



## **Sustainability Report**

**SOLIDARITY IN  
SUSTAINABILITY**



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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.



# GOVERNANCE STRUCTURE FOR SUSTAINABLE DEVELOPMENT



Regina Miracle constantly optimises its governance structure to enhance the efficiency of its decision-making and the implementation of ESG initiatives. A three-tier structure of **“leadership – decision – execution”** is now in place to effectively promote and implement the Group’s sustainable development strategy, and to effectively integrate the fulfilment of environmental and social responsibility into the Group’s management decision-making, daily operations and corporate culture.



# OUR FOCUS ON SUSTAINABILITY

Echoing the 2030 Sustainable Development Goals of the United Nations, the Group sets its 2030 sustainable targets. In Fiscal 2022, it continues to devote its resources and efforts to pursue achievements in the following six areas:

## 2030 Sustainable Development Goals of the United Nations



## Our 2030 Targets



# OUR 2030 TARGETS



**Carbon  
Reduction**

**Reduce CO<sub>2</sub>  
emissions  
intensity by  
30%**



**Waste  
Management**

**Maintain zero-  
landfill status**



**Sustainable  
Innovation**

**Develop  
sustainable  
materials,  
craftsmanship  
and  
technologies**



**People &  
Community**

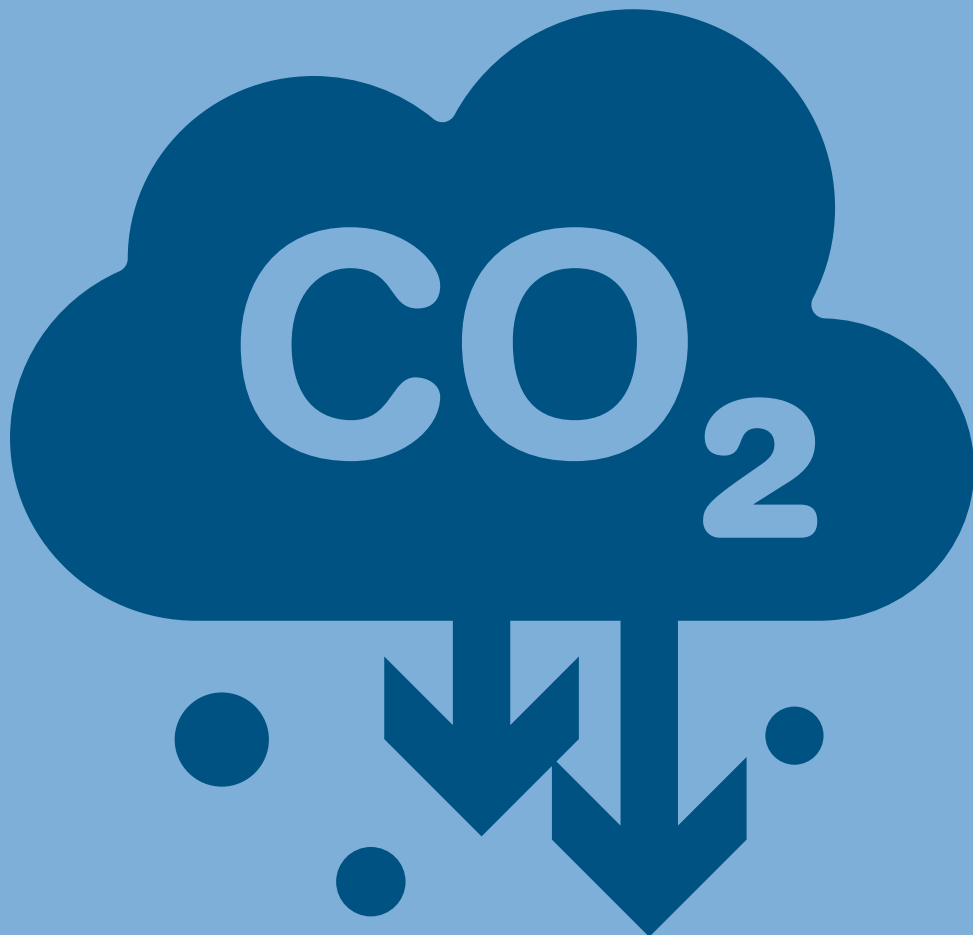
**Enhance  
gender  
equality  
and women  
empowerment**

