

Weaving a Sustainable Tomorrow



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ABOUT TOP FORM

Top Form International Limited (the "Company") is a full-service design and supply chain partner to global brands and retailers of women apparel and activewear listed on the Main Board of the Stock Exchange of Hong Kong Limited (Stock Code: 333). With headquarters in the Hong Kong Special Administrative Region. The Company and its principal subsidiaries (collectively "Top Form" or the "Group" or "our" or "we" or "us") employ over 6,400 people across mainland China, Thailand, Sri Lanka and Indonesia.



Our end-to-end service ranges from design and development, supply chain management to manufacturing of finished garments. Customers include many of the world's leading brands and retailers, who trust us to deliver uncompromising quality in every product we make.

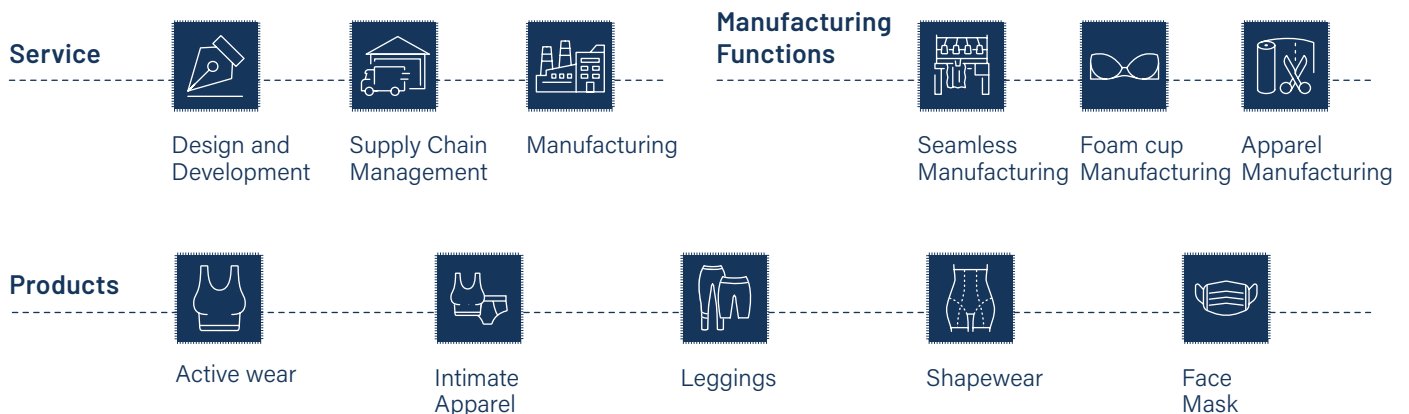
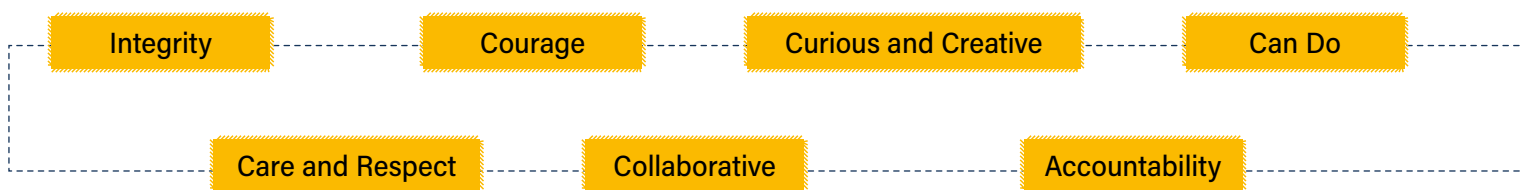
OUR VISION

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

OUR MISSION

"TOP FORM STRIVES TO MAKE A LASTING POSITIVE IMPACT THROUGH OUR CHOICES AND OUR ACTIONS, OUR RELATIONSHIPS AND THE QUALITY WORK WE DO".

OUR CORE VALUES



ABOUT THIS REPORT

This Environmental, Social and Governance Report (the “ESG Report”) was compiled in accordance with the Environmental, Social and Governance Reporting Code (the “ESG Code”) contained in Appendix C2 of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited.

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

This report discusses information on our policies, efforts and achievements with regard to the Company’s environmental, social and governance issues for the period from 1 July 2025 to 30 June 2026 (“FY2026”).

All relevant sustainability policies, including our codes of conduct for employees and suppliers, are available on our website.

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



PROFILE AND SCOPE

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

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

REPORT ASSURANCE

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

CONTACT

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



OUR SUSTAINABILITY STRATEGY

Our Sustainability Strategy comprises three pillars and seven focus areas to drive positive change for society and the environment. Each pillar is aligned with the Sustainable Development Goals of the United Nations ("UNSDG"), as we believe these are most effective for addressing global challenges in a coherent and holistic way.

OUR 3 PILLARS OF SUSTAINABILITY



EMPOWER OUR PEOPLE

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



Health and
Safety



Ethical
Recruiting



Groom
Talents



SAVE OUR PLANET

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



Pathway to
Carbon Reduction



Pathway to
Circularity



BUILD OUR COMMUNITIES

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



Nourishing Our
Community



Women
Empowerment

MESSAGE FROM THE CEO

FY2026 was a challenging year for Top Form. The decline in our financial performance constrained our ability to roll out some of our planned ESG initiatives. Nevertheless, we remained focused on the ESG priorities most important to our business and continued to strengthen the culture, disciplines and operating practices needed to support sustainable development.

During the year, we made meaningful progress in reducing our operational environmental footprint. This progress was supported by energy-efficiency initiatives, enhanced energy monitoring and the increased use of renewable electricity, including the commencement of a new rooftop solar photovoltaic project at our Longnan Campus. We also continued to evaluate practical opportunities to expand renewable energy adoption across our manufacturing network.

With the ambition of achieving zero waste to landfill by 2030, we further strengthened our approach to waste management and circularity during the year. Our facilities enhanced waste segregation, data collection and review processes, improving the completeness and reliability of waste information. We also continued to develop lower-impact product solutions, including material optimisation in our knitting tube product line. In addition, GoGreen Foam maintained a bio-based content level of more than 60%, supporting our ongoing efforts to develop more sustainable product solutions.

Operational excellence remains central to our sustainability approach. During FY2026, we introduced a range of quality and efficiency initiatives, including operator self-inspection, in-house laboratory testing, fabric-shrinkage control and structured quality capability development. These initiatives helped reinforce a “Right First Time” culture, strengthen process control and enhance our ability to meet evolving customer requirements. Our sustainable-material certification programme also remained in place, with all targeted manufacturing facilities in China, Thailand and Indonesia maintaining the relevant certifications.



The first Group-wide KAIZEN sharing session provided a valuable platform for employees to exchange practical improvement ideas and share experiences across functions and locations. It further reinforced our culture of collaboration, innovation and continuous learning.

Our responsibility extends beyond our factories and offices. Through blood donation activities, support for children's education and well-being, employee volunteering and STEM internship programmes, our colleagues contributed their time, skills and resources to the communities in which we operate. These initiatives reflect our core value of “Care and Respect” and our belief that a responsible business can make a positive contribution to local communities.

While we are encouraged by the progress made this year, we recognise that sustainability is a continuous journey. We will continue to improve the quality of our data, maintain high health and safety standards in our operation, enhance resource efficiency, develop our people and work with suppliers and communities to identify practical solutions. With the support of our Board, management and employees across all locations, Top Form will continue to pursue sustainable growth through innovation, collaboration and responsible action.

With gratitude,
Kevin Wong
Chief Executive Officer
October 2026

FY2026 HIGHLIGHTS

PILLARS	FOCUS AREA	GOALS	FY2026 KEY ACHIEVEMENTS
 SAVE OUR PLANET	Pathway to Carbon Reduction	Reduce 30% of carbon emission intensity by FY2030	The rooftop solar system in Longnan campus started operating, represented over 40% of electricity consumption
	Pathway to Circularity	Zero Waste To Landfill	Reengineered knitted tube product to minimize material input, achieving a 6% reduction in material wastage
 EMPOWER OUR PEOPLE	Health and Safety	Continuous improvement in H&S Management	- Sustained high work safety standards and practises in operation Zero work-related fatalities
	Ethical Recruiting	100% of targeted production plants comply with internal Ethical Recruiting Standard	Zero incidents of child and forced labour Zero incidents of sexual harassment
	Grooming Talent	Develop talent development programs for business growth	Implemented group-wide continuous improvement projects, featuring Kaizen sharing sessions and trainings that enhance competencies of our quality team
 BUILD OUR COMMUNITIES	Nourishing Our Community	Meet the nutrient or health needs of local communities	Recorded 674 successful blood donors and 174 first time donors
	Women Empowerment	Invest in education for children and women	Supported 193 underprivileged students in our Back To School Program



ESG AND CLIMATE-RELATED GOVERNANCE

GOVERNANCE STRUCTURE



The Group has established a structured sustainability governance framework to ensure effective oversight, accountability and implementation of its ESG strategies across the organization. The Board is supported by the Sustainability Steering Committee, the Sustainability Task Force, the Local Facilities and Environmental, Health and Safety Committee, and relevant functional and operational teams. This governance structure facilitates the systematic integration of sustainability and climate-related considerations into the Group's corporate strategy, risk management framework, decision-making processes and day-to-day operations. Climate-related risks and opportunities are monitored and managed through established governance, reporting and escalation procedures that are integrated into the Group's risk management and internal control systems. It also establishes clear reporting and escalation mechanisms to support effective communication, timely decision-making and continuous performance improvement.

The Board serves as the Group's highest sustainability governance body and is ultimately accountable for the Group's sustainability and climate-related matters. It oversees the Group's Sustainability Strategy, reviews material ESG and climate-related risks and opportunities and provides strategic directions to management. The Board exercises its oversight through the Sustainability Steering Committee by reviewing reports on sustainability and climate-related matters.

The Sustainability Steering Committee (the "Steering Committee"), chaired by the Chief Executive Officer and comprising senior management, is responsible for overseeing the implementation of the Group's Sustainability Strategy. The Committee monitors sustainability and climate-related risks and opportunities, evaluates the progress against sustainability and climate-related targets, reviews mitigation plans and targets, addresses material implementation challenges, and reports significant sustainability matters and progress to the Board annually.

