

# Sustainability Report 2023

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## About this Report

Hop Lun's 2023 Sustainability report covers all ESG activities, operations and updates of Hop Lun Group and its subsidiaries within the calendar year.

While Hop Lun Group is majority owned by Platinum Equity, Hop Lun's founder continues to retain a significant minority shareholding.

This report reflects any revisions in calculation methodology or baseline that may significantly impact the results.

Hop Lun's Sustainability team in collaboration with all major departments has developed this report.

If you have any inquiries regarding the report and its disclosures, please feel free to reach out to our dedicated sustainability team by email at [sustainability@hoplun.com](mailto:sustainability@hoplun.com).

Main Exclusions in the report :

R.W. Design - acquired in December 2023

Heyuan factory - closed in July 2023

Ethiopia factory – no business operation since Dec 2022

## Hop Lun main stakeholders :

- Our employees
- Our clientele, primarily garment brands, both physical and online. Some clients may fit into multiple categories
- Our suppliers, from the textile industry, provide fabric, lace, components, accessories, and packaging made of various materials
- Our shareholders
- Financial statutory and regulatory institutions such as banks, auditors, government offices
- Third party legal advisories
- Third-party internationally recognized advisories, trainers, and assessors specializing in environmental, social, and ethical matters
- Industries communities, associations, working groups
- Local government offices in our operating countries to address environment, safety, well-being, and welfare concerns.

# Message from our Founder



**Erik Ryd, Chairman and CEO of HOP LUN**

In 2023 we entered a new chapter of our Hop Lun journey with a year of close cooperation with our co-investor, Platinum Equity.

During this past year, the Covid pandemic was finally behind us, and it has been a pleasure to have our clients visiting our factories again and for us to interact in person with our 28,000 Hop Lun employees.

We continued to consolidate our manufacturing footprint in three countries: Bangladesh, Indonesia and China while closing two smaller facilities.

We refined our product strategy by developing new 3D design mockups and new product styles while incorporating use of more eco-friendly materials in our cut and sewn, and bonded products.

Moreover, we refined our manufacturing strategy to prepare for the near term, including adjusting workers' minimum wage to exceed regulatory minimums, giving our employees opportunity to work the full weekly quota, starting major recruitments from the end of 2023 in Indonesia and Bangladesh.

We also want to highlight our women's empowerment program that remains one of our sustainability drivers. We revamped the program across the organization from factories to offices.

Other significant updates include : launching new policies; reinforcing our ethics line program; upgrading our IT security system; and training our supply chain in implementing environmental measures. Finally, we worked with our local teams and local partners to improve our factories' overall social, ethical and environmental awareness.

We believe that these initiatives will help lay the foundation for a stronger future for Hop Lun that includes stronger employees, more capable factories, more innovation, and ultimately delivering a better product to our customers.

# Discover Hop Lun

1992

Year of Hop Lun creation

11

Wholly owned & operated factories

Produced (2023)

132M pieces

3

Manufacturing countries\*

26,000+

Employees

Bra

(70%)

Panty

(20%)

Swimwear

(10%)

Product category by value

\$ 420M

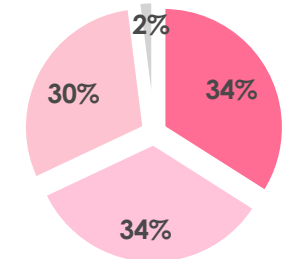
Total sales in 2023 (USD)

450+

Sewing lines

## Customers distribution

Online platforms  
Physical stores  
Garment brands  
General consumer goods brands



■ US ■ EU ■ UK ■ ROW

\* China, Bangladesh & Indonesia as of December 31st 2023

# Where we are

	CITY	ENTITY	LEGAL NAMES	ACTIVITY	NUMBER OF EMPLOYEES
CHINA	HK	HK Head Office	Hop Lun (Hong Kong) Limited	Office	186
	HK	Dorina	Hop Lun Executive Limited	Office	23
	Dongguan	DOC	China Development & Operations Center	Office and sample room	1,183
	Quannan	Quannan	Hop Lun Garments (Quannan) CO.,LTD	Manufacturing	732
	Heyuan	Heyuan	Hol Jun Textile Trading(Shenzhen) Co Ltd. Heyuan Branch	Warehouse	209
BANGLADESH	Dhaka	Fashion	Hop Lun Apparel Ltd	Manufacturing	5,015
	Dhaka	Heritage	Hop Yick Bangladesh Ltd	Manufacturing	3,431
	Dhaka	Diva	Hop Yick Bangladesh Ltd	Manufacturing	2,795
	Dhaka	Intimate	Hop Lun Intimate (Bangladesh) Ltd	Manufacturing	2,675
	Dhaka	Legend	Hop Yick Bangladesh Ltd	Manufacturing	1,756
	Dhaka	Brands	Hop Lun Apparel Ltd (Unit 2)	Manufacturing	1,606
INDONESIA	Semarang	Semarang	PT Hop Lun Indonesia	Manufacturing	2,812
	Boyolali	Boyo	PT Hop Lun Boyolali Indonesia	Manufacturing	2,138
	Boyolali	Cartini 1&2	PT Cartini Lingerie Indonesia	Manufacturing	2,227



# Sustainability Highlights



## PEOPLE

Over **65%**  
of female supervisors in our Hop Lun factories  
We reached our original goal !  
Extended Talents program



## ESG FINANCING

ESG financing  
First private equity-backed leveraged  
sustainability-linked loan in Hong Kong  
based on **3** of our main sustainability KPI



## ENVIRONMENT



SCIENCE  
BASED  
TARGETS

Submission of our official targets

Strategic suppliers HIGG v FEM, 2023 weighted score **+6%**



## GOVERNANCE

**4** Channels  
of reporting for our employees and outside stakeholders

Extended Cyber Security



# ESG Financing

In 2023, the company converted its syndicated bank loan into SLL and linked the facility interest margin to improvements or deterioration in three of our key sustainability KPI`s. We were honored to be elected as the Best Sustainability Linked Loan – Private Equity- by The Asset magazine. These KPIs serve as accurate reflections of our unwavering commitment to environmental and social initiatives, both within Hop Lun and throughout our supply chain.

		2022	2023		2024 target	2025 target	2026 target
ENVIRONMENT	KPI						
GHG EMISSIONS	KG CO2 per SMV	0.0060	0.0060 Previous methodology	0.0070 updated methodology	0.0060	0.0059	0.0058
ENVIRONMENT LEVEL	Hop Lun direct Supplier Higg's Score Weighted Avg FEM	60.45* (Revised in 2023)	64.15 (based on our 2023 strategic suppliers)		65.5 (based on our 2024 strategic suppliers)	66.65 (based on our 2025 strategic suppliers)	68 (based on our 2026 strategic suppliers)
SOCIAL	KPI						
GENDER DIVERSITY	Female supervisors	52%	65% Previous definition	70% revamped definition	71.5% (revamped definition all Hop Lun)	73.2% (revamped definition all Hop Lun)	75% (revamped definition all Hop Lun)

## ENVIRONMENT - KG CO2 per SMV

In 2023, we improved our methodology, incorporating different emission factors. As a result, we observed higher figures for emissions per SMV, while it remains a constant number as per the original methodology. We continued to offset our electricity usage by iRECs, which cover one-third of our manufacturing emissions.

To achieve improvement, in 2024 we anticipate allocating a significant portion of iREC to offset electricity consumption in our Bangladesh operations.

## ENVIRONMENT - HIGG's score Avg FEM

Our strategic suppliers who responded to the HIGG FEM assessment in 2023 achieved a higher score (+6%) compared to our strategic suppliers in 2022. Weighted average.

The HIGG FEM assessment, is a key criterion in our partnerships with suppliers.

In 2024, we will encourage our suppliers who have not yet undergone assessment to participate in the HIGG evaluation process.

\*2022 revised figure.

## SOCIAL - Female supervisors

In 2023, we witnessed a further increase of women supervisors. In our pursuit of equality, we've taken numerous actions in professional training, fostering a culture that upholds equality values for all. We also ensure fair promotion opportunities while successfully reaching our initial target of 65% of supervisory roles filled by women.

In 2024, we are expanding our definition of equality to include all employees across all sites, including offices, as well as all factories.



# Our People

At Hop Lun, we firmly believe that our people are our most valuable asset. Guided by our company values and work ethic, we prioritize the well-being and growth of our employees.

We are proud to announce that we have successfully achieved our target of having 65% female supervisors. To further promote leadership development, we have decided to expand our leadership program across the entire company, encompassing both our offices and warehouses.

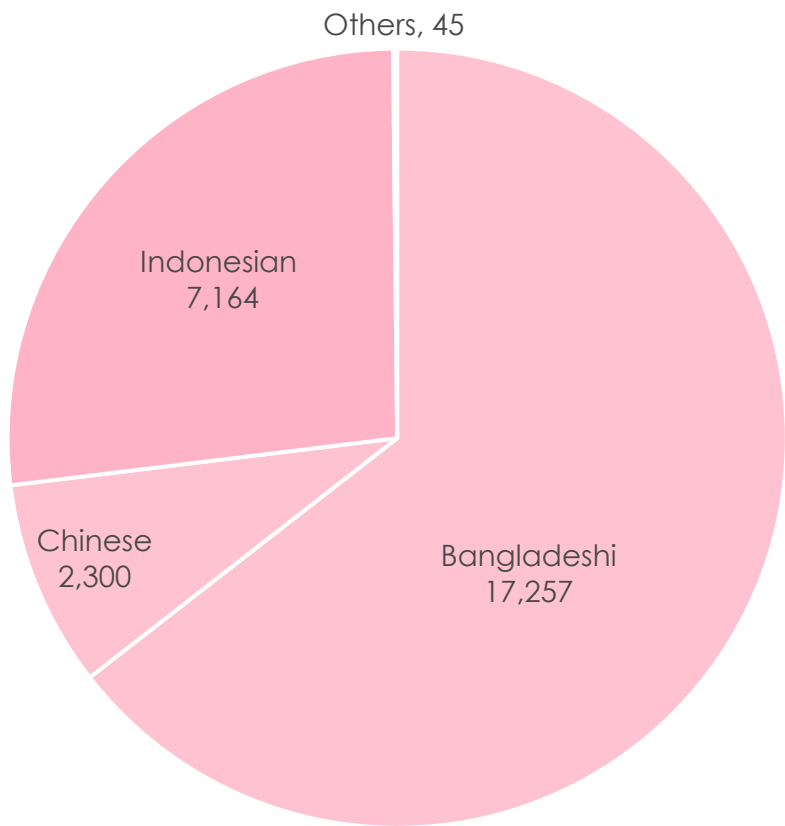
Maintaining a high standard of health and safety, fair working hours, and competitive salaries is a priority for us. We are committed to promptly absorbing any minimum wage increases that arise.

Through the collaborative efforts of our 11 factories and offices, we have implemented numerous engaging actions, programs, and trainings focused on ethics, safety, gender equality, and overall well-being. These initiatives have been driven by both our own initiatives and in collaboration with our clients.

Once again, in 2023, we take pride in providing a safe and supportive environment where all employees can thrive and envision a long-term partnership with Hop Lun.



