

# 361°

**DEGREES  
INTERNATIONAL  
LIMITED**

STOCK CODE: 1361



# 2023

# ESG

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

# REPORT

# 361°

**361 DEGREES  
INTERNATIONAL LIMITED**

Stock Code: 1361

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361°

# ABOUT 361°

Established in 2003, 361 Degrees International Limited (the "Company" or "361°", together with its subsidiaries, the "Group") was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (stock code: 01361.HK) in 2009. As a leading sportswear enterprise in China, with the brand positioning of being "professional, youthful, and internationalised", 361° is a comprehensive sports goods company integrating branding, research and development, design, production, and distribution. Leveraging on such advantages, 361° will continue to adhere to high-value, multi-category sports products and promote the brand spirit of "ONE DEGREE BEYOND" (多一度熱愛) to a wider range of consumers.

361° focuses on the development of the 361° brand and the 361° kids brand. 361° focuses on the functionality and trendiness of its core categories of product, namely those for running, basketball and sports life. It has launched co-branded products with well-known intellectual properties ("IPs") to reach broader consumer groups. Continuing the sports DNA of 361°, 361° kids is positioned as a "Youth Sports Expert", with differentiated competitive advantages of professional functionality, health technology and trendy elements to better meet the needs of various sports equipment for children and adolescents.

## 361° Brand Positioning

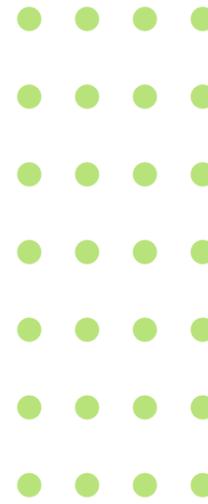
### Professional, Youthful, and Internationalised

361° adheres to its "Professional Sports" foundation, utilizing its exceptional technological and innovation capabilities to continuously rejuvenate the brand, and embracing the global market with unique insights.

## 361° Kids Brand Positioning

### Youth Sports Expert

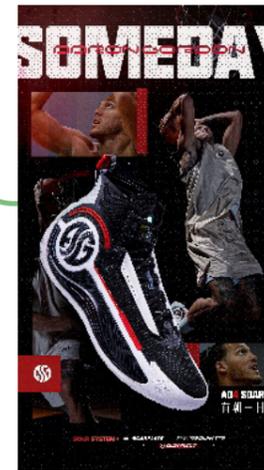
361° Kids focus on the children's and adolescents' professional sporting goods market. Embracing the brand statement of "CHASING YOUR LOVE!", 361° Kids is dedicated to providing professional, healthy, and comfortable sports products for children and adolescents.



## Our Sports Goods

### Sports Goods for Running

Our latest products fully utilise the Group's core technological capabilities and through constant refinement and improvement, we have established a diverse and multi-tiered product matrix that caters to requirements of runners at all levels, ranging from novices to advanced trainers and professional elite runners.



### Sports Goods for Basketball

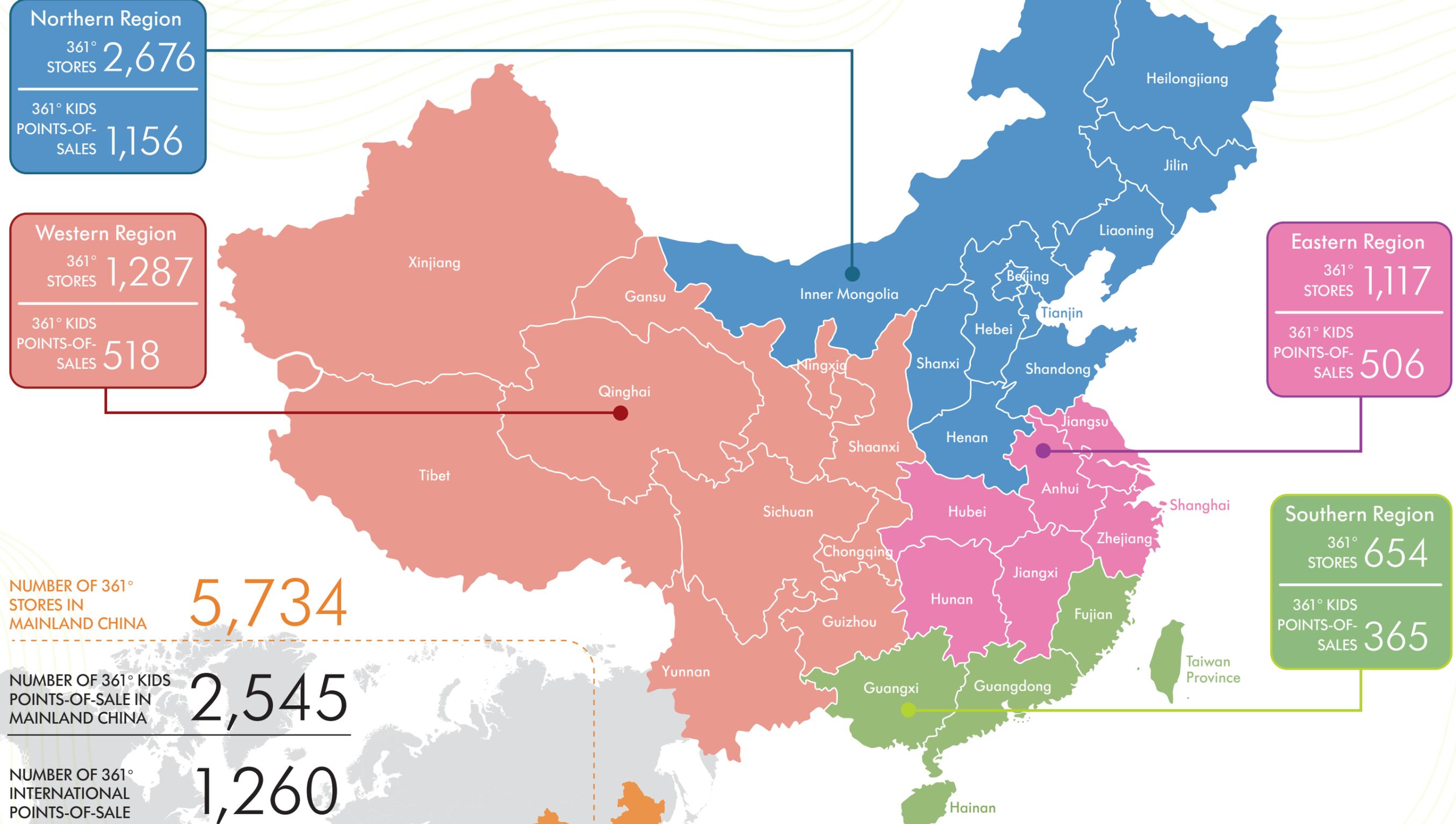
By continuously investing in research and development ("R&D") and collaborating with basketball organisations, we have successfully integrated the requirements of professional sportspersons into our products.

### Sports Goods for Comprehensive Training and Lifestyle

Our products are designed to meet the consumers' diverse needs for professional sports, by combining product functionality with trendy designs.



# Global Retail & Distribution Network



# 2023 HIGHLIGHTS

## Key Financial Performance

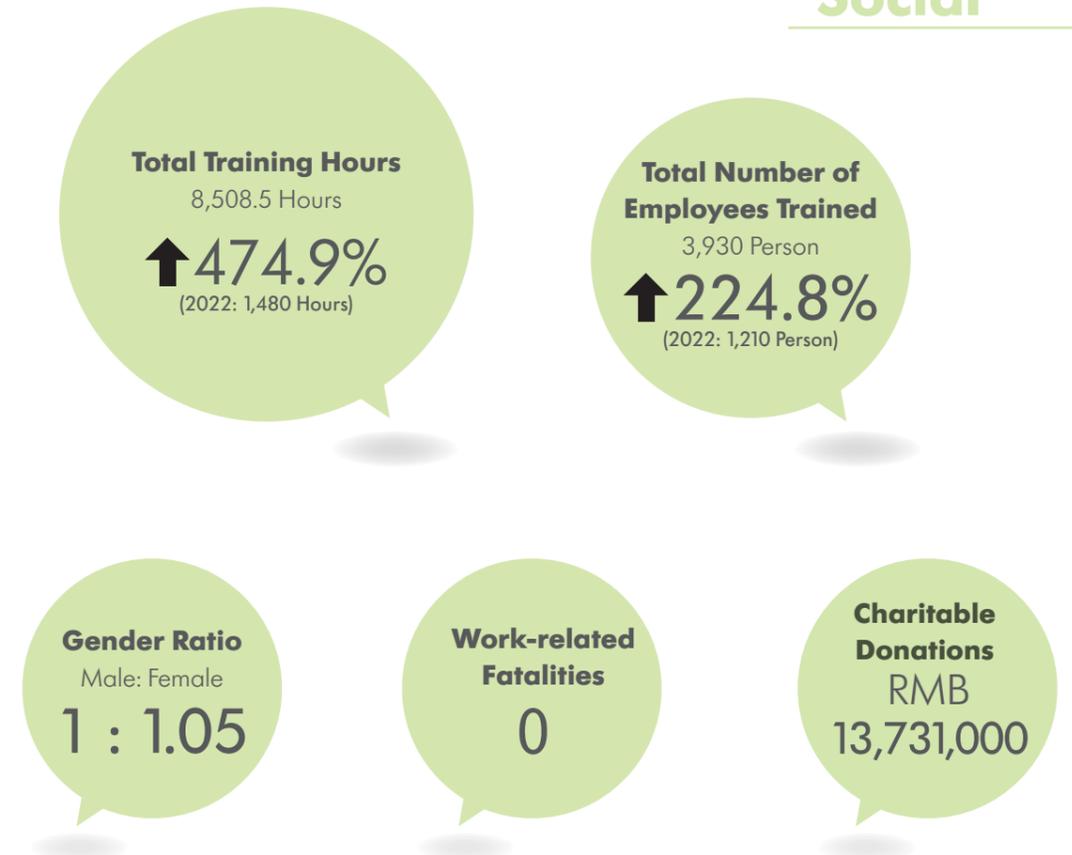


## Environmental



<sup>1</sup> Number of points-of-sale in China and worldwide (9,166) = Number of 361° stores in Mainland China (5,734) + Number of 361°Kids points-of-sale in Mainland China (2,545) + Number of 361° international points-of-sale (1,260) - Number of 361°Kids compound points-of-sale (373)

## Social



## Award in 2023 Sustainability Awards and Ratings



The Greater Bay Area  
Association of Listed Companies  
• ESG Innovation Award 2023

ESG Risk Rating **CORE** ?

**18.8** Low Risk

Negligible	Low	Medium	High	Severe
0-10	10-20	20-30	30-40	40+

Sustainalytics ESG  
Risk Ratings  
• Low Risk

# Awards in 2023

## R&D

### Flying Flame 3.0

- 2023 China Design Intelligence Award



### SPIRE5

- FIRST AWARD by Test 4 Outside, France



### CENTAURI

- One of the five best training shoes for 2023 by the "Runner's World", US
- Best Value for money Running Shoes Award from "Runner's World", Germany
- Included in "Innovation" and "Walking & Running" categories by FIT Sport Design Awards, Switzerland
- Hot Deal Award for its value for money by Test 4 Outside, France



### FUTURA

- Best Lightweight Trail Shoe- Editor's Choice Award by "OUTSIDE", US



### The "Louvred Window"

- 2023 China Top Ten Textile Technology-Emerging Technology Award



### CQT Carbon Critical Technology

- Blue Whale JING CHAO AWARDS – Hardcore Technology Award



## Social Responsibility

### Mr. Ding Wuhao was honoured with the

- "Influential Person of the Year" at the Annual Brand Conference 2023 of "Southern Weekly"



## Capital Market

- Best Capital Market Communication Award, Best IR Director from the 7th China IR Annual Awards
- The 14th China Listed Companies (Hong Kong Stocks) Investor Relations ("Tianma Award")
- The 6th New Fortune Best IR of Hong Kong Listed Company (H-share)

- Best Investor Relations Company
- Best Investor Relations Team
- Best Investor Relations Specialist from the 9th Hong Kong Investor Relations Association



## Brand Marketing

- Outstanding Sports Marketing by Economic Observer
- Most Influential Consumer Brand of the Year Award by CAIJING.COM.CN
- 2023 Best Marketing Brand by Lanxiong Sports

- 2023 Elite Race of the Year Award, 2023 Sports Marketing Award by SPORTS MONEY
- Commercial Sponsorship Award, Outstanding Sports Endorsement Award by ECOTIME CONFERENCE



# ABOUT THIS REPORT

This is the seventh Environmental, Social and Governance (“ESG”) Report published by the Group, which discloses its management approach and performance on material environmental and social issues for the financial year ended 31 December 2023 (“FY2023” or the “period under review”). This report is published in both Chinese and English versions, and in the event of any discrepancy between the two versions, the English version shall prevail.

## Reporting Guidelines

This report adheres to the ESG Reporting Guidelines (Appendix C2) of the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange and is based on the actual situation of the Group regarding the principles of “Materiality”, “Quantitative”, “Balance” and “Consistency”.

## Reporting Scope

In line with the operational control approach, the Group consistently determines the reporting scope based on the principle of “Materiality”. As there have been no significant changes in the Group’s business operations, the scope of this ESG Report remains unchanged from the previous year. It narrates the performance and management policies of the Group’s major operating entities, including its office in the Hong Kong Special Administrative Region (“Hong Kong”) and business operations in offices and manufacturing factories located in the United States, Europe (specifically the Netherlands), and the People’s Republic of China (“PRC”). Businesses in Brazil and Taiwan (China) are not included in the ESG Report since there were no operations there during the period under review.

## Feedback

If you have any comments or suggestions regarding this report, you are welcome to contact the Group at the following address or by email:

Address : Room 1609, 16/F, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, China Hong Kong  
Email : nina@361sportshk.com

# CHAIRMAN’S MESSAGE

As a globally recognised integrated sports goods company and a leading Chinese national brand, 361° has always considered sustainable development a core value and a strategic direction. Guided by the brand spirit of “ONE DEGREE BEYOND” (多一度熱愛), 361° leverages technology as a driving force and strives for professional excellence across various dimensions, including brand influence, product quality, corporate governance, environmental protection, employee development, and social responsibility. We are committed to contributing to the 2030 Sustainable Development Agenda. In 2023, 361° received the prestigious ESG Innovation Award from the Greater Bay Area Listed Companies Federation, which acknowledges our efforts in the field of sustainable development. We will continue to work collaboratively with all stakeholders to shape a better future.

## Driving Growth Through Product Innovation

This year, we have taken significant strides by upgrading our “Carbon Quikical Tech” (CQT碳臨界科技) for optimising production processes, and integrating them into various product lines such as 361° “Furious” (飛馳) and “AG.” We prioritise meeting the highest standards of performance, durability, and safety while continuously innovating and improving. Our product development process incorporates carbon emissions reduction technologies and technological advancements to deliver high-quality and environmentally friendly products to consumers.

## Tackling Climate Change

We actively seek solutions to reduce carbon emissions, enhance energy efficiency, and promote the adoption of renewable energy sources. During our Brand Day this year, we introduced the “CQT Carbon Quikical Running Professional Matrix” (CQT碳臨界跑步專業矩陣) under the theme “Carbon Faster” (碳索更快) empowering green and low-carbon development through technology. Furthermore, our innovative “Carbon Fiber Technology” (碳絲科技) allows us to use recycled carbon dioxide into yarn spinning or dyeing processes, reducing the use of chemical agents which implies fulfilling our responsibility to balance economic and environmental benefits.

## Promoting Continuous Employee Growth

Our employees are our most valuable asset. We are dedicated to creating and maintaining a positive and inclusive work environment where employees of different ethnicities and diverse backgrounds are treated equally and fairly. We offer extensive training opportunities, a comprehensive compensation package that includes several benefits and transparent career paths and evaluation systems. We support employees to help them achieve personal growth within 361°, and continue to invest in their development to ensure employees careers grow along with the Company.

## Practicing Social Responsibility Actively

361° emphasises the importance of its economic performance as well as social responsibility. This year marks the fourth consecutive sponsorship of Asian Games, reflecting our commitment to the development of sports in Asia and worldwide, leveraging our professional capabilities. As a national enterprise, we actively engage in public welfare activities. Through our “One Degree Beyond Program” (熱愛計劃), we have donated RMB2 million to support ecological conservation and youth development, besides donating cold-proof materials of RMB10 million to the earthquake-stricken area in Gansu, China. Over the years, our contributions in cash and goods to the society have exceeded 100 million RMB.

Looking ahead, we will maintain stability while sensing new industry opportunities, ensuring high-quality development of our group’s business, and fostering efficient collaboration within our supply chain and with our partners. By continuously refreshing the achievements of Chinese sports brands, we shall continue to create more value for shareholders, stakeholders, employees and society as a whole. Last but not the least, I extend my sincere gratitude to my team, shareholders and partners for their invaluable contributions and trust.