The Sustainability Task Force (the "Task Force") comprises representatives from relevant corporate functions and business units. It is responsible for developing and implementing sustainability initiatives and measurable targets, monitoring ESG and climate-related performance, assessing regulatory developments, coordinating cross-functional execution and providing technical support. The Task Force reports to the Steering Committee on a bi-monthly basis and escalates material ESG issues where necessary.

The Local Facilities and Environmental, Health and Safety Committee (the "EHS Committee") comprises representatives from local facilities, operational teams and Environmental, Health and Safety personnel. It is responsible for implementing approved sustainability initiatives at the operational level, integrating ESG measures into facility and manufacturing operations, monitoring and reporting performance, supporting corrective actions, and escalating material operational risks and implementation issues to the Task Force.

The Group supports the continuing development of the Board's sustainability and climate-related knowledge through internal briefings, professional training, external seminars and access to external professional advice, where appropriate. For further details, please refer to the Corporate Governance Report in the Annual Report.

In addition, climate-related performance metrics are not currently incorporated into the remuneration policies applicable to the Board or senior management. The Group will keep under review the appropriateness of incorporating relevant sustainability- or climate-related performance considerations into its remuneration arrangements, in light of the development of its Sustainability Strategy, performance measurement systems, and governance practices.

MAINTAINING AN ETHICAL BUSINESS CULTURE

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

The Code is accessible in Top Form Company website and is applicable to employees of Top Form irrespective of their position and function. Reinforcing our commitment to effective sustainability governance across Top Form, we conduct regular governance training courses across all our facilities.

Our suppliers are also required to meet the expectations of our Vendor Code of Conduct and comply with applicable anti-corruption and anti-bribery laws, rules and regulations. We provide regular anti-corruption training to directors and staff to promote ethical culture within the Group.

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

For the year ended 30 June 2026, the Group was in compliance with the respective anti-bribery, anti-extortion and anti-corruption laws of each country in which we operate. There was no concluded corruption case.

MATERIALITY ASSESSMENT AND STAKEHOLDER ENGAGEMENT

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

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

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MATERIALITY ASSESSMENT PROCESS

The Group adopted a structured process to identify, assess, prioritize and validate material ESG topics. The process considered the Group's business operations, industry characteristics, regulatory requirements, stakeholder expectations, value chain impacts and relevant ESG reporting requirements.



As part of the assessment, the Group identified 21 potential ESG topics covering environmental, social and economic/governance aspects. These topics were selected based on their relevance to the Group's operations, applicable laws and regulations, industry-specific ESG risks, stakeholder expectations and their potential impact on the Group's long-term sustainable development.

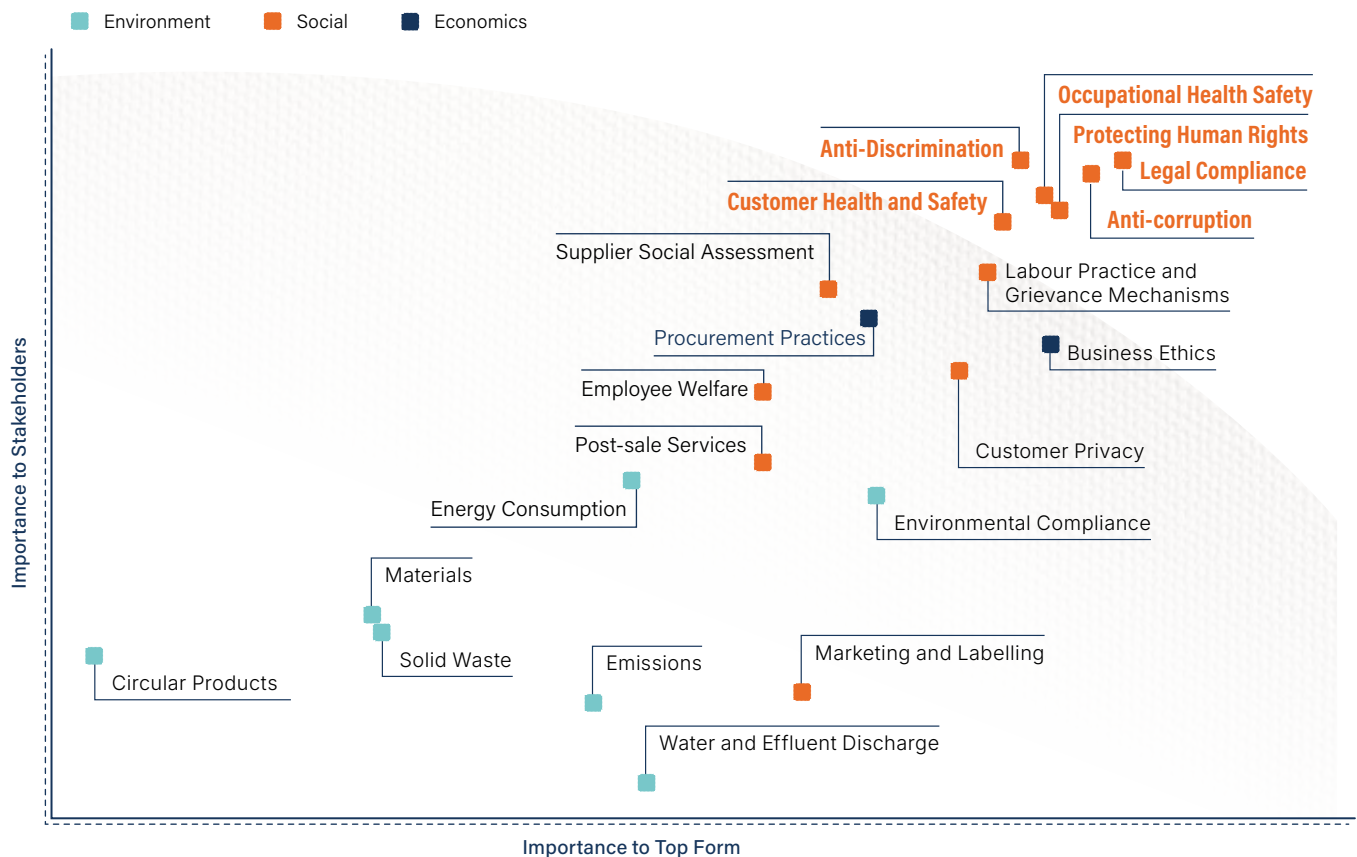
STAKEHOLDER ENGAGEMENT

During FY2026, the Group identified seven significant stakeholder categories for the assessment, representing both internal and external stakeholders relevant to the Group's operations and value chain.



MATERIALITY ASSESSMENT RESULTS

Based on the assessment results, stakeholders placed strong emphasis on compliance, integrity, responsible business conduct, human rights, workplace safety and customer-related responsibilities. In particular, legal compliance, anti-discrimination, protecting human rights, and occupational health and safety were identified as the highest-ranked topics. The ranking of the 21 ESG topics is summarised below:



The results indicate that stakeholders expect the Group to maintain robust compliance management, uphold high standards of business integrity, protect employee and human rights, ensure a safe working environment and fulfil customer-related responsibilities. These high-priority topics have therefore been reflected as key focus areas in this ESG Report.

Environmental topics, including environmental compliance, energy consumption, emissions, water and effluent discharge, solid waste, materials and circular products, remained relevant to the Group and its stakeholders. Although these topics ranked comparatively lower than certain compliance and social topics, the Group recognizes their importance to long-term sustainability and will continue to monitor and manage them as part of our ESG strategy.

The outcome of the materiality assessment has been reviewed by the Steering Committee and reported to the Board for validation. The subsection of this report discloses our actions to address the material topics of concern to our stakeholders. These results are discussed in greater depth in our chapter on sustainability; the management approach and our performance in relation to these material aspects are also disclosed in this report:

How We Address Them



Environmental Compliance

Save Our Planet



Energy Consumption

Greenhouse Gas ("GHG")
Emissions Management



Customer Health and Safety

Product Responsibility



Business Ethics

Fair and Ethical Employment Practices



Occupational Health and Safety

Health and Safety Management



Protecting Human Rights

Prevention of Forced Labour
Prevention of Child Labour

SAVE OUR PLANET



As a global apparel manufacturer, we recognize the significant environmental footprint inherent in textile production—from raw material sourcing and knitting processes to cutting, sewing, and distribution. At the heart of our Sustainability Strategy lies a steadfast commitment to protecting the environment. Recognizing the urgent need to address climate change, we have established ambitious, science-aligned goals to guide our operations toward a more resilient and circular future. Central to this commitment are our 2030 targets: a 30% reduction in emission intensity and the achievement of Zero Waste to Landfill at all our major facilities. These milestones reflect not only our dedication to environmental stewardship but also pivotal steps toward transforming how apparel is made.

Top Form's Environmental Policy and Environmental Management Manual guide our commitment to resource efficiency, ecosystem protection, and compliance with applicable environmental regulations. Local EHS Committees implement and monitor environmental practices through audits, training, and performance tracking, while the Head of Compliance conducts annual reviews on effectiveness of management system. In FY2026, the Group has not identified any legal non-compliance relating to emissions or other environmental matters across its operating regions.



OUR CLIMATE STRATEGY

Top Form has established climate strategies to address the escalating climate-related risks while leveraging opportunities that foster long-term sustainability and business resilience.

With reference to IFRS S2 Climate-related Disclosures, we conducted climate scenario analysis and risk prioritization exercises to identify material climate-related risks and opportunities across its operations, asset portfolio and value chain. The assessment considered both financial and non-financial impacts and covered acute physical risks in 2030, transition risks in 2035 and chronic physical risks in 2050.

The selected time horizons reflect the expected development of climate-related risks and align with relevant regional decarbonization pathways and the Group's strategic planning horizon, supporting the broader global ambition of achieving net-zero GHG emissions by 2050.

