

Stock code : 333



2017 Sustainability Report

Sewing a **SUSTAINABLE FUTURE**

About This Report



Top Form International Limited (hereafter Top Form International) is proud to publish our first sustainability report, which hereafter will be compiled on an annual basis. Besides giving our stakeholders an overview of our internal policies and management approach towards a more sustainable future, this report also provides insight into how we empower our workforce and the communities in which we operate, as well as into how we take care of the environment. This report covers Top Form International and its principal subsidiaries (hereafter Top Form or the Group) activities¹. Top Form Brassiere Mfg. Co., Ltd (hereafter Top Form Bra) represents the brassiere manufacturing of Top Form and is the major principal subsidiary. The data of this report covers our activities and data in the financial reporting period 1 July 2016 to 30 June 2017 (hereafter FY2017).

We have written this sustainability report in accordance with the core option of the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines, as well as the Environmental, Social and Governance Reporting Guide (ESG Guide) of the Stock Exchange of Hong Kong Limited (HKEX).

We highly appreciate and welcome feedback from our stakeholders on this sustainability report so that we may meet their interests and expectations even more accurately in our next report. In the case of any questions or comments, please contact us at query@topformbras.com.

Note :

1 This report solely focuses on our brassiere manufacturing activities, and excludes our molding and lamination processing unit. This facility had insufficient overall data to calculate its impact, and will hence be included in our next report.

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LEADERSHIP DRIVES US FORWARD



SUSTAINABLE MANUFACTURING

EMPLOYER OF CHOICE

STRENGTHENING OUR COMMUNITIES



To Our Stakeholders,

The story of Top Form Bra began over fifty years ago with a small workshop on the industrial fringes of Kowloon that made traditional corsetry garments for international customers. Throughout the half-century of growth that has followed, our markets have evolved, and our commitment to treating our people and our partners well and to giving back to the communities that support us every day has been fundamental to our success.

Starting from a tiny workforce in an era that was a major stepping stone for Hong Kong economically, we built a business with a sense of community and family. Today, with over 8,000 men and women working in 3 countries, producing over 30 million garments a year, we actively seek to preserve this spirit of family and community as we strive to offer the best opportunities for all our associates across Asia.

Sustainability by its very definition means that in order to ensure that Top Form continues for another half century and beyond, we cannot afford to stop improving our operations and elevating our thinking. To this end, it is very pleasing to see that

Top Form's generational leadership has wholeheartedly thrown their efforts toward sustainable improvements, especially in providing our people with better opportunities and minimizing our industrial footprint on the environment through the development of energy- and waste-reduction projects.

It is with great pride that I commend these efforts.

Finally, I would like to take this opportunity to express my sincere gratitude to all of Top Form's associates and partners for their contribution in enabling the Group to become one of the leading intimate apparel manufacturers worldwide. It is my pleasure to present Top Form's inaugural Sustainability Report, and to thank you for your ongoing support of our company.

Sincerely,

Wong Chung Chong Chairman





TOP FORM is a company of supply chain and manufacturing excellence. Building on our heritage of model corporate citizenship and cultural diversity, we make a positive impact with everything we do, and build positive relationships with everyone with whom we associate.

On the 50th anniversary of the founding of Top Form Bra, we are proud to have the opportunity to document our ongoing commitment to sustainable and ethical business practices, a commitment that has marked our company as the premier manufacturer in our industry since our founding.

In recent years, the vicious cycle of price competition has fueled business decisions that have led to adverse environmental impacts and industrial tragedies. Because of these, consumers, brands and manufacturers now all appreciate that sustainable practices for our industry are a shared responsibility.

By continually demonstrating Top Form's high standards of operation, we hope to inspire and set the norm for our industry while clearly communicating the extraordinary efforts that our management and associates have made to maintain an exactingly high level of ethics and sustainability in our work. With thousands of families depending on our continued business success, our management team recognizes our enormous responsibility to conduct our business in a way that is both socially and financially sustainable. Through our decades of good corporate citizenship, we recognize that attaining our ambitious sustainability goals requires the oversight of a company-wide structure. At Top Form, this structure is led by the Group CSR Manager and the CSR Committee. They are guided by our Sustainability Value Framework, which enables them to set priorities and programs that best deliver value to our stakeholders and to recommend the company sustainability goals for the coming years. Each of our garment facilities has an Environmental, Health and Safety (EHS) Team, which is responsible for implementing our sustainability agenda as well as for ensuring that Top Form is maintaining our high standards for social responsibility and community contributions.

Because Top Form is a significant employer in the rural communities where our factories are located, it is important that we take a leadership position to manage our social impact. We actively take part in programs that support the social fabric of these communities, as well as help develop employment opportunities for local and regional residents. In addition, we work with local institutions and organizations to provide social, health and safety trainings, as well as practical vocational trainings, improving regional residents' life skills and potential employment opportunities. Over the past year, we have logged over 20,000 hours of these trainings for both our employees and residents in our communities.

Management Statement

More than simply providing regional residents with workshops and employment opportunities, integrating ourselves into our communities has always been in Top Form's DNA. From headquarter to all our offices and facilities, our teams directly participate and contribute to programs that help make our communities stronger. During this reporting year, we have initiated or taken part in at least 15 local events, and have reached over 600 external stakeholders.

While Top Form has always been locally engaged in improving the well-being of our workforce, associates, and communities, we are also ever mindful of the global impact our industry can have on our planet. This reporting year, all our facilities began a journey of self-assessment by using the Higgs Index, a standard setting tool among the apparel and footwear industry, to begin tracking their sustainability performance. Having spent the past year collecting and consolidating the data from our facilities and offices, we are now beginning to set ambitious goals for emission and waste reduction, together with a clear sustainability plan for the coming years.

We are aware that along Top Form's business journey, we will face choices and tradeoffs that require balancing our immediate business needs with our planet's future and the needs of the generations to come. Documenting our plan and publishing our ongoing efforts and performance will make us accountable for continuing to have a positive impact on our people, partners, and planet.



Wong Kai Chi, Kenneth Managing Director **Wong Kai Chung, Kevin** Vice Chairman

Enhancing Competitiveness Through Sustainability

In our changing world, Top Form's vision is to make a positive impact by creating value for our employees, customers and wider community. With regards to this, we would like to highlight two specific aspects of our Sustainability Report.

First, most sustainability issues require systemic changes that require stakeholder collaboration. This past year, we have continued to engage with our key stakeholders – our employees, shareholders, suppliers, customers and communities – to better understand their most important concerns (p.17). Based upon their input, we created goals and performance standards to ensure that Top Form's practices are more purposeful, impactful, measurable and globally consistent.

Second, over the years we have used different methods to measure and calculate our carbon emissions in our different production facilities. In order to report our environmental impact in a more consistent manner, it is essential for us to adopt a unified measurement method. This year, we are cooperating with the Clothing Industry Training Authority (CITA) as a demonstration factory to develop a second-phase Activity-based Carbon Footprint Modelling (ACFM) system in our largest production site in China. This system can capture and monitor our real-time emissions (p.24) in accordance with the Greenhouse Gas (GHG) Protocol. The success of this program can be further expanded to other important operation sites, allowing us to manage and analyze our emission inventory and set achievable reduction targets. Moreover, we are developing an Environmental Management System (EMS) as our key approach for monitoring and managing our main aspects of operation, so that we can then reduce our impact on the earth.

We recognize the important role our company plays in the communities where we operate. Embracing sustainability enables us to maintain our competitiveness while enhancing the value of the products we deliver to our customers.

Keith Wong Group CSR Manager





About Top Form

Top Form is a leading brassiere original equipment manufacturer (OEM) that employs over 8,000 people across our production facilities in China, Thailand, and Cambodia and our headquarter in Hong Kong. We provide end-to-end service, from material sourcing to finished garments, and our product category ranges from panties to functional sports bras. Our strong foothold in the competitive market stems from the combination of our product concept design, which utilizes innovative technologies, and our multinational production base, which offers global logistics solutions.

