



Sustainability Report

**SOLIDARITY IN
SUSTAINABILITY**

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- Raising Environmental Awareness

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OUR MISSION

As a world-leading intimate wear manufacturer, as well as a global citizen, Regina Miracle endeavours to

bring value to the environment and society

while striving to operate a world-class enterprise. We work diligently in a responsible manner to create long-term value for all stakeholders, shoulder social responsibilities and realise sustainable development.

OUR PRIORITY FOCUS ON SUSTAINABILITY

In Fiscal 2021, the Group continued to uphold its **sustainable development philosophy** and had set its 2030 sustainable development agenda, echoing the 2030 Sustainable Development Goals of the United Nations. The **six areas** of the Group's focus are as follows:

2030 Sustainable Development Goals of the United Nations



OUR 2030 TARGETS



**Carbon
Reduction**

**Reduce 30% of
CO₂ emission**



**Waste
Management**

**Maintain zero
landfill**



**Sustainable
Innovation**

**Develop
sustainable
materials,
craftsmanship
and
technologies**



**People &
Community**

**Enhance
gender
equality and
empowerment
of women**

**Cultivate
young people**

**Contribute to
society**



Carbon Reduction



REDUCTION OF CO₂ EMISSION

-5%

by internal energy reduction
programs

-6%

by installing solar panels

-19%

by purchasing clean energy
through DPPA



-30%

of CO₂ Emission

2020

2030

Our Actions

Internal Energy Reduction Programs

CO₂ emission
-5%*

2020 What We've Done



Bring in **forklift robots** and **automated forklifts** to increase productivity and reduce emissions



* based on 2020 electricity consumption

2021 Work in Progress



Set the default **air-con temperature at 26-27°C** instead of 25°C



Clean the cooling tower and the air conditioner condenser regularly



Install auto-switches for 200W lighting outside buildings



Install LED lighting with induction sensors in selected warehouse areas.



Optimise the air compressor

2022 Actions to be taken



Install inverters for fan and pump of the cooling tower in the air conditioner system



Build up Energy Management System – Install electricity meters for major areas and machines to track power consumption and implement reduction action of energy consumed