**Cultivate  
the young  
generation**

**Contribute to  
society**



# Carbon Reduction



## REDUCTION OF CO<sub>2</sub> EMISSION INTENSITY



**-5%**

by internal energy reduction programmes



**-6%**

by installing solar panels



**-19%**

by purchasing clean energy  
through DPPA / I-REC

**-30%**

of CO<sub>2</sub> Emission Intensity

**2020**



**2030**



## Our Actions

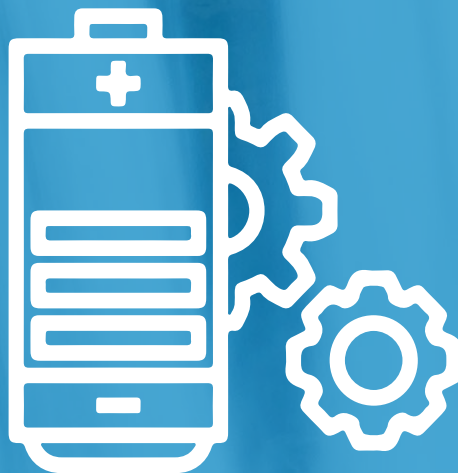
### Internal Energy Reduction Programmes

CO<sub>2</sub> emission  
intensity  
**-5%\***

### Internal Energy Reduction Programmes

We have completed below programmes in 2021 & 2022:

- Built up Energy Management System
- Installed auto-switches for 200W lighting outside buildings
- Optimised air-compressors
- Studied optimal usage of air-conditioners
- Insulated heat pressing machines to save energy
- Changed servo motor for sewing machines



\* Based on 2022 electricity consumption





## Planned Actions in 2023 & On-going Programmes

- Clean the cooling tower and condenser regularly
- Keep default air-conditioners temperature at 26-27°C instead of 25°C in Vietnam factories
- Maintain and improve the Energy Management System
- Engage external consultant for more energy reduction opportunities in Vietnam factories
- Install energy saving and environmentally-friendly models of air-conditioners and air-compressors

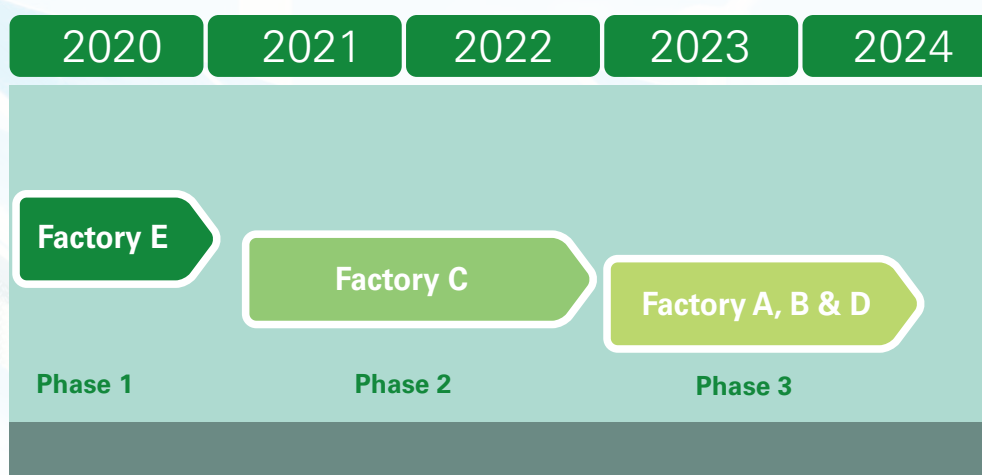


## Our Actions

### Installing Solar Panels

CO<sub>2</sub> emission intensity  
**-6%\***

Installation of solar power equipment  
at the Vietnam factory made good progress



**TOTAL: 20,738 PANELS**

The installation of solar power generation modules at Factory E and C in Vietnam has been completed. An installation agreement for Factories A, B and D has been signed with the solar power generation equipment supplier, and the project is expected to be completed in Fiscal 2023.

\* Project completion time may be slightly delayed depending on the local COVID-19 situation.