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THE HISTORY OF TOP FORM





- Top Form International receives the • Our production workforce in Thailand grows to 000 5,000 5,000 workers and Worldwide Responsible **Caring Company** logo for the 2nd year. Accredited Production (WRAP) certified since 2005. Our Cambodia factory is **OEKO-TEX®** Standard 100 certified. Long Nan's workforce has developed to nearly 2,500 Our laboratory receives its certificate of by 2007, and has been WRAP certified since then. accreditation from Bureau Veritas (BV). 2005 2011 2015 2010
 - Top Form expands our business to Cambodia in 2011 and all major garment production units are **WRAP** certified the following year.
 - In 2012, Top Form Bra is awarded the Femmy Award for our significant contributions to the Intimate Apparel Industry.
 - In 2014, our Long Nan factory is OEKO-TEX[®]
 Standard 100 certified.
 - Top Form International receives the 2015/2016
 - Caring Company logo.

商界展關懷 Caringcompany^{2015/16} Awarded by The Hore Korg Council of Social Service 音花音服務聯會編發



 Managing Director Wong Kai Chi, Kenneth (Kenneth Wong) is awarded the Young Industrialist Award of Hong Kong 2015 by the Federation of Hong Kong Industry.



Up to 3 manufacturing facilities are OEKO-TEX[®]
 Standard 100 certified.
 Top Form Bra celebrates our 50th Anniversary.

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2016

2017



Over the decades, we have experienced multiple transformations in brassiere fitting, styling, and function. We began by producing a basic tricot, laceless, nopadding brassiere in the '60s and '70s. In the '80s, embroidered camisoles and more elegant styling began to become fashionable. In the '90s, wire and foam padding that gave the consumer more support increased in popularity. By the turn of the century, intimate apparel was no longer regarded as merely functional items. Today, women in the new millennium expect much more. In response, Top Form has leveraged our technical expertise and expanded our manufacturing base to other product types, including briefs, swimwear, compression gear, and performance sport brassieres.







CODE OF CONDUCT

At Top Form, we believe that business profitability goes hand-in-hand with social and environmental responsibility. Keeping this in mind in both principle and practice, we have developed two basic tenets that guide us in our efforts:

- 1. Wherever we do business, we operate with respect for and sensitivity to the environment and people.
- 2. We encourage our employees to participate in company programs to protect and restore the environment.

Compliance with Laws, Rules, and Regulations

• We maintain compliance with applicable laws, rules, and regulations or jurisdiction of the respective country in which our business unit operates.

Labor

- We do not employ any form of forced, bonded, slave or otherwise involuntary labor.
- We do not employ any persons younger than 16, in compliance with national laws. For any country of operation, minimum age of employment is to be set according to national law or ILO standards, whichever is higher.
- We do not subject any persons to physical, psychological, or verbal harassment or abuse.
- We respect the right of our employees to associate freely and bargain collectively.
- Working hours are in line with local legal requirements except as to meet urgent business needs; overtime work is on a voluntary basis and fully agreed between employer and employee.
- Wages paid for regular working hours and overtime meet the premium rate legally required by the country.
- Each operation unit provides employees with a hygienic, healthy and safe working environment, and conducts occupational health and safety training on a regular basis.

Environment

- We maintain compliance with applicable laws and regulations for environmental protection in each country of operation.
- We maintain a management system that encourages sound environmental practices.
- We raise employees' awareness by providing training and education to ensure their responsible use of natural resources and energy.
- Any waste or air emissions emitted by the operating and manufacturing processes are monitored and controlled as required prior to discharge and disposal.
- We work with each of our suppliers to operate their business in an ethical and responsible manner, to manufacture in an environmentally friendly manner that adheres to our expectations and standards.

Anti-corruption

- All employees at Top Form must decline any gifts, entertainment, personal favors, or preferential treatment that could in any way influence, or appear to influence, business decisions in favor of any person or corporation with whom the Group may have business dealings.
- All employees do not provide excessive gifts or entertainment to existing or potential customers and suppliers, or extend them credit on commercial terms that are more favorable than those normally offered.

Top Form's Board of Directors is the highest governing body of the Group and is responsible for directing and supervising the Group's affairs.

The Executive Committee formulates and executes Top Form's strategic development and business plan, and monitors the effectiveness of the CSR committee.

The CSR Committee is led and chaired by the Group CSR Manager. It oversees, supervises, and implements policies and strategies that affect Top Form's role as a socially responsible organization. The CSR Committee meets on a bi-monthly basis, to review set plans and policies that matter to the Group's CSR efforts. The Group CSR Manager reports key findings to the Executive Committee on the sustainability management performance of Top Form, as well as key material issues identified by stakeholders and planned follow-up measures. The CSR Committee also provides the Board of Directors with an annual report of our sustainability efforts.

A well-established EHS team is set up in all production units. This team consists of multiple members from different departments, and assists in promoting Top Form's sustainability strategy. We have published our EHS Committee Charter online to foster our commitment.

For details about our corporate governance structure, please refer to the "Corporate Governance Report" in our 2017 Annual Report.





A key element of Top Form's sustainability strategy is stakeholder engagement across multiple levels and a range of topics and issues, as well as within functional areas.

We work with and rely on a broad range of people. To identify key stakeholders, we conducted a Stakeholder Analysis in all our units. During the preparation of this report, we approached these identified stakeholders to assess their needs and interests, as well as to identify material aspects.

We aim to respect all of our stakeholders, to perform for their interests, and to create shared value for everyone inside and outside of our company. The table below lists our stakeholder engagement framework, including a list of stakeholder groups, engagement objectives, and methodology adapted.

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Stakeholder Group	Engagement Objectives	Methodology
EMPLOYEES	 Maintain being their employer of choice Understand their career ambitions and training needs, as well as their job satisfaction parameters 	 Bi-monthly HR meetings Home visits Comment boxes Training programs Monthly EHS meetings
LOCAL COMMUNITY	Be a good corporate citizenEmpower local communities	 Open dialogue sessions Participation in trainings Community work
CUSTOMERS	Anticipate and fulfil expectationsMaintain a mutually beneficial relationship	Feedback from auditsWorkshopsMeetings
SHAREHOLDERS	Understand expectationsCreate shared valueAttract new investors	 Shareholder meetings Interim and annual reports
SUPPLIERS	 Ensure that Top Form's procurement practice is fair, transparent, and in line with our environmental and social policies 	Factory visitsPerformance reviews
PEERS/ BUSINESS PARTNERS/ GOVERNMENT/ INDUSTRY ASSOCIATIONS	 Exchange valuable ideas and information within the industry Understand the latest updates, requirements, and regulations imposed by the local government 	 Public events Visits Meetings Industry or public seminars

How Top Form Creates Shared Value

Since the beginning of our operations, the key drivers of Top Form's approach have been focused on working responsibly, collaborating with local stakeholders, creating long-term value, and providing high-quality products to our customers.

Creating shared value requires embedding sustainability in our corporate culture, adopting an inclusive business model, and pursuing opportunities to generate long-term positive value for our stakeholders. The shared value creation framework in Figure 1.1 allows us to strengthen our competitive context in the key regions where Top Form operates, delivering shared value to our internal and external stakeholders and sustaining the growth of our business.

Figure 1.1: Shared Value Creation Framework



OUR APPROACH

Determining Materiality

As part of our work in sustainable development, we identified a set of focus areas that intersect with our business on a daily basis and guide our thinking as we make day-to-day business decisions.

Many of these areas are associated with our goals, while others represent areas that impact our long-term business and are important to our various stakeholders. These focus areas were identified and validated as part of an assessment in FY2017 based on stakeholder input. This assessment process included:

This assessment process provided us with a greater understanding about the key focus areas on which stakeholders expect us to report, as well as valuable insight to inform our business decisionmaking. The Materiality Matrix shown below (p.18) is one of the key outputs of our engagement with stakeholders. We utilized this to help structure our report and ensure that we cover our three key focus areas transparently.