The findings of the climate scenario analysis are incorporated into the Group's risk management framework through four key stages as follows:



CLIMATE-RELATED RESILIENCE

Top Form identifies climate-related risks and opportunities through a structured internal screening process informed by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") ESG Enterprise Risk Management framework and considers the nature of the Group's businesses and operations, relevant industry and market developments, peer disclosures, stakeholder concerns, and applicable regulatory and reporting requirements. Through this process, the Group identified 11 material climate-related risks and assessed 3 climate-related opportunities across its operations.

Physical risks were assessed through asset and geographic exposure analysis, while transition risks were evaluated with reference to policies and regulations, market and technological developments and stakeholder expectations. Potential financial and operational impacts were assessed across the defined time horizons with reference to the Group's strategic direction and decarbonization plans. The findings were integrated into the Group's risk management and strategic planning processes.

Top Form has developed an internal climate risk matrix framework to identify, assess, and prioritize climate-related risks and opportunities across two dimensions: likelihood and impact, based on predefined criteria, supporting effective resource allocation and the assessment of potential financial and non-financial impacts. Likelihood refers to the anticipated probability that a climate-related risk or opportunity will occur within the relevant assessment period. Impact refers to the potential magnitude of the resulting operational, financial, strategic, and reputational consequences for the Group.

Based on the combined assessment of likelihood and impact, each climate-related risk or opportunity is assigned an overall risk score and classified into one of four exposure levels: low, low to medium, medium and high.



CLIMATE SCENARIO ANALYSIS

The scope of the climate risk assessment covers the manufacturing facilities in the People's Republic of China (the "PRC"), Indonesia, Sri Lanka, and Thailand, and our offices in Hong Kong and the PRC.

SCENARIO USED

Selected Time Horizon	2030 for Acute Physical Risks 2050 for Chronic Physical Risks 2035 for Transition Risks	
Rationale	- The selected scenarios are drawn from official scenario frameworks published by the Intergovernmental Panel on Climate Change ("IPCC") for physical risk assessment and by the International Energy Agency ("IEA") and the Network for Greening the Financial System ("NGFS") for transition risk assessment. - The IPCC SSP5-8.5 scenario provides a prudent high-warming scenario for assessing the Group's exposure to acute and chronic physical climate hazards under severe climate conditions. - The IEA Current Policies Scenario ("CPS") and the NGFS Current Policies scenario enable the Group to assess its transition risk exposure under existing policy and market conditions, without assuming significant additional climate-policy tightening. - The selected sources therefore support the Group's assessment of physical and transition risk exposure, inform mitigation and adaptation planning, guide capital investment decisions and strengthen operational resilience. - The other tools used included management interview and survey, industry and market research and other scenario tools such as Sea Level Explorer development by National Aeronautics and Space Administration ("NASA").	
Risks Assessed	Acute risk: - Rainstorm - Typhoon - Heatwave	Transition risk: - Carbon pricing/rising emissions costs - Energy price and supply fluctuations - Environmental regulatory compliance and litigation
	Chronic risk: - Continued warming - Sea level change	- Low-carbon technology introduction and transformation investment - Shift in customer preferences/investor expectations - Brand and reputation damage

KEY ASSUMPTIONS FOR SCENARIO ANALYSIS AND ASSET LOCATION IDENTIFICATION

- Expect asset locations to remain the same over the time horizons
- No existing adaptation or mitigation measures

PHYSICAL RISKS

Category	Risks Type	Affected Timeframe*	Description	Areas Most Affected	IPCC SSP5-8.5 [^] Risk Exposure
Acute Physical Risk	Rainstorm	Short - Long	Increasingly intense rainfall events may result in flooding, disruption to transportation and logistics networks, operational interruptions, and damage to facilities and assets.	- Indonesia - Thailand - Sri Lanka	- Low - Low to medium
	Typhoon	Short - Long	More frequent and severe typhoons may cause physical damage to production facilities, utility systems and surrounding transport infrastructure, disrupt business operations and supply chains, and pose health and safety risks to employees.	- Indonesia - Sri Lanka - Thailand	Low
	Heat Wave	Short - Long	Higher temperatures and prolonged heatwaves may adversely affect employee wellbeing and productivity, increase cooling demand and energy costs, and place additional stress on production equipment, electrical systems and cooling and ventilation systems.	- PRC - Indonesia - Sri Lanka - Thailand	Low
Chronic Physical Risk	Continued Warming	Medium - Long	Continued increases in average temperatures may lead to higher operating costs, increased energy consumption, reduced workforce productivity, and greater pressure on assets and facilities.	- PRC - Indonesia - Sri Lanka - Thailand	Low
	Sea Level Change	Medium - Long	Long-term sea-level rise may increase exposure to coastal flooding and erosion, resulting in potential damage to production assets and surrounding transport, utility and drainage infrastructure.	- Indonesia - Sri Lanka - Thailand	Low

* Short term: up to 3 years; Medium term: 3 to 10 years; Long term: beyond 10 years.

[^] Physical climate risks were assessed based on Coupled Model Intercomparison Project Phase 6 ("CMIP6") climate projections under the selected scenario, supplemented by data and models from recognized sources, including the Hong Kong Observatory, the Columbia Hazard Model and NASA Sea Level Explorer. Chronic physical risks were assessed using projected annual mean temperature (CMIP6 climate projections) and projected annual mean sea level rise (NASA Sea Level Explorer projections) as the key indicators for Continued Warming and Sea Level Change, respectively. CMIP 6 data is obtained from the World Bank Climate Change Knowledge Portal under the selected scenario.

Five acute and chronic physical risks are assessed as having either low or low-to-medium impacts under the selected climate scenarios. The rainstorm risk is assessed as low-to-medium impacts in Sri Lanka, while all other operating locations are assessed as having low impacts. The other four acute and chronic physical risks are assessed as having low impacts across all operating locations.

Top Form evaluated the potential financial implications of the identified physical climate risks by assessing a range of impact factors, including potential asset damage, loss of operating days, and damage to products. This evaluation was supported by historical experience, management interviews, survey responses, and climate projections for the selected time horizons under the IPCC SSP5-8.5 scenario. The assessment indicated that the identified risks are likely to result in only limited current and anticipated financial impacts on the Group's business and value chain. Nevertheless, due to the inherent uncertainty of climate projections and the difficulty of reliably quantifying the associated financial effects, these impacts are currently disclosed on a qualitative basis.

Category	Physical Risks Type	Potential Impact on Business Model and Value Chain	Potential Financial Impact	Responses and Measures
Acute Physical Risk	Rainstorm	- Heightened employee health and safety risks - Damage to production facilities and equipment in affected locations - Transport or production disruption, potentially affecting order fulfilment and revenue	- Higher repair and maintenance costs - Revenue deferral from production or delivery delays	- Diversify production locations - Develop a disaster recovery plan
	Typhoon	- Shipping delays and temporary logistics bottlenecks - Power outages may interrupt production and supporting operations	- Higher freight and contingency costs - Lost output during power or operational interruptions	- Deploy backup generators to maintain operational continuity - Strengthen long-term supply chain resilience
	Heat Wave	- Lower workforce productivity during periods of extreme heat - Increased electricity demand for cooling and ventilation	- Labour and productivity-related costs - Higher electricity expenses	Adopt energy-efficient air conditioning and ventilation systems
Chronic Physical Risk	Continued Warming	- Greater exposure to heat-related occupational health risks - Changing storage conditions may affect materials and finished goods	- Sustained increases in cooling and ventilation costs - Potential inventory losses or additional storage costs	Apply a thermal insulation layer in the factory building
	Sea Level Change	- Gradual disruption to exposed ports, transport routes and logistics hubs - Coastal property and assets could face increased exposure to flooding and erosion	- Higher logistics and rerouting costs - Asset protection, repair or relocation expenditure	Consider planning our new campus locations away from the coastal area



TRANSITION RISKS

Category	Risks Type	Affected Timeframe*	Description	Areas most affected	Scenario^ Risk Exposure
Transition Risk	Carbon Pricing/ Rising Emissions Costs	Medium-Long	Changes in carbon pricing mechanisms, emissions-related charges from the related carbon market and carbon tax mechanisms, and the cost of managing GHG emissions in different countries	• PRC • Indonesia	• Low
	Energy Price and Supply Fluctuations	Short-Long	Fluctuations in energy prices, supply availability, and market conditions affect energy procurement and consumption	• PRC • Indonesia • Thailand	• Low
	Environmental Regulatory Compliance and Litigation	Short-Long	Evolving environmental regulatory requirements, compliance obligations, enforcement actions, and potential legal proceedings	• PRC • Indonesia • Sri Lanka • Thailand	• Low
	Low-carbon Technology Introduction and Transformation Investment	Short-Long	Introduction of low-carbon technologies and the associated investment, implementation, integration, and operational transformation requirements	• PRC • Sri Lanka	• Low
	Shift in Customer Preference/ Investor Expectations	Short-Long	Changes in customer preferences and investor expectations regarding low-carbon products, environmental performance, and corporate sustainability practices	• PRC • Indonesia • Sri Lanka • Thailand	• Low to medium
	Brand and Reputation Damage	Short-Long	Public and stakeholder scrutiny regarding product environmental commitment, corporate transparency, and sustainability marketing disclosures	• PRC • Indonesia • Sri Lanka • Thailand	• Low

* Short term: up to 3 years; Medium term: 3 to 10 years; Long term: beyond 10 years.

^ The NGFS Current Policies was used for assessing the risk for Carbon Pricing/Rising Emissions Costs and the IEA CPS was used for assessing the risk for Energy Price and Supply Fluctuations, with the timeframe of impact set in 2035. The other tools including management interview and survey, industry and market research were used to assess the remaining transition risks.

Six transition risks are assessed as having either low or low-to-medium impacts under the selected climate scenarios. The risk of Low-carbon Technology Introduction and Transformation Investment is assessed as low-to-medium impacts in Indonesia and Thailand, while all other operating locations are assessed as having low impacts. The risk of Shift in Customer Preference / Investor Expectations is assessed as low-to-medium impact in Indonesia, Sri Lanka and Thailand, while all other operating locations are assessed as having low impacts. The other four transition risks are assessed as having low impacts across all operating locations.

