



SOLIDARITY IN SUSTAINABILITY

ENVIRONMENTAL, SOCIAL AND GOVERNANCE
REPORT 2023/24

維珍妮國際(控股)有限公司
Regina Miracle International (Holdings) Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 2199



Content

2	ABOUT THIS REPORT
4	ABOUT REGINA MIRACLE
6	CHAIRMAN'S MESSAGE
8	REGINA MIRACLE'S 2030 TARGETS
10	SUSTAINABLE DEVELOPMENT MANAGEMENT
18	PRODUCT R&D AND INNOVATION
25	PRODUCT RESPONSIBILITY
28	SUPPLY CHAIN MANAGEMENT
30	ENVIRONMENTAL MANAGEMENT
44	PEOPLE AND COMMUNITY
56	COMPLIANCE OPERATION
60	ESG AWARDS
62	GLOSSARY
63	KPI INDEX TABLE

ABOUT THIS REPORT

An aerial photograph of a dense, lush green forest. The trees are tightly packed, creating a vibrant green canopy. A large, thin white circle is superimposed on the left side of the image, partially overlapping the text. The circle is composed of a series of small white dots, giving it a dotted or perforated appearance. The text "SOLIDARITY IN SUSTAINABILITY" is written in a bold, white, sans-serif font, centered horizontally and partially enclosed by the dotted circle.

SOLIDARITY IN
SUSTAINABILITY

INTRODUCTION

The Group is pleased to announce its eighth Environmental, Social and Governance Report (the “Report”), with an aim to disclose the Group’s policy system and performance in the fulfillment of its environmental and social responsibilities for Fiscal 2024. Based on the environmental, social and governance report for last year, the disclosure framework of the Report has been refined to help readers better understand the Group’s key commitment, practice and performance regarding ESG for Fiscal 2024.

SCOPE OF REPORTING

The time frame of the Report spans from 1 April 2023 to 31 March 2024 (the “Reporting Period”, or “Fiscal 2024”), with certain retrospective or prospective content, as appropriate.

The Report covers the office operation in Hong Kong and the manufacturing and office operation in China factories and Vietnam factories of the Group in its general disclosures and the key performance indicators (“KPIs”) for social subject area, whereas the environmental key performance indicators mainly encompass the manufacturing and office operation of China factories and Vietnam factories.

REPORTING STANDARDS AND PRINCIPLES

The Report has been prepared strictly in accordance with all the “mandatory disclosure requirements” and the “comply or explain provisions” set out in the Environmental, Social and Governance Reporting Guide (the “ESG Guide”) under Appendix C2 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited issued by the Stock Exchange of Hong Kong Limited (the “Stock Exchange”), with disclosure priorities of the Report and the Group’s management objectives for sustainable development identified based on the degree of concern on each topic of the stakeholders.

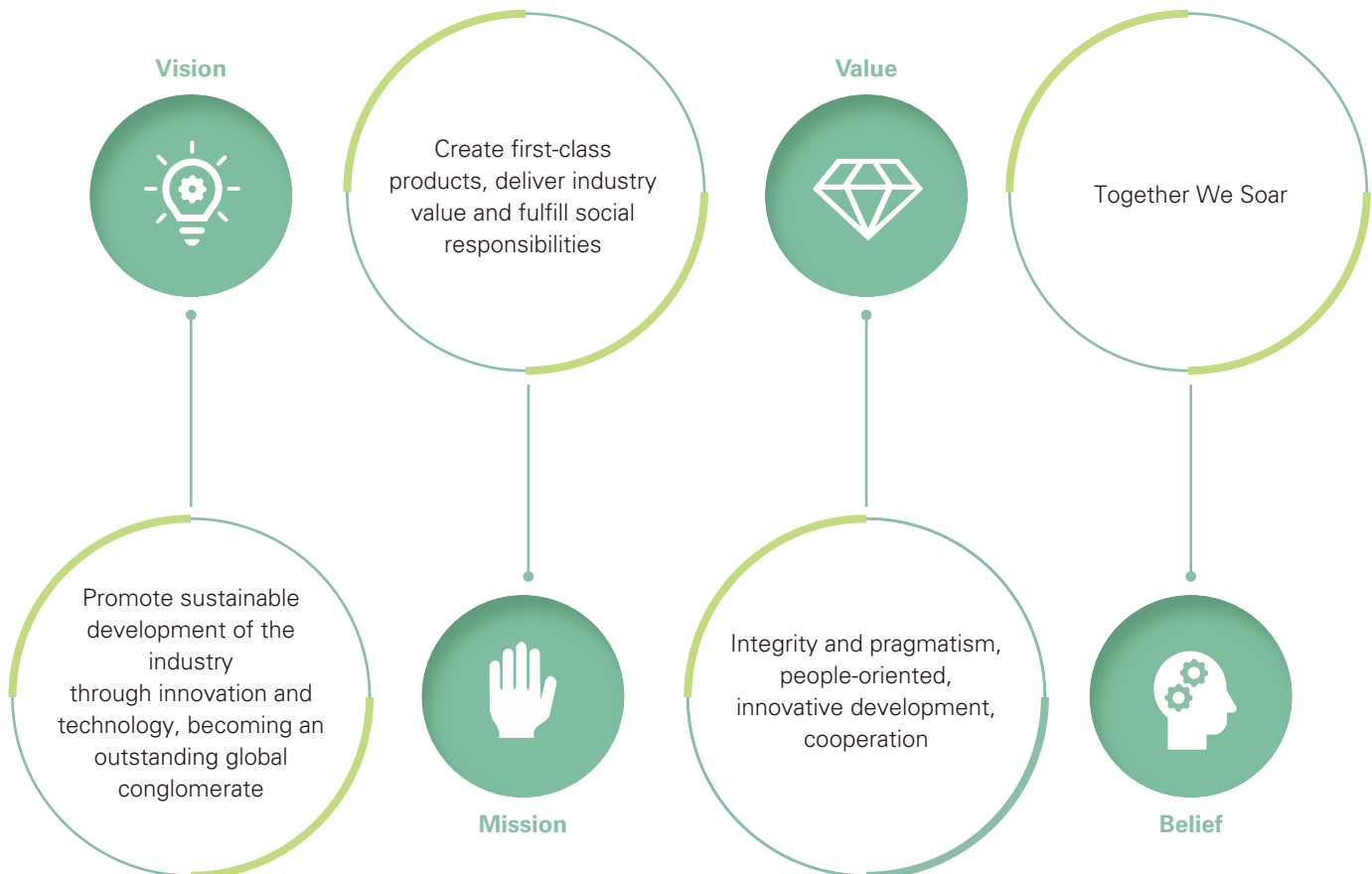
The Report upholds the following reporting principles: materiality, quantitative, balance and consistency. With regard to materiality, the Report has identified environmental, social and governance (“ESG”) issues which are currently significant through our communication with stakeholders and taking into account the nature of the Group’s businesses, its operation mode and the locations of its operation; with regard to quantitative, the Report has provided quantitative KPIs with illustration so long as practicable to help readers assess and verify the ESG policy of the Group and its performance; with regard to balance, the Report has comprehensively disclosed the performance of the Group in terms of ESG based on objective facts and avoided any expression or presentation that may improperly affect the decision-making or judgment of readers; with regard to consistency, the Report has adopted the same KPIs and statistical methods as it used, and has provided explanation on the changes in some statistical data in order to allow readers to make year-on-year comparisons of the Group’s performance.

SOURCE OF INFORMATION

The information disclosed in the Report is derived from the Group’s official documents, statistical reports and relevant public information. The Board of Directors (the “Board”) of Regina Miracle undertakes that there are no false statements, misleading representations or material omissions, etc. and the Board is responsible for the authenticity, accuracy and completeness of the Report.

ABOUT REGINA MIRACLE

Regina Miracle International (Holdings) Limited (the “Group” or “Regina Miracle”; stock code: 2199), a global leader in the intimate wear manufacturing industry, has been publicly listed on the Main Board of the Hong Kong Stock Exchange since 2015. With innovation being at the heart of everything it does, the Group takes relentless approach in product research & development and achieved technological advancements that came about one after another, offering its world-renowned brand partners a diverse range of unique, innovative and high-quality products in the intimate wear category (including bras, bra tops, panties, shapewear), sports products (including sports bras, functional sports apparel) and consumer electronics components (including virtual reality (“VR”) headsets, tablet PC and other accessories).





SUSTAINABLE DEVELOPMENT AREAS OF THE GROUP

1 PRODUCT RESPONSIBILITY



Actively explore opportunities in the selection of materials and the design of production models to improve the global environment

2 SUPPLY CHAIN MANAGEMENT



Grow with suppliers through the creation of safe and high-quality products and promotion of digital supply chain management to establish long-term and stable cooperation with suppliers

3 ENVIRONMENT MANAGEMENT



Endeavor to achieve ecological balance by leveraging environment-friendly technology to break new ground in energy conservation and emission reduction

4 PEOPLE AND COMMUNITY



Help employees with skill development, respect employees' safety and health, and safeguard the rights and interests of female employees. Care for neighboring communities and strive to create a harmonious society with common development

5 COMPLIANCE OPERATION



Strictly comply with the laws and regulations and industry standards of the places where we operate, and establish and implement robust internal systems to ensure the stable operation of the Company

CHAIRMAN'S MESSAGE

Dear Stakeholders,

On behalf of the Board of Directors, I am pleased to present the Environmental, Social and Governance Report of Regina Miracle International (Holdings) Limited for the year ended 31 March 2024 and to share with you the progress and performance of the Group's environmental, social and governance initiatives. This marks the inaugural standalone publication of the Report, with the aim of further demonstrating our firm commitment to "Solidarity in Sustainability". With years of practice, the Group's ESG initiatives are deeply ingrained within our day-to-day operations and are continuously refined and updated to keep pace with the times. With this in mind, this Report and the Annual Report will be published separately from this fiscal year onwards. However, it should be noted that this Report remains an integral part of our Annual Report and should be read in conjunction with the FY2023/24 Annual Report, in particular the "Management Discussion and Analysis" and "Corporate Governance Report" sections of the Annual Report, to enable a more comprehensive understanding of our evolving ESG practices and achievements.

Regina Miracle firmly believes that proper management of the three pillars of ESG is the key to long-term success. We advocate and practice the philosophy of sustainable development, always adhere to our mission of "Creating Long-Term Value for All Stakeholders, Assuming Social Responsibility and Realizing Sustainable Development" in a responsible manner, and actively manage the environmental and social impacts of our production and operations. At the governance level, we have established a three-tier structure of "Leadership – Decision – Execution" for sustainable development governance, which facilitates the promotion and implementation of our sustainable development strategies. In addition, in terms of strategy execution, we have formulated 2030 sustainable development agenda in line with the United Nations 2030 Sustainable Development Goals. With priority given to carbon reduction, waste management, sustainable innovation and development, and people and the community, Regina Miracle is committed to fulfilling its environmental and social responsibilities in the course of its management decision-making, daily operations and development of corporate culture.

Looking back over the past year, the business environment was challenged by the complicated international situation, multiple pressures on the consumer market, and frequent weather anomalies. However, our all-time innovative design manufacturer (“IDM”) business model has given us the agility and flexibility to adapt to an uncertain market environment, and its innovation-driven core has also enabled us to make far-sighted decisions, including enhancing our ESG governance capabilities. For instance, during this fiscal year, highlights of our ESG efforts included the increased use of green energy and insistence on the research and development of environmentally friendly materials. We also refined our supply chain and the entire production process through intelligent management and production automation, and continued to advocate our people-oriented approach for the greater good of the community.

We have been pursuing greener and low-carbon practice, exploring the applications of green energy, and vigorously promoting the construction of solar power generation modules at our production factories to achieve a greater proportion of using green energy. In addition, we continue to promote the development and adoption of various types of environmentally friendly materials, and work with strategic supply chain partners to develop environmentally friendly materials during the R&D process of our products, thereby providing brand partners with a wide range of environmentally friendly materials, including recyclable/renewable materials, bio-based materials and biodegradable materials.

We strive to strengthen the research and development and application of advanced technologies, with gradual transition to the use of advanced production automation solutions such as intelligent warehousing system, intelligent logistics system, automated production equipment and information system for the entire production chain, and establish long-term and stable cooperation with our strategic partners so as to enhance production efficiency. We continue to optimize our supplier management mechanism in order to establish a strictly approved list of suppliers, strengthen supply chain risk management through digital management of the whole process, and collaborate with our suppliers to enable product management at the source.

We uphold a “people-oriented” philosophy and take various measures to attract talent, to protect the rights and interests of our employees and to support their personal development. We strive to realize, maintain and develop the fundamental interests of our employees. As a responsible and committed corporate social citizen, we have also invested in social welfare by voluntarily participating in rural revitalization, taking solid action in environmental protection, and actively contributing to education.

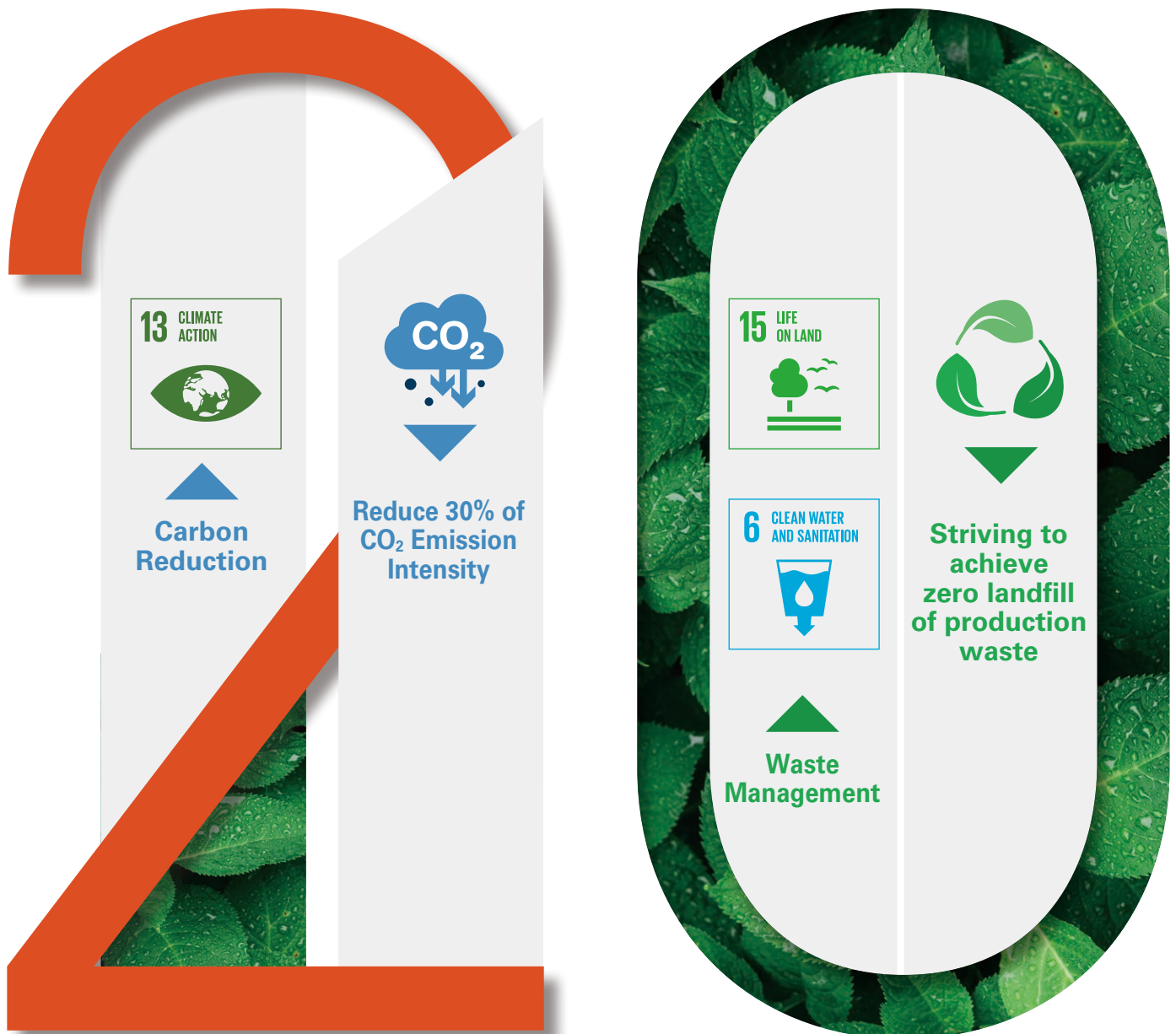
Our efforts have been recognized by various esteemed institutions and organizations. During the year, we were awarded the “Grand ESG Award (Small Cap)” by the Hong Kong Investor Relations Association (“HKIRA”), were again recognized in the Corporate Sustainability Index published by the Vietnam Chamber of Commerce and Industry, and secured a position among the “Top 100 Sustainable Businesses in Vietnam” for the third consecutive year. Notably, the Group was included in the “Top 10 Sustainable Businesses in the Manufacturing Sector” for the first time this year. The Group has also earned a place for the first time as one of the “Top 5 Pioneering Businesses in Adopting and Promoting Diversity, Equality and Inclusion Values in 2023”, demonstrating its commitment to maintaining a balance among economic, social and environmental benefits for the long-term well-being of the community.

