In FY2023, Top Form has provided over 41,000 training hours to employees and workers covering orientation training, health and safety, environment and on the job trainings. These learning programs are designed to equip employee with the right skills to perform their work efficiently and safely.



Top Form was awarded the "Great Partnership Award 2022" from customer in recognition of Top Form's service, responsiveness to changing trends, and our product expertise and insights that drives partnership in product excellence.

INSPIRE CREATIVITY AND INNOVATION

Our annual Global Innovation Day is one of our strategic learning platforms established to encourage employees to openly exchange new design concepts and improved applications and next generation of technologies, and sharing of business insights and customers need in relations to design, material sourcing and sustainability to cross-functional teams. The theme for this year is "Innovation 1+N", and the concept is to inspire designers, product development and production team to offer business solutions to our customers by leveraging our multiple technical know-how and expertise.

BY EMPLOYEE CATEGORY

	AVERAGE TRAINING HOURS	PERCENTAGE TRAINED
General worker	6.95	86%
Middle Management	5.60	13%
Senior Management	3.02	1%

BY GENDER

	AVERAGE TRAINING HOURS	PERCENTAGE TRAINED
Male	9.69	23%
Female	5.99	77%

HEALTH AND SAFETY MANAGEMENT

Top Form adheres to international standards on occupational health and safety, including but not limited to “Ministerial Regulation On The Prescribing Of Standard For Administration and Management of Occupational Safety, Health and Environment” in Thailand, and the “Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases”, (《中華人民共和國職業病防治法》), among other country-specific standards.

Our “EHS Policy and Operation Guidelines” is implemented across all operation facilities and monthly or quarterly Environmental, Health and Safety Meeting is held to review EHS matters such as self-audits results, past incidences and effectiveness of control measures, and coordination of future health and safety training schedule. Major occupational injuries are escalated to the Management Team and reviewed in monthly operation meetings as part of factories’ performance review.

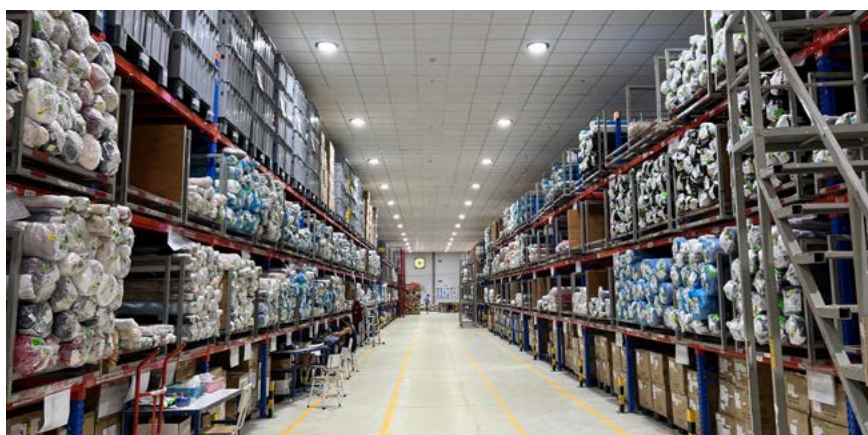
SAFETY PERFORMANCE IN FY2023

ZERO

- fire hazards
- hazardous chemical leaks
- cases of heatstroke
- work-related fatalities¹
- electrical hazards

Average number of lost days ² per incident increased compared to FY2022	41%
Number of lost day incidences	10
Average number of lost days per incident	17

Safety training and audit plan is formulated at the beginning of each fiscal year and implement according to schedule. In FY2023, 20,000 hours of health and safety related training were provided to educate hazard prevention and promote safety culture in the operation.



| 5S practices is integrated in our warehouse management to create safe and organised workplace.

¹ Number and rate of work-related fatalities that occurred in each of the past three years, including the reporting year.

² “Lost day incidents” are defined as the number of occupational injuries where a worker is hospitalized. There has been no significant change in calculation methodology.

Health and safety inspections are carried out daily by operating teams and monthly by local compliance team according to our “EHS Self-Assessment Check List” that has referenced customer requirements and industry best practices. Improvement measures are formulated based on the assessment results, local compliance team escalates any gaps identified without any remediation action or justification to General Manager and Group Head of Compliance for further action.

All our factories have medical clinics with supporting medical staff to provide free health evaluation to any employee who feels unwell during their work shift. When a worker is in severe suffering and needs urgent care and attention, they will be sent to the nearest hospital immediately for further treatment. To maintain the health of our workers, we carry out the following health initiatives:

- Periodic health checks
- Education in personal hygiene and prevention of seasonal diseases (e.g. dengue fever, measles, flu)
- Insecticide sprayed on production floors to fight infectious diseases
- Implementation of good housekeeping 5S practices with workers and management
- Equipment for reducing worker fatigue



| Free antenatal and postnatal classes are provided by our certified nurse for pregnant workers to better prepare for their new born.