The Group has applied the Financial Effects Relief in providing quantitative information on the current and anticipated financial effects of climate-related risks and opportunities. Given the uncertainties inherent in future climate scenarios, the limitations of existing quantitative assessment methodologies, and the limited availability of a well-established and standardized mechanism for attributing financial impacts, the Group is currently unable to reliably quantify the specific financial impacts associated with climate-related transition risks. The Group will continue to closely monitor evolving industry practices and market developments, progressively strengthen its data collection and quantitative assessment capabilities, and explore more reliable and precise methodologies for disclosing the financial impacts of climate-related transition risks. These impacts are currently disclosed on a qualitative basis.

Transition Risks Type	Relevance and Assumptions	Potential Impact on Business Model and Value Chain	Potential Financial Impact	Responses and Measures
Carbon Pricing/ Rising Emissions Costs	- Expansion of carbon pricing mechanisms, changes in applicable carbon prices, and tightening requirements may increase emissions management costs - The assessment evaluates exposure to future carbon prices and related costs over the defined assessment period and geographic scope	- Potential operational restrictions, capacity constraints, or temporary facility suspension due to regulatory non-compliance - Reduced operational and supply-chain flexibility due to emissions-related production or capacity limits	- Higher operating expenses arising from carbon taxes, emissions trading schemes, carbon levies, or other emissions-related charges - Additional expenditure for purchasing emissions allowances or credits	- Continue the execution of the established corporate carbon reduction plan and related efficiency initiatives - Monitor changes in applicable carbon pricing mechanisms, emissions limits, and regulatory requirements across relevant jurisdictions
Energy Price and Supply Fluctuations	The assessment uses the IEA CPS to evaluate potential changes in energy demand, prices, fuel mix, and supply conditions	- Potential reduction in operational stability and production predictability if electricity or fuel supply becomes constrained or interrupted - Potential disruption to suppliers, logistics providers, or other value-chain partners exposed to energy supply constraints	- Higher operating expenses from volatile electricity and fuel prices - Revenue losses and higher value-chain costs from operational disruptions and energy cost pass	- Strengthen energy resilience through efficiency, backup systems, solar energy, and contingency planning - Monitor electricity and fuel price trends, supply conditions, and relevant energy policies in key locations
Environmental Regulatory Compliance and Litigation	Climate-related regulations, product standards, and disclosure requirements may become increasingly stringent across relevant jurisdictions and markets	- Ongoing need to align operations, and governance with evolving regulations and product sustainability standards - Stricter compliance requirements for suppliers and other value-chain partners	- Additional operating expenditure for regulatory monitoring, audits, reporting, training, and compliance management - Higher raw material, product-testing, certification, waste-treatment, and supplier-management costs	- Regularly monitor relevant legal, and industry developments - Maintain appropriate environmental permits, monitoring records, compliance documentation, and regulatory reporting processes

Transition Risks Type	Relevance and Assumptions	Potential Impact on Business Model and Value Chain	Potential Financial Impact	Responses and Measures
Low-carbon Technology Introduction and Transformation Investment	Increasing adoption of low-carbon and smart manufacturing technologies may require additional investment, operational adjustments, workforce capabilities, and integration with existing production systems	- Potential temporary production disruption during equipment replacement, installation, testing, and infrastructure upgrades - Possible integration challenges requiring adjustments to processes, facilities, maintenance, and workforce capabilities	- Additional capital expenditure for replacing or upgrading legacy machinery, production equipment, energy systems, and supporting factory infrastructure - Technology development, system integration, installation, testing, employee training, and project management costs	- Prioritize low-carbon and energy-efficiency investments based on technical feasibility, expected emissions reduction, operational requirements, and financial viability - Adopt practical energy-saving measures, including LED lighting, smart sensors, energy-management system, and equipment upgrades, where appropriate
Shift in Customer Preference/Investor Expectations	- Growing customers' demand for low-carbon and circular products, traceable materials, and product certifications. - Greater investors' emphasis on the company's climate strategy, transition plan, sustainability performance, governance, and related disclosures	- Potential reduction, postponement, or cancellation of orders due to unmet customers' sustainability requirements - Potential challenges in sourcing sustainable, recycled, or traceable materials	- Potential revenue reduction arising from lower demand, reduced order volumes, or order cancellations - Additional research and development, product testing, certification, audit, traceability, marketing, and supplier-engagement costs	- Continuing to certify our factories and products with relevant circularity certificates, e.g., GRS, OEKO-TEX® - Diversify the product portfolio and collaborate with global brand clients to develop sustainable and circular solutions
Brand and Reputation Damage	Heightened stakeholder scrutiny of climate-related disclosures, environmental commitments, product claims, and actual sustainability performance may increase the potential for allegations of greenwashing	- Potential weakening of relationships with apparel brand customers due to insufficient sustainability information - Potential customer enquiries, complaints, order reviews, or reduced business opportunities where environmental claims cannot be adequately substantiated	- Additional certification, product-testing, assurance, audit, and supply-chain traceability expenses - Potential revenue losses and regulatory or legal costs arising from misleading environmental claims	- Establish and maintain an internal review and approval framework for environmental claims, sustainability marketing materials, product labels, and climate-related disclosures - Obtain relevant third-party certifications or independent verification for products, facilities, or environmental attributes

CLIMATE-RELATED OPPORTUNITIES

Top Form has identified climate-related opportunities arising from the transition to a low-carbon economy, including improvements in energy and resource efficiency, the adoption of low-carbon technologies, and the development of sustainable products and services. These opportunities may enhance operational resilience, reduce costs, strengthen competitiveness, and support the Group's long-term sustainable growth.

Opportunity	Potential Impact on Business Model and Value Chain	Potential Financial Impact	Focused Area
Utilization of Low-carbon and Renewable Energy	Strengthen the Group's positioning as a lower-carbon supplier within global apparel and textile value chains	- Replace purchased electricity with on-site renewable energy, reducing exposure to electricity price volatility. - Strengthen alignment with customer sustainability requirements, potentially increasing customer retention and revenue opportunities from lower-carbon products	- PRC - Thailand
Resource Efficiency and Low-Emission Manufacturing Innovation	Accelerate the diversification of the Group's energy mix by scaling up on-site renewable energy, renewable electricity procurement, and lower-carbon sources, directly displacing grid reliance to reduce location-based Scope 2 emissions.	- Digitize product design to reduce wastage generated from making physical samples and the carbon emission generated from sample delivery - Deploy advanced seamless knitting technology for suitable shapewear and sportswear products to reduce cutting waste and raw-material costs	- PRC - Indonesia - Sri Lanka - Thailand
Development and Expansion of Low-Emission Products	- Increase the use of recycled, bio-based, lower-carbon, responsibly sourced, or resource-efficient materials across product portfolio - Strengthen the Group's position as a provider of sustainable textile materials, and product solutions	- Expand verified sustainable product offerings to support revenue growth from sustainability-focused customers - Invest in research, design, development, prototyping, and testing of sustainable, bio-based, and lower-carbon alternatives, increasing product research and development costs	- PRC - Indonesia - Sri Lanka - Thailand



GHG EMISSIONS MANAGEMENT

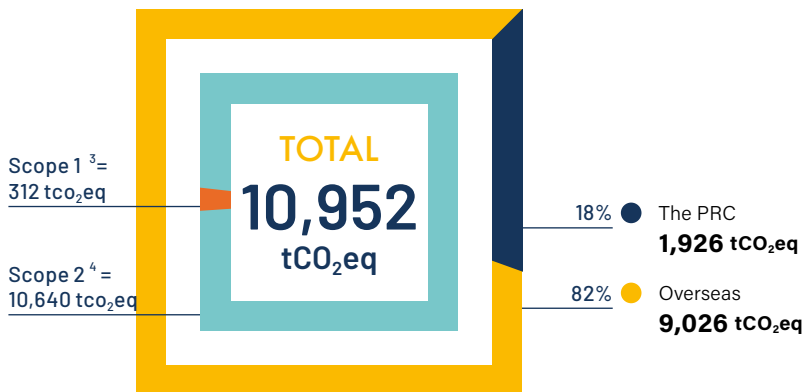
In FY2026, the total GHG emission has decreased by 31% as compared to FY2025¹, reflecting its continued commitment to energy management and decarbonization. As purchased electricity and steam account for approximately 95% of the Group's total GHG emissions, Top Form focuses on improving energy efficiency and reducing energy consumption across its operations. During the year, the reduction in emissions was supported by the expanded utilization of rooftop solar photovoltaic ("PV") systems, which increased the proportion of renewable energy used and reduced reliance on purchased electricity. Lower energy consumption associated with reduced business activity levels, together with the adoption of updated emission factors to enhance the accuracy and reliability of emissions quantification, also contributed to the improvement.

To support continuous improvement in energy performance, the Group has established and implemented energy management policies, targets and performance indicators across its operations. Manufacturing facilities have installed sub-meters to measure, collect and analyze energy consumption data at specific operational areas, enabling targeted conservation strategies. Weekly energy audits are conducted to monitor performance and promote compliance with established energy management practices. The Group will continue to pursue energy-efficiency initiatives and renewable energy solutions to support its long-term emissions reduction objectives. Top Form does not use fuels derived from biomass, and its production processes do not generate biogenic carbon dioxide emissions.

GHG EMISSIONS FOR FY2026

Carbon Intensity:

0.2838 kg CO₂eq/pc²



Notes:

- Scope 1 emissions include direct emissions from fuel combustion of stationary sources from generators and kitchens and mobile sources from company vehicles.
- Scope 2 emissions include indirect emissions from purchased energy and steam.
- GHG emissions are accounted with reference to the GHG Protocol Corporate Accounting and Reporting Standard issued by the World Resources Institute and the World Business Council for Sustainable Development, the "Global Warming Potential Values" from the Second Assessment Report issued by the IPCC and Reporting Guidance on Environmental KPIs issued by the Stock Exchange.

The Group is currently focusing on the management and disclosure of Scope 1 and Scope 2 GHG emissions and will gradually explore disclosing Scope 3 GHG emissions once it achieves its Scope 1 and Scope 2 emissions targets.