Driven by its great enthusiasm and firm commitment, and with the interests of all stakeholders in mind, Regina Miracle will continue to invest in innovation and research and development, refine its corporate governance, strengthen overall environmental protection efforts, and respond to social concerns in a timely manner in order to consolidate its position as one of the world’s leading innovative design manufacturers.

YY Hung*Chairman, Chief Executive Officer and Executive Director*

OUR FOCUS ON SUSTAINABILITY GOALS

IN LINE WITH THE 2030 SUSTAINABLE DEVELOPMENT
GOALS OF THE UNITED NATIONS,
REGINA MIRACLE HAS SET THE SUSTAINABILITY TARGETS FOR 2030



OUR 2030 TARGETS



Develop
sustainable
materials,
craftsmanship
and
technologies

12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



Sustainable
Innovation

8 DECENT WORK AND
ECONOMIC GROWTH



5 GENDER
EQUALITY



People and
Community



Promote
gender
equality and
women's
empowerment

Nurture young
generation

Contribute to
society

SUSTAINABLE DEVELOPMENT MANAGEMENT

As a global leader in the intimate wear manufacturing industry and a global citizen, and an advocator and practitioner of sustainable development philosophy, the Group actively manages the environmental and social impact of its manufacturing and operational activities. During the Reporting Period, the Group carried on with the three-tier sustainable development governance structure of “leadership – decision-making – execution” whereby sustainable strategies were pushed ahead and implemented with effectiveness, and defined the focus of the Group’s sustainability management for the year after stakeholder engagement and materiality assessment, so as to achieve sustainable development in a responsible and accountable manner.

STATEMENT OF THE BOARD

The Board of Regina Miracle is committed to complying with various requirements under the ESG Guide of the Stock Exchange, continuously improving the Group’s governance system for sustainable development, actively incorporating ESG factors into the Group’s major decision-making and business practices, and persistently strengthening the Board’s participation and supervision in ESG matters. During the Reporting Period, the Board has convened two meetings to follow up and discuss on ESG matters.

LEADERSHIP

THE BOARD

The Board of Regina Miracle

DECISION- MAKING

ESG COMMITTEE

Consist of three Directors, including one independent non-executive Director

EXECUTION

ESG EXECUTION TEAM

Led by the Chief Operating Officer, comprising factory department representatives from different business segments for managing and reviewing ESG matters, including innovation and materials, environmental projects, human resources, operation, external communication, compliance and information technology.

SUPERVISION OF ESG MATTERS

The Board takes the overall responsibility for the disclosure of sustainable development strategies and information of Regina Miracle. The ESG Committee under the Board is responsible for managing Regina Miracle's ESG-related matters, such as governance, policies, measures, performance and reporting, and giving advice and assistance on the management of related matters to the Board. The ESG Execution Team comprising factory department representatives, as the actual executors, is responsible for implementing sustainable strategies and realizing ESG targets, and helping to provide information required for the preparation of the annual ESG report. During the Reporting Period, we further optimized the composition of the ESG governance structure and the related functions for a better review and timely assessment of the Group's strategies, providing guidance and suggestions on ESG management that are more suitable for the Group's operation management practices.

ESG MANAGEMENT APPROACH AND STRATEGY

The Board adheres to the principles of science-based assessment of ESG governance strategies and sensible planning of ESG management approach. Each year, the Group reasonably refines the ESG subject database, taking into account market concerns and talk of the town, Regina Miracle's development strategy, and results of communication with stakeholders, deliberately assesses the potential ESG risks and opportunities that it may encounter and their underlying effect on the long-run operation, and updates ESG issues accordingly. The Group timely performs a materiality assessment to rank ESG issues and sets the Group's ESG management and reporting priorities for the Reporting Period based on the ranking. In Fiscal 2024, the Group focuses on the review and supervision of key issues such as product quality and safety, labor rights protection, occupational health and safety, and energy and carbon management.

REVIEW OF ESG TARGETS AND PROGRESS

The Group has established ESG management targets, covering key ESG performance indicators such as CO₂ emissions, waste management, sustainable material and process development, gender equality enhancement and empowerment of women, young employees cultivation, and contributions to the society. To ensure timely achievement of these ESG targets, the ESG Committee monitors the implementation of each issue on a regular basis and continuously urges the adoption of management measures that are in line with the Group's sustainable development philosophy by all business departments.

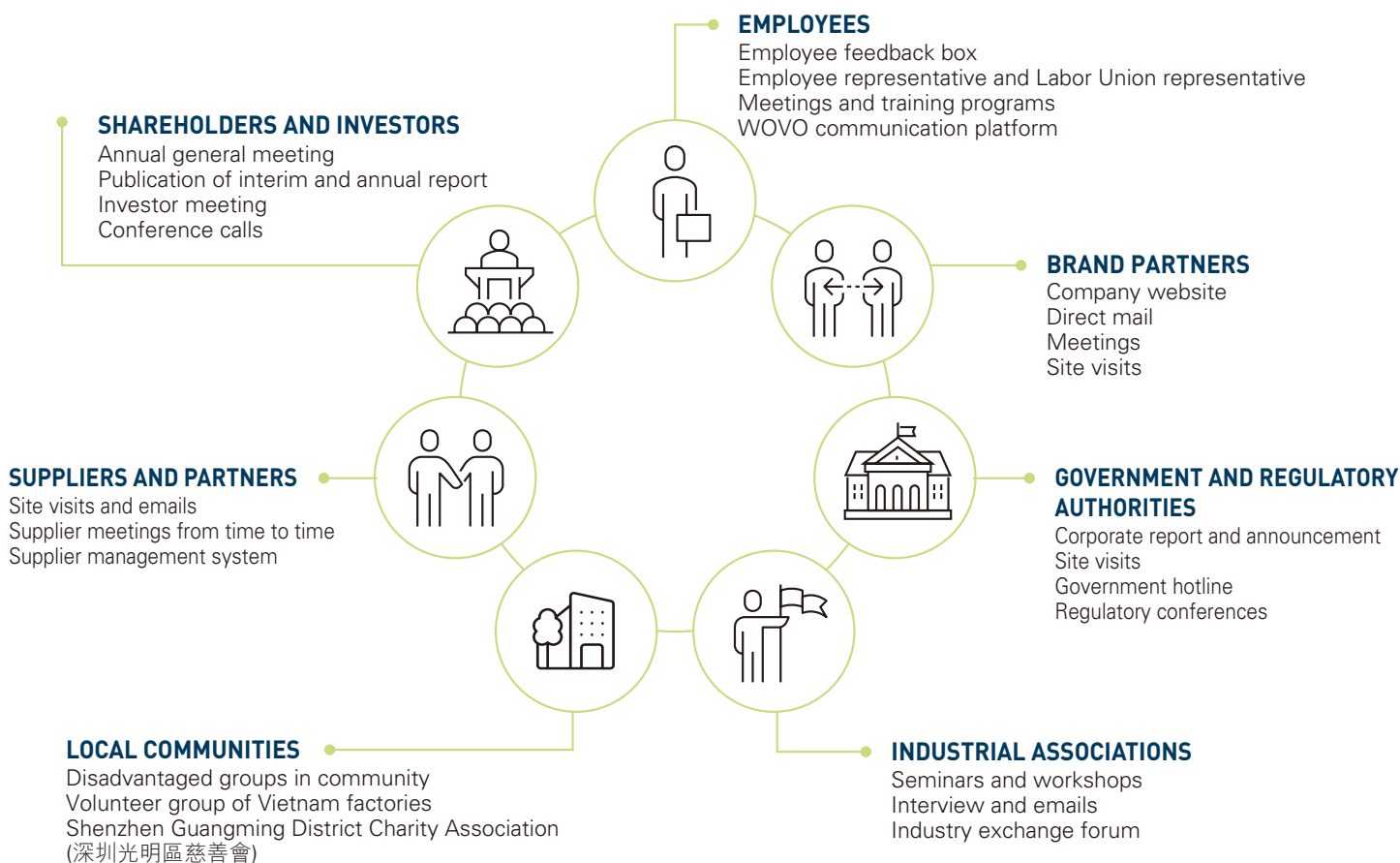
The Report provides detailed disclosure of the progress and effectiveness of Regina Miracle's ESG efforts for Fiscal 2024 and was approved by the Board.

SUSTAINABLE DEVELOPMENT MANAGEMENT

STAKEHOLDER ENGAGEMENT

The Group attaches great importance to the expectations and demands of our stakeholders, and maintains a dialogue with our stakeholders in an open and inclusive manner through establishing a diversified stakeholder communication mechanism having considered the Group's development strategy and business operation characteristics, actively understanding and responding to the expectations and needs of our stakeholders, so as to safeguard and strengthen the mutual help and trust with our stakeholders and jointly attain the sustainable development goal of the Group.

COMMUNICATION WITH STAKEHOLDERS

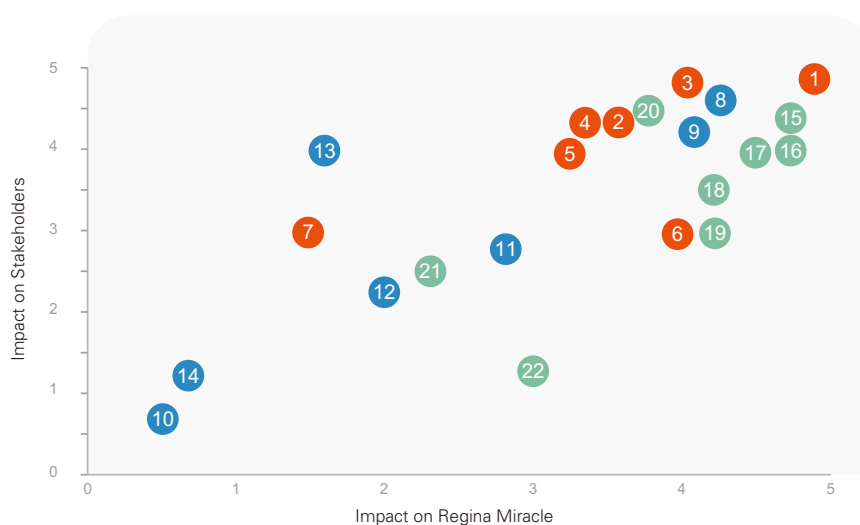


MATERIALITY ASSESSMENT

The Group believes that maintaining long-term communication and contact with stakeholders gives us a more objective and comprehensive picture when assessing the Group's ESG performance. Taking into account the industry development trends, good practices of peers and the results from our communication with stakeholders during the Reporting Period, we have determined the materiality of the ESG subjects in the Report, and elaborated on them in a targeted manner herein, so as to comply with the principle of materiality.

The following table sets out all the ESG subjects covered in the Report and the impact on stakeholders.

MATERIALITY MATRIX



Sustainable Innovation and Development	Environment	People and Community
1 Product quality and safety*	8 Energy and carbon management*	15 Labor rights protection*
2 Brand partners' satisfaction and brand protection*	9 Packaging and waste management*	16 Occupational health and safety*
3 R&D and innovation*	10 Using green energy	17 Employee training and development*
4 Intelligent production	11 Tackling climate change	18 Charity activities and charitable donations*
5 Supply chain risk management	12 Water resources management and sewage treatment	19 Remuneration system and welfare caring*
6 Intellectual property protection	13 Development of environmentally friendly materials	20 Corporate governance and anti-corruption*
7 Suppliers environment and labor management performance	14 Exhaust gas management	21 Information security
		22 Diversity, equality and inclusion

* Top-priority key subjects

SUSTAINABLE DEVELOPMENT MANAGEMENT

FY2024 HIGHLIGHTS

Environment



- Based on Science Based Targets Initiative (the SBTi) to carbon reduction targets and action plans of the Group
- Zhaoqing New District Industrial Park received LEED Gold Certification for green buildings
- Renewable electricity reduced carbon dioxide emissions by 11,768 tons
- Solar power generation supplied 6.07% of the electricity in Vietnam factories
- Total solar PV capacity of Hai Phong factories in Vietnam reached 16.6 GWh
- Hai Phong factories in Vietnam have achieved zero landfill of production waste
- A total of 18,512 cubic meters of wastewater was recycled for flushing at Factory E in Hai Phong, Vietnam



Sustainable Innovation and Development



- Vegetable oil-based content of REherbafoam sponge increased from 25% to 55%
- Sustainable materials and product research and development
- Collaboration with the Hong Kong Polytechnic University to develop AI smart fabric inspection machine, facilitating industrial upgrading
- Digital transformation, vigorously promoting smart production lines
- Establishment of the Right First Time ("RFT") system

People and Community



- Hai Phong factories in Vietnam received "WRAP" Gold Award and "High Performance Factory" of "Better Work Vietnam"
- Provided training to 34,956 employees, with an average training hour of 6.03 hours



SUSTAINABLE DEVELOPMENT MANAGEMENT

ZHAOQING NEW DISTRICT INDUSTRIAL PARK

To cope with the long-term development strategies in the PRC market, we chose to construct our Zhaoqing New District Industrial Park in the Greater Bay Area, with aims to build a cutting-edge environmental-friendly and modern industrial park that focuses on technology and sustainable development. As an integrated industrial park, the Zhaoqing New District Industrial Park, which produces consumer electronics components, high-end intimate wear developed by advanced technologies, and technological sports products with multiple functions, has been gradually relocating and commencing production since 2023, with the expectation of completion within the year 2024.

