



ANTA Sports Products Limited
(Incorporated in the Cayman Islands with limited liability)
Stock Code : 2020



Moving to NATURE

Principles of the Report

This report covers our sustainability policy from 1st January 2019 to 31st December 2019. It focuses on the environmental, social and governance performance and practice across all major operating points¹ in China, including design, development, manufacturing and sales. The report follows principles in the Appendix 27 of the Listing Rules of the Hong Kong Exchanges and Clearing Limited (HKEx), the *Environmental, Social and Government Reporting Guide*, and the “core options” in the Global Reporting Initiative’s (GRI) in the best possible extent. Based on these strict guidelines, we hope to enhance the report’s comprehensiveness and representativeness.

This report cites data and information from our archived documents, records, statistics and research. In order to enhance data comparability, we continued to engage Carbon Care Asia to conduct carbon emission assessment and other environmental

data statistics and analysis. At the same time, we continue to commission a consultancy firm to carry out stakeholder engagement and conduct materiality assessment. By having an independent third-party to conduct assessments, we can further enhance the credibility, transparency and objectivity of this report. When this report is published, the Board confirmed having a thorough understanding of the report’s content.

We care about the stakeholders’ comments towards this report. If you have any feedback on this report, please send an email to ir@anta.com.hk. Your valuable comments will help us to improve and grow with time. Your information will be strictly protected and will not be disclosed to third parties. You can get our published reports on ir.anta.com/en/about_sus.php. We appreciate your feedbacks towards our path to sustainability.



Company Profile

ANTA brand was established in 1991, while ANTA Sports Products Limited, a leading sportswear company in China, was listed on the Main Board of HKEx in 2007 (Stock code: 2020.HK). For many years, ANTA Sports has been principally engaging in the design, development, manufacturing and marketing of sportswear series to provide the mass market in China with professional sporting products including footwear, apparel and accessories. By embracing an all-round brand portfolio including ANTA, FILA, DESCENTE, SPRANDI, KINGKOW, and KOLON SPORT, and by setting up an investor consortium to successfully acquire Amer Sports Corporation in 2019, a Finnish sportswear group that has internationally recognized brands including Salomon, Arc'teryx, Peak Performance, Atomic, Suunto, Wilson and Precor etc. ANTA Sports aims to unlock the potential of both the mass and high-end sportswear markets.

1. The manufacturing facilities covered in this report include ANTA China (PRC), Athletic (PRC), Quanzhou Material (PRC), Henan Material (PRC), ANTA Xiamen (PRC), Xiamen ANTA Industrial (PRC) and ANTA Changting (PRC). The administrative facilities include the office buildings in Xiamen, Jinjiang and Shanghai as well as the self-operated FILA and DESCENTE stores, together with logistics centre. This report does not include the data in Amer Sports Corporation. The data is primarily derived from internal documents and records as well as estimations made by our employees

Concept of the Report

Based on the 2018 report of the UNESCO’s Intergovernmental Panel on Climate Change (Intergovernmental Panel on Climate Change) (“IPCC”), if we can control global warming within 1.5°C, the number of people affected by extreme heatwave will reduce by 65 million. Natural disasters such as the California fires, Australia bushfires and the Amazon rainforest wildfires are warning signs for the global climate crisis and neither humans nor corporations can stay out of it. Global climate change and the world’s political and economic situation are closely related, thus the risks should not be ignored. Corporations from different parts of the world should prepare for the potential climate-related risks and ensure that they can be flexible during the crisis. As long as we can find opportunities amidst hardship, we can enjoy the success of sustainable development.

The vision of ANTA Sport is to become a respectable world-class multi-brand sportswear group and we are committed to contributing to global carbon footprint reduction. Therefore, we factor in the risks brought by climate change in environmental assessment and analysis when formulating and implementing relevant operation policies to support the 17 Sustainable Development Goals of the United Nations. The theme for ANTA Sports’ 5th *Environmental, Social and Governance Report* is “Moving to Nature”. It expresses our concern about climate change and shows how we can integrate change in our business operations in order to respond to the stakeholders’ concerns about climate change.

Although corporations need to spend extra resources to combat the problems brought by global climate change, as a responsible industry leader and proactive player of corporate social responsibility, we will take up the responsibility to promote sustainability in the society and safeguard the future.

Group Structure

For detailed group structure and definitions, please refer to our *Annual Report 2019*.

Board Statement

The Board has considered to include sustainable development as an integral part of our strategic planning. Through engaging with external professional organizations, we have identified key issues on environment, society and governance for supervised monitoring and management. The Board has also reviewed and confirmed the content of this report and the Directors hold ultimate responsibility for this report.

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MESSAGE FROM THE CHAIRMAN



Dear Stakeholders,

On behalf of the Board, I am pleased to present our *Environmental, Social and Governance Report* for the year ended 31st December 2019.

There is only one Earth. Human beings rely on the Earth's natural resources to survive and grow, while their activities and actions bring an impact to the Earth at

the same time. For decades, experts have been warning us about the consequences of climate change. Although we have paid more attention on “how to achieve harmonious coexistence of mankind and nature”, the measures taken seems insufficient. As a leading corporation, ANTA Sports must do our utmost to fulfill our responsibilities on the global GHG emissions mitigation.

ANTA Sports has been paying close attention to the risks brought by climate change. In terms of risk management measures, we are dedicated in formulating strategies and implementing policies based on analysis of real-life situation. We believe that as long as we manage the difficult situations we are facing, we will turn risks into opportunities and continue to thrive.

During the year, we focused on the performance and impact on the environment, society and governance. In this report, we illustrated all kinds of policies and measures related to sustainable development in a comprehensive manner. In addition, we disclosed relevant data including GHG emissions, resource usage, staff training and charity events. This report will serve as a platform for stakeholders to monitor and review our performance. We conducted the first online survey with responses from over 60 major stakeholders, aiming to collect their feedback on our policies and the measures more effectively, so as to improve and adjust our business policies and directions. Moreover, this is our 5th ESG report and we have presented the 5-years GHG emission summary to provide stakeholders a better understanding and easier comparison of our past performance. Although our revenue for the year grew by 40.8% to RMB33.93 billion and the total amount of GHG emissions has also been increasing along with our business development, the

changes of our total GHG emission and carbon intensity (based on the income of RMB per million) are within an acceptable level. These data clearly demonstrated that we did not relax on GHG emissions for the rapid business expansion. Instead, we have strengthened the overall approach and management to limit unnecessary GHG emissions.

Furthermore, in July, we became the first Chinese sportswear company to join the BCI, sourcing high quality and sustainable cotton as raw material. On the other hand, our R&D expenses was closed to RMB800 million, and initiated the use of discarded plastic bottles as raw materials thus launching an eco-friendly sportswear product series "Training with Plastic". We hope to fulfill the responsibility of a corporate citizen by spreading the environmentally-friendly message to the public.

Now is the most critical time. Our current policies and measures are not perfect, every bean has its black, to respond quickly to climate change, we will continue to

improve constantly with a strong determination. We will act with the interests of all stakeholders in mind, in particular, join hands with both upstream and downstream partners to develop environmentally friendly systems for the industry. To demonstrate our courage and commitment to the world, we will continue to prioritize on the long-term development of our business, and to focus the overall sustainable development potential. Hence, we will be able to mitigate the risks of climate change, as well as risks for other social and governance issues.



Ding Shizhong
The Chairman and CEO

Hong Kong, 19 June 2020

2019 HIGHLIGHTS



No poverty

- Donated more than RMB **36** million in cash
- Donated sports equipment with retail price more than RMB **100** million



Good health and well-being

- Continued to promote ANTA's "Sturdy Growth Charity Project" to help over **770,000** teenagers from **2,286** schools, allow them to enjoy the happiness brought by sports
- Bolster the "Sports for All" culture
- Arranged qualified recyclers to recycle hazardous waste to maintain nice living environment of the neighbourhood



Quality Education

- Launched sports teacher training programmes to promote sports development in less developed regions
- Promoted "ANTA Dream Sports Course"





Decent work and economic growth

- Our revenue during the year grew

40.8% to RMB **33.93** billions

- Equal employment of men and women, to achieve equal pay for equal work

male: 38% female: 62%

- Prohibition of child labor and forced labor
- Provided a healthy working environment



Industry, innovation and infrastructure

• **1,200** design colleagues
16 from different countries

- Strengthened the close cooperation with self-own factories and suppliers by improving the working efficiency to launch popular products
- R&D expenses achieved RMB789.2 million



Responsible consumption and production

- Became the first Chinese sportswear company to join the Better Cotton Initiative (BCI). BCI purchases better cotton to promote supply chain innovation and work with upstream and downstream partners to create a healthier and greener textile ecosystem
- Used discarded plastic bottles as raw materials to create recycled polyethylene terephthalate ("RPET") fabrics for production of sportswear, and launched an eco-friendly series of sportswear product series "Training with Plastic"



2019 HIGHLIGHTS

Sustainability Review

OUR BUSINESS

Sustainability meaning

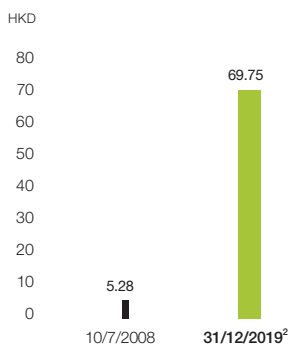
Increased potential for long term value creation

Growing revenue potential

Increased innovation potential

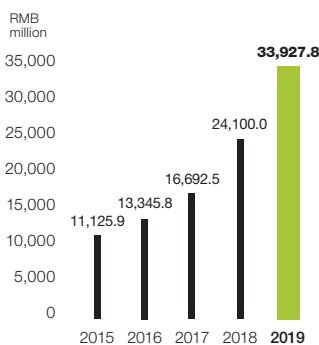
And where are we?

Increasing stock price since IPO

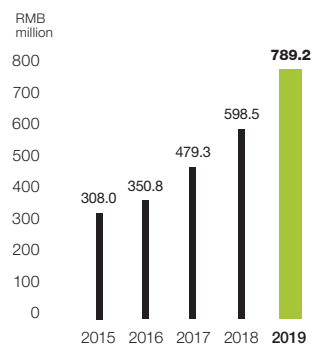


2. Bloomberg data

Keeping an upward revenue trend



Solid R&D expense



Multi-brand strategy



ANTA's SKU in 2019



Financial Performance for 2019

RESULTS HIGHLIGHTS

Financial Performance



Revenue
increased by 40.8% to
RMB **33.93** billion



Gross profit margin
increased by 2.4% point to
55.0%



Profit attributable to equity
shareholders increased by 30.3% to
RMB **5.34** billion



Basic earnings per share
increased by 30.0% to
RMB **198.70** cents



Payout of the profit attributable to
equity shareholders
30.7%

Operational Performance



Number of ANTA stores
(including ANTA KIDS standalone
stores) in Mainland China
stood at

10,516



Number of KOLON SPORT stores
in Mainland China and Hong Kong
stood at

185



Number of FILA stores
(including FILA KIDS and FILA FUSION
standalone stores) in Mainland China,
Hong Kong, Macao and Singapore stood at

1,951



Number of KINGKOW stores in
Mainland China, Hong Kong and Macao
stood at

41



Number of
DESCENTE stores
in Mainland China
stood at

136



Number of SPRANDI
stores in Mainland China
stood at

114

2019 HIGHLIGHTS

Constituent stock

ANTA Sports became the constituent stock of the following indices:

Index Abbreviation	Index name in English
BWORLD	Bloomberg World Index
BESGPRO	Bloomberg ESG Data Index
BWRETL	Bloomberg World Retail Index
HSCI	Hang Seng Composite Index
HSLI	Hang Seng Composite Large Cap Index
HSCEI	Hang Seng China Enterprises Index
HSCGSI	Hang Seng Consumer Goods & Services Index
HSSUSB	Hang Seng Corporate Sustainability Benchmark Index
HSCEESG	HSCEI ESG Index
SBBMGLU	S&P Global BMI (US Dollar)
SCRTCN	S&P China BMI Index
SCRTEM	S&P Emerging BMI Index

RATING AND PRIZE

ANTA Sports's rating:

Our previous ratings:

Maintained as **"BB"**
rating in MSCI



Maintained an **"A+"** rating,
issued by Hong Kong Quality
Assurance Agency under the
HKQAA's Sustainability Rating



ANTA Sports:



Was awarded the **“InnoESG Prize 2019”** by SocietyNext Foundation and co-organized enterprises



Was awarded the **“Golden Award of 2019 Golden Flag Award in Corporate Social Responsibility”** in the 10th West Lake Public Relations Forum and Golden Flag Award Ceremony



Was awarded the **“Best Corporate Governance Responsibility Award”** in China ESG Golden Awards 2019 by Sina Finance

Was selected as **“2019 China Three-stars Corporate Citizenship”** in evaluation meeting of China Association of Social Workers Committee of Corporate Citizenship

Was awarded the **“2019 China Corporate Citizenship Responsibility Top 60 Brand”** in the Responsible Brand Summit Organizing Committee of China Association of Social Workers Committee of Corporate Citizenship

Our 2018's Report was awarded:

CarbonCare® ESG Label 2019's **“Best Practice in ESG Reporting Level 2”** in Carbon Care® Innovation Lab



RISKS AND OPPORTUNITIES OF CLIMATE CHANGE



Risk management

The Board acknowledges that it is responsible for the risk management and internal control systems and reviewing their effectiveness on an ongoing basis. The Board has delegated its responsibilities (with relevant authorities) of risk management and internal control to the Risk Management Committee. The Risk Management Committee (on behalf of the Board) oversees management in the design, implementation and monitoring of the risk management and internal control systems, and management has provided a confirmation to the Risk Management Committee (and the Board) on the effectiveness of these systems for the year ended 31 December 2019.

Our policies

The World Economic Forum regularly publishes the “Global Risks Report” every year and highlights the potential major risks in the foreseeable future, so that nations and corporations from all around the world can prepare in advance. The impact of climate change has been one of the biggest global risks for several consecutive years. It is prominent that the impact of global climate change hits faster than expected. If corporations want to survive in this battle of climate change, they need to identify climate-related risks and implement all kinds of response measures and policies. By doing so, the corporations can minimize risks and reduce the impact on daily operations brought by extreme weather and climate change.

According to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we have started to identify the risks and opportunities of our business operation. We have explored the possibilities of integrating environmental risks and management indicators to daily operating policies. At the same time, we have considered the impact of climate change in different business areas in a comprehensive manner, intending to formulate long-term sustainable and improvable goals and practical policies. Furthermore, through the implementation of different carbon emission reduction and environmental protection measures, we hope to make a contribution to the global emission reduction process and drive a sustainable operational ecosystem.

- Policies and strategies related to climate change

The impact and speed of global climate change are much faster and fiercer than we imagined. We realized that the environment play an important role in the development of the entire industry and every corporation should react promptly to avoid the development of an irreversible situation.