1. The scope 1 emissions were 331 tCO₂eq and the scope 2 emissions were 15,525 tCO₂eq for FY2025, while the carbon intensity was 0.3560 kgCO₂eq/pc.
2. Standard piece reflects the total units of all products mix Top Form sold. The target setting methodology has referenced the APPAREL AND FOOTWEAR SECTOR SCIENCE-BASED TARGETS GUIDANCE of the Science Based Targets Initiative.
3. Emission factors used for the calculation of Scope 1 emissions were based on Emission Factors from Cross-Sector Tools (2017) by GHG Protocol and the Reporting Guidance on Environmental KPIs issued by the Stock Exchange.
4. Emission factors used for the calculation of Scope 2 emissions were based on Carbon Dioxide Emission per Electricity Generation by Thailand Ministry of Energy and the Thai National LCI Database, the 2019 Grid GHG Emission Factor for the Electricity System by the Energy and Mineral Resources of Indonesia, the Sri Lanka Energy Balance 2022 by Sri Lanka Sustainable Energy Authority, the electricity carbon dioxide emissions factors released by the Ministry of Ecology and Environment of the People's Republic of China in 2022 and the 2024 Sustainability Report published by CLP Holdings Limited and HK Electric Investments Limited.

DECARBONIZATION TARGETS

Top Form has reviewed and reset its GHG emissions target with reference to the Corporate Net-Zero Standard of the Science Based Targets Initiative ("SBTi").

The previously established target aimed to reduce GHG emissions intensity by 30% by FY2030 from a FY2020 baseline year. Given the significant changes in the Group's organizational structure and operating footprint in recent years, including the closure and commencement of operations at certain production facilities, as well as updates to emission factors and emissions calculation methodologies, the baseline year has been recalibrated from FY2020 to FY2025 with reference to the SBTi Corporate Net-Zero Standard. This recalibration reflects material changes affecting the emissions baseline and ensures that the baseline remains representative of the Group's current operations and emissions profile.

The emissions target aims to reduce operational GHG emissions and support climate change mitigation which covers all factories and offices within the reporting boundary of this Report. No interim targets have been set. The Board regularly reviews performance against the target and monitors progress towards its achievement. While the target has not yet been independently verified or validated, the Group is actively exploring appropriate third-party validation arrangements and will pursue validation as and when appropriate.



PATHWAYS TOWARDS GREEN ECONOMY

Top Form continued to advance its low-carbon initiatives across its operations during FY2026. As part of its ongoing efforts to increase renewable energy adoption, the Group commenced a new solar PV project at its Longnan facilities during the year, following the installation of a solar PV system at its Thailand operations. These initiatives further increased the use of renewable energy across the Group's manufacturing network and supported its long-term decarbonization objectives.

Given that purchased electricity accounts for the majority of the Group's GHG emissions, the Group continues to evaluate practical opportunities to increase renewable energy consumption across its operations. In addition to expanding on-site renewable energy generation, Top Form is evaluating the potential use of renewable energy certificates ("RECs") in selected operating locations. The assessment covers factors including market availability, procurement feasibility, cost considerations and the suitability of RECs under applicable GHG emissions accounting and climate-related requirements. While RECs may be considered as a complementary decarbonization measure in the future, the Group's priority remains improving energy efficiency and increasing the direct use of renewable energy across its operations.

The Group has not implemented an internal carbon pricing mechanism during the reporting period. The Group has reviewed the applicability of internal carbon pricing to its operations and business model, taking into consideration evolving regulatory developments and global best practices. Although internal carbon pricing is not currently a key priority, the Group will continue to assess its relevance and potential application as part of its broader climate-related risk management, sustainability, and decarbonization planning.

The Group is currently focused on managing and reducing its Scope 1 and Scope 2 GHG emissions while continuing to evaluate appropriate market-based decarbonization instruments. As more than 90% of these emissions are attributable to purchased electricity, the Group is currently prioritizing the procurement of certified RECs and has not used carbon credits at this stage. Certified RECs are considered a more relevant and cost-effective market-based instrument for addressing the Group's current emissions profile.

Top Form Longnan Solar Project

Top Form continued to advance its low-carbon initiatives during the year. Building on the solar PV system installed at our Thailand facility in previous years, we expanded the pathways for renewable electricity to Top Form Longnan. During the year, we commenced a solar PV project at the Longnan facilities, with the solar rooftop system expected to generate renewable electricity equivalent to approximately **40% to 50%** of the site's total electricity consumption.



ENERGY MANAGEMENT

17,208

Purchased Electricity
(kWh '000)



1,947

Renewable
(kWh '000)



5,495

Others (kWh '000)

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

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



CONTROL MEASURES AND PRACTICES

- Conduct electricity audit to identify inefficiencies in equipment, lighting, and HVAC systems
- Install smart meters to monitor and control energy consumption
- Air conditioners temperature in offices are set at 25°C
- Heating machines are pre-heated based on seasonal temperature change instead of standardized work shift time

MANAGEMENT OF EQUIPMENT

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



LIGHTING

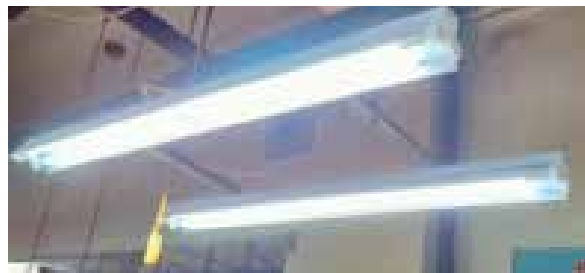
- Replaced existing lighting with LEDs
- Turned off lights during non-operating hours

Advancing Energy Efficiency Across Top Form

Building on the Group's ongoing commitment to energy conservation, a range of initiatives were implemented across the regions during the year.



- An energy-efficient ventilation design was implemented in our foam cup factory that resulted in 2.3% electricity reduction.



- The upgraded LED lighting system in Longnan consumes approximately **40% less** electricity than conventional fluorescent lamps.



- Photoelectric sensors were installed at the Indonesian factory to replace manual lighting control and reduce energy waste.



- We replaced damaged air joints in the production lines to eliminate compressed air leaks, reduce energy loss, and extend equipment lifespan.

WATER MANAGEMENT

We have established a set of water management policies and operation procedures that meets the relevant laws and regulations of the countries we operate. Water conservation management team is established within local EHS Committee to coordinate and implement activities to raise water conservation awareness and promote effective water saving practices to employees and workers. Water sub-meters are installed to track and measure consumption to identify and control wastage. Monthly water leakage inspection is carried out to identify water leakage and wastage points.

The total water consumed in FY2026 is 269,486m³, representing a 9% year-on-year decrease due to effective water management. Water comes from government sources and there is no issue in water supply in our operation.

The wastewater discharged by the Group is classified into two types: domestic wastewater and industrial wastewater. Domestic wastewater is discharged into underground septic tank for pre-treatment before dispersal. A well-established wastewater treatment process is established for industrial wastewater generated from production, and water quality is tested monthly by certified third parties to ensure the discharge meets local regulating requirements.

WASTE MANAGEMENT

ZERO WASTE TO LANDFILL BY 2030

Having successfully achieved our Pathway to Circularity goal in FY2024, we took a strategic pause in FY2025 to ensure our next phase of initiatives remains ambitious and fully aligned with circular economy principles in the apparel industry. Following a comprehensive review, we have prioritized an ambitious Zero Waste to Landfill target and strengthened our waste management system to improve data accuracy and enable robust tracking of progress against this goal.

Our Circular Waste Management System is built on three pillars that unify group-wide control standards and drive continuous improvement across all sites.

CIRCULAR WASTE MANAGEMENT SYSTEM

Minimizing waste generation: Proactively reducing waste through application of the 5Rs (Refuse, Reduce, Reuse, Repair, Recycle) waste management principles.

Waste data collection and reconciliation: Standardizing waste stream recording across the Group with improved procedures; establishing processes to evaluate the effectiveness of waste collection and segregation – ensuring all factories consistently meet our compliance standards.

Integration and accountability: Embedding waste performance metrics into factory operational meetings to foster ownership, transparency, and continuous improvement.



While total non-hazardous textile waste volume increased during the year, this rise reflects a strategic enhancement to our waste collection and sorting infrastructure—not an increase in actual waste generation. By investing in additional resources to capture, categorize, and track waste streams more comprehensively, we have significantly improved the accuracy and completeness of our data. Our annual waste audit further confirmed that all factories remain in full compliance with local waste disposal regulations. We have improved data completeness and accuracy through three key initiatives:

1. Enhanced Employee Training on Waste Segregation

Waste management training has been scaled up from an annual to a quarterly basis, ensuring workers are well-versed in waste classification and clear on segregation requirements. Standardized waste collection bins have been deployed across all production workshops. Recyclables that were previously co-mingled with general waste and went unrecorded are now correctly sorted and measured.

2. Strengthened end to end inspection and supervision

The staff now collect daily waste-weighing records from all sites, with weekly reviews conducted by department heads. This full-chain oversight minimizes data omissions caused by non-standard practices.

3. Increased Frequency and Precision of Data Recording

The frequency of waste weighing at factories has increased from twice to four times daily. This is supported by the launch of a digital data-sharing platform, preventing data underestimation caused by infrequent logging.

These strengthened waste management measures improved the accuracy and completeness of waste reporting across the Group. Enhanced waste segregation practices increased the volume of recyclable materials diverted to recycling streams, while greater data transparency enabled more comprehensive identification and reporting of non-recyclable waste destined for landfill. Changes in product mix and updated recycling vendor acceptance criteria also resulted in certain materials being reclassified from recyclable to non-recyclable.