Convert lighting system to a zigzag layout



Install motion detectors in the warehouse

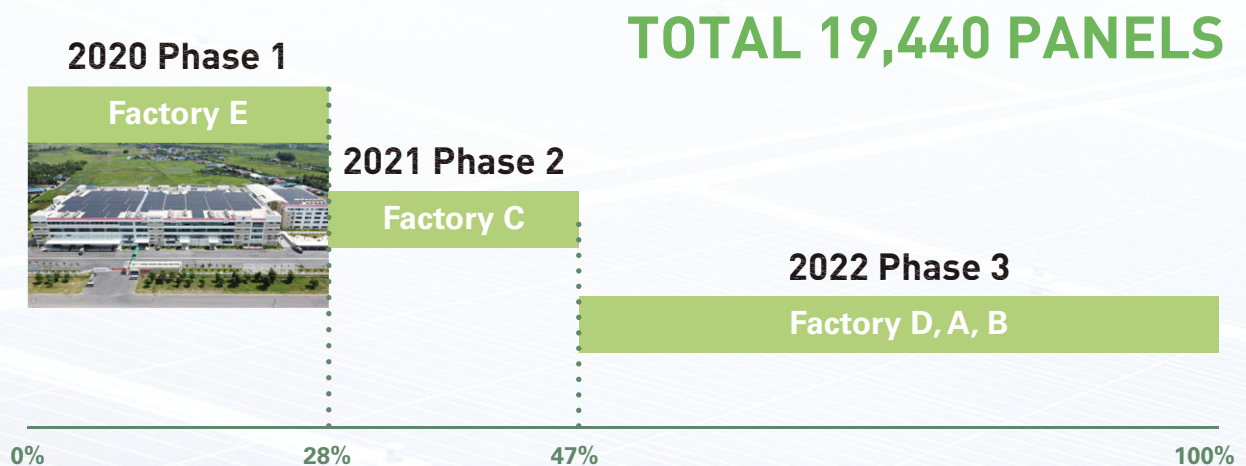
Our Actions

Installing Solar Panels

CO₂ emission

-6%*

Targeted Timeline of solar panel installation in Vietnam



We engaged a professional third party to conduct a feasibility study on the use of **renewable energy** for all factories in Vietnam in 2019. On the back of the results of this study we launched a renewable energy power generation project involving the installation of a **solar energy system** on the rooftop of our Vietnamese factories.

- * Data of Hung Yen and New China factory will be incorporated by the end of 2021 and end of 2023, respectively
- * Project completion time maybe slightly delayed dependent on the local COVID-19 development.

19,440solar modules to
be installed

To generate

6%of our Vietnam
factory electricity
consumption¹equivalent to
an annual reduction of**7,055.68 MT²**of CO₂ emissionsThe amount
of CO₂
absorbed by
470,000**Trees**
per year³¹ Estimate based on 2020 electricity consumption² Energy generated by solar panels depends on duration of sunshine³ Assumed that a typical tree can absorb 15kg CO₂ per year

Our Actions

Purchasing Clean Energy Through DPPA

CO₂ emission
-19%*

What is DPPA:

A **Direct Power Purchase Agreement** (DPPA) is an agreement made between a **renewable energy** generator and an end user in which electricity produced by a **wind or solar facility** is directly or indirectly delivered to power the corporate buyer's operations.

* We will do our utmost to meet our CO₂ emissions target. However, our ability to achieve the abovementioned carbon reduction target from DPPA initiative is highly dependent on sustainability policies of the local government and participation of investors in clean energy as well as other external factors.

Waste Management



In 2020, we launched a zero-landfill program

Target to maintain **ZERO LANDFILL**

FY2021

Collected by
Recycler



54.15%

Incinerated and
made bricks



39.82%

Converted to
Energy



6.03%



- Data are from Haiphong factories (Factory A to E) in FY2021
- Data of Hung Yen and New China Factory will be incorporated by end of 2022 and end of 2023 respectively

Hazardous wastes — are treated by professional hazardous waste treatment companies to ensure harmless disposal



Returning paper cores and plastic cutting boards to supply chain partners



Recycling excess materials by reprocessing instead of incinerating



Qualified recycler — recycling and reusing the rest of the waste from our production



Reusing wasted paper and recycling waste fabrics in our Vietnamese factories



**We
engage
in proper
waste
treatment**

Sustainable Innovation



Our Actions – Sustainable Materials Development



We work closely with suppliers to develop
different types of sustainable materials

Foam



Biobased Carbon –
Herbafoam™
Recycled Materials

Glue & Film



Biobased Carbon

Fabric & Trims



Biobased Carbon
Recycled Materials

Yarn



Recycled Materials
Biodegradable



REherbafoam

Our Actions – Product Development Digitalization

3D VIRTUAL SAMPLING

We adopt 3D design software such as CLO and OPTITEX during the design development process, which speed things up considerably. These tools allow us to visualize fabric and colorways and modify design and pattern sizing immediately, enabling hundreds of manual processes to be eliminated during the development stage.



**Shortens development cycle
by 2-3 weeks on average**

**Significantly reduces the number
of physical samples**

**Enables more efficient waste and
cost management**



CLO Virtual Fashion

OPTITEX

Our Actions – Craftsmanship Revolution

AUTOMATED PRODUCTION

We put a huge amount of effort into both product innovation and production automation that will drive the industry forward. We are instigating a craftsmanship revolution, not only through breakthroughs in materials innovation and application, but by concomitantly developing and engineering cutting-edge machines and equipment that enable the commercialization of our product innovations.