Although we have not formulated management policy and measure that are directly related to climate change, we concern about how climate change will affect us, so we have started the discussion on relevant topics and we will continue to pay attention to the associated risks and opportunities. Through the existing management framework, we have identified the impact of climate change and we have also formulated effective and feasible standards and mechanisms for the future.

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

Stakeholder engagement and materiality assessment

We have been cooperating with professional third-party organizations to conduct stakeholder engagement

and materiality assessment in order to collect stakeholders’ feedback and conduct assessment towards certain key issues. Through stakeholder engagement, we have developed a disclosure framework for the content of this report by consolidating stakeholders’ feedback of the

Company and make appropriate disclosure. We believe that sustainable development plays a critical part of the Company’s long-term development. Continuous and effective stakeholder engagement can serve as a tool for us to strive for betterment and adjust policies and measures.

Process of key issues identification:

Step

1

Collect information and identify issues

The task force and the third-party professional organization considered the Group’s current operating condition and identify key issues by referencing the HKEx Listing Rule Appendix 27 “ESG Reporting Guide”, the GRI guidelines, the 17 SDGs, industry news and suggestions from the consultancy firm

Step

2

Issue analysis and order arrangement

After identifying the key issues, we tailored and distributed survey to the stakeholders, then we invited them to rate and shared their feedback on various issues using our online survey, which formed the basis for the order arrangement of key issues

Step

3

Formulate materiality matrix

Based on the organized key topics and relevant rating, we created the materiality matrix to provide the foundation of disclosure for this report

Key issues identification

Due to the extensive nature of our business, it is challenging to cover all kinds of topics in this report in an effective manner. In order to focus on the quality of this report, we identified certain key issues of the business after collecting the stakeholders’ feedback and we formulated a disclosure framework based on the stakeholders’ comments.

Key issues during the year

In order to simplify the classification of key issues and improve the comprehensiveness, an internal discussion decided that the wording and definition for certain key issues will be different compared to the previous year and a few individual topics will be added, including:

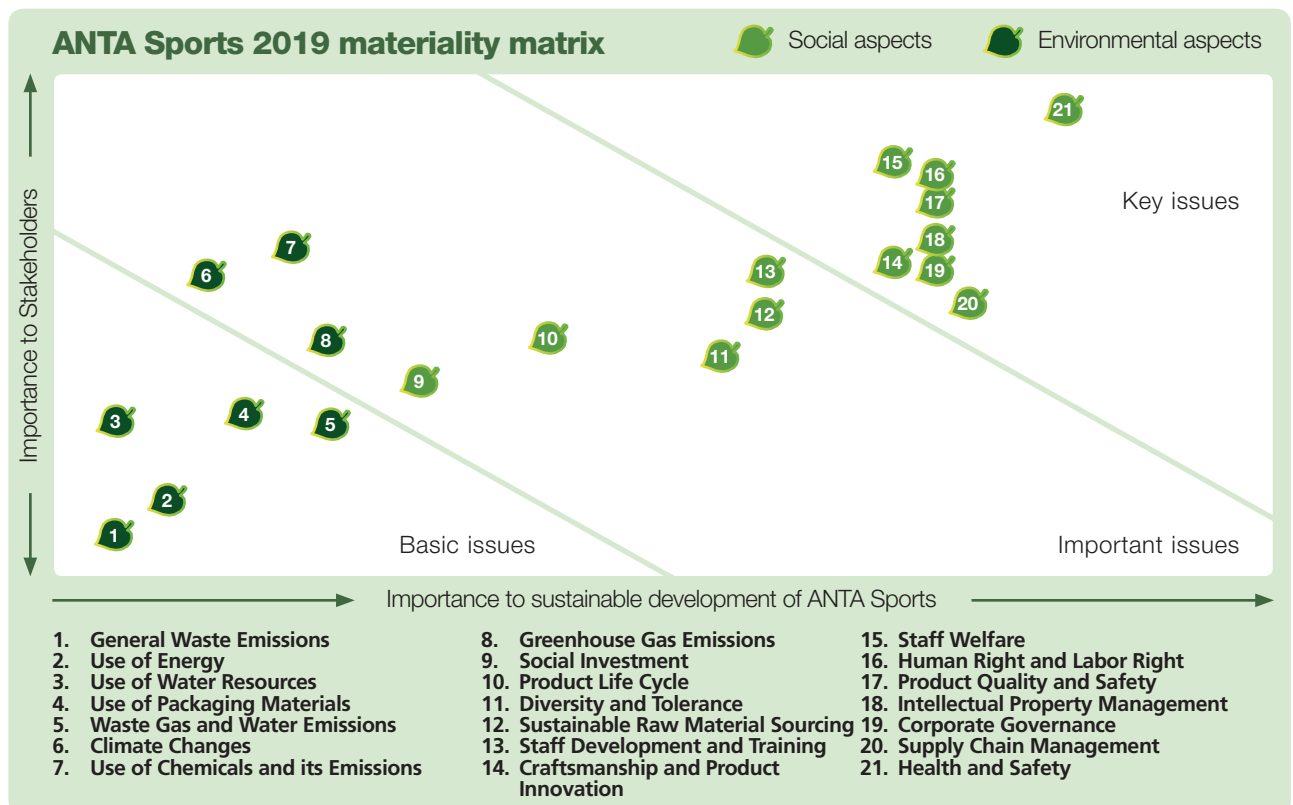
1. “Anti-Corruption” is now included in the topic of “Corporate Governance”;
2. The topic of “Greenhouse Gases” has been merged into the topic of “Climate Change”;
3. The topic of “Product Liability” will be divided into three sub-topics, such as “Product Quality and Safety”, “Intellectual Property Management” and “Craftsmanship and Product Innovation”; and
4. The topic of “Sustainable Raw Material Sourcing” and “Diversity and Tolerance” are newly added

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

After the collection and analysis of feedback, we have identified the following topics as the Group's key issues:

Topics	Content	
Environmental responsibility	6 Climate Change	8 Greenhouse Gas Emissions
Operational emission	1 General Waste Emissions	5 Waste Gas and Water Emissions
	2 Use of Energy	7 Use of Chemicals and its Emissions
	3 Use of Water Resources	12 Sustainable Raw Material Sourcing
	4 Use of Packaging Materials	
Operational practices and management	10 Product Life Cycle	18 Intellectual Property Management
	11 Diversity and Tolerance	19 Corporate Governance
	14 Craftmanship and Product Innovation	20 Supply Chain Management
	17 Product Quality and Safety	
Safety and health	21 Health and Safety	
Employees' rights and development	13 Staff Development and Training	16 Human Right and Labor Right
	15 Staff Welfare	
Social responsibility	9 Social Investment	

After collecting feedback by the survey, the third-party professional organization have assisted us to create the following materiality matrix based on the overall rating:



From this materiality matrix, the ranking of the top eight key issues is different from last year's.

2019	2018	
Health and Safety	Health and Safety	Key issues
Staff Welfare	Employee Benefits	
Human Right and Labor Right	Child Labor and Forced Labor	
Product Quality and Safety	Product Liability	
Intellectual Property Management	Human Rights	
Corporate Governance	Anti-corruption	
Craftmanship and Product Innovation	Employee Development and Training	
Supply Chain Management	Supply Chain Management	

During the year, we defined the key stakeholders based on their influence, the principle of importance and our interaction. The respondents include the Group's employees, investors, suppliers, distributors, consumers, media and non-profit organizations, etc. The materiality matrix is mainly formulated based on the first online survey conducted by an independent consulting agency, which covered more than 60 major stakeholders. For the internal stakeholders, the respondents are mainly supervisors or frontline staff who are supervisors or below, aiming to further collect the feedback on policies and measure implementation from the frontline staff. As for the

external stakeholders, over half of the respondents were investors and suppliers and their feedback serves as an important guideline for our further improvement.

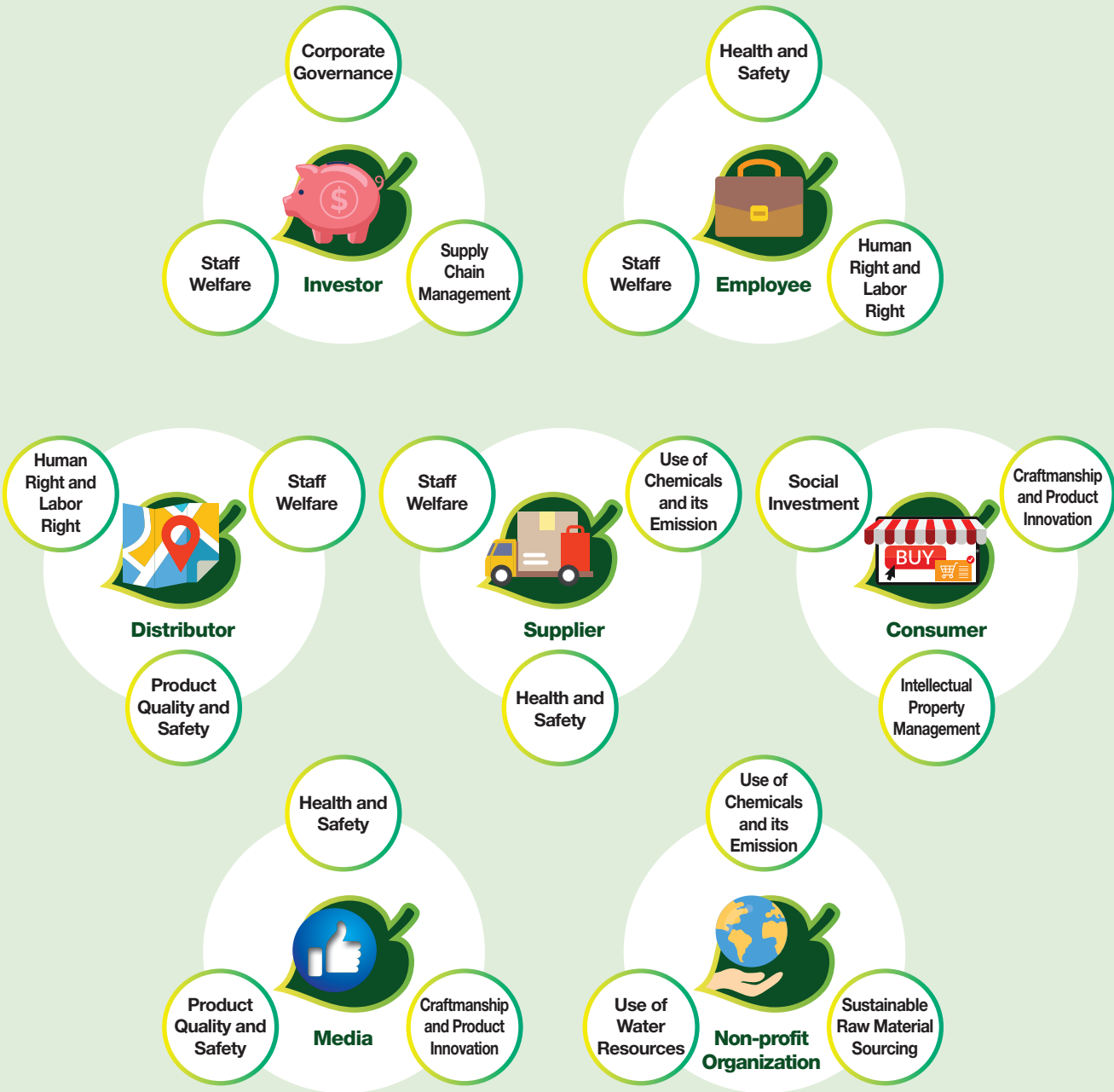
The matrix divided the issues into three categories during the year, namely "Key issues", "Important issues" and "Basic issues". Social issues are receiving more attention than environmental issues. Stakeholders are also paying more attention to human rights and labor rights, product quality and safety, as well as intellectual property management. In terms of climate change, other environmental issues and supply chain management, stakeholders' ratings

indicate a low level of attention though these topics are the focus of investors and other industry players, so we have raised these topics to the level of "Important issues". However, for topics 5 and 10 we are currently optimizing the data collection system and we would not disclose relevant information in this report.

In order to further understand the different views of the stakeholders, we consolidated the information on the importance of different issues to various stakeholders, ensuring that we can take different stakeholders' opinions into account when formulating policies and providing appropriate responses.

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

The 3 key issues which were concerned by each stakeholder group:



Stakeholder engagement

In addition to using survey and in-depth interviews to identify key issues, we have also organized a series of stakeholder communications activities during the year to maintain a close relationship with the following significant stakeholders.

External stakeholders	Communications activities during the year
Investors/shareholders	Conducted one-on-one meetings, investment conferences and telephone conferences
	Organized roadshows in Hong Kong, Beijing, Shanghai, Shenzhen, Guangzhou, Taiwan, Singapore, Tokyo, New York, Boston, Chicago and Toronto, etc.
	Arranged visits to the Company, retail stores and trade fairs
	Organized interim and annual results presentation
Consumers	Conducted survey on consumer satisfaction
	Collected consumer's feedback through different channels such as customer service hotline and retail store staff
Suppliers	Collected suppliers' feedback
	Conducted survey on suppliers' satisfaction
	Organized supplier events
Distributors	Hosted trade fairs
	Organized distributors events
Media	Organized press conferences
	Attended media interviews
Government/Regulatory authority	Organized meetings for setting up standards
Landlord	Hosted meetings or used written correspondence for communication
	Invited landlords to participate in brand events
Spokesperson	Ensured timely communication with the spokesperson and collected their feedback about the products
	Provided tailor-made products based on their requirements
Chinese athletes	Sponsored athletes' competition apparel and equipment

Internal stakeholders	Communications activities during the year
Board	Conducted Board meetings
Management	Participated in decision making and operation of the Company, performed management roles, directed or facilitated staff to fulfill their job duties
Staff	Randomly selected certain staff members for in-depth interviews
	Participated in various staff events

OVERALL PERFORMANCE IN 2019

The rapidly changing external environment in 2019, both nature or business environment, made us implement various measures to develop a sustainable environment for the business in the long run. As one of the leading members of the industry, we are responsible for acting as an example for our peers, demonstrating policies on environmental protection, social investment and corporate governance. We hope to provide a better sense and understanding of the concept of sustainable development to the peers in the industry, in order to achieve the goal of promoting industry development.



Environment

The extreme climate change raises public awareness of the fact that human progression is built on sacrificing the environment. Therefore, we have been devoted to exploring the room for co-existence for development and nature. The application of technologies and responsible decision making reduce the negative impacts on the environment brought by business operation and development, so that we can react timely at the crucial moment of environmental change.

Although it would inevitably increase the business and production cost in order to reduce the negative impacts on the environment, followed by the increasing frequency of extreme weather, we

believe that the measures will lower the environmental risks for the Group and promote the importance of sustainable development in the industry. It will also improve the overall business environment and decrease the overall business risks in the long run.