SOLAR PV PANEL

We plan to install the solar panel from January 2025, the scale of the project involves approximately 9,100 solar panels with a total capacity of 3.4 GW. This initiative significantly reduces carbon dioxide emissions by 3,200 tons annually, promoting green energy and environmental responsibility.

In addition to installing solar panels, we also strategically design and construct, ultimately maintaining environmental friendliness and efficiency in operations.

- **Energy Management and Control System:** The park has implemented an energy management and control system for real-time monitoring and energy-saving goals.
- **Water Recycling System:** By adopting an advanced water recycling system, the park minimizes water waste and contributes to environmental conservation.
- **Waste Disposal System:** Proper waste disposal practices are crucial for sustainable development. The park's waste disposal system likely adheres to eco-friendly guidelines.



SMART FACTORY

By deploying advanced technologies such as smart warehouses, logistics, and automated production facilities, we are achieving higher efficiency. Our highly efficient automated facilities create a vertically integrated production chain, supported by a robust digitalization system. This enables us to meet business needs with accuracy, speed, and transparency, fostering long-term and stable partnerships with strategic allies. Furthermore, we continuously enhance our supplier management by implementing stringent access controls and robust supply chain risk management practices. By safeguarding product management from the source, we enhance our market competitiveness.





LEED

The Zhaoqing New District Industrial Park achieved “Leadership in Energy and Environmental Design” (“LEED”) Gold certification (Building Design and Construction) for its commitment to environmental sustainability and human benefits. This demonstrates how Regina Miracle, as a global leader in intimate apparel manufacturing industry, is supporting carbon reduction, public health, urban biodiversity, and other key needs with large-scale actions, reflecting its determination and mission.




ISO CERTIFICATION

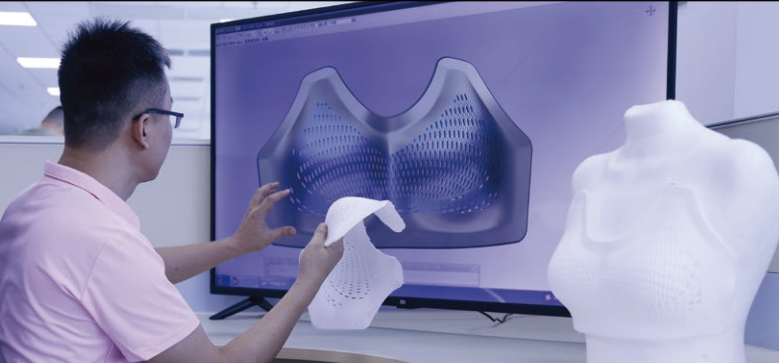
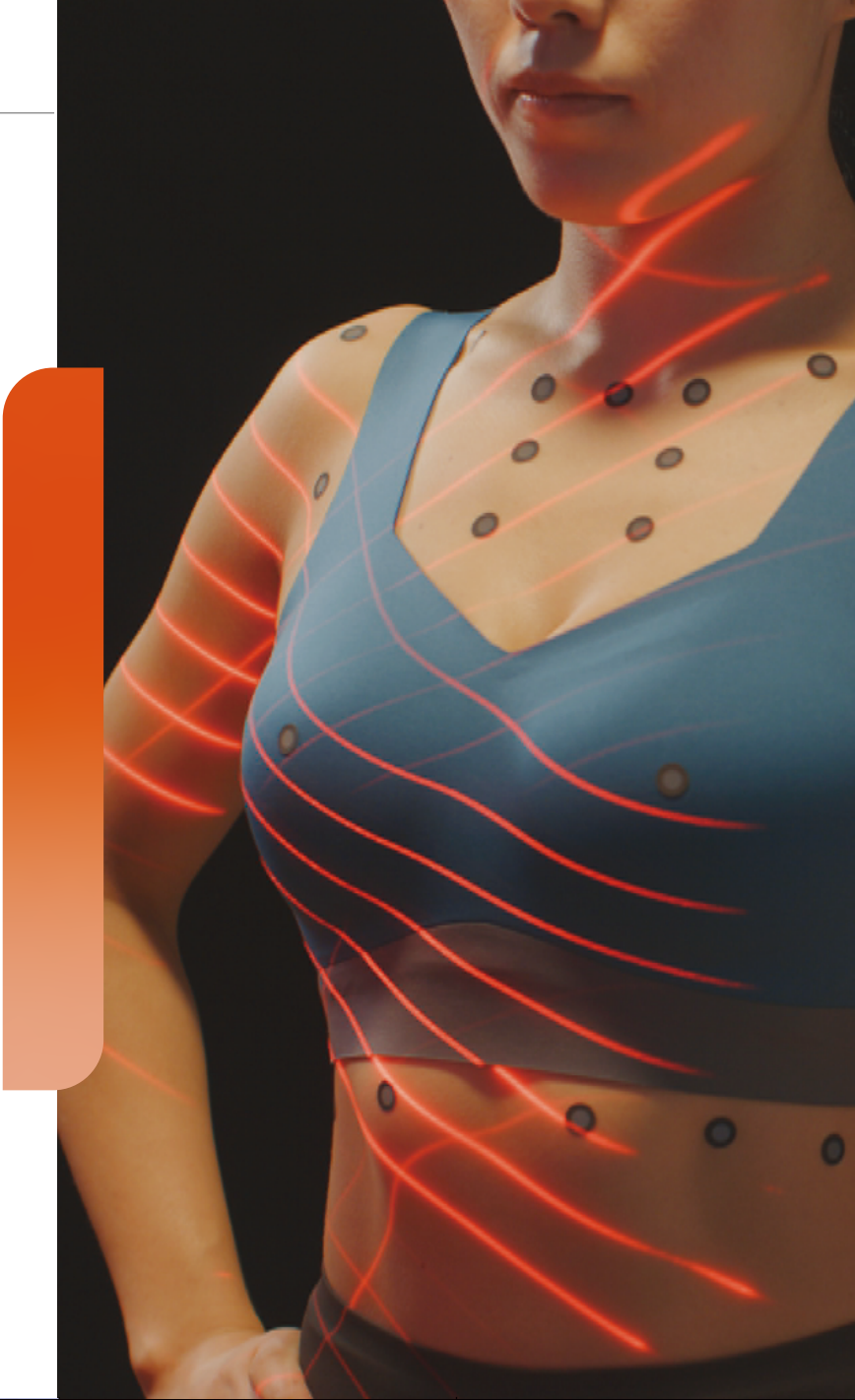
We uphold strict product quality management principles, environment principles, and occupation and health principles, adhering to high-standard production and manufacturing to ensure top-notch operations. We are committed to improving our carbon emissions and energy-saving performance through environmental projects such as the replacement of energy-saving machinery, equipment upgrades, and increasing the use of renewable energy in the production process. The Zhaoqing New District Industrial Park has achieved recognition through International Organization for Standardization certification such as ISO 14001, ISO 45001, and ISO 9001, demonstrating our commitment to comprehensive production management on quality, environment protection and safety.



PRODUCT R&D AND INNOVATION



Firmly believing that innovation is the core impetus for business growth and sustainable development, the Group has always been exploring new materials, introducing novel equipment, researching and developing innovative technologies and revamping our production models, so as to enhance our capacity in research, development and innovation in all aspects, aiming at offering more innovative, distinctive and functional products to brand partners and consumers. We have a state-level laboratory and a strong R&D team, and possess numerous international patents with achievements long been honored and awarded by brand partners.



SMART MANUFACTURING

PRODUCT R&D AND INNOVATION

We actively promote the use of intelligent devices and upgrade production machines, including automatic gripping, shoulder strap, tie knot, and steel ring threading machines, automation tools for sewing, seamless molding, logistics, and warehousing. Additionally, we have launched sample management, material tracing, and laboratory color matching systems. The goal is to enhance intelligent manufacturing capabilities and explore AI technology for smart factories, real-time monitoring, and predictive maintenance to reduce operating costs and promote industry advancement.

Machine Repair and Management System

We upgraded and optimized the system to help the mechanics understand the classification of equipment failures, maintenance needs and expected repair duration as soon as possible.

Unmanned Cut Pieces Supermarket

The Manufacturing Execution System (MES) develops an unmanned cut pieces supermarket, opens up upstream and downstream process information, and establishes an integrated platform for information such as material warehousing and inventory so that inquiry to material status is available and remote control of inbound and outbound movement of materials is possible at all times.

Lean Management System

During the year, we launched and used the system to visualize management indicators and used daily duty dashboard to standardize work at all levels.

OEE System

We developed and have been continuously upgrading the system to real-time display of relevant production information and production issues for spotting of timely response and quick solution, giving production personnel a more direct and clearer picture of the production.

AI Production Equipment

Regina Miracle is committed to promoting scientific research and transformation in areas such as Artificial Intelligence, and collaborated with The Hong Kong Polytechnic University to develop intelligent fabric inspection machines and comparative judgments on fabric defects by using AI technology for the purpose of unmanned fabric inspection operations, with an aim to driving breakthroughs in the industry.



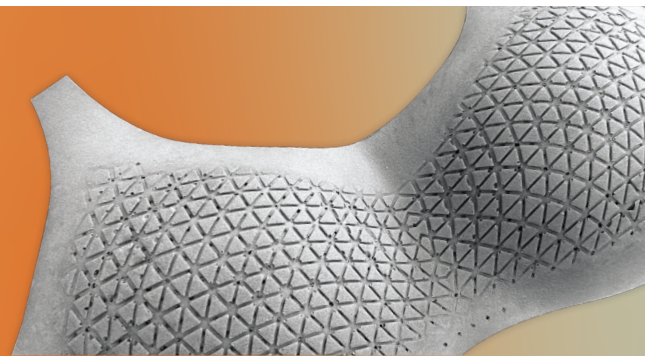
CRAFTSMANSHIP REVOLUTION

At the same time, Regina Miracle launched various advanced technologies, including REmatrixPad, REsiltech and REpersBond. With a highly automated production model and streamlined production processes, we improved our precision, flexibility and productivity. We have also synergized the REherbafoam technology and the REmatrixPad technology for effective realization of environmental-friendly development of both raw materials and production processes.

REmatrixPad

INJECTION MOLDING TECHNIQUE

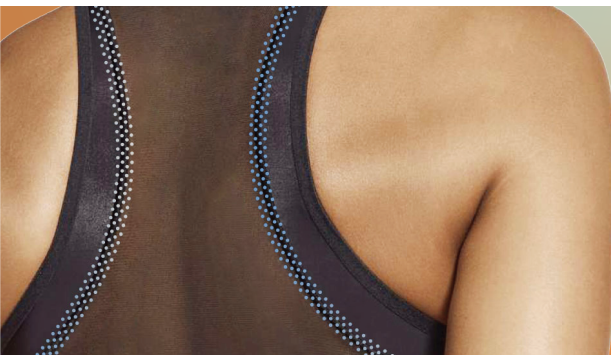
REmatrixPad injection technique allows cups of traditional products such as intimate wear and sportswear be automatically manufactured by a low-temperature molding machine, which can effectively save energy during production and enhance efficiency. The innovative 3D compression molding technology reduces material waste by 30% compared to the use of traditional cups.



REpersBond

DOTTED GLUE BONDING

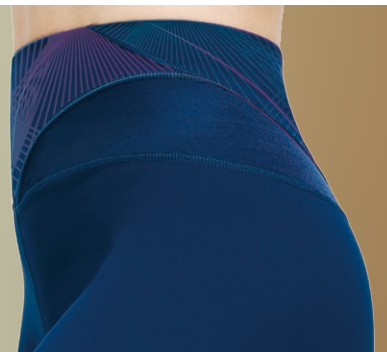
Thanks to REpersBond dotted glue bonding technique, automated mass production becomes possible, not only reducing adhesive wastage, but also realizing the production of non-toxic and light products. The streamlined production processes and significant decrease in manual operations help improve efficiency and quality while reducing energy consumption. This bonding technique, together with the use of bio-based adhesives, can reduce emissions and put the concept of environment protection into practice.



REsiltech

SILICONE TECHNIQUE

The use of organic materials in New Silicone Technique of REsiltech together with highly automated production lines have substantially increased production efficiency and mitigated environmental pollution, creating a more environmental-friendly and safer workplace. The highly automated mass production design achieved breakthroughs by implementing electrostatic absorption, soft gripper, negative pressure suction and bionic clamp technologies, which have further improved work efficiency and quality, and also lowered energy consumption.



REherbafoam

BIO-BASED FOAM TECHNIQUE

REherbafoam is a proprietary bio-based foam jointly developed by Regina Miracle and our suppliers. By utilizing vegetable oil-based instead of petroleum-based raw materials, the technique effectively reduces CO₂ emissions and has obtained the Life Cycle Assessment ("LCA"), the US "Anaerobic Degradation Test Method" ("ASTM D5511") Certification and United States Department of Agriculture ("USDA") Certified Biobased Product Label.



PRODUCT R&D AND INNOVATION

SUSTAINABLE MATERIALS DEVELOPMENT

Taking their applicability in the production process into consideration, we are committed to developing natural fibers that can be made from biodegradable materials and are suitable for the production processes, such as tencel, modal and cotton, so as to enhance the environmental friendliness of the materials. In addition, we expand our research and development efforts into REherbafoam, a biodegradable sponge, based on our existing technology to significantly reduce the carbon footprint of our products.

REherbafoam



25% to 55%

vegetable oil-based content

Propelled by the
**Technology
Breakthroughs**

REherbafoam degraded

>10% within 90 days

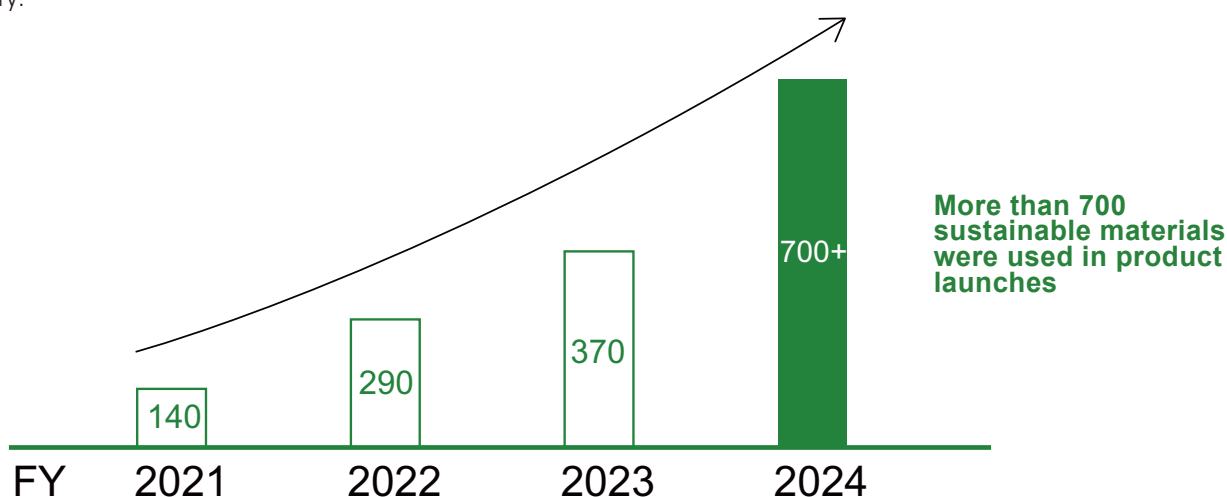
biodegradation decomposes

-12% CO₂

emissions when compared to conventional petroleum-based foam

SUSTAINABLE MATERIALS

We reduce carbon and emissions at sources, carry out R&D activities and use reusable or recycled material for development and production of our products, bringing a new round of opportunities for green development for the industry.