Reduces waste
Increases efficiency
Expands production scale
Advances standardization

REpersBond.
Dot-form bonding technique



REmatrixPad
Injection technique



People & Community



OUR 2030 TARGETS AND ACTIONS

Enhance gender equality and empowerment of women



Continue organising training on Prevention of Sexual Harassment and Abuse and Personal Advancement & Career Enhancement (P.A.C.E.) program for female employees.

Cultivate young people

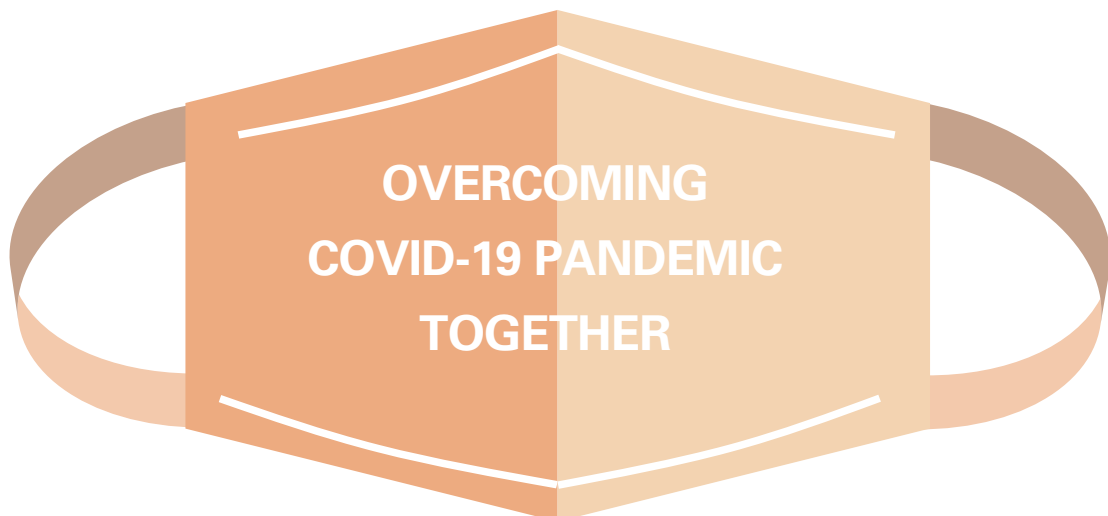


Co-operate with local universities and provide internship and trainee opportunities.

Contribute to society



Establish volunteer team to promote and support voluntary works to give back to the community.

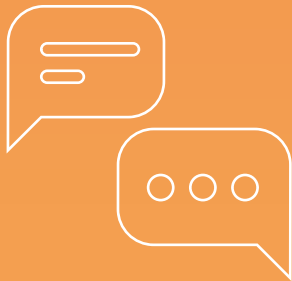


PEOPLE

Enhance gender equality and empowerment of women

Our Vietnamese factories continued to carry out P.A.C.E. (Personal Advancement and Career Enhancement) project training in 2020 and 2021

The training is specifically designed for female colleagues to aid **career development**, improve quality of life and **enhance self-confidence and sense of satisfaction** with special attention to the following areas:



**communication
skills**



**time
management**



**financial expenditure
management**

Gender Ratio of Workforce and Middle Management

Total Workforce

Middle Management



62.74%

Female



57.74%

Female



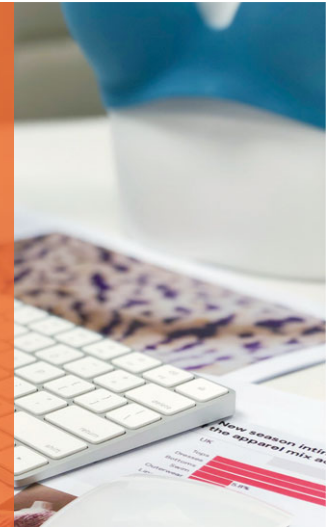
37.26%

Male



42.26%

Male



Women Empowerment Training

2018



300
Participants



450
Hours

2019



870
Participants



18,510
Hours

2020



2,347
Participants



68,762
Hours

2021



11,269
Participants



57,699
Hours

CULTIVATE YOUNG PEOPLE



China

Since 2003, we have carried out a school enterprise cooperation program with several textile universities and colleges by setting up an Intimate Wear major course to identify talented individuals who can be potential candidates to contribute to the development of industry.