# Understanding who are our People



Other Nationalities	
Canadian	1
New Zealand	1
Singapore	1
South Korea	1
Vietnam	1
Armenian	2
French	2
Malaysian	2
Swedish	2
American	3
British	3
Filipino	3
Indian	5
Sri Lanka	18
Total	45

**99.8%** of employees, comprises individuals from **Bangladesh, Indonesia, and China.**

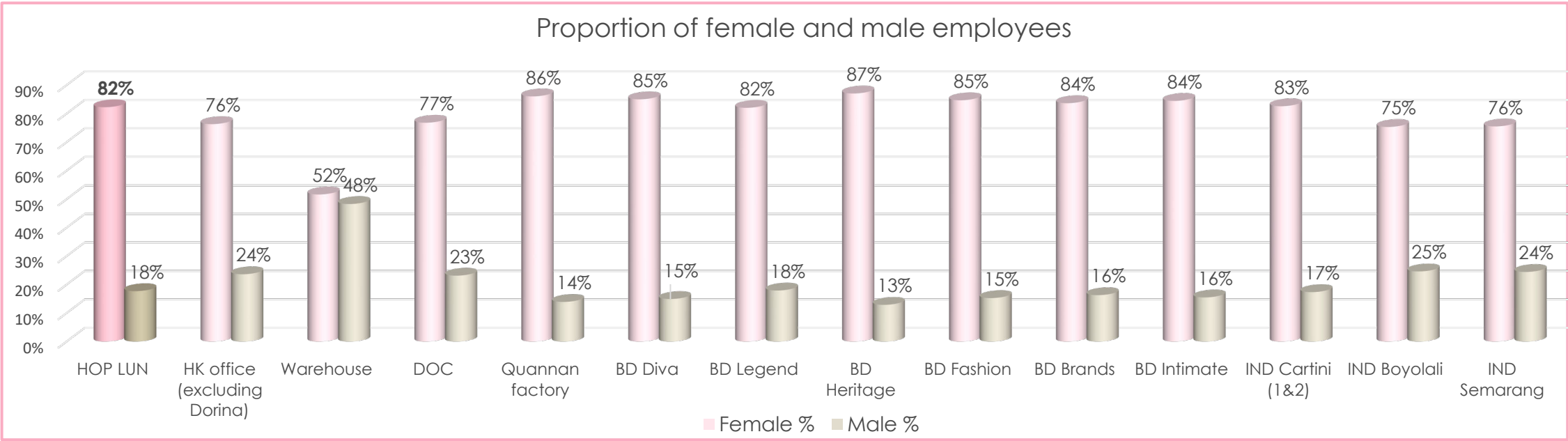
Employees from **17 nationalities**

Located in **3 different countries**

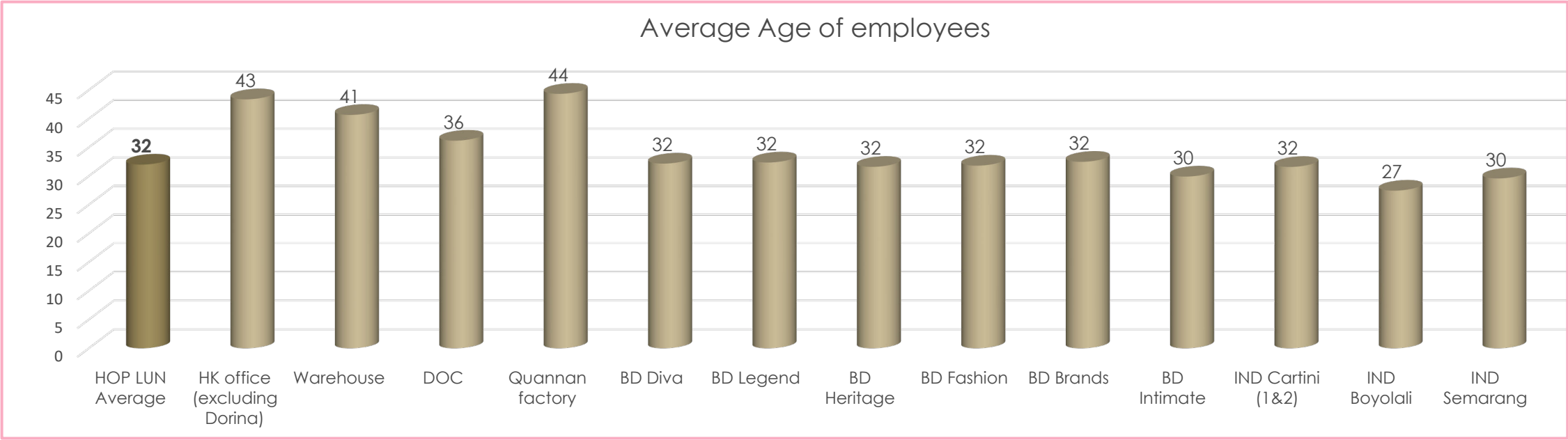
Number of employees per nationality

Excluding Dorina and Heyuan factory

82% of our employees across all company are women.



32 years old, average age of our employees across all company.



Excluding Dorina and Heyuan factory

# DE&I. Diversity, Equity and Inclusion program

## D FOR DIVERSITY

Our workforce is highly diverse, encompassing employees of different genders, ages, sexual orientations, political ideas, cultures, and religions. We have expanded our production operations to Bangladesh and Indonesia, adding to the richness of our team's cultural backgrounds. This expansion has also brought a diverse range of roles, including designers, office staff, sewers, warehouse keepers, cleaners, security guards, childcare workers, and more.

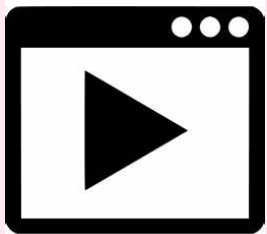
## I FOR INCLUSION

We are committed to providing an inclusive working environment that is open to all employees, irrespective of their gender, religion, sexual orientation, physical condition, or political ideas. Our focus is on ensuring that everyone feels valued and respected, and that they have equal opportunities to thrive within our organization. Every team member should feel valued as a contributor to our mission. Inclusion empowers, includes, and engages all perspectives, fostering a culture of respect. We firmly believe that diversity cannot exist without inclusion, as without it, diversity will not be sustained in a healthy manner.

## E FOR EQUITY

With 82% of our global workforce consisting of women, we recognize the prevalent gender inequality that exists in both private and working life. It is our firm belief that we have a genuine responsibility to provide equal support and celebration for our female and male employees.

**‘Open’** is a core value at Hop Lun, and we embrace it as a strength to promote inclusion. See our video as illustration :





# Women Empowerment

***With over 82% of our employees being female, Hop Lun recognizes the importance of prioritizing Women Empowerment as a key component of our DE&I program.***

We would like to emphasize that our Women Empowerment program is conducted with the utmost respect and equity towards all individuals, including men. We ensure that opportunities and respect are provided at an equal level for both women and men within our organization.



***In Hop Lun we give confidence and space for women to grow and thrive to their full potential and grasp chances at an equal level with men.***

How do we run our Women Empowerment program :

At Hop Lun, we promote an inclusive environment where both women and men are included and supported to reach their full potential. We provide equal opportunities for all employees, regardless of their job title or country base.

Whether it's through team building activities, sports competitions, professional training, or opportunities in traditionally male-dominated roles, we believe in fostering mutual learning and growth between men and women.

Our goal is to create a culture that recognizes and rewards the unique contributions of every individual, ultimately driving efficiency and success in our business.

We strive for a win-win scenario, where employees can excel and envision a long-term partnership with Hop Lun.

## Orange the World campaign again in 2023. For the Elimination of violence on women and girls

November 25th to December 10th 2023

**16-Day** campaign for the Elimination of violence on women and girls

At Hop Lun, all 7,000 of our employees across our Indonesian factories actively participated in the 16-day campaign following the United Nations program guidelines.

While our other factories were engaged in critical programs at the time, we have plans to organize the campaign on a larger scale again in 2024.



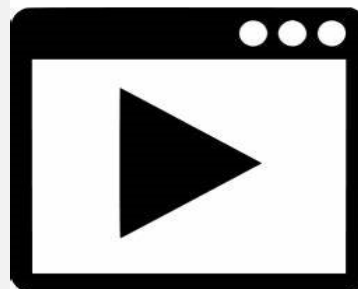
### Key messages conveyed :

- ✓ Teach women how to react/reach out using local and international protection systems.
- ✓ Gain the ability to recognize and prevent violent behavior.
- ✓ Educate and support male employees in protecting women and girls.
- ✓ Assist team leaders in understanding risks and appropriate responses.



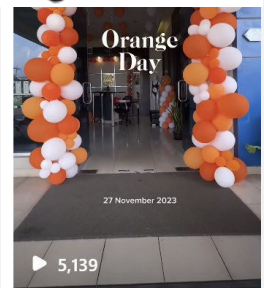
*In a powerful closing ceremony, we donated \$10,000 to Pundi Perempuan.*

SEE HERE OUR  
VIDEO :



*We actively promoted the campaign and the UN message through our social media channels.*

Instagram



As part of our Women Empowerment initiative, we support our employees to grow in all aspects, including advancing within the hierarchy to secure higher leadership positions, such as **supervisors** and **managers**.

65%

of our **Supervisors** are **Female**  
As per original 2023 definition

23%

of our **Managers** are **Female**  
As per original 2023 definition

In 2023, we finally reached our original target.

Definition of female **supervisor** as per 2023 :

- Departments include :
- ✓ Warehouse
  - ✓ QA
  - ✓ QC
  - ✓ Cut-to-Packing
  - ✓ Technical
  - ✓ Mechanic

Only applied to our Bangladesh, Indonesia and Mainland China production facilities.

Original definition as per 2023	Definition	Category	Responsibility	KPI
Designated Supervisory position	A position as a supervisor at a factory that supervises activity of workers	Asst. supervisor to Sr. Officer.	Supervisor of workers only for production floor	X (%)=Female Supervisors/Total Supervisors X 100
		Line feeder/Team Leader.		
Designated Manager position	A position at a supervisory level, but not directly related to production.		Leader and not supervisor category	X (%)=Female Manager/Total Manager X 100



## Revamped definition of Supervisor and Manager

In 2024, our program will expand to include all facilities, including China mainland (Heyuan Warehouse, DOC, and Hong Kong Office), in addition to our existing production facilities in Bangladesh (Brands, Intimate, Diva, Legend, Fashion, Heritage), Indonesia (Semarang, Boyo, Cartini 1&2), and China mainland (Quannan).

**Leadership = Management + Supervisor**

**Management** = Assistant Manager and above

**Supervisor** = non-management roles who supervises 1 or more subordinate(s).

### Expanding the program to all employees :

- Ensure gender equity and equal opportunities for growth at all levels, promoting fairness and inclusivity
- Reflect our continued efforts in grooming the emerging supervisors and managers at all job levels.
- Accommodate different traditional management structures like in Fashion factory or creative like in Intimate factory
- Collect accurate data, homogeneous over all entities and on time
- Including all employees is also part of our Talent program
- Reflect our continued efforts in grooming the emerging supervisors and managers at all job levels.

Female Supervisors

Definition	Criteria	Scope	Definition	Responsibility	KPI	Origin of Data	% As per Dec 2023 apply to original scope	% As per Dec 2023 apply to new scope	<div>Reason for gap between the 2 definitions :  New definition including supervisor categories including operators who are leading subordinates who tend to have more females</div>
Old 2023 supervisor definition	Designated Supervisory position	Only Hop Lun Factories.  (Departments : Warehouse QA QC Cut-to-Packing Technical Mechanic)  BD,IND,CH	A job as a supervisor at a factory & supervise activity of worker  Line feeder/Team Leader	Supervisor workers only for production floor	X (%)=Female Supervisors/Tot al Supervisors X 100%	From local Sustainability team data collection	65%	N/A	
Revamped supervisor definition	Designated Supervisory position	All production and non-production facilities. BD,IND,CH,HK	non-management roles who supervise 1 or more subordinates	Supervisor employees in all Departments	X (%)=Female Supervisors/Tot al Supervisors X 100%	From P&C HR system	70%	69%	

Female Managers

Definition	Criteria	Scope	Definition	Responsibility	KPI	Origin of Data	% As per Dec 2023 apply to original scope	% As per Dec 2023 apply to new scope
Old 2023 Management definition	Manager position Subject to factory organization specificities	Only Hop Lun Factories.  BD,IND,CH	Manager title or managing at least 1 subordinate but not supervisor	Division/project lead with or without reporting line and with Managing title	X (%)=Female Managers/Total Managers X 100%	From local Sustainability team data collection	23%	N/A
Revamped Management definition	Designated Manager position	All production and non- production facilities. BD,IND,CH,HK	Assistant Manager and above as per our HR job grading	Assistant Manager and above in all Department	X (%)=Female Managers/Total Managers X 100%	From P&C HR system	23%	40%

Excluding Dorina and Heyuan factory

Our Leadership is (with revamped definition):				Our workers per gender are :		
As per Dec 2023	Supervisors in :	Managers in :		As per Dec 2023	Female	Male
Hop Lun factories	88%	57%		Hop Lun factories	83%	17%
Hop Lun non-production sites	12%	43%		Hop Lun non-production sites	74%	26%
As per Dec 2023	Total number of supervisors (old definition)	Total number of supervisors among all employees (revamped definition)	Total number of Managers (old definition)	Total number of Managers among all employees (revamped definition)	Total number of leadership (supervisor + Manager) old definition	Total number of leadership (supervisor + Manager) (revamped definition)
Hop Lun Factories	1,679	1,059	238	258	1,917	1,317
Non-production sites	N/A	142	N/A	195	N/A	337
Total	1,679	1,201	238	453	1,917	1,654

Revamped definition, new targets		
	Level as per Dec 2023*	New Target by Dec 2026
Female Supervisors Factory scope only	70%	75% (original target was 65%)
Female Supervisors All Hop Lun	69%	75%
Female Manager Factory scope only	23%	30%
Female Manager All Hop Lun	40%	50%

All Hop Lun includes HK office, China DOC, Heyuan Warehouse, Quanan, Semarang, Boyo, Cartini 1&2, Brands, Intimate Diva, Legend, Fashion, Heritage

\*Using the revamped definition

Our Women empowerment and gender equity program is ingrained in our **DNA**.