Our stance:



- Strictly abide by the environmental laws and regulations where we operate and try our best to avoid making damage to the environment;

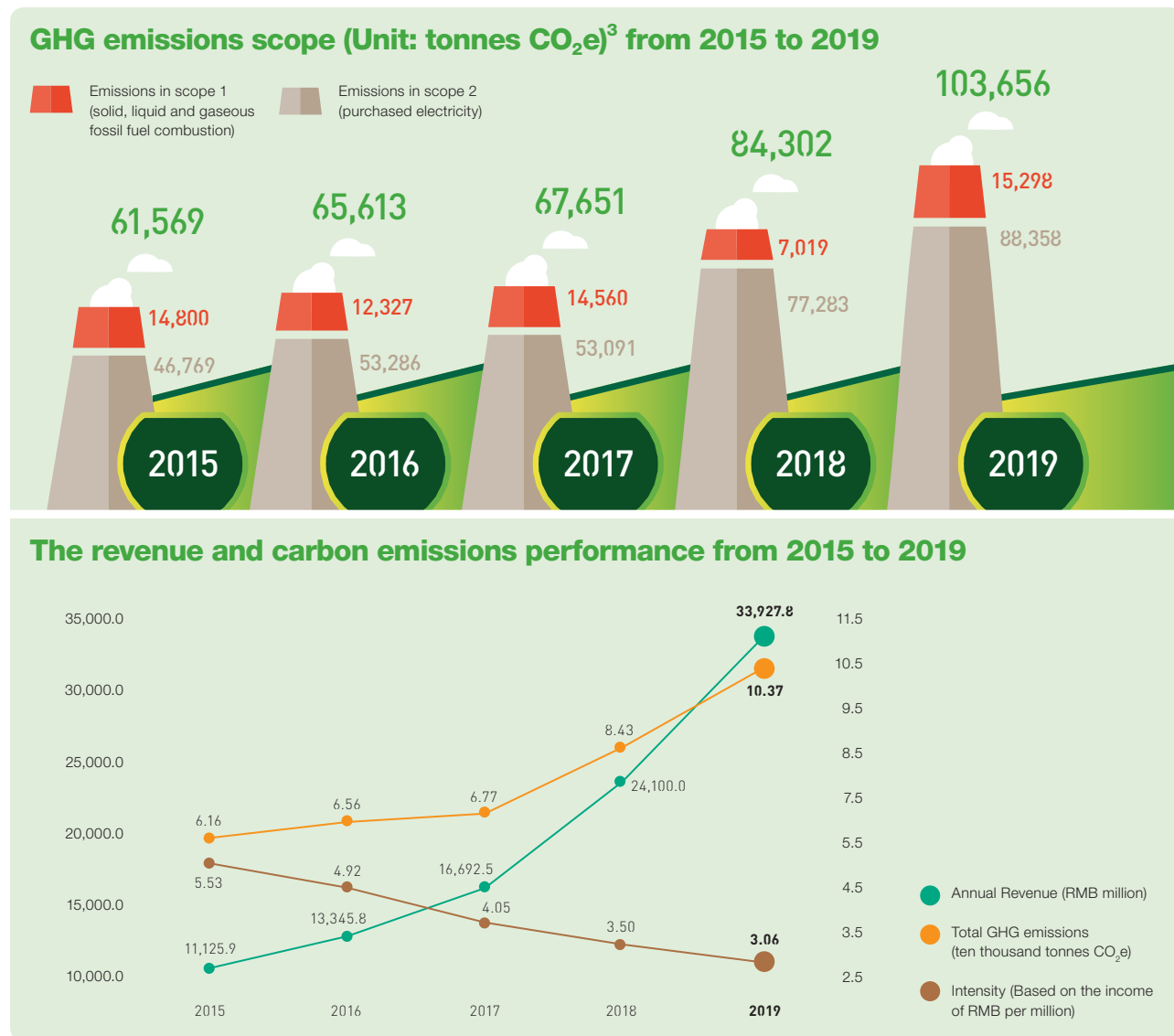
- We have the responsibility to promote the importance of environmental protection amongst the industry and society;
- Pay close attention to how environmental changes might have an impact on us and prepare accordingly;
- Try our best to eliminate elements that cause negative impacts on the environment through different kinds of administrative and operational means, as well as to regulate all types of suppliers.

Risks and responses

Risks	Impacts	Responses
Tightening national environmental regulations	<ul style="list-style-type: none"> The tightening of environmental regulations has eliminated many smallscale factories that followed outdated environmental protection measures, which affected the upstream section of the overall supply chain, such as dyed fabric. It becomes difficult for the brand to ensure stability in source of materials and production timeline Increasing production costs 	<ul style="list-style-type: none"> Adjust internal procurement procedures and schedule. The focus will be on order placement, which ensures priority will be given to bulk orders, so that the OEMs can have more time for production Provide support for partnering suppliers, ensuring their facilities, manufacturing process and measures are in line with the national requirements Integrate the demand from various brands of the Group to place order at the suppliers in order to lower the cost
Increasing emission caused by old production machines	<ul style="list-style-type: none"> Old or malfunctioning production machines may increase the emission in production or even exceed the legal limit Increasing production costs due to increasing emissions 	<ul style="list-style-type: none"> Regularly inspect and maintain machines in the factories to ensure the operation is normal Upgrade the existing production system regularly Pay close attention to the development of environmental laws and regulations, ensure the production and emission performance comply with the regulations
Environmental pollution cases in the supply chain	<ul style="list-style-type: none"> Green groups exert pressure on the Group Affect the brand's image in the community Affect product quality 	<ul style="list-style-type: none"> Develop internal control and crisis management policies and provide training to the staff Formulate stricter supply chain management policies and monitor the performance of the suppliers
Increasing pressure of developing environmentally friendly products	<ul style="list-style-type: none"> Increase development and manufacturing costs Green materials may fail to meet certain requirements for functional products and affect the quality of the products 	<ul style="list-style-type: none"> Integrate the demand of various brands under the Group to streamline production model and lower the cost Sponsor suppliers to establish "R&D Laboratory" for co-developing new materials
Changes in consumer preference and habits	<ul style="list-style-type: none"> Consumers are paying more attention to environmental protection issues and they are having a higher standard towards the manufacturing requirement of a brand Climate change has made it difficult to predict consumers' demand. It is difficult for the Group to grasp the sales focus of a season 	<ul style="list-style-type: none"> Develop more variety of products and provide more responsibly produced products to the consumers Use cloud technology to improve the way of working and efficiency of retail data extraction and analysis, so as to understand consumers' preferences in a more timely and accurate manner

OVERALL PERFORMANCE IN 2019

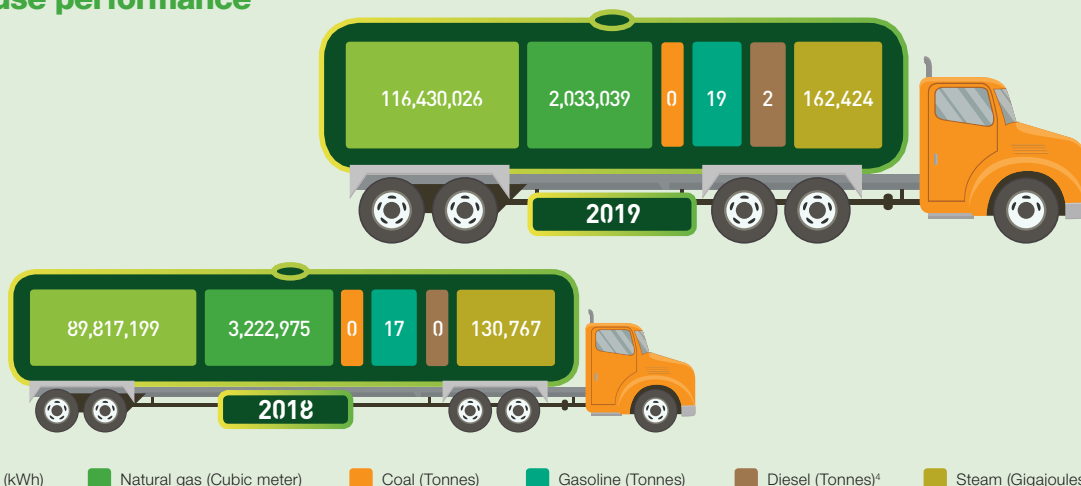
The following covers our performance in GHG emissions and environment protection:



2019 is the 5th consecutive year for us to disclose the performance of GHG emissions. Overall, as our business was in the expansion stage, the overall revenue has also increased. However, the growth rate of carbon emissions was under control and lower than the growth rate in revenue, proving our executed environmental policy was effective.

3. We adopt the "Equity Ratio Method" to adjust the calculation of the overall GHG emissions based on our shareholding ratios of each unit.

Energy use performance



In respect of energy use performance, our electricity usage increased 29.6% because of the expansion of self-operating stores of FILA and DESCENTE. During the year, Quanzhou Material (PRC) used more steam and less natural gas due to more favorable prices on steam, affecting the overall consumption performance on steam and natural gas. During the year, the overall steam increased 24.2% and natural gas decreased 36.9% respectively. Furthermore, we haven't used coal for the second consecutive year.

Volume of waste production



In respect of volume of waste production, due to the improvement of manufacturing technology, the materials used and production process adopted are basically safe and non-hazardous. According to our revenue scale, our waste production remained at a low level, the amount of hazardous waste generated is not significant. During the year, our hazardous wastes were mainly waste oil and sludge. They would be stored temporarily in the specified hazardous storage room and collected regularly by qualified recyclers.

4. Only includes the relevant data of motor vehicles in the office building of Shanghai.

5. Only covers the relevant data of the Group's Athletic (PRC) factory and Henan Material (PRC). The disclosure scope will be further expanded when the data collection of other factories becomes more sophisticated.

OVERALL PERFORMANCE IN 2019

Policies and measures



As a responsible producer, we pay concern to the impacts brought to the environment during the process of production, and we expect to reduce the related impacts by various policies and administrative measures. Policies ranging from design, procurement, manufacturing, logistics to retail are established and promoted to all staff not only to provide a better understanding but also to raise their awareness of environmental protection and ensure the policies could be implemented in a precise manner.

Upstream

The upstream business can be divided into R&D and procurement. It is a crucial stage that determines the quality of the products. Product design determines the use of materials, craftsmanship, product lifecycle, packaging and logistics regulations. Most of the environmental issues are influential to the upstream according to the mentioned impacts of the key issues in the value chain.

- **Selection and procurement of environmentally friendly materials**

We became a member of the Better Cotton Initiative (BCI) in July during the year, which made us the first sportswear company in China to join the BCI and exhibited a well-managed supply chain and the practice of the idea of sustainable development.



BCI is an international non-profit membership organization. As the largest sustainable cotton development project in the world, BCI has wide coverage in the global supply chain, from farmland to fashion and textile brands. BCI aims to make cotton production better for the people who produce it, the environment it grows in and the sector's future.

We have a close relationship with the planting environment of cotton, and the market environment of cotton farmers. Being a leading sportswear company in China, the application and procurement of cotton played important roles in our sustainability. Therefore, joining BCI is an indication of our dedication to blending

sustainable development with our daily business operations, as well as facilitating the industry's sustainable development.

At present, BCI works with 2.2 million cotton farmers globally, and it has close to 1,600 members across the world, encompassing organizations all the way from farms to fashion and textile brands, and civil society organizations, driving the cotton sector towards sustainability.

ANTA would source cotton through the BCI, certain products will be launched into market in 2020.

- ***Innovative and environmentally friendly product design***

In terms of innovative and environmentally friendly products, we have launched environmentally friendly A-AWAKE ENERGY series “Train and Recycle”, which recycles plastics as raw material, for the first time. This series uses discarded plastic bottles as raw materials, which are turned into recycled polyethylene terephthalate (“RPET”) with the aid of environmental technology, making ANTA a Chinese sportswear brand that meets the RPET inspection standards. Our R&D team was able to surmount a number of technical obstacles with the support of supplier partners, producing sportswear made of RPET with functionalities on par with sportswear made with traditional materials, while meeting safety standards of eco-textile. Moreover, the overall cost is 30% to 50% lower comparing to international brands.

Making a piece of A-AWAKE ENERGY sportswear with the RPET fabric takes 11 discarded 550ml plastic bottles. During the year, we have collected 7.7 million bottles which were turned into RPET fabric, providing a new and successful solution for recycling plastic waste.

In addition, KOLON SPORT launched NOACH, an environmental protection project that aimed at protecting endangered animals and plants and improve the ecosystem. KOLON SPORT launched the NOACH series during the year, using ramie fabric, also known as the “King of natural fiber”, which is soft, UV protective, hygroscopic, moist wicking and heat-dissipating. Furthermore, KOLON SPORT launched the Million Tree-planting project and improved the ecological environment by planting trees in desertifying areas.

With support from the society, schools and individuals, KOLON SPORT planted trees in Inner Mongolia and Ningxia. Also, KOLON SPORT will donate RMB5 yuan to the Million Tree-planting Project on every selected product purchase. Customers will be given a charitable tree-planting donation certificate for every purchase of any two selected items and an opportunity to plant a tree themselves.

Promoting sustainable development has always been our focus in the field of innovation. We also consider exerting our greatest efforts to contribute to environmental protection as a part of our corporate social responsibility. We will continue to increase our investment in research and development, and further explore innovation in environmental protection technology.



OVERALL PERFORMANCE IN 2019

Midstream

Midstream business focuses on energy consumption, emission and the handling of different chemicals during the process of production. We would like to minimize the potential impacts on the environment as much as possible by monitoring the production process and establishing relevant work code.

- **Green staff code**

We encourage our staff to reduce waste and follow the “4Rs principles”: Reduce, Recycle, Reuse and Replace, in order to reduce the generation of waste. General waste will be disposed in compliance with the internal guidelines, including recycling and disposal based on the actual situation.

- **Regulate chemical use with prudence**

In terms of regulating chemical use, we have established methods and principles for staff using and handling chemicals by establishing a “List of Restricted Chemicals”, a stricter standard compared to the national testing standards. It is an effort that gives our staff a better understanding of our chemical control and it ensures the chemicals used in the manufacturing process meet our strict requirements. If possible we will also try to use alternatives that are safer and more environmentally-friendly in order to reduce the environmental impact brought by the chemicals.

Although chemicals are not fully eliminated in the manufacturing

process, we will try to reduce the usage and choose less impactful ones carefully through strict selection in order to protect the environment.

Downstream

Downstream business mainly covers logistics, customer service and store management. We hope to enhance consumers’ awareness of environmental protection and improve the environmental performance of the downstream by improving the logistics process.

- **Fully operating logistics centre**

During the year, there are more than 12,000 retail stores under our multi-brands portfolio. The logistics for the distribution process generate plenty of carbon emissions. If the



logistics process is simplified and the overlapping delivery routes are avoided, it can improve the efficiency of logistics and also improve the GHG emissions performance of the downstream.