To date, we have established relationships with 20 colleges and universities through their respective Department of Languages and Technical in China.



Vietnam

Since 2014, we have established relationships with 18 colleges and universities to develop and identify talents from the Department of Languages and Technical Skill in Vietnam.

We also collaborated with Haiphong University to set up a Language Center within the company.

Every year, we host hundreds of interns and recruit hundreds of newly graduated students through these efforts.



CULTIVATE YOUNG PEOPLE



Liu Meihan

Designer of R&D
Department
Location: China



Yang Ziting

Designer of R&D
Department
Location: China



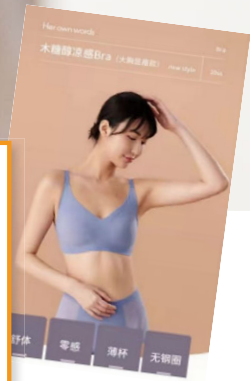
Liu Meihan and Yang Ziting have participated in "The Charm of the Orient: China International Underwear Creative Design Contest", organised by the Shenzhen Underwear Association. They have incorporated young designers' unique and creative ideas into underwear designs. Their work, "Style Wars", has won the champion of the contest and received the "Highest Commercial Value Award".





Xu Kewen

QA Officer
Location: China



In 2019, Xu Kewen faced a new challenge at work. He was transferred to the R&D department in China and entrusted with achieving cost improvements. Without prior project management knowledge or skills, he took the initiative of enrolling, and subsequently passing the PMP (Project Management Professional) qualification examination which was initiated by the Project Management Institute (PMI) in the US.



Liu Hui

Manager of Business
Chain and R&D
Department
Location: China

In 2020, Liu Hui participated in the research and development of the Lightmesh Collection and won the "iF Product Design Award". The award was introduced in 1953 and organised by iF Industries Forum Design, the oldest industrial design organisation in Germany. The iF Product Design Award is one of the three major world design awards, along with the "RedDot" ("Red Dot Design Award") in Germany and the "IDEA" ("International Design Excellence Awards") in the US.



"Regina Miracle has given me opportunities that no other employers could"

James joined Regina Miracle in 2015. In six years, he advanced from Quality Assurance Department (“QAD”) Assistant Supervisor to QAD Senior Manager. The first Vietnamese working in the General Management Center, he said “Regina Miracle has given me opportunities that no other employers could”.

James has kept honing his skills. He joined the “Talent Training Program” in Shenzhen in 2017. With professional knowledge and practical work experience, he helped improve workflow and operational efficiency, winning for him two awards. He also shares in the credit of Factory D’s Excellent Supplier win in 2021.



"Thanks to Regina Miracle's recognition."

"No pain no gain. I believe nothing comes easy. Thanks to Regina Miracle's recognition, my efforts and diligence have been rewarded with promotion to the position that everyone desires".

In 2015, Nguyen joined Regina Miracle's preprocess accessories processing group. From then, she took on the technician position, then the supervisor and senior supervisor roles, and in 2020, she was promoted to the position of assistant manager.





Uri Vu,
Vu Thị Bình

Senior Supervisor
Location: Vietnam

"I also have the good fortune of working at Regina Miracle"

Having felt colleagues' care and support during her two-month internship in a professional working environment at Regina Miracle, Uri decided to start her career with the Company as an administrative staffer and translator in July 2017.