**27,386**solar modules to be  
installed

To generate

**10.90%**of our Vietnam  
factories' electricity  
consumption<sup>1, 2</sup>Equivalent to  
an annual reduction  
in CO<sub>2</sub> emissions of**13,405.79 MT<sup>2</sup>**Equivalent to the  
amount of CO<sub>2</sub>  
absorbed by  
**893,000****Trees**  
per year<sup>3</sup><sup>1</sup> Estimated based on 2020 electricity consumption<sup>2</sup> Energy generated by solar panels can vary based on level and duration of sunlight<sup>3</sup> Assumed that a typical tree can absorb 15kg CO<sub>2</sub> per year<sup>\*</sup> Data on Hung Yen and new China factory will be incorporated by the end of 2023 and end of 2024, respectively, due to installation delays caused by COVID-19.



## Our Actions

CO<sub>2</sub> emission  
intensity

**-19%\***

## Purchasing Clean Energy Through DPPA / I-REC

### About 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.

### About I-REC

An **International Renewable Energy Certificate (I-REC)** is a type of Energy Attribute Certificate (EAC), which represents one megawatt hour (MWh) of electricity produced by **renewable sources**. I-REC is the internationally used standard to certify the renewable origin of electricity. Like all EACs, I-RECs enable companies to credibly demonstrate renewable energy consumption and report lower Scope 2 emissions.



**3000 MWh**, equivalent to  
**2,846.70 tons of CO<sub>2</sub>**  
has been purchased through  
I-REC in our China factory.

\* We do our utmost to meet the CO<sub>2</sub> emissions target. However, our ability to achieve the abovementioned carbon reduction target through the DPPA and I-REC initiative is highly dependent on external factors, such as the sustainability policies of the local government and participation of investors in clean energy initiatives.



# Waste Management

Regina Miracle engages qualified waste collectors to handle hazardous waste for harmless treatment. For waste generated in the production process, a combination of measures is taken to achieve a virtuous cycle of waste utilisation. For example, the trims from production are recovered to be reused by an eligible recycler, and we return paper cylinders and plastic cutting boards to supply chain partners.

# ZERO LANDFILL

**For production waste, we execute a zero-landfill initiative at our Vietnam factories. These efforts paid off significantly during the year\***

# 100%

**production waste is  
diverted from landfill**

**51.80%**



of waste generated  
recycled by recyclers

**43.96%**



burnt to make  
bricks and tiles

**4.24%**



converted into  
energy

\* As of 30 September 2022





# We engage in proper waste treatment

Hazardous waste is treated by professional hazardous waste treatment companies to ensure harmless disposal



Paper cylinders and plastic cutting boards are returned to supply chain partners



Edge-trims are recycled as much as possible



Waste from production are handled by qualified recyclers



## Plastic Bag Removal Project Has Been Launched

Working with our business partners to reduce the usage of plastic bags in the production processes.



Reduced production costs



Reduced waste, pollution and CO<sub>2</sub> emission



Enhanced efficiency: Up 9% at post-production process

### Plastic Bag Reduction



Vietnam factories – Monthly reduction of **59,340 pcs**

China factory – Monthly reduction of **166,666 pcs**

Save **more than 2.7 million** plastic bags per year

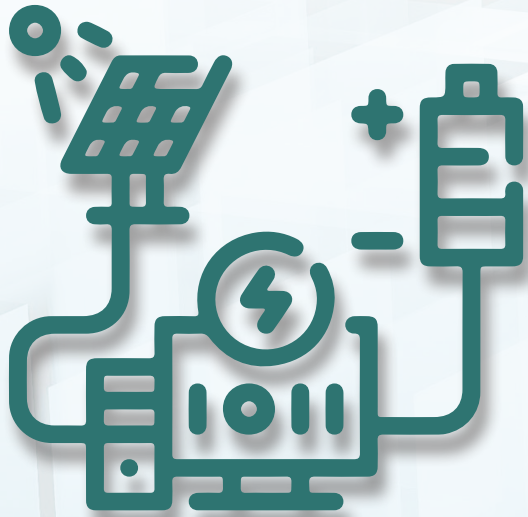




# Sustainable Innovation



## Sustainable Innovation



At the forefront of technology advancement and abreast of mainstream trends, Regina Miracle is discerning of the needs of different channels and markets. Apart from launching a number of measures to ensure and maintain our innovative production models, advanced product research and development, and deployment of effective intelligent technologies, we also implement sustainable supply chain management, identifying, controlling, monitoring and reviewing the areas and risks that may affect the supply chain, and continuously improve the risk management control and processes.