Therefore, the full operation of the logistics centre provides a better solution for our logistics process and supply chain management. The logistics centre provides storage, transportation and express delivery services. By using these services, we will be able to group the products from the factory and deliver to the district storage, then deliver to the retail stores after receiving orders from the distributors and achieve logistics resources sharing. It can

prevent the delivery team from having overlapping routes; hence, carbon emissions can be reduced.

- **Environmental staff activities**

In April, we organized “Thanksgiving Forest Never Stop”, a tree planting activity that attracted over 200 staff participants and made a collective contribution to health and carbon reduction.

Governance

In the value chain of our business, corporate governance links all parts of the business. Effective and well-targeted policies determine the operational and risk management capabilities, and

whether the business can sustain in the long run. Therefore, we emphasize governance performance and improve it by regular monitoring, supervision and policy adjustments. At the same time, we ensure the full implementation of corporate governance by raising the awareness of governance through training and performance indicators.

Since the reform of the internal system implemented earlier, we have further strengthened the management and integration to ensure the consistency of internal information within the company. In addition, we have improved external communication and management and provide a solid foundation for the long-term development of the company by maintaining the stability of the value chain concurrently.

Relevant data in 2019

	2019	2018	2017	2016	2015
Upstream					
R&D cost ratio (as a percentage of revenue)	2.3%	2.5%	2.9%	2.6%	2.8%
Number of suppliers in China	Over 649	Over 645	Over 615	516	703
Numbers of suppliers in overseas countries	Over 20	Over 8	Over 8	14	4
Midstream					
Total number of staff	30,800	25,000	18,800	17,800	16,700
Male to female staff ratio	Male 32% : Female 68%	Male 36% : Female 64%	Male 40% : Female 60%	Male 42% : Female 58%	N/A
Staff costs ratio (as a percentage of revenue)	11.7%	10.9%	12.0%	11.3%	11.2%
Number of injuries at work	44	58	39	35	19
Corruption-related cases	2	3	0	0	N/A
Downstream					
Recall rate of products for safety and health reasons	0.03%	Less than 0.01%	Less than 0.01%	Less than 0.01%	0
Customer profile breach	0	0	0	0	N/A
Total number of customer complaints	5,433	4,479	5,299	4,321	3,627

During the year, our data on governance is similar to the previous year with no major difference.

OVERALL PERFORMANCE IN 2019

Policies and measures

Clear policies and effectively executed measures are the basis of effective governance of a corporation.

Therefore, clear and practical policies and codes are established based on the needs of different parts of the business to ensure proper operation.

Upstream – Supplier management/ Product development management

Our stance:



- We support original design and value intellectual property;
- We are responsible for supervising suppliers so as to ensure they are in compliance with laws and regulations in terms of environment, society and governance, and fulfill corporate social responsibility with us;
- We are responsible for ensuring employees of the supply chain to receive reasonable treatment and protection;
- We try our best to incorporate environmental protection elements into design and procurement consideration and provide more environmentally-friendly products for the consumers.

Risks and Responses

Risks	Impacts	Responses
Upstream-related		
Undeclared private cooperation agreement between staff and suppliers	<ul style="list-style-type: none"> • The private agreement between staff and suppliers may bring financial damages to the company, and even create negative impacts on brand image 	<ul style="list-style-type: none"> • Establish a clear and definite staff code and provide related training to staff members in order to ensure that they have a clear understanding of the requirements and also reduce the risk by having an effective administrative and inspection structure
Product development risk	<ul style="list-style-type: none"> • Consumer preferences for fabric and clothing styles change rapidly due to fast-fashion. The ability of product development and market sense are the keys to product sales 	<ul style="list-style-type: none"> • Invest more resources in product development; collect and analyze the market response and consumer feedback to keep up with the trend and consumer preferences
Supplier performance does not meet the requirements of the law and regulations	<ul style="list-style-type: none"> • The law enforcement department will regulate suppliers' misconduct. It may affect the production process of the supplier and result in short supply. Any supplier acted violation of the law may affect brand reputation 	<ul style="list-style-type: none"> • Develop and implement effective supplier management policies and establish a monitoring system, conduct regular on-site inspections to reduce potential risks
Suppliers' operation and technology development fail to keep up with the pace of the Group	<ul style="list-style-type: none"> • If the supplier's technology and operational status fail to meet our developmental needs, it will affect the stability, or even slow down the speed of development 	<ul style="list-style-type: none"> • Proactively provide informational assistance to suppliers for enhancing their operational quality and matching with our development direction

Risks	Impacts	Responses
Midstream-related		
Industrial accidents	<ul style="list-style-type: none"> The glue, semi-finished and finished products may contain flammable materials. If a fire occurs, it will directly affect our production and lead to adverse impacts on business operation The production process involves a large number of machines. If an accident occurs and staff is physically injured, it does not only affect the company's image but also affect the production progress and stability 	<ul style="list-style-type: none"> Arrange occupational safety training for staff in workshop and increase safety awareness Provide suitable work equipment for staff on different positions, to protect staff from injuries Store inflammable goods properly and post warning signs Require staff to participate in fire drills of the factory regularly to ensure they have a clear understanding of the relevant procedures while handling the case of fire. Also, inspect fire extinguishing equipment in the production line regularly and make sure the equipment is in good condition
Increase in staffing costs	<ul style="list-style-type: none"> Increase operating costs and put pressure on profitability of the Group 	<ul style="list-style-type: none"> Enhance automation in production processes and reduce the demand for labor Consider moving certain production bases to lower costs area
Turnover of frontline staff	<ul style="list-style-type: none"> Affect overall manpower allocation of the Group and operational efficiency Affect staff morale 	<ul style="list-style-type: none"> Offer competitive paid and better benefits than the rest of the industry for frontline staff Create an understanding and joyful corporate culture, maintain good communication with the staff
Different levels of technical and processing skills among staff	<ul style="list-style-type: none"> Cause product quality issues and the inconsistent product quality will affect the overall production efficiency 	<ul style="list-style-type: none"> Based on the staff's capability, provide technical and craftsmanship training to improve their level of proficiency Provide suitable technical training according to the needs of different positions and require staff to participate in regular assessment, making sure that they master the required skills

OVERALL PERFORMANCE IN 2019

Risks	Impacts	Response
Downstream-related		
Risk of brand counterfeiting	<ul style="list-style-type: none"> If there is massive counterfeit products in the market, it will adversely affect our brand image and profitability 	<ul style="list-style-type: none"> Encourage consumers to report counterfeit products Cooperate with suppliers and law enforcement agencies to take action against relevant factories and protect the brand's position in the market
Safety and stability of online sales	<ul style="list-style-type: none"> As the proportion of online sales and e-commerce increases, any loophole in the network security system contributes to a huge impact and loss. It can even cause large-scale leakage of consumer data 	<ul style="list-style-type: none"> Increase investment in server systems and network security, and improve the capabilities of the back-end systems
COVID-19 related		
The risk of COVID-19 group infection among staff	<ul style="list-style-type: none"> The labor-intensive setting may increase the chance of COVID-19 infection among staff, which may seriously threaten the safety of staff and contribute to the large-scale spread of the virus It may lead to a full shutdown of the production line and retail stores that brings unpredictable loss 	<ul style="list-style-type: none"> Closely monitor the latest situation of the Pandemic, establish proper disease prevention measures according to the government and experts Provide proper disease prevention equipment to all staff, establish and distribute code of work to ensure all staff are clear about the items that need attention during the Pandemic

Relevant policies for upstream business

The upstream business mainly covers product development, product design, raw material selection and supplier management. Product R&D and design are crucial to the material selection, craftsmanship of production, follow-up process, marketing and logistics. Therefore, we establish upstream-

related policies with extra care in order to start managing from the beginning of the value chain and reduce the operational risks in mid and downstream businesses as much as possible.

1. Products R&D and design

R&D and product design are the beginning of the entire value chain.

It does not only affect the choice of material, the process of production and the requirement of delivery, but also brings a key impact to the brand image and marketing strategies. Therefore, we put high emphasis on R&D and design. Other than the immense demand for "Athleisure", "Functionalization", "Differentiation" and "High-end" products by understanding the trend

in the market through conducting market surveys, we are also devoted to adding environmentally friendly elements to our products and providing more options for eco-friendly products in the market in order to raise the consumers' awareness of environmental protection. During the year, the R&D cost reached RMB789.2 million.

2. Supplier management

Supplier is a crucial part of our supply chain, and it is an inseparable part of business operation. As a responsible purchaser, we have established strict codes and requirements for the suppliers in terms of environment, society and work. We have also established

a system to monitor the suppliers to ensure a satisfying standard of their performance and maintain the stability of the supply chain. The standard of monitoring suppliers could be divided into business operation and corporate social responsibility. In these two main categories, there are detailed items to evaluate suppliers.



OVERALL PERFORMANCE IN 2019



Total number of suppliers for ANTA and FILA (Including raw material suppliers and OEM for apparel and footwear products)

	2019	2018
Number of suppliers in China	Over 649	Over 645
Number of suppliers in overseas countries	Over 20	Over 8

During the year, we continued to encourage our suppliers to improve their management capability and obtain more certificates in order to improve their performance on environment, governance and quality, so that we can progress together on the ways of sustainable development.

During the year, the number of suppliers that have obtained ISO9000 Quality Management Certificates and the number of suppliers that have obtained

ISO14000 International Environmental Management Standards have both increased by over 70% compared to last year. Moreover, we have successfully introduced the ISO26000: Principles of Social Responsibility to the daily operation of certain suppliers. It allows the suppliers to gain a better understanding of energy management, material recycling and social responsibility and assists their practice in these areas. In addition, we encourage apparel suppliers to obtain the Bluesign®

certificate in order to ensure the process of production comply with the standards of environmental protection, health and safety; and stop the hazardous matters at the source of production, there are a total of 40 apparel suppliers obtained the Bluesign® certificate during the year.

Basic supplier evaluation criteria:

- Performance and rating in three areas: creditability, contract spirit and financial stability;
- Based on the requirements of product type, price and company size, the suppliers have R&D capability, production management capability and quality control systems that are in line with the industry standards;
- Hold certification related to production and quality control and obtain other international standards or certificate systems, if possible;
- Meet the requirements listed in the background questionnaire; and
- Conduct due diligence inspection on all suppliers.

As there is a wide range of products, the supply chain is long and complex. The cooperating suppliers are of different scales and natures, which makes it difficult to management. Therefore, we have established a set of detailed requirement criteria based on law and regulations and introduced a “zero-tolerance” policy. This ensures proper measures on important issues are taken by the suppliers and the risk of operation is reduced.

10 basic principles



During the year, we have developed a more comprehensive audit requirement based on social enterprise responsibilities of the supplier. Their responsibilities are clearly stated in ten important aspects:

Basic principles	
 Child labor	<ul style="list-style-type: none"> • Comply with the local minimum working age requirement • Obtain proof of the age of the employee
 Forced labor	<ul style="list-style-type: none"> • Staff should not be forced to work and their wills shall not be violated • Prison labor or bonded worker should not be employed • No guarantees should be required from the employees • Staff members are given the right to resign and have free access to the workplace
 Discrimination	<ul style="list-style-type: none"> • No discrimination during the process of recruitment, salary adjustment, promotion and demotion • No pregnancy diagnoses should be required to female staff before employment • Pregnancy shall not be the grounds of dismissal or rejection of job application
 Complaint mechanism and communication channels	<ul style="list-style-type: none"> • Establish an effective complaint mechanism and communication channels • Protect the whistleblower and ensure staff who made complaints would not be retaliated
 Salary and benefits	<ul style="list-style-type: none"> • Employees must be paid no less than the local statutory minimum wage • Full salary must be paid on time • Social insurance and the provident fund must be provided to employees abiding by the law • Statutory holidays must be provided to the employees
 Disciplinary measures	<ul style="list-style-type: none"> • Corporal punishment, coercion, exploitation and sexual coercion are strictly prohibited • Staff complaint channels and procedures need to be defined • Establish strict internal code stating the rights of staff and the rules to comply explicitly, and ensure staff are well-noticed and have an understanding regarding the related contents
 Working hours	<ul style="list-style-type: none"> • Salary and working records must be provided

OVERALL PERFORMANCE IN 2019

Basic principles



Human resources management system

- All staff are required to sign a contract of employment



Social responsibility management system

- Establish working hours and payroll management system
- Obtaining certifications from different areas is encouraged



Health and safety

Factory, dormitory and cafeteria

- Ensure all establishments and their operation location are legally permitted by the local officials and fire service department
- No three-in-one factory, building consists of workshops, warehouse and dormitory
- All places should maintain a suitable temperature with light and ventilation with good hygiene
- Staff access to hygienic, accommodating and catering equipment is ensured
- Staff access to clean drinking water is ensured in the working area

Electrical and chemical safety

- Electric equipment are in good condition and maintained properly
- Analyze according to the risk of the workplace and install proper safety equipment
- List clear inventories for all chemicals, label the goods correctly, and ensure that the chemicals are stored in specified places
- Ensure proper training, protective and emergency medical equipment are provided to workers who handle dangerous goods
- Provide procedures and code of handling dangerous goods for workers if needed

Fire Safety

- There should be two exits in each workshop which leads to the safe outdoor area
- Emergency exits must be opened all the time
- Ensure all areas in the factory are equipped with proper fire service system and inspections are held regularly to ensure the good condition of the equipment
- Hold fire drill regularly

In order to ensure the ten mentioned corporate social responsibility requirements are all implemented by suppliers and also monitor their operation, we conduct field inspection and performance management as well as calculate and summarize their performance quarterly.

The areas of point deduction will be divided into “Zero-tolerance item”, “High-risk item”, “Mid-risk item”, “Low-risk item” and “Best practice”. Apart from “Zero-tolerance item”, suppliers are required to improve and adjust risk items in a provided time frame. Punishment including but not limited to order deduction or cooperation termination would be implemented to suppliers that are incapable to reach the standard. Cooperation would be terminated immediately if any supplier violates the “Zero-tolerance items”.

We emphasize the connection and communication between our colleagues and our suppliers. We do not only hold regular seminars and meetings, but also invite the suppliers to various outdoor team-building activities to enhance the collaborative spirit. It also helps building up stronger connections between suppliers and the Group. The basis of cooperation is no longer a mere contract, but a new mindset of mutual benefits.



Midstream – Production and Operations Management/Staff Management

Our stance:

Production and operation management

- We are responsible for ensuring the production process fully complies with the requirements of national laws and regulations.
- As a responsible corporation, we need to ensure the governance quality of the Group. We also need to make sure that different units are operating in a way that follows each other's guidelines. Apart from meeting the legal requirement, it is also important to be conformed to social norms.

- We have the responsibility to ensure our governance structure is open and transparent. It is important to guarantee that all of our stakeholders can obtain relevant information through appropriate means.

