



**ANTA SPORTS PRODUCTS LIMITED**

Incorporated in the Cayman Islands with limited liability

Stock Codes: 2020 (HKD counter) and 82020 (RMB counter)

KEEP  
MOVING

**ENVIRONMENTAL,  
SOCIAL AND GOVERNANCE  
REPORT 2023**

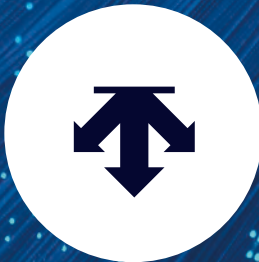
## Mission

To integrate  
the sports spirit of  
“Going Beyond Oneself”  
into everyone’s daily life

## Vision

To become  
a leading multi-brand  
sportswear group  
in the world

KEEP MOVING TO A BETTER WORLD



## Core Values

Mutualism with Consumers  
Mutualism with Employees  
Mutualism with Partners  
Mutualism with the Society  
Mutualism with the Environment



FILA



FILA  
K I D S



KOLON SPORT

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## Reporting Principles

This is the ESG Report for the year ended 31 December 2023 presented by ANTA Sports. This Report covers our sustainability guidelines and ESG performance and practice across all our operations (including branding, production, design, procurement, supply chain management, wholesale and retail of branded sporting goods) in our principal places of business across Mainland China from 1 January to 31 December 2023. The Report has been prepared in accordance with Appendix C2 of the Listing Rules, with the application of the four reporting principles of “Materiality”, “Quantitative”, “Balance” and “Consistency”. In respect of climate information disclosure, we have referred to the “IFRS Sustainability Disclosure Standards” issued by the ISSB and the “Guidance on Climate Disclosures” issued by the HKEX in preparation of the Report.

We aim to enhance the Report’s breadth and representativeness by rigorously following these guidelines. The content of this Report is determined through a systematic materiality assessment process, covering key issues related to different stakeholders. For the purpose of this Report preparation, we have engaged an independent professional consultant to thoroughly communicate with our major stakeholders and, with adequate consideration of the opinions of all parties, to identify key issues, evaluate the materiality, relevance and boundaries of the issues, and then determine the specific content of the Report. We will continue to strengthen the information collection regarding the Report to improve our reporting performance and disclosure level as to sustainability.

## Reporting Boundary

The manufacturing facilities covered in this Report include ANTA (China)

Co., Ltd., Quanzhou Athletic Shoes & Garments Co., Ltd., Quanzhou ANTA Material Supply Co., Ltd., Henan ANTA Material Supply Co., Ltd., Xiamen ANTA Sports Goods Co., Ltd., Xiamen ANTA Industrial Co., Ltd., Changting ANTA Sports Products Co., Ltd. and Shangqiu ANTA Shoes Co., Ltd. The logistics facility includes Fujian ANTA Logistics Information Technology Co., Ltd. The administrative facilities include the office building and FILA building in Xiamen, and office buildings in Jinjiang and Shanghai. The store facilities include the ANTA stores, FILA stores, DESCENTE stores and KOLON SPORT stores under self-operation in Mainland China.

The ESG performance of Amer Sports is not included in this Report. Please refer to website (<https://www.amersports.com/corporate-sustainability-reports/>) for more information about the ESG performance of Amer Sports.



## Data Sources and Reliability

Data and cases contained in this Report are obtained mainly from our statistical reports and other relevant documents. This Report has been reviewed by the Sustainability Committee and approved by the Board on 26 March 2024 for publication.

## Company Profile

ANTA was established in 1991, while ANTA Sports Products Limited, a widely recognized global sportswear company, was listed on the Main Board of HKEX in 2007 (Stock Codes: 2020 (HKD counter) and 82020 (RMB counter)). The vision of the company is to integrate the sports spirit of “Going Beyond Oneself” into everyone’s daily life. ANTA Sports

principally engage in design, R&D, manufacturing, marketing and sales of professional sports products including footwear, apparel and accessories. Over the years, the company formed three brand groups: Performance Sports Brands, Fashion Sports Brands and Outdoor Sports Brands, empowering everyone who loves sports. By embracing an all-round brand portfolio including ANTA, FILA, DESCENTE and KOLON SPORT, ANTA Sports aims to unlock the potential of both the mass and high-end sportswear markets. ANTA Sports is also the largest shareholder of Amer Sports, Inc., a global group of iconic sports and outdoor brands, including Arc’teryx, Salomon, Wilson, Peak Performance, and Atomic, whose shares are listed on the New York Stock Exchange (NYSE: AS).

## Report Availability and Feedback

The electronic version of the Report is available on the Company’s sustainability website.

If you have any question about or comment on this Report, please reach us through any of the following:

### ANTA Sports Products Limited

Address: 16/F, Manhattan Place,  
23 Wang Tai Road,  
Kowloon Bay, Kowloon, Hong Kong SAR  
Telephone: (852) 2116 1660  
Fax: (852) 2116 1590  
Email: [esg@anta.com.hk](mailto:esg@anta.com.hk)  
Sustainability website:  
<https://ir.anta.com/esg/sc/index.php>



# MESSAGE FROM THE CHAIRMAN

Dear Stakeholders,

On behalf of the Board, I am pleased to present our ESG Report for the year ended 31 December 2023.

We move forward in the constantly evolving business environment, steadfastly adhering to the strategic layout of “Single-focus, Multi-brand, Globalization”. We integrate a firm belief in sustainable development into our business, sparking new vitality for high-quality growth.

## **Promoting Responsible Business Operations, Building the Foundation of Corporate Governance**

We firmly believe that responsible business operations are an essential foundation for the stable development of a company. We abide by the concept of “Value creation through Mutualism” by establishing a Sustainability Committee to ensure direct governance-level participation in sustainability issues, building the core values of “Mutualism with

Consumers, Mutualism with Partners, Mutualism with Employees, Mutualism with the Society, and Mutualism with the Environment”. During the financial year, we enhanced the Group’s corporate governance by performing the roles of Chairman and CEO through separate management personnel. We are dedicated to creating a comprehensive internal sustainability governance system, establishing a clear ESG governance structure with distinct levels and defined responsibilities, driving the effective implementation of



sustainability strategies and objectives, and delivering sustainable value to all stakeholders.

As a participant member of the United Nations Global Compact (UNGC), we pledged to support the 10 Principles of the UNGC as well as our unwavering support to the realization of 17 SDGs of the United Nations. During the financial year, we joined the UNGC's "Forward Faster" initiative, becoming one of the first Chinese companies to join this initiative and the only participant from the textile and apparel

industry, and taking the lead in making commitments towards climate action. We also became a global signatory company member of the United Nations Entity for Gender Equality and the Empowerment of Women's Empowerment Principles (WEPs) during the financial year, striving for gender equality and the empowerment of women in the workplace, market competition, and community life.

### **Advancing Industry Collaboration, Creating Value through Mutualism**

We are committed to creating a legal, fair, just, and clean mutualism model, working hand in hand with our partners to achieve a win-win situation. During the financial year, we joined organizations such as the Leather Working Group (LWG) and Cascale (formerly known as the Sustainable Apparel Coalition), integrating sustainable development concepts into our procurement processes, continuously strengthening the requirements for raw material traceability, and ensuring that the raw materials and products meet production standards and ESG management requirements. We collaborate with third-party organization to conduct ESG risk assessments for both our suppliers and self-operated factories, and comprehensively consider various risks during the selection process to fully maintain supply chain stability. We

have also set a goal to achieve a 100% traceability ratio for sustainable leather sourcing after three years, building based on over 90% traceability ratio this year, further enhancing product safety guarantees.

We continue to pay attention to the standardization and professionalism of suppliers' management processes and empower our supply chain partners to improve their management capability. We published the "Supplier Sustainability Management Handbook", further clarifying the management standards in the areas of labor rights, health and safety, environmental responsibility, and sustainability management system in an effort to create a mutualism platform for building an environment-friendly, healthy, safe and efficient supply chain. We are supporting suppliers to collect carbon emissions and energy usage data through digitization to improve their planning capabilities and management efficiency. At the same time, we are also promoting the sourcing of sustainable raw materials and giving priority to suppliers with traceability and sustainability certification to create a green supply chain. Furthermore, we will develop comprehensive carbon reduction plans for the value chain in line with the Science Based Target Initiative (SBTi) requirements, assisting suppliers in transitioning to low-carbon operations to co-create a

# MESSAGE FROM THE CHAIRMAN

green development ecosystem. During the financial year, we had a total of 801 suppliers and conducted over 400 ESG audits completed by both our internal audit team and third-party organizations. Internal and external audits accounted for 24.4% and 75.6% respectively. We did not find any material violations during audits obtaining a grade of good or above accounts for more than 60%.

## **Integrating Innovative Strengths, Creating High-Quality Products**

We firmly believe that product quality and technological innovation are the lifelines of our brand. Through technology research and development, we continuously inject new strength into enhancing our competitive edge and empowering sustainable development. We have joined the Zero Discharge of Hazardous Chemicals (ZDHC) Programme and have developed and disclosed the "ANTA Sports Chemicals Management Manual", forming a comprehensive chemical management strategy. We are committed to providing consumers with high-quality products and incorporating the principles of circular fashion into our business operations,

adhering to a multi-brand layout to create diversified consumer value while offering high-quality products. During the financial year, we launched various sustainable products, including the ANTA Training Series, FILA FITNESS Series, etc. We also carried out carbon footprint assessments for three products. In terms of circularity, we have recycled 570,000 shoeboxes, 18 million sheets of shoe wrapping paper or packaging paper.

## **Enhancing Climate Resilience, Protecting Natural Ecology**

We are actively promoting the "1+3+5" strategic goals for achieving mutualism with the environment, adhering to the development of green technology transformation practices, and accelerating the clean and low-carbon transformation of our business. We actively respond to the China's "Dual Carbon" goals, and during the financial year, we formally joined and pledged to support the commitment of the SBTi. We plan to set carbon reduction targets for our business. To better understand the climate risks and opportunities faced by the company, based on the recommendations of the TCFD

and the ISSB, we have established a climate change management system and mechanism from four perspectives: Governance, Strategy, Risk Management, and Metrics and Targets. We integrate climate change responses into the entire value chain of corporate operations, seeking business models to address climate change risks. During the financial year, our 2023 total GHG emission intensity reduced by 3.6% to 3.21 tons of CO<sub>2</sub> equivalent/Revenue per million RMB, and total water consumption intensity reduced by 9.0% to 24.3 m<sup>3</sup>/Revenue per million RMB, committing to achieve carbon neutrality by 2050, and mitigating climate change. On the other hand, we conducted carbon audit for self-operated facilities and developed supply chain carbon reduction roadmap, by establishing carbon reduction target plan.

## **Promoting Diversity and Inclusion, Accelerating Employee Development**

We consistently adhere to principles of fairness and justice, striving to create a diverse, inclusive, healthy, safe and open working environment. During the financial year, we published the "Labor



Policy”, committed to protecting the labor rights and fundamental rights and interests of our staff and to build a diverse and inclusive talent system. As of 31 December 2023, we had 60,500 employees with male and female employees accounting for 24.8% and 75.2%, respectively of the total, and female executives (director level and above) accounted for 36.6%. Based on our long-term development, we have dedicated considerable resources to establish an employee training system. The coverage rate of our employee training exceeded 95%. Average hours per employee of training exceeded 29 hours per year.

### **Fulfilling Social Responsibility, Devoting Efforts to Give Back to Society**

Through a variety of public welfare activities, our public welfare covered a wide range of areas, including education, healthcare and rural revitalization. We continuously contribute to the public welfare and charitable causes through donations, public welfare activities and advocacy of social responsibility. During the financial year, we donated a total of

RMB59 million in cash and the value of donated sportswear (calculated at tag value) to different charities exceeded RMB250 million.

Through the “Sturdy Growth Charity Project”, which has been implemented for many years, we have built 184 ADream Centers to provide teenagers with Adream courses. We trained 6,270 frontline physical education teachers through ANTA Physical Education Courses. The project covered over 6.62 million teenagers in 16,115 schools across 31 provincial administrative regions. We also actively participated in volunteer services, with an accumulated service time over 30,000 hours.

Persistently endeavor, across all moments and locales, to ascend to the zenith of success, never content with mediocrity, for only through ceaseless pursuit and exploration can one unveil truths and soar to unparalleled heights. ANTA Sports engraves the spirit of “Keep Moving” in its heart, and bravely and steadfastly walks the path of sustainable development. On the global market stage, driven by innovation and unwavering

determination, we will brave the winds and waves amidst challenges and adversities, implement “benchmarking against high standards”, achieve high-quality growth, and strive to develop into a leading multi-brand sportswear group in the world.



Ding Shizhong  
Chairman  
Hong Kong SAR, 26 March 2024

# STATEMENT OF THE BOARD

While our business continues to grow, the Board attaches great importance to the sustainability management. We have established a multi-level, effective and executable ESG governance system. We will continuously update and improve our ESG governance structure, with the Board playing a leading and active role in the Company's ESG affairs engagement and supervision.

## ESG Management Responsibilities

The Board has overall responsibility for the Company's ESG strategy and reporting. As the top ESG governance body of the Company, the Board is responsible for formulating the Company's sustainability management approach, strategy and objectives, and establishing and maintaining ESG risk management and internal control system. The Board is also responsible for preparing the annual ESG report and overseeing the reporting process.

In 2021, the Company established the Sustainability Committee. To align the Group's management structure with its strategic directions and to enhance the Group's corporate governance, the composition of the Sustainability Committee has been changed. Mr. Zheng Jie, an Executive Director, ceased to be a member of the Sustainability Committee and Mr. Tsui Yeung, the chief executive officer of the Performance Sports Group, has been appointed as a member of the Sustainability Committee. The Sustainability Committee currently consists of two Executive Directors, four Independent Non-Executive Directors and two executives designated by the Board, and, being delegated (with relevant authorities) by the Board, is responsible for assisting the Board (i) to conduct effective governance and oversight of ESG matters; (ii) to formulate and review the Group's sustainability strategic objectives; (iii) to lead and promote each department to improve its mindsets and operation initiatives in various business processes from the perspective of sustainability; (iv) to identify, assess and manage material ESG risks; and (v) to coordinate and standardize the collection of ESG related data and information to improve the

quality of ESG information disclosure. The Board wishes the Group's ESG governance effectiveness would be enhanced through the change of composition of the Sustainability Committee.

## ESG Risk Management

We attach great importance to the potential impacts arising from ESG-related risks and opportunities. We have proactively launched ESG risk management related work and incorporated the identification and management of ESG risks into the Group's risk management system. As such, the Board, through the Sustainability Committee, oversees the assessment of ESG risks and opportunities (including those related to climate change), ensures that appropriate and effective ESG risk management and internal supervision mechanisms are in place, and continuously monitors the implementation of relevant risk management strategies and the work quality. We also stress the identification, assessment and management of climate change related risks and opportunities and follow the "IFRS Sustainability Disclosure Standards" issued by the ISSB and the "Guidance on Climate Disclosures" by the HKEX, to work on and make disclosure on climate change related risks and response measures around the four major areas of governance, strategy, risk management, metrics and targets.

## Review of ESG Goals and Progress

We have set up a group-level sustainability strategy and goals and established an ESG objectives management system. We regularly assess material ESG issues and report to the Sustainability Committee for

review and evaluation. The Sustainability Committee at the same time regularly monitors and tracks progress against agreed targets and initiatives and reports to the Board. In addition, to ensure the effective implementation of our sustainability strategy and to continuously improve our ESG management, we have incorporated ESG goals and indicators into the performance assessment of various key departments.

## ESG Reporting and this Report

This Report has been prepared with application of the following four reporting principles:

*Materiality: Materiality assessment is performed to identify ESG matters that are material to investors and other stakeholders, and to assess the direct and indirect significance of these matters to the Group and stakeholders.*

*Quantitative: Quantitative information is provided, where appropriate, which helps readers assess the Group's ESG performance objectively; Quantitative information is also accompanied (if necessary) by a narrative, explaining its purpose and impacts, and comparative data.*

*Balance: Unbiased pictures with both positive and negative information and performance regarding ESG are disclosed.*

*Consistency: ESG data presented in this Report are prepared using consistent methodologies across time periods, unless otherwise specified either in text or in notes.*

This Report has been reviewed by the Sustainability Committee and approved by the Board.

## ENVIRONMENT



Commit to achieving carbon neutrality by 2050, and mitigating climate change:

**Total GHG Emission Intensity**      **Total Water Consumption Intensity**



tons of CO<sub>2</sub> equivalent/  
Revenue per million RMB



m<sup>3</sup>/Revenue per million RMB

Conducted carbon audit for self-operated facilities and developed supply chain carbon reduction roadmap, by establishing carbon assessment data management and carbon reduction target plan



Our sustainable packaging is close to **20%** of the total packaging material



Recycled **570,000** shoeboxes, **18 million** sheets of shoe wrapping paper or packaging paper



Assessing Carbon Footprint for **three** products



Our **first** solar energy generation project is being implemented in our self-operated logistics center

## SOCIAL



Our sustainable footwear and apparel products are close to **20%** of overall order volume



**Launching Carbon Neutral Products** of ANTA Storm Mecha Jacket and ANTA Champion Running Shoes 2.0 Pro



**60,500** employees (male and female employees): **24.8%** and **75.2%**



Female executives (director level and above): **36.6%**



Employee training coverage rate **over 95%**



Average hours per employee of training **over 29** hours per year



The number of total products sold or shipped subject to recalls for safety and health reasons is **zero**



### Published

- Labor Policy
- ANTA Sports Chemicals Management Manual
- Supplier Sustainability Management Handbook



### Participated in/ Partners of

- Science Based Target Initiative (SBTi)
- United Nations Global Compact (UNGC)
- United Nations Women's Empowerment Principles (WEPs)
- United Nations High Commissioner for Refugees (UNHCR)
  - World Wildlife Fund (WWF)
  - Leather Working Group (LWG)
    - Cascale
- Zero Discharge of Hazardous Chemicals (ZDHC)

# 2023 HIGHLIGHTS



The total number of suppliers: **801**  
Tier 1/2/3 suppliers: **267/370/164**



Conducted over **400** ESG audits on **299** suppliers, with internal audits accounting for **24.4%** and external audits accounting for **75.6%**, obtaining a grade of good or above accounts for **more than 60%**



The leather used in ANTA and FILA's footwear products, as well as their leather suppliers, are all **100%** LWG Gold certified, with **over 90%** of the leather materials can be traceable back to their origin



Donated a total of **RMB59 million** in cash and the value of donated sportswear (calculated at tag value) to different charities **exceeded RMB250 million**



**"Sturdy Growth Charity Project"** over the years donated over **RMB820 million** worth of sportswear (calculated at tag value), Established **184** ADream Centers, Trained **6,270** frontline physical education teachers, Donated **49** ANTA fields, Organized **17** ANTA camps, covered **more than 6.62 million** teenagers

## GOVERNANCE



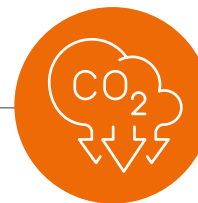
Enhanced the Group's corporate governance by performing the roles of **Chairman** and **CEO** through separate management personnel



The Board = **six** Executive Directors + **four** Independent Non-Executive Directors, the proportion of ♀ female directors gradually increased to **20%**



Organized **over 100** training sessions, reaching **over 48,000** individuals, to enhance the awareness of various stakeholders towards ESG



Consistently implemented sustainability strategy and the **"1+3+5"** strategic goals

# 2023 HIGHLIGHTS

## Sustainability Overview OUR BUSINESS

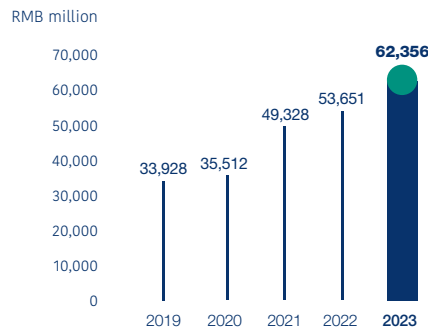
Definition of  
Sustainability

Growing  
Revenue  
Potential

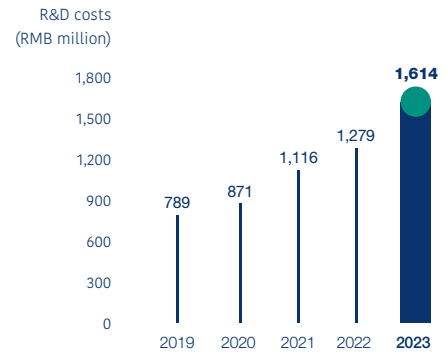
Increasing  
Innovation  
Potential

And where are we?

Maintaining an upward  
revenue trend



Continuing to  
invest in R&D



### Multi-brand strategy



**Performance for 2023**  
**RESULTS HIGHLIGHTS**

**Financial Performance**



Revenue  
increased by 16.2% to  
RMB **62.4** Billion



Gross profit margin  
increased by 2.4% points to  
**62.6%**



Profit attributable to equity shareholders  
increased by 34.9% to  
RMB **10.2** Billion



Basic earnings per share  
increased by 30.9% to  
RMB **3.69**



Payout of the profit attributable to  
equity shareholders  
**50.7%**

# 2023 HIGHLIGHTS

## Performance for 2023 RESULTS HIGHLIGHTS

### Operational Performance

(As of 31 December 2023)



Number of ANTA stores  
in Mainland China  
and overseas stood at

**7,053**  
(6,924)\*



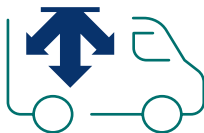
Number of ANTA KIDS stores  
in Mainland China  
and overseas stood at

**2,778**  
(2,679)\*



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

**1,972**  
(1,984)\*



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

**187**  
(191)\*



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

**164**  
(161)\*

\* As of 31 December 2022



### Constituent Stock of

Index abbreviation	Index name in English
HSI	Hang Seng Index
HSCEI	Hang Seng China Enterprises Index
HSML100	Hang Seng China (Hong Kong-listed) 100 Index
HSFML25	Hang Seng China (Hong Kong-listed) 25 Index
HSCI	Hang Seng Composite Index
HSCICD	Hang Seng Composite Industry Index – Consumer Discretionary
HSLI	Hang Seng Composite LargeCap Index
HSLMI	Hang Seng Composite LargeCap & MidCap Index
HSLMIV	Hang Seng Large-Mid Cap (Investable) Index
HSSCMLC	Hang Seng SCHK Mainland China Companies Index
HSHKI	Hang Seng Stock Connect Hong Kong Index
HSPOE	Hang Seng China Private-owned Enterprises Index
HSSCPOE	Hang Seng SCHK China Private-owned Enterprises Index
HSSSHSC	Hang Seng Shanghai-Shenzhen-Hong Kong (Selected Corporations) 300 Index
HSSCC80	Hang Seng Stock Connect China 80 Index
HSC500	Hang Seng Stock Connect China 500 Index
HSCEA	Hang Seng Stock Connect China Enterprises Index
HSCGSI	Hang Seng Consumption Index
HSIESG	HSI ESG Index
HSNCON	Hang Seng New Consumption Index
HSIESGS	HSI ESG Enhanced Index
HSISUI	HSI ESG Enhanced Select Index
HSCEESG	HSCEI ESG Index
HSILOWC	HSI Low Carbon Index
HSC15TI	Hang Seng Climate Change 1.5°C Target Index
HSCESGE	HSCEI ESG Enhanced Index
HSHKS50	Hang Seng Stock Connect Hong Kong Top Shareholding 50 Index
BWORLD	Bloomberg World Index
BESGPRO	Bloomberg ESG Data Index
BWRETL	Bloomberg World Retail Index
SBBMGLU	S&P Global BMI (US Dollar)
SCRTCN	S&P China BMI Index
SCRTEM	S&P Emerging BMI Index

# 2023 HIGHLIGHTS

## Ratings and Awards

### Our Ratings

### Our ESG Report

#### MSCI ESG RATINGS

Achieved a **"BBB"** rating in the MSCI's ESG rating

#### CDP RATINGS

Achieved a **"B"** rating in 2023 CDP Climate Change Questionnaire



Achieved an **"A-"** rating in the Hong Kong Quality Assurance Agency (HKQAA) Sustainability Rating

#### IPE RATINGS

Ranked **26<sup>th</sup>** out of 742 global brands with a score of 53.22 and **31<sup>st</sup>** out of 1,504 global brands with a score of 53.60 respectively in the 2023 Green Supply Chain Corporate Information Transparency Index (CITI) and Corporate Climate Action Transparency Index (CATI) released by IPE



Ranked ahead of **86%** of approximately 190 global textiles, apparel and luxury goods companies in the S&P Global Corporate Sustainability Assessment (CSA) Scores, selected into the Sustainability Yearbook (China Edition), and awarded "Best Improvement in Industry" by S&P Global in the textiles, apparel and luxury brand industry



Awarded CarbonCare® ESG Label 2023's "Best Practice in ESG Reporting Level 2" and CarbonCare® ESG Star Label 2023's "Continuous Commitment in Best Practice in ESG Reporting" by CarbonCare Innovation Lab

### Our Awards



Awarded ESG Award at InnoESG Prize 2022 organized by SocietyNext Foundation



Awarded "2023 Sustainability Brand Model" at Huxiu



Awarded "ISPO Functional Textile Fashion Trend Award" at ISPO Munich 2023



Awarded "Best ESG (E)", "Best ESG (S)" and "Best ESG (G)" by Hong Kong Investor Relations Association



Awarded "Sustainable Development Category – Platinum" and "Carbon Management Category – Silver" by Quam IR Awards 2022

## Ratings and Awards

### We are selected in



Forbes China  
2023 Annual ESG  
Inspiring Cases



2023  
Fortune China  
ESG Impact List



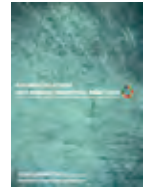
ESG Case of the  
Year 2023 at  
China CSR  
Summit Forum



People's Daily  
ESG Case of  
the Year 2023



2023 Forbes  
China Top  
50 Innovative  
Companies List



UN SDG Summit  
"Sustainable  
Development Industry  
Consensus" Initiative's  
"SDG Good Practice  
Database"

### Public Welfare



Awarded the 12th  
"China Charity Award"  
by the Ministry of Civil Affairs



Awarded "Charity Enterprise of the Year" and "Model  
Foundation of the Year" in the China Charity Ranking  
by the "China Philanthropy Times"



Awarded "Charity Case of the Year"  
for the  
"Sturdy Growth Charity Project"

### Best Employer



Awarded  
"Best ESG Employer in China  
2023" by Aon China



Awarded  
"Liepin 2023 Extraordinary  
Employer"



Awarded  
"2023 China Best Employers  
Nationwide Top 100" by Zhaopin



Awarded  
"2023 Winner BEST Awards"  
by the Association for Talent  
Development



# BUILDING A FOUNDATION THROUGH PROMOTING RESPONSIBLE BUSINESS OPERATION

## SDGs ADDRESSED IN THIS CHAPTER



### ESG MATERIAL ISSUES ADDRESSED IN THIS CHAPTER

#### CORPORATE GOVERNANCE BUSINESS ETHICS

We consistently believe that responsible corporate governance is the cornerstone of a corporate’s robust development. Therefore, we consider sustainability an important part of our corporate strategy, continually exploring the effective integration of ESG strategies with business development, proactively contributing to the realization of the 17 SDGs of the United Nations. Simultaneously, we continue to optimize communication channels and collaboration mechanisms to maintain open dialogue with all stakeholders, aiming to promptly understand their concerns and demands. We strive to establish a sound corporate governance system, implement comprehensive risk control, and build a management mechanism featuring business compliance, integrity and efficient operation, and smooth functioning, all in an effort to safeguard the rights and interests of investors.

## Sustainable Development

### ESG Strategy

We have set clear overall goals in terms of Environment, Social and Governance. We are dedicated to maintaining honesty, integrity and compliance in our operations, and strengthening resource conservation and environmental protection. We also strive to ensure production safety, protect our employees’ legitimate rights, participate in social welfare, and assume greater responsibilities to society.

Sustainability strategy is one of our core strategies. We integrate ESG responsibility into our corporate strategic goals, adhering to creating mutual value with consumers, employees, partners, society and the environment, as we firmly believe that fulfilling social responsibilities and being accountable to stakeholders are the keys to achieving sustainable business growth. We continuously enhance our ESG management system, focusing on areas such as product quality, employee well-being, environmental protection and social welfare.

## Supporting the SDGs of the United Nations

To better fulfill corporate responsibilities in environmental, social and governance aspects, we became a participant member of the UNGC in 2021, committing to the 10 principles including human rights, labor standards, environment, anti-corruption, etc. Actively supporting the United Nations' 2030 SDGs and Sustainable Development Agenda, we optimize and refine our action plans to address the SDGs by aligning sustainability strategy with business practices, dedicating ourselves to the pursuit of sustainable development of both the Company and society.

Our Goals	Theme of Action 2023	17 SDGs of the United Nations
<p><b>Economic Growth</b> Improve the quality of development, create sustainable economic benefits, drive economic development, and promote employment opportunity.</p>	<ul style="list-style-type: none"> <li>Corporate governance</li> </ul>	
<p><b>Leap in Product Quality</b> Maintain product quality at a high level, take technological innovation as the key to brand competitiveness, and win the consumers' long-term trust in the Company's brands.</p>	<ul style="list-style-type: none"> <li>Innovation in craftsmanship and design</li> <li>Supporting circular fashion</li> <li>Strengthening product quality</li> <li>Improving customer service</li> </ul>	
<p><b>Caring for Employees</b> Create an equal, inclusive, healthy and safe working environment for employees, build a training system for diversified talent development, dedicate to employee growth, and join hands with employees to create a better future.</p>	<ul style="list-style-type: none"> <li>Employment management</li> <li>Labor rights protection</li> <li>Employee remuneration and benefits</li> <li>Employee development and training</li> <li>Occupational health and safety</li> </ul>	
<p><b>Creating a Green Supply Chain</b> Continue to encourage suppliers to join us in building a green supply chain, promote the application of sustainable packaging, strengthen the independent R&amp;D of core technologies, and promote green transformation and upgrading of the supply chain.</p>	<ul style="list-style-type: none"> <li>Sustainable supply chain management</li> <li>Sustainable sourcing of raw materials</li> </ul>	
<p><b>Protecting the Environment</b> Take up responsibility for the environment, promote energy conservation, emissions reduction and green operation, and work with upstream and downstream partners to jointly tackle the risks of climate change. Continue to promote green products and sustainable logistics. Promote green office, and enhance the environmental protection awareness of employees and their families through various employee activities.</p>	<ul style="list-style-type: none"> <li>Combating climate change</li> <li>Product carbon footprint management</li> <li>Biodiversity conservation</li> </ul>	
<p><b>Giving Back to Society</b> Actively response to the country's macro strategies, undertake corporate social responsibility, actively participate in community building, and contribute to the development of a harmonious society through various community activities.</p>	<ul style="list-style-type: none"> <li>Value creation through mutualism</li> <li>Supporting sports development</li> <li>Public welfare and charity</li> </ul>	

# BUILDING A FOUNDATION THROUGH PROMOTING RESPONSIBLE BUSINESS OPERATION

## ESG Governance Structure

We attach great importance to corporate sustainability and ESG management practices in our business operations. By adhering to improving internal sustainability governance, and strengthening the management and control of our corporate development's impact on the environment and society, we strive to create value for our stakeholders. We have established an ESG governance structure with the Board as the ultimate responsible body, and set up the Sustainability Committee and the Sustainability Department, achieving comprehensive top-down coordination and management of sustainability affairs. A closed ESG execution and management loop is formed covering strategy, objectives, organization and resources, performance and culture. It continues to drive the effective implementation of our sustainability strategy and goals. Per different departments and corresponding functions, we link specific sustainability performance metrics, including environmental emission reduction targets, chemical safety management targets and staff training coverage, to executive variable compensation (e.g. bonuses) to further strengthen effective ESG governance.