FOCUS AREAS	
Sustainable Manufacturing	 Climate change and emissions Energy management Waste management Water Responsible supply chain management
Employer of Choice	 Equal opportunity Worker well-being Education Health, safety, and security Grievance mechanism
Good Corporate Citizen	Community engagement

We continued to focus on these areas throughout the year. They form the foundation of our approach, and this is reflected in how we have organized this report and in our commitments.

MATERIALITY MATRIX



INFLUENCE ON TOP FORM

Ec	onomic Performance 🛛 🔘	Environmental Aspects
1	Economic Performance	27 Materials
2	Climate Change Risk	28 Products and Services
3	Market Presence	29 Transport
4	Procurement Practices	30 Energy
5	Indirect Economic Impact	31 Water
Sc	ocial Aspects	32 Emissions
6	Labor/Management Relations	33 Effluents and Waste
7	Occupational Health and Safety	34 Compliance
8	Training and Education	35 Supplier Environmental Assessment
9	Employment	
10	Diversity and Equal Opportunity	
11	Supplier Labor Practices Assessment	
12	Investment	
13	Child Labor	
14	Forced or Compulsory Labor	
15	Supplier Human Rights Assessment	
16	Indigenous Rights	
17	Local Communities	
18	Anti-Corruption	
19	Social Impact Grievance Mechanisms	
20	Compliance (Social)	
21	Supplier Social Impact Assessment	
22	Compliance (Product)	
23	Customer Health and Safety	
24	Product and Service Labeling	
25	Marketing Communications	
26	Customer Privacy	

Goals and Progress @

We aspire to expand our operations by leveraging our solid foundation of more than half a century, and we believe creating shared value is the key ingredient for our future business growth and success. At the heart of all our business strategies lies one singular objective: Generating sustainable value for all our stakeholders.

	In FY2017, we committed to:	In FY2018, we shall:
	 Collect and measure carbon emissions from all of our operational units, then define the corresponding Key Performance Indicators (KPIs) for significant environmental aspects. 	 Develop data inventory spreadsheets with detailed record tracking, and conduct staff training on systematic data collection. Enhance quality of our data collection.
	 Continue to investigate energy and water efficiency in all manufacturing units. 	 Investigate the possibility of installing solar panels at our Long Nan factory. Investigate the possibility of reducing water use at our Long Nan factory.
Sustainable Manufacturing	 Explore opportunities for cut and sewn waste recycling with scalable results. 	 Commence work with a recycling mill to investigate how to best realize this concept.
	• Formulate a sustainability management system at Top Form.	 Develop a RSL (Restricted Substance List) management system. Formalize the Group's ethical procurement policy and procedures. Enact an environmental management system.
	Improve our Higg Index assessment score.	• Study the new Higg Index for possible ways to improve our score.
	 Increase and hold active discussions with staff on training needs and corporate improvement areas. 	 Develop effective internal communication channels at each operational unit to better understand the needs of our workforce.
Employer of Choice	 Roll out an employee dialogue questionnaire to collect workforce responses. 	Prepare and administer our employee questionnaire in all operational units.
Choice	Attract and retain a talented workforce.	Develop a recruitment and retention strategy.
	Reduce the frequency of hospitalized injuries.	 Develop relevant metrics and KPI to measure our health and safety performance and set an appropriate baseline.
Good Corporate Citizen	Understand the needs of each local community.	Conduct at least 2 community initiatives in countries where we operate.

SUSTAINABLE IANUFACTURING



SUSTAINABLE MANUFACTURING



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At Top Form, we continuously seek ways to increase our energy efficiency and protect the environment. In recent years, we have rolled out energy-efficient improvement projects for all our operation units. These upgrades include switching to T5 lighting to consume less electricity, and installing servo motors in sewing machines to be more energy efficient.

We believe that a more structured management system is the best way to effectively monitor, plan and optimize our related initiatives. Two key elements of this approach are promoting environmental awareness and implementing best practices – energy saving, waste reutilization, and recycling – at all Top Form sites. In the coming year, we also plan to develop an environmental management system (EMS) to centralize our ability to monitor and manage the environmental impact arising from our activities.

We have set multiple goals to promote continuous improvement in our environmental performance and to reduce our environmental impact (p.19).



SUSTAINABLE APPAREL COALITION – HIGG INDEX ASSESSMENT

The Higg Index is a set of indicator-based self-assessment tools that ask qualitative and quantitative questions to assess sustainability performance across three modules: Facility, Brand, and Product. It was developed by the Sustainable Apparel Coalition (SAC), an organization of global apparel and footwear leaders working together to reduce their environmental and social impact.



In FY2017, Top Form completed its first Higg Index 2.0 Facility module and SAC verification program to evaluate the environmental performance of our largest overseas and China facilities. As part of this assessment, we held discussions where we reviewed each question of the Index and identified the corresponding improvements that could be enacted across seven key assessment areas: environmental management systems, energy use and greenhouse gas emissions, water use, wastewater/effluents, air emissions, waste management, and chemical use and management.

Minimizing Our Corporate Footprint to Combat Climate Change



CARING FOR THE CLIMATE

The April 2016 Paris Agreement united all nations for the first time in the common cause of combatting climate change and adapting to its effects. The objective of this Agreement was to keep the global temperature increase within 2 degrees Celsius by controlling and reducing greenhouse gas (GHG) emissions.

We recognize and support the Paris Agreement, and understand that our operations cause emissions. To address this, we have developed a Group-wide recording and monitoring system to measure our Scope 1 and Scope 2 emissions. We are conducting our GHG calculations in accordance with the internationally recognized Greenhouse Gas Protocol, as well as the ESG Guide of HKEX.

			GHG Emission kgCO ₂ eq			
	Description	Total	China	Thailand	Cambodia	Total
	GHG emissions from stationary combustion sources	50,611				
SCOPE 1	GHG emissions from mobile combustion sources	556,633	248,709	509,983	96,492	855,184
	HFC and PFC emissions for refrigeration / air-conditioning	247,940				
SCOPE 2	Energy indirect emissions from electricity consumption	6,324,209	2,232,838	3,741,675	349,696	6,324,209
	Total CO ₂ Equivalent (kgCO ₂ eq)	7,179,393				7,179,393

As China and Thailand are our largest production sites, more emission-intensive activities are stationed in these regions, and we will focus on carbon management there.

Table 2.1: Total CO Fourier for All Operations at Top Form

Absolute emissions only reflect one aspect of our environmental performance. For the full picture, we also need to look at a comparable indicator, the greenhouse gas intensity. In FY2017, Top Form's GHG intensity was 0.26 kgCO₂eq per garment. However, this was only our first year of data collection, and we have not yet gathered sufficient data to determine our base GHG emission targets. Therefore, we shall continue to collect data in the coming years and then conduct a more complete data analysis.



Table 2.2: Breakdown of Total GHG Emissions for FY2017

> Figure 2.3: Absolute Emissions Across Top Form's Regions of Operation

Energy Management

As shown in Table 2.1, consumption of electricity is the largest contributor (almost 90%) of GHG emissions in Top Form's entire corporate footprint, and reducing its consumption should be the priority of our sustainable manufacturing initiatives. The primary focus for this reduction is our production sites, which account for the majority of our electricity usage.

At each site, we have identified three key areas for energy reduction:

- Encouraging staff behavioral changes;
- Increasing our manufacturing production efficiency through the LEAN setup to reduce energy use; and
- Investigating possible sustainability projects that we can implement at our production sites.

To better understand our current energy performance, we have begun collecting and analyzing our monthly energy usage data. Our CSR Committee and regional EHS teams review this data to identify opportunities to reduce our consumption. Looking at the figure below, we can see the distribution of electricity consumption in FY2017.