DIGITIZATION OF PRODUCT DEVELOPMENT

In addition to promoting the development of environmental-friendly materials, the digitization of product development also allows us to replace physical sample production with 3D virtual prototyping technology, which reduces material consumption and carbon dioxide emissions generated during delivery of product samples. In Fiscal 2024, **we saved approximately 11,072 pieces of 3D physical samples** by using 3D virtual prototyping technology.

PRODUCT R&D AND INNOVATION

R&D TRAINING AND DEVELOPMENT

We insist on carrying out independent research and development, and have established research and development related systems and standardized the approval process of research and development projects. Moreover, we provide three-level training (company-level, department-level and employee's self-training) for R&D personnel, and have established a comprehensive performance appraisal system and set performance indicators for them.

Meanwhile, we have established an "Open Innovation and Entrepreneurship Platform" and an "Industry-University-Research Cooperation Platform", so as to encourage employees to exchange ideas with peer enterprises as well as upstream and downstream partners to gain exposure. We also arrange for members of core technology team to participate in industry exhibitions, explore better automation solutions with peer enterprises and brand partners, and learn the strengths of others to enhance our R&D capacity.

Open Innovation and Entrepreneurship Platform	Industry-University-Research Cooperation Platform
The platform enhances innovative abilities of employees by encouraging them to share innovative resources, such as research papers, instruments and equipment, inspection and testing and collaborative design.	The platform guides the cooperation and exchange ideas with colleges and universities and research institutes at home and abroad, and jointly conducts scientific research with them, with a view to promoting the transformation of scientific research achievements and the application of scientific technology in the industry.



PRODUCT RESPONSIBILITY

QUALITY MANAGEMENT SYSTEM

Regina Miracle regards meeting brand partners' satisfaction as the core of quality. We have established a systematic quality management process to ensure consistent quality control over our products to keep our product quality at a high level. China and Vietnam factories have obtained ISO 9001 Quality Management System certification, which covers all our products. In addition, internal audits are designed and performed to ensure quality management is implemented by all departments.

QUALITY MANAGEMENT PROCESS

The Group has established a three-level management system, comprising primary, middle and senior management, thereby promoting quality control, supervision and risk control. Through our efforts in improvement of production efficiency, standardized monitoring of product quality and measurement, we tightly control the product delivery, marketing and distribution.

Our quality control covers the whole process from raw material procurement, production, inspection to the control of unqualified products. We carry out pre-delivery inspection in strict compliance with the national standards, industry standards and corporate standards, and invite, from time to time, relevant parties for on-site inspections and guidance.

During the Reporting Period, no products of the Group having been sold or shipped were subject to recalls for safety and health reasons.

Established the RFT system

Doing things correctly at the first time will greatly improve productivity and efficiency.

Empowers our certified inspectors to carry out more stringent control over the sampling and testing process before the delivery of our products so as to prevent unqualified products from entering the market.



100% final inspection



99.98% passing rate for product inspection by brand partners







Sampling and testing for quality control

PRODUCT RESPONSIBILITY

QUALITY ASSURANCE

In terms of quality monitoring and risk control, we have established an internal audit team in each production department. We set quality targets each month, carry out internal appraisals for the quality monitoring works that each production department achieves, and implement timely correction for any inadequacies identified. For defective products returned by consumers, we form a special team to investigate the issue and take measures for improvement. We have also formulated methods and processes for product quality examination to review the implementation of the quality risk management measures.

PRODUCT QUALITY MANAGEMENT MECHANISM

 Raw Materials Procurement	Raw materials procured can only be put into storage after they pass the inspection to ensure a 100% qualification rate.
 Production	Trace back to corresponding groups and individuals responsible for relevant product quality issues and take corrective and preventive measures in a timely manner.
 Inspection	Conduct inspection on the production process and finished products, and issue corresponding inspection reports and keep relevant records for qualified products.
 Control for unqualified products	Implement a three level inspection system comprising self-inspection, cross inspection and specialized inspection, adopt effective corrective and preventive measures to eliminate the existing and potential factors giving rise to unqualified products, thereby preventing the recurrence of similar quality issues.



In terms of verification and maintenance of production machines, our internal audit teams routinely verify the execution of the quality verification process to ensure all machineries are operating within a reasonable error range, thereby assuring stable product performance and reliable quality.



In terms of training efforts, we have formulated training programs on quality assurance, covering areas such as comprehensive quality management and evaluation criteria on excellence in performance. In 2023, the Group organized Quality Day for the managers and frontline employees from production-related processes, on which we commended the "Best Production Line" in each of the Group's factories to enhance our practices in quality management.

ENHANCE BRAND PARTNERS' SATISFACTION

We promptly respond to brand partners' diversified demands by enhancing our products' performance and quality in all aspects to meet brand partners' requirements and expectations, and refine our complaints and marketing management to protect brand partners' privacy. In addition, we have also been strengthening protection on our brand and intellectual property rights, so as to build a long-term win-win cooperation with our brand partners.

COMPLAINT MANAGEMENT

The Group has established a complaint management system, under which we collect the feedbacks and suggestions from brand partners via phone call, email and messages from official platform, immediately handle the complaints to brand partners, and summarize and analyze the complaints on a monthly basis before formulating corresponding rectification plans. The performance of corresponding departments will be under continuous monitoring. During the Reporting Period, we have not received any material complaints about product quality and safety.

BRAND AND INTELLECTUAL PROPERTY PROTECTION

Adhering to the principle of "scientific management, meticulous design, dedicated service, proactive innovation and continuous improvement", the Group attaches great importance to brand partners' legitimate rights and interests, strictly complies with the laws and regulations of the regions where we operate, and formulates relevant policies and systems to ensure the compliant processing procedures for the products, technological information and raw materials. We also act strictly in accordance with the compliance procedures to avoid infringement upon intellectual property rights.

Measures for Intellectual Property Rights Protection

- Operation log
- Confidentiality agreements
- VPN setting
- Access rights setting
- Firewall
- Watermarks on documents
- File encryption
- Coding conversion
- Data backup

We recognize the importance of intellectual property rights and protect the achievements of development and design by registration of patents, designs and trademarks, as well as adoption of information technology security management measures such as physical monitoring and coding conversion, in order to safeguard our intellectual property rights and interests. In addition, we also arrange training sessions on "Intellectual Property Rights Protection" for employees to heighten their overall awareness on intellectual property rights.

We have set our patent management objectives and integrated the technological innovation with patent management throughout the entire process of research and development, production and operation, and included the effective utilization of patented assets in the Group's strategic planning. During the Reporting Period, the Group did not suffer any infringement of intellectual property rights, nor did it infringe upon the intellectual property rights of others.

SUPPLY CHAIN MANAGEMENT





SUPPLY CHAIN MANAGEMENT STRATEGY

In accordance with relevant laws and regulations of the places where we operate, the Group formulates policies and strategies for supply chain management, establishes a stringent supplier management system to regulate supplier behavior, including but not limited to supplier admission, supplier management and assessment mechanism, and exercises stringent control over product quality in the supply chain, so as to establish a stable, efficient and reliable supply chain ecosystem.

SUPPLIER MANAGEMENT PROCEDURES

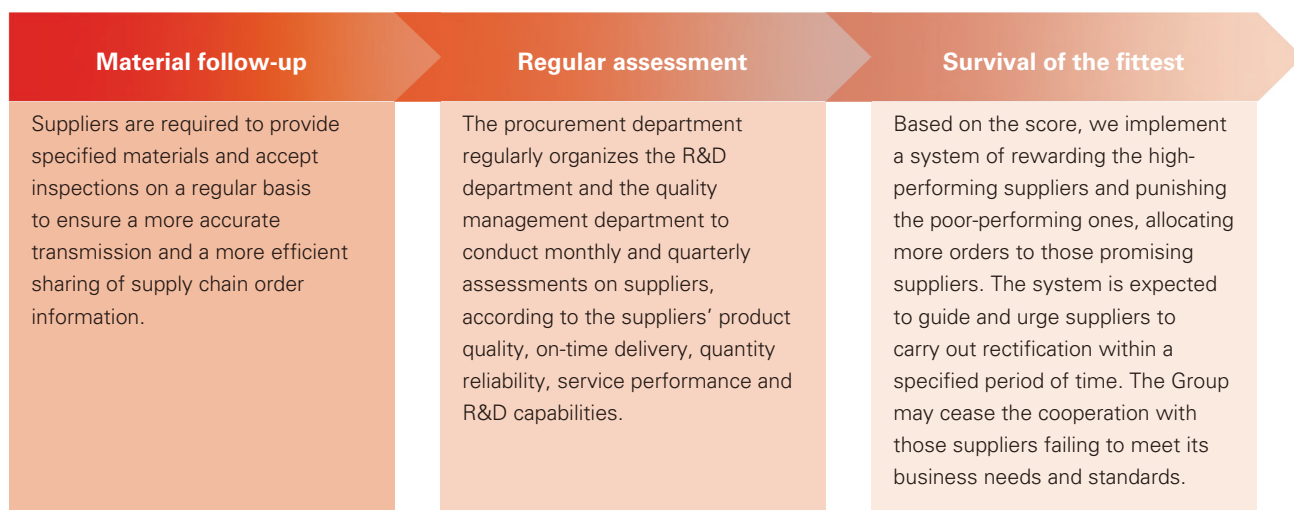
While seeking new and reliable partners, Regina Miracle has established a rigorous supplier admission mechanism, and commits itself to only working with suppliers that are environmentally-friendly and accountable to employees. In addition to the quality of products supplied to us, we encourage our suppliers to act in line with our business standards for the environment, society and ethics. These requirements are embodied in our “Code of Conduct” and “Supplier Anti-bribery Agreement” and expected to be followed by our partners throughout our cooperation.

SUPPLIER ADMISSION MECHANISM

 Comprehensive assessment	We conduct comprehensive assessment on operation qualifications, product quality and price, innovation capability, environmental and social risks (covering forced labor, health and safety, child labor, wages and benefits, working hours, discrimination, environmental protection and anti-terrorism)
 Quality control	Suppliers are required to provide samples and conduct testing in accordance with our production process, and provide quality reports on verified samples
 Compliance requirements	Suppliers are required to follow the principles of giving equal emphasis on quality, price, delivery and service, and pass the document inspection and on-site auditing
 Standardization of the competitive quotation	The competitive quotation process is standardized to prevent corruption in supplier admission

Regina Miracle strives to standardize the supplier management and assessment system and establish a scientific and effective mechanism to evaluate, provide feedback to and improve the performance of the suppliers. We conduct preliminary qualification and compliance audits for all potential suppliers with “Supply Chain Management system” (“SCM”). Our qualified internal auditors will visit those suppliers who have passed our initial screening for on-site audits to ensure that those suppliers comply with the environment and labor-related laws and regulations of the place where they operate, and meet the requirements of both our brand partners and Regina Miracle.

SUPPLIER MANAGEMENT AND ASSESSMENT MECHANISM

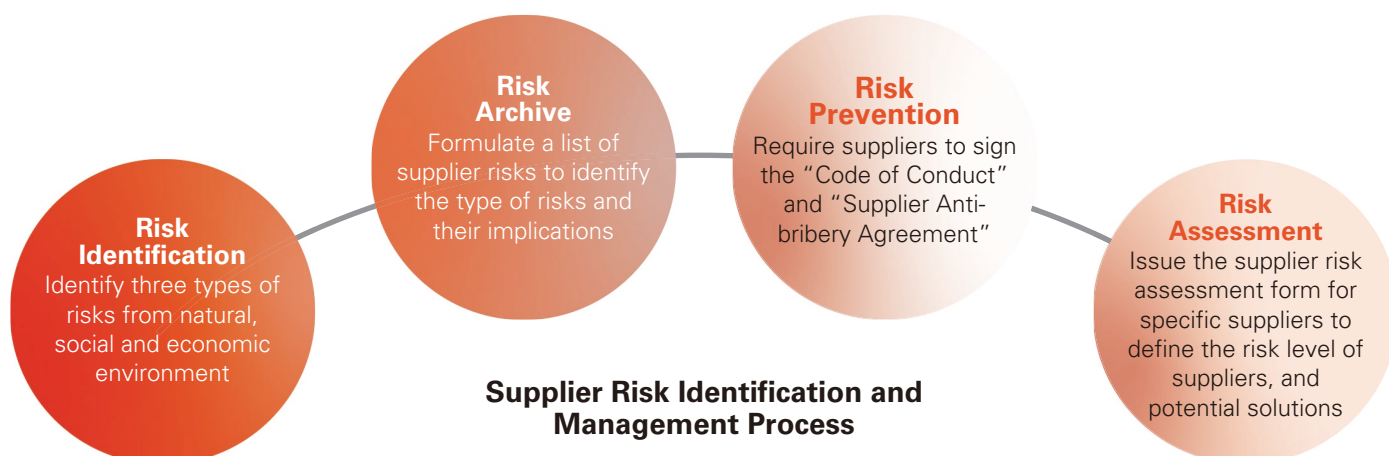


The Group values responsibility communication with suppliers and has established regular communication channels with its suppliers at both the management and executive levels. By way of on-site visits, daily communication and information exchange on special topics, the Group will understand the current situation and challenges faced by its suppliers in terms of product, social and environmental management, and share the latest industry developments in environment and society with them.

During the Reporting Period, we conducted such monitoring on 55 major suppliers.

SUPPLIER RISK MANAGEMENT

Regina Miracle is dedicated to establishing clear and fair supply chain management process and standards, conducting audits and risk assessments of the supply chain. Foresight analysis exercises enable us to take corresponding measures, enhance risk control and provide support to suppliers.



ENVIRONMENTAL MANAGEMENT



Regina Miracle is committed to making contribution to environmental protection and determined to move forward to a world-class enterprise. We keep a closer eye on the global trend of sustainable development, and remain committed to the new industrialization of “high technology, low energy consumption, and environment-friendly”. We focus on green manufacturing and continue to make investment in green technologies to pursue environmentally-friendly production equipment and processes. Regina Miracle sets a series of environmental goals to drive a green and low-carbon transformation of the Group.



ENVIRONMENTAL MANAGEMENT

ENERGY AND CARBON MANAGEMENT

We strictly abide by the laws and regulations of the countries and regions where we operate and formulate relevant policies and systems and implement the energy policy of “Conserving Energy, Reducing Emission, Being Green and Protecting the Environment”.



ENERGY POLICY

Conserving Energy

We clearly set out our energy conservation goals, policies, initiatives and designate relevant responsible persons.

Protecting the Environment

We adopt advanced, economical and environmental-friendly measures to reduce energy consumption, and utilize energy effectively throughout the process from design, production to consumption.

Reducing Emission

We increase the area of the green belt and reduce man-made carbon dioxide emissions to maintain the balance of our ecological environment and mitigate the energy and climate crisis of mankind.