We reunite female and male employees on :

## TRAININGS

- Mechanical and technical professional training workshops
- Supervisor skill development training
- **Over 100 Trainings** : ETI and Human rights, respect and inclusion, safety, security, pregnant women rights, anti-harassment, anti-bribery, Behaviors Style Learning Workshop, capacity building,

## SUPPORT

- Mental health counseling programs
- Free medical check-up
- HIV Aids prevention awareness
- Dengue, HIV, hygiene awareness
- Voluntary blood donation
- Sport activities : yoga class, outdoor competitions
- Bangladesh local day are for our employees' babies and toddlers

## OPERATOR TRAINING





# WELL BEING - CEREMONIES, CAMPAIGN, ACTIVITIES

Through campaigns, celebrations, trainings, and daily activities, we unite our employees to share strong messages, reinforce our values, and take action as individuals and as a collective. Gender parity and our women empowerment program remain key focuses in our day-to-day behavior, activities, and training. Our offices and factories, including Mainland China, Hong Kong, Bangladesh, and Indonesia, have been actively engaged, fostering unity and flourishing activities throughout 2023.

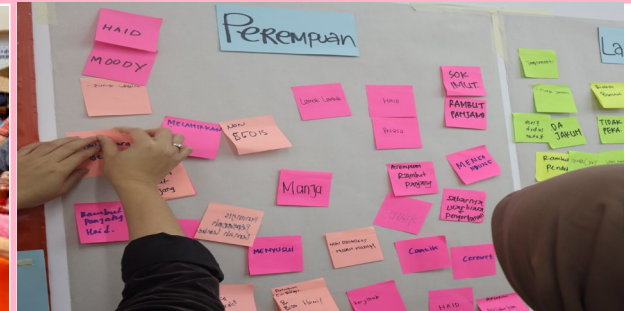
## WE CELEBRATE AND CAMPAIGN :

- New Year
  - Cancer Day.
  - Victory day
  - International Mother Day.
  - Indonesia Independence Day
  - Cyber security.
  - Global Hand washing Day.
  - Dengue awareness campaign Day.
  - Happy Mother's day.
  - International Children Day.
  - Water Day.
  - International Father's Day.
  - International Men's Day.
  - Maintenance Day.
  - International Yoga Day.
  - World AIDS Day.
  - October Pink
  - World Cancer Day.
- World Day for Safety and Health at Work.
  - World Diabetes Day-“Blood Grouping Diabetic & Eye Test Campaign”
  - World Environment Day.
  - World First Aid Day.
  - World Food Day.
  - World Inclusive Day.
  - World Mental Health Day.
  - World Day against Child Labour.
  - Women's Day. 8th march
  - World Day for Safety and Health at Work.
  - World health day.
  - World Menstrual Hygiene Day
  - International Day for Biological Diversity.
  - United Nations Orange days



..... And so much more !!







# 2023, Launch of Talent 1.0

## Talent attraction, fostering and promoting

### Talent Upgrade

#### Talent Assessment – all regions

Identified **139 critical roles**  
(will further refine in 2024)

#### Performance Management – all regions

Successful implementation of the scorecard system, with **2,337 employees** completing their scorecard reviews

#### Employee Upskilling

Hosted the Presentation Skills Workshops with a focus on Sales Team and **2 PowerPoint Skills Workshops**

### Employer Branding & Communication

#### Social Media Platforms Performance (Aug to Dec 2023)



▲ 130.6%  
Followers

16,008  
Followers in total



▲ 79.4%  
Followers

1,715  
Followers in total



▼ 31%  
Likes

230  
Likes in total

'GLASSDOOR'

▲ 14.3%  
Rating

Company Rating  
From previous 2.8

#### Revamped the Corporate Website

For attracting talent and developing our employer branding

#### JobsDB Awards 2023

2 awards obtained

- Employer of the Year
- HR Innovator of the Year

### Employee Engagement

#### Hop Lun's Social Event & Caring Company- Hong Kong office

Organized **1st CSR event** in Sept. Successfully nominated as a Caring Company.



商界展關懷  
caringcompany®

### Talent Acquisition

#### Enhanced Hiring Efficiency

2023 Offers : 114

Successful Hire : 107

(Hong Kong : 103, Indonesia : 2 UK : 2)

#### Lowered Turnover Rate

2021: 62% ▶ 2022: 48% ▶ 2023: 14%

#### Increased Direct Sourcing & Referrals (Offers)

2021: 40% ▶ 2022: 28% ▶ 2023: 56%

#### New Joiner Orientation Program

Designed a 90-day journey for our new joiners to blend-in our company, including buddy system, orientation, newbies drinks, visit to the DOC in Dongguan





# Wages & Compensation

## Minimum wage

100%

of our employees earn at least a minimum wage

In 2023, workers minimum wage increased in both Bangladesh and Indonesia in complete alignment with robust regulatory change.

## Transparency

When we modify the salary calculation method, we ensure clear communication with workers through written and face-to-face explanations.

In Bangladesh, particularly in 2023, we streamlined the grid from 7 to 4 levels and adjusted the minimum wage level.

100%

of our employees do have a bank account under their own name

100%

of our employees are fully paid by bank transfer

## Living wage

Considering that our latest living cost assessment conducted by Elevate was done in 2021, we have decided to select a comprehensive living wage benchmark in 2024 using updated data from recognized standards.

We will engage a certified and reputable third party to conduct a global gap analysis of our employees' wages against the living wage standard.

This approach reflects our commitment to transparency and ensures that the cost of living, living wage reference, and gap analysis are all derived from credible sources. Based on the results, we will develop a plan to enhance employee income if there is a significant deviation from the living wage standard.

## Next in 2024

We will conduct an internationally recognized living wage gap analyze with third party;  
Support employees with financial literacy trainings

Excluding Dorina and Heyuan factory

# Working hours

Effectively managing working hours involves balancing workers' needs and production expectations while adhering to both international and country-specific legal frameworks.

Location	Factory	Weekly Average Working Hours over 2023
Bangladesh	Diva	44
Bangladesh	Legend	42
Bangladesh	Heritage	42
Bangladesh	Fashion	41
Bangladesh	Brands	42
Bangladesh	Intimate	40
Indonesia	Semarang	36
Indonesia	Cartini1	38
Indonesia	Cartini2	37
Indonesia	Boyo	35
China	HeYuan	14
China	QuanNan	26
Hop Lun	All factories	39
Hong Kong	Hong Kong Head office	52
China	China DOC (Previously PPO)	52

In 2023, our production decreased compared to 2022, and we ensured that all working hours remained below 60 hours per week.

## Next in 2024

As business is picking up again, we will make resource allocation efforts and planning to mitigate excessive over time.

Excluding Dorina and Heyuan factory

# Health and Safety

In 2023, our injury rate per 1,000 workers is stable compared with 2022 figures

Made efforts to maintain safety practices for experienced and new workers, focusing on personal protection equipment and machine safety.

In 2023, cuts and lacerations remain the leading cause of injuries.

	Number of injuries per 1000 workers
2020	18.1
2021	15.6
2022	13.4
2023	13.3



## FACTORY CERTIFICATIONS

Maintained high levels of fire safety and health precautions in factories :  
All our Bangladesh factories are **RSC and ACCORD** approved.  
The stringent standards demonstrate our factories' commitment to operating under safe conditions in terms of processes, equipment, and the environment.



## Next in 2024

We will focus on workers' health, conducting further investigations on cuts and lacerations while exploring improvement opportunities.  
Will issue a more detailed Health & Safety guideline for factories employees.

Excluding Dorina and Heyuan factory

# Our Environment

At Hop Lun, we wholeheartedly recognize and embrace any actions that have a positive impact on our environment, not only within our factories but also in our offices.

In 2023, we diligently calculated our CO2 emissions reduction targets and submitted them to the Science Based Targets initiative (SBTi).

In our continuous efforts to reduce emissions, we focused on further emission reduction within our facilities.

In 2024, we aim to set more specific and challenging targets for our supply chain as well.

We have maintained our solar panel equipment and explored sustainable energy sources in Bangladesh. However, it remains a challenge, and we are committed to actively seeking further opportunities for sustainable energy solutions.

We recognize the growing legal requirements worldwide, especially in Europe, regarding product life cycle impact and environmental communication.

We have maintained our environmental certifications and sourced eco-friendly materials to help our customers enhance the environmental qualities of their products.

In 2024, we will continue to focus on proposing materials and designs that facilitate the creation of more environmentally friendly products.





# Climate Actions and Initiatives



## In 2023 we have submitted our targets to SBTi

**Near-term target :**  
**55% absolute reduction in Scope 1,2&3 by 2033 compared to the 2021 baseline.**

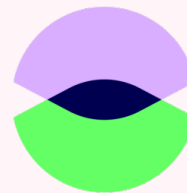
**Net-zero target :**  
**90% absolute reduction in Scope 1, 2&3 by 2050 compared to the 2021 baseline.**

**We anticipate the approval of our targets by the first semester of 2024.**



**2023 – B-**  
**2022 – B-**  
**2021 – C**  
**2020 – C**

Since 2021, we have been transparently disclosing our CO2 emissions, actions, and plans through the CDP (Carbon Disclosure Project). In 2024, we anticipate the approval of our Science Based Targets by SBTi (Science Based Targets initiative) and aim to further enhance our current score.



**Fashion  
for Climate**

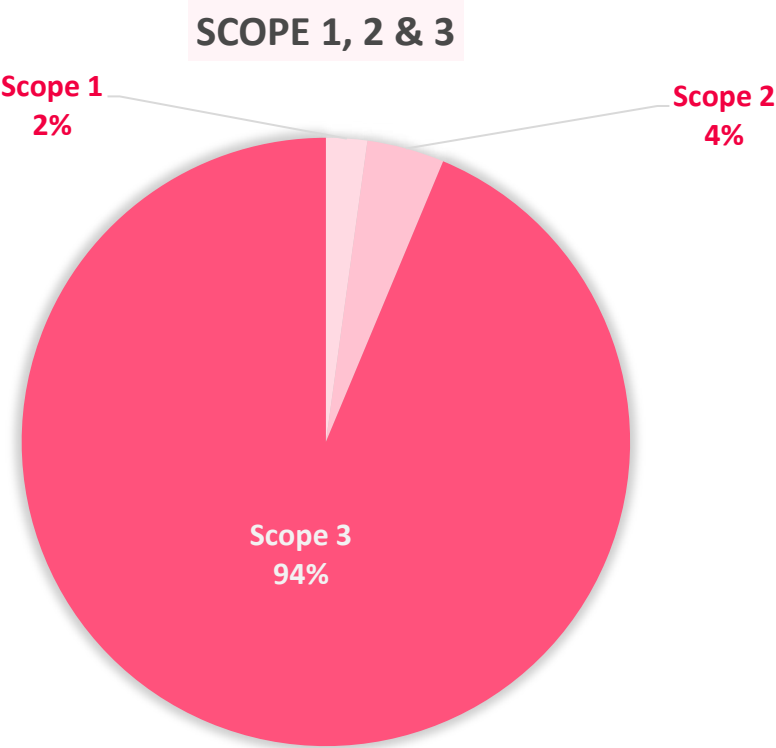
Fashion Industry Charter for Climate Action

**``Central to the Fashion Charter is the vision to achieve net zero Greenhouse Gas (GHG) emissions in the sector by no later than 2050.``**

As a collective, we join forces with fellow members to collaborate on finding solutions and providing support in our shared journey towards decarbonization and overall reduction of greenhouse gas emissions.