Figure 2.4: Monthly Electricity Consumption at Top Form in FY2017



ENERGY CONSERVATION

Case study 1 Installation of servo motors in sewing machines

In 2013, Top Form rolled out an initiative to reduce our electricity consumption and improve production efficiency by upgrading our sewing machines from clutch-type motors to pulley-type servo motors. This enhancement represents an energy savings of up to 80% over clutch motors, since servo motors only turn on when their operating petals are engaged. Moreover, the newer design also overheats less often and requires fewer spare parts for repairs, thus reducing our overall maintenance costs and downtime.

Since 2014, we have upgraded 40% of our sewing machines to this new model. This year alone, it saved an estimated 870,000 kWh of electrical energy in our overseas plants – equivalent to a reduction of 400,000 kgCO₂eq of GHG emissions when operating at full capacity.





Servo Motor

Clutch Motor

Case study 2 T5 fluorescent tubes

In the past, Top Form's factory floors predominantly used T8 fluorescent lighting tubes, which are the major light source of our operation. However, we have begun to replace these lights with T5 reflector lighting tubes, which use a minimum of 50% less energy per tube and increase the coverage area by 33%, thus reducing the number of installed tubes needed on the factory floor. Since 2014, we have gradually replaced over 20,000 T8 tubes.



Driving Results Through Real-time Energy Data

Through a Hong Kong Innovation and Technology Fund project, Top Form successfully became one of the pilot companies for the Clothing Industry Training Authority (CITA), initiating it at our largest production site in China. Following the ESG Guide of HKEX, this system auto-captures, analyzes, and manages our real-time electricity data, as well as systematically calculates our GHG emissions. This automated system reduces the manpower needed to manually record the energy data, and improves our data accuracy by auto-calculating and analyzing our GHG emissions in different ways. Upon this project's success, we will further expand it to other key operation sites to build up our corporate emissions inventory.

Planting the Seeds of a Better Future

To increase our employees' awareness of global warming and offset our GHG emissions, Top Form is participating in tree planting programs in all of our countries of operation.

Planting Trees in China



Save Trees by Saving Paper

In 2014, Top Form launched an initiative in our production facilities to reduce paper consumption by modifying the printed bar code used on every bundle of garments to identify and track it throughout our production process. After a few trials with each facility, we developed a smaller QR code (2D barcode) that can significantly reduce paper consumption based on paper dimension by 80% per bundle of garments used in our production.

Thailand Reforestation Project

In cooperation with the Association of the Physically Handicapped of Tak Province, Top Form planted 1,000 trees as part of a reforestation project in Thailand.







Original 1D Barcode

New 2D Barcode

Measuring Waste Streams

WE KNOW THAT WHEN COMPANIES FAIL TO MANAGE THEIR WASTE WELL, IT HAS A HUGE IMPACT ON OUR PLANET.

Waste is not only costly financially, it is also incredibly costly to the environment. The Ellen MacArthur Foundation has predicted that by 2050¹, the sea will contain more plastic than fish. At Top Form, we understand that in order to save our planet, we must dedicate resources to waste minimization and recycling.

A CLEAR PICTURE OF OUR WASTE STREAMS

Top Form places a very high importance on our environmental and waste management responsibilities. Whenever possible, we strive to minimize waste and recycle materials in our processes. We have reviewed the amount and type of waste disposal for each of our waste streams, so that we can develop a strict procedure for our workforce regarding the handling and use of hazardous and non-hazardous waste in accordance with national regulations. Additionally, we have instituted systems and procedures to encourage recycling, with a view to minimizing the overall levels of waste that we produce.

Table 2.5: Top Form's Total Hazardous and Non-hazardous Waste, in Tons

Type of Waste	Tons
Hazardous waste ²	3.2
Non-hazardous waste ³	747

In FY2017, Top Form produced a total 747 tons of waste among all operation units, as shown in the above table. Because our hazardous waste makes up less than 0.5% of our total waste generation, we are primarily focusing on reducing our non-hazardous waste. To do so, we have arranged for service providers to collect and recycle part of this waste, including cut-and-sewn waste, for reuse in other products. In this reporting period we sent 250 tons of waste overall to be collected by authorized recycling companies.



Figure 2.6: Distribution of hazardous and non-hazardous wastes in FY2017

In early 2016, Top Form began to develop a data sheet for waste streams collection. By December 2016, we were able to fully implement this data collection across all of our operation units. After examining six months of complete data, we have developed a strong understanding of the waste generated by our production processes. The next step will be consulting a recycling company to identify possible ways to recycle our cutand-sewn waste back into yarn, creating a closed-loop system.

Notes:

- 1 https://www.ellenmacarthurfoundation.org/publications/the-new-plastics-economy-rethinkingthe-future-of-plastics
- 2 Hazardous waste refers to radioactive, explosive, toxic, inflammable, pathogenic, irritating, corrosive, oxidizing, or other chemical substances which may cause danger to the health of humans and animals, or damage plants, public property and the environment. Hazardous waste may be generated from industries, business and service activities, mining, etc.
- 3 Non-hazardous waste refers mainly to solid waste, i.e., hard objects, hard substances, products or refuse which are useless, disposed of, are intended to be disposed of, or required to be disposed of.

Sustainability Through Industry Collaboration $\int_{-\infty}^{\infty}$

As a lingerie manufacturer, Top Form incorporates a large amount of different materials, accessories, threads, laces, and labels into every single garment. Each year, we spend more than USD\$65 million on purchasing material from over 180 suppliers, 90% of whom are located in China. The rest are located in the US, EU, and other Asian countries.

OVER 180 SUPPLIERS



Top Form is committed to actively collaborating with our suppliers to reduce potential environmental risks, including regularly disseminating our experience and knowledge about chemical management systems. 98% of the raw material purchased in reporting year are from OEKO-TEX[®] Standard 100 or bluesign[®] certified vendors. For the minority of suppliers who are not certified, we monitor their chemical quality through third party testing.

In the coming years, we shall further enhance our engagement with key vendors who represent 50% of our purchasing volume, aligning our purchasing polices to ensure compliance with local social and environmental regulatory requirements.

MONITORING PRODUCT SAFETY

In 2012, Greenpeace published several Dirty Laundry reports. As a major garment supplier to a number of brands who have signed their commitment to Greenpeace's Zero Discharge Roadmap by 2020, we have enacted the following initiatives to bring value to our supply chain:

- Develop a centralized Restricted Substance List (RSL) and Manufacturing Restricted Substance List (MRSL) management system to make sure these hazardous chemicals are not used in our products.
- Collaborate with internationally recognized laboratories to provide trainings to our frontline colleagues and factories.
- Participate in organized training sessions by different brands to stay up-to-date on international rules and regulations.
- Institute product safety measures in our factories, such as using metal detectors for specific production processes.









SUSTAINABLE MANUFACTURING



APPROACH

At Top Form, we believe that a key aspect of business success is providing an excellent work environment that attracts and maintains talent. As such, we strive to provide competitive salary packages, as well as training programs tailored to different employee levels that can expand their opportunities for career advancement. In addition, we also regularly introduce activities and programs that enhance employees' sense of belonging with our company and empower them to grow and excel.

Fostering Diversity

Figure 3.1: Top Form's Full-time Work Force, by Region



Top Form recruits and employs a diverse group of talent from around the world, representing multiple cultures and 16 nationalities. Integrating these cultures and nationalities into one unified workforce is an important focus of our business culture. Our internal Code of Conduct highlights in detail our policies to ensure equal opportunities and an equitable work environment with no discrimination with regards to age, gender, or ethnicity. These policies also govern our recruitment and promotion efforts. We have received the Gold Certificate of Compliance by WRAP in our major production facilities, certifying our compliance with their 12 principles of responsible production.

Due to the nature of our business operations, women comprise the majority of our workforce (92%), compared to 8% who are men. However, we continuously work to promote workplace diversity and encourage all employees to treat each other with respect and courtesy.

In FY2017, we have not received any reports of human rights, gender or other discrimination.