Staff management

- We abide by the laws and regulations in order to prevent any form of exploitation.
- We employ our staff by talents and we respect our staff's personal choices, regardless of gender, age, religion, nationality, skin color, race, sexual orientation, marital status and other personal stand.
- We are responsible to provide reasonable treatment and protection for our staff to allow them a reasonable quality of life at where they live.

OVERALL PERFORMANCE IN 2019

- We are responsible for providing a safe working environment for our staff.
- We are responsible for providing a comprehensive training program for our staff and to allow them apply their skills in appropriate roles.
- We respect our staff's family roles and we will do our best to arrange following their needs.
- We are committed to maintaining high level of corporate governance. We expect our staff can hold the highest ethical standards, be responsible for their languages and attitudes at work, comply with business standards and handle the business in compliance with relevant rules and regulations.

Relevant policies for midstream business

The midstream business mainly covers manufacturing operation, staff management, product quality and health and safety. These are all important parts of our supply chain. In order to offer high-quality products to our consumers, we have formulated a comprehensive product quality management system,

allowing production line to remain stable and reduce potential risks. Furthermore, we value our staff and we hope our staff can showcase their skills and develop their potentials in their roles; as well as grow and strive for excellence with us.

1. Relevant policies for manufacturing and operation management

Governance structure

The overall management of the Company's operation is vested in the Board. The Board takes responsibility to oversee all major matters of the Company, including the formulation and approval of all policy matters, overall strategies, internal control and risk management systems, and monitoring of the performance of management team. The Directors make decisions objectively in the interests of the Company.

Under code provision A.2.1 of the Corporate Governance Code and Corporate Governance Report set out in Appendix 14 to the Listing Rules, the roles of the Chairman and the Chief Executive Officer should be separated and should not be performed by the same individual. During the year, the roles of the Chairman and the Chief

Executive Officer are performed by Mr. Ding Shizhong. With Mr. Ding's extensive experience in sportswear consumer markets, he is responsible for the overall strategic planning and business development of the Group. The Board considers that vesting both of the roles of Chairman and Chief Executive Officer with Mr. Ding is beneficial to the business prospects and management of the Group. The balance of power and authorities is ensured by the operation of the management and the Board, which comprises experienced and high caliber individuals. The Board currently comprises 5 executive directors, 1 non-executive director and 3 independent non-executive directors and therefore has a strong independence element in its composition.

We believe the effective operation of the Company should be based on effective systems and policies. Therefore, we have established a strict surveillance management system in internal audit, monitoring, review of major contract and other aspects. Such a measure allows the Board and other management to assess internal potential risks, to improve our risk management and control capabilities by establishing relevant policies and measures based on the identified risks.

2. Maintain governance with integrity

	2019	2018
Corruption-related case	2 cases	3 cases



For improving the efficiency of management and control, we have set up the Audit and Supervision Department to conduct audit and supervision for five sectors, including the factory, supply chain, brand management, construction and retail, which fully covered the different areas involved in our business. Besides, we also have investigators to ensure that the independence of the auditing process for our anti-corruption work, with an aim to maintain objectivity and fairness; and reduce the risk of having corruption cases in our company.

Apart from overall supervision, we have drafted a manual for all staff, called “Integrity Responsibility Handbook”, which listed the expectation on ethical behaviors, law, compliance and company guidelines. We hope our staff will understand the principles in this handbook and avoid the risk of guilt by association. Besides, in order to enhance our staff’s legal knowledge in anti-corruption, we regularly publish a relevant column in “ANTA Youth”, with an aim to enhance the familiarity of such issues. For external parties, we would require all partnering suppliers to sign an “Anti-commercial Bribery Contract”, by imposing contractual obligation to regulate their behaviors and avoid corruption and bribery.

To ensure the effective implementation of relevant policies, we have established a systematic supervisory mechanism for anti-corruption: through the abnormality in big data, sector operations and major projects, we analyze management issues. At the same time, we conduct regular, irregular and spontaneous spot checks against individuals, events and issues.

The Company is committed to achieving and maintaining the highest possible standards of transparency, integrity and accountability. A whistleblowing policy is in place to create a system for the employees and business partners to raise concerns, in confidence, about possible misconduct relating to the Group. The identity of the whistleblower will be treated with the strictest confidence.

As for reporting channels, we have established a variety of confidential channels as usual, in which we take anonymous reports from staff to the Group’s Audit and Supervision Department. The channels include:

- 1. Reporting e-mail: ANTA Audit and Supervision Department e-mail (jc@anta.com)
- 2. Reporting hotline: ANTA Audit and Supervision Department reporting hotline (180-3031-1272)
- 3. Mailing address for reporting: Group Audit and Supervision Department, ANTA Operation Center, 99 Jiayi Road, Guanyinshan, Siming District, Xiamen
- 4. Reporting directly to the Chairman of the Board or the chairman of the Audit Committee

OVERALL PERFORMANCE IN 2019



We take any suspected criminal offence, improper conduct that violate governance guidelines and codes of conduct seriously, Audit and Supervision Department investigate on anti-corruption cases and they are independent of the Group’s management, which ensures the independence and objectivity of anti-corruption work in the corporate governance structure. This department has adopted strict security measures to protect the privacy of the whistleblower. We will ensure that the information we received, registration information and

investigation progress are all strictly protected. Besides, in order to further protect the whistleblower, we established the “ANTA Reporting Incentive System”, in which named whistleblower will be included in a “Special Protection List”, where they will be protected from unnecessary nuisance.

If the corruption cases are found to be true, employees who reported the case will be awarded 50% of the amount involved with the case, with a maximum amount of RMB1 million.

	2019	2018
The proportion of products that must be recalled for safety or health reasons (Only includes products of ANTA and FILA)	0.03%	Less than 0.01%

3. Maintain excellent product quality

Product quality has a direct impact on the market and consumer response. Therefore, we focus on product quality and our consumers can enjoy the joy of sports. To manage the manufacturing quality, we carefully examine each stage of the production process. Through establishing a comprehensive product quality management procedure and application of new technology, we are improving the stability of product quality and reducing the project rejection rate. We have also established a rigorous “Chemical Safety Technical Specification for Apparel, Shoes and Accessories”, which ensures that our product excellence and safety, as well as consumer rights. During the year, we did not recall any apparel products due to safety or health reasons.

Use administrative measures to regulate product quality

“Chemical Safety Technical Specification for Apparels, Shoes and Accessories” provides guidance for our factories, OEM and suppliers to strictly regulate the materials and finished products used in the production process, so that they would comply with the relevant regulations on chemical safety in China. We carry out risk assessments and inspection control at all stages of the product life cycle, such as raw material procurement security guidelines, product testing requirements, chemicals threshold requirements, hazardous chemical content and other health and safety projects. We have formulated and implemented respective inspection plans, standards and codes of practice based on these aspects of evaluation and inspection:



1. We conduct a preliminary review and verification of the materials and products during the product development stage, including various types of health and safety projects



2. In the manufacturing process of materials and products, each supplier is strictly required to conduct inspections according to the product inspection plan and standards, we will conduct a special craftsmanship review of each product



3. When the finished products are delivered to us, we will carry out inspections and storage audits while monitoring the product quality risk. We will inspect the chemical safety of the products every quarter based on the established chemical safety sampling inspection plan

If there is a quality issue or safety hazards of the products after leaving the factories, we will recall the product according to the “Product Recall Management System” to ensure that the defective products are properly handled and not causing any harm to the consumers. For products that are found to be in compliance with any regulations, defective in the self-inspection process, or the returning rate of the same product is more than 5%, we will announce product recall in one working day after confirming the quality issue. We will also notify the distributors to recall all the products and staff are not allowed to handle the case without authorization.

Improve quality management efficiency with technology

We value the use of new technologies for better production efficiency. By doing so, we can guarantee the quality of our standardized product and reduce the chance of having a product return due to quality issues. During the year, we have used two divisions as a pilot to test the integrated manufacturing operations management (IMOM) system. It allows us to monitor real-time target and actual production capacity, so as to reflect production progress and product quality. If there is any issue, we can follow up and record the problem in a timely manner.

Relevant policies on staff management

Talent is the foundation of a business. If a business lacks reliable and capable staff,

it will not be able to maintain sustainable development and become a renowned brand, no matter how outstanding their products and services are. Therefore, we value the recruitment of outstanding talents and we aim to build a capable team. Through an inclusive corporate culture and competitive benefits, we hope to attract and retain talents, promote staff loyalty and try to maintain a low turnover rate. Meanwhile, we are in a labor-intensive field and we need a lot of manpower to maintain the stable operation of the production line every day. We value the health and safety of our staff and we strive for a safe and comfortable working environment.

In terms of compliance, we ensure the business operation are aligned with the regulatory requirements, including the “Labor Law of the People’s Republic of China” and “Labor Contract Law of the People’s Republic of China” and so on. We respect human rights and prohibit child labor or forced labor in our companies’ and partners’ operation. We follow the principle of meritocracy, voluntariness, equality, honesty and credibility. At the same time, we also respect the preference of our staff and we hope that they will achieve self-development. Therefore, we promised that when making decision in promotion, transfer or other matters, we do not take into account of staff’s gender, age, religion, nationality, skin color, race, sexual orientation, marital status and so on, in order to maintain equality in our working environment.

OVERALL PERFORMANCE IN 2019

Health and safety

	2019	2018
Number of injuries at work	44	58

For compliance, we ensure that the operations of our business fully comply with the regulatory requirements, including the “Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases”, “Work Safety Law of the People’s Republic of China” and “Regulation on Work-Related Injury Insurances of the People’s Republic of China” and other legal requirements. At the same time, we formulated a series of policies based on actual operation condition, to protect our staff from different departments and ensure their occupational health and safety, which includes:

- Provide appropriate equipment for the staff based on the roles’ intensity, category, machines that they operate and the materials that they handle;
- Inspect production facilities regularly and provide proper maintenance to the machines in order to make sure all facilities are in good condition and avoid industrial accidents;
- Provide health and safety training and assessment for staff to ensure that they fully understand how to operate the machines and handle the materials properly, so as to avoid injury due to improper operation;

- Provide an annual health check for employees; and
- Establish a “Worry-free Medical Plan” and provide additional medical insurance for our staff;

Moreover, we value the physical and mental health of our staff and we incline not to have our staff to remain in an anxious working state for a long time, so we do not encourage working overtime. In order to maintain the stability of manufacturing, we hire temporary staff. At the same time, we also introduce automation technology to reduce the reliance of human resources and simplify the manufacturing process for the requirement of handicraft, enabling us to cope with the increasing orders.

We have established a mechanism related to health and safety. If there is any issue, we can ensure that the case will be handled properly. If staff is injured at work, we will notify the Human



Resources Department and relevant management personnel according to the established mechanism and ensure that the injured staff will receive appropriate support and treatment.

Rights and benefits

In order to reduce the overall staff turnover rate, we have always provided our staff with favorable benefits and treatments, hoping to make them feel valued and respected. At the same time, we also focus on the communication and interaction between our staff and the management, to establish mutual trust and collaboration between the two parties and to protect the rights of our staff.

- Improve the quality of life for the staff

We provide competitive compensation and benefits for our staff, aiming to enable them to live a reasonable life style in the area. Therefore, we provide various welfare and life assistance in addition to the salary and we hope to alleviate the stress on their daily expenses so that they can enjoy a better life. While we have not made conclusive remarks on the policies or discussions on living wages, we constantly put our staff's well-being as the top priority. With the current welfare and support, we hope our staff will enjoy a quality life.

In terms of basic treatment, we make timely full payment to our staff and we paid for the five components of social insurance and the housing provident fund for our staff according to the legal requirement. We also protect their rights and interests by ensuring that they enjoy statutory holidays, sick leave, maternity leave, paternity leave and so on. Apart from the basic treatment, we also provide further protection and do our



best to provide a worry-free living environment.

- Staff housing assistance

A place to live is a basic need of all and one of the most important factors that contribute to a stable life. We want our staff to be able to develop their career with peace of mind, without having to worry about the basic needs of life. Therefore, we provide accommodation for many staff and we also provide family rooms in the dormitory for staff who are married. The family room policy does not only reduce the burden on the staff but also meet the needs of their family life. They do not need to be separated from the family because of economic issues. If our staff needs to buy a property in the area, we provide a "Sweet Home Plan", which offer mortgage assistance based on their ranks and seniority, so that they can enjoy a stable quality life.

- Child care service

We always value the family role of our staff and we encourage them to take on family responsibilities as much as possible so that we also try our best to adjust the relevant policies with the hope to create a more flexible work model for our staff. Therefore, we have set up a child care center in some of our factory areas and provide child care service for married staff who are living in the dormitory, so that they can balance both work and family. Apart from child care service, we also provide a shuttle bus service for our staff, so that parents at work do not have to worry about the safety of their children. In addition, we also organize annual staff family member visits. We provide financial assistant that helps parents and relatives of our staff who lives far away from the factories to come for a reunion.

OVERALL PERFORMANCE IN 2019

– Active staff communication

We believe that taking the opinions of employees is the only way to continuously improve the company's policies. In order to encourage employees to actively express their opinions, we have established a variety of channels, such as regular exchanges between trade unions and department heads. Apart from collecting their opinions, we also try to ensure that they understand their rights as staff. In addition, we invite employees to fill out an employee satisfaction survey every year to review our performance as an employer.

Training and education

The diversity of products, technological development and the demand for staff's knowledge have been growing in complexity over time. In order to allow the company to equip the ability for further development, we have been devoted to providing learning opportunities for staff to sharpen their skills and pursue self-improvement, so that they will become the most valuable asset to business development

– ANTA Enterprise University

The ANTA Enterprise University was established earlier during the year. It is a new online and offline learning

platform for internal training. Our vision is to combine the management wisdom with Chinese and Western styles, together with the practical experiences of the company, which supports talent development strategies and cultivates high quality and efficient talents. Staff can login to the online platform and take different courses at their own convenience, which external experts and internal management staff are invited to teach the courses. At the end of each course, we collect feedback from the staff to improve the content. In order to allow staff to choose suitable courses for themselves, the learning areas are divided into five main categories, including:

	Leadership	Business Competence	Generic Competence	Cultural Competence	Professional Competence
Purpose	Improve management ability	Cultivate business talent	Improve professionalism	Immerse in company culture	Cultivate business experts
Item	Organize boot camps, to enhance teamwork and leadership	Project management, target management and strategy management	Structured thinking and computer skills	Management trainee training, new employee training and compulsory cultural course for all staff	Corporate planning, brand promotion and design, channel planning and management

After a year of hard work,
ANTA Enterprise University has successfully organized:

66 external intensive courses 1,500 online courses
73 offline training 85,000 learning hours

Since this is the first year of the establishment of the ANTA Enterprise University, we are still optimizing the data collection system; therefore, relevant data would not be disclosed in this report. In the future, apart from enhancing and improving data collection, we will also continue to organize more different courses and allow our staff to keep growing with us.