# CO2 Emissions

In 2023, we partnered with an internationally recognized consulting company to enhance the accuracy of our CO2 emissions estimation. This includes adopting updated emission factors and also implementing more consistent data collection practices, as we transitioned from a primarily spend-based approach to an activity-based approach. Our breakdown of emissions across the three scopes remains highly consistent, with over 94% of our Scope 3 emissions originating from our supply chain. We maintained our Scope 1 emissions and achieved significant reduction of 22% in Scope 2 emissions and 57% in Scope 3 emissions. However, the decrease in production activity has had a negative impact on the proportion of energy and SMV per piece and SMV.



As per calculations in 2023 with our improved methodology

CO2 EMISSIONS (TONS)	SCOPE 1	SCOPE 2 WITH REC	SCOPE 3
TOTAL FOR 2022	2,779	6,665	274,953
TOTAL FOR 2023 AS PER PREVIOUS METHODOLOGY	2,426	4,455	N/A
TOTAL FOR 2023 AS PER IMPROVED METHODOLOGY	2,767	5,213	118,671
COMPARISON 2022-2023	STABLE	-21.78%	-56.84%

## Next in 2024

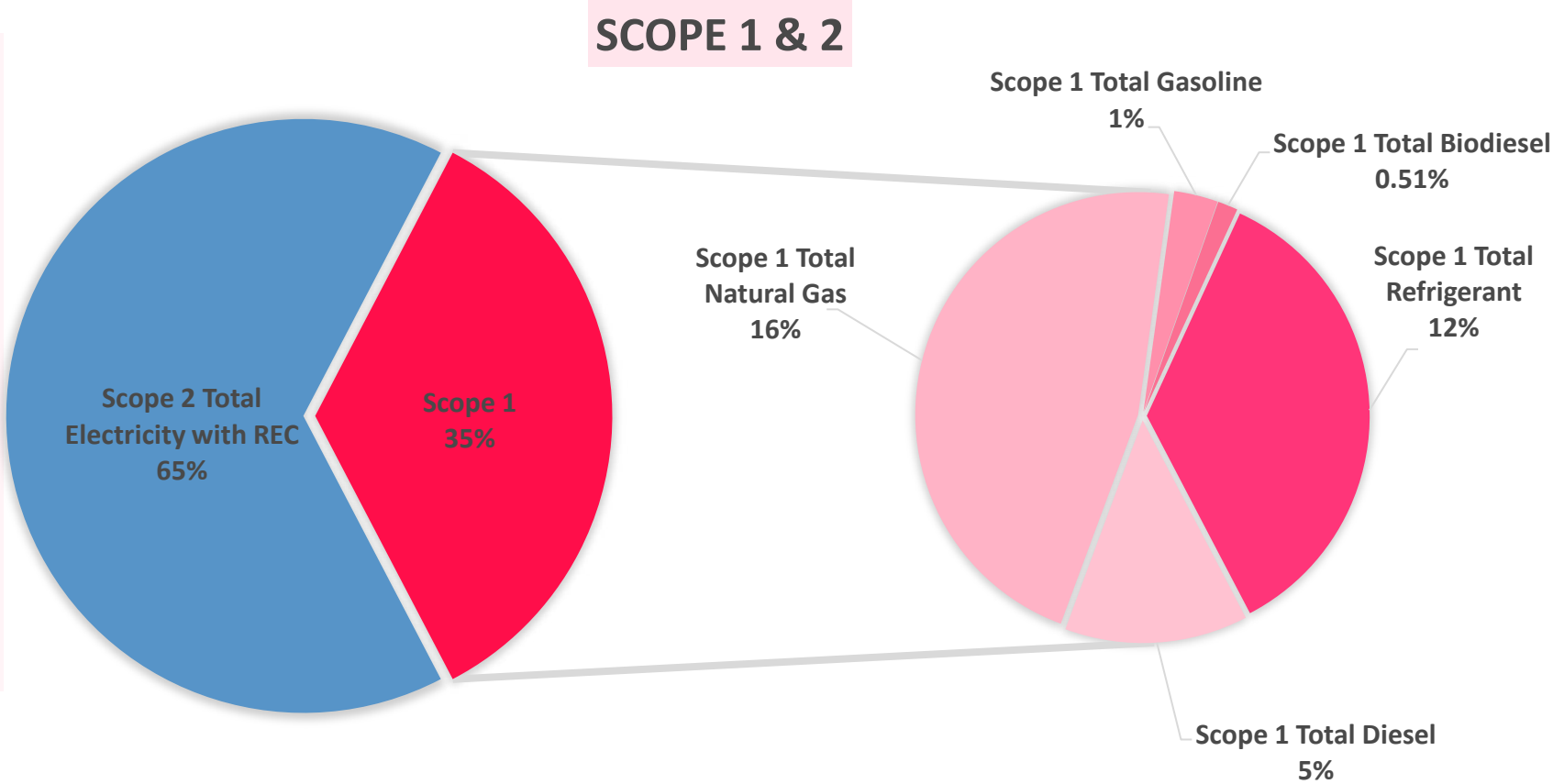
We will persist in advocating for energy reduction, promoting renewable energy, and exploring the possibility of purchasing Renewable Energy Certificates (RECs) for our electricity sourced in Bangladesh. We will have our 2024 CO2 emissions estimations fully verified by a recognized third-party

**Note on renewable energy generated onsite or purchased.**  
**Scope 1 and 2**

Purchased Renewable Energy Certificates (I-RECs and TIGRs) to match 99.1% of purchased electricity consumed in all China, Hong Kong, and Indonesia facilities.  
Total 7527 MWh credits were purchased for 2023.

In 2023, four of factories in Bangladesh utilized rooftop solar panels, generating 74,630 kWh of electricity and avoiding the emission of 40.57 metric tons of CO2.

Renewable energy accounted for 0.3% of Hop Lun's total energy consumption in 2023 (not including I-REC and TIGRs).



As per calculations in 2023 with our new 3<sup>rd</sup> party certified module

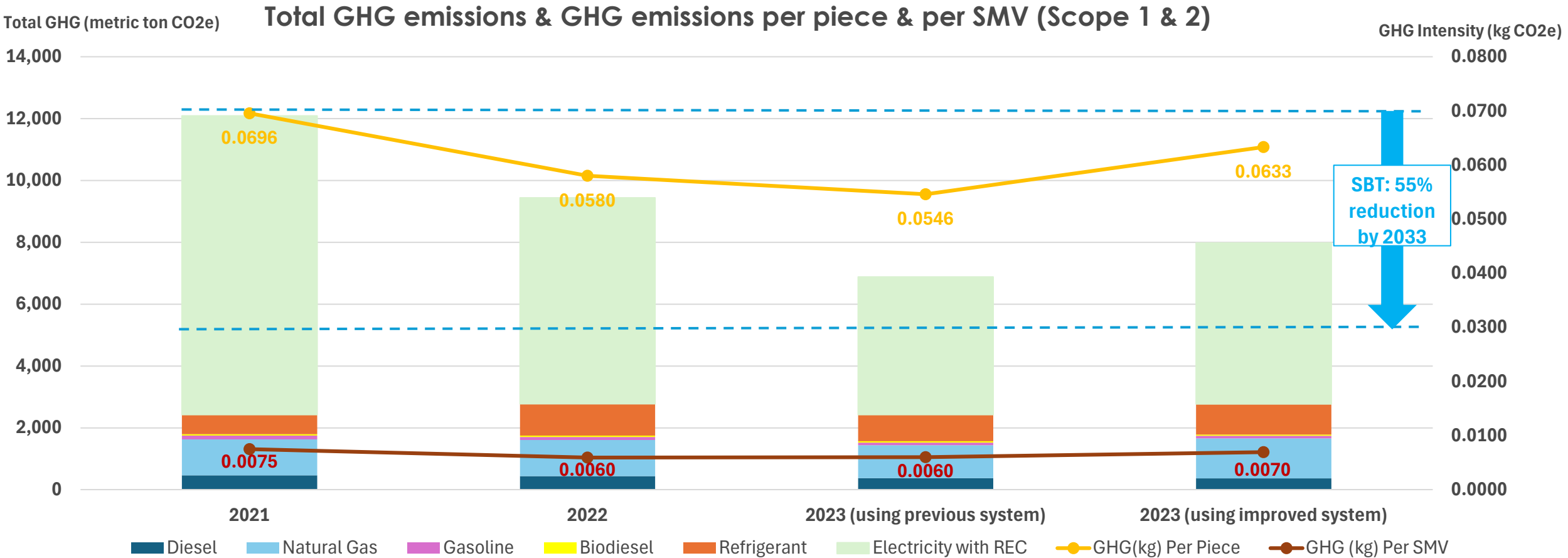




**GHG emissions per piece and SMV**

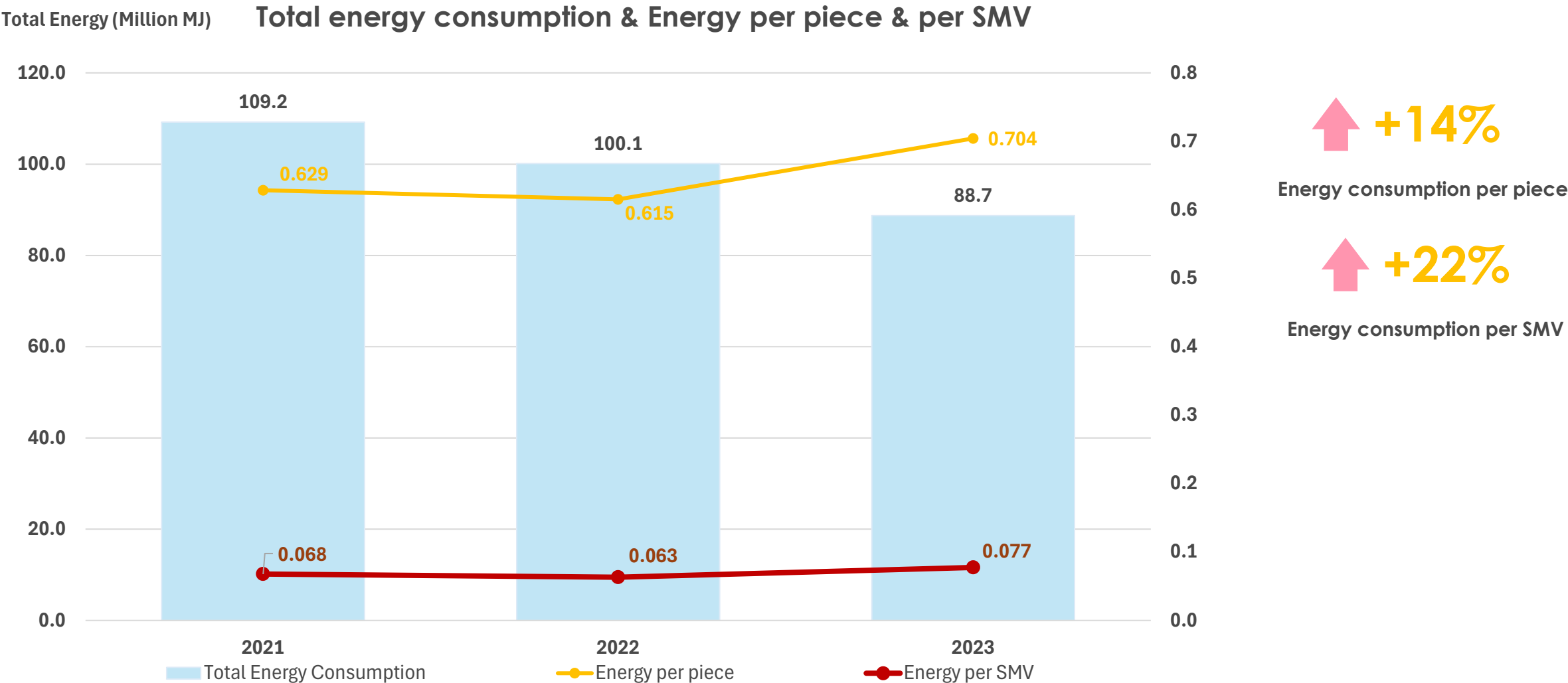
Despite our efforts to reduce energy usage, we have observed an increase of GHG emissions. With the implementation of our new methodology, which incorporates more activity-based calculations and updated emission factors, we have observed an increase in GHG emissions both per SMV and per piece. Another reason is the increased complexity of our products has required additional machine processing.