**DING Huihuang**

*Chairman*

13 March 2024

# ESG GOVERNANCE

## Board Statement

To promote sustainable development of the Group, 361° continuously enhances its ESG governance system. The ESG governance system of the Group comprises the board (the "Board") of directors ("Directors") of the Company, management team and frontline executives. The Board of Directors serves as the highest decision-making and oversight body for sustainable development of the Group, responsible for formulating sustainable development strategies and targets, leading ESG-related decision-making, identifying ESG-related risks, and regularly reviewing and monitoring the progress toward ESG targets.

The Board adopts a comprehensive management approach that combines top-down and bottom-up processes to oversee ESG matters and assumes ultimate responsibility. All Board members are updated on the latest ESG regulatory requirements as well as industry leading practices to ensure that sustainable development is integrated into the Group's core business and decision-making processes.

The Group's management team is responsible for identifying and assessing ESG-related risks, facilitating achievement of its ESG targets ensuring effective implementation of ESG policies and practices and providing necessary resources and support to frontline executives. Frontline executives are responsible for carrying out specific ESG-related work to achieve the Group's ESG targets.

The Board of Directors monitors ESG performance and related risks through various channels, including internal reports, industry research, external reports, and feedback from stakeholders. The Company Secretary, the Integrated Group Legal Centre (綜合集團法律中心), and the Audit Centre are responsible for regularly providing the Board of Directors with the latest compliance information. Based on the gathered information, the Board of Directors conducts analysis and assessment to identify potential ESG risks and opportunities for the Group.

### The Board of Directors

- Reviewing and understanding the Group's material ESG risks and impacts
- Formulating and proposing ESG strategies and plans
- Monitoring the Group's goals and progress towards sustainability

← Support by external ESG experts

### Management Team

- Supervising and monitoring the implementation of internal policies by various business departments
- Advising on solutions in the process of policy implementation
- Tracking and reporting on the progress towards well-established ESG goals and sub-targets

### General Employees

- Implementing company-wide ESG initiatives with support from and under the leadership of the management
- Communicating and cooperating with key stakeholders along the value chain
- Assessing and reporting on ESG-related risks faced in the course of daily operations

The Group actively communicates and collaborates with stakeholders, aiming to achieve sustainable development goals together. We execute the ESG strategy across three levels.



#### Top Level:

The establishment of a strong governance structure ensures the Group's adherence to legal compliance and positions it as a leader in the industry, fostering unity and accountability throughout the organisation.

#### Mid Level:

The Group takes on a broader responsibility by incorporating various ESG criteria into supplier selection and supply chain management, thereby spreading its impact along the entire value chain.



#### Third Level:

With a customer-centric approach, the Group is committed to continuously improving product quality and enhancing customer satisfaction. Additionally, the Group actively fulfills its corporate social responsibilities by supporting philanthropic initiatives during challenging times or crises.

The Group continuously enhances its sustainability management systems by adhering to a range of globally acknowledged standards and frameworks, including ISO 9001:2015 for Quality Management System, ISO 14001:2015 for Environmental Management Systems, and ISO 45001:2018 for Occupational Health and Safety. This enables the Group to conduct its operations in an environmentally friendly way, reducing its impact on the environment and conserving natural resources, while also maximising its positive social contributions.

## Stakeholder Engagement

The Group's key stakeholders include customers, employees, suppliers, shareholders and retailers, whom the Group proactively communicates with through various channels as summarised below. Aiming to pursue mutually beneficial partnerships with all key stakeholders and create positive environmental, social and economic impacts, the Group will continue to inch closer to diverse stakeholders in the future.

Stakeholders	Expectations and Concerns	Communication Channels
<b>Government and Regulatory Authorities</b>	<ul style="list-style-type: none"> <li>• Law compliance</li> <li>• Business ethics</li> <li>• Occupational health and safety</li> </ul>	<ul style="list-style-type: none"> <li>• Supervision on compliance</li> <li>• Routine reports</li> </ul>
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>• Return on investments</li> <li>• Corporate governance</li> <li>• Business compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Reports and announcements</li> <li>• General meetings and investor briefings</li> <li>• Corporate website</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Employees' compensation and benefits</li> <li>• Occupational health and safety</li> <li>• Training opportunities</li> <li>• Investment in innovations</li> </ul>	<ul style="list-style-type: none"> <li>• Performance appraisals</li> <li>• Regular meetings and training</li> <li>• Emails, notices, circulars, hotline, and team building activities</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Product quality assurance</li> <li>• Eco-friendly materials and circularity measures</li> <li>• Technological innovations</li> </ul>	<ul style="list-style-type: none"> <li>• Customer satisfaction surveys</li> <li>• Customer service hotline and email</li> <li>• Media conference</li> <li>• Corporate website</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Fair and open procurement</li> <li>• Win-win cooperation</li> <li>• Protection of intellectual property rights</li> </ul>	<ul style="list-style-type: none"> <li>• Open tender</li> <li>• Contracts and agreements</li> <li>• Telephone discussions</li> <li>• Onsite visits</li> </ul>
<b>Distributors and Authorised Retailers</b>	<ul style="list-style-type: none"> <li>• Waste recycling enhancement in retail shops</li> <li>• Improvement in product quality and design</li> <li>• Strong marketing efforts</li> <li>• Business profitability</li> </ul>	<ul style="list-style-type: none"> <li>• Trade fairs for 361° brand</li> <li>• Communication with retail channel management department</li> <li>• Regular conferences</li> <li>• Corporate training programmes</li> </ul>

## Materiality Assessment

During the period under review, the Group conducted materiality assessment of concerns of various stakeholders through online surveys to understand their perceptions and views on sustainability issues. Based on the results of the assessment, we have developed and adjusted our sustainable development strategies and targets to drive sustainability and meet stakeholders' expectations.

### Identification

An independent consultancy was engaged to identify material issues and assess materiality of 36 potentially material issues based on the "Environmental, Social and Governance Reporting Guide", the "Global Reporting Initiative (GRI) Standard" and analysis of industry peers.

### Prioritisation

Different stakeholders (including employees, customers, suppliers, and distributors and authorised retailers) and management representatives of the Group were administered online questionnaires, to collect materiality scores of the potentially material issues and determine the prioritisation.

### Validation

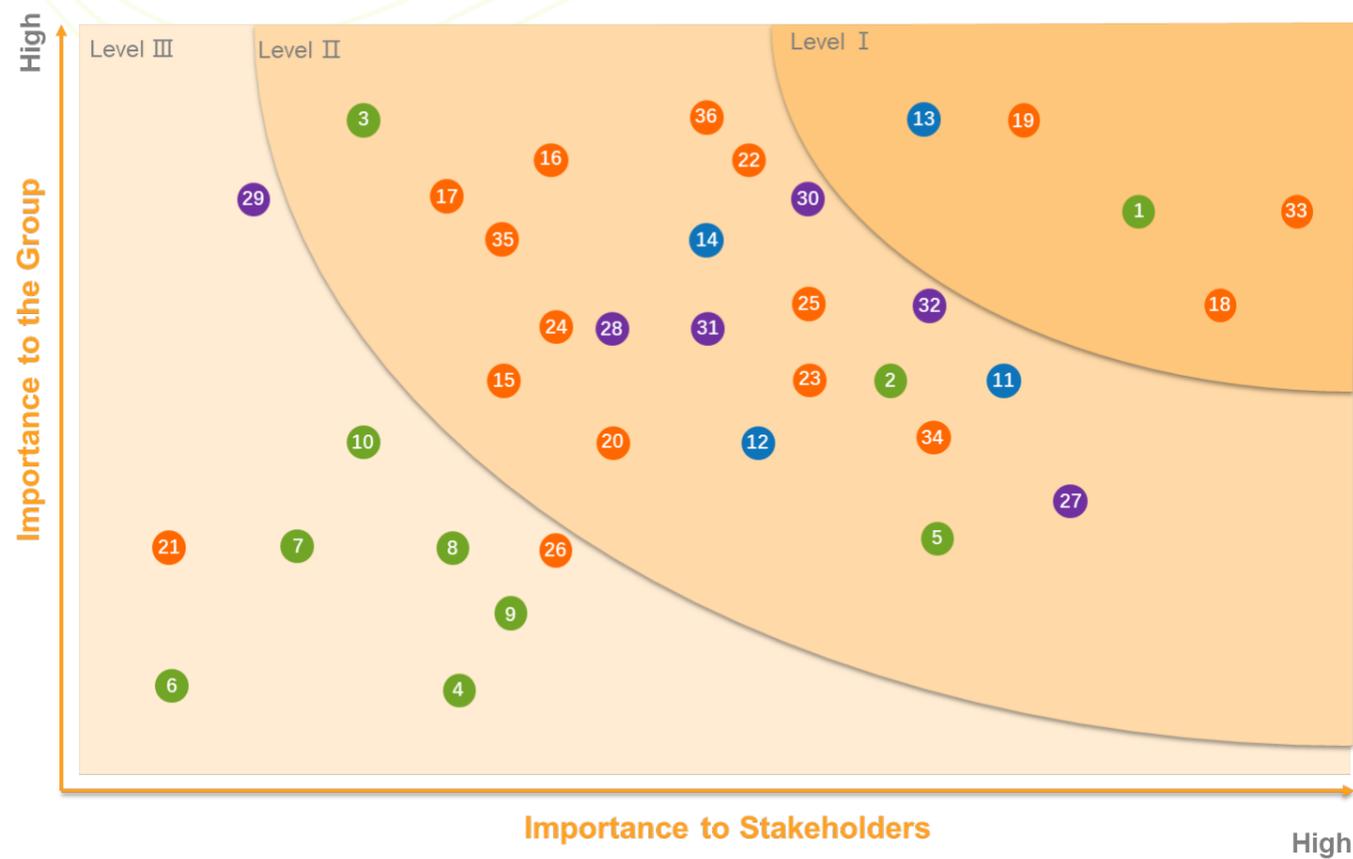
The management of the Group examined and confirmed the results of assessment of the material issues during the period under review, before recognising them as disclosure priorities of this Report.

### Review

The assessment process of material issues was reviewed to identify room for improvement.

The Group analysed information collected through online surveys and mapped the outcomes based on weighted calculations in the materiality matrix below. In this matrix, different issues are prioritised into three groups, from Level 1 to Level 3, with the issues at Level 1 being considered important to the Group.

According to the materiality assessment, the Group identified "Greenhouse Gas Emissions", "Occupational Health and Safety", "Eco-friendly Innovation of Product", "Supply Chain Resilience", and "Support of Local Economic Development" as material issues in FY2023. Given the high degree of concern on the aforementioned material issues, the Group has focused its efforts on internal management in these areas.



### Level II

- 2 Solid Waste Stewardship
- 3 Energy Management
- 5 Water & Wastewater Management
- 11 Employee Remuneration and Benefits
- 12 Labour Practices
- 14 Employee Development and Training
- 15 Marketing and Promotion
- 16 Product/Service Quality and Safety
- 17 Labelling Relating to Products/Services
- 20 Engagement with Suppliers
- 22 Environmental and Social Risks Management of Supply Chain
- 23 Green Procurement
- 24 Customer Privacy and Data Security
- 25 Intellectual Property Rights
- 27 Internal Grievance Mechanism
- 28 Business Ethics & Anti-corruption
- 30 Business Model Adaptation and Resilience to Environmental, Social, Political and Economic Risks and Opportunities
- 31 Critical Incident Risk Responsiveness
- 32 Management of the Legal & Regulatory Environment
- 34 Cultivation of Local Employment
- 35 Participation in Philanthropy
- 36 Advocating Sports Development

- Environmental Issues
- Employee Issues
- Operating Issues
- Governance Issues

### Level I

- 1 Greenhouse Gas Emissions
- 13 Occupational Health and Safety
- 18 Eco-friendly Innovation of Product
- 19 Supply Chain Resilience
- 33 Support of Local Economic Development

### Level III

- 4 Renewable and Clean Energy
- 6 Biodiversity and Land Use
- 7 Climate Change Mitigation & Adaptation
- 8 Chemical Safety
- 9 Raw Material Sourcing
- 10 Use of Packaging Materials
- 21 Supply Chain Labour Standards
- 26 Material Procurement and Efficiency
- 29 Systemic Risk Management

## Risk Management

To effectively manage risks that could have negative impacts on the Group's business operations and sustainable development, we have integrated risk management into our business decision-making process. The Group has implemented a strong risk governance framework, with the Board of Directors acting as the highest governing body.

The Audit Committee oversees the Group's financial reporting system and internal control procedures, conducting regular reviews of relevant policies to ensure their effectiveness. The Audit Committee provides independent opinions to the Board of Directors for evaluating the effectiveness of the financial reporting process and the internal control and risk management systems. Regular discussions between the Audit Committee and management are held to address the Group's risk management and internal control systems, ensuring that the management fulfills its responsibilities and establishes effective risk management and internal control mechanisms.

Currently, our primary focus is on the following ESG risks. Relevant mitigation measures and performance monitoring are elaborated elsewhere in this report.



### Environmental

- Climate Change



### Social

- Occupational Health and Safety
- Supply Chain Management
- Product Innovation



### Governance

- Business Ethics & Anti-corruption
- Compliance Management

## Align with SDGs

Aspects	UN SDGs		Our Actions
<b>Operational Excellence</b>	 8 DECENT WORK AND ECONOMIC GROWTH	8.8 Protect labour rights and promote safe and secure environment for all workers.	<ul style="list-style-type: none"> <li>• Ongoing R&amp;D aimed at creating environmentally friendly materials and processes.</li> <li>• Regular fire drills and safety training.</li> </ul>
	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.a Move towards more sustainable patterns of consumption and production.	<ul style="list-style-type: none"> <li>• The scope of anti-corruption training includes all in-house employees and some suppliers, covering 100% of the Group's employees.</li> </ul>
	 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	16.5 Substantially reduce corruption and bribery in all forms.	
<b>Environmental Commitment</b>	 7 AFFORDABLE AND CLEAN ENERGY	7.2 Increase substantially the share of renewable energy in the total energy consumption.	<ul style="list-style-type: none"> <li>• Installed solar panels and solar heating systems on plants' rooftops.</li> </ul>
	 13 CLIMATE ACTION	13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	<ul style="list-style-type: none"> <li>• Developed a series of ecological and environmentally friendly textile materials, which not only lower the environmental impacts during production but also take into account the after-life of the products.</li> <li>• Established a carbon reduction target.</li> </ul>
<b>People-oriented</b>	 4 QUALITY EDUCATION	4.4 Increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.	<ul style="list-style-type: none"> <li>• Providing various training opportunities to all employees disregard of their gender or position level.</li> </ul>

# OPERATIONAL EXCELLENCE

## Product Responsibility

### External Recognition



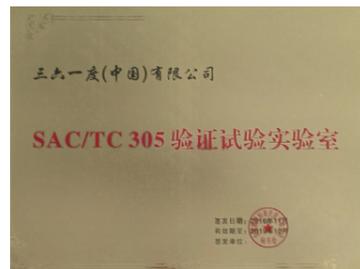
Advanced Unit in National Footwear Standardisation Work during the 13th Five-Year Plan



Advanced Unit in Standardization Work



Competency Verification Certificate



SAC/TC 305 Certified Testing Laboratory



Best Partner



Intellectual Property Advantage Enterprise

During the period under review, the Group received numerous honors and awards:

NO.	Honorary Title	Date
1	Second "Guanghua Cup" Gigabit Optical Network Application Innovation Competition Third Prize	2023.07
2	2023 National 5G Fully Connected Factory Benchmark Cases	2023.07
3	2023 E-Work 2nd Benchmark Intelligent Factory	2023.09
4	2023 First Advanced Demonstration Case in the Digital Transformation of the Consumer Goods Industry	2023.09
5	2023 Annual Digital Transformation "Exemplary Manufacturer"	2023.11
6	Fujian Province Demonstration Project for the Convergence Development of New Generation Information Technology and Manufacturing Industry	2023.11
7	National Association Service Station	In effect
8	National Industrial Design Centre	In effect
9	National High-tech Enterprise	In effect
10	Fujian Province Enterprise Technology Centre	In effect

## Compliance with Laws and Standards

The Group strictly adheres to national and local laws and regulations<sup>2</sup> related to quality management and complies with important international, national and industry standards in production and operation processes.