Regina Miracle has not only given Uri job stability but also chances to show her capabilities. In May 2021, she made a significant milestone – being promoted to senior supervisor and heading a Cutting Workshop. "Working hard and putting forth my best effort have turned me into a good employee. But I also have the good fortune of working at Regina Miracle which has given me great opportunities to improve and advance in my career. I will join management training courses to upgrade my skills and knowledge, so that I may better serve the company".



Nami
Trình Thị Chi

Technical Senior Supervisor
Location: Vietnam

"Talent is core to make miracles happen"

Nami has delivered excellent performance in her role and is also a dedicated trainer. Nami's motto is "Talent is core to make miracles happen". She realised her dream. She has the respect of her colleagues and the appreciation of her supervisors.

"That makes me happy!"



COMMUNITY

Contribute to society

Support Students' Growth (China)

Participated in the Shuguang Education Funding Activity for the sixth consecutive year and successfully provided financial aid for 18 students.



Caring for Disadvantaged Groups (China and Vietnam)

China

Actively participated in the "Guangdong Poverty Alleviation Day" every year to help disadvantaged groups to meet their basic needs, requirement for medical services, employment and social engagement.

Vietnam

Our Vietnam volunteer group visited elderly homes, schools for the blind, schools for the deaf, an orphanage and SOS rescue centre, and sent gifts and comfort money to the people in need from all walks of life.



Visiting the elderly home and orphanage and carrying out consolation activities for the Mid-Autumn festival

3

Run for Survival 2016-2021 (Hong Kong)


A principal sponsor of OPCFHK's Run for Survival for six years, and over 200 colleagues and their family members have joined the event to help raise public awareness on marine conservation.