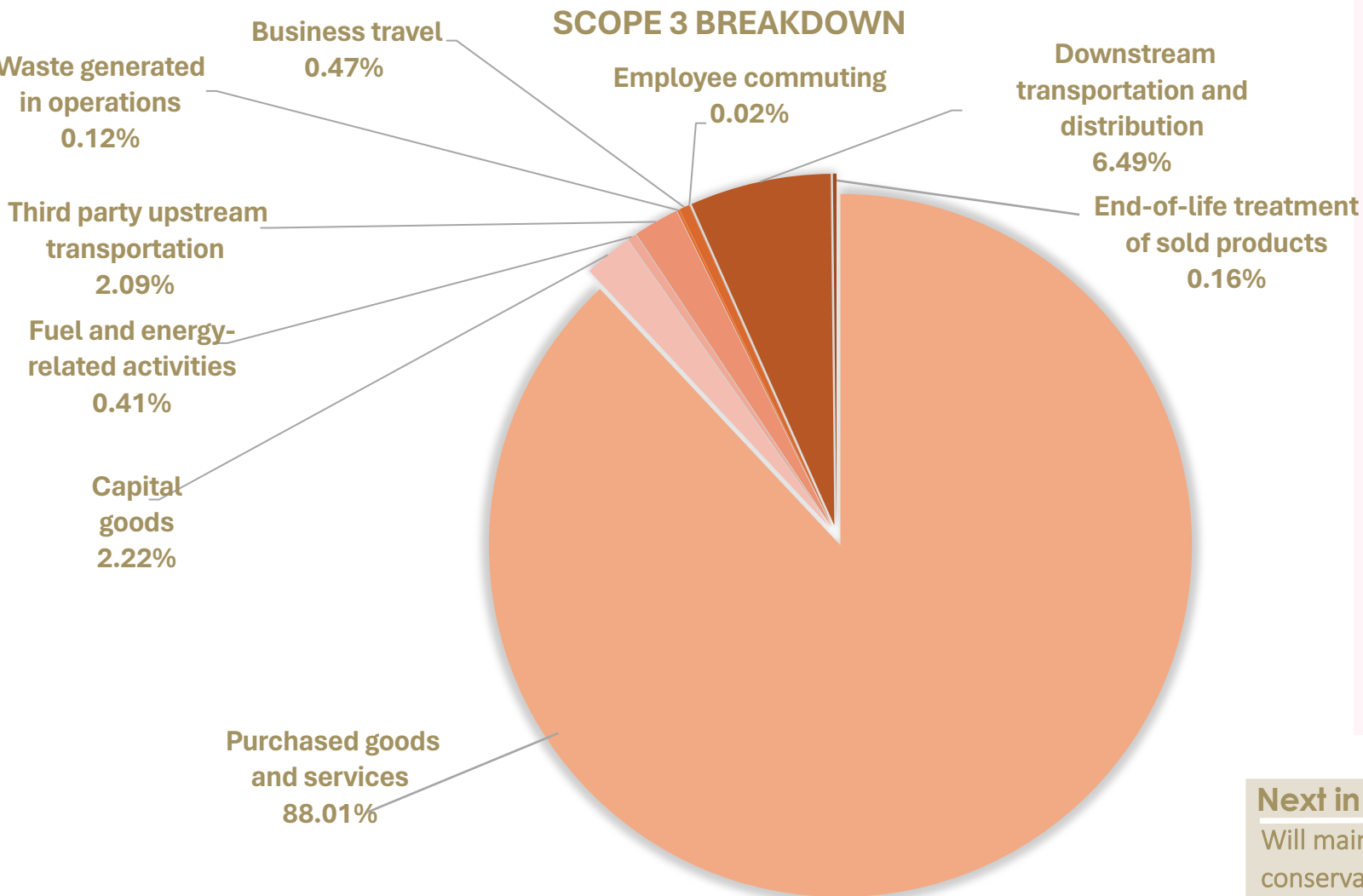
In 2024, we will maintain our efforts to reduce energy consumption and explore opportunities for sourcing more renewable energy for our factories in Bangladesh.



Energy per piece and SMV

Although we implemented many measures to minimize energy waste and enhance energy efficiency, we observed a 14% increase in energy consumption per piece of product and a 22 % increase in energy consumption per SMV. This can be attributed to the decrease in production volume. Certain sources of energy consumption are considered as “baseload”, such as lighting, air conditioning, and non-production equipment in offices and production facilities, which maintain a constant energy usage irrespective of production volume fluctuations. We also tend to produce more complicated items which need longer use of machines per piece.





As per calculations in 2023 with our improved methodology

**Scope 3**

Considering our activity of garment assembly, our operations have a relatively minor impact on the overall product life cycle. Approximately 94% of our emissions are classified within our Scope 3.

In 2023, our emissions have decreased 56% compared to 2022, mainly due to a decrease of production activity and a switch to activity based versus spend base.

In alignment with our industry peers, we prioritize working with our direct suppliers, encouraging collaboration with their own supply chain, including manufacturers with high energy consumption, to reduce energy usage and transition to renewable, nuclear, or low-emission energy sources. It is through these collective efforts that we aim to drive positive change.

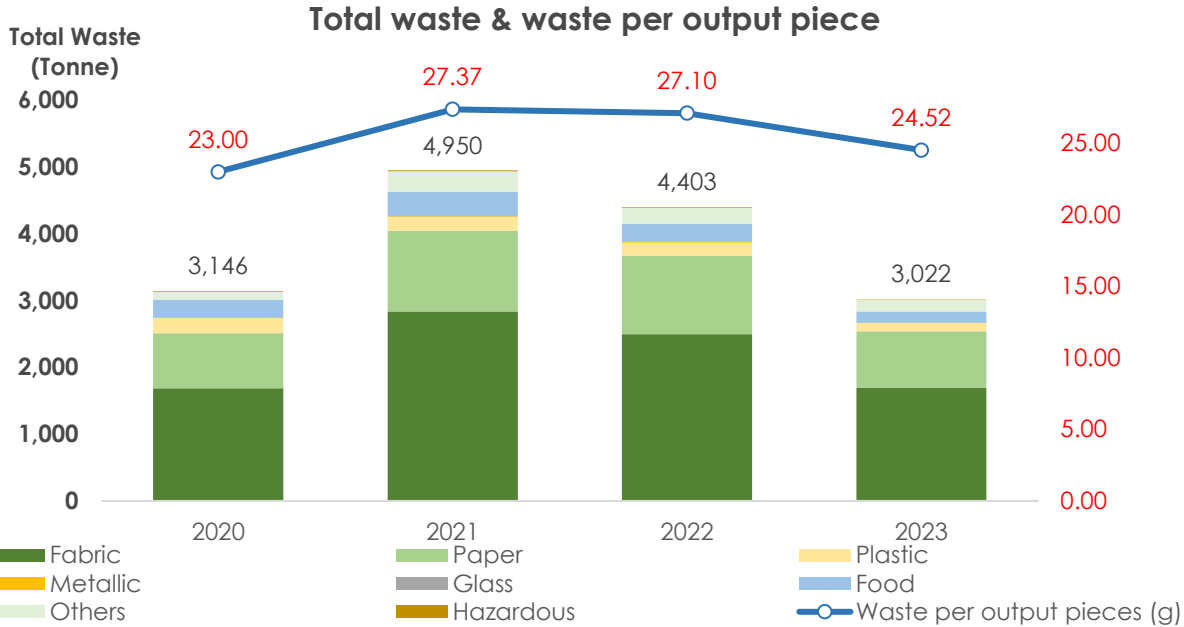
Our primary focus in 2024 will be on decreasing our Scope 3 emissions. Many of our clients have committed to a 50% reduction by 2030, and we have set a target of achieving a 55% absolute reduction in Scope 1, 2, and 3 emissions by 2033, using 2021 as the baseline.

**Next in 2024**

Will maintain our focus on raising employee awareness regarding energy conservation and make investments in renewable energy for our own operations.

Will actively engaged with our top suppliers and secure their commitment to SBTi by the end of 2024-25. Additionally, we aim to achieve a minimum of 10% renewable energy in supply chain energy mix by the end of 2025.

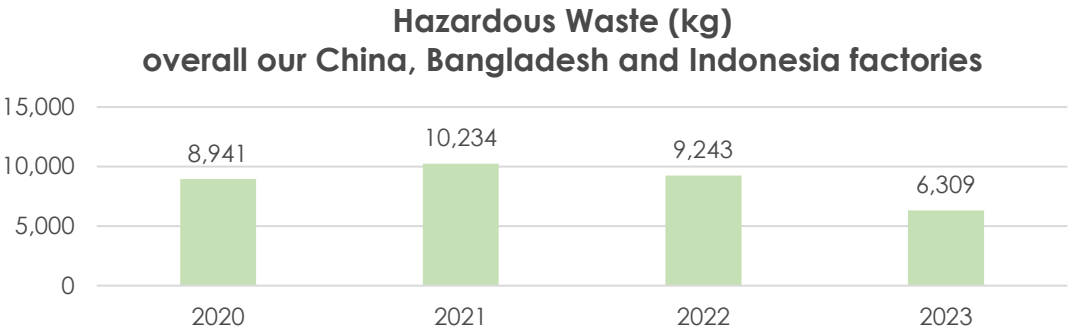
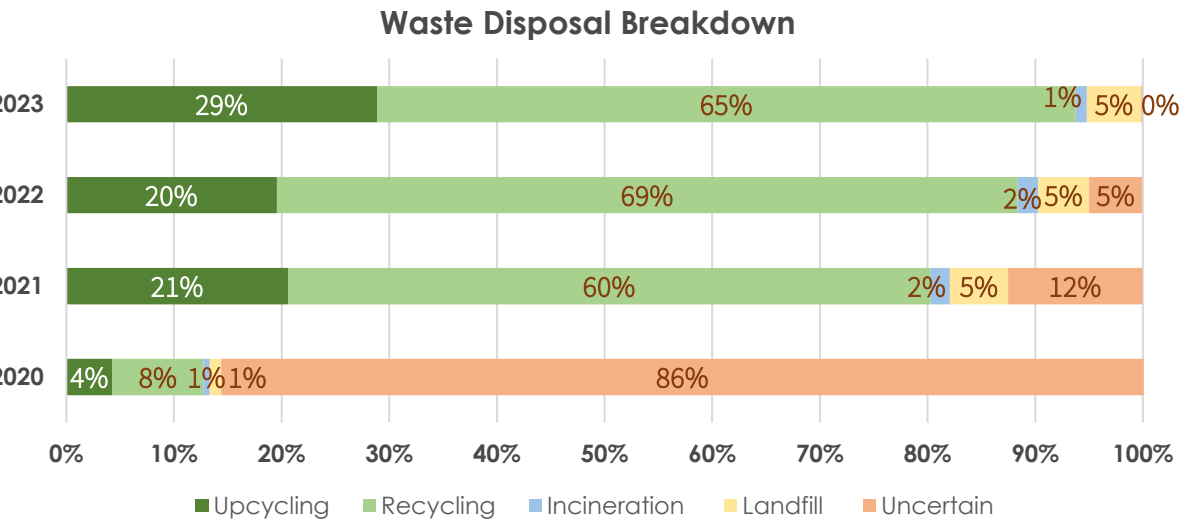
# Waste



At Hop Lun, we have set an ambitious target to divert all waste from landfills and already reached 5% of our total waste in the landfill category. Nevertheless, we acknowledge the challenges in effectively monitoring and tracking all waste streams to their final destinations. Currently, we rely on the data provided by our waste collection contractors to track our progress in waste diversion.