### International

- CA Prop 65
- AATCC 81
- AATCC 112
- CONEG TPCH
- ISO 3071
- ISO 14184-1
- ISO 17353
- EN 14362-1
- EN14362-3
- EN 1122
- EN 1811
- EN 12472
- POPs Regulations
- LFGB & 64 BVL B82.02.8
- ISO/TS 16186
- CEN/TS 15968
- DIN 54231
- Directive 94/62/EC
- 1907/2006/EC (REACH)
- (EU) No. 528/2012
- AFIRM Restricted Substances List



### National

- GB 18401-2010
- GB 20400-2006
- GB 31701-2015
- GB/T 22583-2019
- GB/T 22849-2014
- GB/T 26385-2011
- GB/T 2662-2017
- GB 22700-2016
- GB/T 21295-2014
- GB 25038-2010
- GB 30585-2014
- GB 19340
- GB 20400
- GB/T 15107-2013
- GB/T 36975-2018
- GB/T 24152-2018
- QB/T 2955-2008
- FZ/T 73020-2019
- FZ/T 81007-2012
- FZ/T 81008-2011
- FZ/T 81019-2014

<sup>2</sup> Regarding laws and regulations related to product responsibility, please refer to the Laws and Regulations section of this report.

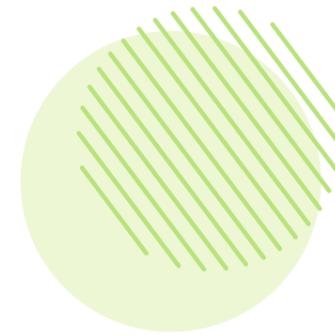
# Product Quality Management



## Quality Policy

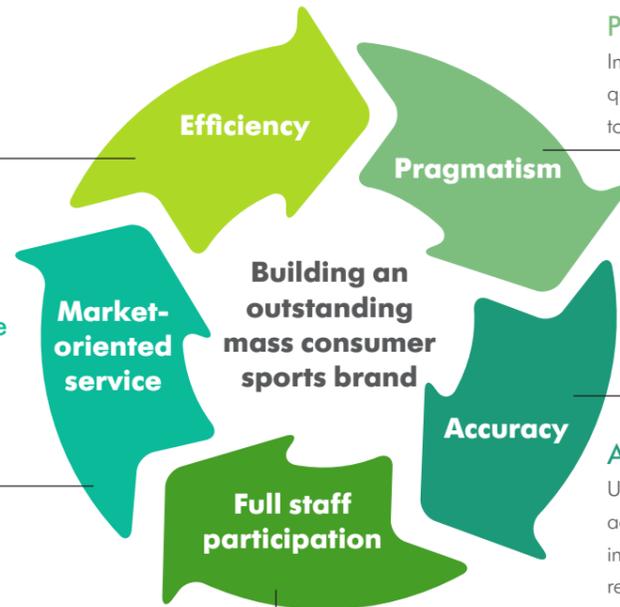
Quality is the basis for gaining trust, pursuing the most perfect products, never stop improving, and building a century-old enterprise.

The Group adheres to the five core principles of accuracy, efficiency, pragmatism, full staff participation, and market-oriented service in its quality strategy. Through the implementation of an effective quality assurance system, we provide consumers with high-quality products and services, aiming to create an outstanding mass consumer sports brand. We have established an internal quality standards manual, which details the quality control processes for each stage and quality standards for different products. It also elucidates the internal control testing methods for reference by testing personnel, effectively ensuring product quality.



### Efficiency

Guide the products efficiently to meet quality standards and achieve set goals.



### Pragmatism

Introduce and effectively apply quality management theories and tools pragmatically.

### Market-oriented service

Centred on market demands, identify and meet customer requirements, aiming to exceed expectations.

### Accuracy

Understand customer needs accurately, adhere to national industry standards, and set quality requirements aligned with brand development.

### Full staff participation

Encourage all employees and relevant stakeholders to actively participate in quality management tasks.

The Group has implemented a robust quality management system and obtained ISO 9001:2015 Quality Management Certification to demonstrate our commitment to delivering products and services that meet customer expectations while continuously striving for improvement.



The Group has established a Quality Management Centre, consisting of six departments: Quality Review Department, Standard Testing Department, Quality Process Follow-up, Quality Inbound Inspection, Quality QA Department, and Quality Assurance Department. These departments are responsible for maintaining quality throughout the production chain, including risk prevention, process measurement and analysis, on-site guidance and supervision, market tracking, and improvement. Many members of these departments have **more than 10 to 20 years** of experience in the footwear and apparel industry, possessing rich experience in quality management.



Employed systematic methods for end-to-end quality control involving market, brand partners, and suppliers (including subcontractors) to enhance overall product and service quality.



Conducted a comprehensive analysis across seven aspects, including materials, design structure, functionality, and trial fitting, to benchmark and upgrade product quality.



Obtained GB/T 19001, GB/T 24001, GB/T 28001-2018 certifications and implemented ISO 9001 quality management system.



Integrated quality measures throughout product development, production processes, and market distribution for rapid response improvement.



Established a company-wide quality management support platform (e.g., FLIMS, PLM, SAP, MES) for preventive quality management.



Ensured effective operation of online platforms for statistics, analysis, collaboration, monitoring, closed-loop management, and decision support.

# Product Safety

To ensure that products meet standard requirements, the Group has established a Footwear and Apparel Standard Testing Centre with advanced equipment and a specialised testing team. With the FLIMS testing system, it possesses the capability to test more than 150 items, 39 of which are accredited by the CNAS (China National Accreditation Service) and compliant with ISO/IEC 17025:2017 and CNAS-CL01 requirements.

In the footwear and apparel category, the Group has participated in revision of 476 standards, including 14 national standards, 3 industry standards, 120 enterprise standards, and 339 internal control standards, showcasing strong independent standard innovation capabilities.

The Group strictly controls product safety. If there are any defects in products that pose safety or health risks or quality issues, the Group will take prompt actions by contacting the consumers, collecting the sample product for experiment and analysis, and requiring distributors to recall unqualified products according to the Group's recall procedures set out in the policy of "Product Return Management Regulations" if necessary. During the period under review, we have conducted product quality inspections, including risk assessment, material property control, raw material appearance inspection, warehousing appearance inspection, etc. During the period under review, the Group has not encountered any instances of batch returns or product recalls.

## Quality Assurance Activities

We conduct a series of quality assurance activities to further enhance quality management.

### Certified Quality Control Training



### Supplier Pre-production Quality Communication Meeting



### Supplier Quality Analysis Meeting



### Certification Laboratory Training



### Executive On-site Inspection



### Quality Skills Competition



## Quality Service



The Group is committed to providing high-quality services to customers and consumers. Through the establishment of internal systems, employee training initiatives, and the development of diverse communication channels we continuously enhance our service system. The Customer Service Department and Quality Control Department are responsible for receiving and promptly analysing and addressing complaints, implementing inspections and taking corrective measures.

We have set a post-service quality goal of a 100% timely resolution rate for customer and consumer complaints, along with a post-service satisfaction rate of over 90%. We explicitly outline the complaint handling process and designate responsible individuals in our internal systems, ensuring a high-quality and efficient resolution capability. During the period under review, we conducted a consumer satisfaction survey, collecting a total of 1,334 valid questionnaires. Based on the survey results, we continuously optimise our product and service quality.

During the period under review, the Group did not receive any significant complaints regarding the quality of its products and services.

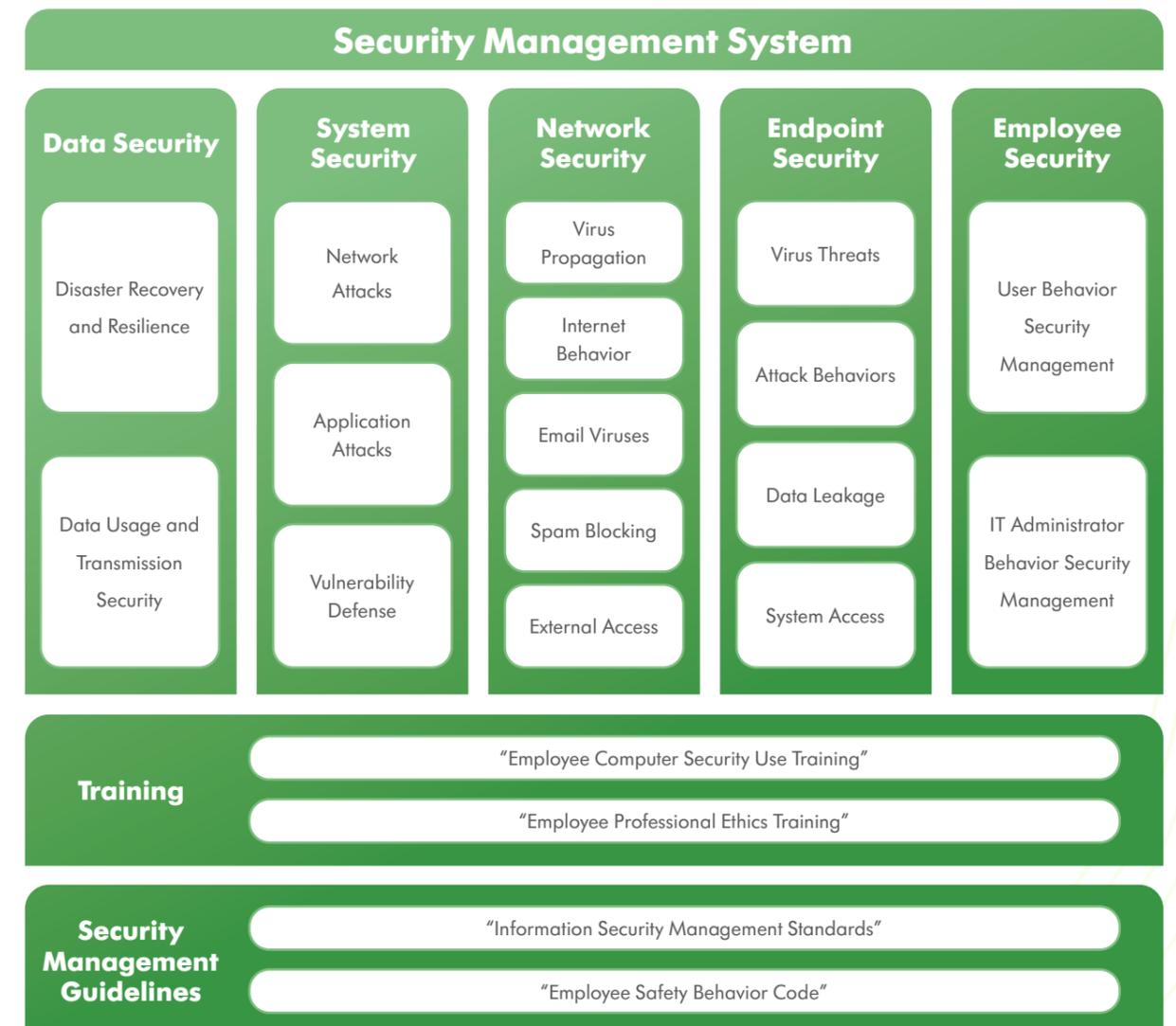


General Process for Customer Complaint Handling

## Privacy Protection and Information Security

The Group strictly adheres to international and regional laws and regulations related to customer privacy protection. Through measures such as personal data encryption, firewall installation, and signing confidentiality agreements with employees, we closely monitor any abnormal activities to prevent unauthorised misuse, output, and duplication of data. All data collected from customers is used only for mutually agreed-upon purposes. Sensitive information is rigorously protected and securely stored, accessible only to authorised personnel. During the period under review, the Group has not received any complaints regarding customer data privacy, and there is no record of any information security incidents.

To enhance our control of and capabilities to respond to information security breach incidents, we have established a security management system focusing on five dimensions: data security, system security, network security, terminal security, and employee security. We conduct periodic reviews in these areas, complemented by implementation of relevant internal security policies and security training programs, to build and maintain a comprehensive information security management system.



To address potential risks such as information system failure, paralysis and infrastructure faults, the Group has established internal policies such as the "Data Backup and Recovery Management System" and the "Data Centre Management Standard." A data backup system has been implemented, primarily managed by the Technical Support Department to ensure data integrity and business continuity. The Group has also established strict requirements for equipment recycling and timely phase out to prevent data leakage.

During the period under review, the Group did not suffer any significant violations of relevant laws and regulations related to health and safety, advertising, labelling, and privacy matters concerning its products and services.

## Building Information Security Culture

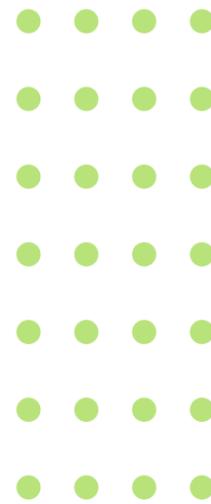
The Group actively promotes information security training and awareness activities to enrich employees' knowledge and awareness of the importance of information security. Some of the training and awareness activities are as follows:



System Operation Training



Project Heuristic Training



In-house Training on Intelligent Manufacturing



Information Security Awareness Campaign Series

## Intellectual Property and Product Innovation

The Group consistently optimises its intellectual property management and has registered trademarks and patents in Mainland China, Macau, and numerous other jurisdictions. When entering into agreements with distributors, the Group incorporates intellectual property protection covenants. Distributors are allowed to use the Group's intellectual property only when selling its products, and they are expressly prohibited from engaging in any activities that may infringe upon the Group's intellectual property rights.

To enhance employee awareness of intellectual property protection, we conducted intellectual property training during the period under review.

### Intellectual Property-related Training



The Group places high emphasis on green product research and innovation, aiming to minimise environmental impact while ensuring product quality. We have established internal "Patent and Title Incentive Measures" to stimulate proactive research and innovation across departments. Through the title recognition of R&D personnel, we continuously optimise the qualifications of the Group's R&D staff.

The Group's Research and Innovation Service Centre has been designated as a national-level industrial design centre since 2021 and has been bestowed honours such as a national-level association service station and Fujian Province enterprise technology centre. During the period under review, we obtained a total of 494 patents, of which 286 are in the footwear category, 154 in the apparel category and 54 in the accessories category.



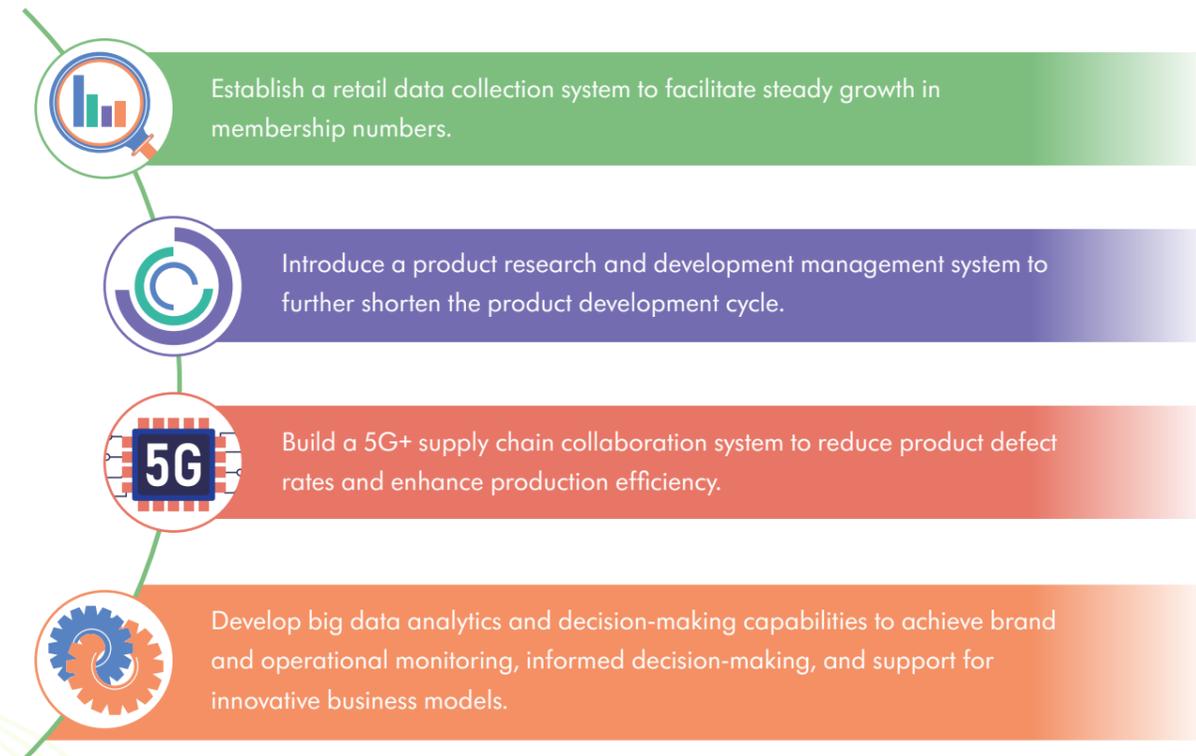
Carbon Quikical Tech



Eco-friendly Materials

## Leveraging Information Technology

The Group has accelerated its digital transformation through the implementation of an industry-leading comprehensive information technology platform.