The Sustainability Committee, established on 18 December 2021, consists of two Executive Directors, four Independent Non-Executive Directors, and two executives designated by the Board, comprising personnels with expertise, knowledge, and professional experience in corporate responsibility or sustainable development. This composition of the committee ensures effective oversight of sustainability related risks and opportunities and the formulation of response strategies. For details of the Sustainability Committee, please refer to the Sustainability Committee Terms of Reference.



## ESG Risk Management

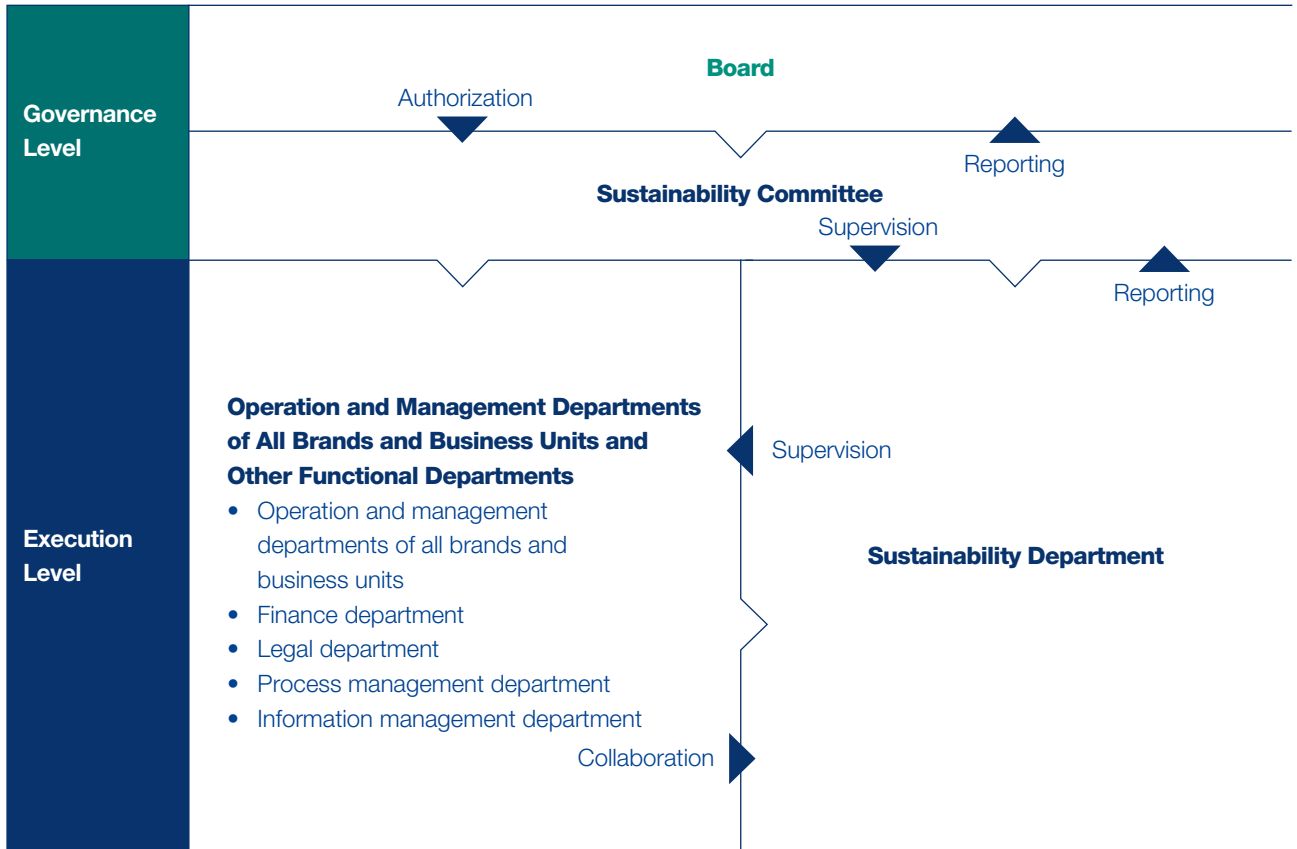
We have established an ESG risk management framework with the Board as the ultimate responsible body. The Sustainability Committee and the Risk Management Committee oversee

the management of ESG risks and other corporate risks respectively. The Sustainability Department conducts daily supervision and management of ESG risks from implementation aspect, advancing ESG risk management from top to bottom. In conjunction with

existing ESG management practices, we further strengthen the identification, analysis and management of ESG risks. ESG risk management has been integrated into the Group's governance structure to form a more comprehensive overall risk management system.

# BUILDING A FOUNDATION THROUGH PROMOTING RESPONSIBLE BUSINESS OPERATION

## ESG Risk Management Framework and Functions



<p><b>Governance Level</b></p>	<p>Board</p>	<p>As the ultimate responsible body, the Board</p> <ul style="list-style-type: none"> <li>• determines the Group's business strategy and objectives, and evaluates and determines the nature and extent of the ESG related risks the Board is willing to take in achieving the Group's strategic objectives;</li> <li>• ensures that the Group establishes and maintains appropriate and effective risk management and internal control systems for ESG matters;</li> <li>• oversees the design, implementation, and monitoring of the Group's ESG related risk management and internal control systems.</li> </ul>
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<b>Governance Level</b>	Sustainability Committee	<ul style="list-style-type: none"> <li>• Oversee the Group's ESG risk and opportunity management work, and regularly review quantitative indicators for climate risk management responses and financial impacts;</li> <li>• Identify ESG risks and opportunities (including those related to climate change), assess their impact on the Group, and review the effectiveness of ESG risk management;</li> <li>• Review annual ESG risks and, based on the Group's overall risk management objectives, risk preferences and risk tolerance, scrutinize and review annual ESG risk management strategies;</li> <li>• Regularly report significant ESG risks and the respective management or response strategies to the Board.</li> </ul>
<b>Execution Level</b>	Sustainability Department	<ul style="list-style-type: none"> <li>• Responsible for conducting annual ESG risk assessment, assisting functional departments in implementing risk management measures, and conducting daily ESG risk supervision and management;</li> <li>• Regularly report annual ESG risks and recommendations to the Sustainability Committee;</li> <li>• Continuously review ESG data systems and enhance the reliability of ESG data, engage external third parties to conduct ESG audit or assurance works in the future, and formulate correction plans based on audit results;</li> <li>• Regularly communicate with finance department on financial impacts resulting from ESG risks (e.g. climate change risk), and formulate corresponding response measures.</li> </ul>
	Operation and Management Departments of All Brands and Business Units and Other Functional Departments	<ul style="list-style-type: none"> <li>• Collaborate and support the Sustainability Department in conducting ESG risk assessments and management, and include ESG risks into daily operation risk management.</li> </ul>

We carry out ESG risk identification and assessment throughout the Group on an annual basis. Through the stakeholder engagement, we collect stakeholder feedback on ESG risks during the materiality assessment, and combining with the industry risk identification, sort out the material issues and regularly monitor the corresponding ESG risks. Having functional departments identify, assess and manage the risks with their respective business area and layer-by-layer upstream reporting to the Sustainability Department, the Sustainability Committee and the Board, we adopt a bottom-up approach to screen and prioritize various risks and build the ESG risk inventory. We carry out risk analysis and integrate ESG work plans to formulate corresponding risk response measures and preventive mechanisms. Through continuous reviews and evaluations of our practices in ESG management, we identify areas for necessary improvement to enhance ESG related risk management.

We have identified the key and important ESG risks during the financial year. Aligning with various regulatory requirements and ESG rating indicators, we have established corresponding monitoring indicators and conducted regular reviews and assessments for each key and important ESG risk, so as to further enhance our ESG risk management. All identified ESG risks are associated with risk levels, with clear risk response measures and preventive mechanisms in place.

# BUILDING A FOUNDATION THROUGH PROMOTING RESPONSIBLE BUSINESS OPERATION

Risk issues	Type of risk	Risk description	Order of importance	Response measures and preventive mechanism
Business ethics	Compliance risk	Violation of business ethics: Potential compliance risks resulting from employees' violation of business ethics and code of conduct during the implementation of the anti-corruption and integrity mechanism.	Key	<ul style="list-style-type: none"> <li> <p><b>• Supplier compliance management system:</b> We have formulated a series of policies covering supplier integrity management requirements and signed the “Integrity and Anti-Corruption Agreement” with our suppliers. Through whole-process supplier management, we have improved the assessment and early-warning system of supply chain risks, and conducted audits and evaluations of the social responsibility standards of supply chains, including anti-corruption, to ensure the operational compliance of our suppliers;</p> </li> <li> <p><b>• Business ethics training and management:</b> We have signed the “Integrity and Self-discipline Commitment” with all our employees and included anti-corruption provisions in the “Employees’ Labor Contract” to strengthen internal constraints on corruption; we also provide business ethics and anti-corruption courses and training for the Board, the management team, and employees, to strengthen the promotion and construction of a culture of integrity;</p> </li> <li> <p><b>• Supervision and audit management:</b> We make strong efforts to supervise the disciplinary violations of our employees and urge them to honor the basic principle of integrity. We have adopted a “Whistleblowing Policy” for all employees as well as customers, suppliers and other third parties to regulate the management of whistleblowing complaints. We also provide multiple options of 7×24 independent reporting channels for whistleblowers, including email, hotline, WeChat and mailbox; we continuously monitor the number of corruption lawsuits filed against the Company or its employees, serving as a monitoring indicator for oversight.</p> </li> </ul>

Risk issues	Type of risk	Risk description	Order of importance	Response measures and preventive mechanism
Use of chemicals and discharge	Compliance risk	Risk associated with chemical use: Environmental and potential compliance risks in the selection, use and disposal of chemicals (such as liquid adhesive substance, treatment agents, dyes, etc.).	Key	<ul style="list-style-type: none"> <li>• <b>Chemical safety management system:</b> We publicly disclose the “ANTA Sports Chemicals Management Manual”, continuously improve and revise the “Chemicals Safety Technical Specifications” and the “Apparel, Footwear, and Accessories Chemical Safety Technical Specifications”, and other chemical management systems to strengthen management of chemicals and associated risks;</li> <li>• <b>Chemical identification and phase-out:</b> We regularly identify all chemicals used in accordance with national laws, regulations and industry standards. We update product testing requirements and gradually phase out restricted substances. Based on candidate lists, we continuously update restricted substances; we publish chemical phase-out plans to explore safer chemical alternatives; we regularly track and assess risk management indicators, including the number of incidents related to uncompliant disposal of chemical waste;</li> <li>• <b>Supplier chemical management:</b> We require suppliers to establish a robust chemical management process, regularly update and maintain their own chemical inventory, and ensure that the products and materials they provide comply with our restricted substance list; Suppliers are expected to actively engage in chemical safety control-related training to enhance their safety awareness.</li> </ul>

# BUILDING A FOUNDATION THROUGH PROMOTING RESPONSIBLE BUSINESS OPERATION

Risk issues	Type of risk	Risk description	Order of importance	Response measures and preventive mechanism
Human rights and labor rights	Operational risk Compliance risk	Employees' human rights and labor rights protection: Operational and compliance risks arising from insufficient alignment of employee's human rights with international standards. These include issues related to employees' working hours, work intensity, and the lack of a fully developed mechanism of fundamental safeguards.	Key	<ul style="list-style-type: none"> <li> <b>System of employee rights protection:</b>            We have joined the UNGC as a participant member, developed an internal management system, actively fulfilled our basic responsibilities in the areas of human rights and labor standards, including prohibition of child labor and forced labor, protection of freedom of collective bargaining and association, and fostered an inclusive corporate culture in multiple dimensions; we establish indicators, including the number of compulsory labor dispute cases, and continuously track and assess them;         </li> <li> <b>Strengthening employee communication:</b>            We have made available both online and offline channels, including suggestion box, cloud platform, whistleblowing mailbox, whistleblowing hotline, and the official WeChat account "ANTA Integrity", to strengthen communication with employees, and annually commission an external organization to conduct engagement and satisfaction surveys on all employees to get their opinions and feedback.         </li> </ul>

Risk issues	Type of risk	Risk description	Order of importance	Response measures and preventive mechanism
Waste gas and waste water discharge	Compliance risk Operational risk	Waste gas and waste water discharge: Potential compliance and operational risks associated with the improper treatment and discharge of waste gas and waste water under the latest standards.	Key	<ul style="list-style-type: none"> <li>• <b>Improving the internal management system:</b> We have formulated discharge management policies such as the “Wastewater Treatment Operation Procedures” and the “Industrial Enterprise Fugitive Emissions Control Plan”, and appointed qualified third parties to conduct regular inspection of wastewater, waste gas and noise to ensure that waste discharge meets all compliance requirements;</li> <li>• <b>Reducing emissions through green production:</b> We have worked to reduce waste water/waste gas by upgrading processes, reduce VOCs emissions with substitute of environment-friendly materials, and reduce pollutant generation and emissions by improving processing equipment; we continuously monitor relevant indicators, including the increase in emissions of air pollutants/wastewater discharge compared to the previous year.</li> </ul>
	Strategy risk	Investment in environment-friendly treatment: The increased spending on environment-friendly treatment will have a potential impact on the Company’s operating costs and product prices, thus reducing the economic benefits of the Company.	Key	<ul style="list-style-type: none"> <li>• <b>Reducing/discontinuing the use of hazardous and restricted chemicals:</b> We have developed a chemical phase-out plan and a chemical use list, and worked toward reducing or discontinuing the use of hazardous and restricted chemicals;</li> <li>• <b>Enhancing sustainability management of supply chain:</b> In the full process management of suppliers, we are enhancing environmental management requirements, which include sustainable standards for pollution prevention and emissions control. We practice responsible procurement by strengthening the traceability of raw materials and conducting ESG training for suppliers;</li> <li>• <b>Reducing emissions through green production:</b> We have worked to reduce waste water/waste gas by upgrading processes, reduce VOCs emissions with substitute of environment-friendly materials, and reduce pollutant generation and emissions by improving processing equipment.</li> </ul>

# BUILDING A FOUNDATION THROUGH PROMOTING RESPONSIBLE BUSINESS OPERATION

Risk issues	Type of risk	Risk description	Order of importance	Response measures and preventive mechanism
Product quality and safety	Operational risk	Risk associated with product quality: Potential reputational risk caused by inadequate product quality and quality control, which may threaten business sustainability.	Key	<ul style="list-style-type: none"> <li>• <b>Quality control system of product life cycle:</b> We have established standards such as the “Apparel, Footwear, and Accessories Chemical Safety Technical Specifications”, the “ANTA Recall Management Policy”, and the “Quality Management Manual”. These standards define regulations for chemical specifications, recall management, product risk assessment and other aspects, ensuring the quality and safety of our products; we also set up risk indicators related to the quantity/proportion of recalled products due to safety and health issues, as well as the number of product safety incidents or dispute events and monitor and assess them;</li> <li>• <b>Improving quality control mechanisms across all dimensions:</b> We continuously improve our quality control mechanisms through quality and safety certification and training, special quality inspection, product recall management and special management regime on chemical safety.</li> </ul>
	Operational risk	Risk associated with new materials: The use of new materials (such as environment-friendly materials) may result in higher quality risks and costs.	Key	<ul style="list-style-type: none"> <li>• <b>Enhancing R&amp;D capability through the industry-university-research cooperation platform:</b> We have entered into cooperative relations with several industry partners and harnessed innovative technologies to improve the professional performance of ANTA products. We have also leveraged the industry-university-research cooperation platform to accelerate the training of professionals and the execution and results conversion of key R&amp;D projects, and explored sports science, new materials, new technologies and new processes;</li> <li>• <b>Enhancing quality control capability:</b> We have achieved breakthroughs in product quality by strengthening the supplier quality control system, innovating inspection methods, developing differentiated supervision mechanism, and upgrading the consumer quality survey system and product modification mechanism.</li> </ul>

Risk issues	Type of risk	Risk description	Order of importance	Response measures and preventive mechanism
Health and safety	Operational risk	Risk associated with changes in the health and safety requirements for workers: Disasters and other external emergencies cause operational risks on the safety of employees at workplace, having a visibly negative impact on the normal business operation of the Company.	Key	<ul style="list-style-type: none"> <li>• <b>Improving health protection for employees:</b> We have provided welfare and health benefits including medical protection, psychological counseling, health education and workplace facilities;</li> <li>• <b>Implementing the risk management system:</b> We continuously monitor potential risks, and assess and analyze our contingency plans based on the Company's risk management system; we establish quantitative indicators, including the number of workdays lost due to occupational injuries, and track and monitor them;</li> <li>• <b>Safety emergency measures:</b> We annually formulate an emergency preparedness drill plan, organize diverse safety emergency drills to ensure a swift and efficient response to various safety risks in emergency situations.</li> </ul>
	Compliance risk	Risk associated with occupational health and safety: The use of chemicals, occupational diseases, and production in special positions threaten employees' health and cause potential compliance risks.	Key	<ul style="list-style-type: none"> <li>• <b>Occupational health and safety management system:</b> We have formulated the "Environmental/Occupational Health and Safety Manual", the "Occupational Health and Safety Regulations" and the "Operation Control Procedures on Environmental and Occupational Safety", and put in place a well-rounded structure of safety production management, coordinated by the President, led by the administrative department and implemented by the Occupational Safety Leadership Group; we have obtained ISO 45001 Occupational Health and Safety Management Certification and possess occupational health and safety-related risk indicators, such as the number of workdays lost due to occupational illness;</li> <li>• <b>Building the safety management system:</b> We have put in place a safety management system covering safety prevention and control, safety protection facilities, safety training and education, safety emergency drills and safety incident handling.</li> </ul>

# BUILDING A FOUNDATION THROUGH PROMOTING RESPONSIBLE BUSINESS OPERATION

Risk issues	Type of risk	Risk description	Order of importance	Response measures and preventive mechanism
Craftsmanship and product innovation	Strategy risk	Product innovation and changing consumer preferences: The identity of a professional sportswear and the challenge of technology innovation may make it difficult to meet the demands of new-generation consumers. Due to company product type and the nature, this emerging risk can lead to major impact to company business in the long term.	Important	<ul style="list-style-type: none"> <li>• <b>Technological R&amp;D and innovation:</b> We have set up a dedicated innovation fund to support R&amp;D innovation across various brands; we have increased our R&amp;D investment, created more R&amp;D positions, and used the total R&amp;D expenditure and the number of R&amp;D positions as risk monitoring indicators for continuous tracking and evaluation;</li> <li>• <b>Product design innovation:</b> Our design centers have been established worldwide, forming an international design team in collaboration with designers from around the world. This initiative aims to enhance innovative capabilities and deepen the culture of innovation. The innovative product designs have been successfully applied to products of several brands, including ANTA, DESCENTE, FILA, KOLON SPORT, and others.</li> </ul>
	Strategy risk	Risk associated with the environmental technology of products: The risk of losing in market competition due to the environmental requirements on products and lack of progress in technology development. As the company with major business from industry of textiles and apparel, our products will encounter increasing requirement from environmental protection aspect. The company business will encounter long-term impact from the captioned emerging risk.	Important	<ul style="list-style-type: none"> <li>• <b>Setting low-carbon product development targets:</b> We have set quantitative targets including the proportions for sustainable products, sustainable raw materials and sustainable packaging to drive the development of low-carbon products; we track and evaluate performance indicators for the development of low-carbon products, including the investment in R&amp;D for green and low-carbon products;</li> <li>• <b>Developing technical specifications on sustainable products:</b> We have formulated certification standards and sustainable design guidelines, and adopted the “Technical Specifications for Sustainable Products” to drive the development of products;</li> <li>• <b>Carbon footprint certification for products:</b> We have employed a third-party professional organization to conduct carbon footprint assessments and carbon reduction analyses for three specific products.</li> </ul>



Risk issues	Type of risk	Risk description	Order of importance	Response measures and preventive mechanism
Climate change	Operational risk	Operational risk associated with climate change: Climate change leads to changes in the market environment and regulatory requirements, and puts operational pressure on the supply chain stability and production, with possible consequences of rising costs.	Important	<ul style="list-style-type: none"> <li> <b>Establishing the governance structure:</b>            We have put in place an ESG management structure with the Board as the ultimate responsible body to provide effective oversight of issues including climate change response, and established a governance structure with the Sustainability Committee taking up the responsibility for identifying and assessing climate risks and opportunities, developing climate risk response strategy, and evaluating the Company's annual performance in delivering the energy conservation/carbon reduction targets and other climate change and energy-related key performance indicators;         </li> <li> <b>Establishing scenario analysis to identify risk:</b> Based on our business sectors, we have integrated scenarios from the IPCC, NGFS, and various scenarios such as 1.5°C and &lt;2°C. We have constructed three climate scenarios for the short term (0–5 years), medium term (6–10 years), and long term (up to 2050). These scenarios involve assessments of physical environmental and socio-economic conditions, providing a foundation for identifying key climate parameters; we regularly monitor and assess the impact of climate change, such as typhoons and floods, on financial, marketing, and other risk indicators for the Company;         </li> <li> <b>Setting strategic goals for coexisting with the environment:</b> We have set “1+3+5” strategic goals, aiming to achieve the objective of carbon neutrality by 2050, to drive the Company's low-carbon development in the long term.         </li> </ul>

# BUILDING A FOUNDATION THROUGH PROMOTING RESPONSIBLE BUSINESS OPERATION

Risk issues	Type of risk	Risk description	Order of importance	Response measures and preventive mechanism
Data privacy and protection	Compliance risk	Privacy and data protection: The security and stability of data security and consumer privacy protection systems may have a significant impact on business operation and result in compliance risks.	Important	<ul style="list-style-type: none"> <li>• <b>Building the matrix of information security management systems:</b> We have formulated a series of internal information security management policies and conducted regular reviews and updates to enhance the information security management system matrix;</li> <li>• <b>Conducting audits on information security:</b> We have set up a Personal Information Protection Office at the supervisory level to coordinate the management of personal information protection in the Company, and conduct annual Company-wide internal audits and external audits by qualified third parties;</li> <li>• <b>Systematic assessment and certification:</b> We have obtained ISO 27001 certification. We regularly conduct information security testing and specialized application system penetration testing. Additionally, we invite professional external security companies to perform attack and defense drills; we establish and continuously monitor relevant indicators such as information security vulnerabilities or other network security incidents;</li> <li>• <b>Strengthening information security training:</b> We conduct annual information security awareness campaigns among all employees, organizing specialized training activities and awareness-raising events related to information security.</li> </ul>

Risk issues	Type of risk	Risk description	Order of importance	Response measures and preventive mechanism
	Operational risk	Risk associated with supply chain stability: Climate change, length of retention of raw materials (e.g. cotton) or other external risks affecting supply chain stability, with potential negative impact on business operations.	Important	<ul style="list-style-type: none"> <li>• <b>Improving the supply chain risk assessment and early-warning mechanism:</b> We regularly identify and assess supply chain risks in aspects including business environment, materials supply and social impact, and formulate countermeasures and preventive mechanisms for different types of risks that have been identified as undermining the stability of the supply chain; we continuously monitor indicators such as the rise in supply chain procurement costs or the average duration of the supply to assess related risks;</li> <li>• <b>Formulating procurement contingency plan:</b> We have formulated the “Procurement Contingency Plan of the Group” and introduced prevention and response plans for various risks to reduce and avoid the impact of supply chain risks on the Company;</li> <li>• <b>Strengthening insight over external trends:</b> We continuously observe the evolving trend in the external environment to ensure well-rounded and timely consideration of any risks that may impact our operations.</li> </ul>
Supply chain management	Operational risk	Risk associated with supplier compliance: Inadequate supplier audit, certification and performance management assessment may produce suppliers with low supply chain transparency as well as ESG risks, including labor risks and environmental governance, thus affecting the Company’s production and reputation.	Important	<ul style="list-style-type: none"> <li>• <b>Improving the supplier management system:</b> We have formulated the “Code of Conduct for Suppliers of ANTA Sports”, the “Supplier Sustainability Management Handbook” and other systems to ensure systematic and standardized management requirements for all suppliers and contractors;</li> <li>• <b>Full process management of suppliers:</b> We conduct standardized audits of suppliers in accordance with the “Protocol for the Management of Supplier Access and Exit of Apparel and Accessories Suppliers”, “Protocol for the Management of Supplier Access and Exit of Footwear Suppliers” and other management rules throughout the process of supplier selection and admittance, classification management, evaluation and audit; we continuously monitor indicators such as the number of violations by suppliers;</li> <li>• <b>Strengthening integrity management and training of suppliers:</b> We have established the “ANTA Group Supplier Integrity and Compliance Management Measures” and other systems, where we sign the “Integrity and Anti-Corruption Agreement” with suppliers, made public reporting channels, and highlighted the importance of integrity in suppliers training to enhance their awareness of integrity and anti-corruption.</li> </ul>

# BUILDING A FOUNDATION THROUGH PROMOTING RESPONSIBLE BUSINESS OPERATION

Risk issues	Type of risk	Risk description	Order of importance	Response measures and preventive mechanism
Intellectual property management	Compliance risk	Risk associated with intellectual property dispute: Inadequate protection of intellectual property and original product may lead to potential risks.	Important	<ul style="list-style-type: none"> <li>• <b>Setting up internal intellectual property systems:</b> We have systematically formulated internal systems for intellectual property management, trademark management, patent management, brand protection, and the prevention and control of intellectual property risks, and regularly improve and update them;</li> <li>• <b>Strengthening the training mechanism:</b> We actively carry out intellectual property training to raise employees' awareness of intellectual property protection;</li> <li>• <b>Promoting the brand protection campaign:</b> We stand committed to protecting intellectual property, and take actions to fight counterfeiting and intellectual property violations and protect the brand;</li> <li>• <b>Expanding the applications for invention patent licensing:</b> We have actively expanded the applications for invention patent licensing and utility patents to advance the protection of intellectual property;</li> <li>• <b>Implementing the risk audit mechanism:</b> We strictly implement the risk audit mechanism, and integrate the audit of intellectual property risks into the whole business process, including product design, advertising and non-production procurement; we continue to monitor indicators related to intellectual property disputes.</li> </ul>

By implementing a series of ESG risk management protective measures and conducting relevant training, we are committed to promoting effective risk management culture throughout the entire Company in the long term. This ensures that all members within the organization understand the importance of corporate risk management while enhancing the Company's risk management procedures. In terms of training, we regularly update the directors (including non-executive directors) on the latest developments and provide training on ESG risk management. This aims to continuously strengthen the awareness of risk among all members and facilitate the effective role of non-executive directors in overseeing and controlling corporate risks, including ESG risks. We encourage employees to proactively identify and report potential risks, and continually improve the risk feedback process and risk management practices.

## Progress on Sustainability Initiatives

We continue to undertake ESG initiatives and actively participate in international initiatives. By aligning corporate ESG strategies with business practices, we expand diversified sustainable development initiatives, continually enhancing our performance in sustainable development.

### Joining the UNGC “Forward Faster” Initiative to Demonstrate Sustainability Commitments



In October, we were invited to participate in the UNGC “Forward Faster” Initiative event. This initiative focuses on five major areas: gender equality, climate action, living wage, water resilience and sustainable finance and investment, aiming to accelerate corporate progress and commitment towards achieving sustainable development goals. As one of the first Chinese companies to join this initiative and the only participant from the textile and apparel industry, we are committed to driving sustainability throughout the entire industry value chain, striving for greater breakthroughs in the vision of sustainable development.



# BUILDING A FOUNDATION THROUGH PROMOTING RESPONSIBLE BUSINESS OPERATION

## Becoming a Global Partner of the United Nations High Commissioner for Refugees (UNHCR) in Response to Global Humanitarian Action



In October, we and the UNHCR announced a collaboration aimed at empowering displaced children and adolescents through support for education and sports projects. This partnership was a joint response to the values of a shared human destiny. We supported the UN Sustainable Development Goal 4 (Quality Education) and Goal 17 (Partnerships for the Goals), endorsing global humanitarian action. We are committed to providing support to UNHCR's humanitarian actions worldwide over the next three years, planning to help nearly 300,000 youths in Southeast Asia, Africa, Latin America and other regions return to school by 2025.



## Becoming a Signatory Member of the United Nations Women's Empowerment Principles (WEPs)



In August, we officially became a signatory member of the United Nations Women's Empowerment Principles (WEPs), and now more than 8,000 companies around the world have signed the CEO Statement of Support for WEPs. As the first Chinese sportswear company to join WEPs, we pay tribute to women's outstanding contributions and commit to taking proactive measures to implement the seven specific principles of WEPs. These efforts aim to promote gender equality and empower women in the workplace, market competition and community life.

## Stakeholder Engagement

During the financial year, we proactively communicated with stakeholders through various channels and maintained close contact with key stakeholders. By continuously improving the transparency of our operations and actively collecting and responding to stakeholders' expectations and requirements, we achieved mutual benefits and positive interactions with stakeholders and created sustainable values for them.

External stakeholders	Stakeholder expectations	Communication activities during the financial year
Investors/ shareholders	<ul style="list-style-type: none"> <li>• Risk management</li> <li>• Investment return</li> <li>• Corporate governance</li> <li>• Information disclosure</li> </ul>	Attended one-on-one meetings, non-deal roadshows, investment forums and telephone conferences
		Organized annual and interim results presentations
Consumers	<ul style="list-style-type: none"> <li>• Quality products</li> <li>• Diversified products</li> <li>• Well-rounded customer services</li> <li>• Seamless communication channels</li> </ul>	Conducted surveys on consumer satisfaction
		Collected consumer feedback through different channels, such as customer service hotline and feedback from retail staff
Suppliers	<ul style="list-style-type: none"> <li>• Fair, open and just procurement</li> <li>• Supplier support</li> </ul>	Conducted supplier satisfaction surveys
		Held supplier conferences to exchange ideas
Distributors	<ul style="list-style-type: none"> <li>• Mutual benefits</li> <li>• Mutual growth</li> </ul>	Hosted trade fairs
		Organized distributor meetings to exchange ideas
Media	<ul style="list-style-type: none"> <li>• Information openness and transparency</li> <li>• Product quality and safety</li> <li>• Anti-corruption</li> </ul>	Organized press conferences
		Attended media interviews
Government/ regulatory authorities	<ul style="list-style-type: none"> <li>• Operations compliance</li> <li>• Tax payment in accordance with the law</li> <li>• Driving regional economic development</li> </ul>	Organized meetings to set standards and exchange ideas
Brand ambassadors	<ul style="list-style-type: none"> <li>• Brand image</li> <li>• Product quality</li> <li>• Product R&amp;D and innovation</li> <li>• Intellectual property</li> </ul>	Ensured timely communication with the brand ambassadors and collected their feedback on our products
		Provided tailor-made, on-demand products
Athletes	<ul style="list-style-type: none"> <li>• Product performance</li> <li>• Product R&amp;D and innovation</li> </ul>	Sponsored athletes' competition outfit and equipment

# BUILDING A FOUNDATION THROUGH PROMOTING RESPONSIBLE BUSINESS OPERATION

Internal stakeholders	Stakeholder expectations	Communication activities during the financial year
Directors	<ul style="list-style-type: none"> <li>• Corporate governance</li> <li>• Anti-corruption</li> <li>• Risk management</li> </ul>	Participated in Board meetings
Management	<ul style="list-style-type: none"> <li>• Product quality and safety</li> <li>• Environmental impact management</li> </ul>	Participated in the decision making and operations of the Company, performed management roles, and directed or coordinated staff to fulfill their job duties
Staff	<ul style="list-style-type: none"> <li>• Staff welfare</li> <li>• Staff development and training</li> <li>• Anti-corruption</li> </ul>	Engaged in surveys and participated in online and face-to-face staff activities

## ESG Issues Materiality

We conduct materiality assessment or review on an annual basis, engage an independent professional consultant to conduct internal and external stakeholder surveys to collect stakeholders' feedback and conduct a materiality analysis to prioritize issues. Through stakeholder surveys, we also collect stakeholders' concerns about ESG risks and integrate the materiality analysis into the overall corporate risk management, so as to provide reference for the Company to improve ESG and related risk management and better respond to the expectations and demands of stakeholders.