TOTAL
2,141
tonnes

- Non-hazardous
2,096 tonnes
- Hazardous
45 tonnes



NON-HAZARDOUS WASTE BREAKDOWN



WASTE RECYCLED AND ENERGY RECOVERY

957 tonnes

of waste recycled



362 tonnes

of waste recovered to energy



640 tonnes

of waste landfilled



123 tonnes

of waste reused

PRODUCT RESPONSIBILITY

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

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

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

The product manufacturing process is followed by rigorous quality assurance policies and regular random inspections

carried out to confirm in-process. End-of-line inspections are conducted for 100% inspection, and each order is carried out for final inspection according to the Acceptance Quality Standard (AQL) sampling standards specified by customers. Only after our strict quality standards have been confirmed will a shipment be dispatched for delivery.

In the rare case of a significant quality failure, it will be reported to our business leads and Head of Quality Assurance. These policies provide guidance on the necessary measures to be taken to rectify the issue and prevent similar quality issues from recurring in the future. By implementing these measures, we demonstrate our dedication to product responsibility and our commitment to delivering products that meet the highest quality standards.

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

FY2026 QUALITY PERFORMANCE

	ACHIEVED	TARGET
Accepted Quality Standard "AQL"	99.82%	100%
Observed Quality Performance "OQL"	0.77%	1%

In FY2026, the Group did not receive complaints from customers related to safety and health reasons and had no sold or shipped products subject to recalls for safety or health reasons.



Driving Quality Excellence through Continuous Improvement

In FY2026, Top Form implemented a series of quality enhancement initiatives to strengthen product quality, operational efficiency, and customer satisfaction. Key actions included the Operator Self-Inspection Project to promote a “Right First Time” culture, the establishment of in-house laboratory testing capabilities to enhance IQC efficiency, and the installation of a fabric shrinking machine to reduce shrinkage defects. We also introduced a QA Skill Matrix and structured training programmes to strengthen workforce capabilities, while expanding customer-focused quality assurance through independent inspection certifications for major customers.

These initiatives collectively improved process control, enhanced workforce competency, minimized quality risks, and reinforced customer confidence, supporting the Group’s commitment to operational excellence and continuous improvement.



TOP FORM GROUP’S JOURNEY TO CIRCULARITY

SUSTAINABLE MATERIAL CERTIFICATION

Top Form Group promotes responsible sourcing through internationally recognized sustainable material certifications that provide traceability, transparency, and supply chain integrity. 100% of the targeted manufacturing facilities in China, Thailand, and Indonesia have obtained certifications since FY2024 including the Global Recycled Standard (GRS), Recycled Claim Standard (RCS), and Organic Content Standard (OCS) and all facilities remained certified to the standards this year. These standards indicate that the certified products manufactured in our facilities contain a specified amount of recycled and/or organic content in the raw materials used and that environmental and chemical impacts were minimized during the production process.

The Chain of Custody (“CCS”) system of these standards provide the foundation of tracing the material input of our products, and our commitment to advancing a circular economy in the apparel industry goes beyond certifications. Circularity means embracing production and consumption models that prioritize reuse, repair, and recycling—keeping valuable resources and materials continuously in a closed-loop system.



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PRINCIPLES AND CONCEPT OF CIRCULARITY



Eliminate Waste and Pollution



Circulate Products and Material



Regenerate Natural Systems

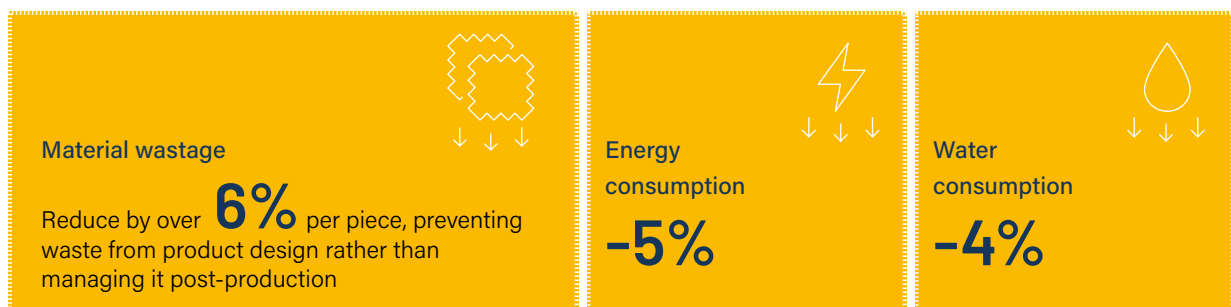
Building on the specialist study completed in FY2025, the Group continued to evaluate opportunities to enhance circularity and improve the management of production waste across its operations. While textile-to-textile recycling of production scraps remains constrained by the complex composition of certain materials used in our products, we remain committed to advancing waste reduction and resource efficiency initiatives.

During FY2026, Top Form continued to strengthen its solid waste management practices and integrate circularity principles into operational processes across its factories. As part of our refreshed circularity strategy, we remain focused on achieving zero waste to landfill and will continue to identify practical solutions to enhance waste diversion, recycling and recovery efforts throughout our operations.

Circular Product Innovation – Knitting Tube Optimization

In FY2026, the Top Form Seamless team applied circular economy principles to its knitting tube product line through a design-led material optimization initiative. By reengineering product architecture to minimize material input while maintaining product functionality, quality, and durability, the project embodied core circularity concepts: design for resource efficiency and waste prevention.

The initiative converted selected tube designs, delivering a lighter environmental footprint across multiple resource streams compared to previous version:



This initiative supports the Group's commitment to circular product development and resource stewardship, demonstrating how circular design principles can drive both environmental performance and operational efficiency.

Grand Gain's GoGreen Foam

GoGreen Foam



Since launching GoGreen Foam, our certified plant-based foam cup in FY2022, we have continued to enhance its sustainability performance. Following the successful increase in bio-based content from 25% to over 60% in FY2025, GoGreen Foam maintained a bio-based content level of over 60% in FY2026, helping to reduce reliance on fossil resources and lower its carbon footprint. As demand for circular solutions continues to grow, GoGreen Foam strengthens our position as a trusted supplier for brands seeking more sustainable and circular alternatives.



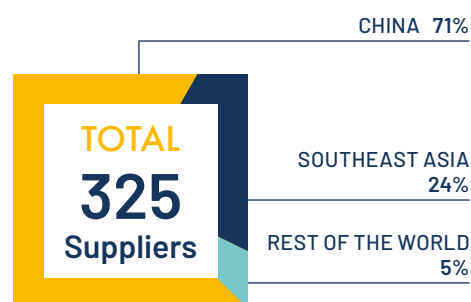
SUPPLY CHAIN MANAGEMENT

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

We engage new suppliers through on-boarding meetings and on-site visits as necessary. Policies and procedures are formulated to screen new suppliers and selected suppliers are

required to agree to our Code of Conduct for the compliance of below business practices, which includes but not limited to:

- A. Compliance with local social and environmental laws
- B. No child labour, force labour and harassment
- C. Anti-corruption and bribery
- D. Declare Conflict of Interest
- E. Prohibit of unauthorized subcontracting



Vendor evaluations are regularly conducted to evaluate supplier's overall performance including, product innovation, compliance to regulations, product sustainability, quality, on time and on time in full delivery, responsiveness to feedback, and among others. Our vendor evaluation this year covers 132 total suppliers, representing 95% of total material purchased.

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

Third party accreditation of OEKO-TEX® or bluesign® is required to ensure their products do not exceed chemical restriction limits set by brands and accreditation of relevant sustainable claimed material is also required to validate the material comes from ethical and sustainable sources. In FY2026, 100% of our fabric suppliers obtained the STANDARD 100 by OEKO-TEX® Certificate, and 27% of them obtained a number of required certifications such as the Global Recycled Standard (GRS), the Recycled Claim Standard (RCS) certification.

MANAGEMENT PROCESS



PROTECTING INTELLECTUAL PROPERTY RIGHTS

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

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

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

CARING FOR OUR PEOPLE



FAIR AND ETHICAL EMPLOYMENT PRACTICES

At Top Form Group, we are deeply committed to upholding fair and ethical employment practices as a cornerstone of our sustainability journey. Our policies and actions reflect our dedication to non-discrimination, fair wages, and safe working conditions. We aim to build a work environment that not only complies with local and international labour standards but also promotes diversity, well-being, and long-term career development for all our employees.

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

The Group regularly organizes various employee activities including sports competitions, hiking, dancing and festive gatherings to build comradery and team cohesion. Helping employees better manage work related stress maintain work-life balance.



Caring Company Award for 10th Consecutive Years

Top Form is honoured to receive the Caring Company Award for the 10th consecutive year. This recognition reflects our commitment to corporate social responsibility and our core value of "Care and Respect".



FESTIVE GATHERINGS

At Top Form, festive gatherings play an important role in fostering employee engagement and strengthening workplace connections. Through holiday celebrations, seasonal events, and cultural celebrations, employees have opportunities to come together, celebrate achievements, and build meaningful relationships across teams. These occasions promote a sense of belonging, encourage cultural appreciation, and contribute to a positive and inclusive work environment where employees feel valued and connected.



ENERGIZING OUR TEAM THROUGH SPORTS

Top Form promotes employee well-being through sports and fitness initiatives that encourage active lifestyles and team engagement. Through fitness programs and wellness activities, employees are motivated to stay active, foster teamwork, and connect with colleagues across locations.

Ultra Trail Muser 100

During the year, Top Form supported employee wellbeing through participation in a range of outdoor wellness and team-building activities. We sponsored employees to join the Ultra Trail Muser 100 in Thailand, where 76 employees successfully completed the challenging endurance race, demonstrating resilience, determination, and perseverance.



HEALTH AND SAFETY MANAGEMENT

Top Form adheres to international standards on occupational health and safety, including but not limited to "Ministerial Regulation On The Prescribing Of Standard For Administration and Management of Occupational Safety, Health and Environment" in Thailand, and the "Law of the People's Republic of China on the Prevention and Control of Occupational Diseases", (《中華人民共和國職業病防治法》), among other country-specific standards. Our "EHS Policy and Operation Guidelines" are implemented across all operation facilities and monthly or quarterly Environmental, Health and Safety Meeting is held to review EHS matters such as self-audits results, past incidences and effectiveness of control measures, and coordination of future health and safety training schedule. Major occupational injuries are escalated to the Management Team and reviewed in monthly operation meetings as part of factories' performance review.