## Our Actions

### Sustainable Materials Development

# OVER 290

**sustainable materials were  
used in newly-launched  
products in 2022**

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We work closely with suppliers to develop sustainable materials.  
Our new products are made with more than 290 recycled  
materials or bio-based products



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**Foam**



**Glues & Film**



**Fibre Cotton**



**Fabrics & Trims**



**Accessories**



**Yarns**



**Packaging Materials**



## Our Actions

### Sustainable Materials Development

#### REherbafoam

REherbafoam is an exclusive bio-based foam jointly developed by Regina Miracle and its suppliers. Replacing petroleum-based raw materials and reducing CO<sub>2</sub> emissions, REherbafoam contains 25% castor oil, which is a renewable raw material. It was awarded the USDA Certified Biobased Product Label.





## Our Actions Sustainable Products



### **One Size for All Leggings**

- Recycled materials
- Reduce inventory and waste caused by different sizes

### **Anti-Gravity Collection (Silicone)**

- Recycled materials
- No plastic ring / steel ring is used

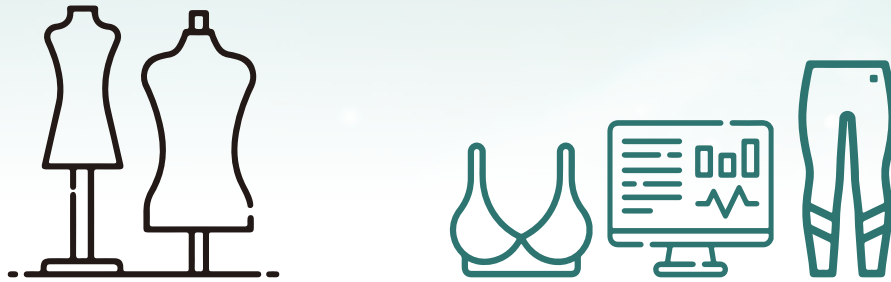
### **Period Underwear**

- Reduce use of one-time sanitary products
- 1 pcs of period underwear could prevent 240 pcs sanitary pads becoming landfill per year

## Our Actions

### Product Development Digitalisation

In 2021, virtual sampling of **612 styles** and **5,487 pcs**



In 2022\*, **725 styles** and **4,850 pcs** were recorded  
Besides shortening the cycle time and reducing costs, it also reduces CO<sub>2</sub> emissions during the distribution of samples.



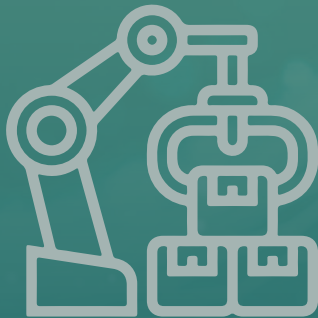
In an effort to promote a paperless production environment as well as improving communication with customers, we launched a pilot run of the **e-Quality Control System (eQCS)** in our Vietnam factories for certain production lines in 2022. The initiative is expected to save an estimated **6.3 million pcs** of A4 printing paper.

\* As of 31 August 2022



# Our Actions

## Craftsmanship Revolution



Regina Miracle has recently launched a number of innovative technologies, namely **REmatrixPad**, **REsiltech** and **REpersBond**. These highly automated production models for streamlining production processes not only enhance our accuracy, flexibility and productivity, but also provide colleagues with a more comfortable and safe working environment.



### Injection Technique

**REmatrixPad**

Leveraging the REMatrixPad injection technique, foam cups are produced by low-temperature injection machines. The advanced, highly automated technology increases energy saving and efficiency of the production process, resulting in wastage reduction.



### Silicone Technique

**REsiltech**

The application of organic and environmentally-friendly materials is a highlight of REsiltech. In terms of production efficiency, REsiltech streamlines the production process and reduces elastic consumption, compared with traditional processes.



### Dotted Glue Bonding

**REpersBond**

The REpersBond dotted glue bonding technique minimises the amount of adhesive consumed, and facilitates the shift to bio-based materials. Being non-toxic and lighter, REpersBond products are able to reduce emissions during transportation, which significantly benefits human health and the environment.