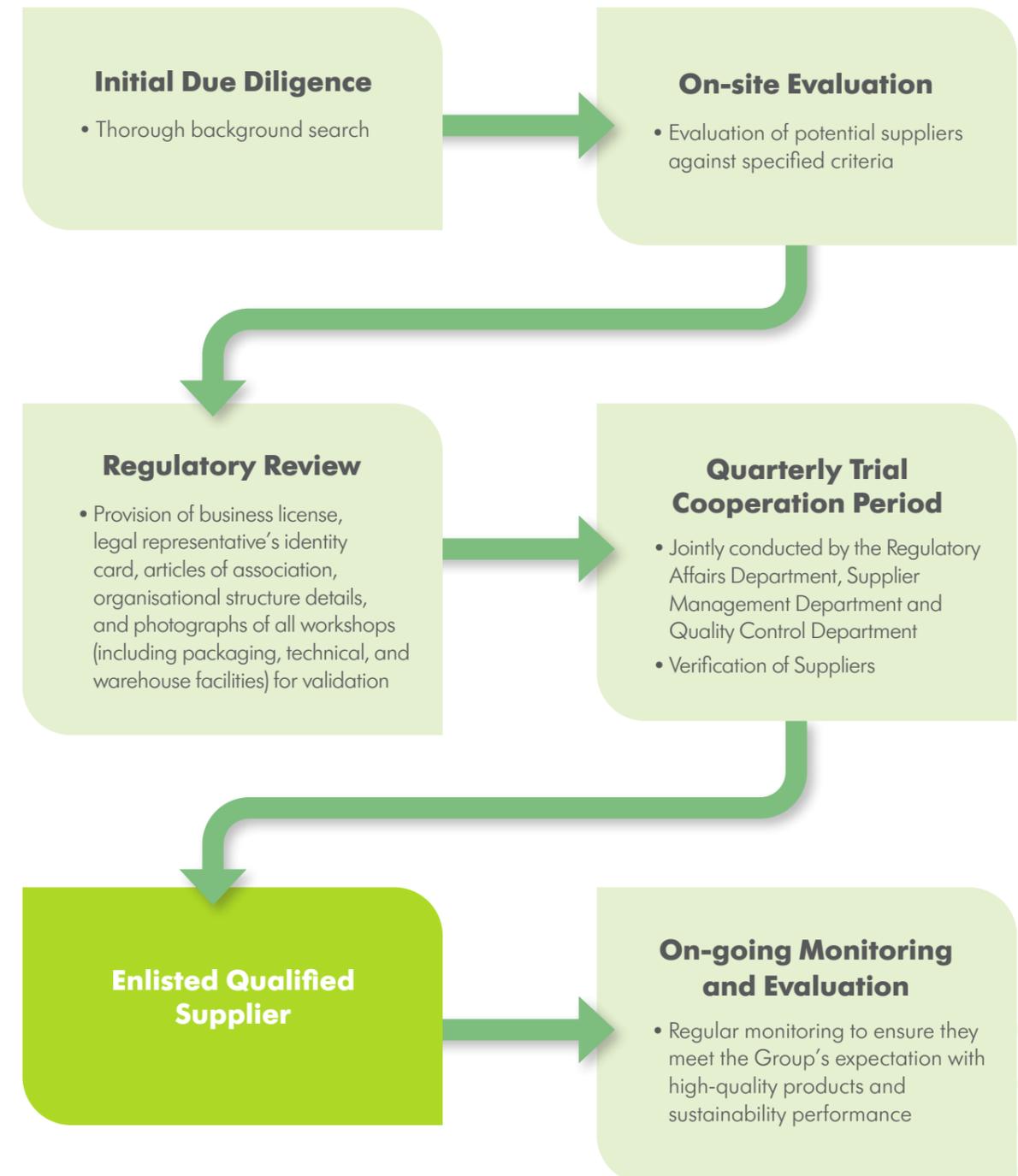
To achieve effective control throughout the entire process of the construction of the information management system, the Group has established the "Special Planning, Management, and Audit System for Information Technology Construction." This system helps regulate the workflow from project requirements to project inspection and acceptance, and conduct quarterly and semi-annual audits of various projects. Audit reports are then generated to drive continuous improvement.

## Supply Chain Management

The Group is dedicated to the socially and environmentally responsible management of its supply chain. The Group depends on its approved suppliers to provide essential raw materials, such as textiles, leather, synthetic leather, polypropylene (PP) films, accessories, craftwork, molds, fabrics, rubber, soles, and plastics. We procure materials exclusively from approved suppliers who align with our stringent sustainability criteria. To ensure consistency and efficiency in supplier management, we have implemented a robust system and process designed to standardise and streamline our approach to supplier relations. Our supplier policies apply to over 80% of the Group's suppliers. During the period under review, the Group maintained a stable collaboration with 1,297 suppliers, 92% of which are located in Mainland China.

## Supplier Selection

Our Procurement Management Department employs a comprehensive approach when choosing new suppliers.



## Fundamental Criteria for Supplier Selection



Performance of suppliers during the quarterly trial cooperation period is assessed collaboratively by the Regulatory Affairs Department, Supplier Management Department, and Quality Control Department. The focus is on verifying whether the supplier:

- ✓ Complies with local laws and regulations
- ✓ Demonstrates flexible capacity to meet the Group's demand, in accordance with plans for processing and distribution of orders
- ✓ Holds valid qualifications such as International Organisation for Standardisation ("ISO") and China National Accreditation Service for Conformity Assessment ("CNAS") that align with the Group's requirements

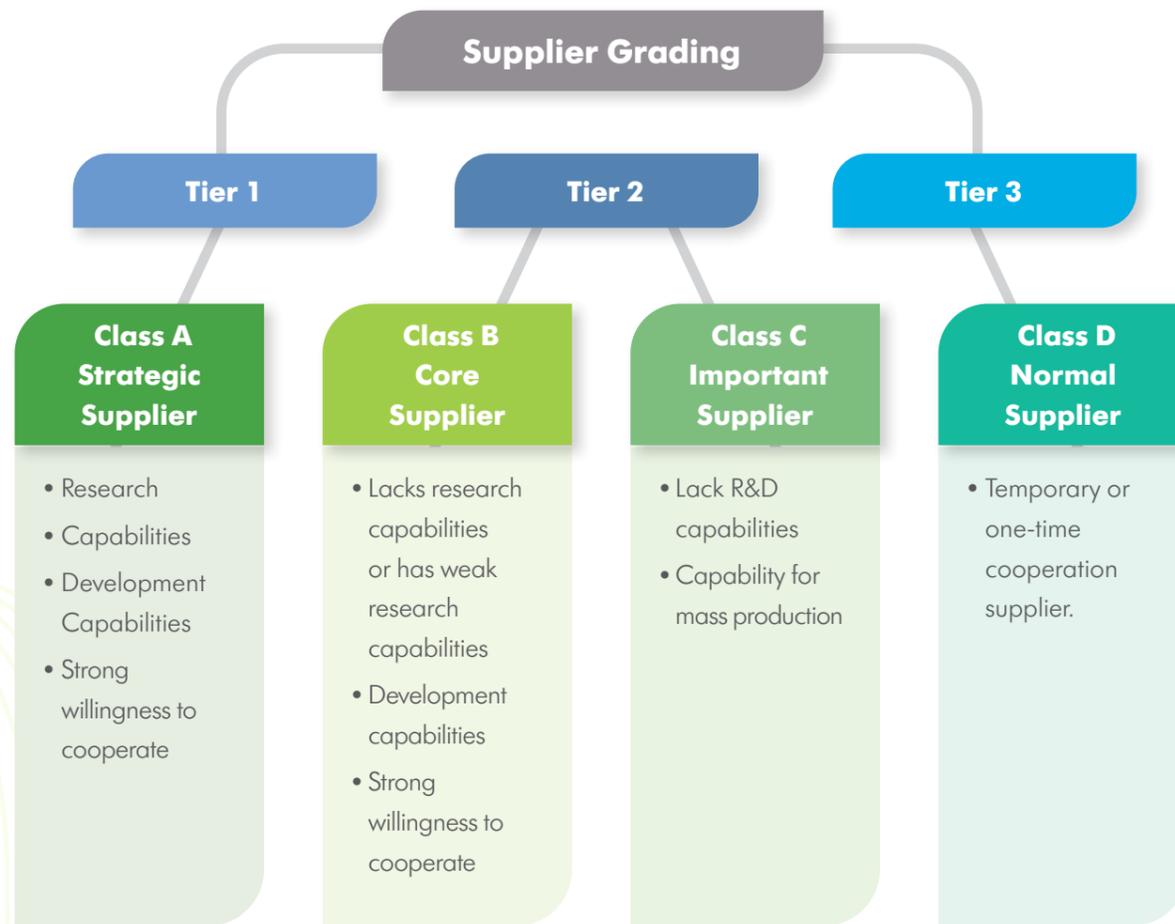


Enlisted qualified suppliers are under regular monitoring by the Group through annual inspections to ensure that they continue to meet the Group's expectations with high-quality products and sustainability performance.



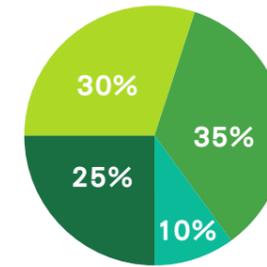
## Supplier Grading and Classification

Suppliers are classified into tiers 1, 2 and 3, according to their attributes. Rigorous control measures are implemented for Tier 1 and 2 suppliers, with Tier 3 suppliers subject to more lenient oversight. Performance evaluations further categorise suppliers into grades A, B, C and D. Additionally, a classification management system is in place, organising suppliers based on product attributes like footwear, outsoles, molds, mesh fabric, leather materials, and craftsmanship. Each category receives tailored management approaches based on its unique characteristics.



## Supplier Engagement

"Performance Communication Meetings" are held with suppliers to provide clear performance scores for each module of the quarterly evaluations. Through collaborative analysis involving personnel from all departments and suppliers, shortcomings are identified. Improvement suggestions are then presented, jointly encouraging suppliers to implement measures for necessary enhancement of product quality and service levels.



### Supplier Evaluation Criteria

- Development Capability
- Quality Management
- Production Management
- Social Responsibility

#### Situation Analysis

- Collaboratively discuss and analyse last quarter's performance in dimensions such as development, production, and measurements. Clearly define the scoring criteria for each aspect.

#### Communication and Feedback

- Engage in mutual communication during meetings to address issues or areas for improvement from the previous quarter and work towards consensus.

#### Guidance and Support

- Facilitate concentrated communication among suppliers within the same category, discussing uncertainties and challenges. Have on-site clarification sessions with specialised personnel from each module to ensure effective feedback and communication for problem resolution.

#### Enhancement

- With aligned goals and clear direction, encourage suppliers to make improvements. In the next quarter, incorporate supplier performance scores and provide feedback on corrective actions during meetings.

### 2023 Footwear Suppliers Meeting



## Supply Chain Risk Management

The Group proactively manages potential risks along the supply chain by implementing its internal Risk Management System. This system is administered and monitored by the Supplier Coordination Management Department. At 361°, we actively mitigate potential risks along the supply chain and monitor social and environmental impacts throughout the value chain.



### Identification

The Group identifies the potential risks of suppliers from time to time through the following methods:

- Whether the supplier has a standardised management manual or process operation manual;
- Whether the financial statements and relevant financial indicators of suppliers are healthy;
- Background check/through the internet, magazines, newspapers and other media sources;
- Site visit to suppliers' factories and operating places, and regular communication with suppliers to assess their internal management risks;
- Conduct surveys with suppliers' partners and peers in the industry; and
- Internal analysis of supplier performance data via the Group's supplier management system.



### Evaluation

#### Probability

The Supplier Coordination Management Department analyses the data based on the information collected from various channels, and forecasts the probability of risk occurrence and takes precautionary measures in advance.

#### Severity

The Supplier Coordination Management Department analyses the degree of supplier risk that may affect the business of the Group and ensures effective monitoring.



### Management

- Follow strict tracking procedures during the trial cooperation period of newly admitted suppliers to ensure they meet the requirements. The first order quantity should not exceed 5% of the total order of a certain type of product.
- During the production process in each production season, the Supplier Coordination Management Department occasionally collaborates with the Production Planning Department and Quality Centre to quantify the risk of the supplier.
- Backup suppliers and alternative products should be in place.
- Blacklist suppliers who are found to have the following problems that may bring greater procurement risks to the Group:
 

- Major deviation between the product quotation and average market level;	- Severe quality issues;
- Seriously breaking the contract, including but not limited to delays in supply, provision of fake and shoddy products and slow response in after-sales service;	- Commercial bribery; and
	- Bad credit records.

For the supply of textiles, adhesives, footwear materials and products, suppliers are required to provide samples to the Group for testing in a CNAS-accredited laboratory, before delivery. Suppliers must provide test reports issued by qualified third-party testing organisations. All procedures implemented by the Group ensure that raw materials comply with standards including GB18401 "National General Safety Technical Code for Textile Products", GB/T15107 "Athletic Shoes," and GB19340 "Adhesives for Footwear and Case and Bags."

## Green Procurement

The Group and its brand companies remain unwavering in commitment to seeking sustainable solutions for materials and substances used in our products. We require our suppliers to handle wastewater emissions in a scientifically effective manner, in accordance with local emission regulations. In addition to the basic requirement of holding relevant discharge permits, the Group encourages its suppliers to obtain certification for environmental management systems and occupational health and safety management systems.

The Group actively seeks environmentally friendly, biodegradable materials and gives preference to suppliers with strong environmental certification and effective environmental management systems. Beyond evaluating suppliers based on environmental criteria like water efficiency and the use of recyclable materials, the Group also prioritises collaborating with local business partners to minimise environmental impacts of transportation of goods and raw materials.

Over time, the Company has consistently emphasised the promotion of environmentally friendly practices by incorporating eco-elements and green sourcing strategies in its production processes.

## Anti-corruption

At 361°, we are committed to upholding a culture of integrity, honesty, and trustworthiness. We believe that conducting our business ethically is not only the right thing to do but also essential for sustained success. In line with this commitment, we strictly abide by relevant laws and regulations<sup>3</sup>. Furthermore, we adhere to laws and regulations of countries where we operate, ensuring compliance across all our business activities.

To strengthen our commitment to integrity, we have developed and implemented internal policies and regulations that guide our employees' conduct. The "Red Line Management Regulations", specifically formulated for our organisation, serve as a comprehensive framework for promoting integrity and preventing unethical practices. Regular internal audits, risk control construction, and self-examination exercises are conducted to ensure compliance with these regulations.

We recognise that fostering an integrity culture goes beyond implementing policies and regulations. To achieve this, we actively collaborate with various departments to strengthen the roles and responsibilities of our middle and senior managers. By signing integrity commitment letters, they demonstrate their personal dedication to upholding our Company's values and promoting ethical practices.

During the period under review, there was zero concluded legal cases regarding corrupt practices brought against the Group or its employees.

<sup>3</sup> Regarding laws and regulations related to anti-corruption, please refer to the Laws and Regulations section of this report.

## Anti-corruption Practices



### Strengthen management's emphasis on anti-corruption work

Management should recognise the importance of anti-corruption work and increase investment and support for anti-corruption work.



### Improve the internal control system

Gradually improve the internal control system, strengthen supervision and review of key links and positions, and promptly detect and deal with corruption.



### Improve the morality of employees

Continuously strengthen the moral education of employees, improve their morality and integrity awareness, and reduce the occurrence of corruption incidents.



### Establish a complete reporting mechanism

We will continue to expand reporting channels, encourage employees, suppliers and other partners to actively report corruption, and promptly investigate and handle reports.



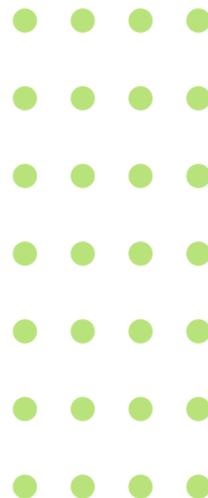
### Strengthen the punishment of corruption

Punishment awarded to relevant responsible persons in cases of corruption is being strengthened as a warning and deterrent effect on corruption.

At 361°, we are committed to co-constructing an environment characterised by integrity through transparent and ethical partnerships. By emphasising the importance of honesty, transparency, fairness, and compliance with the law, we actively engage with our partners to establish shared values and promote mutual understanding.

Through inclusion of integrity commitments in our agreements, the implementation of measures to manage conflicts of interest, and the provision of comprehensive anti-corruption training, we are dedicated to fostering a culture of integrity throughout our organisation and within our collaborative networks. To further enhance the ethical standards within our cooperation process, we have developed the "Measures for the Management of Declaration of Conflicts of Interest."

During the period under review, we have implemented comprehensive anti-corruption training programs that cover all employees and extend to select suppliers, covering 100% of the Group's employees.