- ANTA KIDS “Future Leaders” Action Learning Project

To cultivate the future leaders, we organized the ANTA KIDS “Future Leaders” Action Learning Project in 2019. Fifty-four participants were led by the company executives of ANTA KIDS and coaching team. They have conducted discussions for different management and business topics. The project was divided into six learning topics including footwear, clothing, retail operation, branding, channels and teamwork, and participants were able to learn practical business operation skills. It did not only boost the sales performance, but also enable the personal growth of the participants.

Harmonious corporate culture

During the year, apart from upholding an inclusive and friendly corporate culture, we focused on enhancing the team spirit among staff. We hope that through all sorts of cultural and recreational activities, we will strengthen the mutual understanding and trust among staff members. Therefore, in addition to different festive activities or sports activities, we organized activities that targeted collaboration in different departments so that staff can enjoy the fun of outdoor activities and grow as a team within the department at the same time.

- “Together, we build synergy” 30km hiking challenge

Team power is the key to success. In the process of developing the group culture, we cultivated the team spirit of our staff through various ways. In June, 60 staff members from the Clothing and Accessories Procurement Department successfully completed a 30km treasure-hunt challenge in less than 6 hours.

The theme of the hiking challenge was “Cooperation – Together, we build synergy”. It opted for the form of team race which requires all members of the team to complete at the same time in order to complete the challenge. We believe that through this type of collaborative activities, it will further improve the team spirit among staff members and build mutual trust so that they will have an even better understanding and communication at work to strive for the development of the company.

- Logistics Army 25km hiking challenge

Apart from the Clothing and Accessories Procurement Department, the Logistics Department also organized a 25km hiking challenge, which allows staff

to challenge themselves and explore their limits during the process. In the challenge, certain colleagues slipped, injured, got lost, or even walked extra 5km; but they were all courageous, and overcame all difficulties and completed the race.

- Clothing Production Centre’s 1st Fun Sports Day 2019

Centering around the theme of “Crafting summer, infinite fun”, the Clothing Production Centre organized the first Fun Sports Day. Through all competitions, it did not only inspire the desire of our staff for striving for the best, but also allowed them to experience the mutual encouragement and strengthen the collaboration in the team.



OVERALL PERFORMANCE IN 2019



Downstream – Production and operation management/ staff management

Our stance:



- We have the responsibility to ensure that the production process is of full compliance with the requirements of the law and regulations in China;
- As a responsible company, we need to ensure that the quality of governance complies with the requirements of the law and must be fit into the social norms.

Downstream business-related policies

Our downstream business mainly covers product sales and customer relationship management, etc. Effective management policies allow us to build a mutually trusting relationship between consumers to build a better corporate image. We believe that the only way to continue improving and creating better products is to convince consumers so that we will build their confidence in our product quality and that they will be willing to provide feedback to us.

Sales management policies and measures

- Improving consumer's shopping experience

The shopping experience of consumers has always been a part we emphasize on. During the year, we upgraded the digital system of the 9th generation stores to ensure the shopping experience of consumers

– Group Logistics Contest

Intending to unite the logistics team and increase their sense of belonging to the company, we held the Group Logistics Contest during the year. We would like to increase our staff's sense of belonging to the team and the mutual trust among staff. We believe that even though logistics is at the downstream of the supply chain, it is one of the most direct services to the consumers. The performance of the logistics staff will directly affect the sales of the Group and consumer experience. By organizing this kind of team collaborative activities, we hope to enhance the ability of logistics staff in general, and by that to improve the overall quality of logistics services.

– Pay tribute to ANTA's craftsmen with action

We always value our staff and we are grateful for their contribution to

the company development for the whole time. Therefore, we organized the annual "May 1" commendation ceremony for production staff in April and invited 102 elite employees to gather in Jinjiang. All of the awardees are from the frontline of production. They uphold the craftsmanship and bring more valuable products to the consumers.

– ANTA Group Family Day

In September, we organized the 2nd ANTA Group Family Day, where staff and their children were all gathered in Xiamen. On the day of the event, various kinds of activities and competitions were held according to the age groups of the children, including a family group competition that tested the level of cooperation and parent-child understanding. Besides, the children had fun in the crafting workshop and interactive Mid-Autumn Bo Bing game zone, to learn the knowledge of waste sorting.

is smoother, more efficient and more convenient than ever.

We have established a self-checkout system to reduce the queuing time of the customers and avoid any issue caused by insufficient space and queuing order when customers are lining up. At the same time, we have installed movable screen system so that customers can obtain a better understanding of the product information from the shoe wall. In addition, we have installed an interactive video system in the VIP zones, enabling consumers to learn about the latest company news, bestsellers and member-exclusive information, as well as a customized recommendation on product mix-and-match.

We believe that through upgrading the digital systems, we will bring a better shopping experience to the customers, increase interactions and bring store retail to the next level. In terms of store operation, the mobile checkout system makes the rapid-growing demand for mobile payments to be simpler and easier. Through showing real-time videos, the data will help us to find out the situation at the stores from the back office, which allows us to give immediate responses to actual situations and collect real-time sales data simultaneously. All these data form the basis for further analysis to improve product design and marketing promotion.

Packages are changed into “Yiside” (tear and unseal) package, in which customers can unseal the package without using any tool and avoid damage during delivery or re-packaging. The packaging of FILA

KIDS was inspired by toys and the box can be turned into a toy for the kids, which also gives a second life to the packaging.

Distributor management

As we have many brands and a huge sales network, distributor management has become an important part of stabilizing business operation. We value the communication and management among the distributors, and we hope to ensure the efficiency of the distributor network and maintain a consistent sales image to make sure that consumers can experience excellent services. The key considerations for a distributor include:

1. Retail experience;
2. Ability to reach sales target;
3. Sufficient capital to operate the authorized stores;
4. Ability to find suitable store locations and areas; and
5. Payment and credit period record.

After achieving the above-mentioned basic requirements, we will conduct assessments according to the situation of the distributors and explain our requirements in operation level, environmental policies, employment relationships and social responsibility in detail, with an aim to prevent potential risks caused by mismanagement of distributors. To provide standards for distributors to follow and regulate their performance, we have established the “Standard Operating Procedures”, “Terminal Operations Management Measures” and other operating terms. These terms require the distributors to keep in line with the company’s expectation on retail policy, inventory

management, store set-up, promotion, customer service and after-sales service.

In order to ensure the full compliance of the relevant measures, we will also conduct quarterly sampling inspections with or without prior notifications. The results will be organized as a report for the management’s reference. If a distributor fails to meet the standards, they will be required to make changes and participate in assessment until they meet the standards. If a distributor fails multiple times, we will stop working with them.

Emphasizing on the communication with distributors

In April, we have organized four seminars for distributors in 47 retail stores in three major districts across Changsha, Chengdu and Kunming. The management staff had direct conversations with consumers and distributors in the activities and gained a better understanding of their opinions on the products. Moreover, we also organize trade fairs quarterly to introduce the featured technology products in the future and the knowledge of related products to the distributors and franchisees. At the same time, we maintain communication with the distributors across the country, adjust upcoming marketing strategies and improve future directions of development.

In April, we organized the “ANTA Group 20Q3 to 21Q1 new material Expo”. Centered on the theme of “Technology creates power, Innovation creates new values”, we promoted and exhibited the outcome of innovative technology to our distributors and suppliers. This served as an opportunity for business partners in the supply chain to understand the latest development of ANTA. During the year, there were 42 distributors for ANTA adult brand.

OVERALL PERFORMANCE IN 2019

Customer relationship management related policies and measures

If consumers have any doubt or dissatisfaction, they can share their feedback with us via multiple channels, including:

1. Share their feedback with us via our regularized “400 Customer Service Hotline”
2. Email or send message to our online customer service platform, wechat platform or directly communicate with our staff at the store

Customer service staff will file and sort the customer complaints and feedback according to the “Customer Services Department Regulation”. The complaints and feedback would then be forwarded to the related self-operated stores or distributors for investigation and verification. In order to ensure that distributors handle the relevant complaints truthfully, staff from the Customer Service Department will contact customer again to confirm if the process is recognized by the customers.

If there are a large number of identical complaints, it may imply that there is a problem with the overall production. We would conduct a comprehensive investigation into improvement. When necessary, we would also carry out a full product recall. During the year, we have



not received any customer complaint caused by quality issues that appeared in a large number of products.

Customer privacy protection

Apart from complying with the requirements of Chinese laws and regulations, most of the Group’s non-production systems have obtained ISO 27001 Information Security International Certification which means that we must abide by the privacy regulations and protect personal data. Moreover, we have developed a comprehensive corporate information

security management system. Among all, we regulate safety management regulations, legal compliance management regulations and network access regulations of all manufacturers and outsourcing based on the “26 information Security Systems”. Additionally, we also limit employees’ access to data and reduce the risk of data leakage.

In terms of system security management, the supervisor of the Customer Service Department will also conduct long-term management to ensure smooth daily operations. In the “Application System Development and Maintenance Safety Management Regulations” and “System Assess Management Regulations” formulated by the Information Security Management System, we have established a clear security assurance requirements. We also invite external consultant agencies to inspect the system, making sure that it operates smoothly and securely.

During the year, no case of data breaches occurred within the company.

During the year, the number of consumer complaints received are listed below:

	2019	2018
Total number of complaints	5,433	4,479
Footwear	3,014	2,514
Apparel	2,353	1,936
Accessories	66	29

Society



The social progression and development are built on the responsibility and support from different stakeholders of the society. As a part of the society, we would like to invest certain portion of our income in constructing the society and investing more resources in sports development and public health by persistently promoting different community projects. Through proposing industry reform, resource donation, foundation donation, athlete sponsorship and youth literacy education, we hope to promote the development of Chinese sportswear industry and sports industry in various aspects.

In order to ensure that the resources are allocated to the right place, we allocate resources based on the actual operational status and social roles. We focus on supporting the sportswear industry, poverty relief projects, sports development and physical literacy education to promote social development.

Our stance:

- Support national policy and promote industry development to take a spot in the international arena as a Chinese sportswear brand;
- Enhance the society's attention and understanding through our brand influence, and lower the threshold of sports participation and promote healthy living;
- Allow every youth from impoverished areas of China to wear high-quality sportswear equipment, and allow them to enjoy sports and the joy of sports;
- Popularize quality physical education in China;
- Integrate resources to support Chinese athletes; and
- Cooperate actively with the government to fight against the Pandemic



OVERALL PERFORMANCE IN 2019



1. Relevant data in 2019



We donated to different charity organizations and charity events such as the Jinjiang Charity Federation, the Bethune Charitable Foundation and the “Sturdy Growth Charity Project”, involving cash donation of over RMB36 million and sports equipment that reaches over RMB100 million in retail price.



After almost three years, we have donated cash and sportswear equipment with retail price over RMB174 million through the “Sturdy Growth Charity Project”. The donation supported over 2,286 schools in impoverished areas and over 770,000 of youth are benefited, in which they were given the chance to enjoy the joy brought by sports.

2. Policies and measures

During the year, we implemented different projects and policies that focus on four areas, namely government and industry, children and youth, athletes, and local communities. We hope to bring positive changes to the society through the influence and resources of the brand.

Government and industry

Offer suggestions to the government regarding the promotion of the industry and education

“ I presented to the 13th National People’s Congress during the year the “Proposal on Continuously Strengthening the Cultivation of Endogenous Growth Momentum in Winter Sporting Goods Industry” and “Proposal on Accelerating the Establishment of Youth Sports Relevant Standards and Assisting Youth in Health Growth”. Through the experience and understanding of the Group in the industry, I hope to provide effective solutions to the problems that the Chinese Sports industry is facing. ”

The Chairman and CEO, Ding Shizhong

“Proposal on Continuously Strengthening the Cultivation of Endogenous Growth Momentum in Winter Sporting Goods Industry”

There is a stable growth in our country’s population of winter sports participation. The development of the winter sports industry has entered a crucial period of strategic opportunities, and there are four main issues:

- Winter sports industry-related consumption is still at a low level;
- The popularization of winter sports is limited to geographical conditions, and winter sports venue provided to the public is insufficient in general;
- Winter sports training program targeting the youth is yet to improve; and
- There are few owned winter sports brands, which suggests low competitiveness.

Therefore, in order to solve the aforementioned problems, we are taking the increasing growth of domestic demand as the top priority. Through expanding the population of winter sports participation, we hope to achieve the goal of stimulating relevant consumption and provide a foundation for the sustainable development of the winter sports industry. Other suggestions are listed below:

- Actively organize promotional events for the Winter Olympics and winter culture, increase the supply of winter sports content;
- Increase the construction of winter sports venue and city landmarks;
- Establish special guidance fund for winter sports;
- Continue to promote winter sports among youth, create a government led, corporates supported and society participated joint development atmosphere;
- Establish owned winter sports brand; and
- Expedite the establishment of winter sporting competition system that includes professional league and youth league.

OVERALL PERFORMANCE IN 2019

“Proposal on Accelerating the Establishment of Youth Sports Relevant Standards and Assisting Youth in Health Growth”

In the proposal, Mr. Ding pointed out that the establishment of overall youth sports standard is relatively lagging, the development of youth sports brand is relatively slow, which is unfavorable to youth participation in sports or learning sports. There could impose potential risks to their physical and mental health, including:

- There is a lack of youth sports training standard in the society nowadays, which creates difficulties in evaluating the quality of training and it is unfavorable to the healthy development of the sports training industry;
- The R&D of youth sportswear products standard needs to be upgraded in order to improve the overall competitiveness of the industry; and
- The degree of implementing the standard and innovative development of sports facilities for the youth is unsatisfactory and there are potential safety risks;
- An effective and standardized leveling of youth sports organizations has not been developed which leads to widely differed quality of events or competitions, posing potential safety risks and social problems.

Therefore, we believe the mid-to-long-term development plan of standardizing youth sports has to be established. We want to encourage and fully support the practitioners of youth sports to actively participate in the standardization process.

As a leading member of the industry, we are responsible for making recommendations that are beneficial to the development of the industry to the government and provide feasible proposals based on the actual situation. In conjunction with the Winter Olympics that the country is going to host in 2022, we focus on the development of winter sports in Mainland China during the year, to expedite the social knowledge and understanding to the sports and provide them with more opportunities to experience so that they can enjoy the joy brought by winter sports.



Moreover, physical literacy education of the youth has always been our focus on development. We would like to communicate directly with the government in order to establish a more suitable and attractive educational and promotional project for the youth, so that the youth in China will have a better understanding of winter sports, to arouse their interest. As for the lack of resources in impoverished areas, we hope to work on the platform, teachers, equipment and education to promote the local development of physical education and allow all youth to experience the fun in sports.