In 2023, we made substantial efforts to ensure the proper disposal of fabric waste in Bangladesh and verified its correct destination. Furthermore, our factories have implemented improved waste management practices within the production facilities. This includes the addition of new waste segregation boxes for more efficient sorting and enhanced accuracy in weighing waste materials. Some factories have also adopted recycling and reuse initiatives, such as repurposing non-hazardous empty plastic containers for gardening purposes.

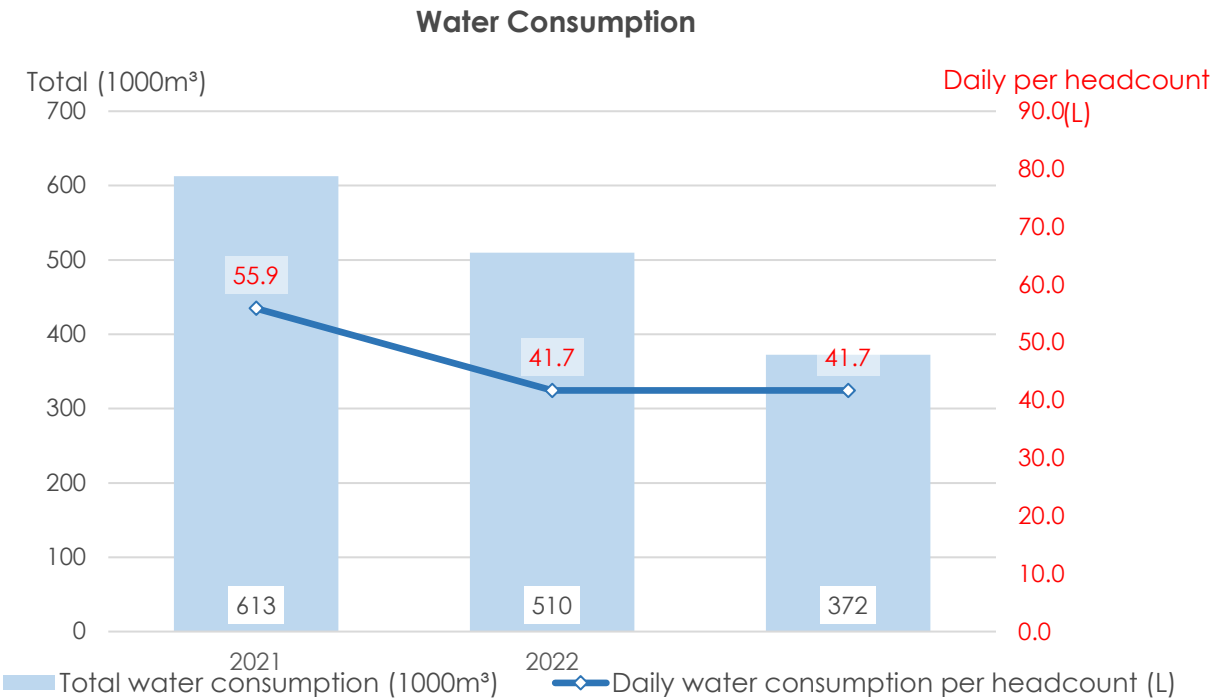
As a result, we have successfully reduced waste per piece by nearly 10%.



**Next in 2024**

We will further cooperate with a renowned third party to analyze our waste management system and support our improvement actions.

# Water



Note : In this report, we have transitioned to presenting water data based on the calendar year instead of the financial year

No wet process in Hop Lun manufacturing. Water consumption is solely for domestic purposes.

In 2023, total water consumption decreased by 27% compared to 2022, primarily attributed to a reduction in the number of employees in our factories. Despite this decrease, the daily water consumption per headcount remains stable and has already achieved our original 2026 goal.

This positive outcome is the result of implementing various water conservation measures. These include conducting training sessions to raise employee awareness, installing water-saving taps, and implementing wastewater reuse for toilet flushing

Furthermore, we have sustained our rainwater harvesting initiatives in four of our factories.

Currently, rainwater harvesting infrastructure is in place in two factories in Bangladesh and two factories in Indonesia.

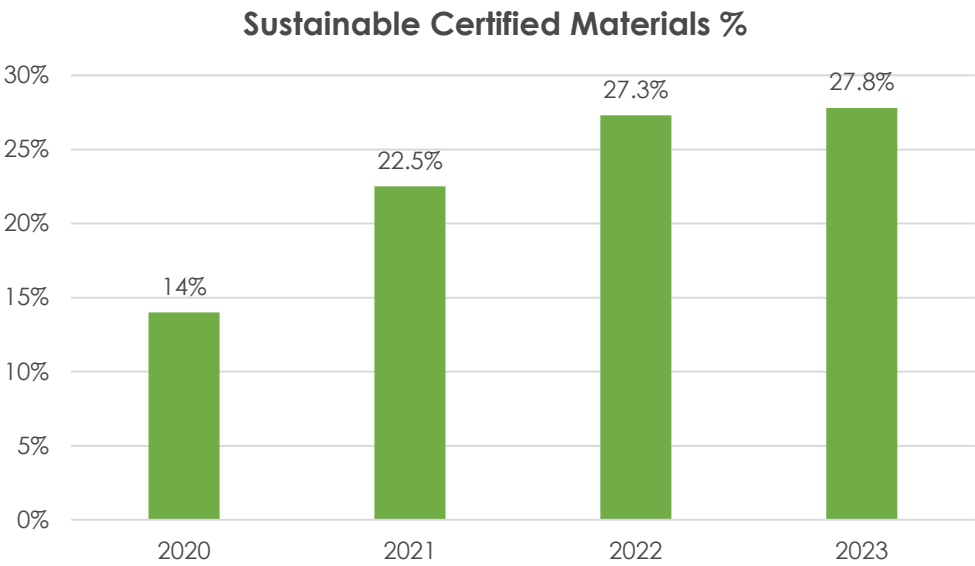
Moving forward, we are committed to expanding our rainwater harvesting efforts to our remaining factories, extending our water conservation initiatives and strengthening our commitment to sustainable practices.

**Next in 2024**

We will repeat our trainings towards new employees and audit our factories again to detect any more possible improvement.

# Material

At Hop Lun, we proudly offer sustainable materials and actively promote certified materials throughout our supply chain. By ensuring that our entire supply chain is certified, we enhance traceability, transparency, and maintain recognized environmental and social standards. These certifications provide assurance regarding the social aspects of our supply-chain as well. We are continuously seeking new sustainable suppliers and materials that align with our values. Our search criteria include factors such as reduced waste-water, lower energy consumption, utilization of renewable energy, natural materials, low VOCs (volatile organic compounds) chemicals, recycled materials, and high-quality recyclable materials. Our primary materials include fabric, lace, accessories, mold cups, and elastic



Primary certified materials :

	Fabric	Lace	Embroidery	Mold cup	Elastic	Accessory	Packaging
Type of certification	GRS,GOTS,OCS,RCS	GRS,GOTS,OCS	GRS	GRS,RCS	GRS	GRS,GOTS,OCS,FSC	GRS,GOTS,OCS,FSC





# Major office and factory actions



## GHG, LAND CONSERVATION

- Fixed air leakage
- Reduced the number of company vehicles
- **1.39 Gigawatt** saved by replacing our employees EOL PC with laptop **saving 94% of electricity**
- Replaced tin roofs with **fiberglass** panels, increasing natural light and reducing reliance on artificial lighting.



- Switched to **servo motors**, replacing clutch motors for sewing machines.
- **3D software's.**



3D products **saved 20%** of actual physical samples production and express mail sending

- Replacement of old system lights with **LEDs** and **Light sensors**, old AC for **efficient AC**, old Fans for **efficient fans**
- Reduced transformer capacity
- Optimize **AC layout** and remove unnecessary AC
- Remove **lights** when not necessary
- Produce our own solar energy in Diva, Brands and Heritage



## CULTURE AND AWARENESS

Water and energy-saving awareness training campaign for all factory employees.



Over 3,000 trees planted in 2023



- Gardening and fruits harvesting
- **2.7 tons of paper** saved by digitalizing the raw material inspection



## WATER

- Replacement of water faucets with **hydraulic water tap** to reduce water consumption and wastage
- Detect the leakages and repair **water pipes**
- Reuse waste drinking water/handwash basin for **the toilet use**
- Harvesting **rainwater** for gardening and car washing.



# Our Compliance

In 2023, we continued to welcome client-specific audits and adhered to recognized standards such as HIGG, SMETA, BSCI, and others, ensuring transparency and compliance with social and environmental standards in our factories.

We have been closely monitoring our Best-in-Class factories, actively working on improvements, and sharing best practices within our production facilities in China, Indonesia, and Bangladesh, concluding 2023 with significant progress and notable improvements.

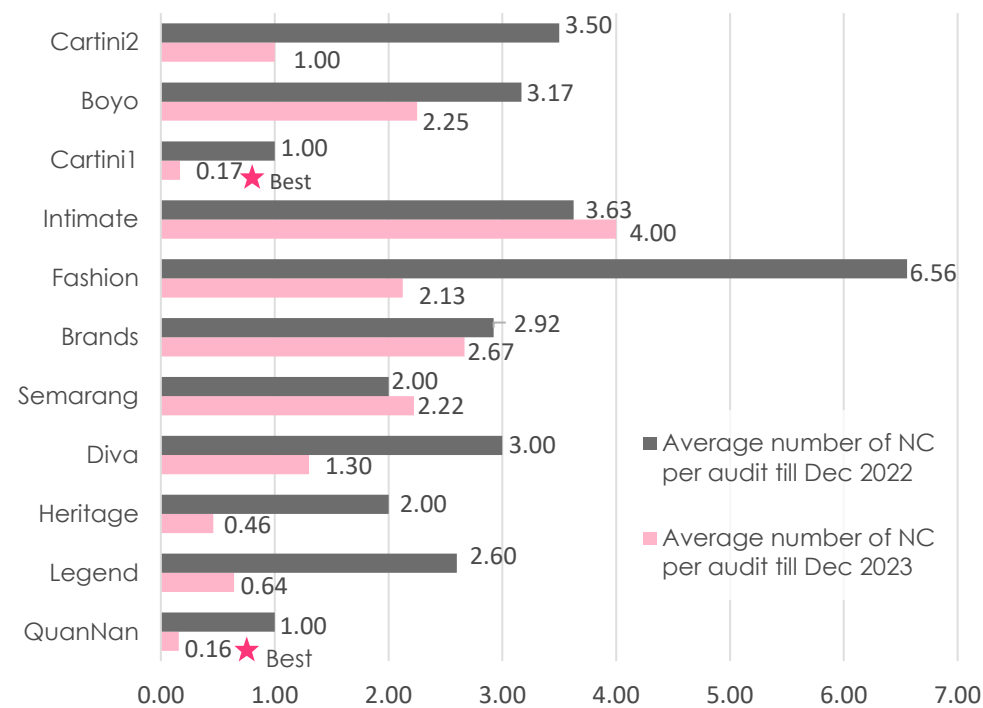
We actively embrace capacity building programs like the Better Work initiative and have initiated training programs to elevate two of our factories in Indonesia to the highest level of Ambassador status within the Better Work program



## Massive reduction of external audit non-compliance 2023 versus 2022

In 2023, our local sustainability teams and factory General Managers played a pivotal role in leading significant improvements and updates in our factories' social and environmental practices.