Being Green

We actively promote the environmental protection culture, integrate the concepts of energy conservation, low carbon, green development and harmonious coexistence with the nature into our corporate culture, and regulate the conduct of all employees to enhance their sense of responsibility for environmental protection.

RESPONSES TO CLIMATE CHANGE

Regina Miracle gives serious attention to the potential impact of climate change. After taking into account external changes and its own business characteristics, Regina Miracle has identified the risks and opportunities of climate change relevant to the Group and formulated response strategies. We have included climate change matters in our ESG governance efforts, and our board and management will regularly oversee, review and promote our climate actions, expecting to minimize the risks posed by climate change to the Group's business operation and maximize the opportunities of green and low-carbon transformation brought by climate change.

In response to stakeholders' request, we keep identifying and responding to main climate risks exposed to and opportunities faced by the Group, and have facilitated the implementation of corresponding initiatives.

Climate Risks	Climate Opportunities	Response Measures
Physical Risks <ul style="list-style-type: none"> typhoon, high temperatures, rainstorms and other extreme weathers 	<ul style="list-style-type: none"> renewable energy low-carbon products 	<ul style="list-style-type: none"> promote the use of renewable energy promote usage of recycled materials and get GRS, RCS, RWS accredited
Transition Risks <ul style="list-style-type: none"> policy, market transformation and reputation 	<ul style="list-style-type: none"> development of sustainable products circular economy 	<ul style="list-style-type: none"> strive to achieve zero landfilling of production-related waste refine the supplier management procedure construct smart factories

To cope with extreme weather conditions, we have established relevant internal system and set up emergency response team so as to minimize the negative impact on the Group's business development with specific measures addressing extreme weather events such as heavy storm, typhoons, earthquakes and mudslides. We have also installed spare generators and water tanks for emergency power and water outage, and regularly carry out dredging, inspection and clearance to enhance the Group's resilience to extreme weather.

ENVIRONMENTAL MANAGEMENT

ENVIRONMENTAL MANAGEMENT SYSTEM

Regina Miracle has established and been improving its environmental management system. We require all departments to carry out environmental protection work scientifically and effectively through environmental target setting, environmental impact assessment and risk identification, environmental work planning and environmental performance monitoring. In addition, we welcome inspections and supervision, as well as oversight of the public and the media. We engage professional institutions to conduct regular environmental audits and issue corresponding reports.

GREEN CERTIFICATES

Prior to obtaining LEED gold certification by Zhaoqing factories, the Group's other factories have also obtained various Green Building certification, Factory A and E of Vietnam factories have already obtained LEED silver and gold certifications respectively, and Shenzhen factories have obtained the "Green Factory" and the "CarbonCare® Label" certifications. Such certifications are important in terms of improving the building environment, achieving global carbon reduction and creating prosperous and healthy communities.



ISO CERTIFICATES

Regina Miracle is committed to environmental protection and energy conservation. In addition to enhancing energy efficiency in product design, research and development and manufacturing, we have, based on ISO 14001 environmental management system, established a systematic management approach to pollution prevention and improvement mechanisms, so as to align our energy management goals with strategy implementation.



LOW-CARBON OPERATION AND RESPONSES TO CLIMATE CHANGE

The Group will keep promoting its targets on carbon reduction and energy saving in the course of its operation, and is committed to the implementation of the science-based reduction target. During the Reporting Period, we joined the Science Based Targets initiative and carried out a carbon audit covering the entire Group in order to set 1.5°C goal in line with the Paris Agreement.



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

SUSTAINABILITY MATERIALS CERTIFICATION

The Group actively promoted the development and application of various types of environmentally-friendly materials with the aim of providing more choices to our brand partners, and in Fiscal 2024, our Vietnam and China factories obtained the Recycled Claim Standard (“RCS”) certification, while our Vietnam factories at the same time obtained both the Global Recycled Standard (“GRS”) certification and the Responsible Wool Standard (“RWS”) certification.



ZDHC CHEMICALS MANAGEMENT

The Group is committed to promoting the reduction of using toxic and hazardous substances in the industry and minimizing the impact of our products on the environment. Our factories are gradually expanding the use of green chemicals, with more than 50% of the chemicals in use complying with ZDHC MRSL Level 3 or OEKO-TEX® ECO PASSPORT, and our Hai Phong factories in Vietnam has joined the ZDHC Supplier to Zero program (Foundational Level), which aims to improve the management of chemicals and to reduce risks.



HIGG INDEX

In 2021 and 2022, both the Shenzhen factories in China and the Hai Phong factories in Vietnam obtained Level 1 certification in the Higg Facility Environment Module (“FEM”), and in 2023, our factories achieved an average score of over 85 points in the FEM data verification and validation.

HIGG FEM 4.0

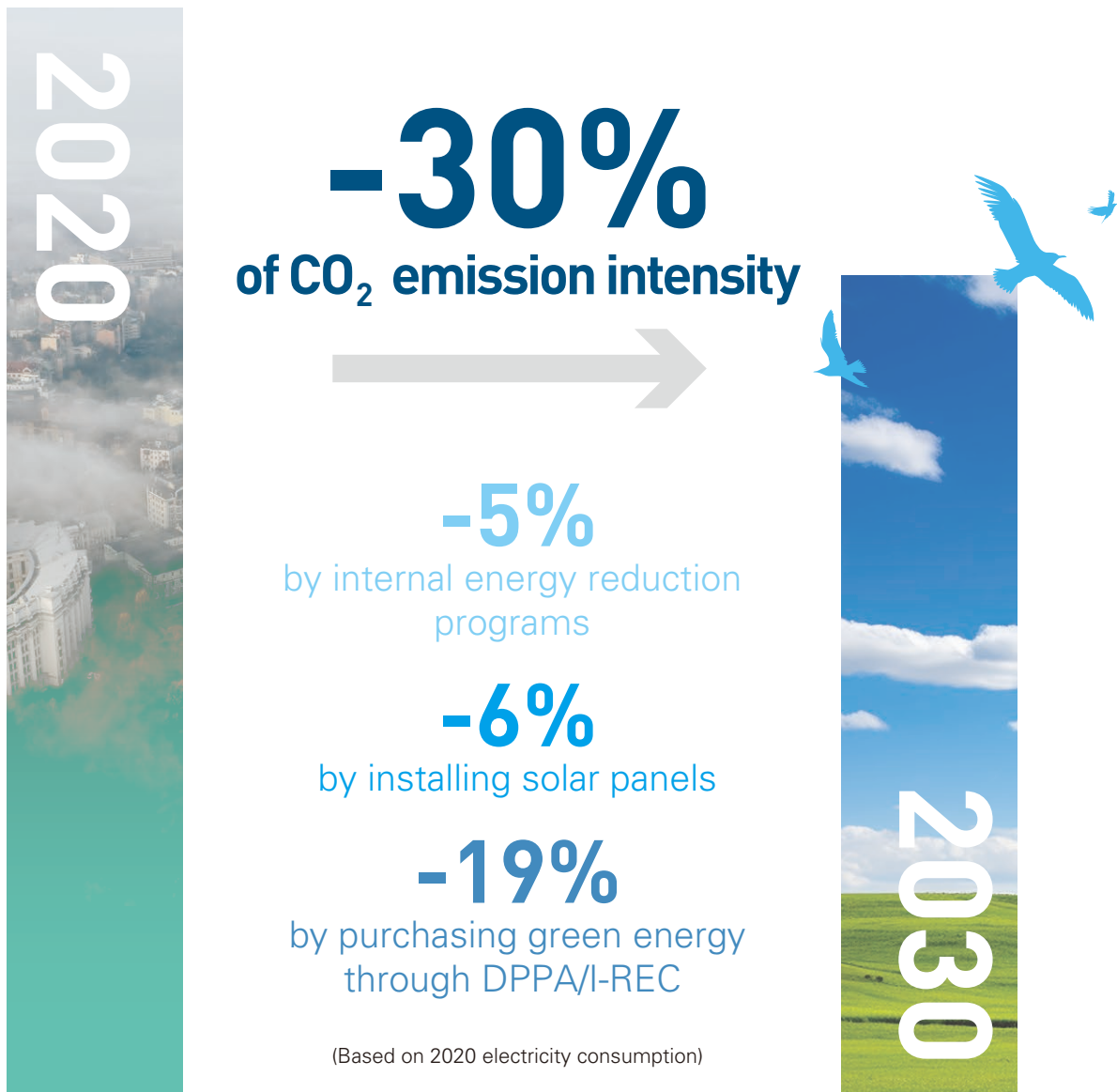
With the launch of Higg FEM 4.0 in November 2023 and its formal implementation in 2024 by Worldly, the Group is fully prepared to get more understanding on the updated requirements so as to cope with the more demanding standards, working together for the industry and making contribution to the environmental protection.



ENVIRONMENTAL MANAGEMENT

The Group continues to promote carbon reduction through internal energy conservation programs, installation of solar power generation equipment and procurement of green energy, in order to make more contribution to the achievement of Regina Miracle's 2030 carbon reduction targets.

REGINA MIRACLE'S 2030 CARBON REDUCTION TARGETS

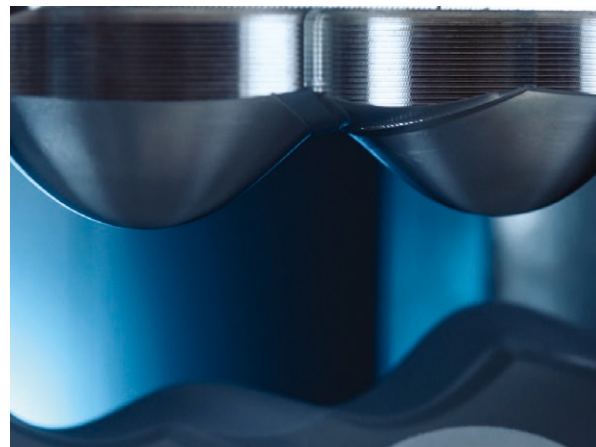
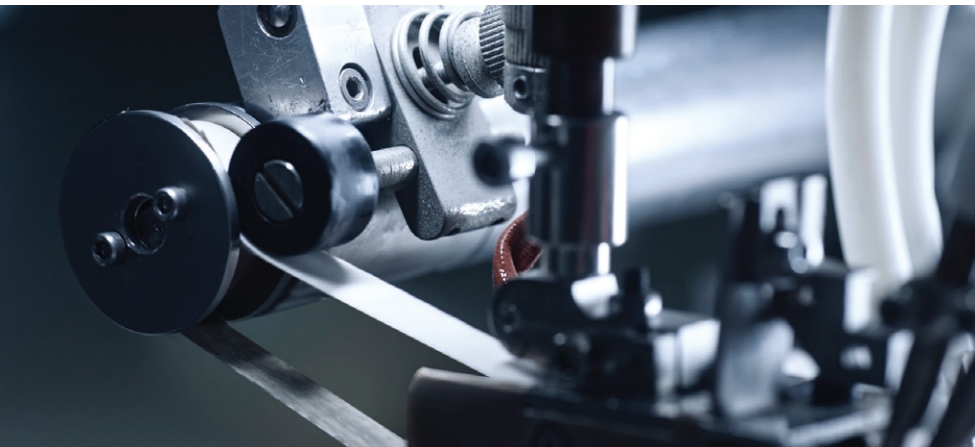


INTERNAL ENERGY CONSERVATION AND EMISSIONS REDUCTION

In order to improve the energy efficiency of our factories, we have not only enhanced the efficiency of energy use in product design, research and development and manufacturing processes, but also been accredited ISO 14001 certification for environmental management system to recognize our establishment of a mechanism for pollution prevention and improvement through a systematic management methodology. Regina Miracle regularly formulates emission reduction plans, and each factory is committed to devising cost-effective energy-saving optimization solutions to facilitate the Group's green and low-carbon transformation, and align our implementation strategies with our energy management objectives.

-5%

CO₂ EMISSION INTENSITY



OPTIMIZATION OF PRODUCTION EQUIPMENT

We have implemented various measures to improve technology of energy-consuming manufacturing machinery, such as sewing machine and hot-press molding machine, to maximize energy efficiency.

ENERGY MONITORING SYSTEM

We have installed a real-time energy monitoring system in Zhaoqing factories in the PRC to intelligently monitor the efficiency of energy use, effectively control and enhance the efficiency of energy use, realize energy saving and carbon reduction, and reduce operating costs

PROMOTION OF ENVIRONMENTAL EDUCATION

The Group also highly prioritizes the establishment of an internal energy management system. Our factories in Zhaoqing provide employees across all departments with training on environmental protection in accordance with the "Energy Conservation and Emissions Reduction Management Scheme", and have set up an "Energy Management Committee" to participate in events and activities, such as "One Green Minute", "5,000 Steps to Happiness" and "Eco-Friendly Fashion Show", through which the Group aims to make its staff fully understand its system, plans and requirements on environmental protection management, develop their environmental awareness and encourage its staff to weave the concept of environmental protection into our daily operations.

ENVIRONMENTAL MANAGEMENT

INSTALLING SOLAR POWER PV SYSTEM



The first batch of solar power PV modules has been installed at the Vietnam Hai Phong factories since 2020. As of the current fiscal year, a total of **24,168** solar panels have been installed, and the renewable electricity accounted for **6.07%** of the electricity consumption of Vietnam Hai Phong factories, equivalent to a reduction of carbon dioxide emissions by 6,540 tons.

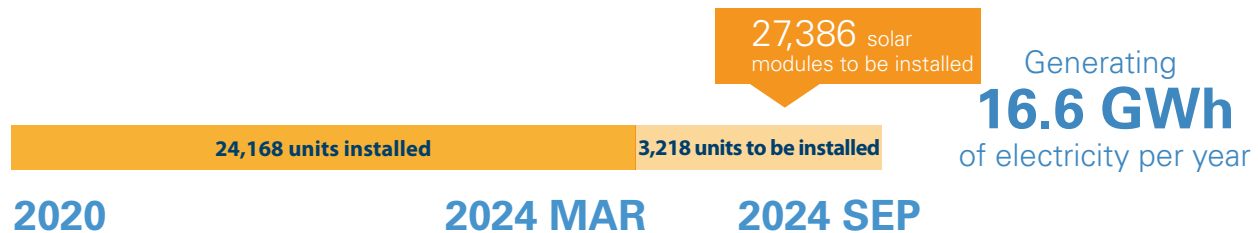
-6%

CO₂ EMISSION INTENSITY



The Group is expanding its renewable electricity generation to meet the demand for electricity of our factories. As the Vietnam Hai Phong factories and Hung Yen factories are carrying out the second phase of installation of solar power PV modules, together with the newly installed PV modules, the Vietnam factories will generate a maximum annual electricity capacity of approximately **16.6 GWh** by September 2024.

Hai Phong and Hung Yen Factories in Vietnam



Zhaoqing Factories in China



PROCUREMENT OF GREEN ENERGY

In addition to the solar power projects of the factories, during the current fiscal year, our Vietnam and China factories, through cooperation with local electricity companies, purchased a total of 2,000 and 4,818 MWh of green energy respectively, equivalent to a reduction in carbon dioxide emissions by 5,228 tons.

-19%

CO₂ EMISSION INTENSITY

RENEWABLE ENERGY USE

In Fiscal 2024, electricity generated by the factories' solar power PV system, together with green energy purchased, accounted for approximately 7.8% of the Group's electricity consumption in terms of renewable energy, realizing a reduction of carbon dioxide emissions by a total of 11,768 tons and representing a remarkable progress in renewable energy efforts towards the Group's 2030 emissions reduction target.