Take the lead – “Happy Snow” on campus

As the official partner of Beijing 2022 Winter Olympics, the first “Sturdy Growth Charity Project – Winter Olympics promotion and education base” was launched in the Second Primary School of Zhangjiakou Economic Development Zone in Hebei Province. It aims to promote winter sports in Zhangjiajie and cultivate young people’s knowledge and interest in winter sports taking schools at a starting point. We hope to achieve the goal of “300 million winter sports participation” through active promotion. We believe that by continuously developing the “Sturdy Growth Charity Project”, we will be able to create better sports condition for Chinese youth and further develop the youth participation in winter sports.

Children and young people

“Sturdy Growth Charity Project”

In the past three years, we have established the “Sturdy Growth Charity Project” with the China Youth Development Foundation and the ADream Foundation. We started with three big projects on equipment donation, literacy education and sports education. We are investing over



RMB500 million, which allows 10million young people from underdeveloped areas to grow and develop in a joyful way with the help of systematic sports and literacy education. The “Sturdy Growth Charity Project” focused on supporting both the physical and cognitive aspects with an aim to tackle poverty issue for young people in underdeveloped areas.

During the year, the “Sturdy Growth Charity Project” mainly covered the impoverished regions. “Love never stops and enlightens the future” charity event was held in Huining, Gansu in June, our management personally attended the event. In July, our staff and their families visited the “ANTA ADream Center” in Qionglai, Sichuan and spent a brief but meaningful time in the summer camp with the children from Sichuan.

We always believe that we should not only be a donor but also be a highly involved participant and contributor. Therefore, we deem this project a continuous project instead of a one-off project. Through the “Sturdy Growth Charity Project”, we hope that 10 million rural children will be able to obtain comprehensive physical education and receive quality education resources, which will also enhance their sports spirits and allow them to thrive. We believe that charity projects are only sustainable by embedding the core values of the corporate into the projects.

Athletes

Sponsor the Chinese team in the Olympics

We have been the official partner of the Chinese Olympic Committee since 2009. Over the years, we have provided sportswear and apparel in the awards presentation ceremony for the Chinese athletes at multiple international Olympics races. Going forward, we will work together with the Beijing Winter Olympic Committee and we will be the official sportswear sponsor for the Beijing Winter Olympics 2022 and Paralympics.

OVERALL PERFORMANCE IN 2019



Local community

ANTA ADream Camp Volunteer Association

At the end of 2017, we established the “ANTA ADream Camp Volunteer Association”. Six major branches will be established across the country, each branch will be given a certain amount of funds to subsidize their charity events every year. The purpose of the Association was to encourage employees to actively participate in charity events, so that they will be more involved in all kinds of social activities and contribute to social development. The association has a total of six sub-associations in the country and the Group allocates an independent charitable activity budget every year. At the same time, we also give a five-hour charity holiday to each participating staff every year, aiming to increase the employees’ motivation in supporting charity events. During the year, associations in different regions held various kinds of activities on the “ANTA Charity Day”:



📍 Xiamen

Collaborated with an autism rehabilitation center and held a charity sale to raise funds for children with mental disabilities in doing rehabilitation training.

📍 Beijing

Joined the support center, held seminars for parents and staff at the organization, and provided training for children with autism.

📍 Shanghai

Organized clothing donation and delivered the collected clothing to the villagers and students in Nanning, Guangxi.

📍 Jinjiang

Organized hiking event and cleaned up along the hike.

Opening of the first “ANTA Gobi Club ADream Center”

“ANTA Gobi Club ADream Center” is the organization established by the Gobi expedition team. It aims to encourage members of the “Gobi Club” to pay attention to the area of environmental protection in the Northwest of China and the education quality of the local children during their Gobi expedition.

In “ANTA Gobi Club ADream Center”, we donated sportswear products and books to children, supporting their development of knowledge and a healthy body. Local children can also participate in literacy programs that are in different themes. For example, there are sports programs and cultivation programs on environmental protection awareness, so that children with relatively fewer resources will be able to gain knowledge in different areas, nurture their love in sports and grow healthily.

Change and support in the Pandemic

A new model of retail during the Pandemic

In 2020, as affected by the Pandemic and required by anti-pandemic measures, we have shifted our focus of sales to online e-commerce channels. With the effort of our staff, we increased the investment of online sales in general. On the other hand, we invited brand endorser and contracted athletes to

film short clips of indoor sports, in order to encourage people to exercise at home, stay healthy while combating the Pandemic.

We believe that when the Pandemic is over, the public would be more active in pursuing a healthy lifestyle, the consumer demand would also be higher than in the past. Therefore, we hope to further promote a lifestyle of healthy living and

sustainable development to prepare for consumer demand after the Pandemic.

As a corporate capable of allocating resources flexibly, we responded actively at the critical moment of the Pandemic. We rapidly responded and allocated the resources available. We provided substantial material assistance and cash donation to relevant organizations and individuals:

Beneficiaries			
	China Charity Federation	Frontline medical staff of Hubei	A county hospital in Huanggang, Hubei
The total amount of donation	RMB10 million	Supplies worth RMB20 million Including winter outfit and daily supplies which benefited 30,000 medical staff	RMB1 million

We hope to provide as much help as possible to the frontline medical staff and affected individuals, ensuring that they can cope with the difficult situation with sufficient resources. At the same time, we would like to express gratitude for the medical staff's dedication and sacrifice to society.

PROSPECTS

In 2020, the world has entered a crisis that we have never been seen before. From economy, people's livelihood to cultural exchange, things have been shut down due to the Pandemic. However, we believe that with the solid foundation and the agility of ANTA Sports, we will certainly be able to overcome the challenges, just like our slogan of "Keep Moving". No matter how much variation we see in the external environment, our innovative ability, forward-looking strategy and the excellent team that we have will guide us through a journey of innovation despite the crisis.

In order to review our sustainable development performance constantly, we have formulated a basic framework for sustainable development after rounds of discussion. The framework is divided into three stages, namely "Follower", "Participant" and "Leader". On the path of sustainable development, we are now in the middle stage, "Participant". We aim to implement all kinds of international social initiatives. We believe that as long as we continue to develop gradually towards the goals, we will be able to meet our goal in becoming the "Leader" and work with our international peers to become respectable world-class, multi-brand sportswear Group.



Sustainable Development Goals	Progress in 2019	Stage goals
Data collection and hardware upgrade	<ul style="list-style-type: none"> Addition of data disclosure of logistics centre and office building in Shanghai 	<ul style="list-style-type: none"> Expand the scope of data collection and audit in order to cover a more comprehensive scope for disclosure
Information Management System	<ul style="list-style-type: none"> During the year, we have started to test the integrated manufacturing operations management (IMOM) system, allowing us to monitor real-time target and actual production capacity, so as to reflect production progress and product quality 	<ul style="list-style-type: none"> Cooperate with professional IT corporations to improve the existing systems and assist distributors to upgrade their systems
Increase the transparency and legitimacy of the guidelines	<ul style="list-style-type: none"> During the year, report will be published regularly and both Chinese and English versions will be uploaded for public access Set up a sustainable development website for the Group and provide a new way for the public to check for relevant performance This report has been awarded the “CarbonCare® ESG Label” by the “CarobonCare Inno Lab” for the 4th consecutive year Continue to improve report quality to maintain the ratings of Hong Kong Quality Assurance Agency under the HKQAA's Sustainability Rating and MSCI 	<ul style="list-style-type: none"> Comprehensively improve the disclosure standards in this report to meet international standards Continue to strive for joining international sustainable development institutions and obtain relevant certifications
Product design	<ul style="list-style-type: none"> ANTA uses discarded plastic bottles as raw materials to make recycled polyethylene terephthalate (“RPET”) fabrics, and launch the A-AWAKE ENERGY series “Train and Recycle”, which is a self-invented eco-friendly series of green technology, becoming one of the Chinese sportswear companies meeting the RPET inspection standards KOLON SPORT launched NOACH, an environmental protection project that aimed at protecting endangered animals and plants and maintain the ecosystem. KOLON SPORT launched the NOACH series during the year, using ramie fabric, also known as the “King of natural fiber”, whose functions included soft, UV protective, hygroscopic, moist wicking and heatdissipating etc. 	<ul style="list-style-type: none"> Find ways to improve the environmental aspects of the product during the design and R&D phase Increase the proportion of products with environmentally friendly properties

PROSPECTS

Sustainable Development Goals	Progress in 2019	Stage goals
Carbon data management	<ul style="list-style-type: none"> Fully check for the comprehensiveness and accuracy of the data. Also, improve the unsatisfactory part, for instance including vehicles in Shanghai office 	<ul style="list-style-type: none"> Institutionalize and standardize carbon emission data collection and organization to improve data accuracy
Systematization and comprehensiveness of data collection	<ul style="list-style-type: none"> Require certain suppliers to obtain information system certification or related system certification 	
Stakeholder communication	<ul style="list-style-type: none"> The management continues to discuss and prepare for an independent sustainable development work force Invite stakeholders to conduct online survey for evaluating each key issue and providing feedbacks for the first time 	<ul style="list-style-type: none"> Establish an independent sustainable development work force
Employee rights	<ul style="list-style-type: none"> Organize different staff events to promote a more inclusive corporate culture and cultivate team spirit Solve the housing problems of employees, so as to reduce their burden and meet their needs of family life, so that employees can develop their businesses with peace of mind. We not only provide accommodation for employees, and family rooms in the dormitory for staff who are married, but also set up a “Sweet Home Plan” to offer mortgage assistance based on their ranks and seniority 	<ul style="list-style-type: none"> Discuss and research on living wages and establish a more comprehensive system for pay scale
Supply Chain Management	<ul style="list-style-type: none"> Formulate clear, detailed and multi-dimensional assessment criteria for the suppliers. Apart from business capability, we also consider adding different social responsibilities and governance performance in the assessment criteria Arrive with a cooperation agreement with BCI to improve the sourcing of cotton and become the first sportswear brand that work with BCI in China 	<ul style="list-style-type: none"> Collaborate with external organizations to formulate sustainable development procurement

In the future, we will continue to uphold the spirit of “Keep Moving” and continue to improve the Company’s sustainable development performance. At the same time, we will strive to support industry development and create long-term value for the Company and the industry.

SUSTAINABILITY OVERVIEW

A. Environment
<ul style="list-style-type: none"> – Strictly abide by local environmental laws and regulations in where our business operates and try our best to avoid making irreversible damage to the environment. – We have an indispensable responsibility to promote the importance of environmental protection in the industry and in society. – Pay close attention to how environmental changes impact the Group and prepare accordingly. – Regulate all types of suppliers through different administrative and operational means, trying to eliminate elements in the supply chain that have a negative environmental impact.

	Key performance indicators	
	HKEx guidelines	Global Reporting Initiative

Level A1: Emissions

<p>Emission types and data on related emissions</p> <p>Total greenhouse gas emissions</p>	<p>Total GHG emissions: 103,656 tonnes CO₂e</p> <p>Scope 1 (Solid, liquid and gaseous fossil fuels): 15,298 tonnes CO₂e</p> <p>Scope 2 (Purchased electricity): 88,358 tonnes CO₂e</p> <p>Carbon intensity: 3.06 tonnes CO₂e per million RMB revenue</p>	<p>A1.1</p> <p>A1.2</p>	<p>√</p>
<p>Total amount of harmful and non-hazardous waste</p>	<p>Non-hazardous solid waste: 2,460,514 kg</p> <p>hazardous waste: 3,014 kg</p> <p>In respect of volume of waste production, due to the improvement of manufacturing technology, the materials used and production process adapted are basically safe and non-hazardous. According to our size of revenue, our waste production remained at a low level, the amount of hazardous waste generated is not significant. During the year, our hazardous wastes were mainly waste oil and sludge. They would be stored temporarily in the specified hazardous storage room and collected regularly by qualified recyclers.</p>	<p>A1.3</p> <p>A1.4</p>	

SUSTAINABILITY OVERVIEW

		Key performance indicators	
		HKEx guidelines	Global Reporting Initiative
Emission reduction measures and results	<p>Overall, as our business was in the expansion stage, the overall revenue has also increased. However, the growth rate of carbon emissions was under control and lower than the growth rate in revenue, proving our executed environmental policy was effective.</p> <p>During the year, we continued to strictly adhere to the policy of use of energy, tried to avoid the use of coal and other highly polluting energy sources, and strived to control the overall GHG emissions within a reasonable increase.</p>	A1.5	√
Methods for handling hazardous and non-hazardous waste; Measures and results for reducing production rate	<p>Regarding hazardous waste, we established a strict code for the treatment and use of chemicals. By estimating the use of chemical, we avoid preparing chemicals that are more than required and creating harmful waste. If too much chemical were prepared, the excess will be processed based on the Group's procedure.</p> <p>For non-hazardous waste, we encouraged our staff to reduce waste and follow the "4Rs" – Reduce, Reuse, Recycle and Recover, with the aim to produce less general waste. All general waste will be disposed in accordance with the internal treatment code. The waste will be recycled or disposed of based on actual condition.</p>	A1.6	√

Level A2: Use of resources

Direct and indirect energy (e.g. electricity, gas or oil) by type	<p>Total natural gas consumption: 2,033,039 m³</p> <p>Total diesel consumption: 2 tonnes</p> <p>Total coal consumption: 0 tonnes</p> <p>Total gasoline consumption: 19 tonnes</p> <p>Total electricity consumption: 116,430,026 kWh</p> <p>Total steam consumption: 162,424 GJ</p>	A2.1	√
Total water consumption (Cubic meters)	Total water consumption: 1,912,097 m ³	A2.2	√

		Key performance indicators	
		HKEx guidelines	Global Reporting Initiative
Energy use efficiency plan and results	During the year, we reduced the consumption of natural gas, further reducing the dependence on fossil fuels. As replacement, we have instead increased the use of electricity and steam to maintain the normal operation of the production line and businesses sectors.	A2.3	√
Enhance water efficiency plan and results	<p>We use the water supplied from the government, and do not consume any water directly from natural habitat. We have not yet established a mature water recycle and reuse scheme.</p> <p>Due to the overall expansion and development of our business, the water usage increased 14.0% compared to last year. However, by comparing with our revenue growth, the level of increase in water usage is still very reasonable. In the future, we will continue to monitor our water usage situation, and actively seek for improvements.</p>	A2.4	√
Total amount of packaging materials in finished products	<p>Paper (including paper boxes, paper bags and wrapping paper etc.): 11,561 tonnes</p> <p>Compared with last year, due to the full use of logistics centre and the increase in the numbers of FILA stores, the amount of packaging materials used have increased significantly. Our major packaging material used is paper. We did not use any renewable materials, and have yet to establish a mature packaging materials recycling schemes. We will continue to encourage our employees to reduce the distribution of paper bags, and strengthen consumer education to further reduce the amount of paper packaging materials used.</p>	A2.5	√

Level A3: Environment and natural resources

Significant impact on environment and natural resources caused by business activities and relevant actions taken	<p>Our major business focus on brand operation, product production and sales. Apart from GHG emissions and waste disposal, there is no significant impact on the environment and natural resources.</p> <p>We disclosed different ways and strategies above to reduce environmental impact brought by the business operation.</p>	A3.1	√
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SUSTAINABILITY OVERVIEW

B. Society
Employment and labor guidelines
<ul style="list-style-type: none"> – We abide by the laws and regulations in order to prevent any form of exploitation; – We employ our staff by talents and we respect our staff’s personal choices, regardless of gender, age, religion, nationality and other personal attitudes; – We are responsible to provide reasonable treatment and protection for our staff and ensure that they have a reasonable quality of life at where they are; – We are responsible for providing a safe working environment for our staff; – We are responsible for providing a comprehensive training program for our staff and ensure that they can apply their skills in appropriate roles; – We respect our staff’s family roles and we will do our best to arrange following their needs.