Best in class: Quanan (0.16), Cartini 1 (0.17)



-57.56%

Reduction of total non-compliance vs 2022

Main improvement in:

- ▶ Hazardous chemicals
- ▶ Health & Safety
- Permits and Licenses

-59.16%

Reduction of average non-compliance per audit vs 2022

Reduced by additional :

- ▶ Theory and practical trainings
- ▶ Chemical drills
- ▶ Floor closer monitoring
- Workers' health check-up

Standard list : Client ESG audits, SMETA, SCAN, BSCI, WCA, WRAP, ISO14001, GSV and GRS/OCS/GOTS/RCS (not including Better Work program, and including Heyuan factory until June 2023)  
2023 : 106 audits \*not including Better Work program, and including Heyuan factory until June 2023 and not including Heyuan factory

In 2024 we will continue the improvement work.

We will prioritize **health and safety** as a key area of focus, addressing the majority of non-compliance issues identified during audits. We will conduct thorough reviews of workers' working habits, promote proper use of Personal Protection Equipment (PPE), and implement detailed and practical training programs to enhance safety awareness among our workforce.

We will be addressing non-compliances arising from work inconsistencies, including mismanagement of goods and space, and frequent workshop reorganizations due to production constraints

We acknowledge our current level of compliance and recognize the importance of continuous improvement for the well-being of our employees and the optimization of our business. Viewing the work in 2024 as an opportunity for growth aligns with our ongoing efforts from previous years. We remain committed to upholding high standards and driving positive change throughout our operations.



Next in 2024

Target to reduce (Average NC per Audit) in 2024	Health & Safety	Labor	Governance Ethics	Environment	Target of Hop Lun Overall NC per audit to reduce in 2024
Diva	-62%	0%	-25%	0%	-65%
Legend	0%	0%	0%	0%	
Heritage	0%	0%	0%	0%	
Fashion	-75%	-70%	-75%	0%	
Brands	-75%	-70%	-75%	0%	
Intimate	-75%	-70%	-80%	0%	
QuanNan	0%	0%	0%	0%	
Semarang	-75%	0%	-70%	0%	
Cartini1	-55%	0%	0%	0%	
Cartini2	-62%	0%	-75%	0%	
Boyo	-75%	-70%	0%	0%	
Total	-67%	-60%	-65%	0%	
Baseline 2023					
Critical Target	0 NC				
Major Target	-70%				
Minor Target	-65%				

In 2023, we significantly improved FSLM and FEM scores in our Hop Lun factories, with scores surpassing 80 and 90. The increase in scores is attributable to our focused efforts in improving social and environmental practices, as well as our enhanced understanding and management of new regulations.



Score above 80

6 factories

HIGG FSLM

Score above 80

7 factories

HIGG FEM

78.16

vFEM Average Score

(Including factories assessing the full FSLM only)

85.75

vFSLM Average Score

(Including factories assessing the full FSLM only)

FSLM	BANGLADESH						CHINA		INDONESIA			
SCORES / 100	DIVA	LEGEND	HERITAGE	FASHION*	BRANDS	INTIMATE	HEYUAN	QUANAN	SEMARANG	CARTINI1	CARTINI2	BOYO*
2022vFSLM	89.6	92.4	89.7	40.2	84.6		91	92.9	72.5	73.3		43.1
2021vFSLM	87.2	87.4	87.3		85.6	72.7	91.4	93.5				
	Var +2.7%	Var +5.4%	Var +2.7%		Var -1.2%		Var -0.4%	Var -0.6%				

FEM	BANGLADESH						CHINA		INDONESIA			
SCORES / 100	DIVA	LEGEND	HERITAGE	FASHION	BRANDS	INTIMATE	HEYUAN	QUANAN	SEMARANG	CARTINI1	CARTINI2	BOYO
2022vFEM	78	82	81	62	56	63	86	95	91	91	82	71
2021vFEM	73	71	72	54	55	62	81	81	87	85		74
	Var +6.4%	Var +13.4%	Var +11.1%	Var +12.9%	Var +1.8%	Var +1.6%	Var +5.8%	Var +14.7%	Var +4.4%	Var +6.6%		Var -4.2%

\* Fashion and Boyo max score is limited to 50 as other parts of social assessment is handled by Better Work so cannot compare with 2022

Next in 2024

Improve Hop Lun HIGG vFEM average by 2%

Improve Hop Lun HIGG vFSLM average by 3%

Maintain all factories with a score already above 90



In 2023, two of our factories were nominated as trainee Ambassadors to join Better Work. This recognition from the industry is a significant accomplishment and reflects our dedication to upholding high standards in social and labor practices. We are proud to be acknowledged for our commitment to driving positive change within our factories. All our factories producing for the USA market have successfully passed the SCAN security audit with high rankings. This accomplishment highlights our dedication to maintaining a secure supply chain, meeting the industry's stringent security requirements.



Ambassador program

2 factories  
Better Work

Score 100

4 factories  
SCAN

BETTER WORK	BANGLADESH						CHINA		INDONESIA			
Phase level	DIVA	LEGEND	HERITAGE	FASHION	BRANDS	INTIMATE	HEYUAN	QUANAN	SEMARANG	CARTINI1	CARTINI2	BOYO
2023				Cycle 3	Cycle 4	Cycle 1			Ambassador training	Ambassador training	Cycle 2	Cycle 3

SCAN	BANGLADESH						CHINA		INDONESIA			
SCORES / 100	DIVA	LEGEND	HERITAGE	FASHION	BRANDS	INTIMATE	HEYUAN	QUANA N	SEMARAN G	CARTINI1	CARTINI2	BOYO
2023	97	97		100				100	100	100	98	99
2022	98	82		89				100	99	100		

\*Semarang and Cartini 1 already joined in dec 2023. Factories complying to U.S. Customs Trade Partnership Against Terrorism (C-TPAT) standards.

Next in 2024

Better Work : We will have at least 2 Ambassador confirmed factories

SCAN : Keep the high score of 99 in average



# Our Supply chain

In 2023, we continued to prioritize competitiveness, cooperation, and ESG (Environmental, Social, and Governance) matters within our supply chain

Through onsite visits, audits, onsite and online trainings, and the implementation of ESG KPIs, we closely monitor and evaluate our suppliers, treating them with the same level of scrutiny as our own factories.

We acknowledge that over 90% of our CO2 emissions arise from our supply chain manufacturing process. To address this, we have reinforced our strategy by integrating the HIGG vFEM KPI into our ESG Financing and making HIGG FEM a primary criteria for our supplier selection.

Maintaining traceability has always been a crucial aspect for us. We firmly believe that understanding the origins, manufacturer company information, as well as our materials, such as fabric, accessories, lace, EMB, Mould cup, and elastic, is of the utmost importance.

In this report, we continue to share our primary supplier list to ensure transparency and reinforce our commitment to responsible sourcing.




Our supply chain undergoes thorough evaluations through Hop Lun and international standard audits, including HIGG, SMETA, BSCI, and client-specific audits.

We also prioritize ensuring that our suppliers possess the necessary certifications such as GOTS, RCS, GRS, and Oeko-tex, as required.

Additionally, for our strategic fabric suppliers with wet process, we give preference to those holding the ZDHC certificate.

# Hop Lun direct suppliers HIGG

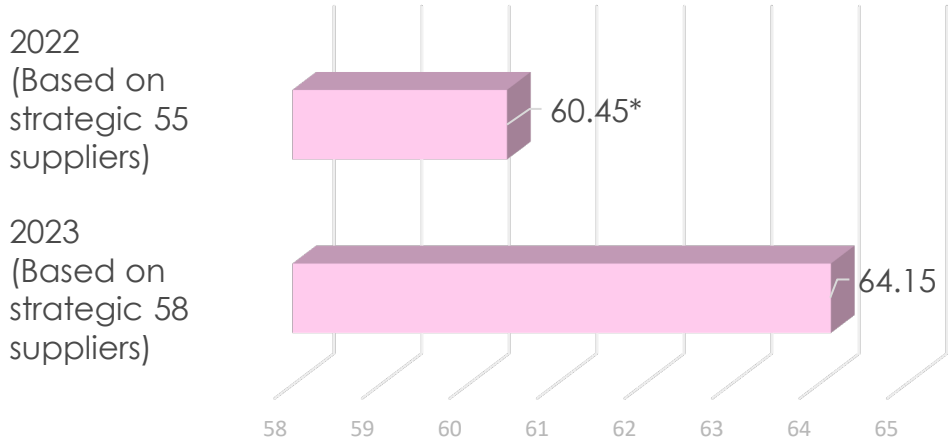
 **+6%** of weighted average score of **vFEM** for our 2023 strategic suppliers versus 2022 strategic suppliers.

**-6.8%** of weighted average score of **vFSLM** for our 2023 strategic suppliers versus 2022 strategic suppliers.

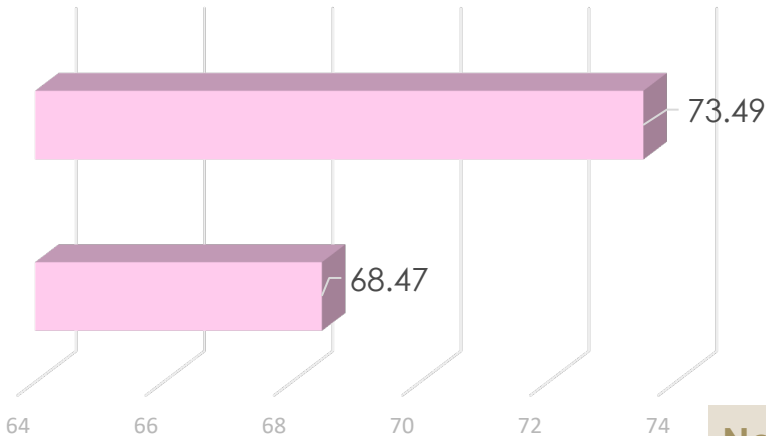
**-7%** of suppliers within the overall Hop Lun supplier network underwent assessment using the HIGG FEM in 2023 compared to 2022.

The drop is due to new suppliers not yet participating, while our long-term partners continue to participate annually.

vFEM score weighted average



vFSLM score weighted average



\*Note that in 2022 Sustainability report we did declare a vFEM of 57.5. After conducting a more accurate estimation based on a detailed list, the final average is determined to be 60.45

## Next in 2024

In 2024 we expect to improve Hop Lun HIGG vFEM average in strategic suppliers by over 2%.

We will actively promote the HIGG assessment to both our strategic and non-strategic suppliers

## Water and chemicals, ZDHC compliance for our Strategic fabric suppliers.

**98% compliance score** - (waste-water)  
97% in 2022

**78% compliant suppliers**  
85% in 2022

**Strategic fabric supplier definition** : direct strategic fabric supplier sourced by Hop Lun and nominated by the client.

In 2023, we observed a decrease in the number of compliant fabric suppliers due to the inclusion of new suppliers towards the end of the year.

In 2024, our goal is to increase the number of compliant suppliers to match the level achieved in 2022.

## Traceability over the supply chain

Since 2022, we have dedicated efforts to refine our supplier selection process, providing sustainability training, and have successfully narrowed down our strategic suppliers to 58 as of 2023.

We have a dedicated local team situated near our suppliers, specifically focused on ensuring supply chain compliance.

All data pertaining to our supply chain is managed through our proprietary digital platform. Additionally, we are exploring the integration of third-party platforms dedicated to traceability to enhance our capabilities in this area.