PROTECTING OUR MIGRANT WORKERS

Our Thailand production unit is located in Tak Province's Maesot district, one of the three international border checkpoints where migrants can cross between Thailand and Myanmar. Unfortunately, a lot of misinformation exists that is designed to take advantage of migrant workers' unfamiliarity with the different laws of each country. Because of this, Top Form dedicates extra effort to protecting our migrant workforce through education.

In particular, we ensure that our migrant employees understand that Top Form is legally obligated to pay all of their necessary recruiting and documentation fees. We also educate them against fraudulent and deceptive information designed to convince them to unwillingly or unknowingly transfer money to a third party, and ask them to immediately report any such attempts to our HR team.

KERS

Top Form's Factory Wins Three Awards from the Thai Ministry of Public Health

Thailand

We are proud to announce that our Thailand plants have received three awards from the Thai Ministry of Public Health:

the "Role model factory in controlling disease and providing a safe workplace" award, the "Disease-free, safe workplace with happy workers" award, and the "Clean food, good taste" award in recognition of our factory canteen's environmental hygiene.





Building Trust Through Communication



Our decades of operation have taught us that effective communication with our employees promotes strong team cohesion, and fosters a high level of trust in and from our workforce.

We engage with employees in multiple ways:

Home visits

In China, we conduct home visits to build a more open dialogue with employees in their familial surroundings.



Day to day communication

From our different departments' morning production meetings to evening wrap-up sessions, we provide multiple daily channels through which our employees can convey their concerns and suggestions directly to their supervisor or middle management.

Performance assessments

Our annual performance assessments allow supervisors and their staff to identify and review gaps in expectations and targets for areas of improvement.

Indirect communication

All of our units include suggestion boxes where employees can voice their concerns anonymously, without fear of reprisal. The Administration Department reviews these comments and ensures the confidentiality of any complaints.

Top Form's management takes all employee grievances into account, regardless of the area of focus. We are continuously working to improve our dialogue with our employees to foster long-term relationships and ensure their well-being.





Suggestion boxes are installed in employee washrooms to ensure anonymity.

The suggestion board displays workers' questions and factory management's answers.



Top Form demonstrates our support and care for our employees and their cultures by participating in important local festivals. Every New Year, we organize annual dinners in all of our operating regions according to local customs, allowing us to celebrate with our employees and show our appreciation for their hard work and dedication.

Chinese New Year (Spring Festival) Dinner This important Chinese festival is celebrated at the turn of the traditional lunisolar Chinese Calendar.

Khmer New Year Celebrations

This celebration occurs during the traditional Lunar New Year.

Songkran (Water festival) in Thailand

This festival pays respect to Buddha and to the elders in the community. Participants pour water over statues of Buddha or over the hands or shoulders of elders, to ask for their blessing.

Hong Kong Christmas party





Promoting a Good Work-Life Balance



WE UNDERSTAND THE IMPORTANCE OF LOOKING AFTER OUR PEOPLE'S PHYSICAL AND MENTAL HEALTH, NOT ONLY TO REMAIN COMPETITIVE, BUT TO RETAIN TALENTED EMPLOYEES.

A safe and healthy working environment and a good work-life balance are essential ingredients for maintaining a productive and energetic workforce as Top Form continues to grow. Through the past year, our initiatives in our operation units have continued to promote these values and demonstrate our care for our employees.

Sports Day

To foster teamwork, promote a healthy lifestyle, and build unity across our employees' cultural backgrounds, we hosted a day of active games in Thailand.



Singing Competition and Beauty Contest



Health and Safety Talks

In collaboration with NGOs, we provided our staff with health and safety talks that taught how to stretch and relax during and after the workday, and demonstrated traditional acupuncture points.



Protecting Our Employees' Health and Safety

AT TOP FORM, WE ARE DEDICATED TO EVERYONE'S SAFETY. OUR COMMITMENT BEGINS WITH OUR MANUFACTURING PROCESSES, AND EXTENDS TO TRAINING OUR OPERATORS AND PROMOTING A CULTURE OF SAFETY THAT GUIDES THE WAY WE WORK.

Top Form's commitment to sustainability includes taking ownership over safeguarding and managing our employees' health and safety while they are at work. We have continued to pursue this goal in accordance with the national and international laws that govern the protection of health and the prevention of disease.



Since 2013, each production unit has maintained its own Environmental Health and Safety (EHS) Committee. This committee consists of volunteers from various departments and the compliance team, and meets on a monthly basis to discuss topics related to health and safety findings, promotion methods, injury reports, and so forth.

SELF-MONITORING

In 2014, factories in China designed and aligned a set of social compliance standards for labor, health, and safety issues. EHS team members use this set of standards to audit each other on a quarterly basis and calculate their score. Next, the committee holds a wrap-up meeting where it reviews the score and any identified non-compliance issues, and the respective factory immediately creates an improvement action plan to rectify any such issues. The action plans and risk findings are then reported to local senior management. This system allows Top Form a fresh eye with which to examine sustainability risks and share knowledge, while keeping factories accountable on sustainability matters.

This year, we have harmonized our injury recording and categorization process to better classify and differentiate between minor and major injuries. "Major injuries" are now defined as injuries where a worker is hospitalized and need their wounds treated by a doctor. "Minor injuries" are defined as injuries where a worker can be treated with an onsite first-aid kit or with rest in the facility nurse's room. This classification has enabled us to create more appropriate action plans for mitigating risks, and to review our performance in a more structured way.

Our production sites are more prone to injuries than our administrative offices due to the sharp tools and hot machines in operation. We believe we still have much work to do in regard to fine-tuning our definitions and setting appropriate KPIs with which to measure our future performance.





No fatal injuries or occupational disease cases occurred during FY2017

SAFETY AWARENESS

Top Form's production facilities comply with all local and national laws and safety regulations, including providing appropriate worker's compensation coverage in the event of an injury. We also enhance our employees' awareness and knowledge by organizing various workshops, activities, and trainings to promote a culture of safety.

Fire extinguisher training for emergencies

Top Form provided 1.82 hours of safety training per employee. Training topics included how to use Personal Protective Equipment (PPE), different types of chemicals and smoke, and fire safety, among others. The aim of these workshops is not only to educate our workforce to protect themselves, but also to empower them with the knowledge to help protect others inside and outside of work.

Nuttakron Pieladda

When I joined Top Form in Thailand 16 years ago, I was very proud, because Top Form is well-known for providing jobs and career development. My greatest opportunity has been being a member of our EHS Committee, where I have learned a lot about the environment and safety. We can come up with new ideas and start new EHS projects, and this has given me more self-confidence. I can utilize this knowledge when I'm facing an emergency, like a fire, or if other people need help.


Training Our Talents

III OUR LONG-TERM SUCCESS DEPENDS ON OUR ABILITY TO ATTRACT, DEVELOP AND RETAIN A DIVERSE POOL OF TALENT.

DEVELOPING OUR PEOPLE

Garment manufacturing is a labor-intensive industry. It follows naturally that Top Form's growth and development as a company depends on that of our employees. Attracting and retaining world-class people requires a long-term investment in talent development. In FY2017, we conducted trainings across multiple employee levels, from workers to management, providing our workforce with a total of 23,780 training hours.



In 2015, our Managing Director initiated Business Development Meetings (BDM) to cultivate in-house trainers, empowering our employees to continuously develop their skill sets through monthly workshops. Every month, experienced senior managers take the lead in rotation and guide 24 of our front-end subordinates on presenting specific topics and case studies in relation to product knowledge and operation solutions. This

platform lets our employees practice and enhance their presentation and communication skills to service foreign market customers.

In the coming year, we plan to extend these workshops and incorporate a wider range of departments, to facilitate a greater culture of knowledge-sharing.