SUPPORTING THE HEALTH OF OUR COMMUNITY

Top Form creates a strong local relationship between our employees and their community, in FY2023, we have initiated two campaigns that provided opportunities for our employees to support the health of our community in our operating region.

Blood Donation Campaign

With the support of the Management Team, our regional offices and factories hosted blood drives with local hospitals and Red Cross to ease the concerning risk to the public healthcare systems due to blood shortages. We had 500 successful donors across all our operations, including more than 60 first-time donors.



| Our blood donor heroes who participated in Top Form's Blood Drive

Female Health and Hygiene Campaign

Top Form Thailand partnered with a local community expert, who specialized in educating and empowering displaced Myanmar migrants and refugees in Maesot, Thailand, and organized an awareness campaign to promote good hygiene behavior and practices to school children and their families in the local community.

Our Environmental, Health and Safety Team (EHS Team) and volunteers prepared 10,000 gift sets for the planned engagement activity. Each set contains a good hygiene practice flash card and a bundle of clean panties produced by Top Form; all are packed in a reusable pouch to minimize waste. Nearly 10,000 local young children and mothers benefited from this campaign.



| Top Form hygiene learning gift set to school children



| Beneficiaries of Top Form Health and Hygiene Campaign

ESG INDEX TABLE

HKEX ESG REPORTING GUIDE		REPORTING LOCATION OR REMARKS
A1 Emissions	(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Save Our Planet P.9
KPI A1.1	The types of emissions and respective emissions data.	Our operations do not emit a significant air emissions of NOX, SOX, N2O, CH4 or other pollutants, so the Group decided not to disclose this information.
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Greenhouse Gas (GHG) Management P.10
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Managemet P.13
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Managemet P.13
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Greenhouse Gas (GHG) Management P.10 Energy Management P.11
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Top Form has decided to focus on prioritizing our environmental target setting in reducing carbon emission.
A2 Use of Resources	Policies on the efficient use of resources, including energy, water and other raw materials.	About This Report P.2
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Total energy intensity 0.0154 kWh/HK\$ Revenue. Total energy intensity reduced by 0.36% compared to base year.
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Water Management P.13
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy Management P.11
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water Management P.13 Top Form has decided to focus on prioritizing our environmental target setting in reducing carbon emission.
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	Carton box is the major packaging material for our finished products; in FY2023, we used 766 tonnes.

HKEX ESG REPORTING GUIDE		REPORTING LOCATION OR REMARKS
A3 The Environment and Natural Resources	Policies on minimising the issuer's significant impact on the environment and natural resources.	About This Report P.2
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Save Our Planet P.9
A4 Climate Change	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Task Force On Climate Related Financial Disclosures P.15
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the action taken to manage them	Key Climate-Related Risks And Our Mitigation Plans P.15
B1 Employment	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Fair And Ethical Employment Practices P.19 Equal Opportunity P.21 Fair Wage and Compensation P.21
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Workforce Structure P.20
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Workforce Structure P.20 Workforce Turnover Rate P.20
B2 Health & Safety	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety Management P.24
KPI B2.1	Number and rate of work-related fatalities.	Health and Safety Management P.24
KPI B2.2	Lost days due to work injury.	Health and Safety Management P.24
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Health and Safety Management P.25
B3 Training and Development	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Learning and Development P.23
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Learning and Development P.23
KPI B3.2	The average training hours completed per employee by gender and employee category.	Learning and Development P.23

HKEX ESG REPORTING GUIDE		REPORTING LOCATION OR REMARKS
B4 Labour Standard	(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Prevention Of Child Labor P.21 Prevention Of Forced Labor P.22
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Prevention Of Child Labor P.21 Prevention Of Forced Labor P.22
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Prevention Of Child Labor P.21 Prevention Of Forced Labor P.22
B5 Supply Chain Management	Policies on managing environmental and social risks of the supply chain.	About This Report P.2
KPI B5.1	Number of suppliers by geographical region.	Number Of Suppliers By Geographical Region P.18
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management P.17
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management P.17-18
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management P.17-18
B6 Product Responsibility	(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Disclosures related to advertising, labelling and consumer data are not material to Top Form's business and operation.
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility P.16
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility P.16
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Protecting Intellectual Property Rights P.16
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility P.16
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Protecting Intellectual Property Rights P.16

HKEX ESG REPORTING GUIDE		REPORTING LOCATION OR REMARKS
B7 Anti-corruption	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Maintaining An Ethical Business Culture P.6
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Maintaining An Ethical Business Culture P.6
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Maintaining An Ethical Business Culture P.6
KPI B7.3	Description of anti-corruption training provided to directors and staff	Maintaining An Ethical Business Culture P.6
B8 Community Investment	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Supporting The Health of Our Community P.26
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Supporting The Health of Our Community P.26

The linkage tables that show the GRI Standards and disclosures related to requirements in HKEX's ESG Reporting Guide are available at <https://www.globalreporting.org/media/ufjfcmyq/gri-standardslinkage-hkex-2020.pdf>.



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