Supplier Code of Business Conduct and Integrity Culture Communication



Internal Anti-corruption Training



Anti-corruption Training for Production Facility Employees



Onboarding Integrity Training for New Employees

## Whistleblowing System

As part of our commitment to integrity, we have established a robust reporting system that encourages employees, partners, and external parties to report any instances of corruption, bribery, dishonesty, or misconduct. We offer various channels, which include phone calls, mobile phone text messages, postal mail, emails, WeChat, in-person reporting, and the option to have others to report on their behalf. To ensure fair investigation of reported matters, we have implemented the "Report Management Measures" and assigned dedicated personnel responsible for handling complaints and reporting information. These measures outline the procedures to be followed when handling reports and ensure that all reported matters are thoroughly investigated.

Whistleblowers who report in good faith are protected from retaliation, ensuring that they can provide information without fear of adverse consequences. To incentivise reporting and promote accountability, we have established a framework that rewards individuals who provide meritorious information on reported matters. Those who violate regulations or engage in misconduct are subject to appropriate disciplinary actions in accordance with our policies. The Company has established profiles of fraud risks, issued notifications and warnings regarding fraudulent activities, developed anti-fraud educational materials, and organises education campaigns to promote a culture of integrity.

## Risk Management

361° has been gradually improving its internal regulations, and through the operation of a sound audit system, it detects corruption incidents and implements improvement measures. During the period under review, we conducted a special inspection of corruption risks and identified five potential risks. These risk points may involve corruption, bribery, and other misconduct. We have taken internal control measures to effectively address the potential risks and to protect the reputation and operational stability of the business.

# PEOPLE-ORIENTED

## Employee Management

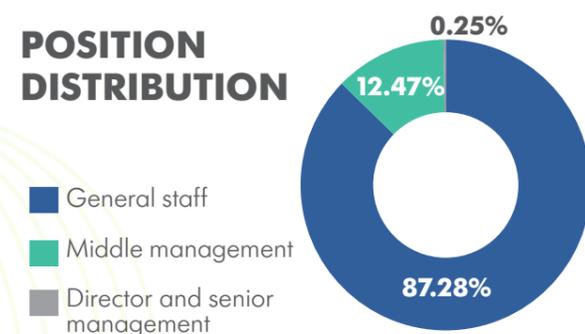
We uphold the belief that individuals are paramount as significant value creators. Consequently, the Group maintains a people-centric approach, dedicating efforts to invest in the well-being and development of its employees. Adhering to applicable laws<sup>4</sup> in Mainland China, Hong Kong, and other operational regions, our employment policies undergo regular review and updates to accommodate evolving social dynamics.

Our philosophy entails treating employees as partners, prioritising principles of fairness, transparency, and a profound respect for individual diversity. We are dedicated to nurturing a talented workforce that shares our vision of positioning 361° as a national brand actively contributing to societal challenges.

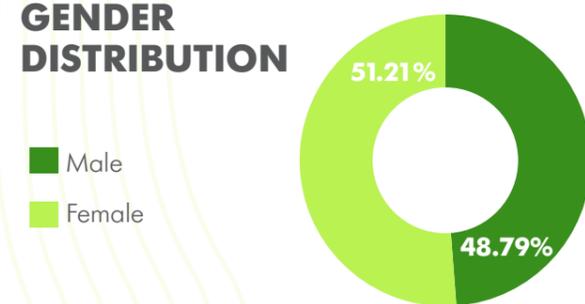
During the period under review, the Group employed a total of 7,374 full-time personnel and 1 part-time personnel, encompassing management staff, technicians, salespersons, and workers. Regarding gender composition, there were 3,598 male employees, accounting for 48.79%, and 3,777 female employees, accounting for 51.21%. From an age distribution perspective, 2,373 employees were aged 30 and below, representing 32.18% of the workforce. Additionally, 2,460 employees fell within the 31 to 40 age brackets, making up 33.36% of the total. Those aged 41-50 constituted 1,573 employees, accounting for 21.32%, while employees aged 51 and above numbered 969, representing 13.14%.



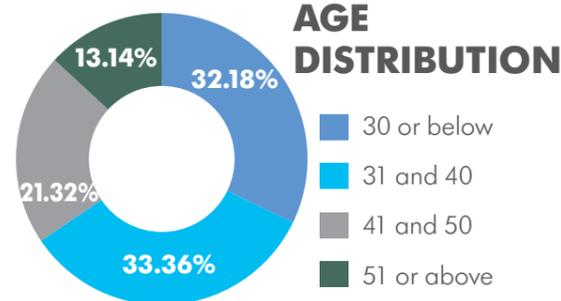
### POSITION DISTRIBUTION



### GENDER DISTRIBUTION



### AGE DISTRIBUTION



During the period under review, total of 1,673 people resigned from Mainland China. Among them, 772 were male, accounting for 21.46%, and 901 were female, accounting for 23.85%. From an age perspective, 546 people aged 30 and below resigned, representing 23.01% of the total; 532 people aged 31 to 40 resigned, accounting for 21.63%, and 595 people aged 41 to 50 resigned, making up 37.83%.

## Talent Management

The Group places a strong emphasis on the recruitment process, strictly adhering to the “Yearly Recruitment Plan” to ensure fairness. Evaluation of candidates is based on capability, performance level, academic background, and experience, besides their characteristics generally aligning with the Group’s core values. The Group is dedicated to providing promotion opportunities for individuals contributing to collective development and mutual growth. Guided by principles of fairness and equity, a transparent promotion path has been established, ensuring suitable employees are matched with positions that allow them to fully leverage their talents. The Group’s compensation and benefits system, align Talent Management with the “Total Compensation Control,” undergoes regular adjustments to recognise employees’ efforts. Salary adjustment decisions consider business growth, development strategy, and industry averages, linked to KPIs. Simultaneously, the Group places a premium on lawful and reasonable employment practices, strictly adhering to standardised dismissal procedures in compliance with local labour laws and regulations.

During the period under review, the Group complied with all relevant laws and regulations concerning compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, welfare and other benefits that have a significant impact on the Group.



<sup>4</sup> Regarding laws and regulations related to employment, please refer to the Laws and Regulations section of this report.

## Equal Opportunity, Diversity and Anti-discrimination

361° is steadfast in promoting an inclusive workplace free from discrimination. Our policies governing training, promotions, dismissals, and retirements prioritise fairness, irrespective of factors such as age, gender, marital status, pregnancy, family status, disability, race, color, descent, national or ethnic origins, nationality, or religion. In addition to compliance with relevant laws and regulations<sup>5</sup>, our “Staff Manual” also serves as a cornerstone for maintaining a discrimination-free workplace. Employees are encouraged to promptly report incidents to our Human Resource Department, which diligently assesses, records, and takes necessary actions to ensure that the workplace remains rooted in fairness and equality.

## Working Hours and Rest Periods

The Company has established internal policies that align with local employment laws. These policies aim to determine suitable working hours and adequate rest periods for employees. To monitor working hours and provide compensation for overtime work, an attendance system has been implemented.

Apart from the basic paid annual leave and statutory holidays mandated by local government employment laws, employees are entitled to additional leave, such as marriage leave, maternity leave, paternity leave, compassionate leave, and sick leave. The specific regulations governing these additional leaves depend on the regions where employees work.

## Benefits and Welfare

We prioritise the welfare of our employees and diligently comply with national and regional regulations, ensuring employee well-being through the provision of social insurance and statutory leave. Our commitment to fostering a supportive work environment is evident in the array of basic benefits, such as work meals, health check-ups, holiday celebrations, birthday activities, and team-building events. Beyond these essentials, our specific welfare programs provide differentiated benefits based on job hierarchy, special positions, work locations, and conditions.

To ensure physical and mental health of our workforce, we provide comprehensive benefits that include medical insurance coverage and annual physical examinations for all employees. Our factory staff additionally enjoys privileges such as a working meals allowance, well-appointed dormitories, and complimentary transportation services between work sites and dormitories. To facilitate effective communication within our organisation, we use tools such as emails, WeChat, and other social media platforms, ensuring a seamless flow of information both vertically and horizontally.

The following events during the period under review are illustrative of our commitment to prioritising employee well-being and fostering a workplace environment marked by warmth and care.

<sup>5</sup> Regarding laws and regulations related to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare, please refer to the Laws and Regulations section of this report.

## Spring Festival - “NICE 兔 MEET YOU” 2023

On January 29, 2023, as the Lunar New Year coincided with our inaugural working day, the “NICE 兔 (to) MEET YOU” Spring Festival carnival unfolded. This event, marked by executive greetings and personalised red envelopes, seamlessly integrated brand elements into interactive games, setting a spirited tone for the year ahead, with over 1,000 employees actively participating.



## International Women’s Day - “Goddess Festival”

The “Goddess Festival” on March 8, 2023, celebrated International Women’s Day with a focus on women’s health. Gift packages, symbolising care and consideration, were distributed to 895 female employees, reflecting our profound regard for the invaluable contributions of our female workforce.



## Seasonal Food Festivals

Our cafeteria continually adapts its menu to showcase diverse and seasonally relevant cuisines, creating an enjoyable and culturally rich dining experience for our employees.



## 20th Anniversary Sports Carnival

In July 2023, 361° marked its 20th anniversary with a company-wide sports carnival featuring 18 sports and over 300 participants. The event celebrated two decades of the brand's existence, fostering camaraderie and athletic enthusiasm among all employees.



## 361° Sports Clubs

In recognition of the pivotal role of organisational vitality, 361° has established several activity clubs, including but not limited to basketball, badminton, running, aerobics, yoga, Frisbee, and a book club. Boasting a membership of 920 individuals, these groups have collectively orchestrated over 120 events, engaging a participant base exceeding 2,000.



## Labour Practice

361° follows stringent labour standards and complies with various regulations and laws<sup>6</sup> across different regions.

Following compliant employment practices ensures that production line operators are at least 16 years old, while candidates for other positions must be at least 18 years old. To further reinforce adherence to labour standards, we conduct an annual review of our "Recruitment Management Measures" in alignment with national and regional regulations. Additionally, we systematically evaluate the entire recruitment process on a weekly, monthly, and yearly basis, generating comprehensive reports and summaries to continuously enhance our practices. Once any case that violates the relevant labour laws, regulations or standards is found, the relevant employment contract will be immediately terminated and the individuals responsible for the management of human resources will be disciplined accordingly.

During the period under review, the Group was not aware of any instances of non-compliance with pertinent laws and regulations that would significantly affect the Group in terms of preventing child and forced labour.

## Occupational Health and Safety

To enhance the management of health of our staff and foster a safe, clean, and secure working environment, the Group has implemented a comprehensive set of occupational health and safety policies. We have established "Environmental and Occupational Health and Safety Operation Control Procedures" and internal manuals to effectively navigate and mitigate occupational risks, functioning as indispensable guiding documents for our workforce. The Administrative Department is responsible for supervision and oversight of implementation of health and safety policies in the Group.

Each business division is required to develop and implement its specific method for effectively managing occupational hazards when outsourcing work or materials. Our dedication to ensuring the safety of our employees is underscored by our attainment of ISO 45001 certification.

In addition, we extend the applicability of our health management standards to include suppliers. Suppliers are required to hold certifications for both Environmental Management Systems and Occupational Health and Safety Management Systems to ensure the provision of healthy and safe workplaces for their employees. The Group rigorously adheres to all pertinent laws and regulations<sup>7</sup> in the People's Republic of China, Hong Kong, and other regions where it operates. During the period under review, the Group had no work-related fatality recorded.

### Number and Rate of Work-related Fatalities of the Group

	2023	2022 <sup>8</sup>	2021 <sup>9</sup>
Number of work-related fatalities	0	0	0
Rate of work-related fatalities (%)	0	0	0
Lost days due to work-related injury	360.5	1,558	820

<sup>6</sup> Regarding laws and regulations related to labour standards, please refer to the Laws and Regulations section of this report.

<sup>7</sup> Regarding laws and regulations related to health and safety, please refer to the Laws and Regulations section of this report.

<sup>8</sup> Restated data

<sup>9</sup> Restated data



## Protective Measures in Manufacturing Areas

When entering manufacturing areas, employees are required to use specified personal protective equipment, including helmets. To mitigate the risk of accidents, personnel assigned to specialised roles must acquire relevant certificates or work permits before commencing their duties. Furthermore, smoking and alcohol consumption are strictly prohibited in working areas.

The Group diligently and regularly monitors workplace exposure risks in each plant, ensuring compliance with national occupational health standards. We prohibit the entry of any metals into our workshop through weekly 6S inspections. We regularly assess and monitor workplace exposure risks at each plant, taking measures to restrict employees' exposure to these risks. This is achieved by ensuring that the obtained results align with the criteria outlined in the national occupational health standards, specifically GBZ2.1 for Occupational Exposure Limits related to Hazardous Agents in the Workplace (chemical hazardous agents) and GBZ2.2 for Occupational Exposure Limits concerning Hazardous Agents in the Workplace (physical agents).

## Safety Training

An emergency command centre and the requisite response teams are in place to organise fire drills and safety training for all employees regularly. We thus ensure that we are able to respond to any unexpected incidents.



Safety Training



Fire Drill

## Development and Training

We are dedicated to building an outstanding talent pool through thoughtfully designed talent development programs, aimed at unlocking employees' potential and enhancing their professional competencies to meet the ever-evolving business landscape. During the period under review, the Group organised a diverse array of training courses, reaching 3,930 employees.



	Percentage of Trainees	Average Training Hours (Hours)
<b>By Gender</b>		
Male	45.90%	1.04
Female	54.10%	1.26
<b>By Position</b>		
General staff	95.17%	1.26
Middle management	4.78%	0.43
Director and senior management	0.05%	0.22

Our comprehensive training initiatives span various dimensions, including onboarding, mid-to-senior management development, and internal training.

### Leadership Development Programs

We have a comprehensive approach to talent pool management, comprising the "Mid-to-Senior Management Development Management System", which involves a meticulous talent inventory process to identify and integrate suitable individuals into the talent pool. The "Flying Eagle Plan" and "Eagle Plan" are designed specifically for grooming those with managerial prospects and those who can potentially succeed management director. These plans involved initiatives designed to sharpen and hone leadership competencies of managerial personnel. Additionally, we have initiated the DDP Director Development Project, offering thorough training to a select group of director-level participants, which encompasses crucial aspects such as standards setting, cultural development, mindset breakthrough, and capability enhancement.

## Director Development Project (“DDP”)



## Eagle Plan



## Onboarding and Integration Training

We have also taken the “New Employee Integration Management Measures” to streamline the onboarding experience of newly hired personnel. Monthly onboarding training sessions are systematically conducted, comprising a total of eight sessions. These sessions comprehensively cover crucial aspects, including corporate culture and audit integrity culture. Notably, these initiatives positively impacted 237 new employees hired during the reporting year, significantly diminishing the time required for their assimilation into the organisational fabric. Additionally, the annual “Excellent Graduates” Training Camp, held from June to July, provided an intensive 1–2-week training for 67 new graduates. The curriculum encompassed key components such as the narrative of 361°, introductions to business centres, and essential workplace skills, further contributing to the robust development of these emerging professionals.

## “Excellent Graduates” Training Camp



## Establishment of Internal Trainer Team

“Group Internal Trainer Management Measures” help us prioritise the development of a proficient internal trainers’ team and establishing a training framework predominantly reliant on internal expertise to augment organisational self-empowerment. Concurrently, “Group Internal Course Management Measures” helps systematically construct the training course system, standardise course administration, and address the requisites of diverse talent development projects. Over the course of the year, the business centre conducted 79 internal training sessions, encompassing management, general, and skills-oriented courses, with the active participation of 3,346 individuals. These initiatives collectively underscore the Company’s commitment to fostering a culture of continual learning and skill development in its workforce.

## Internal Training



Using diverse training methods and cutting-edge technology, we use online platforms such as Qianliao and DingTalk to propagate our programs. Simultaneously, our distributors and retailers are mandated to join annual training to stay updated on the latest technology and products, empowering them to guide informed consumer purchases.

# ENVIRONMENTAL COMMITMENT

## Tackling Climate Change

361° has adopted a comprehensive and strategic approach to address the challenges posed by climate change. This approach involves several key elements:

### Carbon Reduction

- 361° is committed to reducing its carbon footprint across all its operations. This includes measures to increase energy efficiency, transition to renewable energy sources, and optimising transportation and logistics to minimise emissions.

### Sustainable Supply Chain

- The Company has implemented sustainable sourcing and procurement practices to minimise the carbon footprint associated with its supply chain. This includes working closely with suppliers who prioritise eco-friendly materials and production processes.

### Product Innovation

- 361° invests in research and development to create environmentally-friendly products. This includes the use of sustainable materials and production techniques that have a reduced environmental impact.

### Employee Engagement

- The Company promotes a culture of sustainability among its employees, encouraging eco-friendly practices both at work and in their personal lives. This includes initiatives to reduce waste, conserve resources, and promote eco-conscious behaviors.