Traceability involves tracking all relevant information related to our suppliers, starting from raw materials to finished products and accessories. This includes supplier details such as name, address, business contracts, certifications, audits, and their level of compliance in environmental, social, and ethical aspects. We also track information regarding the production processes employed by our suppliers.

## Next in 2024

We will integrate a new professional traceability tool from 3<sup>rd</sup> party.

We will actively promote the ZDHC initiative to our fabric suppliers, encouraging their participation and adherence to its guidelines.



# Our HOP LUN 2023 strategic suppliers

CATEGORY	SUPPLIER NAME	COUNTRY
FABRIC	Best Pacific/超盈	China
FABRIC	Hong Gang/宏港	China
FABRIC	Sun Hing/新興	China
FABRIC	Xinjin/新錦	China
FABRIC	Acetech/盛興隆	China
FABRIC	Unitex/宇邦	China
FABRIC	Weimei/維美	China
FABRIC	JiYeXing基業興	China
FABRIC	Fu Yang/復揚	China
FABRIC	Shizhan/時展 (染Dyeing )	China
FABRIC	Assab/一勝百	China
FABRIC	KUNHONG/坤鴻	China
FABRIC	Hannice/恆益	China
FABRIC	Baliso/貝利爽	China
FABRIC	Mingzhu/明珠	China
Lace	Hang Gang/航港	China
Lace	BRUNET/凱莉	Thailand
Lace	Allied Great/匯智	China
Lace	BAIKAI/百凱經編	China
Lace	Fengsun/纖豐( 金隆豐)	China
Lace	SHENGHAO/晟浩	China
EMB	Sanduo/三朵	China
EMB	Long Chang/龍倡	China
EMB	Tosuo/同碩	China

CATEGORY	SUPPLIER NAME	COUNTRY
MOLD CUP	Zhi Feng/智豐	China
MOLD CUP	Kaimei/凱美	China
MOLD CUP	Sen Peng/森鵬	China
MOLD CUP	YongLi/泳莉	China
MOLD CUP	Yongcun/永存	China
MOLD CUP	Tengfei/騰飛	China
Elastic	New Horizon/潤信	China
Elastic	Cheung Fung/長豐	China
Elastic	Pioneer/明新	China
Elastic	Texco/德高	China
Elastic	Jinqiu/金秋	China
Elastic	BAIKIA/百凱彈性	China
Accessory	Top Fashion/尚雅	China
Accessory	Hanoch/漢諾	China
Accessory	Huafonhui /华虹輝	China
Accessory	GUNZE	Bangladesh
Accessory	鈺華聚	China
Accessory	Defa/ 德法	China
Accessory	Legend/進德興	China
Accessory	Tonghui/同輝	China
Accessory	Jazser/杰仕	China
Accessory	Xiangya/翔亞	China
Accessory	Xinxu/信栩	China

# Our Governance

## Employee Empowerment along with Policy & Training

### Employee Protection and Empowerment – 2023's two new programs:

- **"Hop Lun Ethics Line"** managed by an independent global partner, allowing for anonymous reporting and consistent case handling. By offering this channel for reporting concerns, we encourage a culture of accountability and integrity, where employees can speak up fearlessly, knowing their identity will be protected.
- **Hop Lun's Privacy Management Program** – which not only includes comprehensive policies and training but also data inventory mapping procedures, which adhere to relevant data protection practices, earning and maintaining employee trust by prioritizing their privacy.

**Policy** - Hop Lun's ESG compliance is managed through our own global policies, which are also in alignment with international standards and relevant regulations. This year, we published several new policies in key compliance areas.

**Training** - Supporting the above, in 2023, through a combination of online and classroom training directed globally, our team members have demonstrated their commitment to upholding the integrity of our culture and standards in every location and all levels as we achieved a 100% compliance training record.



# Sustainability Governance

Sustainability, a cross departments responsibility for all ESG matters related to Social, Environment and Ethical pillars.



Erik Ryd  
Founder & CEO

## Hong Kong Head Office

## Hop Lun factories

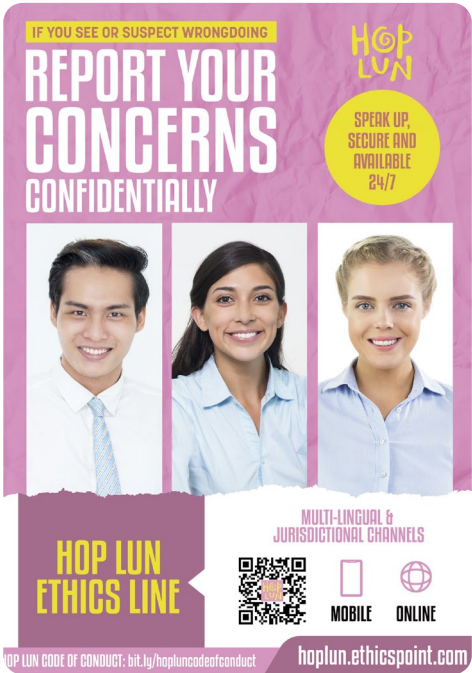


# Voicing channels



- Give a voice to our Employees and other stakeholders

100%

- of worldwide employees trained on
- Anti-bribery & Corruption,
  - Anti-harassment & Discrimination,
  - Ethical Management
  - Data Protection



## Ethics Board

Members	Duty	Cadence
4 members 	Oversee the reported cases Management system and involved in higher-risk cases	Monthly meetings
6 members  5 departments	Case receipt and handling (Ethics line mainly)	Twice a Month meetings
Factories boards At least 3 departments	Case and suggestions receipt and handling	At least once a month

## Speak Up Channels:

All channels guarantee the anonymity of the alerting person  
Grievance claim closing time of 3 weeks on average.

- ✓ **Hop Lun Ethics line**  
Comprehensive reporting system  
QR code/phone  
[hoplun.ethicspoint.com](https://hoplun.ethicspoint.com)  
hosted by a trusted independent third-party
- ✓ **Corporate reporting Email**  
[compliancereporting@hoplun.com](mailto:compliancereporting@hoplun.com)
- ✓ **Onsite physical suggestion box**  
(in all our operating facilities)
- ✓ **Other** such as in person, direct email or phone call to HL employee, etc.

More on <https://www.hoplun.com/hop-lun-ethics-line>

## Next in 2024

Special focus on Employees Health & Safety with more tailored policy, directions and programs



# Cybersecurity

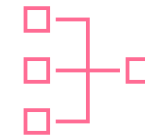
Massive Investment in cutting-edge cyber security technologies towards strengthening and safeguarding digital systems and networks against potential threats and attacks.

At Hop Lun, the safety of our clients and employees is our top priority, in 2023 we achieved :



## Deploy Endpoint Detection Response

- Real-time visibility into endpoint & server activities
- Rapid detection of suspicious or malicious behaviors
- Identify & prevent potential cyber threats



## Upgrade IT Infrastructure

- Adopt a higher standard than NIST and ISO/IEC 27001
- Keep upgrading Technology Infrastructure
- Minimize risk of data breaches and security incidents



## Security Operations Center

- 7x24 real-time monitoring & analyzing security events
- Centralized big data analytics to build algorithms for early threat detection and hunting of indicators of compromise (IOCs) and indicators of attack (IOAs), forecasting, and launching an incident response plan in the event of an attack.
- Investigate potential incidents & Immediate incident response



## Cybersecurity Experts Hiring

We hired a team of professionally trained & experienced Cybersecurity Experts for our in-house management of cybersecurity and IT systems



# 100%

**KnowBe4**  
Human error. Conquered.

of Hop Lun employees with IT access have completed Cybersecurity Awareness Training

## Next in 2024

In 2024, Hop Lun envisions Cybersecurity compliance and measures to safeguard customer data, protect intellectual property, ensure the integrity and authenticity of digital assets, and foster trust in digital transactions.

# Dorina

Dorina, established in 1968, is a renowned company specializing in the design and production of underwear and shapewear.

At Dorina, we commit to respecting nature and natural beauty in all its forms - from supporting the natural curves of women's bodies to protecting our natural world.

Driven by our passion, we are committed to minimizing our impact on Earth's resources and acting responsibly. Because we deeply care about the future.

At Dorina, we firmly believe that small changes can make a big difference. This means we are constantly striving to discover more sustainable methods of creating superior products.

Our dedication encompasses every facet of our supply chain, including the sourcing of materials for our fabrics, the well-being of our craftspeople, and the eco-friendly packaging used to deliver our products to your doorstep.

We carefully choose suppliers with established credentials in energy efficiency, water stewardship, waste management, and ethical labor practices, among other key factors.

Above all, they share our steadfast dedication to environmental conservation.



Within our program, **DORINA We Care**, we introduce styles that prioritize the well-being of our customers and the environment. Each year, we allocate more space for eco-friendly materials in our products and packaging.



## Some of our success stories :



### - EUNOIA -

– Leakproof Nursing Bra –  
With inserted Leakproof Pads. It follows you during breastfeeding moments with your baby (avoid disposable absorption pads, better for the environment)



### - SHAPEWEAR -

– Variety of shapes and level of Compression –  
Made with recycled yarn material with 3 different levels of compression from Invisible to an Absolute sculpt feel.



### - SATIS -

– Front Opening Bralette –  
(Ideal for disabled people or post-surgery for extra comfort and easy to put on and take off)

# Appendix

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Third Party audits in 2022-2023

	Diva	Legend	Heritage	Fashion	Brands	Intimate	HeYuan	QuanNan	Semarang	Cartini 1	Cartini 2	Boyo
SMETA	√	√	√	√	√	√				√		
BSCI	√	√	√	√		√		√	√			
Better Work				√	√	√			√	√	√	√
WCA								√	√	√		√
vFSLM	√	√	√		√		√	√				
WRAP			√									
vFEM	√	√	√	√	√	√	√	√	√	√	√	√
ISO14001		√	√	√	√							
SCAN	√	√						√		√	√	√
GSV										√		
OCS	√	√	√	√	√	√	√	√		√		
GOTS	√	√	√	√	√	√	√	√				
GRS	√	√	√	√	√	√	√	√	√	√	√	√
RCS	√	√	√	√				√	√	√	√	
RSC	√	√	√									
ICS				√								
OEKO-TEX	√	√	√	√	√	√	√	√	√	√	√	√

2022 Conducted

√ 2023 conducted

√ 2022 & 2023 Conducted

Women Supervisor and Managers in our factories

		Factory name	Supervisory (Female)	Total Supervisors	% of female supervisors as per Dec 2023	Managerial (Female)	Managerial (Male)	Total Managers	% of female Managers as per Dec 2023	% of female Supervisors + Managers
1	Bangladesh	Diva	90	148	61%	8	33	41	20%	52%
2	Bangladesh	Legend	48	85	56%	1	19	20	5%	47%
3	Bangladesh	Heritage	143	207	69%	6	13	19	32%	66%
4	Bangladesh	Fashion	157	333	47%	8	49	57	14%	42%
5	Bangladesh	Brands	83	158	53%	2	17	19	11%	48%
6	Bangladesh	Intimate	313	382	82%	1	22	23	4%	78%
7	Indonesia	Semarang	66	91	73%	10	9	19	53%	69%
8	Indonesia	Cartini1	27	50	54%	10	8	18	56%	54%
9	Indonesia	Cartini2	19	27	70%	1	4	5	20%	63%
10	Indonesia	Boyo	39	61	64%	6	5	11	55%	63%
11	China	HeYuan	0	0	0%	0	0	0	0%	0%
12	China	QuanNan	102	137	74%	2	4	6	33%	73%
	Hop Lun	All factories	1087	1679	65%	55	183	238	23%	60%

Using 2023 definition

## We work with

**ELEVATE**



**Q I M A**  
YOUR EYES IN THE SUPPLY CHAIN



**SGS**



**BUREAU  
VERITAS**

Shaping a World of Trust



**+C IFRC**



## GRI Standard

Report written with reference to the [GRI Standard, GRI 2 General Disclosures](#).  
Materiality topics will be explored for 2024 reporting.

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Disclosure 2-5	External assurance : reporting including 3 verified KPI – 2023 data	Page 8