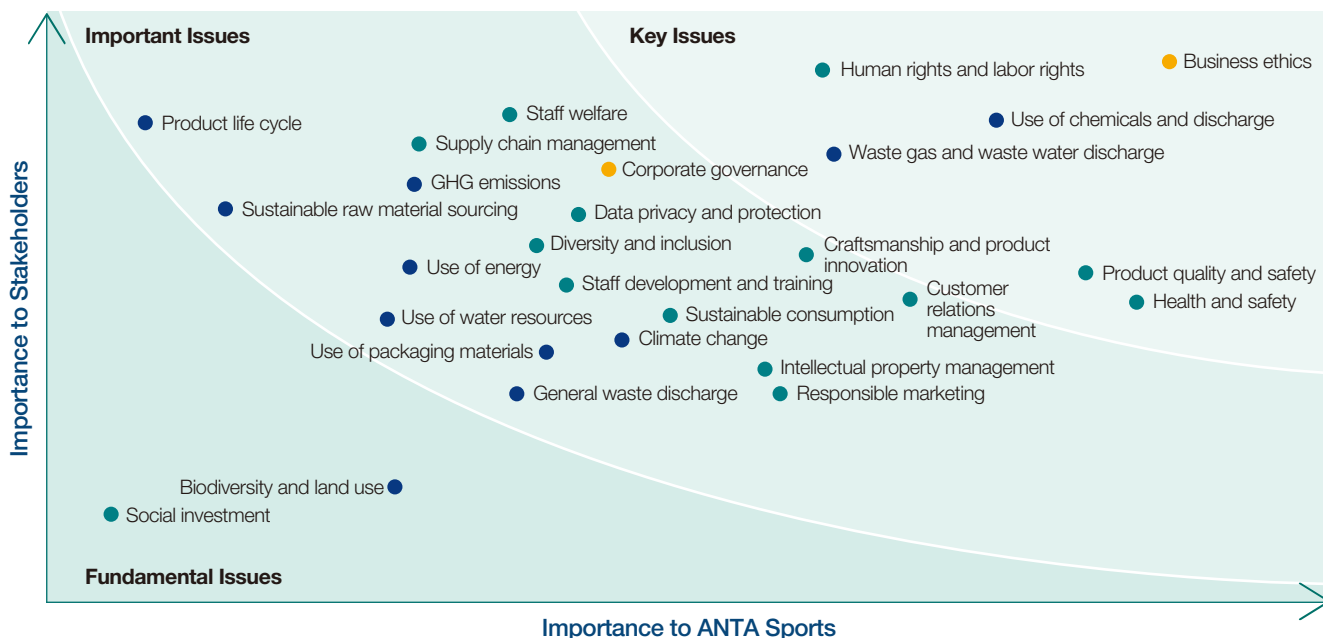
### Analysis Progress of Materiality Determination





## Our Materiality Matrix in 2023

● Social ● Governance ● Environmental









## ANTA ESG Material Issues 2023

Materiality	Topic Category	Issues
Key Issues	Governance	Business ethics
	Environmental	Use of chemicals and discharge
	Social	Human rights and labor rights
	Environmental	Waste gas and waste water discharge
	Social	Product quality and safety
	Social	Health and safety
Important Issues	Governance	Corporate governance
	Social	Staff welfare
	Social	Craftsmanship and product innovation
	Social	Customer relations management
	Environmental	Climate change
	Social	Data privacy and protection
	Social	Supply chain management

Materiality	Topic Category	Issues
Key Issues	Social	Staff development and training
	Social	Diversity and inclusion
	Environmental	GHG emissions
	Social	Sustainable consumption
	Social	Intellectual property management
	Social	Responsible marketing
	Environmental	Use of energy
	Environmental	Use of packaging materials
	Environmental	Use of water resources
	Environmental	Product life cycle
Important Issues	Environmental	Sustainable raw material sourcing
	Environmental	General waste discharge
	Environmental	Biodiversity and land use
Fundamental Issues	Social	Social investment

# BUILDING A FOUNDATION THROUGH PROMOTING RESPONSIBLE BUSINESS OPERATION

## The Top Three Issues Concerned by Key Stakeholders

	 Employees	 Suppliers	 Consumers	 Distributors	 Investors	 Government
1	Staff welfare	Product quality and safety	Product quality and safety	Product quality and safety	Corporate governance	Use of chemicals and discharge
2	Health and safety	Human rights and labor rights	Data privacy and protection	Staff welfare	Business ethics	Craftsmanship and product innovation
3	Business ethics	Business ethics	Waste gas and waste water discharge	Health and safety	Product quality and safety	Waste gas and waste water discharge

## Corporate Governance

### Governance Structure

The Company recognises the value and importance of achieving high corporate governance standards to enhance corporate performance, transparency and accountability, earning the confidence of Shareholders and the public. The Board strives to adhere to the principles of corporate governance and adopt sound corporate governance practices to meet the legal and commercial standards by focusing on areas including risk management and internal control, fair disclosure and accountability to all Shareholders.

Save as disclosed in the Corporate Governance Report of the Annual Report 2023 of the Company, the Company has complied with the code provisions of the

CG Code during the financial year. The Company regularly reviews its corporate governance practices to ensure its continuous compliance.

Currently, the Board comprises 10 Directors, including six Executive Directors and four Independent Non-Executive Directors. The Board takes responsibility to oversee all major matters of the Company, including the formulation and approval of all policy matters, overall strategies, risk management and internal control systems, and monitoring of the performance of management team. All Directors are subject to the same legal duties under all applicable laws and the Listing Rules. They are required, in the performance of their duties as directors, to act honestly and in good faith in the overall interests of the Company as a whole, avoid actual and potential conflicts of interest and duty, apply

reasonable care and diligence, and make decisions objectively in the best interests of the Company.

### Diversity Composition

#### Diversified Governance

We are committed to establishing a diversified governance structure. There are five committees under the Board, namely Audit Committee, Remuneration Committee, Nomination Committee, Risk Management Committee and Sustainability Committee with defined terms of reference. The terms of reference of the Board Committees are posted on the website of the Company ([ir.anta.com](http://ir.anta.com)) and the HKEXnews website of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)).

Before a Board/committee meeting starts, all members of the Board/committee shall declare their interests

Details of the Board as of 31 December 2023:

Director	Committee	Audit Committee	Nomination Committee	Remuneration Committee	Risk Management Committee	Sustainability Committee*
Mr. Ding Shizhong						
Mr. Ding Shijia						
Mr. Lai Shixian			Member			Chairman
Mr. Wu Yonghua						Member
Mr. Zheng Jie						
Mr. Bi Mingwei					Member	
Mr. Yiu Kin Wah Stephen	Chairman	Member			Chairman	Member
Mr. Lai Hin Wing Henry Stephen	Member	Chairman	Chairman	Chairman		Member
Ms. Wang Jiaqian	Member	Member	Member	Member	Member	Member
Ms. Xia Lian	Member	Member	Member	Member	Member	Member

\* The Sustainability Committee comprises one chairman and seven members, including Mr. YIU Wai Hung (CEO of Fashion Sports Group) and Mr. Tsui Yeung (CEO of the Professional Sports Group).

(including the interests of their associates) in respect of the matters to be discussed and/or the resolutions to be approved during the meeting in accordance with the articles of association of the Company and/or the Listing Rules. In case a member of the Board/committee (or his associate) has a material interest in a matter to be discussed and/or a resolution to be approved during a meeting, other members of the Board/committee, for the purpose of avoidance of conflict of interests, shall consider and decide if the member shall abstain from voting in the resolutions and/or be absent from the meeting.

The committees are provided with sufficient resources to perform their duties and are able to seek, at the Company's expenses, independent professional

advice as necessary. The committees are able to invite relevant personnel within the Company to attend meetings, and to obtain any information that they require from any other committees and/or departments, if they consider necessary, in order to perform their duties. The committees may invite external advisers with relevant experience and expertise to participate and attend committee meetings as and when necessary, and they can review and approve the advisory fees and other terms of engagement of the external advisers.

#### Independent Non-Executive Directors

Independent Non-Executive Directors play a significant role in the Board by virtue of their independent judgment

and views carry significant weight in the Board's decision. In particular, they bring an impartial view to bear on issues of the Company's strategy, performance and control. All Independent Non-Executive Directors possess extensive academic, professional and industry expertise and management experience and have provided their professional advice to the Board. The Board also considers that Independent Non-Executive Directors can provide independent advice on the Company's business strategy, results and management so that all interests of Shareholders can be taken into account, and the interests of the Company and the Shareholders can be protected.

Each Independent Non-Executive Director shall inform the Company as soon as practical if there is any change

# BUILDING A FOUNDATION THROUGH PROMOTING RESPONSIBLE BUSINESS OPERATION

of circumstances which may affect his/her independence. None of the Independent Non-Executive Directors have informed the Company that there is any change of circumstances which have affect his/her independence during the financial year.

The Nomination Committee has assessed the independence of each

Independent Non-Executive Director based on the criteria set out in Rule 3.13 of the Listing Rules, and the Board and the Nomination Committee consider that all the Independent Non-Executive Directors are independent.

Currently, none of the Independent Non-Executive Directors, individually, held directorships in seven or more

listed public companies (including the Company) or has served for more than nine years.

## Board Diversity

The Company adopted a board diversity policy in accordance with the requirement set out in the CG Code. The policy aims to set out the

Name		Mr. Ding Shizhong	Mr. Ding Shijia
Gender		Male	Male
Age		53	59
Length of service of the Board (up to 31 December 2023)		16 years	16 years
Skills, knowledge & professional experience	(a) Accounting & finance		
	(b) Business development	✓	
	(c) Brand management	✓	
	(d) Capital market		
	(e) Corporate responsibility/sustainability	✓	
	(f) Corporate strategy and planning	✓	
	(g) Executive management and leadership skills	✓	✓
	(h) Informational management		
	(i) Investor relations		
	(j) Law		
	(k) Manufacturing		✓
	(l) Other listed board experience/role		
	(m) Operational management	✓	✓
(n) Risk management			
(o) Sales and marketing	✓		
(p) Supply chain management		✓	
(q) Treasury management			

approach to achieve diversity on the Board. The Company recognises and embraces the benefits of having a diverse Board to broaden its view and enhance the quality of its performance. All Board appointments will be based on meritocracy, and candidates shall be considered against objective criteria, having due regard for the

benefits of diversity on the Board. Diversity on the Board can be achieved through consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. In designing the Board's composition, the Company will

also take into account factors based on its own business model and specific needs from time to time.

Directors are from diverse and complementary backgrounds. Their valuable experience and expertise are critical for the long-term growth of the Company.

Mr. Lai Shixian	Mr. Wu Yonghua	Mr. Zheng Jie	Mr. Bi Mingwei	Mr. Yiu Kin Wah Stephen	Mr. Lai Hin Wing Henry Stephen	Ms. Wang Jiaqian	Ms. Xia Lian
Male	Male	Male	Male	Male	Male	Female	Female
49	53	55	51	63	67	45	45
16 years	16 years	14 years	2.5 years	5.5 years	3 years	2.5 years	1.5 years
✓			✓	✓			
	✓	✓				✓	✓
	✓	✓				✓	
✓				✓	✓		
✓	✓	✓	✓	✓	✓	✓	✓
		✓	✓			✓	✓
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✓							

# BUILDING A FOUNDATION THROUGH PROMOTING RESPONSIBLE BUSINESS OPERATION



The Board contains a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Group's business. The Board includes a balanced composition of Executive Directors and Non-Executive Directors (including Independent Non-Executive Directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgement. Board practice is in place so that any changes to the Board composition (if any) can be managed without undue disruption. Independent Non-Executive Directors are industry practitioners or experts in the Group's business, or have other skills and experience in other areas which enhance the Board members' balance of skills, experience and diversity of perspectives. Independent Non-Executive Directors can make a positive contribution to the development of the

Company's strategy and policies through independent, constructive and informed comments.

The Nomination Committee has conducted the annual review of the Board composition. Based on different measurable objectives on board diversity, including but not limited to, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service, the Nomination Committee considered that board diversity has been achieved since 2021. In particular, after the appointment of each of Ms. Wang Jiaqian and Ms. Xia Lian as an Independent Non-Executive Director on 1 July 2021 and 1 July 2022, respectively, the Board is no longer a single gender board. The Nomination Committee (and the Board) recognises the importance and benefits of gender diversity at the Board level, and shall

continue to take initiatives to identify more female candidate(s) to further enhance the gender diversity among the Board members with a target of 30% women in the Board by the end of 2030. At the same time, we value diversity at the employee level (including senior management), committing to the principle of meritocracy and respecting employees' personal choices, regardless of gender, age, religious beliefs, nationality, etc. We will continue to strive for gender diversity at the employee level, aiming to achieve a representation of women exceeding 40% in director-level positions and above by the end of 2030.

## Business Ethics

### Anti-corruption Policy

The Company is committed to pursuing ethical and anti-corruption



**As of 31 December 2023, the current Board's composition under diversified perspectives is summarised as follows:**

- The Board consisted of 10 members, including six Executive Directors, and four Independent Non-Executive Directors. The proportion of executive directors in the board is 60%, while independent directors constitute 40%;
- The Board had two female directors with the proportion of female directors gradually increasing to 20%;
- The ages of Board members ranged from 45–67;
- A total of four Board members holds executive positions in no more than four other listed companies, including Ms. Wang Jiaqian, who has experience of strategic business operation in the same industry<sup>1</sup> as ANTA SPORTS and currently holds an executive position.

business practices with a high standard of integrity and zero tolerance for corruption. To this end, the Company has adopted an “Anti-corruption Policy” to complement all applicable anti-corruption laws and regulations and to achieve the Company’s desired anti-corruption culture. We became a participant member of the UNGC in 2021, committing to the 10 principles including human rights, labor standards, environment, and anti-corruption, etc.

The Company (including any Directors and employees) should comply with the relevant anti-corruption laws and regulations in the PRC (including the Supervision Law of the PRC), Hong Kong SAR and other countries or regions as applicable. The Company prohibits all forms of political contributions that contravene the legal requirements of the

countries or regions as applicable. We strictly prohibit kickbacks and prohibit charitable contributions from being used for bribery or corruption, ensuring that charitable contributions and sponsorships are compliant, legal and ethical.

We have established and published relevant regulations and codes on business ethics, clearly outlining the anti-corruption requirements and corresponding penalty standards in our “Anti-corruption Policy”. The anti-corruption policy is applicable to all Directors (including the Independent Non-Executive Directors), all employees of the Group at all levels, external parties having business dealings with the Group (including suppliers, services providers, business partners, etc.) and persons acting in an agency or fiduciary capacity on behalf of the Group (e.g. agents,

consultants, and contractors of the Group).

Directors and employees of the Group shall uphold at all times the Group’s core value of integrity, honesty, fairness, impartiality and ethical business practices.

Directors and employees of the Group should not accept any advantage from any person, company or organization having business dealings with the Group, whether or not any undue favor is involved. They may only accept (but not solicit) an advantage when such advantage is offered on a voluntary basis and such advantage is disclosed to and approved by the Group. If a Director or an employee is unsure as to whether the acceptance of an advantage could (i) affect the proper discharge of his duties or (ii) place such Director or employee

<sup>1</sup> The classification standard of the industry refers to the Global Industry Classification Standard (Level 1).

# BUILDING A FOUNDATION THROUGH PROMOTING RESPONSIBLE BUSINESS OPERATION

under an obligation to act against the Group's interests, he should always decline to accept the advantage.

Directors and employees of the Group shall avoid any conflict of interest or potential conflict of interest with the Group and should declare any conflict of interest or potential conflict of interest as appropriate.

Directors and employees of the Group shall not give any advantage to any person, company or organization having business dealings with the Group for inappropriate advantage or any other illegitimate purpose.

Directors and employees of the Group shall not, in their personal capacity or acting in an agency or fiduciary capacity on behalf of the Group, provide any form of facilitation payments to any individual or entity.

Any breach of the "Anti-corruption Policy" should be reported to the Company through reporting channels under the "Whistleblowing Policy" of the Company, whether it is known who may be responsible for the breach or how it may have occurred. The Company takes reports of corruption seriously, and may conduct investigations pursuant to the "Whistleblowing Policy" of the Company if necessary. Material incidents relating to breaches of the "Anti-corruption Policy" shall be brought to the attention of the Board by the Risk Management Committee.

The Risk Management Committee would regularly review the implementation and

effectiveness of the "Anti-corruption Policy" (including ethical standards) to ensure that the policy remains relevant to the Company's needs and reflects both current regulatory requirements and good corporate governance practice and would also discuss and consider any revisions that may be required.

For further details of the "Anti-corruption Policy", please refer to the full text of the policy posted on the Company's website ([ir.anta.com](http://ir.anta.com)).

## Internal Audit Function

The Group's internal audit function is performed by our internal audit department. The department plays an important part in the assessment of the effectiveness of the risk management and internal control systems of the Group and reports directly to the Risk Management Committee on a regular basis.

The internal audit department conducts audit on material controls, compliance with policies and procedures of the Group at both operational and corporate levels. Plans and tools for corrective actions and control improvements would be identified and communicated with operations management to address any issues, non-compliance or deficiencies identified. The department further monitors the implementation of its recommendations by the operations management and reports the outcome to the Risk Management Committee. The internal audit department is also responsible for substantial contract review to identify risks behind and

provide recommendation to the operations management.

The internal audit department regularly attends the Risk Management Committee meetings and reports their work. Significant findings (including any findings of substantial contract review and non-compliance or irregularity matters) can be reported directly and freely to the Risk Management Committee. The Risk Management Committee ensures sufficient resources (including annual budget and staffing) are allocated to the internal audit department for effective fulfilment of work objectives and responsibilities, and provides all necessary support.

## Internal Supervision

We have formulated and refined multiple internal audit and compliance management systems, including the "Auditing and Supervision System", the "Auditing and Supervision Patrol System" and the "Audit and Supervision Penalty Management System". These systems provide detailed provisions regarding the professional competence, objectivity, independence, fairness, discipline, violation penalties, and related work procedures for auditors and supervisors, and parties involved can make complains to the Risk Management Committee if they have any objections. Third-party auditors conduct audits covering the entire Group, continually enhancing the Group's compliance level. In addition, we conduct audits covering all operational activities of the Group on an annual basis regarding anti-corruption and business ethics matters, including



audits on control procedures regarding treasury management and procurement to prevent corruption and bribery. We at the same time through methods such as audits, inspections, investigations, and supervision, continuously monitor the business ethical standard of internal and partners. We effectively combat, penalize, and hold accountable for corrupt, fraudulent, and other non-compliant behaviors from multiple dimensions.

We follow the Company's "Anti-corruption Policy" and the related internal execution systems, comply with the "Supervision Law of the People's Republic of China", the "Company Law of the People's Republic of China", and other national laws and regulations, and have established internal codes of conduct, such as the "Employee Handbook of ANTA Group", to set forth requirements for the conduct of all employees, suppliers, subsidiaries and joint ventures, and to clarify the Group's requirements, zero-tolerance and penalties in the areas of anti-corruption and bribery, anti-discrimination, information security, conflict of interest, anti-competition, anti-money laundering and insider trading. We also provide training on ethical standards to all employees, suppliers, and other relevant parties. For our employees, we link their compliance with our code of conduct to their remuneration and performance appraisal.

All of our employees are required to sign the "Integrity and Self-discipline Commitment" and we have added anti-corruption clauses in our standard "Employees' Labor Contract" to

strengthen internal anti-corruption measures. During the financial year, we have strengthened the supervision of employees' personal disciplinary violations and urged them to honor the basic principle of integrity.

### Building Integrity Culture

We proactively build an anti-corruption culture and use both online and offline training to promote integrity culture to the Board, management and employees (including part-time employees and contractors). We have explored innovative forms of education, such as the promotion video on integrity culture, the animation Healthy Workplace and online quiz of anti-corruption knowledge and promoted their dissemination through our corporate account on social media, special website on corporate culture and the Company's video channels. We have adopted lively and easy-to-understand means of presentation to explain our code of conduct and anti-corruption related systems and initiatives, to enhance the understanding of the Company's business ethics requirements, and have conducted cautionary education with typical cases of violations. Additionally, we organize visits to anti-corruption

and cautionary education bases and special offline training for our employees to strengthen their anti-corruption awareness.

### Supply Chain Integrity Management

Integrity is a core value of the Company and the foundation for achieving mutually beneficial development with our suppliers. Upholding a zero tolerance policy towards corrupt practices, we are committed to collaborating with suppliers to construct a fair and clean business environment. We require all suppliers to adhere to applicable anti-corruption laws and regulations in their operating countries or regions. We also require them to establish anti-corruption policies and have monitoring program to verify compliance, hence to investigate and report any violations of relevant policies. We have established a series of policies and systems covering supplier integrity management requirements, including the "Code of Conduct for Suppliers of ANTA Sports", the "Supplier Sustainability Management Handbook", "ANTA Group Supplier Integrity and Compliance Management Measures" etc. We also signed "Integrity and Anti-Corruption Agreement" with suppliers and received integrity undertakings

### Key Performance in 2023



During the financial year, we organized integrity culture advocacy training for the board, management, employees (including part-time employees and contractors), and external suppliers, with a coverage rate of 100%.

# BUILDING A FOUNDATION THROUGH PROMOTING RESPONSIBLE BUSINESS OPERATION

from suppliers at the admittance stage. Furthermore, we insist on overseeing the integrity and compliance of our suppliers by continuously monitoring their ethical performance through conducting audit activities.

Meanwhile, we promote integrity education to suppliers through various channels, including supplier conferences and social media, to enhance their awareness of integrity and anti-corruption. We persist in supervising and managing the integrity performance of our suppliers and require the internal audit department to conduct independent investigations on suppliers suspected of violating the anti-corruption responsibility clause. Once confirmed, they will be resolutely dismissed and held accountable for

the relevant legal responsibilities in accordance with the law.

## Whistleblowing Policy

The Group is committed to achieving and maintaining the high probity standards and ethical business practices and encouraging reporting of concerns of actual or suspected misconduct or malpractice by any employees and/or external parties in any matter related to the Group. The Company has adopted a “Whistleblowing Policy” to create a system for the employees and other persons or entities who deal with the Group (e.g. customers and suppliers) to raise concerns, in confidence and anonymity, with the Risk Management Committee (designated by the Board

with relevant authorities) about possible improprieties relating to the Group. The identity of the whistleblower would be treated with the strictest confidence.

The whistleblowing system established under the policy is intended:

- to build a culture of openness and transparency in the Group;
- to maintain internal corporate justice;
- to encourage employees and other persons or entities dealing with the Group to raise concerns about possible improprieties relating to the Group and to provide them with confidential reporting channels for such purposes; and

## Key Performance in 2023



During the financial year, we have:

- No corruption-related litigation cases occurred.
- Regarding violations of the code of conduct (involving corruption, conflicts of interest, money laundering, insider trading, etc.), **22** punishment notices were issued, and all violations have been handled in accordance with the Group’s policy and relevant national laws and regulations.
- The signing rate of the “Integrity and Anti-Corruption Agreement” by suppliers reached over **75%**.

As of 31 December 2023, we received and processed a total of **178** reports, including: **137** reports related to retail matters, **20** reports of violations and misconduct, **14** reports related to corruption, **one** report on professional ethics, **two** reports on managerial negligence, and **four** reports unrelated to our employees. All reported cases have been investigated and handled by dedicated personnel following the Group’s policies, and we also provided training for employees.

- to enable the Group to detect and deter or remedy a misconduct or malpractice in the Group before serious damage is caused.

The “Whistleblowing Policy” is applicable to all employees of the Group at all levels and to other persons or entities who deal with the Group (e.g. customers and suppliers). Whistleblowers may choose to report a misconduct to the designated ethics officers (being the Chairman and the chairman of the Risk Management Committee) or the Group’s internal audit department.

For further details of the “Whistleblowing Policy”, please refer to the full text of the policy which is published on the Company’s website (ir.anta.com).

We are committed to taking corruption reports seriously and have adopted options of 7x24 independent reporting channels, including email, hotlines, WeChat and mailbox. We also have dedicated investigators with professional skills to investigate and handle whistleblowing reports and notify whistleblowers of the results where permitted by law. Meanwhile, we promise to strictly protect the lawful rights of whistleblowers and prohibit any retaliation against whistleblowers. We accept anonymous reports and have multiple protection measures in place to prevent retaliation, especially for entities or individuals who make whistleblowing reports in their real names. The Company strictly prohibits any retaliation, including any unjust disciplinary actions or dismissals due to

whistleblowing, and will make the best effort to take reasonable measures to protect whistleblowers from retaliation. Persons who victimize or retaliate against those who have genuinely raised concerns in good faith under this policy will be subject to disciplinary actions. Should circumstances arise in which the Company is required to disclose the whistleblower’s identity, the Company will, to the extent permitted by law, endeavor to protect the reasonable interest of the whistleblower. We would review the previous reported cases to determine the effectiveness of whistleblowing management practices and potential areas for improvement in the future. This helps uphold our commitment to business ethics and promotes the continuous development of a transparent and accountable culture.

## Information Security

### Information Security Management System

We attach great importance to information security and the protection of employee personal information, strictly abide by the “Cybersecurity Law of the People’s Republic of China”, the “Data Security Law of the People’s Republic of China”, and other laws and regulations. Accordingly, we have built and implemented an information security management system, and formulated a well-rounded information security management policy matrix consisting of 28 information security systems, including the “Penalty Rules of the Information Security Regulations” and the “Rewards and Discipline Policy”

that are established for specifying zero-tolerance issues and the rewards and punishment of employees violating information security regulations, as well as the “Validity Measurement Procedures”, which provides the standards for the assessment of data and network security. We strive to improve the information security and privacy protection system covering the entire Group and external suppliers. Through assessing the appropriateness, adequacy and effectiveness of the contents, as well as launching internal reviews on an annual basis, we continuously revise the relevant policies. During the financial year, we completed amendments to 37 clauses in our information security management system. In addition, we formulated “Personal Information Security Incident Emergency Response Manual” and revised documents such as the “Personal Information Protection Management Policy” and the “Employee Personal Information Protection Implementation Rules” to further enhance the security management of corporate data and personal information, and to incorporate privacy protection risks into the Group’s overall risk management system.

At the supervisory level, we established the Personal Information Protection Office as the data security management entity. This office is responsible for formulating strategies for data security and personal information protection, reviewing and making decisions on significant matters, and overseeing the execution of related tasks. The Vice President of the Legal Management Department and the Deputy IT Director of

# BUILDING A FOUNDATION THROUGH PROMOTING RESPONSIBLE BUSINESS OPERATION

Information and Digitalization jointly serve as the heads of personal information protection. The Sustainability Committee reviews the Group's information security issues and reports to the Board.

We have established an Information Security Management Committee and a specialized monitoring and enforcement team to assist in the establishment of a security management system. Our measures include building an ISO 27001 information security management system, a data leakage prevention system, performing penetration testing, conducting offensive and defensive drills, implementing proactive and passive defense plans, and taking measures such as security monitoring, threat warning, and emergency response for core systems to trace abnormal behavior.

## Ensuring Information and Privacy Security

We have implemented a series of measures at both the hardware and software levels to ensure the security of core information and data. These measures include the use of dynamic passwords, data locking to prevent copying, unauthorized channel control, etc. By refining the permissions within core positions, we rigorously guard against information theft. During the financial year, major updates have been made in strengthening identity and access management, including the implementation of multi-factor authentication, detailed permission controls, and enhanced monitoring of privileged accounts. In the event of information theft cases, we enforce

disciplinary actions according to procedures and make public announcement on social media to serve as a warning.

In order to better manage potential information security risks, we conduct checks regularly and make timely corrections on information system vulnerabilities and unauthorized access to personal privacy. We prioritize regular information security testing, including quarterly vulnerability scans and risk assessments using industry-leading tools, and penetration testing to identify remediation and improvement measures. During the financial year, we invited professional external security companies to conduct attack and defense drills, simulating actual attack scenarios and cover multiple attack paths, to further enhance the information security team's defense capabilities against various cyber attacks.

## Information Security Review

We conduct internal and external audits related to information security every year. During the financial year, we engaged a qualified third-party organization to carry out an external audit for ISO 27001 information security, covering all areas related to information security management. We completed the Group-wide internal audit during the financial year, and also consistently performed internal reviews and assessments related to information security and personal privacy protection. This included reviews of internal data access and self-assessment of the impact

on personal information protection. Based on the assessment results, we provide suggestions for modifications and follow up on improvements. During the financial year, the overall situation of our internal audit complies with the requirements of the information security management system, and no significant non-compliance issues were identified.

## Information Security Incident Response

Through employee reporting and the involvement of the Personal Information Protection Office, we have been able to respond and resolve information security incidents in a timely manner. We have established an emergency response mechanism for information and privacy security to deal with information security incidents or any data privacy concerns raised by data subjects promptly, and develop compliant and effective remedial solutions and emergency plans. In accordance with internal regulations such as the "Personal Information Security Incident Emergency Response Manual" and the "Information Security Incident Management Policy", if there is any suspicion of personal security-related incidents, employees can report following the specified procedures. The information security department will organize different degrees of investigation, evaluation, processing, reporting, and summarizing based on the level of the incident; and the Personal Information Protection Office will arrange for the relevant department to handle the incident according to the emergency response plan.



Emergency Response and Reporting Handling Process:

- Personal Information Protection Office and the information security department handle the incident;
- Keep record of the incident, including the basic information of the incident, the personal information and number of people involved, the name of the system where the incident occurred, the impact on other interconnected systems, and whether law enforcement agencies or relevant departments have been contacted;
- Assess the possible impact of the incident and take necessary measures to control the situation and eliminate potential hazards;
- Report the incident in accordance with the provisions of the “Emergency Plan for National Network Security Incidents”, including the overall situation of the subject of personal information, possible impact of the incident, measures taken or to be

taken for handling the incident, and contact information of the personnel involved in handling the incident;

- Organize the notification of the security incident.

**Information Security Awareness Training**

We carry out information security training every year and awareness enhancement activities among all employees. This includes offering relevant compulsory information security

courses on the online learning platform of “ANTA Academy”. We also adopted such means as email phishing drills to raise employees’ information security awareness. During the financial year, we launched information security training for all new and existing employees, including requiring new employees to complete information security courses and pass examinations at the induction stage, as well as organizing special training courses and security tests for existing employees on topics such as information security and personal information protection.

**Key Performance in 2023**



During the financial year, we have not experienced any information security incidents or lawsuits related to personal information protection, nor have we received any complaints related to personal information protection.

We have identified zero information security vulnerabilities or other network security incidents. The total amount of fines paid due to related information security vulnerabilities or other network security incidents is zero. The total number of data breaches is zero, with no employees affected by data breaches.



# GREEN DEVELOPMENT FOR ECOLOGICAL CONSERVATION

## SDGs ADDRESSED IN THIS CHAPTER



## ESG MATERIAL ISSUES ADDRESSED IN THIS CHAPTER

CLIMATE CHANGE

GHG EMISSIONS

USE OF ENERGY

BIODIVERSITY AND LAND USE

GENERAL WASTE DISCHARGE

USE OF PACKAGING MATERIALS

WASTE GAS AND WASTE WATER DISCHARGE

USE OF WATER RESOURCES

Climate change poses potential risks to global social and economic development and simultaneously threatens the stability of business operations and asset security. We actively respond to “Dual Carbon” goals, committing to achieving carbon neutrality by 2050. We identify, assess, and manage climate-related risks, continually attach importance to the environment protection and the pursuit of ecological civilization. We are committed to incorporating sustainability into corporate activities and decision-making. We incorporate the green, low-carbon, and environment-friendly principles into the entire product lifecycle, including product design, packaging, logistics, production, operation, and final product stages. This approach aims to conserve energy, resources, and reduce emissions and waste generation.