MANAGEMENT TRAINING: SKILL AND TALENT DEVELOPMENT

This year, we partnered with WEAVE, a consultancy specializing in capability building, to launch an 18-month-long transformation project for our talented staffs. The project focused on a) enhancing key capabilities that are central to developing the leaders of tomorrow, and b) developing new skillsets that include leadership, problem-solving, and building and maintaining strong relationships, as well as core technical skills.

We invited different levels of supervisors and middle and senior management from our Production, Sales, Finance, Shipping and Purchasing teams to participate in this project. A total of 75 staff members took part, clocking a total of 984 man-hours. The project featured specific productivity and capacity improvement workshops, including productivity, vendor management, sales, and operation planning, which were designed to assist participants in transforming themselves and their departments and strengthening our operation efficiency.



Mo Yun Fu

I joined Top Form Nanhai in 1996 as a mechanic in China. Because Top Form focuses on training and skills improvement, I keep learning even during work, so I am constantly improving. After all these years of training, I have gained a lot of experience. I am very thankful that Top Form has given me a steady job and improved my guality of life!

Boon Mee

When I was 6 years old, my mother passed away and my father went to Bangkok for work, so I was raised by my grandparents and relatives. I have been through many challenges in my life. Prior to joining Top Form, I worked in other companies where I earned less salary and the management was not good. But at Top Form, we have a very good relationship between the department heads and workers, employees and employer. We live and work as a family. When anyone needs help or support, every colleague will lend a hand to help.

I am May New Win (a 24-year-old employee from Mon State, Myanmar) **III** Starting a job in Thailand was tough at the beginning. I first worked as a regular worker in Quality Assurance. Everything was new and nothing was easy because the language was different and I had little knowledge. But since then, my job at Top Form has helped me change and grow. I wanted to get a higher salary and be promoted in my position, so I did my work very precisely. Then I got promoted to Supervisor. Currently, I am a Senior Supervisor. I am very happy to work at Top Form, because I can earn much more money compared to Myanmar, and I can save a lot of money for my future. I would recommend working at Top Form to my friends, because the company provides many things for its workers, like events and medical care, and it pays a fair salary so that we can support ourselves and our family.







Mo Yun Fu

REACHING OUT TO NEW TALENT

This year, Top Form expanded our internship programs to China, Thailand, and Cambodia to reach a larger pool of potential candidates. We cooperated with several universities and schools to open our doors for students who may not be familiar with the garment manufacturing industry. We received positive feedback from participants in several workshops and on-the-job trainings during the internship period.

Recruitment in China Our local teams in China attended a job fair at the Jiangxi Institute of Fashion Technology to explain Top Form's internship program and full-time career opportunities.

Recruitment in Thailand

In 2016, we began cooperating with a local school that teaches both English and Thai to Burmese students. Top Form offered these students a three-month management trainee program. Because they could speak English, Thai and Burmese, these students played a significant role in easing communication within our factory. Furthermore, these graduates have an explicit cultural connection with our Myanmar workers, and can ensure that these migrant workers are successfully integrated.





Successful management trainee



STRENGTHENING OUR COMMUNITIES



SUSTAINABLE MANUFACTURING

EMPLOYER OF CHOICE

ditter.



STRENGTHENING OUR COMMUNITIE

Over the years, experience has taught us that supporting and developing the sustainability of our local communities fosters social stability and strengthens the social values of the business that Top Form delivers to our stakeholders. In our three countries of operation, our over 8,000 associates maintain a constant exchange with the local communities in which they live.

APPROACH

We believe in strengthening our communities by working with schools, NGOs, governments, and other local organizations to create opportunities that enrich peoples' lives through a combination of volunteer outreach, sponsorship and donations.

Community Service and Outreach

In FY2017, we reached out to our communities and participated in over 15 community service activities.





ALL REGIONS

Blood drives

More than 150 of our associates participated in blood drives In their local communities.

THAILAND

Donating blankets to disadvantaged people in remote regions



CHINA

Sunset Care – Sympathy for Widowed People

Top Form associates volunteered at a senior living community to demonstrate the traditional Chinese virtues of respecting and caring for our elderly through community work.



HONG KONG

Community Awareness Day

A team of Top Form associates volunteered with Playright, an NGO that promotes quality play environments and play opportunities for children, especially inclusive play for children with disabilities. Our volunteers set up and played games with children with physical impairments and other special needs.



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CHARITABLE GIVING PROJECT 1

Machines for a Cambodian design school

We met with a design school that participates in a project to train young local Cambodian designers and promote local designs in the European market. From our discussions, we identified that the school needed machinery to facilitate its students' practical skills training. To ensure that project participants could learn a variety of skill sets, we donated multiple types of sewing machines. The skills they will learn on our machines will help the designers realize their collections and find international sales channels in the future.

CHARITABLE GIVING PROJECT 2

Giving fabric scraps a new life in Thailand

We work closely with the local Thai government to donate our production fabric scraps to remote villagers who have difficulty accessing resources. These villagers can repurpose our scraps and turn them into new products such as cleaning rags, cushions and local decorations, which they can then sell in the local market to make a living. In this reporting period, Top Form donated over 2,500 kg of fabric scraps to local villagers through this project.

CHARITABLE GIVING PROJECT 3

The Caritas Computer Refurbishment Project in Hong Kong

The Refurbishment Project provides needy students and families with donated technical equipment – monitors, computers, printers, notebooks, projectors and scanners – thereby reducing computer waste. In the past 5 years, more than 20,000 families have benefited from this project, and Top Form is proud to be part of this effort.

CHARITABLE GIVING PROJECT 4 Sharing Love to Children in Thailand

This year, 15 of our associates in Thailand developed a small project to help 80 underprivileged children living in remote Tak province villages. These children come from low-income families and lack many basic necessities for learning, playing, and in some instances, simply living. The funds raised in the factory were used to purchase food, toys, storybooks, and blankets for these children. The staff volunteers also helped the children discover their inner talents by teaching them dancing and singing through storybooks, an activity that facilitates an eagerness to learn and develops team spirit.





Top Form is dedicated to providing employment opportunities for the disabled. In Tak province, we are cooperating with the Association for Disabled People, providing employment opportunities that allow disabled workers to reintegrate into society. We provide these equal opportunities and a safe work environment without discrimination, whether they are working as gardeners or supporting their local administrative department.



ASSOCIATION MEMBERSHIPS

As one of the leading global OEM brassiere manufacturers, Top Form regularly collaborates with NGOs and other members of our industry to promote the intimate apparel sector's sustainable development.

Association	Involvement	Position
Hong Kong Intimate Apparel Industries' Association	We are one of the founding members of the HKIAIA, which was established in 2003. Through the HKIAIA, we support our industry and its related academic institutions, such as the Hong Kong Polytechnic University Intimate Fashion Show that empowers graduates to showcase their creativity and offers a recruitment opportunity for local industry leaders.	Executive Committee Member
Textile Council of Hong Kong	Through our membership in the Textile Council of Hong Kong, we engage with high-level industry leaders and governing bodies to promote and ensure the continuing success of Hong Kong's Textile and Apparel industry.	Kenneth Wong is vice chairman of the Council
Federation of Hong Kong Industries	Our membership in the Federation of Hong Kong Industries (FHKI) allows us to network with potential business partners in 32 industry groups.	Kenneth Wong is vice chairman of the Multi-Textiles and Fashion Accessories Council in Group 13
WWF-Hong Kong	We have participated in WWF events as the "Run for Change." We are also proud to have implemented a "No Shark Fin" Pledge Policy at our corporate functions, to raise our employees' and partners' awareness about protecting the ocean's ecosystem.	Silver Member of the Corporate Membership Program
Sustainable Fashion Business Consortium	Through our membership in the Sustainable Fashion Business Consortium, Top Form International can foster an ongoing knowledge exchange with sustainability experts and important players in the industry as we continue our journey towards a sustainable future.	Company Member