### Transparency and Reporting

- 361° is committed to transparently reporting its progress in reducing its environmental impact. This includes regular reporting on carbon emissions, energy usage, and other sustainability metrics.

## Pioneering the “Carbon Capture” Concept

361° has demonstrated its commitment to innovation and sustainability by being the first in the industry to introduce the “carbon capture” concept. This groundbreaking initiative involves capturing and storing carbon dioxide emissions from various processes, such as manufacturing or transportation, to prevent them from being released into the atmosphere. By doing so, the Company is actively working to reduce its carbon footprint and combat climate change.

This pioneering approach not only showcases 361°’s dedication to environmental responsibility but also sets a high standard for others in the industry to follow. By leading the way with innovative solutions like carbon capture, 361° is actively contributing to global efforts to mitigate the effects of climate change.

### “Carbon Capture” Product: 361° Flying Flame II

361° is the first in the industry to put forward the concept of “carbon capture”, released the “Carbon Quikical Tech” (CQT碳臨界科技). This technology builds upon supercritical physical foaming and employs carbon dioxide instead of conventional nitrogen to facilitate the foaming of materials through heating and pressurisation. It achieves the “capture and consumption” of carbon dioxide. “Flying Flame II” (飛燃 II) utilises this latest technology and has been upgraded in a number of ways.



## Climate-related Risks and Potential Impacts

361° recognises that climate change poses significant risks and opportunities to its business operations and the broader community.

Type		Climate-related Risks	Potential Financial Impacts	361°'s Response
Physical Risks	Acute	<ul style="list-style-type: none"> <li>Increasing severity of extreme weather events</li> </ul>	<ul style="list-style-type: none"> <li>Property damage and operational disruptions</li> </ul>	<ul style="list-style-type: none"> <li>Invest in resilient facility upgrades</li> </ul>
	Chronic	<ul style="list-style-type: none"> <li>Alterations in weather patterns and increased variability</li> <li>Escalating average temperatures</li> <li>Rising sea levels</li> </ul>	<ul style="list-style-type: none"> <li>Inventory management and production costs</li> <li>Higher cooling and energy expenses</li> <li>Asset damage and increased insurance</li> </ul>	<ul style="list-style-type: none"> <li>Enhance supply chain and efficiency</li> <li>Implement energy-efficient cooling systems</li> <li>Protect coastal assets and reevaluate</li> </ul>
Transition Risks	Policy and Legal	<ul style="list-style-type: none"> <li>Increased GHG emissions reporting obligations</li> <li>Mandates and regulation of products</li> </ul>	<ul style="list-style-type: none"> <li>Higher manufacturing expenses</li> <li>Increased compliance costs</li> <li>Compliance and demand challenges</li> </ul>	<ul style="list-style-type: none"> <li>Invest in sustainability initiatives</li> <li>Enhance reporting and compliance frameworks</li> <li>Engage legal counsel and bolster risk management</li> </ul>
	Technology	<ul style="list-style-type: none"> <li>Substitution of existing products</li> <li>Unsuccessful new technology investments</li> <li>Transition costs to green tech</li> </ul>	<ul style="list-style-type: none"> <li>Reduced demand for inventory</li> <li>Wasted capital expenditure</li> <li>Increased operational expenses</li> </ul>	<ul style="list-style-type: none"> <li>Prioritise sustainable R&amp;D investment</li> <li>Diversify with eco-friendly product range</li> <li>Optimise manufacturing for cost efficiency</li> </ul>
	Market	<ul style="list-style-type: none"> <li>Changing customer behaviour</li> <li>Uncertainty in market signals</li> <li>Increased cost of raw materials</li> </ul>	<ul style="list-style-type: none"> <li>Shift in product demand</li> <li>Investment and strategy challenges</li> <li>Higher production expenses</li> </ul>	<ul style="list-style-type: none"> <li>Diversify product offerings and markets</li> <li>Adopt sustainable supply chain practices</li> <li>Implement strategic scenario planning</li> </ul>
	Reputation	<ul style="list-style-type: none"> <li>Shifts in consumer preferences</li> <li>Stigmatisation of the sector</li> <li>Increased stakeholder concern</li> </ul>	<ul style="list-style-type: none"> <li>Reduced product demand</li> <li>Negative brand image</li> <li>Decreased investor and customer confidence</li> </ul>	<ul style="list-style-type: none"> <li>Promote sustainability in marketing efforts</li> <li>Engage stakeholders and ensure transparency</li> <li>Prioritise employee well-being and satisfaction</li> </ul>

In conclusion, 361° has adopted a forward-thinking and holistic approach to climate change, pioneering innovative solutions such as carbon capture while proactively addressing climate risks and potential impacts. This demonstrates its commitment to sustainability and its dedication to making a positive environmental impact in the face of climate challenges.

## GHG Emissions

361° realises GHG emissions have significant impacts on climate change, and they are the core factors to address the climate-related risks. Therefore, the Group complies with applicable laws and regulations<sup>10</sup> concerning GHG emissions and implements reasonable emission reduction measures based on its own circumstances.

The GHG emissions of 361° are mainly from combustion of fossil fuels for transportation, electricity consumption for operations and business travelling. In order to reduce the emissions in operations and production, 361° implements effective control measures for the use of corporate vehicles. It has installed exhaust filters, and has equipped its production lines with emission-reducing facilities. To reduce the emissions from electricity consumption, 361° is committed to integrating the principal of "Saving Electricity" into its business strategies and daily operations.

Apart from the practices narrated above, the Group is working on offsetting its GHG emissions by providing biodiversity benefits to the surrounding areas and taking useful measures to convert its working sites into eco-friendly places. During the period under review, the Group's total GHG emissions amounted to 36,675.80 tonnes of CO<sub>2</sub> e.

### GHG Emissions<sup>11</sup>

Emission Category	Unit	Amount in FY2022	Intensity <sup>12</sup> (unit/employee) in FY2022	Amount in FY2023	Intensity (unit/employee) in FY2023
Scope 1 <sup>13</sup> (Direct Emissions)	Tonnes of CO <sub>2</sub> e	613.58	0.08	7,233.50	0.98
Scope 2 <sup>14</sup> (Energy Indirect Emissions)	Tonnes of CO <sub>2</sub> e	17,165.62	2.31	26,460.60	3.59
Scope 3 <sup>15</sup> (Other Indirect Emissions)	Tonnes of CO <sub>2</sub> e	1,036.10	0.14	2,981.70	0.40
<b>Total (Scope 1 &amp; 2 &amp; 3)</b>	<b>Tonnes of CO<sub>2</sub> e</b>	<b>18,815.30</b>	<b>2.53</b>	<b>36,675.80</b>	<b>4.97</b>

<sup>10</sup> Regarding laws and regulations related to emissions, please refer to the Laws and Regulations section of this report.

<sup>11</sup> The methodology adopted for reporting on GHG emissions set out above was based on "How to Prepare an ESG Report? - Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange and the IPCC Emission Factor Database.

<sup>12</sup> Intensity in FY2023 was calculated by dividing the amount of air emissions, GHG emissions and other emissions by the number of employees of the Group as of 31 December 2023, which was 7,375.

<sup>13</sup> The Group's Scope 1 (Direct Emissions) included the emissions arose from the consumption of petrol, diesel, and natural gas. Scope 1 emissions has increased significantly during the period under review due to our factory used natural gas compared to previous reporting period and the increase of diesel consumption.

<sup>14</sup> The Group's Scope 2 (Energy Indirect Emissions) included only the emissions arose from the electricity consumption. Scope 2 emissions has increased significantly during the period under review due to the increase of purchased electricity consumption.

<sup>15</sup> The Group's Scope 3 (Other Indirect Emissions) included only the emissions arose from the business air travel.

## Emission Management

361° attaches great importance to protection of the ecological environment. In order to reduce the adverse effects of emissions during production and operation on the environment, the Group takes proper measures to reduce discharge of air pollutants, GHG, solid waste and wastewater.

During the period under review, the Group was in compliance with applicable laws and regulations<sup>16</sup> concerning air and GHG emissions, discharges into water and land, generation of hazardous and non-hazardous wastes, and noise that have a significant impact on the Group.

## Air Emissions

To effectively minimise the impacts of air pollutants including sulfur oxides (SO<sub>x</sub>), nitrogen oxides (NO<sub>x</sub>) and particulate matter (PM), the Group engages qualified professional agencies to conduct emissions tests regularly. Given that the air pollutants emitted from 361° are mainly generated from the use of vehicles, exhaust filters and other facilities have been installed in the Company's vehicles.

During the period under review, the emission of sulfur oxides (SO<sub>x</sub>), nitrogen oxides (NO<sub>x</sub>) and particulate matter (PM) by the Group decreased by 47.3%, 16.5% and 25.6% respectively as compared to FY2022.

## Air Pollutants Discharge<sup>17</sup>

Emission Category	Unit	Amount in FY2022	Amount in FY2023
Sulfur Oxides (SO <sub>x</sub> )	Kg	3.91	2.06
Nitrogen Oxides (NO <sub>x</sub> )	Kg	294.35	245.66
Particulate Matter (PM)	Kg	21.67	16.13

## Waste Management

In 361°, leftover materials and offcuts from manufacturing business constitute the major part of solid wastes generated, and they are non-hazardous waste.

Steps for reducing waste at source by minimising the consumption of single-use products are taken by the Group. Besides, 361° obeys the "Circular Economy Principles" and has been reusing certain resources in its business as much as possible. The Group has been adjusting the formula of the footwear products to increase the use of secondary materials. Leftover materials and offcuts are crushed by pulverisers, which are then sent to recycling stations. Unrecyclable materials such as glue and synthetic resin are collected and treated by qualified recycling centres. Therefore, to facilitate recycling of solid waste, the Group actively encourages its employees to sort the waste in everyday operations.

<sup>16</sup> Regarding laws and regulations related to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste, please refer to the Laws and Regulations section of this report.

<sup>17</sup> Air emissions included only the air pollutants in the exhaust gas from vehicles for transportation.

Recognising the importance of safeguarding water sources and biodiversity, 361° has established a dedicated hazardous waste management warehouse. Here, hazardous waste is stored securely and is handled in compliance with stringent regulations. Once a predetermined quantity of hazardous waste is accumulated, we engage qualified hazardous waste processors. This approach ensures that hazardous waste is processed and disposed of responsibly, minimising any adverse effects on the environment and natural resources.

Adhering to its due diligence process, the Group conducts regular audits of its service providers with respect to their waste management abilities and capacity, so as to monitor the impacts of its waste generation from a lifecycle perspective.

## Non-hazardous Waste

Category	Unit	Amount in FY2022	Intensity (unit/employee) in FY2022	Amount in FY2023	Intensity (unit/employee) in FY2023
Domestic and commercial solid waste	Tonnes	1,841	0.25	1,951	0.26
Manufacturing solid waste	Tonnes	1,340	0.18	1,551	0.21
Total solid waste	Tonnes	3,181	0.43	3,502	0.47

## 361°'s Sustainable Customised Clothing and Equipment for the Hangzhou Asian Games Torchbearers



As a leading sports brand in China, 361° has customised various types of clothing and equipment for the torchbearers of Hangzhou Asian Games, including hats, shirts, trousers, sneakers and backpacks.

The torchbearer clothing uses green recyclable polyester fabric, as well as digital inkspray environmental protection technology, which integrates function, technology and environmental protection. This is another practice followed by 361° in response to the "Green Asian Games" concept and for upholding the concept of environmental protection.

## Wastewater Management

Considering that the biggest challenge of wastewater treatment in the textile industry is inadequate capability rather than insufficient or weak awareness or commitment, the Group upholds the "3R principle - Reduce, Reuse and Recycle".



In FY2023, the Group generated a total of 471,190 m<sup>3</sup> of wastewater.

## Energy Consumption

During the period under review, resources consumed by the Group were electricity, natural gas, petrol, diesel, water, paper, and various forms of packaging materials. During the period under review, the Group's brand recognition increased, and performance showed steady growth, resulting in an increase in the Group's resource consumption compared to the previous year.

## Electricity

In energy consumption of 361°, purchased electricity account for around **61%** of the total during the period under review (FY2022: 92%). Electricity consumption was also the major source of GHG emissions and constituted almost 72% of total emissions.

In order to reduce GHG emissions and energy consumption, 361° is striving to integrate the principle of "Saving Electricity" into its business strategies and daily operations through energy saving campaigns and regular environmental training to raise employees' awareness. Various efforts on electricity saving include:

- Formulate "Electricity and Energy Use Manual" to guide staff in saving electricity
- Install solar panels and solar water heating system to reduce reliance on traditional electricity sources
- Adopt advanced technologies to enhance production efficiency
- Prioritise energy-efficient equipment in procurement and replace energy-intensive old equipment
- Encourage employees to switch off idling lights, air-conditioners and other electrical appliances when leaving
- Perform maintenance regularly to optimise the performance and lifespan of electrical and mechanical equipment

During the period under review, we used 5,458,530 kWh of self-generated renewable electricity, accounting for 11.77% of the total.

## Other Energy Consumption

During the period under review, we have added the use of natural gas for the manufacturing of shoe soles and we consumed petrol and diesel for transportation purposes. To better manage the consumption of liquid fossil fuels and thus reduce the consequent emissions, the Group standardises the use of fleets for business affairs and product transportation, while encouraging its employees to communicate through digital platforms to eliminate unnecessary travel.

Besides, to reduce the consumption on fossil fuels at the source, the Group is trying to use renewable energy and promote the use of electric vehicles in the industrial park.

During the period under review, the amount of petrol consumed by the Group dropped by 54.97% over the previous year, which was attributed to the unwavering efforts of the Group in managing its fleet usage.

## Other Energy Resource Consumption

Category	Unit	Amount in FY2022	Intensity (unit/employee) in FY2022	Amount in FY2023	Intensity (unit/employee) in FY2023
Petrol	litre	264,849	35.59	119,260	16.17
Diesel	litre	1,335	0.18	21,970 <sup>18</sup>	2.98
Natural gas	m <sup>3</sup>	-	-	3,171,243	430

## Resource Management

### Water

Faced with the fact that water crisis is viewed as one of the top five global risks, and to reduce the cost of water usage, the Group is committed to better controlling its water consumption in production. Starting its efforts at optimising operations to reduce water consumption, the Group has taken the following measures:

- Adopt advanced technologies to strengthen water recycling in the manufacturing process
- Strengthen the inspection and maintenance of water taps, water pipelines and water storage tanks
- Manage water consumption by controlling the flow rate of faucets and install separate water metering devices
- Set water consumption limitations for the canteen and charge extra cost for overconsumption
- Promote the importance of water conservation by placing posters and raising employees' awareness during morning briefings

**During the period under review, the water consumption of the Group was 895,780 m<sup>3</sup>, the intensity of water consumption was 121.46 m<sup>3</sup>/employee.**

The Group did not encounter any problem in sourcing water fit for its purposes.

<sup>18</sup> The consumption of diesel has increased significantly during the period under review due to the increased use of diesel in our factories and trucks.

## Packing Material

It is known that packaging materials used throughout the value chain constitute a significant part of waste that needs to be eliminated whenever possible. The Group works at reducing packaging materials consumption by using improved design in terms of durability, reusability and recyclability. The Group continues to explore and test alternative packaging solutions and prioritise more eco-friendly materials such as cartons, paper and woven bags.



**Total consumption of paper boxes:  
2,700 tonnes (FY2022: 2,320 tonnes)**

**Total consumption of packaging paper:  
60 tonnes (FY2022: 47 tonnes)**

## Paper

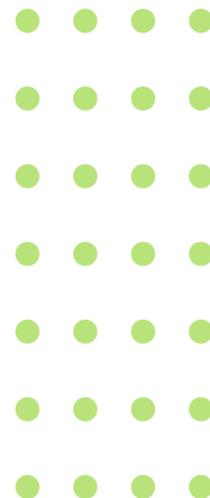
The Group encourages all employees to save paper so that they contribute to the reduction of carbon emissions. For instance, reminders such as "Save Paper, Conserve Resources" are placed next to printers to remind employees of print only when necessary. Meanwhile, to effectively monitor the implementation of its paper conservation measures, one or more individuals are designated as paper conservation leaders to proactively reduce, reuse, and recycle paper. Meanwhile, 1,930 kilograms of paper recycled during the year under review.

Attributed to the overarching resource conservation policies of the Group, the paper consumption decreased by 39.5% compared to FY2022.



**Total consumption of paper:  
8,150 kg (FY2022: 13,480 kg)**

**Intensity of paper consumption:  
1.11 kg/employee (FY2022: 1.81 kg/employee)**



## Targets and Actions

After carefully reviewing its current business operations and environmental performance over the years, the steps taken to achieve targets this year and the target achieved this year, we set the following short-term environmental targets aiming to strike a balance between economic development and environmental impacts.