## Combating Climate Change

As an enterprise at the forefront of addressing climate change and promoting green growth, we actively explore the economic opportunities and challenges that climate change may bring to our business. Based on the recommendations of the TCFD and the ISSB, we have established climate change management system and mechanism from four perspectives: Governance, Strategy, Risk Management, and Targets and Performance. We integrate climate change responses into the entire lifecycle of corporate operations, seeking business models to address climate change risks.

### Governance

To address climate change-related impacts and challenges, we have established an ESG management framework comprising the Board, Sustainability Committee, and the Sustainability Department. This framework is also applicable to the management of climate change-related risks. ESG risks, including climate change risks, have been integrated into the Group's risk management framework and system. The Board, as the decision-making body, has the ultimate and overall responsibility on the Group's climate change related matters and the management of its risks and opportunities, with supervising on the Sustainability Committee's work and receipt of the committee's reporting. The Sustainability Committee, with responsibility for climate-related issues, assists the Board in establishing strategic objectives based on the identification of climate-related risks and opportunities. It collaborates in



allocating responsibilities, costs, and resources, conducts daily supervision and reporting on the progress of specific management tasks and objectives, ensuring the effective implementation of climate change-related initiatives. Under the guidance of the Sustainability Committee, the Sustainability Department collaborates with relevant responsible people of each department and business unit to promote the identification and assessment of climate change risks, the assessment of financial impacts, and the implementation of related management strategies. This ensures proactive anticipation, effective decision-making, and active engagement in climate change action. To better manage the progress toward achieving goals related to climate change risks, we have incorporated ESG performance indicators, including the reduction of carbon emissions, energy consumption ratios and progress towards carbon neutrality targets, into the annual performance assessments and compensation linkage for management, business managers, and department staff.

### Strategy

In order to better understand the impact of climate change on our business, we carefully assess the physical risks, transition risks and opportunities of climate change on business marketing of the significant component of our business. In relation to our business segments and with reference to the climate scenarios proposed by the United Nations IPCC, NGFS and other institutions, we have constructed three climate scenarios, i.e. 1.5°C scenario, 2°C scenario and 3°C scenario, for the short-term (0-5 years), medium-term (6-10 years) and long-term (up to 2050) timeframes. The scenario-based assessment of the physical environment and socioeconomic environment lays the foundation for identifying key climate parameters, and provides the basis for further identifying the actual and potential impacts of climate-related risks and opportunities on our business, strategy and financial planning. The impact of climate-related risks and opportunities were assessed respectively for short-term, medium-term and long-term to determine priority for further risk management.

# GREEN DEVELOPMENT FOR ECOLOGICAL CONSERVATION

## Climate Scenario Construction

Name of scenario	Description of scenario	Scenario of reference
1.5°C scenario	<ul style="list-style-type: none"> <li>- Physical impact: Temperature rise is kept within 1.5°C, climate impacts can be clearly felt globally, but the frequency and intensity of severe climate events begin to stabilize at a new normal.</li> <li>- Socioeconomic impact: Climate targets and policies get strengthened in all countries, companies face more stringent compliance requirements on carbon reduction targets, green electricity use, carbon price mechanism coverage, and low-carbon procurement, global energy transformation picks up pace and a power system driven mainly by clean electricity takes shape in 2030, consumers start to pay attention to the carbon information of products and become more conscious of sustainable consumption.</li> </ul>	<ul style="list-style-type: none"> <li>- IPCC – SSP1-1.9</li> <li>- NGFS – Net Zero 2050</li> <li>- WBCSD – 1.5°C Societal Transformation Scenario</li> </ul>
2°C scenario	<ul style="list-style-type: none"> <li>- Physical impact: Temperature rise is kept within 2°C, climate impacts can be clearly felt globally, the frequency and intensity of extreme weather increases significantly before and after 2030, some high-risk areas are clearly affected by climate events, but governments are taking systematic adaptation measures to deal with the impact.</li> <li>- Socioeconomic impact: Climate targets and policies get strengthened in all countries, voluntary carbon reduction targets are issued by most enterprises, the compliance requirements for energy-intensive industries become more stringent, the carbon pricing mechanism is not expanded to more industries, global energy transformation picks up pace, consumers are more conscious of sustainable consumption but less capable of making consumption.</li> </ul>	<ul style="list-style-type: none"> <li>- IPCC – SSP2-2.6</li> <li>- NGFS – Delayed Transition</li> <li>- WBCSD – Forecast Policy Scenario</li> </ul>
3°C scenario	<ul style="list-style-type: none"> <li>- Physical impact: Temperature rise is kept within 3°C, climate impacts can be strongly felt globally, with notable increase in frequency and intensity, climate change impacts most regions and populations in the world, and the response measures taken by governments are temporary rather than systematic.</li> <li>- Socioeconomic impact: The climate targets and policies adopted by countries have not been further strengthened, only some enterprises have issued voluntary carbon reduction targets, and the supply chain is not sufficiently motivated to cut carbon emissions; global energy transition is slow, clean energy is not sufficiently available, and the purchase of non-essential consumer goods by consumers is significantly reduced.</li> </ul>	<ul style="list-style-type: none"> <li>- IPCC – SSP2-4.5</li> <li>- NGFS – Nationally Determined Contributions (NDCs)</li> </ul>



In accordance with the TCFD, the ISSB, and the HKEX Reporting Guide, we conducted group-wide business assessment for risks and opportunities followed by departmental interviews during the financial year. This multi-disciplinary management program identified and analyzed climate change-related risks and opportunities based on the actual business units and operations of the Group. This includes two categories of four potential physical risks, four categories of eight potential transition risks, and four categories of eight potential opportunities identified through a combination of existing management measures and improvement directions. We also assessed their impact on the Group’s business, strategy, and finances.

### Identification of Climate Risks and Opportunities

Type of risk		Influencing factor	Impact on business, strategic and financial planning
Physical risk	Acute risk	Typhoon	Fujian, China, Guangdong, China and other southeast coastal areas are typical landing spots of typhoons. Given the possible increase in the frequency of typhoons as a result of climate change in the future, the stability of buildings such as warehouses and factories as well as operations will be undermined, and increase the cost of infrastructure maintenance, leading to higher losses of production and operation interruptions. Some products may face disruptions in logistics and transportation, leading to delayed deliveries or damages. This could result in increased logistics time costs and compensation expenses.
		Flood	Road transportation is the main form of cargo transport in the Mainland China. Increased frequency of floods may disrupt highway traffic, jeopardizing the logistics and transportation of certain products. This could result in delayed deliveries, impaired product quality, or a reduction in the Group’s product sales revenue.
	Chronic risk	Extreme changes in rainfall patterns and weather patterns	Increased frequency of extreme weather patterns such as floods, typhoons and thunderstorms caused by climate change will have a significant impact on agriculture, may result in increased costs for natural fibers such as cotton. Extreme weather events, such as heavy rainfall, may also affect product quality, leading to potential losses in the Group’s operating revenue.
		Average temperature rise	The rise in average temperature caused by climate change may affect the yield of agricultural products, which may lead to a reduction in production of natural fibers such as cotton in the long term, pushing up the purchase price and eventually affecting corporate revenues;  The increase in hot weather may lower the work efficiency of employees and jeopardize their health and safety, pushing up the expenses of high-temperature subsidies and medical care as well as may suppress demand for outdoor sports, resulting in lower consumer demand for outdoor products.

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Type of risk		Influencing factor	Impact on business, strategic and financial planning
Transition risk	Policy and legal risk	Higher pricing for GHG emissions	Under a carbon-reduction scenario, the consumer goods sector may be further incorporated into the carbon pricing mechanism in Mainland China's carbon trading market; the EU is already planning to issue a carbon border tax requirement for the textile industry. A carbon price could set the direction for the market and encourage low-carbon energy consumption and innovation in low-carbon technologies. If the Group emits more GHG emissions than it is allowed to, it will incur extra operating costs in the long term.
		Enhanced emissions reporting obligations	ANTA Sports is listed on the HKEX. Currently, the HKEX requires listed companies to disclose GHG emissions, and plans to further enhance the reporting obligations related to climate risks. It is expected that before 2025, listed companies will be required to disclose information related to climate risks. The Group will be exposed to operational and compliance risks if it fails to accurately disclose its emissions data.
		Existing requirements and regulation of products and services	The requirements and regulation of products and services may drive up the cost of professional training for the Group's sales personnel; Government or industry associations may impose increasingly stringent requirements on the energy consumption standards of the products and the carbon intensity of the industry, including possible requirement for the carbon footprint label of products or carbon intensity per unit weight of product, or even phasing out high-emission products.
	Technology risk	Failure on new technology investment	At various stages, including the product design phase, the failure of investments in clean and low-carbon technologies may lead to extra investment for the Group.
		Cost of low-carbon technology transition	As a leading company, ANTA Sports is expected to undertake greater obligations of carbon emission reduction and in the product design phase will face greater energy saving and carbon reduction technology investment; in addition, new technologies and processes required for low-carbon production will lead to the replacement and iteration of existing equipment, which will bring down the value of corporate assets.
	Market risk	Rising costs of raw materials	The increased frequency of floods, typhoons, thunderstorms, and extreme high/low temperatures weather caused by climate change will push up the prices of natural fibers and other raw materials required for our production, which will increase the procurement cost of raw materials and may ultimately affect our revenue.

Type of risk		Influencing factor	Impact on business, strategic and financial planning
Transition risk	Reputational risk	Change in consumer preference	As the impact of climate change becomes increasingly significant, and the concept of sustainable development deepens, consumers' willingness to engage in green consumption is growing. Consumers are inclined to purchase more environment-friendly and sustainable products and services. If the Group fails to meet consumer preferences in a timely manner or consider the R&D of environmentally sustainable products from a product design perspective, it may result in revenue loss for the Group.
		Increased stakeholder concerns and negative feedback	An increasing number of investors are highly concerned about corporate climate change actions in line with ESG investment criteria such as the Principles for Responsible Investment, and are increasingly concerned about corporate climate risk and carbon emission performance and targets. If we fail to take proactive steps toward decarbonization at the product design stage, investors may undervalue us, resulting in a negative impact on the Group's reputation and financing costs.
Opportunity	Resource efficiency	Adopting more efficient transportation methods	By optimizing the logistics and transportation structure and routes, implementing new energy vehicle procurement for transportation to enhance logistics efficiency and reduce energy consumption.
		Recycling and reuse	By embedding requirements for circularity and low carbon throughout the entire life cycle of the product, including packaging design, production, use, and recycling, we can effectively reduce the product's carbon footprint and raw material consumption. This not only lowers the procurement costs of raw materials but also maximizes the reduction of environmental impact.
		Transition to more efficient buildings	By improving the energy resource efficiency of both new and existing buildings, we can effectively reduce energy resource consumption and decrease operational costs. For instance, adopting green building design standards, including LEED, for logistics and warehouse facilities enhances climate change adaptability, leading to reduced mid-to-long-term operational expenditures.
		Using more efficient production and distribution processes	By adopting high-energy-efficient production equipment and processes, establishing green factories and digitally intelligent workshops, and optimizing process management and operational efficiency, we can reduce GHG emissions.

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Type of risk		Influencing factor	Impact on business, strategic and financial planning
Opportunity	Goods and services	Diversification of business activities	We focus on diversifying our business, product, and brand portfolio around sports products, employing a multi-brand and omnichannel strategy to enhance brand competitiveness and seize market opportunities.
		Developing and/or increasing low-carbon goods and services	With the government's heightened emphasis on green consumption and/or continuous improvement of industry standards for green products, actively developing green and low-carbon products or adding complementary services will help businesses expand their market presence and stimulate growth across different sectors.
	Energy sources	Using low-carbon energy	By utilizing clean energy in major energy-consuming segments, such as production operations and logistics transportation, and promoting low-carbon technologies and the application of new energy equipment, we can improve our efficiency and reduce operating costs.
	Resilience	Resource substitution/diversification	By incorporating diverse resource applications, including sustainable materials, the Group can reduce dependence on specific energy/resources, lower raw material costs, enhance supply chain stability, and strengthen resilience to climate risks.

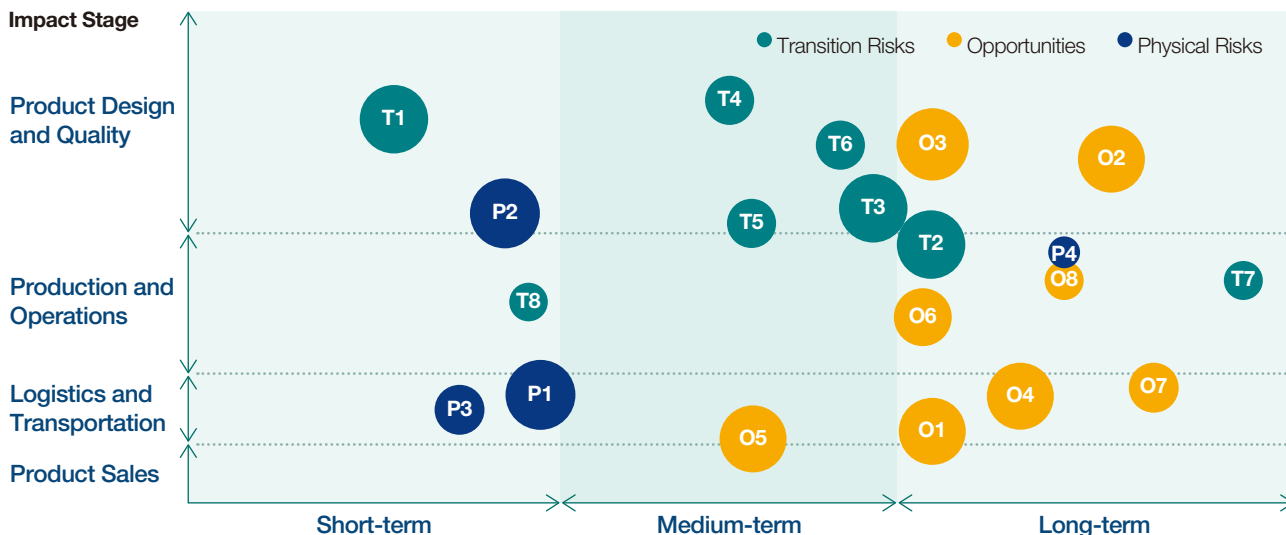
## Risk Management

We have incorporated climate risk management into our strategy and enterprise risk management, and the Sustainability Committee is responsible to coordinate the implementation of climate-related risk management in all departments and business units. For the purpose of comprehensive management of risks and opportunities associated with climate change, we

conduct extensive research on climate change trends in the operational regions of us, industry risk reports, and other relevant data. We integrate our business characteristics and development plans, taking factors such as operational scope and processes into account to establish a climate change risk list. Through interviews and surveys, we integrated multi-disciplinary departments to conduct group-wide analysis of the potential impacts of

climate change on business operations, as well as the potential financial consequences with assessment criteria including likelihood, impact, time-horizon (short-term, medium-term and long-term) and so on. This approach allows us to subsequently rank identified climate-related risks and opportunities based on their significance and further determine priority.

## Business Impact List for Climate-related Risks and Opportunities



Risk Type	Priority	Category	Influencing Factors
Physical Risks	P1	Acute Risk	Typhoon
	P2	Chronic Risk	Extreme changes in rainfall patterns and weather modes
	P3	Acute Risk	Flood
	P4	Chronic Risk	Average temperature increase
Transition Risks	T1	Technological Risk	Investment failure in new technologies
	T2	Market Risk	Rise in raw material costs
	T3	Technological Risk	Cost of transitioning to low-carbon technologies
	T4	Policy and Legal Risks	Requirements and regulations for existing products and services
	T5	Reputation Risk	Shift in consumer preferences
	T6	Reputation Risk	Increasing stakeholder concerns and negative feedback
	T7	Policy and Legal Risks	Increased GHG emission pricing
	T8	Policy and Legal Risks	Enhanced emission reporting obligations
Opportunities	O1	Resource Efficiency	Adopting more efficient transportation methods
	O2	Resource Efficiency	Recycling and reuse
	O3	Products and Services	Developing and/or increasing low-carbon products and services
	O4	Energy Source	Using low-carbon energy sources
	O5	Resource Efficiency	Transitioning to more efficient buildings
	O6	Resource Efficiency	Using more efficient production and distribution processes
	O7	Products and Services	Diversifying business activities
	O8	Resilience	Resource substitution/diversification

# GREEN DEVELOPMENT FOR ECOLOGICAL CONSERVATION

We conducted a geospatial assessment of physical risks faced by us based on data from NASA Sea Level Projection Tool, World Resources Institute Aqueduct, U.S. NOAA Historical Hurricane Tracks, IPCC WGI Interactive Atlas, and relevant publications from academia and industry associations. The analysis also considered scenarios of 1.5°C, 2°C, and 3°C temperature increases.

Regions in Mainland China	Geospatial Risk Assessment of Physical Risks
Guangdong, Jiangsu, Shandong	<b>Flood Risk:</b> Significantly impacts key provinces <sup>1</sup> , with the highest risk level in these three provinces;
Southeast Coastal Areas	<b>Typhoon Risk:</b> Mainly concentrated in the southeast coastal areas, with southern China, including Guangdong, China will also be a key area of concern for the Group;
Beijing, Heilongjiang, Liaoning, Hubei, Hunan, Jiangxi, Jiangsu	<b>Extreme Rainfall Risk:</b> The impact on these provinces increases over time (comparing 2050 to 2030), and the current and future business layout is a key area of concern and assessment for this risk;
Xizang Tibetan Autonomous Region, South China Region	<b>Extreme Heat<sup>2</sup>:</b> Shows a significant rising risk trend in Xizang Tibetan Autonomous Region, China and the South China region, with Southern China, including Guangdong, China will also be a key area of concern for the Group.

<sup>1</sup> Provinces requiring special attention: During the evaluation period, the total number of locations, including retail stores, self-operated factories, office buildings, and logistics centers exceeds 750.

<sup>2</sup> Due to the lack of comprehensive database that can match the assessment of extreme high temperature risks across Mainland China, the conclusions of this analysis are based on information from NOAA Climate.gov and research paper "Seasonal Variations and the Connection to Extreme Temperature Events in Mainland China Over the Past 48 Years".

In response to various types of climate change-related risks, we have developed specific measures for our operational practices. For physical risks such as typhoons, floods, and extreme weather events, we have established comprehensive emergency responsive plans applying for various production and operational management modules, and regularly review the effectiveness of climate emergency responsive plans and management to ensure the stable operation. Based on the concept of coexistence between corporate development and the environment,

we continuously expand efforts and measures in areas such as biodiversity conservation. We conducted carbon footprint assessments and implemented energy conservation and other related plans drive green and low-carbon development in the value chain and consumer sectors. While enhancing our climate adaptability and sustainable competitiveness, we actively respond to the green development trend, promoting the low-carbon development of our business.

## Metrics and Targets

Based on the assessment of climate change risks and potential opportunities and our commitment to achieving carbon neutrality by 2050, we fully recognize the impact of climate risks and opportunities on our operations. Climate risk parameters, including changes in total precipitation, maximum of typhoon wind speed and the number of earthquakes within past 10 years, were used in the physical risk assessment process to adequately measure and manage climate risks and opportunities. We have, in line

with our development strategy, formulated and actively promoted the “1+3+5” strategic goals for achieving mutualism with the environment. And we will continue to promote clean and low-carbon transformation of our business, push forward green and low-carbon development in the value chain, and enhance our climate resilience and sustainable competitiveness. We have established monitoring indicators, including GHG emissions and financial impacts caused by climate change. In the future, we will continue to improve and refine our climate change metrics and targets.

## 1+3+5 Strategic Goals



**1**  
**Overall Goal**

**By 2050:**  
carbon neutrality;

+



**3**  
**Zeroes**

**By 2030:**  
net-zero carbons emissions in self-owned operating facilities, zero use of virgin plastic in self-owned operating facilities, and zero landfill of self-generated production waste;

+



**5**  
**50%**

**By 2030:**  
increase the proportion of sustainable products to 50%, replace 50% of strategic partners' energy consumption with renewable energy, use sustainable packaging for 50% of products, replace 50% of fuel used for transportation in our self-owned operating facilities with clean fuels, and apply 50% sustainable raw materials.

## Product Carbon Footprint Management

Upon establishing a comprehensive low-carbon action plan, we regularly calculate and verify the carbon emissions from our products and operations to ensure that the specific actions achieve the expected results. We always consider the protection of the ecological environment as our responsibility and rigorously manage the carbon footprint at each stage.

## Commitment to Science-based Target

We have formally joined and pledged to support the commitment of the SBTi in January 2023. We also plan to set carbon reduction targets for our business in accordance with the SBTi standard, covering the whole value chain, including the production, logistics and retail, and take active actions to promote carbon reduction. Our proposed science-based carbon reduction target is to commit to reducing Scope 1 and 2 absolute GHG emissions and Scope 3 absolute GHG emissions by 42.0% and 51.6% by 2030 respectively, with 2022 as

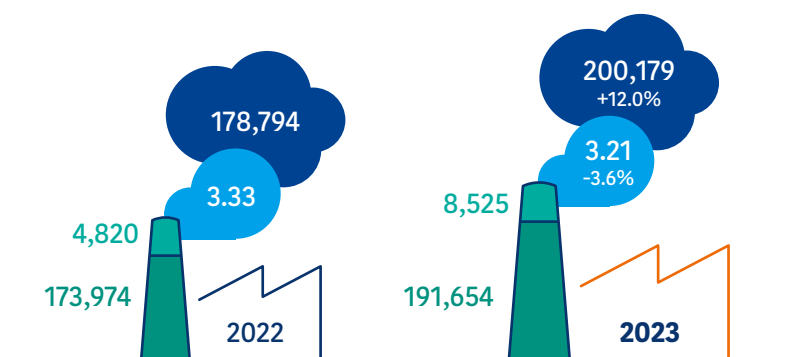
# GREEN DEVELOPMENT FOR ECOLOGICAL CONSERVATION

base year. We are also committed to continuously investing in the R&D of low-carbon products and formulate energy conservation plans to improve energy efficiency and encourage the use of renewable energy, in order to reduce carbon emissions and mitigate climate change in the production phase. In addition, in align with the SBTi requirements for Scope 3 emissions reduction, we will conduct carbon audits from raw materials to retail for all core products and develop a comprehensive carbon reduction plan.

## Environmental Policies and Governance

We strictly adhere to the “Environmental Protection Law of the People’s Republic of China” and the “Environmental Impact Assessment Law of the People’s Republic of China”. We have developed policies and system documents related to environmental management, such as the “Environmental/Occupational Health and Safety Manual” and the “Hazardous Waste Pollution Prevention and Control Responsibility System”. These policies require regular reviews of the environmental management system of our self-operated facilities, and the formulation of environmental management policies. Simultaneously, we conduct annual internal and external audits of the environmental

### Key Performance in 2023



- Scope 1 direct GHG emissions<sup>3</sup>: 8,525 tons of CO<sub>2</sub> equivalent
- Scope 2 indirect GHG emissions<sup>4</sup>: 191,654 tons of CO<sub>2</sub> equivalent
- Total GHG emissions: 200,179 tons of CO<sub>2</sub> equivalent
- Total GHG emission intensity: 3.21 tons of CO<sub>2</sub> equivalent/Revenue per million RMB

Compared to 2022, we have further improved our statistical abilities by including additional GHG emissions from acetylene, CO<sub>2</sub> fire extinguishers, and septic tanks, leading to an increase in Scope 1 emissions. Additionally, we have started accounting for emissions from purchased cooling and heating. Also, due to the business expansion in 2023, the number of ANTA’s and ANTA KIDS’ DTC stores has increased, resulting in a rise in purchased electricity, which had led to an increase in the Scope 2 GHG emissions.

<sup>3</sup> Scope 1 GHG emissions are mainly from direct emissions from fossil fuel consumption (such as gasoline, diesel, natural gas, acetylene), refrigerant, carbon dioxide fire extinguishers and septic tank emissions, during operation/production process and the refrigerants emission. The formula used to calculate the main GHG emissions from fossil fuel consumption: CO<sub>2</sub> emissions from fossil fuel combustion = fuel consumption x low level heat generation x carbon content per unit calorific value x fuel carbon oxidation rate x 44/12, while the calculation of refrigerant emissions data refers to “How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs” issued by the HKEX, and the corresponding emission factors refer to the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC). The calculation of septic tank emission data was estimated based on the number of employees and the number of working days per month.

<sup>4</sup> Scope 2 GHG emissions are mainly from indirect emissions generated from purchased electricity and steam, purchased cooling and purchased heat consumed in the Group’s operation/production process, calculated with reference to “How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs” issued by the HKEX. The electricity emission factor 0.5703 tCO<sub>2</sub>/MWh for Scope 2 Indirect GHG emissions in 2023 is adopted from “Notice on the management of GHG emission reporting by enterprises in the electricity generation industry from 2023 to 2025” issued by Ministry of Ecology and Environment on 7 February 2023.



management systems of self-operated factories to ensure the effective implementation of the environmental management system. During the financial year, we not incur significant fines or penalties related to environmental or ecological matters.

## Low-Carbon Production and Operations

We conduct carbon emission assessments in the production and operational processes, actively promote the optimization of energy structures, consistently advance energy-saving and emission reduction initiatives, and strengthen awareness of low-carbon practices, to effectively facilitate the transition to a low-carbon operation.

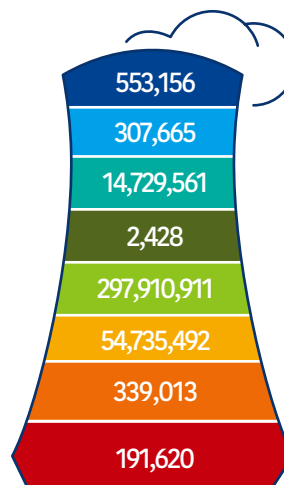
### Energy Management

We have established regulations such as the “Regulations on the Management of Energy Conservation and Consumption Reduction”, “Energy Operation Control Program”, “Energy Non-Conformity, Corrective Actions, and Improvement Control Program”, and “Energy Management Manual”. These regulations specify the operation and maintenance activities for the identified major energy-use systems to ensure their proper functioning under specified conditions, and take corrective measures against actual or potential instances of unreasonable energy use or consumption. During the financial year, Shangqiu Anta Shoes Co., Ltd. invited a third-party organization to conduct an energy diagnosis and provide a report to facilitate energy-saving and emission reduction efforts.

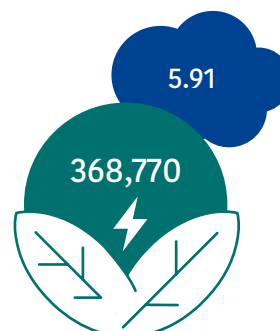
<sup>5</sup> The data on purchased electricity primarily originates from the Group’s production, administrative, logistics, and store facilities.

<sup>6</sup> Energy consumption (unit: MWh) is calculated based on the consumption of gasoline, diesel, natural gas, acetylene, purchased electricity, purchased steam, purchased cooling and purchased heat. The calculation refers to the “General Rules for Calculation of the Comprehensive Energy Consumption” (GB/T 2589-2020).

## Key Performance in 2023



- Gasoline (kWh)
- Diesel (kWh)
- Natural gas (kWh)
- Acetylene (kWh)
- Purchased electricity<sup>5</sup> (kWh)
- Purchased steam (kWh)
- Purchased cooling (kWh)
- Purchased heat (kWh)



- Total energy consumption<sup>6</sup> (MWh)
- Energy consumption intensity (MWh/Revenue per million RMB)

# GREEN DEVELOPMENT FOR ECOLOGICAL CONSERVATION

## Key Performance in 2023



During the financial year, ANTA (China) Co., Ltd., Xiamen ANTA Industrial Co., Ltd., and Shangqiu ANTA Shoes Co., Ltd. have obtained ISO 50001 Energy Management System certification.



## Key Performance in 2023



During the financial year, ANTA (China) Co., Ltd. received certification as green factory.



## Conducting Carbon Emissions Assessment

In cooperation with external consulting organization, we conducted carbon footprint and GHG emissions assessment of all self-operated facilities in accordance with ISO 14064-1:2008. Based on the results of the assessment, we develop carbon reduction plans for all self-operated facilities.

## Measures to improve production energy efficiency and reduce energy consumption:

- Reasonably schedule the usage time of air compressor equipment to reduce idling, enhancing unit-time efficiency, and minimizing gas wastage;
- Replace obsolete fluorescent tubes with LED light strips to improve efficiency and save energy consumption;
- Based on the characteristics of different equipment, shut down some devices during periods of inactivity to reduce energy wastage.

## Carbon Reduction in Production Processes

We actively respond to energy conservation and emission reduction in the production process, formulating the “Energy Saving and Consumption Reduction Plan” and promoting its implementation. Through conducting carbon emission and GHG emission assessment for our self-operated factories, we tailor specific energy-saving plans based on the assessment results. We review existing emission reduction measures and design and evaluate further actions, such as electricity monitoring and the development of decentralized photovoltaic projects. Xiamen ANTA Industrial Co., Ltd. has set energy-saving program and goals for the next year based on energy consumption, carbon analysis and the actual production situation during the financial year. Through energy inspections and other means, we regularly and promptly follow up on energy-saving improvement measures and suggestions from various departments to implement carbon reduction initiatives effectively.

## Carbon Reduction in Logistics

We are continuously exploring various ways to achieve green logistics, and are committed to reducing the carbon footprint generated during the distribution of raw materials and products. We have established internal policies, such as the “Regulations on the Management of Energy Conservation and Consumption Reduction” and the “Standardization Management Specifications for Production Packaging Boxes”, with the aim of building a green logistics system. We also linked the progress of energy conservation and emission reduction targets in logistics to the performance of relevant personnel to promote carbon reduction in the logistics sector with greater efficiency.

We have planned warehouse and network layout optimization to streamline transportation routes. Electric vehicle city distribution fleets have been established in locations such as Quanzhou, Jinjiang, and Xiamen, China to reduce carbon emissions during the transportation process. Additionally,

### Measures to reduce carbon emissions in the logistics and transportation process include:

- Optimizing collection and transportation routes to improve overall transportation efficiency and energy performance;
- Promoting energy-saving activities, implementing energy-saving retrofits, and adopting new technologies to reduce electricity consumption;
- Enhancing equipment maintenance and timely updates to minimize equipment malfunctions, improve operational efficiency, and reduce energy loss;
- Using variable frequency equipment and energy-efficient lighting to decrease energy consumption.

a GHG assessment has been conducted for Fujian ANTA Logistics Information Technology Co., Ltd. and transportation processes. After completing the assessment, internal and external audits were conducted. Based on the analysis report, carbon reduction program with GHG emission reduction strategies and implementation plans specified were formulated for the logistics and distribution centers. During the financial year, our logistics center has officially adopted solar energy as our first project. We have invested over RMB10 million and expected an annual electricity generation of approximately 4,000 megawatt-hour. This will result in a reduction of over 2,400 tons of carbon dioxide emissions, providing green energy for our logistics center.

## Energy Saving and Carbon Reduction in Retail Stores

We prioritize energy saving and emissions reduction in our operational environment, implementing program involving waste recycling and utilization, the R&D of environment-friendly tools, store energy consumption reduction, and adoption of green construction practices to create low-carbon stores.

# GREEN DEVELOPMENT FOR ECOLOGICAL CONSERVATION

## FILA Leads the Way with “Net Zero Carbon” Stores



While ensuring the visual impact of the stores, the store of FILA has adjusted the power and standardized the use of racks. Through clear signage and guidelines on electrical boxes, employees are guided to use electricity and air conditioning more efficiently, reducing energy waste and carbon emissions during operational hours. The addition of limiters on electrical boxes controls power usage during non-operational hours. Manuals and instructional videos are provided to assist employees in proper limiter usage, preventing energy waste during non-operational hours.

Moreover, store construction follows the standards of the U.S. Green Building Council’s LEED ID+C: Retail (Interior Design and Construction) Gold certification. The design and construction adhere to energy-efficient and environment-friendly principles in various aspects such as energy, water usage, and materials, actively promoting green and sustainable development.