OVERCOMING THE COVID-19 PANDEMIC TOGETHER

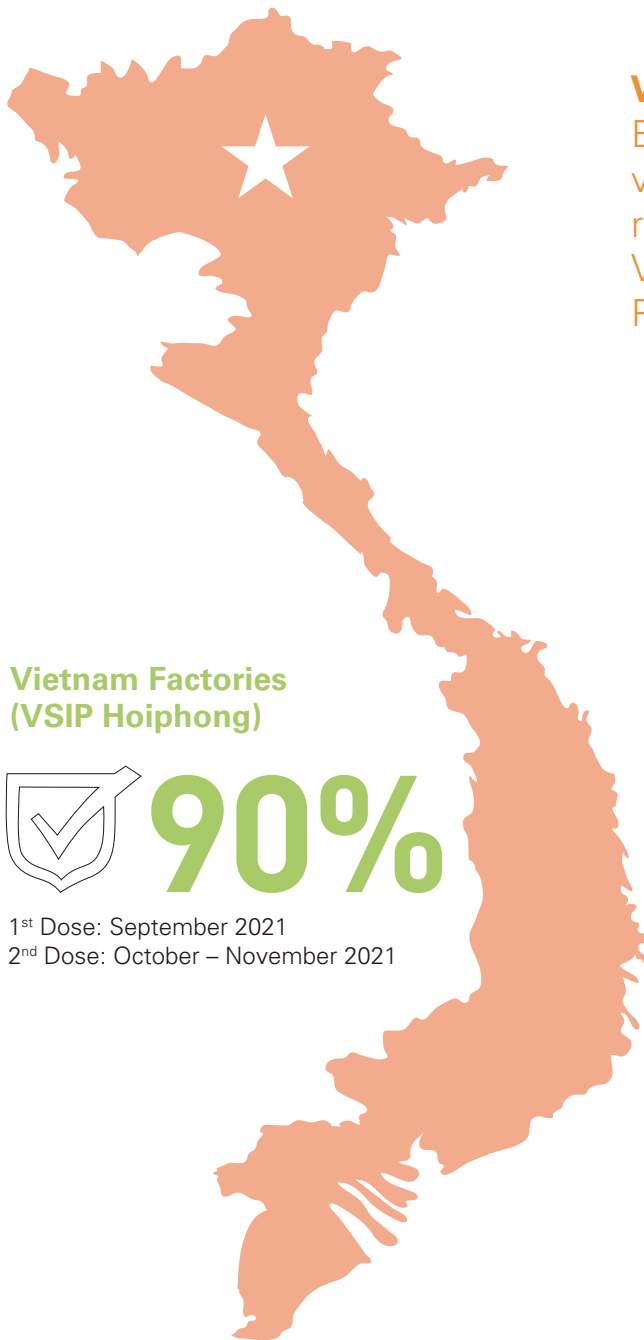


The pandemic is ruthless but there is power in solidarity. We have been fighting against the pandemic and overcoming the associated challenges together. Since the outbreak of COVID-19, we have carefully monitored the development of the pandemic situation. Health and safety of our colleagues is always our top priority, we have activated emergency response plan against the COVID-19 pandemic. Counter-measures at our facilities include, but not limited to the following:

- 
- ✓ Follow the guidance of local Health Ministry and always adhere to other COVID-19 government policies
 - ✓ Seek and follow instruction from the local health department and stay connected to keep regular updates and guidance
 - ✓ Work closely with local government for COVID-19 prevention; including quarantine arrangements, timely reporting; conducting PCR testing etc.
 - ✓ Communicate with colleagues continuously about social distancing, mask wearing, personal safety and health care
 - ✓ Provide protective masks/clothing, hand sanitizer free of charge to all colleagues
 - ✓ Monitor health condition every day, including health declaration, measuring body temperature at factory entrance
 - ✓ Increase frequency of disinfection in all public facilities and areas as well as company vehicles
 - ✓ Reduce number of passengers on shuttle bus/company vehicles and impose social distancing, minimize conference and training
 - ✓ Change to separated meal and put partitions on tables in all canteens
 - ✓ Impose stringent control on visitors
 - ✓ Stay vigilant, monitor the situation and report timely to the management

VACCINE TOGETHER

In order to build a safe and healthy workplace, we arranged on-site COVID-19 vaccination for our colleagues in both the Vietnam and China factories in 2021. We hope to contribute to the restoration of safety and normalcy in the community.



China

For China, we have already implemented the COVID-19 vaccination program in May. As at today, 100% of our colleagues in China have been vaccinated excluding those unsuitable to take the shots.

China Factories (Shenzhen)



100%

1st Dose: May 2021

2nd Dose: July 2021



OTHER EFFORTS



We have also devoted efforts progressively in different areas which included:

- Water Resources & Wastewater Treatment
- Moving to Higg FEM Level 2
- Raising Environmental Awareness

WATER RESOURCES & WASTEWATER TREATMENT



Replacing ordinary faucets with low-flow faucets



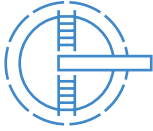
Collecting rainwater to water trees and flowers



Installing Pre-shrinking condenser in the Shenzhen factory to return the condensate water to the central hot water tank and use to help heat water in the electric boiler



Installing water meters for major areas and machines to track water consumption and implement action to reduce water used



Building a new wastewater treatment plant

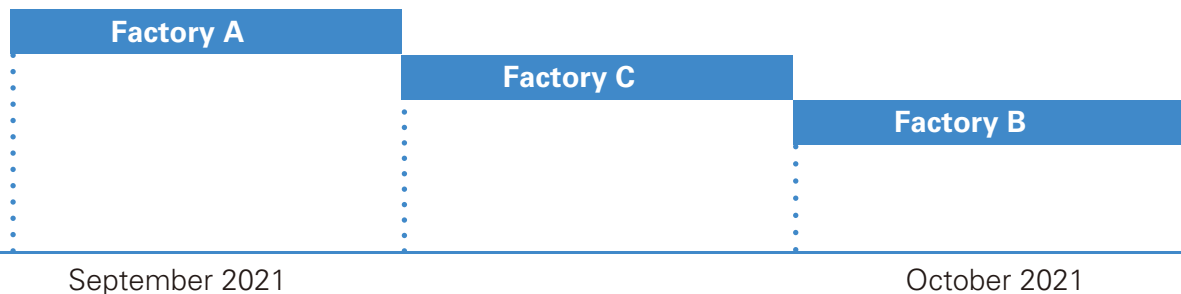


In 2020, we installed a sewage treatment plant (STP) at Factory E in Vietnam. It is capable of recycling an estimated 15,034 m³ of wastewater per year, equivalent to the volume of 6 Olympic size swimming pools (2,500 m³), for flushing purposes.