TOP FORM'S SOCIAL PERFORMANCE TABLES

Social & Com	munity							Regio	ons		
			Unit	Tot	:al	Chin	ia 🛛	Thaila	and	Cambo	odia
	Total workforce	Total	% / No.		7,900	31%	2,436	51%	4,046	18%	1,418
	By gondor	Female	- % / No.	92%	7,303		2,193		3,775		1,335
	By gender	Male	8%	8%	597		243		271		83
		under 30		48%	3,824		184		2,908		732
	By age	30 to 50	~% / No.	50%	3,921		2,147		1,093		681
Workforce structure		over 50	_	2%	155		105		45		5
Structure		Chinese			2,453		2,426		17		10
		Thai	_		202		1		201		0
	Diversity	Burmese	No.		3,812		0		3,812		0
		Cambodian			1,399		0		0		1,399
		Other	_		34		9		16		9
	Avg monthly turnover rate	Total (no. of ppl. Left)	% / No.	2%	2,174	2%	527	2%	1,095	3%	552
	By gondor	Female		94%	2,051		470		1,039		542
Turner	By gender	Male		6%	123		57		56		10
Turnover		under 30		56%	1,226		116		788		322
	By age	30 to 50		40%	875		358		287		230
		over 50	_	4%	73		53		20		0
	Total new hires	Total			3,052	25%	767	53%	1,632	22%	653
	By gender	Female	_	93%	2,844		701		1,546		597
New employees	by gender	Male	- % / No.	7%	208		66		86		56
		under 30	- 70 / INU.	62%	1,904		146		1,281		477
	By age	30 to 50	_	36%	1,108		597		350		161
		over 50		2%	40		24		1		15
Absenteeism	Total absenteeism rate		%	49	6	6%		2%		2%	

TOP FORM'S SOCIAL PERFORMANCE TABLES

Social & Com	munity	Regions						
			Unit	То	tal	China	Thailand	Cambodia
	Number of major injuries (referred to hospital)	Total			47	35	7	5
-	By gondor	Female			40	31	7	2
	By gender	Male			7	4	0	3
Injuries during working hours	Number of minor injuries (Nursing room)	Total	No.		1,369	475	888	6
	Py gondor	Female			1,193	469	718	6
	By gender	Male			176	6	170	0
_	Lost days due to work injury	Number of lost days			634	628	3	3
	Total hours of training	Total	Hours		23,780	6,688	15,858	1,234
_	Average per employee	(=Total number of training hours/number of employees)			3	3	4	1
-	Du gondor	Female	0/ / 11	92%	21,879	6,000	14,728	1,151
	By gender	Male	% / No.	8%	1,901	688	1,130	83
Training hours		Health & Safety			21,193	4,549	15,414	1,230
		Environment			506	58	444	4
	By type	Marketing & Sales	Hours		397	397	0	0
	by type	Orientation training	nouis		381	381	0	0
		Ongoing vocational training			1,303	1,303	0	0

TOP FORM'S ENVIRONMENTAL PERFORMANCE TABLES

Environmen	t-Resources	Regions					
	Unit type		Unit	Total	China	Thailand	Cambodia
		Electricity		10,889	3,594	6,385	910
Energy	Dutupo	Diesel (mobile combustion)	kWh in	1,612	473	1,139	-
Consumption	By type	Petrol (mobile combustion)	'000s	611	470	33	108
		LPG		107	58	39	10
Energy Intensity		Total	kWh in '000s	13,219 (0.48 kwh per garment)	4,595	7,596	1,028
	Hazardous waste	Total	kg	3,237	2,102	938	197
Waste	Non-hazardous waste			747,185	265,061	317,574	164,550
	Waste total			750,422	267,163	318,512	164,747
		Surface water, including water from wetlands, rivers, lakes, and oceans			-	-	-
	By source	Ground water	m ³	24,003	-	24,003	-
Water		Municipal water supplies or other water utilities		135,969	92,953	14,110	28,906
	Water consumption	Total	_	159,972	92,953	38,113	28,906
	Per associate	Intensity	m ³	20	38	9	20

TOP FORM'S ENVIRONMENTAL PERFORMANCE TABLES

Environmen	t-Emissions		Regions					
		Emission source	Emission item	Unit	Total	China	Thailand	Cambodia
	Emission Data from Gaseous	LPG	NOx		0	0	0	0
	Fuel Consumption	LFG	SOx		0	0	0	0
Air Pollutant Emissions			NOx	kg	1,407	351	1,038	18
	Emission Data from Vehicles	Vehicles Emission	SOx		4	2	2	0
			PM		136	34	100	2
			CO ₂		23,550	12,805	8,596	2,149
		LPG	CH ₄	_	39	21	14	4
	GHG emissions from stationary combustion sources		N ₂ O		11	6	4	1
			CO ₂		26,868	-	-	26,868
		Diesel Oil	CH ₄	 kgCO ₂ eq	76	-	-	76
Scope 1			N ₂ O		67	-	-	67
			CO ₂		552,829	232,480	292,080	28,269
	GHG emissions from mobile combustion sources	Diesel, Petrol	CH ₄		313	266	23	24
			N ₂ O		3,491	3,131	266	94
	HCFC & HFC emissions for refrigeration / airconditioning		HCFC		247,940	-	209,000	38,940
Scope 2	Energy Indirect Emissions			kgCO ₂ eq	6,324,209	2,232,838	3,741,675	349,696
	Total GHG Emissions			kgCO ₂ eq	7,179,393	2,481,547	4,251,658	446,188
	GHG Emission Intensity			kgCO ₂ eq / garment	0.26			

ASSURANCE STATEMENT BY HKQAA

SCOPE AND OBJECTIVE

Hong Kong Quality Assurance Agency (HKQAA) was commissioned by Top Form International Limited (hereinafter referred to as "Top Form") to undertake an independent verification of the Sustainability Report 2017 (hereinafter called "the Report"). The Report stated the overall sustainability performance and efforts made by Top Form for the period from 1 July 2016 to 30 June 2017. Quantitative data regarding the economic, environmental and social performance such as greenhouse gas emission and average training hours of employees is verified based on the methodology described below. The verification team did not partake in the compilation of the data and information of the Report.

The aim of this verification was to provide assurance on the completeness and accuracy of the information stated in the Report. The Report is prepared in accordance with the Core Option of the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines and

The Stock Exchange of Hong Kong Limited's (SEHK) Environmental, Social and Governance (ESG) Reporting Guide.

METHODOLOGY

The process used in this verification was based on current best practices. The Report was reviewed based on the following criteria:

- The Global Reporting Initiative (GRI) G4 Guidelines; and
- ESG Reporting Guide published by SEHK

The verification procedure included reviewing relevant documentation, interviewing responsible personnel with accountability for preparing the Report and verifying the selected representative sample of data and information consolidated in the Report. Raw data and supporting evidence of the selected samples were examined.

CONCLUSION

Based on the outcome of the verification process, it is opined that the Report is in accordance with the GRI G4 Guidelines – "Core" option and covers the Key Performance Indicators of the ESG Reporting Guide.

The information presented in the Report provided a structured, balanced and consistent representation of the performance of Top Form in the context of sustainable development. We are satisfied that the Report includes factual statements and the data contained within the Report is accurate and reliable. It is a fair and honest representation of initiatives, targets, progress and performance on the sustainable development achievements of Top Form.

Opportunities for improvement on the reporting structure and content are separately submitted to Top Form for their consideration on the compilation of future sustainability reports. It does not affect our opinion on the Report.