Renewable energy

Solar power PV modules of Vietnam Hai Phong Factories

Reducing carbon dioxide emissions
by **6,540 tons**

Procurement of green energy

The Group purchased 6,818 MWh of green energy

Reducing carbon dioxide emissions
by **5,228 tons**



ENVIRONMENTAL MANAGEMENT

WATER CONSERVATION

The Group has been promoting and implementing various water saving initiatives to enhance employees' awareness of water conservation, ensure compliance with the regulations on the discharge of different types of sewage and reduce negative impact on the environment. During the Reporting Period, the Group's water consumption for production and operation came from the municipal water supply and recycled water, and there was no interruption of supply or difficulty in obtaining other water sources during the Reporting Period.

Regina Miracle has set up a water conservation management team responsible for water resources management. Its duties cover, among others, analyzing and tracking the effectiveness of water conservation, promoting water conservation policies and establishing water conservation inspection system for common areas such as dormitories and canteens to help employees with fostering water conservation habits.

REUSED WATER

In addition, smarter and more energy-efficient water-consuming equipment is used in Vietnam factories to install devices for, among others, collection of wastewater and rainwater to increase the proportion of water recycling and improve the efficient use of reused water, so as to realize the benefits from water conservation.



Rainwater collected in our rainwater collection system can be reused for irrigation.

The wastewater treatment system in Hai Phong Factory E in Vietnam recovered 18,512 cubic meters of wastewater in aggregate for toilet flushing.






The condensed water can be directly collected and stored in the central hot water tank for heating by electric boiler.

WASTEWATER MANAGEMENT

The wastewater discharged by the Group is mainly classified into two types: domestic wastewater and industrial wastewater. Domestic wastewater is collected and connected to the municipal drainage network for treatment and discharged into the water body after reaching standards. For industrial wastewater generated from production, we have designed a well-established wastewater treatment process to ensure that the wastewater is discharged after compliant treatment.

We have installed wastewater treatment equipment in the China and Vietnam factories for conducting physical, chemical and biological treatment in a centralized manner. After treatment, the quality of wastewater meets the requirements of the discharge standards of both places.

WASTEWATER TREATMENT MEASURES

 Treatment by third parties	<p>Wastewater is collected and stored collectively:</p> <ul style="list-style-type: none"> • Its components are identified and tested • Compliant treatment by a qualified environmental protection company
 Internal treatment by factories	<p>Wastewater treatment facilities are built to treat wastewater through concentration, stabilization, treatment and sludge dewatering to minimize environmental pollution caused by wastewater.</p>
 Reusing wastewater	<p>We have invested in the development of reuse technology for treated wastewater at our Hai Phong Factory E in Vietnam, steadily improving our ability for water recycling.</p>
 Monitoring and maintenance	<p>We make it a rule that wastewater sampling and monitoring shall be carried out quarterly to ensure compliance with the regulations on wastewater discharge. We regularly carry out inspections and maintenance procedures for our pollution control equipment to ensure the stable operation of the processing equipment.</p>
 Employees training	<p>We regularly conduct trainings for employees to enrich their knowledge of wastewater treatment and standardize their wastewater treatment practices.</p>



ENVIRONMENTAL MANAGEMENT

WASTE TREATMENT

The Group adheres to the principle of “Reduction, Reuse and Recycling” and has formulated and implemented relevant systems on waste treatment to standardize classification and treatment of wastes during its operation and prevent the risk of pollution caused by the wastes scientifically and effectively.

ZERO LANDFILL

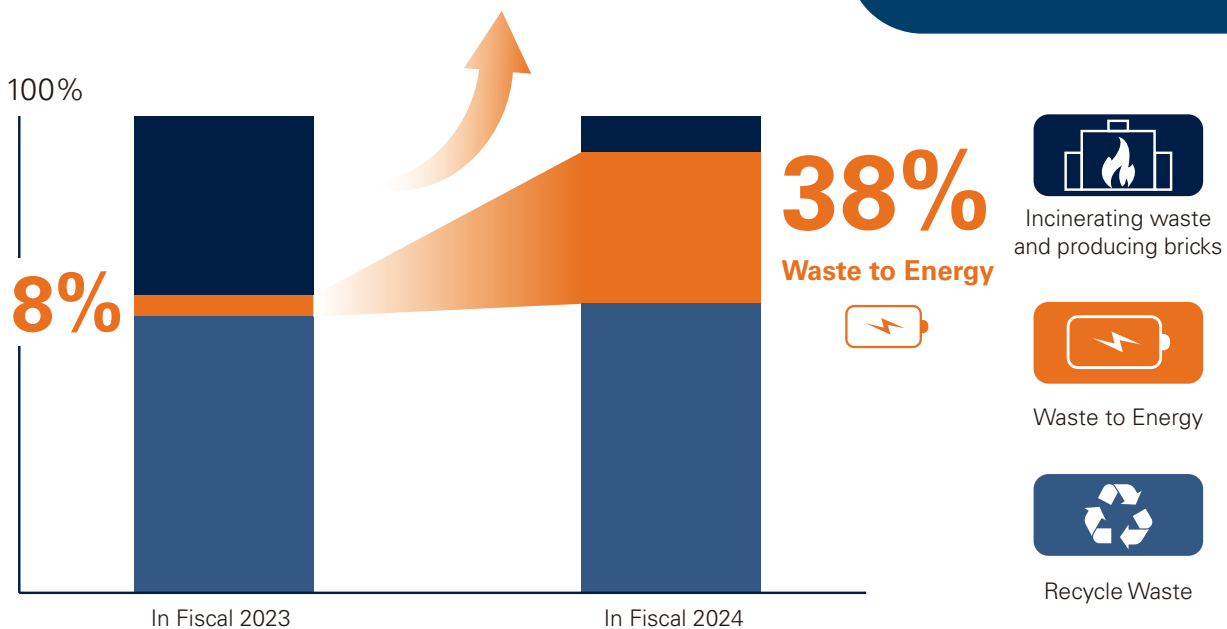
100% Production waste is diverted from landfills

To achieve the 2030 sustainability goal of “zero landfill of production waste”, Regina Miracle continues to promote the zero-landfill initiative. The Group has steadily achieved the goal of zero landfill of waste to protect the natural environment, through compliant disposal of hazardous wastes, cooperation with supply chain partners in recycling paper spools and plastic cutting boards, and the launch of “No Plastic Bags” program.

During the Reporting Period, the Group’s Vietnam factories achieved their zero-landfill target for all of their production waste.







PROGRESS ON 2030 TARGET

Our Hai Phong Factory in Vietnam has achieved “zero landfill of production waste” since Fiscal 2021.



In addition to the compliance of regulations for waster disposal, the Group adopted corresponding disposal arrangement depending on the types of wastes.

WASTE DISPOSAL PLANS

 Non-Hazardous waste	 Domestic waste Solid wastes generated in daily operation, such as paper, plastic and other domestic wastes are classified and recycled.	 Production waste Production materials that cannot be processed and reused shall be consigned to a third-party renewable resource management company to recycle and handle collectively.
 Hazardous waste	 Medical waste Wastes with direct or indirect infectivity and other hazards shall be handed over to qualified Clinical Waste Collector for collectively centralized treatment.	 Dangerous waste Wastes with corrosive, inflammable, reactive or infectious hazards generated in the production process shall be handed over to the qualified hazardous waste treatment companies for collectively centralized treatment.

EXHAUST GAS MANAGEMENT


The Group disposes of exhaust generated in production strictly in accordance with the laws and regulations of the place where it operates, and continuously reduce our production exhaust intensity through various measures within the regulatory emission standards to reduce environmental pollution caused by emissions.



Measures	Description
Adoption of advanced and reliable exhaust treatment equipment	For the production process of mixing pulp, silk screen printing and drying, we have set up exhaust hoods to collect the exhaust, and installed "two-stage activated carbon adsorption device" to treat the exhaust.
Inspection of key equipment	A responsible personnel is arranged to inspect relevant emission pipes daily, and to report any extraordinary incidents immediately after such incidents are discovered in the inspection and deal with such incidents timely.
Monitoring exhaust emissions by third parties	A professional third-party testing organization is engaged to monitor exhaust emissions from our factories to ensure that the exhaust emissions meet the requirements of emission standards.

PEOPLE AND COMMUNITY

At Regina Miracle, we uphold the philosophy of “Identify real talents, appreciate valuable employees and involve the right people”, in the way that we actively recruit and retain talents, adhere to the protection of labor rights and interests, and strive to improve talents’ development and care. While health and safety of employees is highly valued, proactive contribution is made to community investment and achievements of enterprise development are shared with all employees.





PEOPLE AND COMMUNITY

EMPLOYEE DEVELOPMENT AND CARE

Our employees are the most valuable asset to us and our main driver for business growth. Therefore, we strengthened the communication mechanism with employees to enhance their sense of belonging and cohesion. We have also provided comprehensive training and development opportunities, as well as giving recognition and reward to outstanding employees. Meanwhile, we care about their physical and mental health, allowing them enjoy work-life balance.



The Group is always maintaining a "people-oriented" culture at workplace and the Hai Phong factories in Vietnam has even obtained Gold certification from "Worldwide Responsible Accredited Production" (the "WRAP") and certification of "High Performance Factory" of "Better Work" in Vietnam ("Better Work Vietnam").

PROMOTE GENDER EQUALITY

The Group is particularly proactive in the promotion of women development and shows all round care for its female employees. While ensuring that all of them are entitled to holidays in accordance with laws, breastfeeding rooms are set up in the offices and production facilities of the Group, menstrual leave is also available to female employees in need. On top of this, we initiate health programs for women, including obstetrics and gynecology examination and cervical cancer screening.

To promote gender equality, the Group demonstrates its commitment to women empowerment with action through trainings on such topics as Personal Advancement and Career Enhancement ("P.A.C.E") and Gender-based Violence & Harassment ("GBVH"), with an aim to helping female employees enhance their skills for work and daily lives, thereby facilitate their personal and career development. Such program has not only improved the long-term performance of our female employees themselves significantly, it has also brought benefits to the Company.

TRAINING ON WOMEN'S EMPOWERMENT



TALENT CULTIVATION

With the objective of "Growing with employees", the Group has formulated and implemented talent training-related systems, established a sound employees training system to standardize training procedures, aiming to strengthen the professional skills of primary employees and the management capability of middle and senior management personnel, ensuring the personal development and growth of our employees. During the year, a total of 34,956 employees received training, with an average of 6.03 training hours.

During the Reporting Period, we upgraded and improved our online course platform and launched online courses on a regular basis covering management, research and development in manufacturing, professionalism, lean management and leadership enhancement. In addition, we organized different trainings covering aspects such as induction, position qualification, on-the-job skills as well as career development for employees. We also organized trainings for special positions such as information security management, supply chain safety management, and customs laws and regulations so as to satisfy the needs of employees in different positions and create a professional talent team.



PEOPLE AND COMMUNITY

PROFESSIONAL AND TECHNICAL TRAINING PROGRAMS

MECHANICAL AUTOMATION TRAINING

The “Mechanical Automation Training” program organized by the Equipment Technology Department focused on the basics of wire cutting and processing, etc., which enabled some participating employees to obtain relevant professional certificates in different categories.

SPECIAL EQUIPMENT TRAINING

The Group actively organized special equipment trainings, including the “Training for Intermediate Firemen” and the “Training for Safety Management Personnel” for the person responsible for safety production, which were held in factories in Shenzhen and Zhaoqing, the PRC, respectively. At the same time, we continued to enforce the requirements for holding license in the case of special equipment operation and arranged for the certificate examination of special equipment operators.

FIRST AID TRAINING

In August 2023, the Group invited professionals from the Red Cross to organize and launch a special first aid knowledge training, which covered basic first aid knowledge, together with first aid principles and treatment for accidental injuries. Through both first aid theory and practice, 42 employees obtained first aid certificate and were equipped with adequate professional first aid skills.

EXHIBITION VISITS

In March 2024, under our arrangement, employees from the Equipment Department, Technical Department, Lean Management Department and Automation Department participated in the “2024 Greater Bay Area International Intelligent Textile and Garment Industry Equipment Exhibition”. By participating in exhibitions, observing seminars and engaging in other activities, they gained ideas on how manufacturing equipment of “automated production line, digital drive and intelligent system” are upgraded and kept abreast of equipment and technology development in the cutting edge of the industry.



APPRAISAL AND PROMOTION

The Group has established a scientific and reasonable performance appraisal system for employees, which links promotion and salary adjustments to the results of performance appraisal. Adhering to the principles of objectivity, fairness, completeness and authenticity in appraisal, we have established a three-tier appraisal mechanism of “Business department – Department – Individual”, which adopts the KPI appraisal method (for the business department) and the satisfaction rating-based appraisal method (for the functional services department), and establishes appraisal indexes based on the SMART principle, to determine performance-based bonuses with the combination of the appraisal results of department and the appraisal results of individual.

Meanwhile, we place emphasis on performance-related communication, and require department heads to arrange performance-related interviews on a regular basis to timely understand the employees’ difficulties at work and assist them in improving work approaches, and supervise and check the publication of the results of performance appraisal and the performance interview work of each department every month to ensure the validity and fairness of performance appraisals.

REMUNERATION AND INCENTIVES

The Group follows the remuneration principles of “mutual benefit and performance-based reward” when providing all employees with compensation packages, including wages, overtime pay, allowances and paid leave. Furthermore, the Group has established various honorary awards such as “Quarterly Outstanding Employees”, “Annual Outstanding Employees”, and “Long-Term Service Award” to motivate employees and create a positive work environment.

The Group held Annual Outstanding Employee Award Ceremony in Shenzhen and Zhaoqing, respectively, and granted “Long Service Awards” to a total of 555 outstanding employees who have served for 10, 15, 20, 25 and 30 years in appreciation of their contributions to Regina Miracle.



PEOPLE AND COMMUNITY

CARING FOR EMPLOYEE

Dedicated to promoting work-life balance, the Group holds a series of leisure, culture and sports activities for employees each year, such as handcraft workshop, culinary competition, yoga class and sports competitions including tug-of-war, soccer, and basketball to name a few. Through these activities, not only were the employees able to ease pressure and develop interests, but also they were able to enhance their physical and mental health, explore their potential, showcase their talents, and enhance team spirit among them.



▲ Cross country competition



▲ Yoga class



▲ Basketball and football competitions (in men's and women's groups)



▲ Mid-Autumn Festival activities



▲ Flower arrangement competition



▲ Teachers' Day

CONTRIBUTING TO AND CARING FOR COMMUNITY

CHARITY

In Fiscal 2024, in response to the call from government authorities with action, Regina Miracle participates in charitable activities, and donates to non-profit organizations in the areas where Regina Miracle operates and spares no efforts in contributing to the local economy and social development.