Targeted Timeline of Effluent Treatment System Installation

Wastewater treatment system installation in factory A, B, C in 2021



MOVING TO HIGG FEM LEVEL 2

Where we are:

Level 1

achieved in 2020
for our Vietnam
factory A, C, D & E



Our target:

Level 2

by 2023

Engage in Higg FEM & vFEM

We will devote our efforts to optimise the performance of the seven aspects below, which are measured by Higg FEM, to achieve Level 2 status by 2023:

Wastewater
Emissions into the Air
Waste Management
Chemicals Use and Management

Environmental Management System
Energy Use/Greenhouse Gas Emissions
Water Use

2020 Higg vFEM
certificate



What is the Higg FEM?

- The Higg Facility Environmental Module (Higg FEM) informs manufacturers, brands, and retailers about the environmental performance of their individual facilities, empowering them to scale sustainability improvements.
- The Higg FEM provides facilities a clear picture of their environmental impact. It helps them identify and prioritise opportunities for performance improvements.

RAISING ENVIRONMENTAL AWARENESS

We organize and participate in various environmental volunteering activities and training programs periodically to raise awareness of environmental protection and energy saving among our colleagues.



Chemical Safety Training



Regional Volunteer Waste Cleanup



AWARDS & CERTIFICATES

Innovation & Quality

1

adidas Quality Award 2020
March 2021
Group



2

adidas Innovation Award 2020
March 2021
Group



3

Guangdong Engineering Technology Research Center 2021
Shenzhen



Environment

6



CarbonCare® Label
December 2020
Shenzhen



4

Green Factory
October 2020
Shenzhen

5

ESG Leading Enterprise Award (2020)
Leading Environmental Initiative Award (2020)
Group



7

ISO 14001:2015 Environmental management systems
December 2020
Hai Phong, Vietnam



8

FSC™ Chain of Custody
April 2021
Group



9

LEED Gold (Factory E) Certification
April 2021
Hai Phong, Vietnam



11

RECYCLED CLAIM STANDARD 2.0
Regina Miracle Intimate Apparel (Shenzhen) Limited
May 2021
Shenzhen

12

RECYCLED CLAIM STANDARD 2.0
Regina Miracle International (Group) Limited
June 2021
Group

13

RECYCLED CLAIM STANDARD 2.0
Regina Miracle International Vietnam Company Limited
June 2021
Hai Phong, Vietnam

14

RECYCLED CLAIM STANDARD 2.0
Regina Miracle International Hung Yen Company Limited
June 2021
Hung Yen, Vietnam



10

2020 Higg vFEM certificate
April 2021
Shenzhen and Vietnam



Community

16



Certificate of "Advanced Model Unit for Civilian Participation in Fire Prevention Operations 2020"

May 2020
Vietnam

18



Yutang Street Donation Certification for COVID-19 Pandemic 2020

September 2020
Shenzhen

20



Certificate of Contribution 2020 – Excellent contributions towards the socio-economic development of Hai Phong City

January 2021
Vietnam

17



The First Prize of "Good Students of Student Hygiene and Traffic Safety 2020"

May 2020
Vietnam

19



Donation Certification of Shuguang Education Funding Activity

December 2020
Shenzhen

21



Certificate of Contribution 2019-2020 – Excellent contributions towards the social insurance and health insurance policy

January 2021
Vietnam



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Caring Company (2020) Group

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