### Energy Conservation and Carbon Reduction in Office

We formulated the “Office Management Policy” and “Central Air Conditioning Turn-On/Off Control Standards”.

Specific carbon reduction measures include monitoring and recording the

use of electricity in office areas and the usage patterns of air conditioning during summer. Additionally, we have replaced screen printing with fully automatic printing equipment and manage air conditioning, lighting, and other devices to use energy resources rationally and enhance energy efficiency. During the financial year,

we assessed the GHG emissions from the office building in Jinjiang, China and analyzed the results to develop a new annual emission reduction program. This includes continuing to establish standards for air conditioning temperatures that can be open to ensure no energy is wasted.

## Environmental Awareness Promotion

We place great emphasis on enhancing employees' environmental awareness. We have established an ESG section on the homepage of the online learning platform of ANTA Academy. It covers environmental courses such as

“ANTAer's 10 Low-Carbon Actions”, “Carbon Neutrality Q&A”, “Greening the Production Environment”, and “How Far Are We from 100% Renewable Energy?” Additionally, each self-operated factory has conducted ESG-related training on a factory-by-factory basis, deepening employees' understanding of environmental

knowledge and helping to raise their environmental consciousness. During the financial year, we launched a 21-day Low-Carbon Month check-in activity in June, advocating employees across multiple brands and cities to develop low-carbon habits through actions like low-carbon commuting, using eco-friendly shopping bags, and bringing their own water bottles.

## Advocating Environmental Activities



We collaborated with the COC, initiated the “Mountain and River Plan” environmental campaign. The “Mountain and River Plan” led athletes, ANTA members, and employees as volunteers through regions like the Qinling Mountains, the Great Wall, the Yellow River estuary in Dongying, and Daocheng Yading in China. Collaborating with organizations such as the Shenzhen One Planet Foundation, Alibaba Foundation, and outdoor sports groups, we organized a series of outdoor hiking activities. We advocate the love of nature, encouraging the public to remove trash during outdoor activities, and commit to a green, low-carbon lifestyle, thereby actively reducing burdens on the environment.



# GREEN DEVELOPMENT FOR ECOLOGICAL CONSERVATION

## Green Supply Chain Management

With the aim of promoting the green development of the supply chain, we conducted carbon assessments with a third-party company for energy reduction diagnostics and recommendations. Additionally, we initiated carbon management with our core tier 1 and tier 2 suppliers, collecting data on their carbon emissions and energy resource usage during the financial year to assess their carbon intensity, energy and resource usage intensity, and water risk. We plan to improve our suppliers' energy consumption and carbon emission management system, actively promoted over 111 suppliers to use clean and renewable energy in their facilities. We also assist in obtaining green certifications, and advocate the procurement of low-carbon, sustainable raw materials to build a green supply chain.

During the financial year, we officially launched an online ESG online data collection platform for our supply chain, requiring suppliers to report data on water, energy, and carbon emissions. Currently, our critical suppliers have gradually started to input their environmental data into ESG online data collection platform for further assessment of absolute total consumption as well as intensity data of energy and resources usage. At the same time, we have developed

a supply chain carbon reduction roadmap, and formulated a carbon reduction target plan.

## Sustainable Production and Operation

We closely follows the national pace, striving to create a beautiful and healthy environment and a better life. We comply with national laws and regulations, establish and follow a strict internal management system and implement a variety of green and

### Developing a Green Logistics Program



During the financial year, we collaborated with SF Express and JD.com to undertake energy-saving and emission reduction initiatives, aiming to decrease the overall GHG emissions from our outsourced logistics. By advancing the replacement of traditional vehicles with supplier electric and hydrogen fuel trucks, we are promoting green transportation.



environment-friendly measures to reduce environmental pollution in our production process. We have set up management systems in accordance with ISO 14001 and ISO 14064 standards to improve the environmental management of our production and operation processes. During the financial year, the operation coverage for ISO 14001 or internal environmental management system is 100%.

## Emissions and Waste

We fully implement the concept of sustainable development, consistently taking it as our duty to protect the ecological environment. We are committed to advancing green production research and diligently fulfilling our environmental management responsibilities in our production operations, aiming to minimize the environmental footprint generated by our production and operational activities.

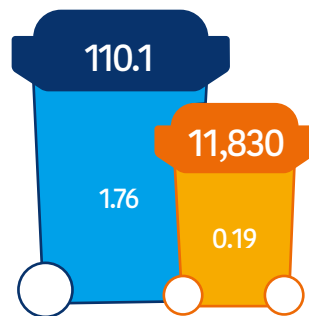
### Key Performance in 2023



During the financial year, ANTA (China) Co., Ltd., Shangqiu ANTA Shoes Co., Ltd., Henan ANTA Material Supply Co., Ltd., Changting ANTA Sports Products Co., Ltd., and Quanzhou Athletic Shoes & Garments Co., Ltd. have all obtained ISO 14001 Environmental Management System certification.



### Key Performance in 2023



- Total Hazardous Waste<sup>7</sup> Produced: 110.1 tons
- Total Hazardous Waste Density: 1.76 kg/Revenue per million RMB
- Total Non-Hazardous Waste<sup>8</sup> Produced: 11,830 tons
- Non-Hazardous Waste Density: 0.19 tons/Revenue per million RMB

<sup>7</sup> Hazardous waste data are obtained from the disposal volume of hazardous waste of the Group's manufacturing facilities and administrative facilities.

<sup>8</sup> Non-hazardous waste data are obtained from the disposal volume of non-hazardous waste of the Group's manufacturing facilities, administrative facilities and logistics facility.

# GREEN DEVELOPMENT FOR ECOLOGICAL CONSERVATION

## Emissions Management

We strictly adhere to laws and regulations such as the “Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution” and the “Law of the People’s Republic of China on the Prevention and Control of Environmental Noise Pollution”. We have established internal systems such as the “Industrial Enterprise Fugitive Emissions Control Plan”, “Wastewater Treatment Operation Procedures” and “Noise Management Regulations”, forming management systems for the treatment of exhaust gases, wastewater, dust, and noise. Effective measures are taken to achieve green production and actively control the environmental impact caused by our production processes. At the same time, we have commissioned qualified third parties to conduct regular inspections of wastewater, exhaust and noise to ensure compliance in waste discharge, with the goal of gradually reducing the intensity of emissions in the future.

Measures for reducing waste water discharge	Measures for reducing waste gas emission	Measures for reducing dust emission
<ul style="list-style-type: none"> <li>Using the “Coagulation and Sedimentation” process to treat wastewater. After treatment, supernatant that meets the standard will be discharged, and sludge will be dewatered and transported for disposal;</li> <li>Reducing the use of chemicals, therefore reducing the loads of chemicals in wastewater treatment;</li> <li>During the production process, water curtains are discontinued to reduce wastewater discharge;</li> <li>Domestic wastewater is pre-treated in septic tanks before being discharged into the municipal sewage network, where it undergoes treatment at wastewater treatment plants.</li> </ul>	<ul style="list-style-type: none"> <li>Using environment-friendly water-based glue instead of oil-based glue to reduce the content of volatile organic compounds in waste gas;</li> <li>Adopting the process of “UV Photolysis + Activated Carbon Adsorption” in treating organic waste gas to meet the emission standard.</li> </ul>	<ul style="list-style-type: none"> <li>The particulate matter generated during the production process is treated to meet standards through a “dust collection hood + fabric bag dust removal facility”, and then processed through a 15-meter high exhaust stack;</li> <li>Equipping electric engraving machines with a pulse-jet collector to reduce dust pollution;</li> <li>The waste crushing and recycling device with liquid nitrogen cryogenic grinding technology, which enables full waste recycling and substantially reduces dust in our factories.</li> </ul>



## Waste Management

We abide by the “Solid Waste Pollution Prevention and Control Law of the People’s Republic of China” and have established internal regulations and guidelines such as “Solid Waste Management Regulations”, “Hazardous Chemicals Management Regulations”, “Hazardous Waste Pollution Prevention and Control Responsibility System”, and “Hazardous Waste Warehouse Storage Standards” to classify and manage waste generated during the production process. In the meantime, we conduct general or key controls over our waste recycling partners, depending on the circumstances. We communicate our environmental policy to them, obtain their waste recycling and treatment results, and follow up when necessary. During the financial year, we have conducted hazardous waste training at each factory to ensure that our employees understand and implement the waste management system.

### Waste Sorting and Treatment Measures

- **Recyclable waste:** This includes waste scraps, waste packaging materials, and discarded products, which are collected and temporarily stored in the general solid waste storage area for reuse or periodically sold externally;
- **Non-recyclable waste:** including domestic and engineering wastes that have no recycling value. These types of waste are collected by the environmental sanitation department for centralized disposal;
- **Hazardous waste:** A hazardous waste storage warehouse is established, and the in-and-out management of hazardous materials is strictly controlled according to relevant hazardous waste regulations. Hazardous items are placed in repurposed empty barrels for recycling, with clear signage, and are regularly entrusted to a qualified third-party organization for recycling and processing.

### FILA Store Waste Recycling and Utilization



To maximize resource utilization and ensure environmental sustainability during the process of store closure, FILA stores have developed and implemented a set of management measures for utilization of the obsolete materials. Under the premise of not affecting the store’s image, we recycle relatively new shelves and some equipment left behind after the closure. We have adopted a life-reshaping approach to handle basic renovation waste, including floor tiles, cement slag, wooden boards, gypsum boards, light steel keels, and electrical wires, and we track the disposal of these items. The recyclable materials such as floor tiles, cement slag, wooden boards, and gypsum boards are crushed at waste treatment stations, filtered into soil and sand, and then used to make cement bricks for secondary use. Wooden waste is collected by manufacturers and crushed to create particle boards. Additionally, some light steel keels and wires are also reprocessed and melted down to be transformed into reusable metal raw materials.

# GREEN DEVELOPMENT FOR ECOLOGICAL CONSERVATION

## Reducing Waste Generation at Source



To reduce waste generation at its source, we have invested resources in improving production processes. At the same time, we promote sorting and recycling of waste, and reduce the proportion of waste going to landfill and incineration.



### Green Supply

- Collection
- Reducing waste generation at source
- Circular supply



### Reducing waste generation on site

- Process Control



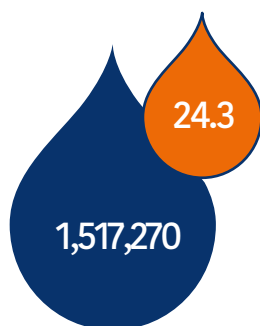
### Optimization at the end point

- Renewable energy
- Environmental disposal

## Water Resources Management

We issued the “Cost Savings Measures for Industrial Park” and the “Letter on Energy Conservation, Energy Consumption Reduction and Safe Production in the Industrial Park”, which stipulate detailed measures for reducing water use during production, and we also adopted an inspection system to ensure their implementation, with the goal of gradually reducing the intensity of water use in the future. In our offices, we posted signs promoting water conservation in pantries and toilets, and replaced low-efficient taps in toilets to control water discharge, so as to cultivate the awareness of water conservation among all employees.

## Key Performance in 2023



- Total water consumption: 1,517,270 m<sup>3</sup>
- Total water consumption intensity: 24.3 m<sup>3</sup>/Revenue per million RMB

### Measures to Raise the Efficiency of Water Utilization

- Strengthening awareness campaigns on water conservation and posting water conservation slogans at major water-using locations to enhance employees' awareness of water conservation;
- Regularly inspecting the water pipes in the pure water machine room. If any dripping and leaking are detected, repair them promptly to reduce water waste;
- Recycle and utilize the steam produced during manufacturing, which reduces heating costs in winter;
- Renovating and upgrading the boiler return water piping system, and recycling steam boiler water.



# GREEN DEVELOPMENT FOR ECOLOGICAL CONSERVATION

## Sustainable Packaging

To reduce the use of packaging materials, we have developed the “Standardization Management Specifications for Production Packaging Boxes”, actively advocating the recycling of packaging materials and promoting the reduction and sustainability of packaging. We are committed to promoting the biodegradable or recyclable plastic packaging made of reused or recycled materials, as well as paper packaging made of reused or recycled materials that can either be recycled or has FSC certification. We are committed to using sustainable packaging for 50% of our products by 2030. We are also actively encouraging the R&D of sustainable packaging across our various brands, with the goal of continuously increasing the proportion of sustainable packaging for our products as part of the commitment to sustainable packaging development.

### Key Performances in 2023



- Footwear and apparel products packaging material usage: **46,500** tons;
- Footwear and apparel products sustainable packaging usage: **9,157** tons, accounting for **19.7%** of the total footwear and apparel products packaging material;
- **42.9%** of FILA footwear and apparel products now utilize sustainable packaging;
- DESCENTE footwear products’ shoe boxes and packaging paper have obtained FSC certification, and the toe paper has obtained GRS certification.

Packaging Reduction	Sustainable Packaging	Material Reuse
<ul style="list-style-type: none"> <li>• Working on reducing the amount of packaging paper used. By redesigning the specifications for the amount of packaging paper used and assessing it every quarter based on the production styles, we aim to reduce the use of printed isolation paper in packaging;</li> <li>• Reusing cardboard boxes generated in the unpacking process to achieve a cycle of cardboard box usage;</li> <li>• Optimizing the packaging boxes for ANTA and FILA accessories to smaller-sized cardboard boxes while introducing special courier bags for ANTA Kids;</li> <li>• Switching from using (王) shaped reinforcements to (工) shaped ones for cardboard box packaging in logistics, gradually promoting tape-free cardboard box designs to reduce the use of plastic tape in the packaging process.</li> </ul>	<ul style="list-style-type: none"> <li>• Using degradable paper or recycled paper as shoe packaging and stop using plastic bags for 99.9% of our shoe products;</li> <li>• Using environment-friendly wax rope instead of transparent buckles, recycled polyethylene moisture barrier bags and polyethylene tape.</li> </ul>	<ul style="list-style-type: none"> <li>• Implementing a waterproof bag recycling program, where returned waterproof bags are reused, contributing to recycling;</li> <li>• Developing region-specific recycling plans through a circular turnover box system, deploying fixed-size turnover boxes, so as to effectively reducing the waste associated with single-use packaging.</li> </ul>

## Biodiversity Conservation

As a global strategic partner of WWF, we are committed to creating mutualism by consistently promoting biodiversity conservation and engaging in various protective initiatives. We initiate awareness campaigns on biodiversity conservation, reaching over hundreds of millions of people. We are committed to practicing mutualism with the environment in accordance with global biodiversity conservation goals and the “Regulations of the People’s Republic of China on Nature Reserves”, actively communicate with stakeholders, identifying and managing our business activities’ risks on biodiversity and ecosystems. We prioritize avoiding net loss to biodiversity in developed areas of production and operations and commit not to engaging in deforestation within our business activities. During the financial year, we joined the UNGC’s GDI for SDG pilot project, themed with “Mitigating Waste Entering the Ocean to Facilitate the Transition to a Low-carbon Economy”, contributing to solve the crisis of ocean plastic pollution and facilitate the transition to a low-carbon economy.

### From 5 to 1 Hangtag, Practicing Packaging Reduction



Through feedback on hangtags, we engaged in thoughtful considerations and observed that consumers have a relatively low demand for hangtag information. Considering the paper consumption associated with hangtags, our technical team conducted research on RFID technology. Following the hangtag reform, the current paper hangtag requires only one tag at a minimum. Moreover, it adopts FSC certification, making the hangtag more environment-friendly and technologically advanced.



# GREEN DEVELOPMENT FOR ECOLOGICAL CONSERVATION

## Collaborating with WWF and Shenzhen One Planet Foundation for the “2023 Urban Nature Action” on International Panda Day



On 22 October, as International Panda Day approached, we partnered with WWF and Shenzhen One Planet Foundation to successfully organize the “NON-STOP-Nature Changsha Sustainable Relay” event. The initiative aimed to enhance public awareness of biodiversity conservation.



## Visiting “ANTA Forest” to Promote Forest Ecology Conservation and Restoration



On the eve of the Asian Games opening ceremony, a group of 20 volunteers visited the Beijing Ming Tombs Forest Farm Management Office to explore the “ANTA Forest”. Volunteers engaged in watering and caring for the scots pines planted in May 2021, gaining insights into the daily activities related to forest protection and acquiring knowledge about forest ecology in the demonstration area. This initiative aimed to enhance awareness of biodiversity conservation. During the event, volunteers also participated in garbage collection along the trails, aligning with our “Mountain and River Plan” to contribute to reduce environmental impact.

## “Journey with Nature” - Organize Ecological Environmental Education



On 22 May, marking the 23rd “International Day for Biological Diversity”, we collaborated with WWF and Shenzhen Planet Foundation to organize the “Journey with Nature, Protecting Yangtze Finless Porpoises” event in the Yangtze Finless Porpoise National Nature Reserve on Swan Island, Hubei. The event invited 15 member families to volunteer on-site, visiting the Wetland Science Museum in the Wuhan Liberation Park, a facility supported by us. Participants gained in-depth knowledge about the finless porpoises, contributing to the protection of this endangered species.





# COOPERATION FOR WIN-WIN RESULTS

## SDGs ADDRESSED IN THIS CHAPTER



## ESG MATERIAL ISSUES ADDRESSED IN THIS CHAPTER

### SUPPLY CHAIN MANAGEMENT SUSTAINABLE RAW MATERIAL SOURCING

**To build a sustainable and responsible supply chain management and sustainable procurement system, we continue to promote standardization and regulation of the supply chain, strengthen the management process of raw material procurement, and strive to create a cooperative model based on compliance, fairness, justice, and integrity, working hand in hand with our partners to achieve mutual success.**

## Sustainable Supply Chain Management

We continuously optimize our supply chain risk control and supervision system, implementing end-to-end management for the admission, audit, rectification, and exit of all suppliers. Through supplier communication and training, we establish a cooperative partnership information sharing mechanism, creating an environment-friendly, safe, efficient, and collaborative resilient supply chain.

## Supply Chain Risk Management

To ensure business continuity, we have established a supply chain risk management system and actively cooperated with upstream and downstream partners to enhance supply chain stability, reduce systemic risks in the supply chain, and promote sustainable development of the supply chain.



We continue to improve our supply chain risk assessment and early warning mechanism, regularly identify and evaluate the risks of the supply chain, such as the operating environment, materials supply and social impact while continuously observing the development trend of the external environment, to ensure that any risks that may affect our operations are taken into comprehensive and timely considerations. We assess the possible ESG risks based on our risk management system, and in line with the “Procurement Contingency Plan of the Group”, carefully review and deploy the needed prevention and response plans for various supply chain risks, in an effort to reduce and avoid the impact of supply chain risks on the Group.

Type of risk	Risk assessment	Response measures and precautionary mechanisms
Policy and regulatory risks	Under the background of the “Dual Carbon” goals and related carbon emission and energy consumption control policies, more laws and regulations on emission restriction, and compulsory electricity conservation may be introduced in the future, and our supply chain may face the risks of lower output and higher electricity tariff, which could reduce our production efficiency and output and drive up operating costs.	<ul style="list-style-type: none"> <li>• Promote equipment upgrade and technical improvement of the supply chain to reduce the use of energy-intensive equipment and improve the efficiency of energy use;</li> <li>• Collect suppliers’ energy, resource usage, and carbon emission data, promote the use of clean and renewable energy, and improve the energy use structure of the supply chain.</li> </ul>
Extreme weather risks	Given the impact of extreme weather such as typhoon, rainstorm and high temperature, we may face the risk of supply chain disruptions such as water and power outages for suppliers, damage to suppliers’ equipment or stored materials, and obstruction of logistics and transportation channels, which could affect our and suppliers’ production capacity and incoming material costs, and drive up operating costs and production costs.	<ul style="list-style-type: none"> <li>• Establish a sound emergency management system for climate risks in the supply chain, pay close attention to weather warnings, keep track of the development of weather conditions and the status of personnel and production, and assist suppliers in formulating special contingency plans and making advance preparations for disaster prevention materials and equipment.</li> </ul>
Market risks	Given the impact of climate and environmental changes, energy transformation and other factors, we may face the risks of rising energy and raw material prices, damage to the planting environment of raw materials (e.g. cotton, rubber), and material shortage of some suppliers, which could lead to disruptions in production operations and drive up production costs.	<ul style="list-style-type: none"> <li>• Keep a pulse on market trends and regulatory shifts at all times;</li> <li>• Actively search for alternative energy and raw materials, reserve potential qualified suppliers, and increase the stock of suppliers;</li> <li>• Regularly audit the supply risk of suppliers.</li> </ul>

# COOPERATION FOR WIN-WIN RESULTS

Type of risk	Risk assessment	Response measures and precautionary mechanisms
Economic and social environment risk	<p>Given the impact of social and public events, we may be exposed to risks such as the health and safety problems of suppliers' employees and supply chain shutdown, which could result in production and operation interruptions. External risks including geopolitics or relevant restrictions or measures may also affect supply chain stability.</p>	<ul style="list-style-type: none"> <li>• Assist and guide suppliers in emergency management and promote supplier empowerment to enhance their overall capabilities;</li> <li>• Effectively manage supplier sourcing and establish a reserve supplier database;</li> <li>• Keep a pulse on market trends and regulatory shifts at all times;</li> <li>• Pay attention to capacity allocation strategy and coordinate the capacity of different brands/categories to ensure maximum utilization of production capacity.</li> </ul>
Supply responsibility risks	<p>Given the impact of delayed delivery caused by insufficient capacity of suppliers, obstructed logistics and other factors or major incidents of mass recall of substandard products, we may face the risk of supply chain disruption and reputation damage.</p>	<ul style="list-style-type: none"> <li>• Establish a multi-tiered supplier system and contingency supply plan;</li> <li>• Require suppliers to develop production cycle schedules for different products and make timely report of any information that may affect the progress of production;</li> <li>• Conduct regular quality audits and provide guidance on process improvement and quality inspection for suppliers in need.</li> </ul>
Social responsibility risks	<p>As the social issues concerning the supply chain, such as labor rights, health and safety, and business integrity, capture growing attention from all parties, we may face risks involving suppliers' responsibilities such as labor disputes, employee injuries and deaths, illegal discharging, and bribery, which could lead to shutdown of the supply chain and damage to our reputation.</p>	<ul style="list-style-type: none"> <li>• Conduct regular audits of suppliers' social responsibility risks and keep monitoring during the admittance and annual reviews with reference to the "Supplier Sustainability Management Handbook" to strictly control ESG management risks;</li> <li>• Require suppliers to conduct regular inspections on the safety hazards of factories, assess the environmental impact of their operations, and protect employees' human rights, to ensure the operational compliance of suppliers.</li> </ul>

Type of risk	Risk assessment	Response measures and precautionary mechanisms
Other supply risks	We and our partners may face uncertainties such as financial deterioration or financial loss in the supply chain due to potential risks involving suppliers, such as financial problems and shareholder disputes, which could affect business transactions between enterprises and aggravate financial risks.	<ul style="list-style-type: none"> <li>• Conduct supplier audit at the admittance stage to make sure that only qualified suppliers are included, and continuously monitor and give warning to abnormal indicators at the audit stage;</li> <li>• Activate emergency management process in time under abnormal conditions, conduct loss inventory and impact assessment, and ensure rapid delivery by developing new suppliers;</li> <li>• Thoroughly investigate the cause of the incident, seek accountability of the personnel involved in the incident, and formulate a preventive mechanism to avoid the recurrence of similar problems.</li> </ul>

During the financial year, we collaborated with a third-party organization to conduct ESG risk assessments for both our suppliers and self-operated factories. The assessment process utilized both self-assessment verification and on-site evaluations to evaluate various ESG issues including business ethics, climate change, environmental impact, and labor management. The assessment was conducted through a sampling approach, covering a total of 145 suppliers including four self-operated factories. The assessment results showed that all suppliers complied with “Code of Conduct for Suppliers of ANTA Sports”. We conducted due diligence and assessment focusing on human rights risks such as child labor, discrimination, forced labor, working hours, freedom of association,

collective bargaining and compliance with “Code of Conduct for Suppliers of ANTA Sports”. During the assessment, suppliers have relatively low scores in the modules of business ethics, health and safety, and social responsibility. High-risk issues are primarily related to occupational safety, freedom of association and collective bargaining, employee welfare, working hours and wages, and emergency safety. We prioritize empowering and improving the management of these aspects in the supply chain as our focus for ESG efforts, thereby achieving overall enhancement in the supply chain. We commit to monitoring and undergoing periodic assessments of risk fluctuations, promptly adjusting and taking necessary actions to mitigate any adverse effects.

### Supply Chain End-to-end Management

We have developed a series of management policies and procedures, including the “Code of Conduct for Suppliers of ANTA Sports”, the “Supplier Sustainability Management Handbook”, the “Protocol for the Management of Supplier Access and Exit of Apparel and Accessories Suppliers” and the “Protocol for the Management of Supplier Access and Exit of Footwear Suppliers”. These clearly define the processes for selection, introduction, auditing, rating, and complaint management applicable to tier 1/2/3 suppliers as well as subcontractors. The systems specify requirements for environmental management and

# COOPERATION FOR WIN-WIN RESULTS

## Key Performance in 2023



The total number of suppliers (including footwear, apparel, and accessories) is **801**:

- **717** suppliers in Mainland China, Hong Kong SAR, Macao SAR and Taiwan region, and **84** suppliers in foreign countries.




social responsibility for suppliers and subcontractors, enhancing the efficiency of the entire supply chain management process. We regularly review relevant management systems based on applicable laws, regulations, and customer standards to avoid potential conflicts with ESG requirements. We have also incorporated supply chain risk management into our value chain management process. By conducting supplier sustainability risk assessments, we identify critical suppliers and formulate countermeasures and action plans to ensure the stability of our supply chain.

### Admittance Screening

ESG audits are a crucial step for new suppliers entering our system. We have established a systematic supplier screening process, including information collection, preliminary review of information and on-site review. These stages comprehensively assess the supplier's business qualifications, product quality, and other basic information. ESG factors such as health and safety management, environmental protection and labor management are also included in the scope of assessment to ensure that suppliers' supply level, product quality, service capabilities, and their social responsible management performance meet our requirements.

Sustainability is one of the major assessment criteria during supplier screening process. In terms of environment, we focus on our suppliers' waste, wastewater, waste gas and GHG emissions, as well as energy management. On the social front, we review whether suppliers strictly protect the health and safety of the workplace, respect various labor rights, including human rights and the right to freedom of association. In terms of governance, we conduct rigorous assessments of our suppliers to detect any instances of corruption, bribery or other forms of misconduct. Risk factors including country-specific risks, industry-specific risks, and product-specific risks were also involved into supplier screening process, hence to effectively mitigate potential risks and maintain supply chain stability. The identification of our critical suppliers is based on combinative consideration of procurement value, sustainability performance as well as other assessments.

<b>Country-Specific Risks</b>	This involves evaluating the political stability, legal and regulatory environment, and commercial risks in the countries where suppliers are located.
<b>Industry-Specific Risks</b>	This involves evaluating the competition levels, technological changes, and shifts in market demand within the industries where suppliers operate.
<b>Product-Specific Risks</b>	This involves evaluating potential quality issues, safety risks, environmental responsibilities, and other relevant factors associated with the products supplied by the suppliers.

 <p><b>Information collection</b></p>	 <p><b>Preliminary review of information</b></p>	 <p><b>On-site review</b></p>
<p>We collect detailed information of our suppliers through the “Collection Form of Supplier Basic Information”, including company profile, basic information of the workforce and employee rights, professional qualifications or service capabilities, and relevant operational experience.</p>	<p>We conduct preliminary screening of potential suppliers based on their basic information. If zero-tolerance breaches or seriously dishonest behaviors such as use of child labor, forced labor and commercial bribery are detected during the review, the admittance process will be terminated immediately.</p>	<p>We make on-site inspections and professional assessments of suppliers’ business premises and practices to check the authenticity of supplier information, formally establish cooperative relationships with qualified suppliers and include the social responsibility performance standards for suppliers into the attachments of the contract to strengthen the standardized requirements for suppliers.</p>

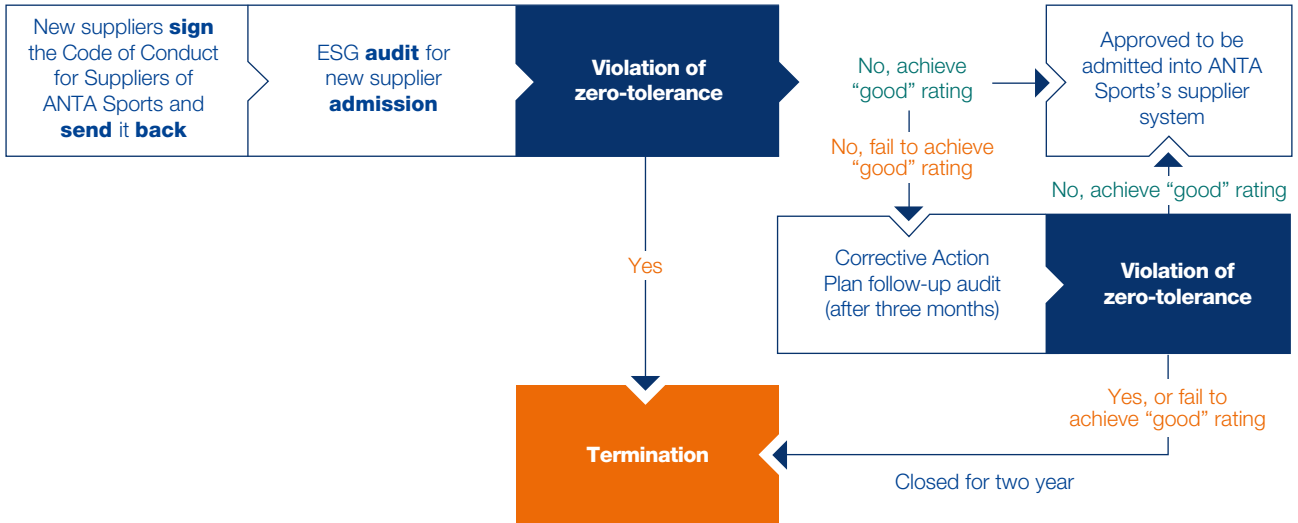
## Tiered Management

To improve and optimize the structure of the supply chain, we have adopted a categorized management of the entire supply chain to improve the management efficiency of supply chain operations. Suppliers are classified into tier 1 suppliers, tier 2 suppliers and tier 3 suppliers according to their material categories as well as service relations and other general factors. In addition, suppliers are differentiated into general suppliers or critical suppliers based on material analysis such as procurement volume, risk factors, etc.

Tier 1 suppliers: 267	Tier 2 suppliers: 370	Tier 3 suppliers: 164
<p>Suppliers that directly provide finished products (such as garments, finished shoes, finished accessories, etc.), of which <b>52</b> are critical suppliers.</p>	<p>Registered suppliers, providing materials, components and processes, including fabric, down, lining, leather, soles, auxiliary materials, molds, etc., for tier 1 suppliers. There are <b>87</b> critical suppliers in total.</p>	<p>Registered suppliers of the Group, providing materials and processes, including zippers, webbing, tapes, yarns, sole accessories, air cushions, etc., for tier 2 suppliers.</p>

# COOPERATION FOR WIN-WIN RESULTS

## Review process for introduction of new suppliers



Levels	Incentives
Extraordinary, Excellent, Good	Consider giving priority to renewing cooperation with them after the end of the contract period;
To Be Improved	Make clear the requirements for rectification, provide training to them, and assist them in optimizing their own management;  Follow up the rectification of suppliers through corrective action plans and continue cooperation if the suppliers reach compliance.
Red Line Zone	In addition, for suppliers that have triggered major violations such as “zero-tolerance” and failed to rectify the situation in a timely manner or still failed to meet the requirements after improvement, the supplier will be disqualified after the approval process and will be denied the opportunity of cooperation for two years.