Vietnam: Hai Phong City Celosia Cristata Event (海防市鳳尾花活動), VSIP Charity Walk, the China Business Association of Hai Phong City (海防市中商會), Hai Phong City Victim Fund (海防市受害者基金), Hai Phong City Fatherland Front Poverty Alleviation Fund, Hai Phong City Education Promotion Fund and the Huyện Thủy Nguyên Drinking Water Resource Fund

China: Shenzhen Charity Federation (Guangming District) (深圳市光明區慈善會) and Zhaoqing Charity Federation (Dinghu District) (肇慶鼎湖區慈善會)



▲ Blood Donation Campaign



▲ Volunteer Team

PROGRESS ON 2030 TARGET

The Group takes the enhancement of social welfare as its responsibility. Over the years, the Group has been enthusiastic in making charitable donations through cash donations, material donations and volunteer activities, actively caring for the disadvantaged and making more contributions.

PEOPLE AND COMMUNITY

CARING FOR THE DISADVANTAGED

We are aware that the disadvantaged groups face more difficult living circumstances than ordinary people, therefore we keep raising awareness and showing concern for the disadvantaged groups in the community and bringing them as much warmth and care as we can.



Outdoor Hairdressing Activity



Mid-Autumn Lucky Bag Giving

TAKING SOCIAL RESPONSIBILITY

We take social responsibility and strive to become a responsible and dedicated enterprise with courage to undertake, proactively participate in the rural revitalization, earnestly carry out environmental protection, invest steadily in education support, and endeavor to coordinate the relationship between economic and social development and the protection of the natural environment, so as to create comprehensive value for the economy, environment and society.

ENVIRONMENTAL PROTECTION

We are actively practicing the concept of environmental protection. We have been a major sponsor of the Ocean Park Conservation Foundation Hong Kong for the eighth consecutive year and called on over 200 employees and their families to participate in "2023 Hong Kong Run for Survival" and "Hong Kong Island Flag Day" activities to raise their awareness of marine conservation. Besides, we have also cooperated with the activity "Dress Casual Day" for over 10 years. In Vietnam factories, we actively organized employees to participate in tree planting activities in Hung Yen to enhance employees' environmental awareness and strengthen environmental protection at local community through practical actions.

HEALTH AND SAFETY OF EMPLOYEE

The Group strictly abides by the relevant laws and regulations of the places where we operate so as to strictly protect the health and safety of the employee. During the Reporting Period, the Group revised the “Compilation of Occupational Health Management” and newly formulated the “Compilation of Safety Management System” in accordance with the actual situation of health and safety management, further strengthening its occupational health and safety management.

EMPLOYEE HEALTH MANAGEMENT

The Group attaches great importance to the physical and mental health of its employees and provides routine body examination for every new employee. For female employees, we provided them with cancer screening; and for our employees who are exposed to occupational hazards such as noise, high temperature, laser, chemicals, dust and so on, we provided them with special medical check-ups. There were a total of more than 100 employees receiving special medical check-ups during the Reporting Period. We have set up a community health service center in our Shenzhen factories, which offers, with the service concept of “Caring for the health of our employees”, convenient corporate community health services to employees, allowing them to enjoy health prevention and medical consultation within the factories.



▲ Cancer Screening Program for Women

PEOPLE AND COMMUNITY

SAFEGUARD EMPLOYEE SAFETY

The Group adheres to the principles of occupational health and safety of “environmental protection, safety first, abide by laws and regulations, precaution crucial, full participation and engagement and continuous improvement”, and establishes the concept of production safety of “Not to cause accidents, Not to impair the health of employees, Not to damage the environment, and Not to reduce productivity”, progressively improving a standardized model of modern safety management, which requires any production activities to be carried out with safety as top priority.

We continuously improve our own Occupational Health and Safety Management System, conduct regular risk assessment and carry out review on our occupational health and safety management. After scientific evaluation and prudent assessment, we have also established a leading panel of safety production responsible for routine supervisory and administrative works related to safety production. Factories in China and Hai Phong Factories in Vietnam were accredited to the ISO 45001 Occupational Health and Safety Management System Certification.

We have formulated the “Work Safety Performance Evaluation System” and made refinements to it year by year in order to assess the fulfillment of safety objectives, the performance of safety responsibilities and the comprehensive performance of safety standardization. In addition, we linked the year-end performance-based bonuses for department heads to the results of quantitative assessments such as total economic assessment, safety target scores and safety duty scores.

RATE OF WORK INJURIES

In Fiscal 2024, we recorded a total of 71 injuries (representing 0.19% of total number of employees), and our number of working days lost due to work-related injuries was 1,298 days. After the occurrence of the work-related injuries, we made prompt response to ensure timely, proper rescue and treatment for the injured, and followed up on subsequent issues such as identification and verification of work injuries, formulating corrective and preventive action plans, etc.

SPECIFIC SAFETY MANAGEMENT

The Group has formulated the “Checklist for Supervision and Inspection of Safety Items” to specify the contents, objectives and indicators of the inspections. It formulates the safety training plan at the beginning of each year to provide appropriate training on safety knowledge and operating procedures for employees on different positions. Meanwhile, we regularly organize experts to review the emergency plans of the factories and submit such plans to the regulatory authorities for filing. In Fiscal 2024, the Zhaoqing factories and the Shenzhen factories have completed the initial filing. We dealt with the safety incident in accordance with the rule of “four let-no-passes”, and conducted monthly risk assessments on equipment that is prone to accidents and risk-related personnel.

CHEMICALS SAFETY MANAGEMENT AND CONTROL

We have strictly implemented the “Hazardous Chemicals Safety Management System”, conducted a general inspection and maintain an inventory list of all hazardous chemicals during the work process of employees and in the work environment. In the process of chemicals procurement, we select high-quality suppliers with complete qualifications; in warehousing, we store hazardous chemicals in a dedicated warehouse installed with a chemical leakage and combustible gas detection and alarm system as well as fire-fighting facilities. Meanwhile, we ensure in a strict manner that all personnel who use chemicals are equipped with personal protective equipment, and received regular safety training for handling chemicals.

FIRE SAFETY

We have prepared the “Emergency Plan on Fire Accidents and Natural Disasters”, organize fire safety knowledge seminars and drills regularly, inspect and test the fire facilities (fire extinguisher, fire hydrant, emergency light, exit light, etc.) and fire systems (fire hydrant system, automatic sprinkler system, smoke control system, fire control broadcasting system, etc.) every month, and engage a qualified maintenance company immediately to deal with any identified problem. Meanwhile, we organize fire-fighting physical training and skill training among full-time fire control personnel weekly.

FIRE DRILL

In October 2023, Regina Miracle organized the second fire drill for all employees of the year in accordance with the established emergency plan by guiding all workshop personnel to evacuate from the workplaces and reporting immediately to the fire and emergency department, after which the fire brigade promptly responded to extinguish the fire. During the drill, all employees evacuated from the site within the stipulated time and assembled at the designated safe location.



PREVENTIVE MEASURES AGAINST EXTREME WEATHER

We have formulated an emergency plan against typhoons and rainstorms based on the actual situation of our production and operations, set up emergency response teams, paid close attention to the weather forecasts from the government, made preparations before the extreme weather and flexible arrangements for the work of our employee based on the severity of the extreme weather, and dealt with the aftermath.

COMPLIANCE OPERATIONS

EMPLOYMENT COMPLIANCE

The Group follows the recruitment principles of “open recruitment, comprehensive appraisal and merit-based admission”. We determine applicants’ selection, remuneration package, position and function and others solely based on their working capabilities and qualifications, eliminate any discrimination on gender, age, ethnicity, nationality, religion and belief, health status, political affiliation, and stick to openness in the recruitment plans, requirements and positions with fair appraisal and evaluation standards.

We acquire talents through diversified channels such as on-site recruitment, online recruitment, campus recruitment and employee referral, and have established long-term school-enterprise cooperation relationships with 20 Chinese universities and 18 Vietnamese colleges. Every year, we would organize regular campus recruitment fairs at these cooperated institutions.

We continue to implement an internal referral program across the Group, encouraging employees to recommend others. During the internal referral process, we uphold the principles of fairness and transparency in selecting talents, avoiding corruption in personnel appointment, selection and assessment. In Vietnam, we adopt various rewards to encourage employees to recommend different types of talents, and provide incentive varied with the positions and levels of referees.

The Group resolutely resists the employment of child labor, and requires all factories and business partners of the Group to refrain from employing any employees under legal working age. During the enrollment process, we require all applicants for positions in the Group to provide legal identification documents to ensure that they meet the legal hiring age requirements. The Group imposes disciplinary action strictly on any person who violates policies to prevent employment of child labor. During the Reporting Period, there was no case of child labor employment in the Group.

PROTECTION OF LABOR RIGHTS AND INTERESTS

The Group strictly prohibits all personnel from forcing labor in any manner or unnecessarily restricting employee’s freedom. We have formulated relevant systems on prohibiting forced labor, expressly stipulating that all factories and business partners of the Group shall refrain from engaging in any form of forced labor. In addition, all employees of the Group have the right to start or terminate employment relationship at any time, and have the freedom to act during their employment. We also actively help foreign or domestic migrant workers to obtain and renew their legal work permits or visas, ensuring the compliance with the laws and regulations of the places where we operate. During the Reporting Period, there was no case of forced labor in the Group.

The Group smoothens communication channels for its employees. All employees can file complaints through channels such as suggestion box, complaint hotlines, employee forum, and WOVO communication platform. Upon receiving complaints, a designated personnel assigned by the Group’s management will follow up on and promptly handle employees complaints. The Group keeps personal information of all employees who file complaints strictly confidential, and ensures that employees receive full pay and benefits during the grievance process.

In addition, the Group is committed to building a caring and respectful work environment free of harassment, abuse or physical punishment in any form. Save for the provisions of the Group’s policies and systems which clearly state that all employees are prohibited from harassing, insulting or abusing others physically, mentally or verbally, all employees can report any breaches of such policies through grievance procedures. If the case is true after investigation, the offending parties will be subject to disciplinary actions, and for serious cases, the offending parties will be referred to judicial authorities.

The Group values every talent and communicates with employees who intend to leave to understand their reasons for departure, as well as their possibility and conditions to stay, endeavoring to retain every outstanding personnel. We conduct regular internal audits to improve issues affecting the retention of talents in a timely manner and retain talents for the Group to the maximum level.

BUSINESS ETHICS

Regina Miracle always upholds the highest standards of business ethics and professional conduct, strives to build a sound compliance operation system, enhances the Group's risk management and control capabilities in anti-bribery and anti-corruption, and pays particular attention to information security in the course of business operations. It continues to work on cybersecurity consolidation and strictly implements the information security protection mechanism, thereby effectively protecting the data privacy and information security of the Group and its partners.

ANTI-CORRUPTION

Abiding by the business philosophy of "Ensure Compliance and Integrity while Rendering Quality Service", we strictly comply with the laws and regulations of the places where we operate. We have formulated anti-corruption systems and policies to ensure that all elements in the Group's operation activities (such as people, money and goods) meet the compliance requirements. In addition, we actively provide guidelines to subsidiaries, agents, distributors or other representatives of the Group to prevent risks of violation including bribery, extortion, fraud or money laundering, and require all partners who have business dealings with the Group to sign the "Anti-Bribery/Anti-Corruption Commitment Letter" to help build an honest and transparent business ecosystem.

The Group has established a discipline inspection team as our supervisory body, who is in charge of compliance operations and anti-corruption, to supervise and manage the clean practice of those who work at key sections. If the discipline inspection team confirms any misconduct of the alleged personnel upon investigation, the management of the Group will impose on the personnel involved with public notification, demotion or termination of labor contract. Employees who breach the laws would be handed over to public security bureau. The Group encourages employees and business partners to report and disclose corruption behaviors through channels such as mailbox, email and hotlines, and commits to maintaining strict confidentiality in all respects of accusations and investigations.

We also highly value the development of an integrity corporate culture, and continue to strengthen the promotion in this connection among our employees and directors by launching a wide range of integrity practice publicity and training, to increase these sense of moral responsibility and vigilance for corruption incidents, and build a culture of integrity.

COMPLIANCE OPERATIONS

INFORMATION SECURITY

The Group maintains a serious, meticulous, and responsible approach to governance, dedicating itself to the establishment of a robust and dependable information security management system. This commitment is demonstrated through the implementation of relevant systems and policies. Information security management is executed across four key areas: IT infrastructure, documentation protocols, disciplinary measures, and the promotion of security awareness. Currently, the Group is in the process of obtaining ISO 27001 certification, reflecting its ongoing efforts to enhance security through the management of vulnerabilities, data, and systems.

Implementing ISO 27001 Information Security Management Systems to further ensure that the information assets are fully protected to bolster confidence for our business partners.

INFORMATION MANAGEMENT SECURITY TECHNOLOGY

The Group has established a safety operation system to monitor abnormal situations in real time, providing prompt feedback on issues. The system plays a pivotal role in enhancing information management through a three-pronged strategy: preventative measures, active response during incidents, and effective resolution post-incident. These efforts are aimed at bolstering the Group's capabilities in managing information and data security.

Furthermore, the Group has invested in a suite of advanced security technologies, beginning with the development of comprehensive information security systems. This investment underscores the Group's commitment to fortifying its ability to handle security incidents, including data breaches, network attacks, and data theft, with greater proficiency.

Two-factor Password Authentication



We continue to adopt Multi-Factor Authentication ("MFA"), which requires all users to log into our systems with their two-factor password authentication to avoid security incidents such as unauthorized access and data leakage, and improve the security of the users' accounts and data.

In the realm of information security, we have put in place a stringent disciplinary mechanism. Any actions or incidents that contravene national regulations are reported to the appropriate legal authorities in compliance with the law. Concurrently, we are proactive in delivering comprehensive information security training across all manufacturing sites, routinely convening meetings to address matters related to information security, embedding security practices into our daily operations, and safeguarding the privacy of our brand partners. Throughout the Reporting Period, we experienced no incidents of theft, loss, unauthorized access, or data leaks.

A pivotal information security management training session took place in November 2023, where the instructor delved into the origins of information security threats, elucidated the identification and management of common cyber threats, proposed contingency plans for information security emergencies, and enhanced our employees' understanding of the Group's IT fault reporting protocols.

SECURITY MEASURES FOR INFORMATION MANAGEMENT

Active Management Measures

Security Record Files Check



Check the system security record files of each server on a regular basis, thereby monitoring the risk arising from virus attack that threatens the system security and avoiding the illegal virus attack through taking measures, so as to ensure the security of itself and brand partners' data.

Penetration Tests



The Group commissions a professional third party to carry out penetration tests on its network systems and applications, with the aim of discovering potential loopholes and weaknesses and providing targeted solutions, improving network security and reliability, and reducing the Group's risk of cyber attack.

IT Audit



The Group entrusts a professional third party to conduct a comprehensive assessment and audit of IT policies, processes, system management and security controls, and review regular accounts in line with the audit requirements, sort out and update database accounts and permissions, and ensure that the IT system meets regulatory requirements.

Passive Control Measures

File Encryption



We adopt key encryption technology to prevent unauthorized access and ensure effective protection of documents during storage and transmission.

Data Leakage Prevention



We develop corresponding protective measures based on the priority of data classification, and continuously detect and prevent data loss, leakage or misuse due to violations, leakage transmission and unauthorized use. We establish a data monitoring system and access management mechanism to timely identify and respond to potential data security risks, and avoid data leakage caused by improper management.

Network Detection and Response



We have established a network detection and response ("NDR") mechanism to prevent network threats and detect suspicious network activities by combining with cutting-edge analysis technologies such as machine learning, in a bid to timely detect and respond to network anomalies, malicious traffic and threats that other security programs cannot identify, thereby enhancing the Group's network security response capabilities.