# People & Community



# OUR 2030 TARGETS AND ACTIONS



## Gender Equality & Women Empowerment

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



## Cultivate the Young Generation

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



## Contribute to Society

Set up volunteer team to promote and support voluntary works to give back to the community



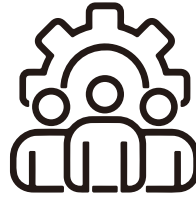
# PEOPLE

## Enhance Gender Equality and Women Empowerment

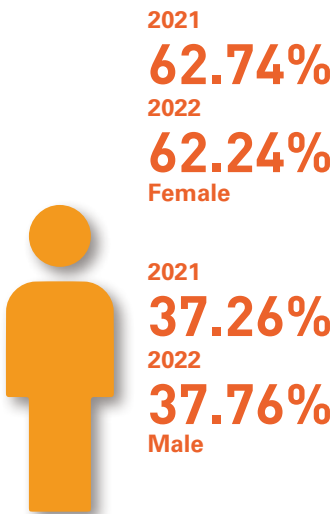


We attach great importance to gender equality, which we promote through consciousness raising, empowerment education, knowledge building and skills development. Since 2018, we have been organising the Personal Advancement and Career Enhancement (P.A.C.E.) programme for female employees, as well as gender-based violence training to prevent sexual harassment and abuse. All of these efforts are aimed at creating efficient actions and positive change that address this important topic.

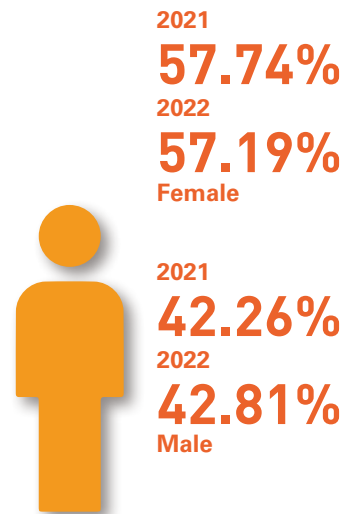
## Gender Ratio of Workforce and Middle Management



### Total Workforce



### Middle Management



## Women Empowerment Training<sup>1</sup>



### Participants

|      |     |      |       |      |        |                   |       |
|------|-----|------|-------|------|--------|-------------------|-------|
| 2019 | 870 | 2020 | 2,347 | 2021 | 11,269 | 2022 <sup>2</sup> | 1,594 |
|------|-----|------|-------|------|--------|-------------------|-------|

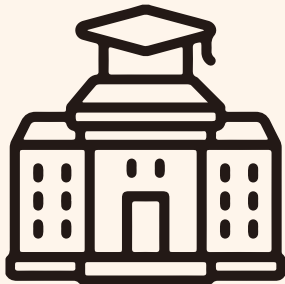
### Training Hours

|      |        |      |        |      |        |                   |        |
|------|--------|------|--------|------|--------|-------------------|--------|
| 2019 | 18,510 | 2020 | 68,762 | 2021 | 51,699 | 2022 <sup>2</sup> | 22,000 |
|------|--------|------|--------|------|--------|-------------------|--------|

<sup>1</sup> The Women Empowerment Training covers various programmes with different class sizes and duration.

<sup>2</sup> As of 30 September 2022

# CULTIVATING THE YOUNG GENERATION



The Group spares no effort in nurturing the younger generation to empower the sustainable development of the industry through an array of initiatives including school-enterprise collaboration with Fashion Design and Engineering disciplines in 20 universities and colleges in China, and with Language and Technical Skills disciplines in 18 universities and colleges in Vietnam.

The Group has been cooperating with a number of textile and apparel higher education institutions since 2003, aiming to identify and nurture new talents for the technological innovation of the industry.

## Set up Regina Miracle intimate wear class

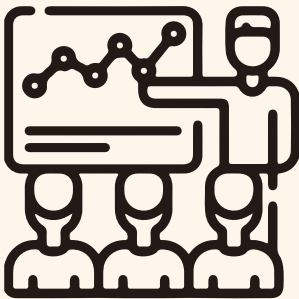


## Develop innovative designs



## Hold marketing competitions





The Group attaches great importance to the training and development of its employees and strives to improve the professional, technical and academic standards of its colleagues through various training channels. Meanwhile, the Group values the internal transfer of technical expertise and encourages professionals from various departments to serve as internal training instructors.