### Appraisal and Audit

For suppliers in the cooperation, we adopted a double-axis audit method to conduct annual audits of suppliers’

sustainable development status, in accordance with the provisions of the “Code of Conduct for Suppliers of ANTA Sports” and the “Supplier Sustainability Management Handbook”. This systematic evaluation assesses

the suppliers’ capabilities in terms of quality, delivery, cost for current order execution, alignment with “Code of Conduct for Suppliers of ANTA Sports” as well as their performance in labor management, innovation development, environmental management, and social responsibility.

Through our annual supplier audit, our suppliers are divided into five levels, from the best performing ones to the least performing ones, based on their audit results: extraordinary, excellent, good, to be improved, and red line zone. In accordance with the “Apparel Supplier MIS Performance Appraisal Management Mechanism” and “Footwear Supplier Tiered Grading and Evaluation Management Control Mechanism”, we provide corresponding incentives for suppliers at different levels to encourage further improvement and motivate their initiative to fulfill contracts. We require all suppliers to have an ESG audit rating of good or above.

In accordance with the relevant provisions of the “Supplier Sustainability Management Handbook”, the Supplier Management Department, in collaboration with our recognized audit organizations, conducts regular ESG audits of suppliers we collaborate with. The results are to identify any violations. Based on the assessment results, we can initiate an upgrade process at any time, specifying remedial and corrective measures as well as follow-up audit methods. This initiative aims to promote the improvement of our suppliers’ performance in social responsibility. According to the audit results, some suppliers had violations related with

chemical safety, fire safety, overtime hours, overtime pay and other issues. Based on the results, we provided improvement guidance and assisted the suppliers in making corrective action plan on fire prevention, protection of labor rights and other items, required them to complete the rectification on time, and tracked the progress of rectification. In addition, our suppliers empowerment program also provides continual support to the implementation of suppliers’ corrective action plan.

Additionally, we developed the ESG online data collection platform, initiating the collection of ESG

environmental data over 200 suppliers. The data covers GHG emissions, energy consumption, water resource management, wastewater and waste management, etc. We require critical suppliers to conduct SLCP audits and utilize the HIGG FEM as a third-party tool to measure suppliers’ environmental performance. Suppliers are required to complete self-assessment and verification within a certain time frame. We also invite suppliers to participate in training courses to help them better understand and apply the assessment tool.

### Scope of ESG Audit of Supply Chain

Labor Rights	Health and Safety	Environment and Social Responsibility	Sustainability Management System
<ul style="list-style-type: none"> <li>Freedom of employment- No forced labor</li> <li>No child labor</li> <li>Anti-discrimination</li> <li>Prohibition of harassment and abuse</li> <li>Right to freedom of association</li> <li>Compliance of employment relations</li> <li>Compliance of working hours</li> <li>Paid overtime</li> <li>Compliance of remuneration and benefits</li> <li>Minimum wage standard</li> </ul>	<ul style="list-style-type: none"> <li>Occupational healthy and safety</li> <li>Equipment safety maintenance</li> <li>Workplace safety</li> <li>Chemical safety management</li> <li>Contingency planning</li> <li>Occupational disease prevention</li> <li>Incident management</li> <li>Public health, food and accommodation</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with environmental laws and regulations</li> <li>Pollution prevention and treatment</li> <li>Emissions management</li> <li>Anti-corruption</li> <li>Anti-competitive behaviors</li> <li>Sustainable sourcing policy</li> </ul>	<ul style="list-style-type: none"> <li>Establishment of the sustainability management system</li> <li>Establishment of the Sustainability Committee</li> </ul>

# COOPERATION FOR WIN-WIN RESULTS

## Supplier Communication and Protection

We aim to communicate with our suppliers to convey supply chain management concepts and requirements promptly, fostering long-term and stable partnerships. Through various channels and methods such as visits, online communication, offline seminar, audit interview, and WeChat group, we establish a communication mechanism with suppliers.

We attach great importance to the lawful rights and interests of our suppliers and their suppliers. Any individual or organization directly affected in the supply chain can report any violations of the “Code of Conduct for Suppliers of ANTA Sports”, or any potential or

constituted violation of human rights or environmental hazards, can lodge a complaint via the complaint mailbox, employee care hotline, or “Sustainable Development Complaint and Grievance Mechanism”. We promptly intervene in the accepted case, take targeted measures to improve our performance, resolve the reasonable and legitimate demands of the complainants, and protect their rights and interests.

Simultaneously, we have implemented a whistleblower protection mechanism to protect the privacy of whistleblowers. We strictly prohibit suppliers or management personnel from retaliating against complainants. We promptly intervene in the accepted case to prevent employees from facing any form of punishment or

harm for filing complaints. We ensure that individuals who file complaints, assist in investigations, or participate in any way are not subjected to threatening, intimidating, coercive acts, or discrimination. It is our priority to effectively protect the rights and interests of whistleblowers.

## Sustainable Empowerment

We provide targeted training sessions empowered suppliers and employees, actively collaborating with external organizations to establish platforms for exchanging ESG-related professional knowledge and skills. This assists suppliers in enhancing their management capabilities, gaining competitive advantages in areas such as quality management, compliance requirements, and safety standards.

### Key Performance in 2023



During the financial year, we conducted ESG audits on **170** tier 1 suppliers (including **49** critical suppliers in tier 1), **119** tier 2 suppliers (including **72** critical suppliers in tier 2), and **10** tier 3 suppliers respectively, which were completed by both the internal audit team and third-party organizations. These audits covered environmental and social metrics including labor management, health and safety, labor rights, and green production, etc.

During the financial year, we have conducted over **400** audits on both critical suppliers and general suppliers, with internal audits accounting for **24.4%** and external audits accounting for **75.6%**. **100** suppliers underwent third-party audits using SLCP. **131** suppliers completed assessments using the HIGG FEM, a third-party tool, obtaining a grade of good or above accounts for more than **60%**.

### Key Performance in 2023



Number of external certifications received by our suppliers:

- ISO 9001 certification standard on quality assurance: **245**;
- ISO 14001 international certification standard on environmental management: **180**;
- ISO 45001 certification standard on occupational health and safety management systems: **119**;
- Bluesign® certification: **39**.



We have set ESG targets along the supply chain in the areas of water, energy and carbon emissions to help suppliers achieve sustainable development. We also assist suppliers in identifying measures and roadmaps to achieve these targets. We assist suppliers to establish water measurement systems and water data management, promote water recycling, reuse of wastewater, improve water use efficiency, reduce the use of fresh water and wastewater discharge in the supply chain, and recommend suppliers to apply water saving technologies and equipment, etc., so as to reduce the consumption of water resources in the supply chain.

### Specialized Awareness Program

To improve suppliers' compliance, we have developed a training and awareness program and held various training sessions and seminars for suppliers on topics such as quality verification, pre-production risk verification, integrity and self-discipline, labor management and rights, data and information collection, etc., to further enhance suppliers' understanding of product and service quality, "Code of Conduct for Suppliers of ANTA Sports" and other requirements. We have also established a supplier support program, providing support to suppliers in areas such as technology, market promotion, continuously empowering them for sustainable development at their level.

### Human Rights Training

We regularly organize human rights training programs covering all suppliers. These programs aim to provide knowledge on labor laws and regulations, human rights standards and protections, forced labor and child labor, working hour management, and health and welfare, ensuring that suppliers understand and comply with relevant laws, regulations, and our human rights policies.

### External Collaborations

We collaborate with non-governmental organizations such as the WWF, the IPE, and the UNGC to address supply chain issues related to water resource consumption, environmental management, and energy efficiency.

#### Multiple Training Sessions Empowered Suppliers to Improve Sustainable Development



During the financial year, we conducted over 40 ESG training sessions for the supply chain, covering various sustainable development topics such as environment, social responsibility, and chemical management, with over 4,200 participants, such as:

- Launch of seminars for supply chain partners, providing ESG knowledge training, and inviting suppliers to share excellent ESG practice cases.
- Release of the Monthly Sustainability Newsletter, continuously sharing our sustainability development standards and excellent practice.
- Introduction of activities for World Day Against Child Labor, spreading the concept of human rights protection that strictly prohibits the use of child labor among supplier partners.
- The HER project to provide health education for female workers in labor-intensive factories.

- We partner with the WWF to reduce water resource consumption and pollution, including enhancing water resource efficiency, reducing wastewater discharge and water pollution in the supply chain, to promote the achievement of sustainable development goals. Through technological innovation and process optimization, effective control of water saving and wastewater treatment will be achieved, facilitating the transformation of relevant technological achievements within the industry.

# COOPERATION FOR WIN-WIN RESULTS

- We collaborate with the IPE to collect environmental performance data from suppliers, addressing environmental protection issues in the supply chain and empowering the sustainability of environmental management within the supply chain.
- We actively participate in initiatives of the UNGC to achieve SDGs, including reducing carbon emissions, improving energy efficiency, and promoting the use of clean energy. Through participation in the initiatives and activities of the UNGC, we share experiences and best practices to promote the sustainable development of the industry.

## Sustainable Sourcing of Raw Materials

### Responsible Sourcing

We are committed to continuously optimizing a green supply chain and prioritizing the use of raw materials, products and services that are environment-friendly, safe, and healthy. In order to reduce the potential environmental and social impacts of plantation and production of materials such as cotton, leather, etc., we commit to increasing the sourcing of responsible leather and cotton materials, and prioritizing the selection of suppliers certified by the Leather Working Group (LWG), the Global Organic Textile Standard (GOTS) and other relevant international standards. We also actively engage in advocacy

work for sustainable procurement and set target on continuously increasing the procurement and use of sustainable and traceable cotton and leather materials. At the same time, we continue to track the traceability performance score of our LWG certified suppliers to increase the proportion of raw materials such as leather that can be traced. We have also set a goal to achieve a 100% traceability ratio for sustainable leather sourcing after three years. Currently, more than 90% of leather raw materials can be traced back to their place of origin, which includes Mainland China, the United States, Argentina, the Netherlands, and etc.. During the financial year, we joined the LWG to contribute to the sustainable development of the leather industry. We launch training program and regularly conduct training and advocacy sessions on responsible supply chain and explain our requirements of green supply chain management to our suppliers. With training sessions covering topics including responsible land management, water reduction, and chemical and production of responsible leather and cotton, we aim to further raise suppliers' awareness of social responsibility management.

We integrate sustainable procurement principles into the "Supplier Sustainability Management Handbook", encouraging suppliers to obtain certifications for sustainable and responsible raw materials, which have high recognition, complete standards, and strict requirements. We encourage

suppliers to continually reduce the environmental impact throughout the products lifecycle. During the financial year, we have formulated and released the "ANTA Sports Chemicals Management Manual" which clearly states that on the input side of chemicals, the goal is for all suppliers who use process chemicals to fully comply with ZDHC standards. We also encourage them to utilize ZDHC tools to improve overall chemical management practices.

We actively organize training sessions for employees to enhance their ability to assess environmental and social issues in the supply chain, and to improve their purchasing decision-making and product management capabilities. The training content includes SBTi training, chemical safety management training, specialized training on zero tolerance, working hours and wage management, leather and cotton traceability, among others. We also incorporate sustainable procurement goals such as sustainable products, materials, and packaging into the performance evaluation of our employees, further reinforcing the concept of responsible procurement.

### Raw Material Traceability

To enhance the safety assurance of our products, we continue to improve the traceability mechanism, ensuring that the production stages of raw materials comply with production standards and responsible management requirements throughout the process. We have set

goals for the proportion of raw material traceability, gradually achieving the traceability procedures from raw materials to final products, and fulfilling our commitment of providing customers with safe, healthy, and high-quality products. We have customized the scope of traceability and assessment standards according to the special features of different products and materials, such as using element tracing to trace recyclable yarns. We also continuously improve the raw material traceability platform and strengthen information sharing in order to gradually move toward digitized raw material traceability.

### Key Performance in 2023



During the financial year, the number of suppliers with responsible certifications are as follows:

- LWG certification: the leather used in ANTA and FILA's footwear products, as well as their leather suppliers, are all **100%** LWG Gold certified, with over **90%** of the leather materials can be traceable back to their origin.
- GRS/RCS certification: **217**.
- OEKO-TEX® standard 100: **116**.
- GOTS/OCS certification **47**.

### Organizing Training on Sustainable Leather Production Process to Improve the Environmental Performance of Leather Material Production



We launched training on environmental protection and water conservation for all leather suppliers, encouraging them to minimize the use of fresh water in the leather tanning process, eliminate the discharge of untreated sewage sludge, and actively carry out water reuse and other maximized emission reduction actions. We also require all leather suppliers to set water conservation and reduction targets according to the actual situation of their enterprises.

In addition, we conducted training for all leather suppliers on material chemical safety and the technical requirements for chemical safety, explained the hazard and control methods of key chemical substances in the leather tanning process, and enhanced suppliers' awareness of chemicals-related regulation by presenting external cases of chemical risks, conducting internal inspections on chemicals-related violations, introducing measures for dealing with non-compliant products and adopting plans for prevention and improvement.





# INNOVATION FOR ROBUST PRODUCTS

## SDGs ADDRESSED IN THIS CHAPTER



### ESG MATERIAL ISSUES ADDRESSED IN THIS CHAPTER

USE OF CHEMICALS AND DISCHARGE  
PRODUCT LIFE CYCLE  
PRODUCT QUALITY AND SAFETY  
CRAFTSMANSHIP AND PRODUCT INNOVATION  
CUSTOMER RELATIONS MANAGEMENT  
DATA PRIVACY AND PROTECTION  
SUSTAINABLE CONSUMPTION  
INTELLECTUAL PROPERTY MANAGEMENT  
RESPONSIBLE MARKETING

We always maintain product quality at a high level, and regard technological innovation as key to the vitality of our brands. We believe that the essence of product quality is not limited to production quality and should expand to enhancement in product design and techniques, innovation, service, and so forth, in order to win our customers' long-term confidence.

## Innovation in Craftsmanship and Design

We have adhered to the principle that “Innovation is the Foundation of Enterprise”. Based on our well-established, sound R&D innovation framework, we comprehensively push forward different dimensions of innovation research, such as technology, products, design, and craftsmanship, aiming to strengthen our independent innovation capabilities.

## Technological R&D and Innovation

We continuously refine our innovation mechanisms, invigorating the innovative vitality across the entire value chain. We have established a dedicated innovation fund to support the R&D innovations of various brands, and to address current and future sustainability challenges.

We coexist with the environment, society, consumers, employees, and supply chain partners, actively advancing the achievement of sustainable development goals. All our brands have defined their respective ESG mindset strategies and launched sustainable products. These initiatives concentrate on resource recycling in production and promote green, low-carbon consumption.

## Product Design Innovation

Product design innovation is our primary focus. We have creatively integrated various styles into sports aesthetic design, producing new products combining different design styles and elements, and products that are both fashionable and practical. Among them, ANTA KIDS took inspiration from black holes, combined with the architectural model of the Shanghai Planetarium to create Lunar Meteorite-style Running Shoes. KOLON SPORT has released 50th-anniversary limited edition Polar-series Down Jackets, utilizing a futuristic functional design to lead the fashion of outdoor winter sports. DESCENTE collaborated with Japanese

## Key Performance in 2023



As of 31 December 2023, we have over **900** international design and R&D experts from **eight** countries and regions.

fashion designer KAZUKI KURASHI and blends the designer's love for powder snow to launch a professional and trendy co-branded ski series equipment. ANTA developed the "Tan Ding" weightlifting

shoes for the Chinese National Weightlifting Team, incorporating five patents and significantly upgrading mechanical performance to support the national athletes at the Hangzhou Asian Games.



# INNOVATION FOR ROBUST PRODUCTS

## Intellectual Property Management

We thoroughly implement intellectual property management, and establish sound management policies for brand protection, trademarks, and patents. We strictly abide by the “Patent Law of the People’s Republic of China”, the “Trademark Law of the People’s Republic of China”, the “Copyright Law of the People’s Republic of China”, and other laws and regulations. We have established a systemic framework of policies such as the “Intellectual Property Management Policy”, “Patent Application Process” and “Protocols for Defending Rights against Counterfeiting”, enhancing our intellectual property

management, trademark management, patent management, brand protection, and prevention and control of intellectual property infringement risks. During the financial year, we improved the “Protocols for Defending Rights against Counterfeiting”, and upgraded our intellectual property management system through information thus further improving the system’s level of automation.

In our brand operation and all key stages of the brand operation, we have embedded an auditing mechanism for intellectual property risks. We comprehensively set performance indicators and goals for intellectual property management and adopt multiple measures to prevent and control

infringement risks in business segments and activities such as product’s R&D, advertising promotion, and cross-over cooperation. During our inspection at the order placement meetings, we identified and discovered risks associated with product design and promotional activities. To respond risks identified, we formulated improvement measures accordingly, continuing to monitor intellectual property risks and the progress of improvements.

We actively conduct intellectual property-related theme training to enhance employees’ awareness, covering topics such as patent support for R&D innovation, risk investigation in product naming, knowledge of copyright law, protection of commercial secrets



### Key Performance in 2023



- Intellectual Property: Holding over **2,300** registered patents, over **2,100** registered trademarks, and over **100** registered copyrights.
- Awareness Enhancement: Conducted **nine** intellectual property protection awareness training sessions, covering over **1,100** employees across product, R&D and brands departments.
- Risk Control: **9,923** intellectual property risks audits, successfully cleared over **1,089** infringement risks.
- Brand Protection: Cracked down on **3,031** different types of intellectual property rights infringements, including **1,749** administrative cases, **1,001** criminal cases, **53** customs protection cases, and **228** civil infringement claims and received over **RMB17 million** of compensation awarded by the court in civil proceedings.

in the supply chain, and intellectual property risk management and control. Additionally, by publishing quarterly intellectual property information, we report on significant intellectual property developments, share industry information, and enhance the awareness of management personnel in intellectual property management and risk control. For the World Intellectual Property Day on April 26th, we organized a themed event titled “Women and Intellectual Property: Accelerating Innovation and Creation”. We invited female employees with outstanding R&D capabilities to share their insights on innovation, thereby strengthening everyone’s awareness of intellectual property innovation and protection.

We have taken various measures to combat counterfeiting and fake products to protect our brand image. In collaboration with online intellectual property protection departments, intellectual property service agents, law firms, and other relevant entities, we conducted comprehensive, multidimensional information collection, assessment, and in-depth investigation of infringement activities. We work jointly with national and local market supervision administrations, public security organs, customs, and judicial authorities to undertake administrative enforcement, criminal crackdowns, customs seizures, and civil litigation against infringements, addressing both online and offline violations. During the financial year, we have carried out brand protection special projects in Northeast



China and Guangdong, China, actions against fake overseas purchasing livestreams, and efforts to combat counterfeit FILA products, among other cases. These actions comprehensively curb infringement activities and protect our rights and interests.

### Promoting Industry Development

We collaborate with suppliers, business partners, and research institutions to harness technology, adhering to open innovation and enhancing the sports experience for consumers through superior sports equipment.

In partnership with our suppliers and manufacturers, we co-develop and promote the use of water-based

adhesives and cleaners, progressively reducing the use of organic solvent chemicals and encouraging more environment-friendly production methods for creating products that are both eco-friendly and health-conscious. We shorten the R&D cycle time based on the rich industry experience of our supplier partners, work with our suppliers to employ biodegradable seaweed adhesives, as seaweed fibres have significant advantages in moisture absorption and breathability, anti-bacteria and degradability. It can effectively enhance the technological properties of cotton fabric.

We engage in university-industry R&D collaborations. We have developed the FILA Soft Yarn. It can effectively

# INNOVATION FOR ROBUST PRODUCTS

enhance the technological properties of cotton fabrics and addresses issues like post-wash whitening and fiber shedding in cotton fabrics, enhancing product durability and lifespan. ANTA KIDS, in collaboration with Beijing Sport University, has developed the ANTA KIDS Chinese National Artistic Gymnastics Team training series. This product line, designed through ergonomic analysis, better suits the muscle group characteristics of young girls. The “Ningbo University School of Physical Education – ANTA KIDS Joint Sports Research Laboratory” was officially inaugurated during the financial year. It will continue to focus on research in children’s and adolescents’ sports science, contributing to comfortable sporting activities for children. On the other hand, Donghua University – ANTA Group Joint Innovation Center embarked on the second phase of “AEROVENT” R&D project, with a focus on environmental protection and low-carbon sustainable development. Key areas include eco-friendly waterproof and breathable membranes using biomaterials materials.

We collaborate with national departments and industry associations to lead and participate in the development of multiple national and group standards. These include taking the lead in formulating national standards such as “General rules on quality grading of consumer products – Footwear”, “Textile –

Methods of testing the down-proof properties – Part 1: Rubbing test”. We are also involved in national standards like “General requirements for footwear”, “Safety technical specifications for children’s footwear” and “Green product assessment – Textile products”. Furthermore, we spearhead the development of group standards such as “Sustainable Product Evaluation Requirements – Footwear Products”. Through in-depth participation in the development of relevant standards, the Group standardized the production process of products, providing inputs for the evaluation of technological innovation and sustainable features of products, enhances the efficiency of technologies and inventions, and saves costs and inputs. The group standards are widely used in product evaluation within the company and in the industry, thereby promoting the development of green products and the healthy growth of the industry.

## Supporting Circular Fashion

We committed to incorporating the principles of circular fashion into business operations in line with our global emissions reduction targets and are making a positive impact in the area of sustainable consumption initiatives. While pursuing profitability and growth, we also strive to raise consumer awareness of sustainable consumption and achieve mutual development.

## Sustainable Product Design

We have developed product standards and certification standards related to ESG projects, adopt the “Technical Specifications for Sustainable Products”, which standardizes the technical and certification requirements for sustainable materials, sustainable production processes, sustainable packaging, and sustainable products, commitment to increasing the proportion of sustainable products that realise the vision of sustainability by reducing waste emissions, conserving resources, using materials that are recycled/reclaimed, recyclable, degradable, or otherwise contribute to improved environmental, health and safety performance. We have established a sustainable product inventory and assessment system, which compiles the categories and quantities of sustainable products developed by each brand every quarter. This system evaluates the sustainable characteristics of each product, including the use of sustainable materials in terms of area and weight, and tracks the sales performance of these products. We measure the environmental and health profiles of new products as part of product designing to lead the trend of sustainability in the apparel and footwear industry.



As a member of the Cascale (formerly known as Sustainable Apparel Coalition), we are committed to assessing and managing the impact of footwear and apparel products across their entire life cycle. We aim to reduce the adverse impacts of textile manufacturing and sales on the ecological environment and society. We carry out sustainable

planning for footwear and apparel products, employing R&D as well as technological innovation. From product design concepts to the use of recycled materials as the raw materials for production, we strive to increase the proportion of environment-friendly and healthy materials used in our products and continuously promote the launch

of environment-friendly products. In the future, we will actively increase the proportion of sustainable products, with a target to increase the proportion of sustainable products to 50%, use sustainable packaging for 50% of products and apply 50% sustainable raw materials by 2030.

Sustainable materials	Sustainable Features
Sorona <sup>®</sup> fiber	<ul style="list-style-type: none"> <li>Core materials are derived from annually renewable plant-based material.</li> <li>Used in ANTA Training Series of ice silk short sleeve, where the production process can reduce energy consumption and GHG emissions compared to an equivalent amount of Nylon 6.</li> </ul>
Recycled nylon yarn	<ul style="list-style-type: none"> <li>Used in ANTA Training Series of Honor jackets.</li> </ul>
CELYS <sup>™</sup> fabric	<ul style="list-style-type: none"> <li>Biodegradable fabric that achieves a 95.4% biodegradation rate within 179 days in an industrial composting environment<sup>1</sup>, transforming from “plastic” to “fertilizer”.</li> </ul>
TENCEL <sup>™</sup> modal	<ul style="list-style-type: none"> <li>Adopts efficient production, new technologies, and renewable energy to continuously reduce carbon emissions. Supports globally verified carbon reduction projects to offset unavoidable emissions, gradually achieving net-zero carbon emissions.</li> </ul>
EcoCosy fabrics	<ul style="list-style-type: none"> <li>Sourced from wood with sustainability certification, 100% bio-based material, 28 days of rapid biodegradation in 30°C marine environment, 21°C freshwater environment and 28°C soil environment<sup>2</sup>.</li> </ul>
Bio-based durable water repellent material	<ul style="list-style-type: none"> <li>Highly efficient fluorine-free waterproofing agent sourced from renewable biomass, reducing the use and dependence on petroleum-based products.</li> </ul>

<sup>1</sup> The data from product test report issued by TÜV Rheinland (Shanghai) Co., Ltd.

<sup>2</sup> The data from certification report issued by TÜV AUSTRIA Belgium NV.

# INNOVATION FOR ROBUST PRODUCTS

Sustainable materials	Sustainable Features
Bio-based Polyamide 56	<ul style="list-style-type: none"> <li>Part of chemical synthesis raw materials originate from animals and plants in the natural world.</li> </ul>
Recycled polyester	<ul style="list-style-type: none"> <li>Adopted the fabric that is made from recycled waste plastic bottles, melting plastic fragments into small pellets, blending with other fibers to spin suitable yarns, and creating a product series through recycling, reducing pollution to water and soil, and saving energy and natural resources.</li> </ul>
Recycled nylon	<ul style="list-style-type: none"> <li>Utilized discarded fishing nets as raw materials, sorted and recycled, processed through slicing, spinning, and other techniques to create nylon fibers. Recycled to produce an eco-friendly product series, reducing pollution to water and soil, conserving energy, natural resources, and raw materials.</li> </ul>
Marine renewable fibre	<ul style="list-style-type: none"> <li>Recycled marine plastics into textile raw materials to reduce the environmental pollution of plastics.</li> </ul>

Through the innovation of craftsmanship, the use of eco-friendly fabrics and the development of sustainable products, we are able to enhance the resource efficiency of consumers during the use phase of our products, including the benefits of reducing energy consumption, water consumption, waste generation, GHG emissions, pollution and raw material consumption, increasing product durability or longevity. In terms of craftsmanship, we use plant dyeing, which uses natural dyes extracted from the roots, stems, leaves and fruits of plants for textile dyeing, and natural chitosan antimicrobial technology, which reduces the use of chemical auxiliaries, effectively inhibits bacteria and keeps garments fresh, thereby effectively promoting the development of circular fashion.

## Key Performance in 2023



During the financial year, the proportion of our sustainable footwear and apparel products in the overall order volume is **19.5%**.



## Product Series

### ANTA TRAINING SERIES



## Sustainable Features

- The ANTA Training Series of ice silk short-sleeved shirts incorporate Sorona® fiber.
- The ANTA Training Series of Honor jackets feature recycled nylon yarn.

### ANTA CHAMPION RUNNING SHOES 2.0 PRO



- The A-WEB upper of the shoe utilizes fish silk thread, providing lightweight, durable, and breathable support; the dual-layer “nitrogen technology” sole offers ample cushioning and strong rebound.
- The upper material of the shoes is crafted from recycled plastic bottles, which are processed into threads and then woven into a mixed fabric.

# INNOVATION FOR ROBUST PRODUCTS

Product Series	Sustainable Features
<p data-bbox="143 499 551 529"><b>ANTA KIDS BAMBOO SWEATSHIRT</b></p> 	<ul data-bbox="982 686 1360 891" style="list-style-type: none"><li>• Part of the outer layer of the fabric is made from biodegradable bamboo fiber, with panda elements incorporated into the design, promoting an environmental conservation ethos among children.</li></ul>
<p data-bbox="143 1156 362 1215"><b>FILA GREEN MARS SHOES</b></p> 	<ul data-bbox="982 1244 1360 1646" style="list-style-type: none"><li>• Part of the fabric of the shoe upper contains Tencel™ fiber, with the midsole incorporating recycled coffee grounds and the outsole incorporating recycled rubber granules.</li><li>• Each pair of shoes comes with a packet of clover seeds and a detachable cardboard shoebox, which can be used for clover planting.</li></ul>

## Product Series

## Sustainable Features

### FILA FITNESS SERIES



- Part of the fabric utilizes Tencel™ fibers extracted from renewable wood sources. Their design in solid colors aligns with the carbon reduction and environmental protection concept.



### DESCENTE AWAKEN RUNNING SHORTS

- Part of the AWAKEN running shorts utilize recycled yarn, providing a lightweight and comfortable feel for unrestricted running.

# INNOVATION FOR ROBUST PRODUCTS

Product Series	Sustainable Features
 <p><b>RE: DESCENTE BUILD SERIES</b></p>	<ul style="list-style-type: none"><li>• Transforming waste generated from cutting into products such as long-sleeve knitted sweaters, short-sleeve knitted sweaters, woven mini skirts, etc.</li></ul>
 <p><b>KOLON SPORT ECO NYLON SERIES</b></p>	<ul style="list-style-type: none"><li>• 87% of the nylon used in this product is made from ECONYL<sup>®</sup> yarn which is certified by GRS.</li></ul>
 <p><b>KOLON SPORT SECO TOPWEAR</b></p>	<ul style="list-style-type: none"><li>• Approximately 50% of the fabric used in this product is made from recycled polyester.</li></ul>

## Unveiling Carbon Neutral Products and Assessing Carbon Footprint



During the financial year, we engaged with a third-party professional organization to calculate the carbon footprint by cradle-to-grave and conduct carbon reduction analyses for three products. The calculated carbon footprints for the products ANTA Men's Storm Mecha Jacket, ANTA Women's Storm Mecha Jacket and ANTA Champion Running Shoes 2.0 Pro are 14.4 kgCO<sub>2</sub>e/piece, 10.1 kgCO<sub>2</sub>e/piece, and 11.6 kgCO<sub>2</sub>e/pair, respectively. According to the product footprint assessment, we will analyze the carbon emission of each stages including raw material extraction, production etc., with carbon emission reduction plan to reduce the impact caused to environment.

We launch carbon neutral products in January 2024, including the ANTA Storm Mecha Jacket and the ANTA Champion Running Shoes 2.0 Pro. These products have been certified as carbon-neutral according to PAS 2060:2014 standards.



## Advocating Sustainable Consumption

We are advocating to raise consumer awareness of sustainable consumption in line with our global emissions reduction targets. We set group-wide commitments, implementing design strategies for cyclability, focusing on material and product recycling initiatives to increase the recycling and reuse of waste materials, and increase the

proportion of recycled materials used in product manufacturing. By integrating circular fashion principles into our business model, we aim to support the sustainable development of consumers, industries and society.

We are practicing the concept of sustainable development through implementation of different circular fashion programs. For products that are recalled in bulk, we classify them

according to their damage and value. Products that can be repaired will be fixed and put on the shelf again; products that cannot be repaired but could still be used will be handled as employee benefit or staff sales or charitable donation. For unsold goods, we reduce the inventory through lean management and recycle or reuse unsold goods as much as possible to avoid waste or outright destruction. For sold products, we proactively offer

# INNOVATION FOR ROBUST PRODUCTS

programs for consumers to repair their purchased products and educate them on how to use their products more sustainably and make them last longer. These efforts are aimed at ensuring maximum recycling of our products.

During the financial year, we have established the “Management Measures for Utilization of the Obsolete Materials” to promote the reuse of shelves and other equipment from closed stores, achieving recycling paper, cardboard, glass, plastic, and metal waste

generated during store construction. This initiative has enabled the reuse of building materials and the revitalization of basic renovation waste. Specifically, materials such as floor tiles, cement residue, wood boards, and gypsum boards are repurposed to manufacture cement bricks. Wood boards are recycled to manufacture particle boards, while light steel keels and wires undergo secondary processing to produce metal raw materials. We have revised the “Policy on Scrap Management” to include a new process for the disposal

of sustainable materials and products, requiring recycling and handling according to material categories, hence to increase collection efficiency and save collection time. We actively engage in the recycling of packaging materials, sorting, and recycling materials suitable for reuse from scrapped items, such as shoeboxes, shoe wrapping paper, and cardboard boxes. During the financial year, we have successfully recycled 570,000 shoeboxes, 18 million sheets of shoe wrapping paper or packaging paper.