Signed on behalf of Hong Kong Quality Assurance Agency



Byran Peng Assistant Director, Manufacturing & Service Branch November 2017



The mandatory disclosures in the ESG Reporting Guide and their linkage with the G4 Guidelines are in blue. The published document can be found at https://www.globalreporting.org/information/g4/Resources/Linkage%20documents_and_supporting_Publications/Pages/default.aspx

GRI G4 Contents	ESG Reporting Guide of HKEx	Details	Location of information
Strategy and A	nalysis		
G4-1		Chairman Statement Management Statement	P.4, P.5
G4-2		Description of key impacts, risks, and opportunities.	P.5
Organizational	Profile		
G4-3		Name	P.1
G4-4		Brands, products, services	P.11
G4-5		Headquarter location	D12
G4-6		Production units	– P.12
G4-7		Nature of ownership and legal form	A company listed in the Hong Kong Stock Exchange
G4-8		Markets served	P.12
G4-9		Number of employees	P.45
64-9		Net sales	2017 Annual Report
	KPI B1.1	Total number of employees by employment contract	Permanent: 6,483 Fixed Term: 1,417
G4-10		Total workforce by region and gender	P.45
		Total number of employees by employment type	All Employees are Employed Full Time
G4-11		Report the percentage of total employees covered by collective bargaining agreements	Zero. We respect the right of our employees to associate freely and bargain collectively.
G4-12		Organization's supply chain	P.27
G4-13		Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	There is no significant change
G4-14		Report whether and how the precautionary approach or principle is addressed by the organization	Review in bi-monthly CSR committee meeting

GRI G4 Contents	ESG Reporting Guide of HKEx	Details	Location of information
G4-15		Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	P.44
G4-16		Memberships of associations (such as industry associations) and national or international advocacy organizations	r. 44
Material Aspec	ts and Boundar	ries	
G4-17		Entities included in the report	P.1
G4-18		Content and Boundaries Reporting principles	r.1
G4-19		Material Aspects identified	
G4-20		For each material Aspect, report the Aspect Boundary within the organization	P.17
G4-21		For each material Aspect, report the Aspect Boundary outside the organization	
G4-22		Effect of any restatements of information provided in previous reports	This is our first report.
G4-23		Significant changes from previous reporting periods in the Scope and Aspect Boundaries	
Stakeholder En	gagement		
G4-24		Stakeholder groups	
G4-25		Basis for identification and selection of stakeholders	P.15
G4-26		Organization's approach to stakeholder engagement	
G4-27		Key topics and concerns that have been raised through stakeholder engagement	P.17
Report Profile			
G4-28		Reporting period	P.1
G4-29		Date of most recent previous report	This is our first report.
G4-30		Reporting cycle	
G4-31		Contact point for questions	P.1
G4-32		'in accordance' option GRI Content Index	
G4-33		Verification Statement	P.49
Governance			
G4-34		Governance structure	2017 Annual Report
G4-56		Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	P.16

GRI G4 Contents	ESG Reporting Guide of HKEx	Details	Location of information
		Revenue	
		Operating costs	2017 Annual Report
EC-1		Employee wages and benefits	
		Donations (incl. community)	2017 Annual Report
	KPI B8.2	Other payments (to shareholders, government, community, etc.)	P.40-42
		Economic value retained (Profit)	2017 Annual Report
		% of senior management at significant locations of operation that are hired from the local community	78%
EC-6		Definition of 'senior management'	General Manager, Deputy General Manager, Factory Manager
		Organization's geographical definition of 'local'	Local in this context refers to the country in which the operation takes place
		Definition used for 'significant locations of operation'	China/Thailand/Cambodia
EC-9	KPI B5.1	Location of suppliers	P.27
Labour Practice	es		
G4-DMA	KPI B1	General Disclosure - Working Conditions, Market Presence, Employment, Diversity and Equal Opportunity, Equal Remuneration, Non-Discrimination	
G4-DMA	KPI B2, B2.3	General Disclosure - Occupational Health and Safety	P.13, P.29-38
G4-DMA	KPI B3	General Disclosure - Development and Training	
G4-DMA	KPI B7	General Disclosure - Anti-Corruption	
G4-LA1		New employee hires	P.45
G4-LAT	KPI B1.2	Employee turnover (total) Describe turnover	P.45
G4-LA5		Percentage of total workforce represented in formal joint management–worker Health and Safety committees that help monitor and advise on occupational Health and Safety programs	2% of our total workforce is represented worker health and safety committee
		Type of injury (most relevant ones)	
G4-LA6	KPI B2.2	Number of injuries & lost days due to work injury	P.34-35, P.46
04-LA0		Absenteeism in %	P.46
	KPI B2.1	Total number of work- related fatalities	None

GRI G4 Contents	ESG Reporting Guide of HKEx	Details	Location of information	
G4-LA9	KPI B3.2	Total hours of training		
	KPI B3.1	Percentage of employees trained	P.36-38, P.46	
G4-LA10	KPI B3	Development and Training		
G4-LA12	KPI B1.1	Total workforce by gender, employment type, age group and geographical region	P.45	
Society				
	KPI B8	General Disclosure - Local communities	P.40-43	
G4-SO2		Operations with significant actual and potential negative impacts on local communities	No significant negative impact	
G4-SO5	KPI B7.1	Incidents of corruption and actions taken	No incidents of corruption occurred	
	KPI B7.2	Preventive measures for unethical behavior	during the reporting period.	
	KPI B1	Monster welve of conficent fires and total number of new monstery constinue	No non compliances accurred during	
G4-S08	KPI B2	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	No non-compliances occurred during the reporting period.	
	KPI B4, B6			
Human Rights				
G4-DMA	KPI B4	General Disclosure - Child Labour, Forced and Compulsory Labour	P.13	
G4-HR3		Non-discrimination	P.13	
G4-HR4		Freedom of Association and Collective Bargaining	We comply with local law and regulations. P.13	
Product Respo	nsibility			
G4-DMA	KPI B5	General Disclosure - Supply Chain Management Managing environmental and social risks of the supply chain		
G4-PR2/PR4/PR7/ PR8/PR9	KPI B6	Product Responsibility: General disclosure on a) policies; and b) compliance with relevant laws and regulations that have a significant impact on the issuers relating to health and safety; advertising, labelling and privacy matters relating to products and services provided and methods of redress	P.27	

GRI G4 Contents	ESG Reporting Guide of HKEx	Details	Location of information
Environment			
G4-DMA	KPI A1, A2 & A3	General Disclosure - Materials, Energy, Water, Products and Services, Air & Greenhouse Gas Emissions, Transport Emissions, Effluents and Waste	P.13 P.21-26
G4-EN3	- KPI A2.1 -	Energy consumption within the organization	
G4-EN5	- NPLAZ.I -	Energy intensity	P.23-24, P.47
G4-EN6	KPI A2.3	Reduction of energy consumption	
G4-EN8	KPI A2.2	Total water withdrawal, Total water consumption	P.47
G4-EN1	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	None. Water mainly used for sanitation, toilet usage and management canteen
	KPI A2.5	Total packaging material used for finished products <i>(in tonnes)</i> and, if applicable, with reference to per unit produced.	Not material issue according to materiality assessment
G4-EN9/EN12/ EN24/EN26/ EN27/EN30	KPI A3.1	Description of the significant impacts of activities on environment and natural resources and the action taken to manage them	No significant impact of activities on environment and natural resources.
G4-EN15		Direct greenhouse gas (GHG) emissions (Scope 1)	
G4-EN16	KPI A1.1	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	
G4-EN17	KPI A1.2	Other indirect greenhouse gas (GHG) emissions	– P.22, P.48
G4-EN18		Greenhouse gas (GHG) emissions intensity	
G4-EN19	KPI A1.5	Reduction of greenhouse gas (GHG) emissions	P.23, P.24
G4-EN21	KPI A1.1	NO _x , SO _x and other significant air emissions	P.48
G4-EN23	KPI A1.3	Total hazardous waste produced and where, appropriate, intensity (e.g. per unit of product volume, per facility)	P.26, P.47
	KPI A1.4	Total non-hazardous waste produced and where, appropriate, intensity (e.g. per unit of product volume, per facility)	r.20, r.47
G4-EN25	KPI A1.6	Description of how hazardous waste and non-hazardous wastes are handled, reduction initiatives and results achieved	P.26 Reduction initiatives are not currently in place
G4-EN29	KPI A1	Fines for non-compliance with environmental laws and regulations	None



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