FY2026 Safety Performance:

- Zero work-related fatalities¹
- Percentage change of lost days² per incident compared to FY2025: -61%
- Number of lost day incidences: 14
- Average number of lost days per incident: 5.2
- Zero cases of heat stroke
- Zero electrical hazards

Safety training and audit plan is formulated at the beginning of each fiscal year and implemented according to schedule. In FY2026, 27,000 hours of health and safety related training were provided to educate hazard prevention and promote safety culture in the operation. Health and safety inspections are

■ Fire drill in our China factory



■ Neck Health and Care Workshop

carried out on daily by operating teams and monthly by local compliance team according to our "EHS Self-Assessment Check List" that has referenced customer requirements and industry best practices. Improvement measures are formulated based on the assessment results, local compliance team escalates any gaps identified without any remediation action or justification to General Manager and Group Head of Compliance for further action. All our factories have medical clinics with supporting medical staff to provide free health evaluation to any employee who feels unwell during their work shift. When a worker is in severe suffering and needs urgent care and attention, they will be sent to the nearest hospital immediately for further treatment. Top Form regularly organizes and promotes employee wellness activities to encourage and support employees to have a balanced, healthy lifestyle. It creates a sense of belonging at Top Form and a positive working experience.

Health-related activities are organized and carried out throughout the year across all regions such as:

- Sports activities are organized to encourage employees to engage in physical activities
- Periodic health checks
- Partner with local health professionals to provide health workshops to targeted employees and workers based on their health needs
- Educate in personal hygiene and prevention of seasonal diseases (e.g. dengue fever, measles, flu)
- Insecticide sprayed on production floors to fight infectious diseases
- Implementation of good housekeeping 5S practices with workers and management
- Providing equipment for reducing worker fatigue



■ Health checkup in Indonesia factory

Footnote:

1. Number and rate of work-related fatalities that occurred in each of the past three years, including the reporting year.
2. "Lost day incidents" are defined as the number of occupational injuries where a worker is hospitalized. There has been no significant change in calculation methodology.

WORKFORCE STRUCTURE

By Gender



By Rank



121	SENIOR LEVEL
1,036	MIDDLE MANAGEMENT
5,341	GENERAL STAFF

Note:

"Senior Management" has been renamed to "Senior Level" for reporting purpose. No changes have been made to the employee rank.

By Age Group



By Region



1,583	CHINA AND HONG KONG
4,915	OVERSEAS (SRI LANKA, INDONESIA, THAILAND)

WORKFORCE TURNOVER RATE

By Gender



2.4%	FEMALE
1.8%	MALE

By Region



2.4%	CHINA AND HONG KONG
2.3%	OVERSEAS

By Age Group



2.9%	30 AND UNDER
1.6%	31 TO 50
4.2%	OVER 50

Note:

- The turnover rate is calculated by taking the average annual turnover of the specified category and divided by the headcount of the same category of the recording period. It reflects the overall changes for the year.
- In FY2026, all employees were employed full-time at Top Form; the number of employees is based on their employment status as of the last day of our reporting period.



EQUAL OPPORTUNITY

Top Form provides equal opportunities to all qualified employees for promotion and career development. The selection of employees for promotion and career development opportunities will be based on objective criteria of a non-discriminatory nature.

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

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

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

FAIR WAGE AND COMPENSATION

Top Form conducts annual salary review to evaluate our employee compensation package is both competitive and fair based on market studies and performance. Employee performance is evaluated through a systematic process by their manager where expected performance is clearly defined and how the performance is measured. Overtime payment and leaves such as paid leave, marital leave, maternity leave, work-related injury leave and sick leave are settled in accordance with the laws and regulations of the place where we operates. Promotion occurs during annual salary review or interim review. Spontaneous promotions may also occur if a business need arises or when an opening occurs or an existing position becomes vacant.

PREVENTION OF CHILD LABOUR

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

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



PREVENTION OF FORCED LABOUR

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

- New workers sent by agencies will be interviewed in one-on-one sessions to ensure no recruitment fees were charged or solicited.
- Employment contracts must be signed in a language understood by new hires.
- All overtime work must be voluntary; overtime wages are paid in strict compliance with relevant regulations.
- Changes in labour regulations are communicated in refresher training.
- A full investigation of any non-compliance incident will be carried out to prevent its reoccurrence.

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

During the reporting year 2026, the Group has not identified any complaints on employment issues, including any incident of discrimination, child labour or forced labour.

Besides having a robust HR procedure, every year, Top Form factories are subject to two types of social audits: Local Human Resource or Compliance Team who conducts internal audits of their own factory that adheres to Top Form's Ethical Recruiting Standard, and external audit either directly from our customers or third party professionals based on industry standards such as Social & Labour Convergence Program (SLCP), Better Work, and Worldwide Responsible Accredited Production (WRAP).

Top Form has completed 120 internal social audits and received 16 external social audits this year, and the Group has not received any complaints on employment issues, including any incident of discrimination, child labour or forced labour.

BUILDING WORKPLACE CAPABILITY AND ENHANCING WORKPLACE PRACTICES THROUGH BETTER WORK INDONESIA



During FY2026, our Indonesia factory continued its participation in Better Work Indonesia. Through onsite and virtual advisory visits, management system self-assessments, and factory assessment, the programme focused on reviewing occupational safety and health (OSH) management systems, identifying improvement opportunities through self-diagnosis,

strengthening compliance in areas such as working time management, employment practices and building problem-solving capabilities through targeted training and advisory support. Our collaboration with Better Work remains ongoing and will continue into FY2027 to support further improvements and long-term capability building.



Labour Practices



Employee Relations and Workplace Dialogue



Continuous Improvement



Occupational Safety & Health (OSH)



Capacity Building & Training

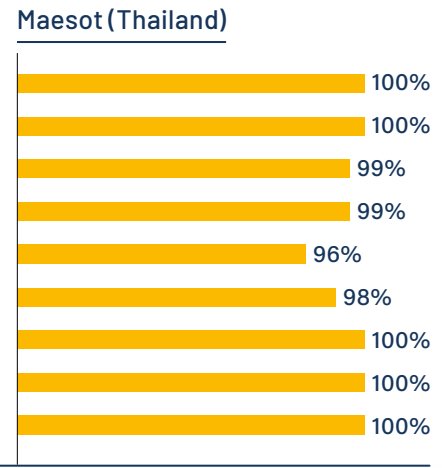
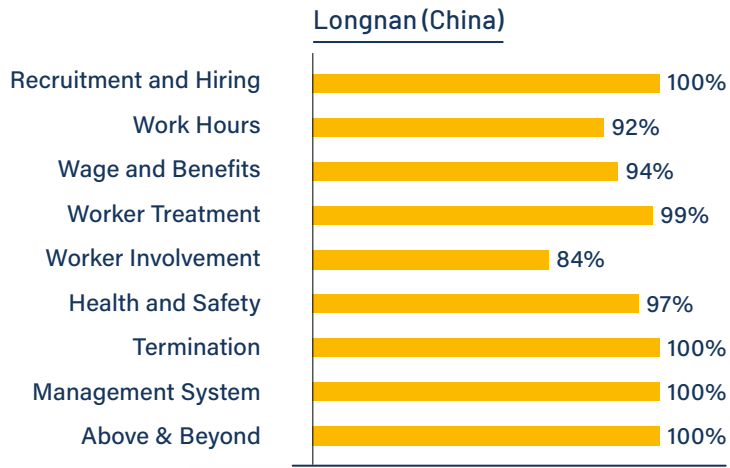


Compensation & Benefits

REGISTERED FACTORY LATEST VERIFIED FACILITY SOCIAL & LABOUR MODULE (FSLM) SCORE



The Higg Facility Social Labour Module (FSLM) is an industry social and labour assessment tool to evaluate the social responsibility and labour performance of apparel manufacturers in the textile industry. Our China and Thailand apparel factories have maintained a high level of performance, and this achievement is positively recognized by our customers.



LEARNING AND DEVELOPMENT

At Top Form, we believe that investing in our people is essential to long-term business success. We are dedicated to cultivating a positive learning culture through structured training and development programmes tailored to different roles and career stages. These initiatives help employees strengthen their professional competencies while promoting safe and efficient workplace practices. To support broader industry exposure, we coordinate outstanding employees to participate in local and international industry exhibitions, conferences and forums. Such opportunities enable them to gain valuable insights into market developments, emerging trends and industry best practices. We encourage employees to pursue continuous learning and personal growth, aligning individual aspirations with the Group's strategic objectives to achieve shared and sustainable progress.

In FY2026, Top Form has provided over 31,000 training hours to employees and workers covering orientation training, health and safety, environment and on the job trainings.



TRAINING BREAKDOWN

	AVERAGE TRAINING HOURS	PERCENTAGE TRAINED
BY EMPLOYEE CATEGORY		
General worker	5.85	86%
Middle Management	4.33	11%
Senior level	9.96	3%
BY GENDER		
Male	6.17	22%
Female	5.63	78%

KAIZEN SHARING SESSION: DRIVING CONTINUOUS IMPROVEMENT

Top Form successfully conducted the first KAIZEN sharing session which provided a valuable platform for employees across departments to exchange ideas and experiences on continuous improvement. The concept of KAIZEN (改善), originating from Japan and meaning "change for the better" or "improvement", was emphasized as a mindset that focuses on making small, ongoing enhancements that can lead to significant results over time.

The session featured practical initiatives that improved efficiency, productivity, quality, and customer satisfaction, with active participation fostering collaboration and cross-functional learning. It also reinforced KAIZEN as a continuous culture of innovation, teamwork, and proactive problem-solving in daily operations, rather than a one-time effort.

Overall, the session strengthened commitment to continuous improvement, with award ceremonies held across Top Form to recognize outstanding contributions and achievements.



Prize and certificate awarding ceremonies were organized across different locations to recognize employees for their outstanding KAIZEN achievements and contributions to continuous improvement.