## FILA FUSION Developed Eco-friendly Props Using Recycled Boards and Displays them in Stores to Promote Environmental Conservation Ideals



FILA FUSION recycles discarded fabrics by shredding them and then using factory equipment to compress and cut them into board materials. These materials are then incorporated into the design of environment-friendly display props, including FUSION display boards, POP display frames, and display tables.





We are promoting environment-friendly products through in-store displays to raise awareness among consumers about sustainable products and the chemical composition of the products. This allows consumers to become more engaged in understanding the product impact assessment. Through official WeChat accounts and other channels, we inform the public about the water consumption and environmental impact from planting to production of cotton shirts, carbon emissions from synthetic fabrics, characteristics of different materials, and proper usage methods. This proactive approach aims to promote sustainable and environment-friendly fabrics and products, enhancing consumers' awareness of green environmental protection. In the meantime, ANTA and COC jointly launched the "Mountain and River Plan". This initiative aims to promote the concept of "Green Olympics" in anticipation of the forthcoming Olympic Games. Through strategic sponsorship of major sports events and athletes, our goal is to maximize the impact of these resources for a more significant outcome.

### Key Performance in 2023



The number of total products sold or shipped subject to recalls for safety and health reasons is **zero**.

## Strengthening Product Quality

We strictly abide by the "Product Quality Law of the People's Republic of China", the "Law of the People's Republic of China on the Protection of Consumer Rights and Interests", and other laws and regulations, continue to improve our internal quality and safety control management system, and thoroughly implement quality monitoring and safety and security measures. We continuously develop and adopt new technologies to improve product quality, and strive to ensure that all consumers enjoy the fun of sports with our high-quality sportswear.

## Product Quality and Safety

Product quality is the foundation of our business. We have established a quality control system covering the entire life cycle of products. We strictly implemented the "Chemicals Safety Technical Specifications", the "Manual on the Safety Control of Chemical

Products for ANTA Suppliers", the "Standards for the Appearance of Apparel Lining Materials", the "Quality Standards on Child Safety" and other standardized requirements. Our "Quality Management Manual" provides full-dimensional coverage of product quality management, including chemical specifications, recall management, product risk assessment, and other policies. In conjunction with the annual management system audit plan, we implement the review of new supplier access and regular supplier quality control system audits.

## Quality and Safety Certification and Training

We have established a comprehensive quality management system and conducted certification of our quality and safety system. During the financial year, following on-site audits conducted by third-party independent organizations, we obtained certifications for Quality Management System, Environmental Management System, and Occupational

# INNOVATION FOR ROBUST PRODUCTS

Health and safety management system certification encompasses the design, development, production, and sales management of our products.

We actively conduct quality-related training and learning programs:

- **Store staff training:** For employees in stores such as DESCENTE and KOLON SPORT, we conducted quality assurance training, which includes product quality standards, maintenance techniques, and other relevant content. Approximately 43,000 employees have participated in these sessions. We also provided product quality training for shoes, apparel, and accessories, covering aspects like product quality protection, with a cumulative training duration exceeding 10 hours and involving over 1,000 participants.
- **Supplier Training:** We offer supplier certification quality system training for material and finished product suppliers of shoes, apparel, and accessories. This training covers the application of quality tools such as ISO 9000, ISO 9001, ISO 9011 and experiences sharing.

## 2023 Quality Control System Internal Audit Training



During the financial year, we organized employees from various departments such as brand merchandise, operations, sales, and integrated departments to conduct training for internal auditors of the quality control system. Through learning professional courses on ISO 9000, ISO 9001, ISO 9011, and practical exercises, we aimed to further enhance the quality audit capabilities of employees. The total training duration accumulated to 24 hours.



## Product Recall Management

We track and manage the quality of the products sold and have a sound product-recall mechanism. We have established the “ANTA Recall Management Policy” to address quality problems or potential safety hazards associated with products, initiating a recall to prevent any losses to consumers. For products that do not comply with regulations, that have problems in the self-inspection process, or with recall rate exceeding

5%, we would issue a takedown notice within one working day after recall confirmation, and notify our distributors, DTC franchisees and self-owned operating stores to return all products for centralized processing. Employees are strictly prohibited from handling them individually. For products that are returned or recalled for quality reasons, we will take the products back for repair and give out compensation and include them in the major quality management assessment.

## Chemicals Safety Management

We attach great importance to the management of chemicals safety, and we strictly abide by the relevant laws and regulations on environmental protection. We established chemicals management policies which includes standards such as the “Chemicals Safety Technical Specifications” and the “Guidelines for Chemicals Safety Process Control”, where our suppliers should also follow. During the financial year, we developed and publicly disclosed the “ANTA Sports Chemicals Management Manual”. This document outlines detailed procedures and measures for chemical procurement, chemical identification, risk assessment, transparency, and traceability. It identifies all chemicals used and their purposes, defines the Restricted Substance List (RSL) and the Manufacturing Restricted Substance List (MRSL). Additionally, we have formulated a chemical elimination plan to gradually phase out chemicals recognized as posing greater environmental and health risks, thereby establishing a comprehensive chemical management strategy.

In addition, we have revised the “Apparel, Footwear, and Accessories Chemical Safety Technical Specifications”, referencing to international standards such as AFIRM, to ensure that the production process of all types of products is environmental-friendly and safe. We identified the types of chemicals that are considered by industry standards to be more harmful to the environment and health, formulated the list of requirements for material

testing items, such as phthalates, heavy metals, and carcinogenic substances, etc. and established the scope of testing on this basis. We updated the criteria, content, and descriptions related to certain chemicals in product testing methods. We also included requirements for regenerated cellulose fiber in the material category to further enhance chemical management capabilities. We conducted hazard classification of chemicals and developed a chemical risk management process through pre-assessment, identification, assessment, and control phases.

Our brands “footwear, apparel and accessories” quality departments determine the testing items according to these specifications and conduct sampling tests on the corresponding products or materials according to the relevant documents, compile statistics on the use of chemicals in the entire production process. We invited third-party independent organizations to conduct comprehensive chemical testing on apparel, footwear products, and materials according to domestic and international standards. During the financial year, a total of 346 batches of clothing products and materials were tested for chemicals, with a pass rate of 97.7%. Additionally, 812 batches of footwear products and materials were tested, with a pass rate of 95.0%.

### Chemical Identification and Elimination

We comply with and adhere to various regulations such as China’s mandatory standards and recommended

standards, the European REACH regulation and its SVHC list, OEKO-TEX® standard 100, the AFIRM RSL 2023 version, and EU eco-labeling for shoes and boots. We have established the RSL, which identifies chemicals used and their purposes. We list over 300 types of chemicals to be phased out, including 70 types of insecticides, 25 types of phthalates PVC plasticizer, 24 types of aromatic amine dyes, 18 types of carcinogenic dyes, 22 types of allergenic disperse dyes, six types of other banned dyes, 13 types of banned organochlorine carriers, 21 types of banned flame retardants, 19 types of chlorinated phenols, nine types of N-nitrosamines, 10 types of organotin compounds, 24 polycyclic aromatic hydrocarbons, 33 types of perfluorinated and polyfluorinated compounds, and seven other restricted substances.

We continuously assess chemicals in our supply chain with chemical elimination plans developed aiming to phase out all chemicals of concern. We seek more opportunities to choose safer alternatives. At the same time, we are advancing initiatives to reduce or eliminate the use of chemicals of concern, aiming to enhance material efficiency and transform material processes. We have innovated with new materials like single-piece mesh fabric, employing creative designs and processes to increase material efficiency, reduce waste, and minimize pollution. Furthermore, we are transitioning to water-saving dyeing techniques to reduce chemical usage and wastewater discharge.

# INNOVATION FOR ROBUST PRODUCTS

## Supplier Chemical Management

We have established standards for chemical usage among our suppliers, requiring all primary and secondary suppliers to sign a “Statement of Compliance for Chemical Safety Control of Suppliers”. This declaration commits them to providing products and raw materials that meet national mandatory standards, overseas relevant laws and regulations, and our RSL. They also agree to cooperate with our testing efforts, ensure the chemical management compliance at both self-owned factories and external production sites to safeguard consumer rights and environmental safety. We mandate that suppliers establish sound management processes, regularly update their chemical lists, and designate personnel for maintenance. When purchasing each chemical at production factories, accurate batch numbers must be recorded and matched with product types to ensure traceability of chemical sources. During the financial year, 220 suppliers signed the “Statement of Compliance for Chemical Safety Control of Suppliers”.

Additionally, we actively conduct training for our suppliers on chemical-related matters to enhance safety awareness. During the financial year, we provided chemical safety control training for footwear, apparel and accessories

suppliers, covering the requirements of the “Apparel, Footwear, and Accessories Chemical Safety Technical Specifications”. The cumulative training duration was eight hours.

## Raising Awareness about Chemicals

We raise awareness about chemicals through various channels such as official websites and WeChat official accounts to educate consumers and enhance product understanding. Our publicly available “ANTA Sports Chemicals Management Manual” provides detailed information on the use of chemicals in our products, their potential hazards, and restricted scenarios. Additionally, we explain chemical safety knowledge on our WeChat official account to explain the functions, usage scenarios, and potential hazards of chemicals to consumers, thereby increasing consumer awareness of product chemical composition. We provide detailed explanations about the elimination of alkylphenol ethoxylates and alkylphenols in our chemical elimination plan. These substances, commonly used in the textile industry, possess reproductive toxicity, irritability, and poor biodegradability. They may pose chemical safety hazards when residues remain on washed fabrics after oil removal. Therefore, we opt for more environment-friendly and healthier alternatives to ensure consumers’ safety and well-being.

## Digital Transformation and Upgrading

Digitalization stands as a cornerstone in our strategies. Since 2020, we have invested on DTC model and formulated its development plan over the next decade. Our digital goals focus on achieving cost efficiency, driving business growth, and unlocking synergies across multiple brands. With continued augmentation of our digital investments, we have propelled our digital transformation into the 2.0 phase during the financial year. Centered around consumer-centricity, our digital framework emphasizes to enhance operational efficiency, thereby facilitating high-quality growth.

We have carried out intelligent upgrades for many self-owned factories, during the financial year, ANTA (China) Co., Ltd.’s factory collect, set and monitor early warnings for the data of production equipment, increase the functions of abnormal reporting and maintenance protection, and realise precision management. Shangqiu Anta Shoes Co., Ltd.’s factory upgraded the automatic production line for granulation of shoe materials and the combined washing line to effectively improve production efficiency. Changting ANTA Sports Products Co., Ltd.’s factory focuses on building an integrated intelligent filling workshop, achieving 50% reduction of floating fluff. Xiamen ANTA Industrial Co., Ltd.’s factory carried out digital transformation

and upgrade. We have established multiple industry-first intelligent systems, including digital hubs and logistics systems, to optimize manufacturing processes and accelerate production pace.

## Improving Customer Service

Being “Consumer Oriented” is our founding mission. We strictly abide by the “Law of the People’s Republic of China on the Protection of Consumer Rights and Interests”, take consumer demands seriously, and protect the legitimate rights and interests of our customers. Through continuous improvement of our customer service system, efficient customer communication, and timely response and feedback to consumer demands, we have provided a high-quality service experience to consumers to improve our customer satisfaction rate.

### Customer Service System

We have established a customer service system and set up a “Customer Service Management Policy”, providing personalized customer service targeting different brands. FILA has established a comprehensive charter for membership management, and a customer service system, which stipulates the time limit and content of after-sales services for product return and exchange, repair, and replacement, and determines the standards for handling customer complaints on products and authorization for special matters. With the development of e-commerce,

### Key Performance in 2023



During the financial year, the e-commerce business of all brands contributed **32.8%** (2022: **34.3%**) of the overall revenue of the Group and increased by **11.0%** as compared with 2022 in terms of absolute amount.

we simultaneously establish a service system for online customers, relying on the customer service and membership management departments to provide efficient services to both online and offline customers.

### Distributor Management

We have many brands and a large sales network, and distribution management is an important part of stable business operations. We attach high importance to communication and management with our distributors in an effort to ensure the efficiency of the distribution network, maintain a consistent sales image, and make sure that our consumers could always receive high-quality services.

The main criteria for distributor admission and regular assessment include:

- Sales experience
- Ability to meet sales targets
- Sufficient working capital to operate an authorized store
- Ability to find suitable store locations and space

- Track record of payment and credit term
- Ability to comply with our operational policies and etc.

After fulfilling the above basic requirements, we will review the actual situation of distributors and thoroughly explain to them our requirements of operation capability, environmental policy, employment relationship and social responsibility, to prevent the risks caused by improper management of distributors. In order to provide our distributors with the basic rules to abide by and standardize the supervision of their performance, we have established the “Standard Operating Procedures”, “Terminal Activities Management Regulations” and other quality management standard operating terms and policy requirements. We require distributors to align with our expectations in terms of retail policies, inventory management, store layout, promotion, customer service and after-sales service standards. These standards are regularly reviewed and updated regularly based on actual circumstances. At the same time, we have established an incentive and rebate mechanism for distributors. When distributors meet the conditions of sales targets and receivables, we provide them with rebates in different ways to encourage their sustainable development. In addition, we provide digital training and seminars to our distributors and their store staff to enhance their understanding and application of digital transformation and tools to ensure a high level of customer service quality. We hold trade fairs to

# INNOVATION FOR ROBUST PRODUCTS

introduce technology products to be launched in the future and knowledge related to the products to our distributors and franchisees, and we also hold customer service quality management communication sessions with distributors from across the country to adjust marketing strategies and improve business directions, and deliver high-quality distributor products and services to our customers.

## Customer Satisfaction

We attach high importance to the demand of every customer. We have formulated a customer management system and streamlined the process for handling customer complaints accordingly. Customers can make complaints through various channels, such as our hotline, email, social media, and stores. We have a whole set of procedures for collecting, classifying, answering, replying, and tracking complaints consistent with the internal policies of different brands. After receiving a complaint, the Customer Service Department will work on it within one working day, and quality-related complaints will be answered within one to three working days.

We have the relevant standards for customer reception and after-sales services. To further improve the quality of our customer services, we have included the handling of customer complaint into the performance appraisal of the relevant

staff and conducted assessment of customer services on the retail end. Inspectors sent by the headquarters pay undercover visits to retail stores regularly and analyze the collected data on customer complaints. In the meantime, we continuously conduct training on the competence and service awareness of service personnel, and actively work with various business department to deliver timely after-sales services and make sure that the legitimate needs and expectation of consumers are fulfilled. We regularly review to ensure the effectiveness of customer service management systems and identify areas for improvement.

FILA conducts weekly and monthly monitoring of product quality, and issues opinion reports to make improvement on products with more complaints. FILA gradually improved its services according to consumer demands, and launched the functions of shipping insurance, door-to-door pickup and store pickup in the private domain mini-program to continuously improve product quality and services.

We continuously optimize our products and improve our customer service system to raise customer satisfaction. We also identify customer needs through



customer satisfaction surveys. FILA officially launched its brand consumer experience monitoring project during the financial year, reaching consumers upon order placement. After completing shopping or post-sale interactions, consumers will receive survey questionnaires via text messages to collect feedback on their experience throughout the shopping process. This includes monitoring consumer experiences, product usage feedback, member benefits and activity surveys, and brand awareness research.



## Key Performance in 2023



- During the financial year, more than **160,000** customers participated in the FILA Net Promoter Score (NPS) survey, with an NPS of over **70%**.

## Marketing and Brand Management

We have formulated policies related to marketing and promotion, strengthening the review of promotional materials to ensure effective and compliant management of marketing activities. We continue to monitor consumer perceptions of the brand, creating a positive and responsible brand image.

### Responsible Marketing

We abide by the “Advertising Law of the People’s Republic of China”, the “Anti-Unfair Competition Law of the People’s Republic of China”, the “Electronic Commerce Law of the People’s Republic of China”, and other laws and regulations. We strictly control the information released through our promotion channels, such as television, print media, web portals,

and live-streaming media to ensure the accuracy, legality and authenticity of our publicity information. During the financial year, we have established the “ANTA Group Sustainable Advertising Review Management Policy” and “ANTA Group Sustainable Advertising Compliance Guidelines” which outlines policy and our commitment to sustainable advertising and responsible marketing. We are keen to ensure that marketing narrative is clear, respectful of consumer rights. We oppose unfair competition abstain from disinforming customers on competitors’ work/product, and reject exaggerated claims about the social and environmental impacts. Additionally, we give extra care and protection to children and other disadvantaged groups in the marketing process and strive to practice responsible marketing, aiming to prevent any negative social impacts or legal risks to the brand due to inappropriate messaging and practices.

# INNOVATION FOR ROBUST PRODUCTS

We attach great importance to responsible marketing and protecting the legitimate rights and interests of consumers. In accordance with the relevant laws and regulations, all business departments are required to strictly review advertising slogans to be used in product selling process to make sure that consumers do not make any incorrect or inappropriate associations or interpretation of advertising slogans, product packaging, product names, product descriptions, etc., and we strictly monitor brand promotion activities. We regularly launch promotion campaigns and training sessions on responsible marketing targeting the relevant business departments, including all sales staff, to make sure that their marketing behavior conforms to the principles of responsible marketing.

## Brand Management

We attach great importance to the impact of sustainable development issues on our brand, conducting research to understand consumers' awareness of sustainability issues and analyzing their impact on brand and business performance. During the financial year, we expanded the FILA consumer experience monitoring project to include surveys on sustainability awareness. We added questions of sustainability topics related to sustainable products,

environmental activities, clean energy, carbon footprint tracking, and green consumption to understand the correlation between brand ESG behavior and consumer purchasing decisions and collected consumer perceptions of the brand and ESG practices. During the financial year, we received a total of 1,052 valid questionnaires. In our brand perception result analysis, consumers are willing to purchase environment-friendly products and understand the carbon reduction contributions of such products. This provides positive signal to the market growth of low-carbon environmentally Moving forward, we plan to further segment consumer categories and conduct comprehensive brand awareness surveys targeting specific groups to help build a responsible brand image.

## Customer Data Protection

We attach great importance to customer privacy, strictly abide by the "Cybersecurity Law of the People's Republic of China", the "Data Security Law of the People's Republic of China", the "Personal Information Protection Law of the People's Republic of China", and other laws and regulations and all products and services provided by our official brand stores and other stores are required to follow the "Personal Information

Protection Management Policy" and publicly present the policy to consumers. Highlights of the privacy policy are as follows:

- Channels of information use: sales of products, consumer marketing and services;
- Means of information protection: access control, encryption, sensitive information protection, etc.;
- Information usage: internal use, handling by commissioned service providers, sharing according to law or contract. In cases where personal information is shared and disclosed with third parties, we provide narrative in advance and obtain the consumer's consent and handle the personal information in accordance with strict confidentiality requirements and security measures;
- Information retention duration: depending on the necessity of information use, as short as possible; upon cancellation of an account, the provision of products and services will be discontinued, and personal information will be deleted from corporate files as required by applicable law;
- Consumer decision-making authority: customers can decide by themselves whether to provide non-essential information. Customers are



enabled with rights including opt-out option, opt-in consent, request access to data held by the company, request their data be transferred to other service providers. and reserve the right to request the correction or deletion of personal information.

We are also committed to implementing leading data protection standards and have employed security measures compliant with industry standards to protect personal information. These include measures to prevent unauthorized access or loss of data through key aspects such as acquisition, transmission, use, and storage, focusing on protecting the core data security of consumers.

- Acquisition: obtaining data based on the principle of minimal necessity to meet business needs, requiring submission of data sharing requests for approval;
- Transmission: utilizing encryption measures uniformly for the protection of sensitive data during transmission;
- Use: implementing access controls to grant permissions for data access as needed; and
- Storage: employing encryption or anonymization processes as needed for sensitive data storage.

## Key Performance in 2023



During the financial year, we did not receive any complaints related to customer privacy, nor were there any lawsuits regarding personal information security.

During the financial year, the number of customers and consumers affected by data breaches or other violations related to information security were zero.



# DIVERSITY AND INCLUSION FOR PEOPLE-CENTERED DEVELOPMENT



## SDGs ADDRESSED IN THIS CHAPTER



## ESG MATERIAL ISSUES ADDRESSED IN THIS CHAPTER

**HUMAN RIGHTS AND LABOR RIGHTS**  
**STAFF DEVELOPMENT AND TRAINING**  
**STAFF WELFARE**  
**HEALTH AND SAFETY**  
**DIVERSITY AND INCLUSION**

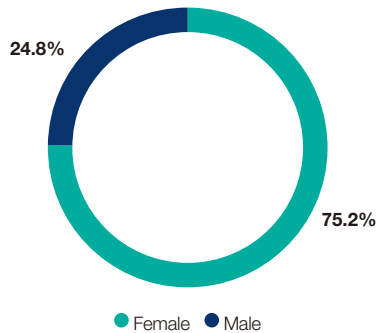
**Employees are the most valuable resources and assets for the sustainable development of the Group. We ensure the fundamental rights and interests of our employees, consistently adhere to the principles of fairness and justice, and continually create a diverse, inclusive, healthy, safe and open work environment. We consider employee development as the foundation for building a platform for career advancement, enhancing their sense of identity and belonging, and fostering mutual growth and development between employees and the Group.**

## Employment Management

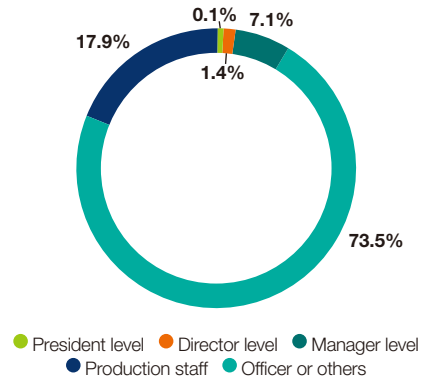
### Employment Compliance

We strictly abide by the “Labor Law of the People’s Republic of China”, the “Labor Contract Law of the People’s Republic of China”, the “Provisions on the Prohibition of Using Child Labor”, and other laws and regulations on labor and employment. Adhering to the principles of the UNGC, we have developed internal management policies, such as the “Employee Handbook of ANTA Group”, the “New Employee Onboarding Management System”, the “Social Recruitment Management System”, the “Campus Recruitment Management Regulations of ANTA Group”, and the “Internal Recruitment Recommendation Management Policy”, to standardize recruitment management processes such as job opening, interview screening, and offer approval. We utilize a digitized recruitment system to achieve functions such as multi-channel integration and information tracking, thereby enhancing recruitment efficiency.

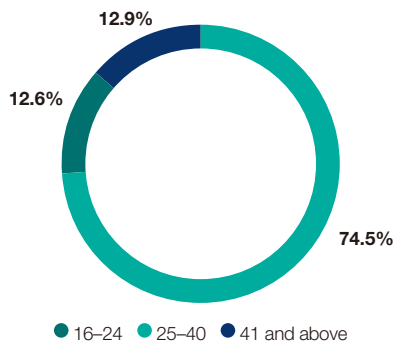
**Percentage of Employees by Gender in 2023**



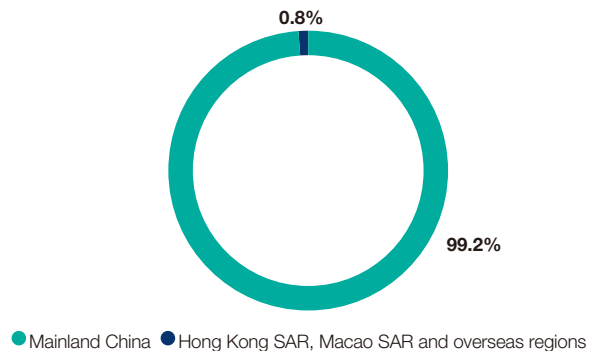
**Percentage of Employees by Rank in 2023**



**Percentage of Employees by Age Group in 2023**



**Percentage of Employees by Geographical Region in 2023**



We prioritize the management of employment compliance, in an effort to protect employees' labor rights as well as other fundamental rights and interests, resulting in fair and compliant employment, as well as sound and stable employment relationship with our employees.

### Key Performances in 2023



- During the financial year, we did not have any major violations of labor and employment laws and regulations.
- As of 31 December 2023, we had **60,500**<sup>1</sup> employees, with male and female employees accounting for **24.8%** and **75.2%**, respectively of the total, and female executives (director level and above) accounted for **36.6%**<sup>2</sup> of total executives, as well as female in management positions in revenue-generating functions accounted for **39%**<sup>3</sup>.

<sup>1</sup> Excluding temporary workers, interns, and trainees hired by businesses directly operated and managed by us.

<sup>2</sup> The number of female executives (director level and above)/the number of executives (director level and above) x 100%.

<sup>3</sup> The revenue-generating functions exclude administrative support functions such as human resources department, information management department, and legal department, etc.

# DIVERSITY AND INCLUSION FOR PEOPLE-CENTERED DEVELOPMENT

## Talent Acquisition

An extensive pool of talents is the driving force of our development. We adhere to the principles of fairness and justice in our recruitment process, ensuring that no constraints or discriminations are placed on candidates based on their gender, disability status, ethnic background, nationality, and other factors. We

guarantee equal opportunities for all individuals. We continuously improve the recruitment management system, standardize the recruitment processes, and make annual recruitment plans for university graduates and key positions based on our business needs. We aim to attract industry elites and talents through multiple channels, such as campus recruitment, social recruitment, executive search firms, and employee referrals.

### Key Performance in 2023



- We recruited and hired **33,500** employees<sup>4</sup> from **13** countries and regions, among the new hires about **2,900** individuals representing more than **40** ethnic minorities in Mainland China.

## Enhance the Development of the Youth and Create Opportunities for Emerging Young Talents



Aligned with the national “Employment Stabilization Policy”, we are dedicated to creating development opportunities for young talents. We have established postdoctoral research workstations in collaboration with higher education institutions and research organizations in Mainland China, collaboratively recruiting and cultivating high-end postdoctoral research talents in fields such as sports science, new materials, new technologies, and new craftsmanship. Our global R&D network spans 18 countries and regions, engaging with over **60** universities and research institutions. We have established **six** R&D centers globally in Mainland China, the United States, Japan, South Korea, Italy and Netherlands. Moreover, we have formed strategic partnerships with multiple universities, including Tsinghua University and Donghua University, providing an board stage for professional talents. As of 31 December 2023, we had successfully recruited **864** fresh graduates.

In welcoming new recruits, we facilitate their integration through a series of training and development programs, aimed at assisting them for quick adaptation and enhancing their sense of identification and belonging.

We utilize human resource analysis to identify the talents needed, conduct personality assessments for candidates to recognize their traits and skill strengths and weaknesses. This approach enables efficient and precise talent recruitment. Additionally, through internal job postings, we promote reasonable internal mobility, retention and succession for our personnel. In addition, based on our business needs, department planning, and supply and demand in the talent market, we prioritize localized recruitment and actively create employment opportunities for local communities.

<sup>4</sup> The total number of newly employee hired in 2020 was 29,900, in 2021 was 37,700, and in 2022 was 40,700.



ANTA SPORTS PRODUCTS LIMITED

# LABOR POLICY

安踏體育用品有限公司  
勞工政策



## Labor Rights Protection

### Safeguarding Human Rights

As a participant member of the UNGC, we actively fulfill responsibilities in areas such as human rights and labor standards. During the financial year, we formally published the “Labor Policy”. The “Labor Policy” respects and acknowledges the “Universal Declaration of Human Rights” of United Nations, “International Bill of Human Rights”, core conventions of the UNGC and of the International Labour Organization. It applies to all employees<sup>5</sup> within the Group and includes 11 items of employee conduct and ethical guidelines, such as prohibition of child labor and forced labor, human rights protection for vulnerable groups, zero tolerance for human trafficking, respect for the right to freedom of association and collective bargaining, diversity

and anti-discrimination, anti-harassment, and reasonable working hours. We adhere to high standards in practicing human rights protection. We require our third-party business partners to adopt the same approach to protect employee rights and distribute human rights-related requirements to internal employees and third parties such as suppliers. We take appropriate actions upon learning of any violations. We are committed to requiring self-owned operation, supply chain and other partners to conduct regular human rights risk assessment, with the “Labor Policy” and the “Supplier Sustainability Management Handbook” standards as reference to identify the potential risks impacting business operation and supplier management processes.

For further details regarding this policy, please refer to the full text of the policy, which has been posted on the sustainable development website at (<https://ir.anta.com/esg/pdf/EW02020ann.pdf>).

### Prohibition of Child Labor and Forced Labor

We prohibit child labor or any form of forced labor in any of our operations. Our “New Employee Onboarding Management System” stipulates that all employees must undergo an onboarding check upon joining, verifying their employment age. We introduce an identity card verification system combined with manual verification at the time of recruitment and entry. In the event that child labor is recruited by mistake, we will immediately stop the work of the employee involved, conduct a health check, and report the case to relevant authorities for further investigation. Once the child labor is confirmed, we will pay the full amount of their salary and send them safely to their family or guardian. We see child labor and forced labor as zero-tolerance items in our suppliers’ initial screening and review process. In case of any violation, we will immediately terminate the cooperation process.

<sup>5</sup> Including regular employees, temporary employees, trainees, interns, and other categories of personnel.

# DIVERSITY AND INCLUSION FOR PEOPLE-CENTERED DEVELOPMENT

## Collective Agreements and Freedom of Association

We are committed to protecting the rights of all employees to collective agreements and freedom of association, and properly managing labor relations. According to the “Trade Union Law of the People’s Republic of China”, we have established trade unions and all employees at various levels can join the trade union or other types of organizations in accordance with legal provisions. This allows for collective agreements and facilitates open, equal, and constructive dialogue with the Group. As of 31 December 2023, we had over 4,000 employees joining the trade union or workers’ congresses within the Group.

## Whistleblowing and Protection

When employees encounter any human rights violations, including discrimination, harassment, corruption and bribery, etc., all employees at every level, as well as individuals or entities (such as customers and suppliers), can use independent reporting channels such as emails, WeChat, hotlines, and mailing boxes to report inappropriate behavior to the internal audit department. The reporting channels are publicly disclosed in the “Whistleblowing Policy”. We are committed to making the utmost effort, within legal limits, to maintain confidentiality for whistleblowers. Anyone who reports sincerely, truthfully, and appropriately under this policy will

be treated fairly. Any form of retaliation is strictly prohibited, and reasonable measures will be taken to protect whistleblowers from retaliation.

Our grievance procedure, based on the whistleblower’s human capital concerns, involves collaborating with relevant departments to formulate timely action plans. We handle issues case by case and level by level, implement necessary corrective measures, and oversee the implementation of mitigation and remediation measures. For concerns or needs related to human resources matters such as human rights protection, discrimination and harassment, labor conditions, compensation and welfare, occupational safety, and personal development, relevant individuals can provide feedback to us through the appropriate communication or reporting channels. The incident handling process will be upgraded according to the nature of incident and the level of impact, hence to improve the efficiency of reporting assessment via the categorical management mechanism. We will assess the details and facts of the issues, formulate response plans for different human rights issues, and implement improvement, corrective and disciplinary actions to maximize the protection of the legitimate rights and interests of employees and other relevant parties, and to ensure workplace equality and harmony.

## Key Performance in 2023



During the financial year, we had no illegal employment incidents, nor child labor or forced labor, and received no complaints or individual grievance cases about human rights issues.

## Diversity in the Workplace

We attach great importance to the diversity of our employees, and advocate a corporate culture of respect, inclusiveness, diversity, and openness. As the “Employee Handbook of ANTA Group” explains, there must be no discriminatory treatment in recruitment, salary, promotion, or development of employees based on gender, age, nationality, religious belief, complexion, race, ethnic background, sexual orientation, political affiliation, family background and health or other social identity. We are committed to not participating in, and not tolerating, human trafficking activities.

We have zero tolerance for discriminatory behavior and do not tolerate any form of discrimination and harassment based on factors such as gender, race, etc. We explicitly state in policies including the “Labor Policy”, the “ANTA Retail Terminal Handbook”, and the “ANTA Retail Branch Office Handbook” that the Group prohibits any form of sexual

harassment<sup>6</sup>. Additionally, in the “Rewards and Discipline Policy”, there are mechanisms for corrective and disciplinary actions of discrimination and harassment. These efforts protect employees against discrimination and harassment, including physical, verbal, sexual or psychological harassment, abuse, or threats.