In 2022, we have achieved below performance in China:



**48** colleagues obtained post-secondary and undergraduate qualifications through continuing education programmes



**973** employees in Shenzhen hold post-secondary qualifications and above



**39.2%** of management staff hold post-secondary qualifications and above



A total of **112** in-house training instructors

A total of **91** training courses were developed

# CULTIVATING THE YOUNG GENERATION



*Gao Ziling*

**Senior Manager of R&D  
Department  
Location: China**

Ziling joined Regina Miracle in 2005 and has improved her technological and management expertise during her 17 years at the Shenzhen branch. As the head of the technology and testing team, she led the team to obtain the national laboratory certification. She is also a member of the Knitwear Branch of the National Technical Committee on Textile Standardization and the Sportswear Branch of the National Technical Committee on Sports Goods Standardization in China. In addition, she has participated in the compilation and revision of more than 20 national and industry standards on behalf of the company, won several "Exemplary Individual" awards and made great contributions to the branch's selection as an "Advanced Standardization Unit".





Cai Erqiao

Designer of R&D  
Department  
Location: China



Ren Xinwei

Designer of R&D  
Department  
Location: China



Erqiao and Xinwei have been working at the Shenzhen company for more than two years. Through their work on the R&D Department and on-the-job training, they have been able to improve their design standards and achieve excellent results, and have grown to become the backbone of the design team. At the "Charm of the Orient: China International Underwear Contest" organised by the Shenzhen Underwear Association, the 2020 entry "Purification" (淨化) and the 2022 entry "New Way" both took the crown and also won the "Highest Commercial Value Award" twice.





Pham Thi Ngoc,  
Beryl

Production Manager  
Location: Vietnam

**"Genius is 1% talent and 99% hard work."**

Beryl joined the Group as a warehouse worker in 2016. Through her dedication to acquire more production management skills, Beryl developed her own path for career advancement, gradually moving up from worker to production staff, and later as supervisor at different workshops owing to greater management experience and professional skills. Beryl is now a Production Manager responsible for overseeing the operations at the BRA7 Production Department. Apart from on-the-job training, she is currently attending management training courses to better equip herself.



Do Van Son

Production Assistant  
Manage at Molding  
Department  
Location: Vietnam

**"It doesn't matter how slowly you go as long as you don't stop. I'm moving forward, so should you."**

Son worked as a loader in the moulding department in 2017. His potential and outstanding performance immediately won not only the praise of his colleagues, but also an opportunity to be trained as a manager. In 2020, Son was officially appointed Production Assistant Manager, taking care of all work relating to the MOC C01-09 Molding Department.



Pham Thi Long

**Technical Senior  
Supervisor of  
Production Department**  
Location: Vietnam



Nguyen Huu Ngoc,  
Nick

**Quality Assurance Manager**  
Location: Vietnam

**“Only action creates results.”**

2022 marks the fifth year of Long's journey in the Group. Back in March 2016, she joined its Vietnam branch, serving as training leader at workshop A6 factory, eventually earning promotions that would lead Long to her current position as Technical Senior Supervisor. In climbing up the corporate ladder, Long has devoted herself to learning, which has included participating in the customer's SST project and enrolling in internal senior management training courses, in order to acquire production management skills and soft skills. As a person who embraces both dynamism and balance, Long also enthusiastically participates in different activities. Case in point: she won a special prize in a cooking contest held at the Vietnam branch.

**“Learning is like rowing upstream, to not advance is to drop back.”**

Back in the days when Factory E just opened, there was a shortage of on-site management personnel responsible for quality assurance. Nick took this shortage as his motivation, working diligently and earning favourable assessments and management reviews for his quality mindset. One of his outstanding achievements is driving Factory E to become an on-top co-operator by raising quality standards with his colleagues. Nick is now the Manager of the Quality Assurance Department; maintaining his commitment to quality through perseverance, passion and dedication.



# EMPLOYEE WELL-BEING

We care about our people and are also devoted to contributing to the well-being of the wider community. We actively engage our employees by hosting a variety of activities to enhance their welfare. Besides providing a safe and decent working environment, we are also build a family-friendly workplace for employees. Caring rooms to support the needs of working mothers are also provided.



Tug of war competition(s)



Basketball game(s)



Wellness centre



Chinese language class(es)



Group travel event(s)



Decent working environment



Regular fire drills



Cooking contest(s)

# COMMUNITY

## Contribute to Society

### Support Students' Growth (China)

For the past seven consecutive years, the Group has participated in the Shuguang Education Funding Activity (曙光助學行動) to help students from low-income families with excellent character and academic results to successfully complete their studies.