### Targets and Action in FY2024

	Targets (Baseline: FY2023)	Actions
<b>Air Emissions</b>	<ul style="list-style-type: none"> <li>Reduce air emissions intensity by 5%</li> </ul>	<ul style="list-style-type: none"> <li>Tap opportunities to upgrade vehicle fleet with vehicles fuelled by clean or alternative energy</li> </ul>
<b>GHG Emissions</b>	<ul style="list-style-type: none"> <li>Reduce total GHG emissions intensity by 5%</li> </ul>	<ul style="list-style-type: none"> <li>Reduce carbon emissions at directly-operated worksites by improving energy efficiency and reducing the use of paper</li> </ul>
<b>Waste Disposal</b>	<ul style="list-style-type: none"> <li>Maintain total solid waste disposal intensity at the current level</li> </ul>	<ul style="list-style-type: none"> <li>Establish a product system to consider environmentally friendly materials</li> </ul>
<b>Wastewater Discharge</b>	<ul style="list-style-type: none"> <li>Reduce wastewater discharge intensity by 5%</li> </ul>	<ul style="list-style-type: none"> <li>Explore possible ways of treating and reusing the wastewater discharged during operations for other purposes</li> </ul>
<b>Electricity Consumption</b>	<ul style="list-style-type: none"> <li>Maintain electricity consumption intensity at the current level</li> </ul>	<ul style="list-style-type: none"> <li>Continue commitment to save electricity and urge employees to work according to the environmental principles</li> </ul>
<b>Other Fuel Consumption</b>	<ul style="list-style-type: none"> <li>Maintain other fuels' consumption intensity at the current level</li> </ul>	<ul style="list-style-type: none"> <li>Optimise transportation routes of company cars to reduce fuel consumption</li> </ul>
<b>Water Consumption</b>	<ul style="list-style-type: none"> <li>Maintain wastewater discharge intensity at the current level</li> </ul>	<ul style="list-style-type: none"> <li>Continue to promote the concept of "water conservation" among staff by delivering regular messages</li> </ul>
<b>Paper Consumption</b>	<ul style="list-style-type: none"> <li>Reduce absolute paper consumption by 20%</li> </ul>	<ul style="list-style-type: none"> <li>Strive for a paperless working environment by assigning designated staff for controlling the use of paper in offices</li> </ul>

## Mitigation of Environmental Impact

At 361°, we are dedicated to minimising our environmental impact and preserving natural resources. One noteworthy initiative is our comprehensive transformation plan designed to address the emissions of screen-printing waste gas. To achieve this, we have taken concrete measures such as sealing our workshops to effectively control emissions and subsequently collect waste gas for centralised treatment and disposal. These efforts significantly contribute to reducing harmful emissions.

Concurrently, we are implementing measures to meet and exceed the required standards for treating wastewater. Additionally, we are actively engaged in upgrading our rain and sewage diversion project, a step that further reduces our environmental footprint. In cases where our printing processes do not meet environmental protection requirements, we proactively conduct new environmental impact assessments to ensure ongoing improvement.

Furthermore, we have made substantial investments in enhancing purification of our sewage pipe network, guaranteeing that all wastewater is thoroughly treated before discharge. These combined efforts underscore our commitment to environmental responsibility and sustainable operations.

## Certifications and Recognition

First and foremost, we hold an ISO14001 Environmental Management System Certification, which signifies our commitment to adhere to international environmental standards. This certification, valid until December 2025, underscores our dedication to effective environmental management.

Moreover, we have been recognised for our environmental efforts by being included in the “List of Green Supply Chain Management Enterprises” as announced by the General Office of the Ministry of Industry and Information Technology (工業和信息化部辦公廳). This acknowledgment highlights our role in promoting environmentally friendly supply chain practices.



Utilising recycled plastic bottles and starch-based raw materials, such as corn and potatoes, as key components in the manufacturing process of shoes.



**Recycled Yarn & Bio-based Synthetic Leather/PP Film**

## Green Initiatives

361° is proactive in its pursuit of sustainability through its Green Operations and Green Innovation Initiatives. These initiatives include ongoing R&D aimed at creating environmentally friendly materials and processes. By investing in innovative solutions, the Company strives to reduce its environmental impact at every stage of its operations.

Our policies and measures reflect a comprehensive commitment to reducing our environmental footprint and safeguarding natural resources. We are dedicated to sustainable and environmentally conscious operations through certifications, initiatives, responsible decision-making, and specific environmental management practices.



**Bio-based Shoe Sole Materials**

Developing bio-based shoe sole materials. Incorporating Brazilian sugarcane-based midsoles and corn starch-based bio-rubber as key components in the production of shoe soles.



**Recycled Shoe Sole Materials**

Developing recycled shoe sole materials by utilising recycled plastic pellets, coffee grounds, and rice husks in the production of shoe soles.

# COMMUNITY INVESTMENT

As a leading sporting goods manufacturer, we recognise the significant responsibility we bear towards the communities in which we operate, which we rely upon, and serve. We are deeply committed to strengthening community programs and providing full support to local communities, with a particular focus on empowering young people and helping socially disadvantaged groups. Our unwavering dedication to fulfill our corporate social responsibility drives us to contribute towards social progress and create a positive impact.

## Contributing to the Sports

361° makes efforts to provide professional products and services for the majority of sports persons and fans. We are committed to promoting the development of sports through event funding and event support. In the field of running, we have released the "Track Dream Plan" (赛道梦想计划), which aims to provide runners with a full range of sports experience and establish a new running development system.

361° has also built its own IP race system, of which the "3# Track" (3号赛道) series has attracted much attention. In order to promote the running community, we have created the country's first "3# Track Club" (3号赛道俱乐部) to provide offline communication and interaction space for team members.

In the field of basketball, 361° held the "Light Up" (触地即燃) series hosted by well-known sports brands, providing grassroots players with the opportunity to show their strength. We are also the sponsor of the Zheng Kai Marathon.

Through event funding and event support, 361° continues to enhance its influence in the field of sports, providing more specialised products and services for the majority of sports persons and fans.



As an official partner of the Asian Games, 361° has actively participated in preparations for the Hangzhou Asian Games. We customised various official sports clothing and equipment for the torchbearers, athletes, technical officials, security personnel and other games staff, and provided professional support, making outstanding contributions to the success of the Hangzhou Asian Games. As a volunteer, 361° actively participated in the reception of the opening and closing ceremonies of the Hangzhou Asian Games, ensuring that everyone had a smooth and pleasant experience.



## Contributing to the Community

During the period under review, the Group made charitable donations amounted to RMB13,731,000. Some public-welfare activities conducted by the Group were as follows.

### Practicing Love Program: 361° Donates More Than RMB 2 Million to Help Ecological Protection and Youth Development

361° implemented the Group's "Love Program", calling on the public to pay attention to the natural ecology and maintain local biodiversity. 361° Group donated a set of sports equipment to Weimin Central Primary School in Shaowu City, and at the same time, donated RMB 2 million to the Association for the Protection of Ancient Forests in Waishi Village of Shaowu City, which is used to protect the resources of ancient trees and coordinate the rational distribution of regional resources to further promote sustainable development of regional ecology and economy.



### Serving the Community: Our Participation in Lingxia Community's Public Welfare Initiative

During the period under review, we actively participated in the Lingxia Community's "Lingxin Gathers Together to Build a Harmonious Garden" public welfare activity, coinciding with the celebrations of the Mid-Autumn Festival and the National Day. This initiative aimed to foster collaborative projects and enhance corporate public welfare services through collective action. We joined hands with the community to fulfill our social responsibilities and serve the community's needs.



# APPENDIX

## 361° Recognised as a Lei Feng Demonstration Site for Exemplary Social Responsibility and Collaboration

The Company has been awarded the title of “Lei Feng Demonstration Site” by the Propaganda Department of the Xiamen Municipal Committee of the Communist Party of China. All party members and employees of 361° consistently embrace the brand concept of “One More Love” and embody the core values of the enterprise with an additional degree of love, dedication, and a sense of responsibility. Through efficient execution, collaboration, combat effectiveness, and unity, we strive to create the maximum value for the society.



## 361°'s Active Involvement in Post-Typhoon Cleanup: Restoring and Clearing the Environment

On July 27, 2023, the company actively participated in the post-typhoon cleanup by assisting in uprighting fallen trees and clearing away dry branches and fallen leaves. Typhoon caused significant environmental damage in Xiamen, resulting in uprooted or fallen trees and scattered debris. The Company took it upon itself to contribute to the restoration and cleanup process.



## Laws and Regulations

The Group strictly complies with the following laws and regulations and has formulated internal management policies and guidelines based on the relevant laws and regulations.

Aspects	Applicable Laws and Regulations	Corresponding Section
<b>Environmental</b>	<ul style="list-style-type: none"> <li>Environmental Protection Law of the People’s Republic of China;</li> <li>Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution;</li> <li>Law of the People’s Republic of China on Prevention and Control of Water Pollution;</li> <li>Law of the People’s Republic of China on the Prevention and Control of Solid Waste Pollution; and</li> <li>Law of the People’s Republic of China on Prevention and Control of Environmental Noise Pollution.</li> </ul>	• ENVIRONMENTAL COMMITMENT
<b>Employment and Labour Standards</b>	<ul style="list-style-type: none"> <li>Employment Ordinance (Cap. 57 of the Laws of Hong Kong);</li> <li>Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong);</li> <li>Employees’ Compensation Ordinance (Cap. 282 of the Laws of Hong Kong);</li> <li>Minimum Wage Ordinance (Cap. 608 of the Laws of Hong Kong);</li> <li>Disability Discrimination Ordinance (Cap. 487 of the Laws of Hong Kong);</li> <li>Race Discrimination Ordinance (Cap. 602 of the Laws of Hong Kong);</li> <li>Sex Discrimination Ordinance (Cap. 480 of the Laws of Hong Kong);</li> <li>Minimum Wage Standards;</li> <li>Company Law of the People’s Republic of China;</li> <li>Labour Law of the People’s Republic of China;</li> <li>Law of the People’s Republic of China on Promotion of Employment ;</li> <li>Social Insurance Law of the People’s Republic of China;</li> <li>Labour Contract Law of the People’s Republic of China;</li> <li>Regulations on Management of Housing Provident Fund in Xiamen;</li> <li>Legal Protection of Rights and Benefits of the Peasant Workers;</li> <li>Rules of the State Council on Working Hours of Workers and Staff Members;</li> <li>Labour Standards Act (Taiwan);</li> <li>Consolidation of Labour Laws (Consolidação das Leis do Trabalho, CLT) (Brazil);</li> <li>Fair Labour Standards Act (FLSA) (United States);</li> <li>Work and Security Act (Netherlands); and</li> <li>Netherlands Working Conditions Act.</li> </ul>	• PEOPLE-ORIENTED
<b>Health and Safety</b>	<ul style="list-style-type: none"> <li>Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong);</li> <li>Production Safety Law of the People’s Republic of China;</li> <li>Law of the People’s Republic of China on Prevention and Control of Occupational Diseases;</li> <li>Regulations on the Reporting, Investigation and Disposition of Work Safety Accidents;</li> <li>Special Rules on the Labour Protection of Female Employees; and</li> <li>Regulation on Work-Related Injury Insurance.</li> </ul>	• PEOPLE-ORIENTED
<b>Product Responsibility</b>	<ul style="list-style-type: none"> <li>The Law of the People’s Republic of China on Product Quality;</li> <li>The Fire Protection Law of the People’s Republic of China;</li> <li>The Metrology Law of the People’s Republic of China;</li> <li>Law of the People’s Republic of China on the Protection of Consumer Rights and Interests;</li> <li>The Patent Law of the People’s Republic of China; and</li> <li>The Trademark Law of the People’s Republic of China.</li> </ul>	• OPERATIONAL EXCELLENCE
<b>Anti-corruption</b>	<ul style="list-style-type: none"> <li>Anti-Corruption Law of the People’s Republic of China;</li> <li>Law of the People’s Republic of China on Anti-money Laundering;</li> <li>Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong); and</li> <li>Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong).</li> </ul>	• OPERATIONAL EXCELLENCE

# Performance Data Summary

## Environmental Performance

	2023	2022 <sup>19</sup>
<b>Air Pollutants</b>		
Sulfur oxides (kg)	2.06	3.91
Nitrogen oxides (kg)	245.66	294.35
Particulate matter (kg)	16.13	21.67
<b>Greenhouse Gas Emissions</b>		
Scope 1 — Direct carbon emissions (tCO <sub>2</sub> e)	7,233.50	613.58
Scope 2 — Indirect carbon emissions (tCO <sub>2</sub> e)	26,460.60	17,165.62
Scope 3 — Other indirect carbon emissions (tCO <sub>2</sub> e)	2,981.70	1,036.10
Total GHG emissions (tCO <sub>2</sub> e)	36,675.80	18,815.30
Scope 1 — Direct carbon emission intensity (unit/employee)	0.98	0.08
Scope 2 — Indirect carbon emissions intensity (unit/employee)	3.59	2.31
Scope 3 — Other indirect carbon emissions intensity (unit/employee)	0.40	0.14
Total greenhouse gas emission intensity (unit/employee)	4.97	2.53
<b>Energy Consumption</b>		
Electricity (Non-renewable) (kWh)	46,396,150	29,633,509
Electricity (Renewable) (kWh)	5,458,530	-
Petrol (Litre)	119,260	264,849
Diesel (Litre)	21,970	1,335
Natural gas (m <sup>3</sup> )	3,171,243	-
Total energy consumption (kWh'000)	85,378.20	32,214.50
Electricity intensity (unit/employee)	7,031.14	3,982.46
Petrol intensity (unit/employee)	16.17	35.59
Diesel intensity (unit/employee)	2.98	0.18
Natural gas intensity (unit/employee)	430	-
Total energy consumption intensity (unit/employee)	11.58	4.33
<b>Non-hazardous Waste</b>		
Domestic and commercial solid waste (tonnes)	1,951	1,841
Manufacturing solid wastes (tonnes)	1,551	1,340
Wastewater (m <sup>3</sup> )	471,190	333,970
Domestic and commercial solid Waste intensity (unit/employee)	0.26	0.25
Manufacturing solid waste intensity (unit/employee)	0.21	0.18
Wastewater intensity (unit/employee)	63.89	44.88
<b>Water Resources</b>		
Water (m <sup>3</sup> )	895,780	640,666
Water consumption intensity (unit/ employee)	121.46	86.10
<b>Paper</b>		
Paper consumption (kg)	8,150	13,480
Paper consumption intensity (unit/ employee)	1.11	1.81
<b>Packaging Material</b>		
Paper box (tonnes)	2,700	2,320
Other paper-made products such as packaging paper (tonnes)	60	47
Paper box intensity (unit/employee)	0.37	0.31
Other paper-made products such as packaging paper intensity (unit/employee)	8.14 x 10 <sup>-3</sup>	6.32 x 10 <sup>-3</sup>

<sup>19</sup> To maintain consistency and enable accurate comparisons, the data for the year 2022 has been recalculated to include up to two decimal places.