ESG AWARDS



Top 100

Sustainable Businesses
in Vietnam for the
Third Consecutive Year

Top 10

Sustainable Businesses
in the Manufacturing
Sector (2023)

Top 5

Pioneering Businesses
in Adopting and Promoting
Diversity, Equality and
Inclusion Values (2023)

by VIETNAM CHAMBER OF COMMERCE AND INDUSTRY, 2023

2023 Greater Bay Area Best 30 ESG Entrepreneurs

by FORBES CHINA

The 9th Investor Relations (IR) Awards

Best ESG (E)

Best ESG (S)

Best ESG (G)

Grand ESG Award

Best IR Company

by HONG KONG INVESTOR RELATIONS ASSOCIATION (HKIRA)

Outstanding Enterprise

by PEOPLE'S COMMITTEE OF HAI PHONG CITY

Certificate of Outstanding Import and Export Enterprise

by PEOPLE'S COMMITTEE OF HAI PHONG CITY

Outstanding Enterprise

by MINISTRY OF PLANNING AND INVESTMENT,
SOCIALIST REPUBLIC OF VIETNAM

GLOSSARY

In the Report, the following terms shall have the meanings set out below, unless the context requires otherwise:

Terms	Definition
AGV	Automated Guided Vehicle
AI	Artificial Intelligence
ASTM D5511	Anaerobic Biodegradation Test Method
Better Work	Better Work
Company	Regina Miracle International (Holdings) Limited
ECO PASSPORT	ECO PASSPORT
ESG	Environmental, Social and Governance
FEM	Facility Environment Module
GBVH	Gender-based Violence & Harassment
Group	Regina Miracle International (Holdings) Limited and its subsidiaries
GRS	Global Recycled Standard
Higg Index	Higg Index
High Performance Factory	High Performance Factory
HKIRA	Hong Kong Investor Relations Association
IDM	Innovation Design Manufacturing
ISO14001 EMS	Environmental Management Systems
ISO27001 ISMS	Information Security Management Systems
ISO45001 OHSMS	Occupational Health and Safety Management Systems
ISO9001 QMS	Quality Management System
KPI	Key Performance Indicator
LCA	Life Cycle Assessment
LEED	Leadership in Energy and Environmental Design
MES	Manufacturing Execution System
MFA	Multi-Factor Authentication
MRSL	Manufacturing Restricted Substances List
OEE	Overall Equipment Effectiveness
OEKO-TEX®	OEKO-TEX®
P.A.C.E	Personal Advancement and Career Enhancement
RCS	Recycled Claimed Standard
RFT	Right First Time
RWS	Responsible Wool Standard
SBTi	Science Based Targets initiative
SCM	Supply Chain Management
SMART	Specific, Measurable, Attainable, Relevant, Time-based
USDA	United States Department of Agriculture
VR	Virtual reality
WRAP	Worldwide Responsible Accredited Production
ZDHC	Zero Discharge of Hazardous Chemicals

KPI INDEX TABLE

SUBJECT AREA A. ENVIRONMENT⁽¹⁾⁽²⁾

KPIs		Unit	Fiscal 2024 ⁽¹⁾⁽²⁾
A1.1 Emissions	Nitrogen oxide emissions	Kilogram	1,440.33
	Sulphur oxide emissions	Kilogram	2.52
	Particulate matter emissions	Kilogram	106.59
A1.2 Greenhouse gas emissions and intensity	Total greenhouse gas emissions ⁽³⁾	Tonne CO ₂ e	157,193.51
	Intensity of total greenhouse gas emissions ⁽³⁾⁽⁷⁾	Tonne CO ₂ e/HK\$'000	0.02
	Greenhouse gas emissions (Scope 1) ⁽³⁾	Tonne CO ₂ e	3,348.77
	Greenhouse gas emissions (Scope 2) ⁽³⁾	Tonne CO ₂ e	153,844.74
A1.3 Hazardous wastes and intensity ⁽⁴⁾	Hazardous wastes produced	Tonne	636.24
	Intensity of hazardous wastes produced ⁽⁷⁾	Tonne/HK\$'000	0.0001
By hazardous waste category	The weight of waste abluent, detergent and stain remover	Tonne	90.82
	The weight of waste packages and containers containing or contaminated with toxic or infectious hazardous waste	Tonne	172.38
	The weight of materials containing or contaminated with toxic or infectious hazardous waste	Tonne	117.24
	The weight of waste glue	Tonne	223.28
	The weight of other hazardous waste ⁽⁶⁾	Tonne	32.52
By management method	Recycling	Tonne	43.46
	Other recovery (including energy recovery)	Tonne	394.03
	Dismantling chemical treatment	Tonne	88.59
	Incineration (no energy recovery)	Tonne	94.73
	Others (physicochemical treatment)	Tonne	15.43
A1.4 Non-hazardous wastes ⁽⁵⁾	Non-hazardous wastes produced	Tonne	14,460.77
	Intensity of non-hazardous waste produced ⁽⁷⁾	Tonne/HK\$'000	0.0021

KPI INDEX TABLE

KPIs		Unit	Fiscal 2024 ⁽¹⁾⁽²⁾
By non-hazardous waste category	The weight of non-hazardous production waste	Tonne	6,123.41
	The weight of non-hazardous production waste (treated as other recovery)	Tonne	112.23
	The weight of waste packaging plastic bags	Tonne	434.48
	The weight of waste packaging cardboard boxes	Tonne	2,066.14
	The weight of kitchen waste	Tonne	305.94
	The weight of general office waste	Tonne	621.15
	The weight of textile waste	Tonne	2,826.01
	The weight of waste wood	Tonne	219.30
	The weight of non-hazardous metal	Tonne	877.66
	The weight of waste foam plastic	Tonne	710.50
	The weight of other non-hazardous waste ⁽⁹⁾	Tonne	163.96
By management method	Recycling	Tonne	12,413.14
	Other recovery (including energy recovery)	Tonne	326.41
	Incineration (no energy generated)	Tonne	40.00
	Landfill	Tonne	552.11
	Reusing	Tonne	587.20
	Others	Tonne	541.92
A2.1 Energy consumption and intensity ⁽⁶⁾⁽⁷⁾	Total energy consumption	'000 kWh	247,073.57
	Energy consumption intensity	'000 kWh/HK\$'000	0.04
	Non-renewable fuel (direct) consumption	'000 kWh	13,027.86
	Petrol consumption	'000 kWh	775.89
	Diesel consumption	'000 kWh	12,104.66
	Liquefied petroleum gas (LPG) consumption	'000 kWh	147.31
	Renewable fuel (direct) consumption	'000 kWh	9,665.86
	Solar energy consumption	'000 kWh	9,665.86
	Purchased energy (indirect) consumption	'000 kWh	224,379.86
	Electricity consumption	'000 kWh	217,561.86
	Green energy purchasing amount	'000 kWh	6,818.00

KPIs		Unit	Fiscal 2024 ⁽¹⁾⁽²⁾
A2.2 Water consumption and intensity⁽⁷⁾	Total water consumption	Cubic metre	1,589,759.00
	Water consumption intensity	Cubic metre/HK\$'000	0.23
	Municipal supplied water consumption	Cubic metre	1,570,465.00
	Reusable water consumption	Cubic metre	19,294.00
A2.5 Packaging materials	Packaging material consumption	Tonne	12,421.90
	Packaging plastic bag consumption	Tonne	569.69
	Packaging cardboard box consumption	Tonne	11,479.13
	The weight of other packaging materials (copying paper and parchment paper)	Tonne	373.08

Notes for Environmental KPIs:

- (1) The time frame for disclosure of Environmental KPIs covers from 1 April 2023 to 31 March 2024, while the time frame for disclosure of Zhaoqing factories only covers from 1 June 2023 to 31 March 2024 due to the relocation during the fiscal year.
- (2) The geographical scope for disclosure of Environmental KPIs covers the production and office areas of Vietnam factories (Factories A, B, C, D, E and Hung Yen factory), Shenzhen factories (Factories A and D) and Zhaoqing factories.
- (3) In Fiscal 2024, greenhouse gas emissions (Scope 1) derive from the combustion of fuel (petrol, diesel) in stationary sources and the combustion of fuel (petrol, diesel, liquefied petroleum gas) from our business vehicles. Greenhouse gas emissions (Scope 2) derive from the consumption of purchased electricity. In addition to the calculation of the greenhouse gas emissions (Scope 1) according to the "Appendix 2: Reporting Guidance on Environmental KPIs" (the "**Appendix 2**") to the "How to prepare an ESG Report?" updated by The Stock Exchange of Hong Kong Limited in May 2021, the greenhouse gas emission factors of our Vietnam factories refer to the greenhouse gas emission coefficient of power grid in 2022 published by the Department of Climate Change under the Ministry of Natural Resources and Environment of Vietnam, and the greenhouse gas emission factors of our Shenzhen factories and Zhaoqing factories refer to the "Baseline Emission Factors for Regional Power Grids in China (2019)" (《2019年度減排專案中國區域電網基線排放因數》) published by the Ministry of Ecology and Environment of the People's Republic of China on 29 December 2020.
- (4) The scope of disclosure of hazardous waste of Shenzhen factories is defined according to the "Directory of National Hazardous Waste" (2021 edition) (《國家危險廢物名錄》(2021版)) published by the Ministry of Environmental Protection of the People's Republic of China, while the scope of disclosure of hazardous waste of Vietnam factories is defined according to the "Circular No.36/2015/TT-BTNMT" (2015 edition) published by the Ministry of Natural Resources and Environment of Vietnam.
- (5) The management methods of waste are specified in accordance with the waste treatment methods in the Appendix 2 of the Stock Exchange.
- (6) Energy heating value coefficient is determined with reference to the "Guidelines on Accounting Methods and Reporting of Greenhouse Gas Emissions for Enterprises in Other Industries (Trial)" (《工業其他行業企業溫室氣體排放核算方法與報告指南(試行)》) published by the National Development and Reform Commission of the People's Republic of China on 6 July 2015.
- (7) Greenhouse gas emissions, hazardous waste emissions, non-hazardous waste emissions, energy consumption and water consumption intensity are calculated by using the Group's Fiscal 2023-24 operating income in HK\$'000 as the denominator.
- (8) Other hazardous wastes include but are not limited to waste mineral oil and mineral oil-containing waste, waste mercury-containing fluorescent lamp tubes and other waste mercury-containing electric light sources, waste batteries, medical waste, waste ink and ink boxes, sludge and activated carbon, etc.
- (9) Other non-hazardous wastes include but are not limited to plastic buttons, waste plastic, plastic cores, etc.

KPI INDEX TABLE

SUBJECT AREA B. SOCIAL⁽¹⁰⁾

B1 EMPLOYMENT

B1.1 Number of workforce by gender, employment type, age group and geographical region ⁽¹¹⁾		Number (Unit: person)
Total number of workforce	Total	37,006
By gender	Male	12,824
	Female	24,182
By employment type	Full-time	37,005
	Part-time	1
	Internship	0
By employment level	Senior management	665
	Middle management	10,138
	Rank and file	26,203
By age group	Below 30 years old	15,155
	30 to 50 years old	21,434
	Above 50 years old	417
By geographical region	Mainland China	5,892
	Hong Kong Special Administrative Region of the PRC	295
	Vietnam	30,819
B1.2 Employee turnover rate by gender, age group and geographical region ⁽¹²⁾		Monthly employee turnover rate (Unit: %)
Total employee turnover rate		2.14%
By gender	Male	2.59%
	Female	1.87%
By age group	Below 30 years old	2.62%
	30 to 50 years old	1.73%
	51 years old or above	2.54%
By geographical region	Mainland China	2.83%
	Hong Kong Special Administrative Region of the PRC	0.79%
	Vietnam	1.99%

B2 HEALTH AND SAFETY

B2.1 Number and rate of work-related fatalities occurred in each of the past three years⁽¹³⁾	Number of work-related fatalities (Unit: person)	Rate of work-related fatalities (Unit: %)
Fiscal 2024	–	–
Fiscal 2023	–	–
Fiscal 2022	–	–
B2.2 Lost days due to work injury		Lost days due to work injury (Unit: day)
Total		1,298

B3 DEVELOPMENT AND TRAINING⁽¹⁴⁾

B3.1 The percentage of employees trained by gender and employment category		Percentage of employees trained (Unit: %)	Number of employees trained (Unit: person)
Number of employees trained	Total	94.46%	34,956
By gender	Male	34.36%	12,011
	Female	65.64%	22,945
By employment level	Senior management	0.19%	68
	Middle management	25.47%	8,902
	Rank and file	74.34%	25,986
B3.2 The average training hours completed per employee by gender and employment category		Average training hours (Unit: hour/person)	Training hours (Unit: hour)
Average training hours of employees	Total	6.03	223,302
By gender	Male	5.28	67,687
	Female	6.44	155,615
By employment level	Senior management	5.71	588
	Middle management	7.22	73,186
	Rank and file	5.71	149,529

B5 SUPPLY CHAIN MANAGEMENT

	Percentage of the total number (Unit: %)	Number of suppliers (Unit: supplier)
Total	100%	776
Mainland China	70%	540
Hong Kong, Macau and Taiwan regions	8%	64
Southeast Asia regions	16%	128
Europe and US regions	3%	21
Japan and South Korea regions	3%	23

KPI INDEX TABLE

B6 PRODUCT RESPONSIBILITY

B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons	Percentage of products sold or shipped subject to recalls for safety and health reasons (in number) (Unit: %)		Number of products subject to recalls for safety and health reasons (Unit: piece)	
Total	–		–	

B6.2 Number of complaints received about products and services and response methods	Number of complaints received about products (Unit: case)	Number of complaints received about services (Unit: case)	Average response time for brand partner complaints (Unit: minute)	Resolution rate of brand partner complaints (Unit: %)
Total	3	8	60	100

B7 ANTI-CORRUPTION

B7.1 Number of concluded legal cases regarding corrupt practices brought against the Group or its employees during the Reporting Period and the outcomes of the cases	Number of cases (Unit: case)
Total	–

B8 SOCIAL INVESTMENT⁽¹⁵⁾

B8.2 Resources contributed to the focus area	Cash donation (Unit: HK\$'000)
Total	1,098.73

Notes for Social KPIs:

- (10) Unless otherwise expressed, the statistics on the number of workforce encompass all employees of the Group's Shenzhen factories, Zhaoqing factories, Vietnam factories, and functional departments in Hong Kong.
- (11) Unless otherwise expressed, the number of workforce by geographical region is counted according to the signing of employment contracts.
- (12) The employee turnover ratio is calculated based on the number of employee who resigned during the year divided by the sum of the number of employees in office and the number of employee who resigned as at the end of the reporting period.
- (13) The Group makes reference to the local work injury laws and regulations of Hong Kong, i.e., the Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong) in defining and conducting data statistics on work-related fatalities.
- (14) The training data encompass all employees of the Group's Shenzhen factories, Zhaoqing factories, Vietnam factories and functional departments in Hong Kong.
- (15) The information on social investment only includes those that can be quantified and statistically analyzed. During the Reporting Period, the Group's contribution focused on multiple areas, including but not limited to poverty alleviation, education, environment, health, etc.

維 珍 妮 國 際 (控 股) 有 限 公 司
Regina Miracle International (Holdings) Limited