### Ocean Park Conservation Fund Hong Kong Flag Day (HKSAR, China)

The Group has been the main patron of the Ocean Park Conservation Fund for seven consecutive years, and more than 200 staff members and their families have participated in related activities to raise public awareness of marine conservation.



### The Community Chest Dress Casual Day (HKSAR, China)

The Group has participated in the event for over 10 years, inviting staff to have fun and dress casually for a worthy cause. The activity also enables the Group to encourage colleagues to participate in more sports and recreational activities during their spare time.



# 3

## Caring for Disadvantaged Groups (Vietnam)

Volunteer teams from Vietnam visited homes for the elderly, schools for the blind, schools for the deaf, orphanages and SOS rescue centres, as well as donated materials to those in need.



Visiting school for the deaf



Visiting orphanages



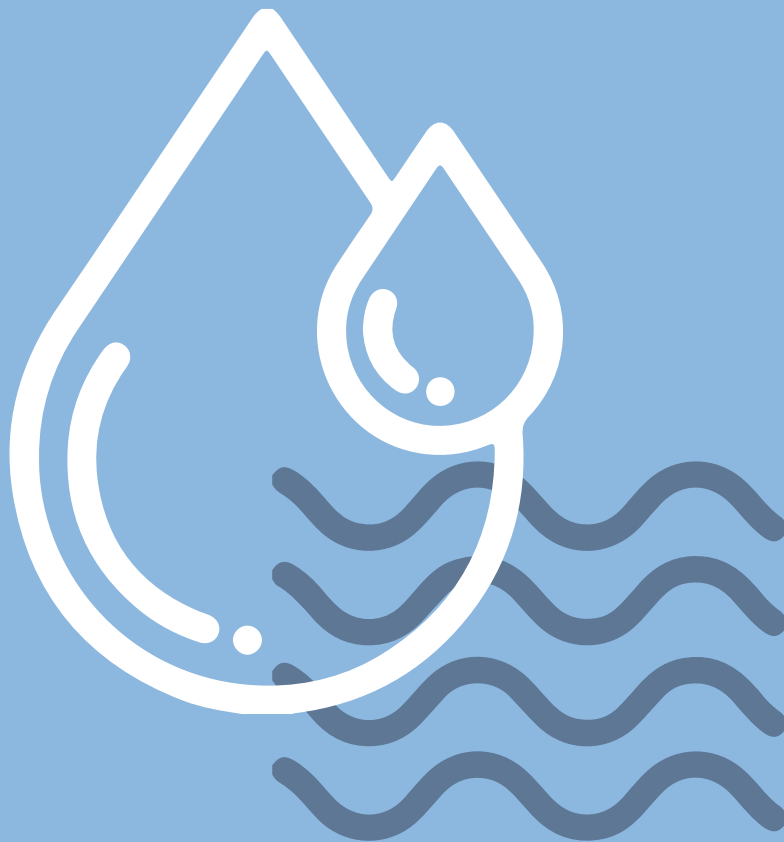
Visiting school for the blind

In addition, they organised and participated in cycling and walking events to raise awareness about environment protection.





# Other Efforts



**Water Resources and Wastewater  
Treatment**

**Moving to Higg FEM Level 2**

**Raising Environmental Awareness**

# WATER RESOURCES AND WASTEWATER TREATMENT

**Water consumption was reduced by 33% in total at five factories\***

- Collect rainwater
- Adjust the anti-overflow buoy
- Regularly check for leaks
- Conduct training and enhance internal publicity
- Reuse treated water in toilets

From January to August 2022, the sewage treatment plant of Factory E recycled **16,423 m<sup>3</sup>** water (equivalent to the volume of **6 Olympic size swimming pools**). It was used to flush toilets.

\* Based on 2020 water consumption





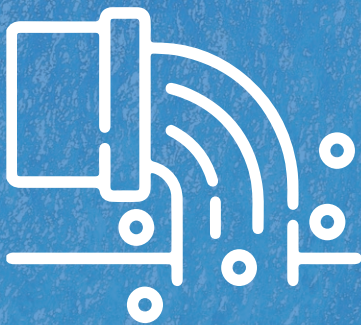
# Water Resources and Wastewater Treatment

Estimated Time to Complete

| 2019   | 22/7/2022  | 30/11/2022   | 30/11/2022  | 31/1/2023  |
|--|--|--|---|--|
|  |  |  |  |  |
| <b>Factory E</b>   | <b>Factory C</b>   | <b>Factory A</b>   | <b>Factory B</b>  | <b>Factory D</b>   |

**Trial running**

## Wastewater test result:



All factories' wastewater quality met the legal requirements.