	Key performance indicators	
	HKEx guidelines	Global Reporting Initiative

Level B1: Employment

Total number of employees by gender, type of employment and age group	Total number of staff = 30,800 Overall male to female ratio = Male 31.6%; Female 68.4% – By rank and gender: Office staff = Male%: 11.8%; Female 12.9% Retail staff = Male 5.7%; Female 35.2% Factory staff = Male 14.1%; Female 20.3% – By age group: 16 years old or below = 0% 16–24 years old = 15.6% 25–40 years old = 69.9% 41–59 years old = 14.4% 60 years old or above = 0.1%	B1.1	√
Staff turnover rate by gender, age group and region	We would not disclose the information in the Report as we are optimizing the data collection system.	B1.2	√

	Key performance indicators	
	HKEx guidelines	Global Reporting Initiative

Level B2: Health and safety

Number and rate of death due to work	<ul style="list-style-type: none"> – Number of injuries at work: Office staff = 4 Retail staff = 27 Factory staff = 13 – Injury rate at work: Office staff = 0.05% Retail staff = 0.2% Factory staff = 0.1% – Number of duty-related death: 0 – Rate of duty-related death: 0% 	B2.1	√
Number of working days lost due to injury at work	<ul style="list-style-type: none"> – Office staff = 55 days – Retail staff = 240 days – Factory staff = 551 days 	B2.2	
Adopted occupational health and safety measures and relevant implementation and monitoring methods	<ul style="list-style-type: none"> – Provide appropriate equipment for the staff based on the roles' intensity, category, machines that they operate and the materials that they handled. – Regular inspection of production facilities and check the status of the machine in order to make sure all facilities are in good condition and avoid industrial accidents. – Provide health and safety training and assessment for staff to ensure that they fully understand how to operate the machines and handle the materials properly, so as to avoid injury due to improper operation. – Provide an annual health check for employees. – Establish a "Worry-free Medical Plan" and provide additional medical insurance for our staff. 	B2.3	√

SUSTAINABILITY OVERVIEW

	Key performance indicators	
	HKEx guidelines	Global Reporting Initiative

Level B3: Development and training

Percentage of trained staff by gender and employment type	We would not disclose the information in the Report as we are optimizing the data collection system.	B3.1	√
Average training hours per staff by age and employment category	We would not disclose the information in the Report as we are optimizing the data collection system.	B3.2	√

Level B4: Labor guidelines

Recruitment practice	<p>We established a “Prohibition of Child Labor Recruitment and Remedial Procedures”. All businesses will not recruit child labor or forced labor. The labor contract that the Group signed with the employees clearly states the violation and liabilities.</p> <p>During the year, we did not hire staff who are 16 years old or below in any position.</p>	B4.1	√
Remedial measures when violations are found	Once we found that child labor is recruited by mistake, we will immediately take the remedial solutions. First, a report will be sent to the labor department for review and verification. At the same time, the related staff will be required to stop working immediately and they will be sent to the hospitals for a health check. If the staff is confirmed to be child labor, we will issue the full wages and notify the child's parents, so that the child will be passed to the hands of their guardians in a timely manner. Besides, we will retain the copy of the proof of age documents for record.	B4.2	√

	Key performance indicators	
	HKEx guidelines	Global Reporting Initiative

Level B5: Supply chain management

<ul style="list-style-type: none"> – We are responsible for ensuring that the manufacturing process is fully compliant with the requirements of national laws and regulations; – As a responsible corporation, we need to ensure the quality of the Group's governance is in compliance with the requirements of the law and it also fits into the social norms; – We have a responsibility to ensure that the governance structure of the Group is open and transparent, in which all stakeholders can obtain relevant information of the Group through a reasonable channel; – We are responsible for supervising suppliers so as to ensure they are in compliance with laws and regulations in terms of environment, society and governance, and fulfill corporate social responsibility with the Group; – We are responsible for ensuring employees of the supply chain the reasonable treatment and protection. 			
Number of suppliers by region	Chinese suppliers = Over 649 Overseas suppliers = Over 20	B5.1	√
Practice of hiring suppliers, number of suppliers who have implemented similar practice, and relevant implementation and monitoring methods	<p>Basic supplier evaluation criteria:</p> <ul style="list-style-type: none"> – Performance and rating in three areas: creditability, contract spirit and financial stability; – Based on the requirements of product type, price and company size, the suppliers have R&D capability, production management capability and quality control systems that are in line with the industry standards; – Hold Chinese certification related to production and quality control and obtain other international standards or certificate systems, if possible; – Meet the requirements listed in the background questionnaire; and – Conduct due diligence inspection on all suppliers <p>we have established a set of detailed requirement criteria based on law and regulations and introduced a “Zero-tolerance” policy. This ensures proper measures on important issues are taken by the suppliers and the risk of operation is reduced.</p> <p>In order to ensure the ten corporate social responsibility requirements are all implemented by suppliers. We will also monitor their operation by conducting field inspection and performance management according to the number of years of cooperation and past performances, calculate and summarize their performance.</p>	B5.2	√

SUSTAINABILITY OVERVIEW

	Key performance indicators	
	HKEx guidelines	Global Reporting Initiative

Level B6: Product liability

- We are responsible for ensuring that the manufacturing process is fully compliant with the requirements of national laws and regulations.

Percentage of sold or shipper products that are recalled for health or safety reasons	Total recalling rate: Less than 0.03%	B6.1	√
Number of product and service complaint and relevant strategies	<p>In 2019, we received 5,433 customer complaints, which related to footwear accounted for 55.5%, apparel for 43.3% and accessories for 1.2%.</p> <p>Customer service staff will file and sort the customer complaints and feedback according to the “Customer Services Department Article”. The complaints and feedback would then be forwarded to the related self-operated stores or distributors for investigation and verification. In order to ensure that distributors handle the relevant complaints truthfully, staff from the Customer Service Department will contact customer again to confirm if the process is recognized by the customers.</p>	B6.2	√
Related conventions on intellectual property maintenance and protection	<p>We value the intellectual property protection and respect the originality of the design. Therefore, we have a strict design internal process, and we encourage consumers to report counterfeit goods. At the same time, we will cooperate with suppliers and law enforcement agencies to take action against relevant factories in order to ensure the brand's market position.</p> <p>There have been about 1,600 cases of productive counterfeiting and brand infringement activities successfully cracked during the year, of which about 30% are counterfeit production factories and about 70% are shops selling counterfeit products. In addition, the number of online infringing product links successfully deleted was about 3.78 million.</p>	B6.3	√

		Key performance indicators	
		HKEx guidelines	Global Reporting Initiative
Quality control process and product recycling program	<p>"Chemical Safety Technical Specification for Apparels, Shoes and Accessories" provides guidance for our factories, OEM manufacturers and suppliers to strictly regulate the materials and finished products used in the production process, so that they comply with the relevant regulations on chemical safety in China. We carry out risk assessments and inspection control at all stages of the product life cycle, such as raw material procurement security guidelines, product testing requirements, chemicals threshold requirements, hazardous chemical content and other health and safety projects. We have formulated and implemented respective inspection plans, standards and codes of practice based on these aspects of evaluation and inspection.</p>	B6.4	√
Consumer data protection and privacy policy, and related implementation and monitoring methods	<p>Most of the Group's non-production systems have obtained ISO27001 Information Security International Certification and we have developed a comprehensive corporate information security management system. Among all, we regulate safety management regulations, legal compliance management regulations and network access regulations based on the "26 Information Security Systems". In terms of system security management, we have established clear security requirements in "Application System Development and Maintenance Safety Management Regulations" and "System Access Management Regulations". We also invited external consulting agencies to inspect the system.</p> <p>During the year, no case of data breaches occurred within the company.</p>	B6.5	√

SUSTAINABILITY OVERVIEW

	Key performance indicators	
	HKEx guidelines	Global Reporting Initiative

Level B7: Anti-corruption

- We are committed to maintaining high corporate governance. We expect our staff can hold the highest ethical standards, be responsible for their languages and attitudes at work, comply with business standards and handle the business in compliance.

Number of corruption cases filed and concluded by the issuer or its staff during the year and the outcome of the proceedings	During the year, we have won 2 corruption-related lawsuits.	B7.1	√
Precautionary measures and reporting procedures, and relevant implementation and monitoring methods	<p>We take any suspected criminal offence, improper conduct that violate governance guidelines and codes of conduct seriously, Audit and Supervision Department investigate on anti-corruption cases and they are independent of the Group's management, which ensures the independence and objectivity of anticorruption work in the corporate governance structure. This department has adopted strict security measures to protect the privacy of the whistleblower. We will ensure that the information we received, registration information and investigation progress are all strictly protected. Besides, in order to further protect the whistleblower, we established the "ANTA Reporting Incentive System", in which named whistleblower will be included in a "Special Protection List", where they will be protected from unnecessary nuisance.</p> <p>If the corruption cases are found to be true, employees who reported the case will be awarded 50% of the amount involved with the case, with a maximum amount of RMB1 million.</p> <p>In terms of education and awareness raising, we do not only provide anti-corruption trainings to employees, but also required them to fully understand the content of "Integrity Responsibility Book" to ensure they have a comprehensive understanding of anti-corruption.</p>	B7.2	√

	Key performance indicators	
	HKEx guidelines	Global Reporting Initiative

Level B8: Community investment

<ul style="list-style-type: none"> – Support national policy and promote industry development, taking a spot in the international arena as a Chinese sportswear brand; – Enhance the society's attention and understanding through our brand influence, lower the threshold of doing all kinds of sports and promote healthy living; – Provide an opportunity for all teenagers from the poverty areas in China to wear high quality sportswear, so that they can enjoy the joy of sports regardless of being rich or poor; – Popularize quality physical education in China and equip young people with proper sports science knowledge; – Integrate resources to support Chinese athletes; – Actively cooperate with national anti-pandemic actions. 			
Focus area of contribution (E.g. education, environmental protection, labor needs, health, culture, sports)	<ul style="list-style-type: none"> – Presented two proposals to the National People's Congress: one of them is the "Proposal on Continuously Strengthening the Cultivation of Endogenous Growth Momentum in Winter Sporting Goods Industry", and the other one is "Proposal on Accelerating the Establishment of Youth Sports Relevant Standards and Assisting Youth in Health Growth". – As the official partner of Beijing 2022 Winter Olympics, we aimed at promoting winter sports in Zhangjiajie and cultivate young people's knowledge and interest in winter sports taking schools at a starting point. – "ANTA Gobi Club ADream Center" is the organization established by the Gobi expedition team. It aims to encourage members of the "Gobi Club" to pay attention to the area of environmental protection in the Northwest of China and the education quality of the local children during their Gobi expedition. – We responded actively at the critical moment of the Pandemic. We donated RMB10 million to relevant anti-pandemic organizations such as China Charity Federation as early as in January. In the meantime, we donate supplies worth RMB20 million including winter outfit and daily supplies which benefited for 30,000 medical staff. 	B8.1	√

SUSTAINABILITY OVERVIEW

		Key performance indicators	
		HKEx guidelines	Global Reporting Initiative
Resources used in area of focus	<ul style="list-style-type: none"> – We donated to different charity organizations and charity events such as the Jinjiang Charity Federation, the Bethune Charitable Foundation and the “Sturdy Growth Charity Project”, involving cash donation of over RMB36 million and sports equipment that reaches over RMB100 million in retail price. – After almost three years, we have donated cash and sportswear equipment with retail price over RMB174 million through the “Sturdy Growth Charity Project”. The donation supported over 2,286 schools in impoverished areas and over 770,000 of youth are benefited, in which they were given the chance to enjoy the joy brought by sports. 	B8.2	√

GLOSSARY

AMER SPORTS

Amer Sports Oy (Amer Sports Corporation), a sporting goods company incorporated in the Republic of Finland

ANTA

ANTA brand

ANTA CHANGTING (PRC)

Changting ANTA Sports Products Co., Ltd.

ANTA CHINA (PRC)

ANTA (China) Co., Ltd.

ANTA KIDS

ANTA KIDS brand

ANTA SPORTS/COMPANY/ GROUP/WE/OUR/US

ANTA Sports Products Limited

ANTA STORE(S)

ANTA authorized retail store(s)

ANTA XIAMEN (PRC)

Xiamen ANTA Sports Goods Co., Ltd

ATHLETIC (PRC)

Quanzhou Athletic Shoes & Garments Co., Limited

BCI

Better Cotton Initiative

BOARD

The Board of Directors

CARBON CARE ASIA/CCA

Carbon Care Asia Limited, a professional consultancy firm

CHINA/PRC

People's Republic of China

CO₂e

Carbon dioxide equivalent

CONSULTANCY FIRM

Independent, third-party, professional consultancy firm

DESCENTE

DESCENTE brand

ESG REPORT/REPORT

Environmental, Social, Governance Report

FILA

FILA brand

FILA KIDS

FILA KIDS brand, which offers FILA products for children

FILA STORE(S)

FILA retail store(s)

GHG EMISSIONS

Greenhouse gas emissions

GRI

Global Reporting Initiative

HENAN MATERIAL(PRC)

Henan ANTA Material Supply Limited

HKEX

The Stock Exchange of Hong Kong Limited

HONG KONG

The Hong Kong Special Administrative Region of the PRC

KINGKOW

KINGKOW brand

KOLON SPORT

KOLON SPORT brand

LISTING RULES

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

MACAO

The Macao Special Administrative Region of the PRC

MSCI

Morgan Stanley Capital International Global Standard Index

OEM

Original equipment manufacturer

PANDEMIC

2019 novel coronavirus disease (COVID-19)

QUANZHOU MATERIALS(PRC)

Quanzhou ANTA Material Supply Limited

R&D

Research and development

RMB

Renminbi, the lawful currency of the PRC

SDGS

The United Nations's 17 Sustainable Development Goals

SHAREHOLDERS

Shareholders of the Company

SKU

Stock keeping unit

SPRANDI

SPRANDI brand

UNESCO

United Nations Educational, Scientific and Cultural Organization

XIAMEN ANTA INDUSTRIAL (PRC)

Xiamen ANTA Industrial Limited

YEAR

The year ended 31 December 2019



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