## Social Performance

	2023	2022
<b>Total Number of Employees (Person)</b>	<b>7,375</b>	<b>7,441</b>
<b>By Gender</b>		
Male	3,598	3,873
Female	3,777	3,568
<b>By Position</b>		
General staff	6,437	6,194
Middle management	920	1,133
Director and senior management	18	114
<b>By Age</b>		
30 or below	2,373	2,382
31 and 40	2,460	2,331
41 and 50	1,573	1,726
51 or above	969	1,002
<b>By Employment Type</b>		
Full-time	7,374	7,441
Part-time	1	0
<b>By Geographical Location</b>		
Mainland China	7,353	7,420
Hong Kong	10	10
US	3	3
Taiwan	3	0
Netherlands	2	8
Other nationality	4	0
<b>Total Number of Employees Lost (Person)</b>	<b>1,673</b>	<b>1,564</b>
<b>By Gender</b>		
Male	772	866
Female	901	698
<b>By Age</b>		
30 or below	546	659
31 and 40	532	519
41 and 50	595	266
51 or above	0	120
<b>By Geographical Location</b>		
Mainland China	1,673	1,563
Hong Kong	0	0
US	0	1
Taiwan	0	0
Netherlands	0	0
Other nationality	0	0
<b>Employee Turnover Rate</b>	<b>22.68%</b>	<b>21.02%</b>
<b>By Gender</b>		
Male	21.46%	22.36%
Female	23.85%	19.56%
<b>By Age</b>		
30 or below	23.01%	27.67%
31 and 40	21.63%	22.27%
41 and 50	37.83%	15.41%
51 or above	0.00%	11.98%

	2023	2022
<b>By Geographical Location</b>		
Mainland China	22.68%	21.06%
Hong Kong	0.00%	0.00%
US	0.00%	33.3%
Taiwan	0.00%	0.00%
Netherlands	0.00%	0.00%
Other nationality	0.00%	0.00%
<b>Number of Work-related Fatalities</b>		
Number of work-related fatalities	0	0
Rate of work-related fatalities	0.00%	0.00%
Lost days due to work injury	360.5	-
<b>Total Number of Employees Trained</b>	<b>3,930</b>	<b>1,210</b>
<b>By Gender</b>		
Male	1,804	558
Female	2,126	652
<b>By Position</b>		
General staff	3,740	946
Middle management	188	256
Director and senior management	2	8
<b>Total Percentage of Employees Trained</b>	<b>53.29%</b>	<b>16.26%</b>
<b>By Gender</b>		
Male	45.90%	46.12%
Female	54.10%	53.88%
<b>By Position</b>		
General staff	95.17%	78.18%
Middle management	4.78%	21.16%
Director and Senior management	0.05%	0.66%
<b>Total Training Hours (Hours)</b>	<b>8,508.50</b>	<b>1,480</b>
<b>Gender Distribution</b>		
Male	3,743.50	764
Female	4,765	716
<b>Position</b>		
General staff	8,122.50	1,208
Middle management	392	208
Director and senior management	4	64
<b>Average Training Hours (Hours)</b>	<b>1.15</b>	<b>0.20</b>
<b>Gender Distribution</b>		
Male	1.04	0.20
Female	1.26	0.20
<b>Position</b>		
General staff	1.26	0.20
Middle management	0.43	0.18
Director and senior management	0.22	0.56
<b>Total Number of Suppliers</b>	<b>1,297</b>	<b>567</b>
<b>Region Distribution</b>		
Mainland China	1,191	567
Overseas	106	0
<b>Community Investment</b>		
Donation (RMB)	13,731,000	14,261,000
Volunteer hours	320	-

# HKEX ESG Content Index

HKEX ESG Reporting Guide Requirements	Section/Remarks	
Mandatory Disclosure Requirements		
<b>Governance Structure</b>	<p>A statement from the Board containing:</p> <ul style="list-style-type: none"> <li>(i) Disclose the Board's oversight of ESG issues;</li> <li>(ii) the Board's ESG management approach and strategy, including the process of evaluating, prioritising and managing material ESG-related issues (including risks to the issuer's business); and</li> <li>(iii) how the Board reviews progress against ESG-related objectives and explains how they relate to the issuer's business.</li> </ul>	<b>Board Statement</b>
<b>Reporting Principles</b>	<p>Description or explanation of how the following reporting principles have been applied in the preparation of the ESG Report:</p> <p><b>Materiality:</b> The ESG Report should disclose: (i) the process for identifying and selecting material ESG factors; and (ii) if the issuer has engaged stakeholders, a description of the identified material stakeholders, and the process and results of the issuer's stakeholder engagement.</p> <p><b>Quantitative:</b> Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p><b>Consistency:</b> The issuer should disclose in the ESG report any changes to the methods or KPIs used, if any, or any other relevant factors affecting a meaningful comparison.</p>	<p><b>Reporting Guidelines</b></p> <p><b>Materiality:</b> We identify material economic, environmental and social issues arising from the Company's operations through stakeholder communication and materiality assessment. This also reveals ESG issues that have a significant impact on stakeholders' assessment and decision-making.</p> <p><b>Quantitative:</b> The data set out in this report has been checked and analysed. Please refer to the "Performance Data Summary" of this report for the standards referenced in calculating environmental and social KPIs.</p> <p><b>Consistency:</b> To ensure the comparability of information, unless otherwise stated, the statistical methods of disclosure in this report are consistent with the past and are presented in a way that is comparable on a year-on-year basis.</p>
<b>REPORTING SCOPE</b>	An explanation of the reporting scope of the ESG Report and a description of how the entities or businesses are selected for inclusion in the ESG Report. If the scope of the report changes, the issuer should explain the differences and the reasons for the changes.	<b>Reporting Scope</b>
<b>Comply or Explain Provisions</b>		
<b>A. ENVIRONMENTAL</b>		
<b>Aspect A1: EMISSION</b>	<p><b>General Disclosure</b></p> <p>Information on:</p> <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</li> </ul> <p><i>Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Greenhouse gasses include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride. Hazardous waste is defined by national regulations.</i></p>	<p><b>ENVIRONMENTAL PROTECTION</b></p> <ul style="list-style-type: none"> <li>- Environmental Management</li> </ul>
<b>KPI A1.1</b>	The types of emissions and respective emissions data.	<p><b>ENVIRONMENTAL COMMITMENT</b></p> <ul style="list-style-type: none"> <li>- Emission Management</li> </ul> <p><b>Performance Data Summary</b></p>
<b>KPI A1.2</b>	Greenhouse gas emissions in total (in tons) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	<p><b>ENVIRONMENTAL COMMITMENT</b></p> <ul style="list-style-type: none"> <li>- Tackling Climate Change</li> </ul> <p><b>Performance Data Summary</b></p>
<b>KPI A1.3</b>	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	<p><b>ENVIRONMENTAL COMMITMENT</b></p> <ul style="list-style-type: none"> <li>- Emission Management</li> </ul> <p><b>Performance Data Summary</b></p>
<b>KPI A1.4</b>	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	<p><b>ENVIRONMENTAL COMMITMENT</b></p> <ul style="list-style-type: none"> <li>- Emission Management</li> </ul> <p><b>Performance Data Summary</b></p>
<b>KPI A1.5</b>	Description of emission target(s) set and steps taken to achieve them.	<p><b>ENVIRONMENTAL COMMITMENT</b></p> <ul style="list-style-type: none"> <li>- Targets and Actions</li> </ul>
<b>KPI A1.6</b>	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	<p><b>ENVIRONMENTAL COMMITMENT</b></p> <ul style="list-style-type: none"> <li>- Emission Management</li> <li>- Targets and Actions</li> </ul>

HKEX ESG Reporting Guide Requirements		Section/Remarks
<b>Aspect A2: Use of Resources</b>	<b>General Disclosure</b> Policies on the efficient use of resources, including energy, water and other raw materials. <i>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</i>	<ul style="list-style-type: none"> <li>• <b>ENVIRONMENTAL COMMITMENT</b> <ul style="list-style-type: none"> <li>- Environmental Management</li> </ul> </li> </ul>
	<b>KPI A2.1</b> Direct and/or indirect energy consumption by type (e.g., electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	<ul style="list-style-type: none"> <li>• <b>ENVIRONMENTAL PROTECTION</b> <ul style="list-style-type: none"> <li>- Energy Consumption</li> </ul> </li> <li>• <b>Performance Data Summary</b></li> </ul>
	<b>KPI A2.2</b> Water consumption in total and intensity (e.g., per unit of production volume, per facility).	<ul style="list-style-type: none"> <li>• <b>ENVIRONMENTAL PROTECTION</b> <ul style="list-style-type: none"> <li>- Resource Management</li> </ul> </li> <li>• <b>Performance Data Summary</b></li> </ul>
	<b>KPI A2.3</b> Description of energy use efficiency target(s) set and steps taken to achieve them.	<ul style="list-style-type: none"> <li>• <b>ENVIRONMENTAL PROTECTION</b> <ul style="list-style-type: none"> <li>- Energy Consumption</li> <li>- Targets and Actions</li> </ul> </li> </ul>
	<b>KPI A2.4</b> Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	<ul style="list-style-type: none"> <li>• <b>ENVIRONMENTAL PROTECTION</b> <ul style="list-style-type: none"> <li>- Resource Management</li> <li>- Targets and Actions</li> </ul> </li> </ul>
	<b>KPI A2.5</b> Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	<ul style="list-style-type: none"> <li>• <b>ENVIRONMENTAL PROTECTION</b> <ul style="list-style-type: none"> <li>- Resource Management</li> </ul> </li> <li>• <b>Performance Data Summary</b></li> </ul>
<b>Aspect A3: The Environment and Natural Resources</b>	<b>General Disclosure</b> Policies on minimising the issuer's significant impact on the environment and natural resources.	<ul style="list-style-type: none"> <li>• <b>ENVIRONMENTAL PROTECTION</b> <ul style="list-style-type: none"> <li>- Energy Consumption</li> <li>- Resource Management</li> <li>- Environmental Responsibility and Impact Mitigation</li> </ul> </li> </ul>
	<b>KPI A3.1</b> Description of significant impacts of activities on the environment and natural resources and the actions taken to manage them.	<ul style="list-style-type: none"> <li>• <b>ENVIRONMENTAL PROTECTION</b> <ul style="list-style-type: none"> <li>- Environmental Responsibility and Impact Mitigation</li> </ul> </li> </ul>
<b>Aspect A4: Climate Change</b>	<b>General Disclosure</b> Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	<ul style="list-style-type: none"> <li>• <b>ENVIRONMENTAL PROTECTION</b> <ul style="list-style-type: none"> <li>- Tackling Climate Change</li> </ul> </li> </ul>
	<b>KPI A4.1</b> Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	<ul style="list-style-type: none"> <li>• <b>ENVIRONMENTAL PROTECTION</b> <ul style="list-style-type: none"> <li>- Tackling Climate Change</li> <li>- Environmental Responsibility and Impact Mitigation</li> </ul> </li> </ul>

## B. SOCIAL

<b>Aspect B1: Employment</b>	<b>General Disclosure</b> Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	<ul style="list-style-type: none"> <li>• <b>PEOPLE - ORIENTED</b> <ul style="list-style-type: none"> <li>- Employee Management</li> </ul> </li> </ul>
	<b>KPI B1.1</b> Total workforce by gender, employment type, age group and geographical region.	<ul style="list-style-type: none"> <li>• <b>PEOPLE - ORIENTED</b> <ul style="list-style-type: none"> <li>- Employee Management</li> </ul> </li> <li>• <b>Performance Data Summary</b></li> </ul>
	<b>KPI B1.2</b> Employee turnover rate by gender, age group and geographical region.	<ul style="list-style-type: none"> <li>• <b>Performance Data Summary</b></li> </ul>

HKEX ESG Reporting Guide Requirements		Section/Remarks
<b>Aspect B2: Health and Safety</b>	<b>General Disclosure</b> Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	<ul style="list-style-type: none"> <li>• <b>PEOPLE - ORIENTED</b> <ul style="list-style-type: none"> <li>- Occupational Health and Safety</li> </ul> </li> </ul>
	<b>KPI B2.1</b> Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	<ul style="list-style-type: none"> <li>• <b>PEOPLE - ORIENTED</b> <ul style="list-style-type: none"> <li>- Occupational Health and Safety</li> </ul> </li> <li>• <b>Performance Data Summary</b></li> </ul>
	<b>KPI B2.2</b> Lost days due to work injury.	<ul style="list-style-type: none"> <li>• <b>PEOPLE - ORIENTED</b> <ul style="list-style-type: none"> <li>- Occupational Health and Safety</li> </ul> </li> <li>• <b>Performance Data Summary</b></li> </ul>
	<b>KPI B2.3</b> Description of occupational health and safety measures adopted, how they are implemented and monitored.	<ul style="list-style-type: none"> <li>• <b>PEOPLE - ORIENTED</b> <ul style="list-style-type: none"> <li>- Occupational Health and Safety</li> </ul> </li> </ul>
	<b>General Disclosure</b> Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. <i>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</i>	<ul style="list-style-type: none"> <li>• <b>PEOPLE - ORIENTED</b> <ul style="list-style-type: none"> <li>- Development and Training</li> </ul> </li> </ul>
<b>Aspect B3: Development and Training</b>	<b>KPI B3.1</b> The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	<ul style="list-style-type: none"> <li>• <b>Performance Data Summary</b></li> </ul>
	<b>KPI B3.2</b> The average training hours completed per employee by gender and employee category.	<ul style="list-style-type: none"> <li>• <b>Performance Data Summary</b></li> </ul>
<b>Aspect B4: Labour Standards</b>	<b>General Disclosure</b> Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child or forced labour.	<ul style="list-style-type: none"> <li>• <b>PEOPLE - ORIENTED</b> <ul style="list-style-type: none"> <li>- Labour Practice</li> </ul> </li> </ul>
	<b>KPI B4.1</b> Description of measures to review employment practices to avoid child and forced labour.	<ul style="list-style-type: none"> <li>• <b>PEOPLE - ORIENTED</b> <ul style="list-style-type: none"> <li>- Labour Practice</li> </ul> </li> </ul>
	<b>KPI B4.2</b> Description of steps taken to eliminate such practices when discovered.	<ul style="list-style-type: none"> <li>• <b>PEOPLE - ORIENTED</b> <ul style="list-style-type: none"> <li>- Labour Practice</li> </ul> </li> </ul>
<b>Aspect B5: Supply Chain Management</b>	<b>General Disclosure</b> Policies on managing environmental and social risks of the supply chain.	<ul style="list-style-type: none"> <li>• <b>OPERATIONAL EXCELLENCE</b> <ul style="list-style-type: none"> <li>- Supply Chain Management</li> </ul> </li> </ul>
	<b>KPI B5.1</b> Number of suppliers by geographical region.	<ul style="list-style-type: none"> <li>• <b>OPERATIONAL EXCELLENCE</b> <ul style="list-style-type: none"> <li>- Supply Chain Management</li> </ul> </li> <li>• <b>Performance Data Summary</b></li> </ul>
	<b>KPI B5.2</b> Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	<ul style="list-style-type: none"> <li>• <b>OPERATIONAL EXCELLENCE</b> <ul style="list-style-type: none"> <li>- Supply Chain Management</li> </ul> </li> </ul>
	<b>KPI B5.3</b> Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	<ul style="list-style-type: none"> <li>• <b>OPERATIONAL EXCELLENCE</b> <ul style="list-style-type: none"> <li>- Supply Chain Management</li> </ul> </li> </ul>
	<b>KPI B5.4</b> Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	<ul style="list-style-type: none"> <li>• <b>OPERATIONAL EXCELLENCE</b> <ul style="list-style-type: none"> <li>- Supply Chain Management</li> </ul> </li> </ul>

HKEX ESG Reporting Guide Requirements		Section/Remarks	
<b>Aspect B6: Product Responsibility</b>	<b>General Disclosure</b> Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	<ul style="list-style-type: none"> <li>• <b>OPERATIONAL EXCELLENCE</b></li> <li>- Product Responsibility</li> </ul>	
	<b>KPI B6.1</b>	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	<ul style="list-style-type: none"> <li>• <b>OPERATIONAL EXCELLENCE</b></li> <li>- Product Responsibility</li> </ul>
	<b>KPI B6.2</b>	Number of products and service-related complaints received and how they are dealt with.	<ul style="list-style-type: none"> <li>• <b>OPERATIONAL EXCELLENCE</b></li> <li>- Product Responsibility</li> </ul>
	<b>KPI B6.3</b>	Description of practices relating to observing and protecting intellectual property rights.	<ul style="list-style-type: none"> <li>• <b>OPERATIONAL EXCELLENCE</b></li> <li>- Product Responsibility</li> </ul>
	<b>KPI B6.4</b>	Description of quality assurance process and recall procedures.	<ul style="list-style-type: none"> <li>• <b>OPERATIONAL EXCELLENCE</b></li> <li>- Product Responsibility</li> </ul>
	<b>KPI B6.5</b>	Description of consumer data protection and privacy policies, how they are implemented and monitored.	<ul style="list-style-type: none"> <li>• <b>OPERATIONAL EXCELLENCE</b></li> <li>- Product Responsibility</li> </ul>
<b>Aspect B7: Anti-corruption</b>	<b>General Disclosure</b> Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	<ul style="list-style-type: none"> <li>• <b>OPERATIONAL EXCELLENCE</b></li> <li>- Anti-corruption</li> </ul>	
	<b>KPI B7.1</b>	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	<ul style="list-style-type: none"> <li>• <b>OPERATIONAL EXCELLENCE</b></li> <li>- Anti-corruption</li> </ul>
	<b>KPI B7.2</b>	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	<ul style="list-style-type: none"> <li>• <b>OPERATIONAL EXCELLENCE</b></li> <li>- Anti-corruption</li> </ul>
	<b>KPI B7.3</b>	Description of anti-corruption training provided to directors and employees.	<ul style="list-style-type: none"> <li>• <b>OPERATIONAL EXCELLENCE</b></li> <li>- Anti-corruption</li> </ul>
<b>Aspect B8: Community Investment</b>	<b>General Disclosure</b> Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	<ul style="list-style-type: none"> <li>• <b>COMMUNITY INVESTMENT</b></li> </ul>	
	<b>KPI B8.1</b>	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	<ul style="list-style-type: none"> <li>• <b>COMMUNITY INVESTMENT</b></li> <li>• <b>Performance Data Summary</b></li> </ul>
	<b>KPI B8.2</b>	Resources contributed (e.g. money or time) to the focus areas.	<ul style="list-style-type: none"> <li>• <b>COMMUNITY INVESTMENT</b></li> <li>• <b>Performance Data Summary</b></li> </ul>