Factory E, which is engaged in printing, met the requirements of one of the Group's customers, for both the first cycle (before April) and the second cycle (end of 2022).



# MOVING TO HIGG FEM LEVEL 2

Where we are:

## Level 1

Achieved for Factory A,  
B, C, D & E in Vietnam



Our target:

## Level 2

by 2023



## Higg FEM & vFEM

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

Environmental Management Systems  
Water Use  
Emissions to Air  
Chemical Management

Energy Use and Greenhouse Gas Emissions  
Wastewater  
Waste Management

## About Higg FEM

The Higg Facility Environmental Module (Higg FEM) informs manufacturers, brands and retailers of the environmental performance of their individual facilities, empowering them to identify and prioritise opportunities for performance improvements.

# RAISING ENVIRONMENTAL AWARENESS

We organise and participate in various environmental care programmes and training sessions regularly to raise awareness of environmental protection and energy saving among our colleagues.



Chemical Safety Training

Chemical Management Training



Sustainability Through Green Initiative(s)



Environmental Fashion Show





# AWARDS & CERTIFICATES

## Innovation and Quality



**National High-Tech Enterprise**  
December 2021  
Shenzhen



**ISO 9001: 2015 Quality Management System**  
Shenzhen & Vietnam

## Environmental, Social, & Governance

Regina Miracle's sustainability efforts were recognised by the Vietnam Chamber of Commerce and Industry (VCCI), our Haiphong factory has been awarded "Top 100 Sustainable Business in Vietnam" for two consecutive years. We are deeply honoured to receive these accolades and are committed to continuously improving our ESG practices and actively integrating sustainability elements into our daily operations and corporate culture.



**Top 100 Sustainable Business in Vietnam**  
December 2022  
Vietnam



**Bloomberg Businessweek ESG 2021 Leading Enterprise Awards**  
August 2022  
Group



**HKIRA 8<sup>th</sup> Investor Relations Awards 2022 – “Best IR Company”, “Best ESG (E)”, “Best ESG (S)” and “Best ESG (G)”**  
September 2022  
Group



**InnoESG iRecycle Award**  
July 2022  
Group



## Environment

### CarbonCare® Label 2022

December 2022  
Group



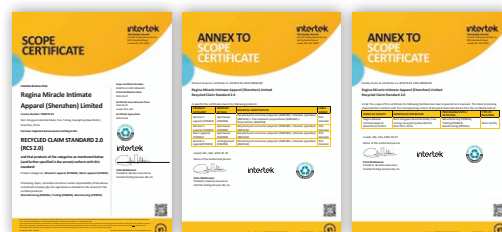
Regina Miracle garners the CarbonCare® Label four years in a row.



### FSC™ Chain of Custody

April 2022  
Group

The RCS is an international voluntary standard that sets out third-party verification requirements for the recycling input and chain of custody for any product containing at least 5% recycled material. The RCS aims to increase the use of recycled materials, promote the alignment of recycling definitions across different applications, track recycled input materials, provide decision-making tools for consumers (both brands and end consumers) and ensure that materials are indeed recycled products.



### Recycled Claim Standard 2.0

2022  
Group



### ISO 14001:2015 Environmental Management System

Shenzhen & Vietnam



### 2021 Higg vFEM Certificate

Shenzhen & Vietnam



### Green Factory

2022  
Shenzhen

## Safe & Healthy Workplace

**ISO 45001:2018 Occupational Health and Safety Management System**  
Shenzhen & Vietnam



## Community



**Caring Company 2021-2022**  
Group



**Asia-Pacific WEPs Awards, Gender Inclusive Workplace UN Women's WeEmpowerAsia Programme**  
November 2022  
Vietnam



**Certificate of Appreciation for Run for Survival Ocean Park Conservation Foundation Hong Kong**  
November 2022  
Group



**Certificate of Appreciation for Kowloon Region Flag Day Ocean Park Conservation Foundation Hong Kong**  
August 2022  
Group



**Yutang Street Caring Enterprise (玉塘爱心企业)**  
December 2021  
Shenzhen



**Donation Certification of Shuguang Education Funding Activity (曙光助学行动)**  
December 2021  
Shenzhen

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Regina Miracle International (Holdings) Limited