Strengthening Quality Assurance Capabilities in Indonesia through Training

Top Form recognizes the importance of employee training and development in enhancing capabilities, fostering professional growth, and supporting operational excellence. During the year, a 2-month training programme was implemented for approximately 40 employees in QA team at the Indonesian factory. Following the training, the QA team strengthened their competencies in defect classification, inspection and measurement techniques, quality documentation and reporting, and leadership skills. The training programme improved the team's ability to consistently apply end-to-end quality assurance processes, meet evolving customer requirements, and uphold quality assurance standards across operations.



SUPPORTING THE HEALTH AND WELLBEING OF OUR COMMUNITY



Top Form contributes to community development through two key focus areas: Nourishing Our Community and Women Empowerment—which reflect our commitment to creating shared value through our core strengths. Through these initiatives, we aim to enhance the well-being of vulnerable groups and promote equal educational opportunities for children and women.

Top Form works closely with local stakeholders, communities, and authorities to ensure our programmes are relevant, impactful, and responsive to local needs. Through a combination of in-kind donations, employee volunteering, and financial sponsorships, we strive to make a meaningful and lasting contribution to the communities where we operate.



BLOOD DONATION CAMPAIGN 2026

Top Form continues to advance its commitment to community well-being through the launch of its annual Blood Donation Campaign across our global operations. This year's theme, "United in Red · Joined to Save Lives", brought together the colleagues from different regions under a shared purpose — to give back and support our communities through contributing to public healthcare systems.

The campaign reflects our culture of caring, encouraging our colleagues to contribute to the well-being of the communities we serve. Through collective action and generosity, we continue to strengthen our social commitment while fostering a spirit of solidarity among employees. We have completed the Blood Donation Campaign 2026 with 674 successful donations and 174 first-time donors within our organization.



SPREADING CARE AND LIGHTING THE WAY FOR CHILDREN

On Children's Day 2026, five employee ambassadors represented Top Form in visiting a middle school in China to deliver gifts and encouragement to students as part of our commitment to supporting children's education and well-being. More than 400 donated items, including suitcases, stationery gift packs, books, sneakers and sporting equipment were distributed to support the students' learning and daily needs.

Through this initiative, we aimed to bring joy and practical support to students while helping create a more positive learning environment. Beyond the donated items, the visit provided an opportunity to connect directly with the local community and share messages of care, encouragement and hope. We believe that every act of kindness can make a meaningful difference and help empower young people to pursue their dreams with confidence.



CULTIVATING TOMORROW'S LEADERS: OUR STEM INTERNSHIP JOURNEY

As part of our commitment to fostering talent and supporting innovation, we welcomed a group of STEM interns from The Chinese University of Hong Kong (CUHK), The Hong Kong University of Science and Technology (HKUST) and The Hong Kong Polytechnic University (PolyU) during the year as part of our mission to accelerate digital transformation through data, business intelligence and artificial intelligence.

The internship programme provided students with valuable hands-on experience while contributing to our digital transformation journey. Working closely with our teams, the interns supported various initiatives, including data pipeline development, business data analysis and dashboard creation, helping to strengthen data-driven decision-making and operational efficiency.

Top Form believes that nurturing future talent is an essential part of building a sustainable and innovative business. We continue to support the development of the next generation of technology professionals and future leaders.



ESG REPORTING CODE INDEX

HKEX ESG REPORTING CODE		REPORTING LOCATION OR REMARKS
A1 Emissions	(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	
KPI A1.1	The types of emissions and respective emissions data.	GHG Emissions Management
KPI A1.2	Repealed 1 January 2025	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	GHG Emissions Management
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of emission target(s) set and steps taken to achieve them.	Waste Management
A2 Use of Resources	Policies on the efficient use of resources, including energy, water and other raw materials.	GHG Emissions Management
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	GHG Emissions Management Our energy intensity is 0.666 kwh/pc. Standard piece reflects the total units of all products mix Top Form sold.
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Water Management Total water consumption is 269,486 m ³ Water Intensity is 17.26 m ³ /person
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	GHG Emissions Management
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Carton box is the major packaging material for delivering our products and we used 875 tonnes in FY2026.

HKEX ESG REPORTING CODE

REPORTING LOCATION OR REMARKS

A3 The Environment and Natural Resources	Policies on minimising the issuer's significant impact on the environment and natural resources.	Save Our Planet
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Save Our Planet
A4 Climate Change		
KPI A4.1	Repealed 1 January 2025	
B1 Employment	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Fair and Ethical Employment Practices
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Workforce Structure
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Workforce Turnover Rate
B2 Health & Safety	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety Management
KPI B2.1	Number and rate of work-related fatalities.	Health and Safety Management
KPI B2.2	Lost days due to work injury.	Health and Safety Management
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Health and Safety Management
B3 Training and Development	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Learning and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Learning and Development
KPI B3.2	The average training hours completed per employee by gender and employee category.	Learning and Development

HKEX ESG REPORTING CODE		REPORTING LOCATION OR REMARKS
B4 Labour Standard	(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Prevention of Child Labour/Prevention of Forced Labour
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Prevention of Child Labour/Prevention of Forced Labour
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Prevention of Child Labour/Prevention of Forced Labour
B5 Supply Chain Management	Policies on managing environmental and social risks of the supply chain.	About This Report
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
B6 Product Responsibility	(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Protecting Intellectual Property Rights

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

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

CLIMATE-RELATED DISCLOSURES INDEX TABLE

HKEX ESG REPORTING CODE - PART D		REPORTING LOCATION OR REMARKS
CLIMATE-RELATED DISCLOSURES		
(I) Governance		
19	An issuer shall disclose information about: (a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about: (i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities; (ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities; (iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; (iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and (b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about: (i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and (ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	ESG and Climate-related Governance

HKEX ESG REPORTING CODE - PART D

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(II) Strategy

Climate-related risks and opportunities

20	An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall: (a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term; (b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk; (c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and (d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	Our Climate Strategy - Climate-related Resilience, Climate Scenario Analysis, Climate-related Opportunities
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Business model and value chain

21	An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose: (a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and (b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	Our Climate Strategy - Climate-related Resilience, Climate Scenario Analysis, Climate-related Opportunities
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Strategy and decision-making

22	An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose: (a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about: (i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities; (ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);	Our Climate Strategy - Climate-related Resilience, Climate Scenario Analysis, Climate-related Opportunities, GHG Emissions Management
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HKEX ESG REPORTING CODE - PART D

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	(iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and (iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and (b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	
23	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	
Financial position, financial performance and cash flows		
Current financial effect		
24	An issuer shall disclose qualitative and quantitative information about: (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and (b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	Our Climate Strategy - Climate Scenario Analysis, Climate-related Opportunities
Anticipated financial effect		
25	The issuer shall provide qualitative and quantitative disclosures about: (a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: (i) its investment and disposal plans; and (ii) its planned sources of funding to implement its strategy; and (b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	Our Climate Strategy - Climate Scenario Analysis, Climate-related Opportunities
Climate resilience		
26	An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose: (a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:	Our Climate Strategy - Climate-related Resilience, Climate Scenario Analysis, Climate-related Opportunities

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(i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;

(ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and

(iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;

(b) how and when the climate-related scenario analysis was carried out, including:

(i) information about the inputs used, including:

(1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios;

(2) whether the analysis included a diverse range of climate-related scenarios;

(3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;

(4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;

(5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;

(6) time horizons the issuer used in the analysis; and

(7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);

(ii) the key assumptions the issuer made in the analysis; and

(iii) the reporting period in which the climate-related scenario analysis was carried out.

(III) Risk Management

27	An issuer shall disclose information about:	Our Climate Strategy - Climate-related Resilience, Climate Scenario Analysis, Climate-related Opportunities
	(a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:	
	(i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);	
	(ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;	
	(iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);	

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- (iv) whether and how the issuer prioritises climate-related risks relative to other types of risks;
- (v) how the issuer monitors climate-related risks; and
- (vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;
- (b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and
- (c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.

(IV) Metrics and Targets

Greenhouse gas emissions

28	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO₂ equivalent, classified as: (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions.	GHG Emissions Management
29	An issuer shall: (a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions; (b) disclose the approach it uses to measure its greenhouse gas emissions including: (i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; (ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes; (c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and (d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	GHG Emissions Management

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Climate-related risks and opportunities

30	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Our Climate Strategy - Climate Scenario Analysis, Climate-related Opportunities
31	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	
32	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	

Capital deployment

33	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Our Climate Strategy - Climate-related Opportunities
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Internal carbon prices

34	An issuer shall disclose:	GHG Emissions Management - Pathways towards Green Economy
	(a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and	
	(b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions;	
	or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	

Remuneration

35	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	ESG and Climate-related Governance
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Industry-based metrics

36	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	The Group currently uses the ESG Code as the basis for its ESG reporting. The Group will assess the relevance and applicability of industry-based metrics and consider their appropriate integration into its reporting framework.
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Climate-related targets

37	An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:	GHG Emissions Management - Decarbonization Targets
	(a) the metric used to set the target;	
	(b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	

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	(c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);	
	(d) the period over which the target applies;	
	(e) the base period from which progress is measured;	
	(f) milestones or interim targets (if any);	
	(g) if the target is quantitative, whether the target is an absolute target or an intensity target; and	
	(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	
38	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	
	(a) whether the target and the methodology for setting the target has been validated by a third party;	
	(b) the issuer's processes for reviewing the target;	
	(c) the metrics used to monitor progress towards reaching the target; and	
	(d) any revisions to the target and an explanation for those revisions.	
39	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	
40	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	
	(a) which greenhouse gases are covered by the target;	
	(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	
	(c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;	
	(d) whether the target was derived using a sectoral decarbonisation approach; and	
	(e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:	GHG Emissions Management - Pathways towards Green Economy
	(i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;	
	(ii) which third-party scheme(s) will verify or certify the carbon credits;	
	(iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	

HKEX ESG REPORTING CODE - PART D**REPORTING LOCATION OR REMARKS**

- (iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).

Applicability of cross-industry metrics and industry-based metrics

41	In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	The Group currently uses the ESG Code as the basis for its ESG reporting. The Group will assess the relevance and applicability of industry-based metrics and consider their appropriate integration into its reporting framework.
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