### Key Performance in 2023



During the financial year, we received no complaints or grievance cases about discrimination or harassment in our workplace.

### Diversity in the Management

During the financial year, we established a Chief Diversity Officer (CDO), who is also the Chief Human Resources Officer, to manage diversity-related matters of the Group, develop and regularly evaluate the Diversity, Equality and Inclusion (DEI) program, identify potential risks in the DEI area, set up diversity performance indicators and a tracking mechanism. The CDO is responsible for monitoring, investigating and correcting DEI

issues such as discrimination and harassment in the course of employees’ career development, and reviewing compliance with DEI issues on a regular basis. The Sustainability Committee exercises overall supervision over ESG issues including DEI.

Through various systems including the “Employee Handbook of ANTA Group”, the “Labor Policy”, and the “Board Diversity Policy”, we continuously promote diversity development. We adhere to relevant international standards including the “Convention on the Elimination of All Forms of Discrimination Against Women” and the “Convention on the Rights of the Child”, providing additional human rights protection for vulnerable individuals or groups such as women and children.

We continually provide welfare services for female employees, including gynecological examinations, maternal rooms, maternal and infant health services, and periodic health seminars. In employee dormitories, we equip rooms specifically for pregnant women and visiting relatives to facilitate rest and family reunions for expectant mothers. We respect different lifestyles among employees, providing convenient conditions that meet their

beliefs and habits, such as ensuring statutory holidays for ethnic minorities and providing subsidies for working in high-altitude areas. For overseas employees working in Mainland China, we assist them and their families in obtaining necessary documents such as visas, work permits, and residence permits. Additionally, we offer exclusive benefits for foreign employees, and subsidy for travel expenses when returning home for a visit, providing robust support for the stable work of foreign employees.

### Key Performance in 2023



- As of 31 December 2023, the number of female executives (director level and above) was **331**, constituting **36.6%** of the total. The number of female employees in mid-level management<sup>7</sup> was **2,302**, representing **53.5%**<sup>8</sup> of the total.
- The top three ethnic groups among all employees are **Han Chinese, Manchu, Hui Chinese**, with respectively employee percentage at **93%, 1%, 1%**.

<sup>6</sup> Sexual harassment refers to any unwelcome sexual advances, sexually suggestive physical contact, and other behaviors with sexual connotations that infringe upon the dignity and integrity of another person.

<sup>7</sup> Female employees in mid-level management refers to female employees at managerial level.

<sup>8</sup> The number of female employees in managerial level/the number of total employees in managerial level x 100%.

# DIVERSITY AND INCLUSION FOR PEOPLE-CENTERED DEVELOPMENT

## Diversity in the Teams

We firmly believe in the benefits of diversity for the performance and broadened perspectives of our employee teams. We actively recruit employees from different genders, ethnicities, regions, and cultural backgrounds, consistently working to increase the proportion of women in leadership roles. Our “Board Diversity Policy” dictates the consideration of candidates based on various diversity factors, such as gender, age, cultural and educational background, ethnicity, and professional experience, aiming to enhance the diversity of the board continually. Our diversity strategic target is to achieve a share of over 40% of female executives (director level and above) by the year 2030.

## Communication with Employees

We value the opinions of our employees, actively listen to their voices, and provide an open feedback channel for them. We encourage employees to actively make suggestions and report complaints either in real names or anonymously. Employees can contact the relevant departments through online and offline channels, such as the suggestion box, cloud platform, mailbox, hotline, and the official WeChat account of “ANTA Integrity”. After receiving feedback or complaints from employees, the



department concerned will send emails to the business unit for investigation and follow-up, aiming to effectively respond to and help employees solve their problems.

In addition to the regular feedback channels, we have also established special communication platforms such as interview with senior executive, and innovative suggestion platform on the corporate culture website to better listen to the voices of young employees.

During the financial year, we promoted various forms of communication across business units, enhancing interaction between employees and top

management through channels such as the President’s mailbox, Director’s tea time, and CHO dialogues. We introduced platforms like “Speak Up” and an innovative proposal system to encourage employees to contribute ideas. Additionally, we organized diverse and engaging workshops, along with club activities, to bring employees closer together, fostering a diverse, efficient, and comprehensive communication environment.

## Employee Engagement and Satisfaction Survey

We commission a third party to conduct employee engagement and satisfaction survey annually using the Kincentric model to understand



employees' opinions and satisfaction in various aspects, such as remuneration and benefits, promotion and development, and management system. Detailed employee assessment metrics include the internal motivation, stress level, happiness and overall job satisfaction and so on. We track the engagement performance over each year, initiating employee interviews across various departments based on the engagement outcomes. We release a detailed analysis of the engagement chart, aligning it with our strategic goals. We propose optimization plans based on the survey results and coordinate the implementation by each department, in order to protect employees' rights and interests, and continuously improve employees' satisfaction and sense of belonging.

Based on the 2022 Employee Engagement Survey results, we have implemented various initiatives across our brand business units to enhance employee well-being, strengthen performance management, and foster employee development. In terms of well-being, we initiated activities like "Boost Your Confidence Day" to enhance employee self-esteem. We introduced support for stress management workshops, promoting a relaxed and enjoyable work culture. Additionally, we organized various events such as birthday parties, sports

competitions, movie nights, and more. Regarding performance, we intensified communication between executives and employees, emphasizing the completion rate of performance interviews. We intensified the advocacy of performance goals through additional goal-oriented sessions and positive case studies.

To gain a deeper understanding of the Group's diversity and inclusion initiatives, we introduced new questions related to DEI in the 2023 Employee Engagement Survey. The aim was to gather insights from employees regarding our performance in respecting individual differences, thinking styles, work preferences, and personal perspectives.

#### Key Performance in 2023



- During the financial year, we commissioned a third-party organization to conduct an employee engagement and satisfaction survey. Over **10,000** employees participated in the questionnaire, and the overall score was **77%**.

## Employee Remuneration and Benefits

### Employee Remuneration Policy

We are committed to providing fair, reasonable, and market-competitive remuneration and benefits, following the principle of job-based pay. We uphold the principle of gender pay equality, giving full play to the motivating effect of the remuneration and performance appraisal system on talents, and continuously attracting and retaining high-caliber talents both within and outside the Group. In adherence to relevant national laws, regulations, and local guidelines, we have established the "Remuneration Policy" applicable to all employees, and are committed to offering compensation above the national minimum wage, based on the basic salary. This includes fixed wages, subsidies, benefits, and variable performance bonuses. We target to provide living wage for all employees. We annually assess the level of compliance and appropriately adjust the salary and benefits we provide to our employees in accordance with the salary level in the market, employee performance and our business performance.

# DIVERSITY AND INCLUSION FOR PEOPLE-CENTERED DEVELOPMENT

We continuously implement our scientific and effective performance evaluation model. Based on the characteristics of each position and our business development, we have formulated the “Management Policy for Individual Performance”, the “Management Policy for E-commerce Platform Staff”, the “Management Policy of Group for Individual Performance at Regional Retail Offices”, the “Management Policy of Group for Individual Performance Production Staff Below the Manager Level”, and the “Directors and Senior Management Remuneration Policy”, which cover 100% of employees at all positions and are customized for specific job roles. We implement monthly and semi-annual performance evaluation mechanisms, and they integrate the requirements of the code of conduct as the basis, and all employees’ performance-based incentive pay are linked to the results of their career development evaluation results. The dimensions include the

fulfillment of the key performance indicators for sustainable development, such as the management of diversity, management of the environment and climate change, management of occupational health and safety, and compliance with the code of conduct. The salary and variable compensation (e.g. bonus) for executive directors and senior management are determined based on their daily operational management responsibilities, workload, and the responsibilities they undertake. Factors considered include their sustainable performance, whether individual or within the departments and business units they manage, and their contributions to the sustainable development of the Group, particularly in areas related to sustainability.

We adopt multiple employee stock plans to share the achievements and rewards with eligible employees. In accordance with the “Directors and Senior Management Remuneration Policy”, we approve equity-based

remuneration on the individual performance and business objectives of executive directors and senior management. This involves granting share options and share awards in accordance with share option schemes and share award schemes as appropriate.

## Employee Welfare Management

In accordance with national and regional laws and regulations, we have formulated the “Welfare Management Policy”. Our welfare system includes various non-monetary benefits that covers all employees. We annually adjust and optimize the welfare system based on feedback from employee satisfaction and engagement surveys. We care for employees in need and their families, and actively provide a wide variety of activities to enrich employees’ life in their spare time, and create a corporate atmosphere of shared values and responsibilities.



<b>Statutory benefits</b>	<ul style="list-style-type: none"> <li>• Leave entitlement: statutory holidays, rest days, sick leave, work related injury leave, personal leave, marriage leave, bereavement leave, annual leave, leave in lieu</li> <li>• Social insurance: basic endowment insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and housing provident fund</li> </ul>
<b>Health protection</b>	<ul style="list-style-type: none"> <li>• Medical protection: medical care plan including body check, special health check for workers on special jobs, and supplemental medical insurance</li> <li>• Psychological counseling: psychological counseling hotline, psychological counseling appointment</li> <li>• Health knowledge promotion: bulletin boards, brochures, health knowledge contest, etc.</li> <li>• Workplace facilities: gymnasium</li> </ul>
<b>Maternal and childcare</b>	<ul style="list-style-type: none"> <li>• Medical protection: additional breast ultrasound, digestive and two cancer examinations, urinary ultrasound, etc. for female employees</li> <li>• Leave entitlement: female employees are entitled to paid maternity leave and breastfeeding leave<sup>9</sup>, while male employees are entitled to paid paternity leave</li> <li>• Workplace facilities: the maternal room is equipped with a baby care table, crib, refrigerator and sterilizer; the staff dormitory is equipped with rooms for pregnant women and rooms for visiting relatives</li> <li>• Health knowledge promotion: female health seminars</li> </ul>
<b>Employee support</b>	<ul style="list-style-type: none"> <li>• Charity subsidy: the “Hemin Health Assistance” program helps employees whose families face special financial difficulties due to major diseases or disasters beyond control</li> <li>• Academic support: the “Hemin Student Sponsorship” program provides support for employees whose children have been admitted to colleges and universities but facing financial difficulties at home</li> <li>• Care for employees with disability: we have set up certain special positions for people with disability, and arranged work stations according to employees’ physical conditions. For example, employees with hearing and auditory disabilities work in the same area, and employees with mobility difficulties are assigned in convenient positions on the first floor</li> </ul>
<b>Housing support</b>	<ul style="list-style-type: none"> <li>• Supplementary housing: employees can apply for welfare housing and staff dormitories, and married employees can apply for family suites</li> <li>• Housing subsidies: the “Sweet Home Plan” provides mortgage assistance and assistance in housing subsidy application for employees</li> </ul>
<b>Other benefits</b>	<ul style="list-style-type: none"> <li>• Holiday benefits: employee holiday benefits; special events on the Spring Festival, Women’s Day, Mid-Autumn Festival, and other holidays</li> <li>• Additional subsidies: seniority subsidy, meal subsidy, kilometer subsidy, mobile phone bill subsidies</li> <li>• Other benefits: employee cafeteria, free shuttle bus service, company branded clothing vouchers, various club activities, flexible working hours, working-from-home arrangements, internal part-time working opportunities, and education and training reimbursements</li> </ul>

<sup>9</sup> Breastfeeding Leave: Female employees with infants under the age of one are entitled to two nursing breaks during normal working hours, with each break lasting 30 minutes for each baby, and the two breaks on each working day can be combined. Maternity leave and paternity leave are implemented in accordance with local legal regulations.

# DIVERSITY AND INCLUSION FOR PEOPLE-CENTERED DEVELOPMENT

## Employee Development and Training

### Training System

To ensure the long-term development of the Group, we have invested substantial resources to build an employee training program and continue to build a talent pool that can adapt to our business development needs. We have formulated the “Training Operation Management Policy”, the “ANTA Star and Olympic Star Training Development and Salary Management Policy”, the “Lecturer and Textbook Management Policy”, and other training policies, to clarify the training operation process and lecturers’ responsibilities. Based on the characteristics of the positions and business needs, we have developed a comprehensive talent development system covering five categories of talents, including “Business Talents, Management Talents, Professional Talents, Tiered Talents, and Youth Talents”. This system encompasses various types of training programs such as specialized skills training, tiered development training, improvement in degree, professional qualification, and leadership development. In line with the trend of sustainable development, we have also set up the ESG section on the homepage of the online learning platform of ANTA Academy to broaden the knowledge spectrum of our employees.

#### Key Performance in 2023

(Excluding Quanzhou Athletic Shoes & Garments Co., Ltd)



- ANTA Academy collaborated with various departments to implement more than **240** talent development programs, with the number of employees participating in training reaching **57,604** and the coverage rate exceeding **95%**.
- Among all employees, male employees who took part in training accounted for **23.7%**. The corresponding training participation rate of female employees was **76.3%** of total employees.
- Average hours of training per employee exceeded **29** hours per year.
- The amount spent on training exceeded RMB**34** million.
- Average amount spent per employee on training exceeded RMB**580** per year.

Name of school-enterprise cooperation training program	Program description in 2023
“Tsinghua Academy of Arts & Design Master’s Forum”	With a focus on the theme of “Design Leading Innovation”, the program is open to positions related to design and strategy planning, aiming to provide employees with cutting-edge art insights, and help the Group further improve its business expertise and product awareness under the “breakthrough in the professional” strategy.
“Donghua University x ANTA Micro Forum on Material Science Innovation”	The program aims at positions in materials, processes, technology, quality, products, and design, and the goal is to cultivate comprehensive innovation management capabilities. At the business level, the focus is on the innovation and R&D of sportswear and footwear products. We have cumulatively run courses, such as “Smart Wearable Products and Cutting-edge Technology”, “New Functional Fiber Materials”, and “Textile Smart Manufacturing Technology and Applications”.

To enhance the quality of training, we actively collect feedback from employees on training programs through feedback channels such as satisfaction surveys, pre-training questionnaires and training and learning feedback forms, and make timely adjustment to the training content. Every six months, we conduct a talent inventory check, exporting feedback and performance for all employees. The training team analyzes this human capital data, identifies areas of risks, weakness and individuals for improvement, provides targeted empowerment, and compares the results of the last talent inventory cycle for assessment.

### Specialized Skills Training

By sorting out the workflow of key positions, required professional competencies and characteristics of the positions, we continue to conduct specialized skills training in the areas of brand strength, supply chain capability, retail strength and product strength. This training covers 15 positions, including design, planning, product operations, live streaming operations, e-commerce product operations, pattern-making, and material positions. The training topics encompass digital shopping guidance, material planning, integrated marketing, product strategy formulation, and etc. We also assist various business units in conducting specialized skills training in areas such as human resources, information technology, logistics warehousing and logistics transportation, with a cumulative coverage of nearly 4,000 individuals.



### Improvement in Degree Program

We provide continuing education support for all of our employees, encouraging them to pursue higher academic degrees and obtain professional certifications. The ANTA Academy cooperates with third-party organizations to build a resource platform for academic advancement and professional qualification certification, providing all employees with the opportunity to upgrade to pursue graduate, undergraduate and college degrees. We also offer a variety of professional qualification certification programs, and compiled the “Academic Advancement & Professional Qualification Resource Library”, allowing them to access resources in one place. For management-level employees, we encourage them to pursue MBA/EMBA programs from the top-notch Chinese universities. And we have subsidized seven institutions of higher education to provide them with broader learning opportunities to broaden their global perspectives and enhance their strategic planning and diversified management capabilities. At the same time, we offer college and bachelor’s degree upgrade courses for employees in need to enroll in, attracting over 100 employees to seek participation. We now have over 2,100 employees completing external professional qualification certifications, with more than 21,500 individuals participating in degree upgrade programs.

### Leadership Development Program

We have a comprehensive succession planning and leadership development program and a well-structured tiered training system for building a competent workforce, covering all employees. We conduct pre-training surveys through the Group’s strategic interpretation, one-on-one interviews with senior executives, target trainee surveys, and manager performance analysis. Every six months, we conduct an assessment of the leadership behaviour of nearly 2,000 managers who have participated in the training, discovering the points that need to be upgraded, and then organizing leadership training accordingly. We have designed a leadership training program for employees at four levels: potential managers, managers, directors and senior executives. Each employee at managerial level can inquire about management policies and procedures through the “Online Management Guide” on the learning platform. For potential managers, we customize courses such as the “Leadership Basics” and the “Innovative Leadership for Technical Talents” to impart knowledge of effective team management and to improve technical talents’ management skills. For managers, we provide courses such as the “New Manager Transformation Camp” through classroom training, homework practice, and coaching

# DIVERSITY AND INCLUSION FOR PEOPLE-CENTERED DEVELOPMENT

## Digital Evaluation of the “Team Leader Squad” Program to Enhance Training Quality



As a benchmark training program, the “Team Leader Squad” Program is designed to improve leadership skills in four dimensions: defining the target audience, analyzing capability gaps, introducing classic management methodologies, and defining evaluation methods. The following approaches are adopted throughout the entire program implementation to track training effectiveness and ensure training quality:

- Collecting learning data such as course satisfaction, attendance rates, and learning duration through the learning platform;
- Using the survey function on the learning platform to gather pre-test and post-test data;
- Collecting data on the improvement in abilities from participants and their subordinates through systems such as performance evaluations;
- Gathering data on employee engagement from the employee engagement survey system.

from supervisors in order to improve their management skills. For directors, we offer online and offline resources such as “New Director Turnaround Camp” to help directors learn in-depth leadership knowledge through university cooperation, action learning and job rotation. For senior executives, we provide opportunities such as study tours, learning at top business schools, and industry exchanges. Newly promoted executives can join the “Executive Integration Program” to facilitate their rapid adaptation to senior management roles.

### Tiered Training Program

To facilitate the enhancement of our leadership team, we have established a dedicated tiered training program that links talent cultivation with executive promotions and performance evaluation. We continue to conduct training sessions for newly promoted managers and directors, aimed at fostering the transition of new managers from executors to administrators, and new directors from team leaders to department leaders.

### ESG Learning and Sustainable Development Training

We attach high importance to the learning of ESG knowledge and conceptual development and organize employees to study the annual ESG report to collaborate across departments to collectively promote ESG-related knowledge learning. Our ESG-learning resources cover 73 courses of eight main themes, including introduction to ESG,



environmental protection, code of conduct of business ethics, education enhancement, leadership and external learning platform provided by the UNGC, which gives us access to 47 courses on seven themes: climate change and environment, human rights, SDGs, decent work, gender equality, governance, and anti-corruption. The ESG-learning resources cover all employees. The cumulative participation of ESG-related courses has exceeded 44,000 employees and the cumulative reading amount of ESG courses has exceeded 100,000.

### Key Performance in 2023

(Excluding Quanzhou Athletic Shoes & Garments Co., Ltd)



- The satisfaction survey results of employees for training had an average score of **9.6** (total score: 10).
- There were **6,566** training sessions for employee skills development, with a total of **263,711** participants.
- The individual development program<sup>10</sup> covered 100% of employees.

<sup>10</sup> Individual development program includes but is not limited to the personal training plans, personal guidances or counselling, performance interview after performance appraisal, performance improvement plan, etc. Individual development plans enable employees to improve their quality, skills and personal development.



# DIVERSITY AND INCLUSION FOR PEOPLE-CENTERED DEVELOPMENT

## Diversity in the Training

In fostering a diverse and inclusive atmosphere, we offer our employees a broad range of diversified training opportunities, and for those in need of assistance, we arrange mentorship programs to enhance the workplace experience of diverse groups. Our “Women’s Workplace Power” course is designed to boost the capabilities and competitiveness of female employees by promoting successful experiences of females in the workplace, exploring self-worth development potential. For female managers, we integrate resources from the Cheung Kong Graduate School of Business’s Leadership Program for Women, nominating 11 female directors and above to participate in the “Building a Strategically Driven Organization” course. This enables them to gain insights into the essence of creating value in business and engage in meaningful exchanges with female leadership participants from the Cheung Kong Graduate School of Business. To promote cross-cultural communication, we have selected online courses such as the “Cultural Differences in Everyday Conversations” to help employees break down cross-cultural communication barriers and work together to build a more

inclusive communication environment. Addressing discrimination and harassment issues, we also offer training courses such as the “Healthy Workplace – Say No to Sexual Harassment in the Workplace” to combat discrimination and harassment. The training was open to all employees, with over 3,200 participants in the course during the financial year.

We constantly organize ANTA Forum by inviting experts to be the speakers. These speakers bring insights to employees on leadership, innovation, market insights, business breakthroughs, and other relevant topics.

## Promotion Mechanisms

To promote the identification, appointment, and development of talents, we provide different types of career development channels for employees in offices, retail channels and factories in accordance with our internal promotion policies, including the “Policy on Promotion Management” and the “Policy on the Ranking Adjustment of the Group’s Retail Staff and Store Managers”. We are committed to establishing a more streamlined, effective, and flexible promotion mechanism.

## Equal Promotion Channels

We provide equal promotion opportunities to all qualified employees based on their work performance, training results, appreciation of our corporate culture and business performance of the Group. The conditions for promotion are unified and open, with no discrimination and differentiated treatment, and the promotion results are made public to all employees. Moreover, for outstanding employees with high potential and those who have made outstanding contributions to us, we provide them with exceptional promotion opportunities. In addition to regular promotions, we also encourage employees to log on to our internal employee career development platform at any time to achieve promotion and personal development through open competition for job vacancies.

We have established an internal employee career development platform called “Unlimited Career Exploration”, allowing more employees to discover new internal development opportunities.



## Occupational Health and Safety

### Safety Management System

We ensure that our business operations comply with all regulatory requirements, and strictly abide by the “Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases”, the “Work Safety Law of the People’s Republic of China”, the “Regulation on Work-Related Injury Insurance”, and other national laws and regulations. In accordance with the “Environmental Management Systems – Requirements with Guidance for Use” (GB/T24001-2016) and the “Occupational Health and Safety Management Systems – Requirements with Guidance for Use” (GB/T45001-2020), we have formulated a number of regulations, including the “Environmental/Occupational Health and Safety Manual”, the “Occupational Health and Safety Regulations”, the “Operation Control Procedures on Environmental and Occupational Safety” and the “Environmental/Occupational Health and Safety Performance Monitoring and Measurement Control Procedures”, covering all employees and contractors of the Group to ensure that the business operates in compliance with regulatory requirements. And we are committed to continuously refining our occupational and health security management system and performance in accordance with the actual situation.

We have established corresponding procedures to assess occupational health and safety risks associated with identified hazards, considering



the effectiveness of existing control measures. Our occupational health and safety management is oversight by a designated executive, and management representatives report regularly on performance and identify improvement areas. In addition, our employee representatives are responsible for collecting and reflecting the views of workers on occupational health and safety matters and participate in the discussion of major occupational health and safety issues.

The Group’s administrative department leads the day-to-day management, defining the process of the occupational health management system and assigning functions to each line, and setting up an occupational safety leadership team at each site to hold regular internal discussions on occupational health and safety issues. We have set a safety target of “zero casualties”, and introduced the “Objectives, Indicators, and Management Plan” to stipulate the responsibilities of personnel in each position and ensure 100% provision

of labor protection equipment, thereby eliminating the occurrence of safety accidents such as fires and occupational diseases among employees. The work-related injuries are linked with performance of the executive of each department. In the case of work-related injuries that fall within their scope of responsibilities, the relevant management staff must immediately deal with the accidents, and his/her performance appraisal points will also be deducted according to the rules.

#### Key Performance in 2023



ANTA (China) Co., Ltd. passed the GB/T45001-2020/ISO 45001:2018 Occupational Health and Safety Certification and the Certification of Level-3 Enterprise of Production Safety Standardization.

# DIVERSITY AND INCLUSION FOR PEOPLE-CENTERED DEVELOPMENT

## Safety Management Measures

We consistently prioritize the health and safety of our employees, implementing a multi-layered approach to comprehensively ensure their well-being and safety in the workplace.

### Safety Prevention and Control

In our “Environmental/Occupational Health and Safety Manual”, we stipulate that when identifying environmental factors and hazards, considerations should encompass the design of work areas, processes, installations, machinery or equipment, operating procedures and work organization, as well as human behavior, adaptability and other factors. This approach aims to prevent repetitive strain injuries. To establish a safe working environment, we enhance hazard prevention and control, conducting annual monitoring of occupational hazard factors and completing declarations of occupational hazards in workplaces. Furthermore, we hire a third-party organization every year to perform occupational health inspection in the production area and conduct specialized technical inspection on dust, noise, and other factors to comprehensively identify the occupational hazards in the workplace. Timely and effective preventive and control measures are implemented according to the inspection results to mitigate potential hazard and reduce

risks, hence to ensure employees’ occupational health. To strengthen safety management, we arrange daily checks and night inspections, organize monthly inspections on the fire protection system, and regularly maintain production facilities and the use of equipment by our employees to prevent safety incidents. In addition, we have introduced automated equipment to establish a comprehensive system for preventing safety incidents. Through technological means, we continuously improve our safety management standards.

### Safety Precautions

By upgrading equipment, strengthening supervision, and improving the work environment, we are committed to creating a workplace that maximally ensures the safety of our employees. We provide employees in different positions with corresponding labor protective products and first-aid equipment, conduct daily supervision and correction of employees’ use of labor protective products, and optimize the work environment for our employees by upgrading exhaust equipment or air collection devices, installing cooling equipment, and replacing oil-based glue with environment-friendly, water-based glue. To further emphasize safety awareness, in the vicinity of workplaces, workstations or equipment prone to occupational

disease hazards, we set up warning signs and hazard notification cards with reference to the “Warning Signs for Occupational Hazards in the Workplace” and the “Management Regulations for the Occupational Disease Hazard Notification and Warning Sign of Employers” to remind employees to operate with caution. Additionally, we have established a safety culture promotion gallery to help employees identify and avoid potential occupational health risks.

### Safety Emergency Plans

Every year, we formulate an emergency drill plan and organize a variety of safety emergency drills to ensure swift and efficient responses to various safety risks in emergency situations. Through these drills, we can promptly identify and address potential safety hazards, enhance our emergency response capabilities, and ensure the safety and stability of the workplace. For fire safety, we regularly conduct large-scale fire safety drills every year to enhance employees’ escape and response capability; for extreme weather conditions such as rainstorm and typhoon, we carry out advance deployment and emergency control, and continuously supplement and improve the safeguard measures according to the situation on the ground to minimize adverse impacts on operations. Additionally, we have formed an emergency response team.

When extreme weather and other public incidents occur, we promptly issue notifications and organize employees to work from home, ensuring their health and safety.

### Handling of Safety Incidents

We always prioritize safety. In response to any incidents related to production safety that have occurred, we implement targeted management measures. We manage incidents by categorizing them based on their nature, severity, and scope of impact. Clear procedures for incident handling are established, and we generate investigative reports for work-related incidents. The relevant responsible persons will be held accountable according to the investigation results. During the financial year, benefit from our continuous improvement of preventive measures and safety management systems, we had no incidents of violation of occupational health and safety laws and regulations.

### Safety Training and Education

We regard “Safety Culture” as a foundation of production safety management of the Group, and we are dedicated to building a work environment with a high level of safety awareness. We conduct targeted safety education according to the

job requirements for each position and regularly organize safety training on production safety, fire safety, and occupational health safety. New employees are required to receive Level-three safety training, fire safety training, and other safety training on subjects such as the prevention of work-related injuries and machine operation regulations. Relevant personnel are also required to take part in the training for the certification of first responder or safety officer. Furthermore, we organize training sessions for employees on cardiopulmonary resuscitation, practical operation of automated external defibrillators and other emergency rescue measures to enhance their knowledge of emergency response. For suppliers, we stipulate the requirement for employee training on occupational disease prevention, work-related injuries and occupational disease accidents, medical care, and the proper use of personal protective equipment.

### Physical and Psychological Health Care

We carry out health and safety promotion through various channels such as meetings, radios, TV, WeChat groups and more, to raise the awareness and understanding of health protection of all employees. We place great emphasis on the mental health of our employees and provide telephone counseling services for all staff. Additionally, we offer mental health courses and workshops on managing workplace emotional stress, helping employees alleviate job-related pressure and prevent psychological risks. This approach is designed to create a healthier and more positive work environment for our employees.

#### Key Performance in 2023



- Work-related accident rate during the financial year: **0.22%**.
- The number of legal prosecutions received during the financial year related to occupational health and safety issues: **zero**.
- Lost Time Injury Frequency Rate (LTIFR) for employees during the financial year: **0.99<sup>11</sup>**.

<sup>11</sup> The number of lost time injuries for employees/Total working hours for employees during the financial year x 1,000,000.



# GIVING BACK TO SOCIETY BY SUPPORTING PUBLIC WELFARE

## SDGs ADDRESSED IN THIS CHAPTER



## ESG MATERIAL ISSUES ADDRESSED IN THIS CHAPTER

### SOCIAL INVESTMENT

Over the years, we have robustly integrated social responsibility into every aspect of our business operations, actively practiced our social responsibility and contributed to sports development and society while promoting corporate production and operations. We have also been actively engaged in various public welfare activities, giving back to society through our solid involvement.

## Value Creation through Mutualism

### Public Welfare System

We firmly believe in and actively practice the concept of “Value Creation through Mutualism”, aiming to achieve mutualism and prosperity with consumers, partners, employees, society, and the environment. We are not only advancing our Group’s development comprehensively in ESG but also deeply cultivating public welfare causes. By continuously improving our public welfare system, we are contributing to the building of a better society.

## Our Public Welfare System

### Key Foundation

- Direct donation of cash and sportswear
- Established the “Sturdy Growth Charity Project”
- The founding family of the Group set up the Hemin Foundation

### Core Value

Integrity and Gratitude

### Vision

Becoming a pioneer in fulfilling social responsibilities among Chinese enterprises

### Area

Youth sports education, sports development, medical and health care, community support and rural revitalization, environmental sustainability

### Goal

With the core goal of empowering through sports and supporting a healthy China, we aim to promote common prosperity and better fulfill the people’s aspirations for a better life

### “Five Ones Project”



We and the Hemin Foundation set up by the founding family of the Group have taken an active part in the social welfare cause. We approach this from multiple angles including education, sports, and people’s livelihood, giving back to society through concrete actions. With the core goal of empowering through sports and supporting a healthy China, we have launched the following social responsibility mechanism:

#### One medical aid project

The Hemin Foundation set up by the founding family of the Group solely donated the construction of the Fujian Hemin Hospital to support the national project of regional medical centers and enhance the region’s capacity of medical services.

#### One China sports development project

The Hemin Foundation set up by the founding family of the Group established the program dedicated to supporting the active or retired national team athletes who have financial difficulties.

#### One sports education project

Supporting youth sports public welfare through the “Sturdy Growth Charity Project” and contributing to rural revitalization through sports-education integration.

#### One ecological protection project

Working with international environmental protection organizations, focusing on biodiversity conservation.

#### One poverty alleviation project

The Hemin Foundation set up by the founding family of the Group established the program to improve the community life, medical conditions and infrastructure of the villages, as well as to participate in national disaster assistance and international humanitarian assistance.



# GIVING BACK TO SOCIETY BY SUPPORTING PUBLIC WELFARE

## Key Performance in 2023



- During the financial year, we donated a total of RMB**59** million (Including a total of RMB**18** million for community investment<sup>2</sup> and a total of RMB**7.5** million for commercial initiatives<sup>3</sup>) in cash and the value of donated sportswear (calculated at tag value) to different charities exceeded RMB**250** million.
- In December 2023, when a 6.2 magnitude earthquake occurred in Gansu, China, we made an emergency donation of winter gear (calculated at tag value) exceeded RMB**40** million to assist the earthquake-stricken areas in Gansu, China and Qinghai, China.

<sup>1</sup> Community investment includes donating to or supporting charities that benefit the community and providing donations or equipment to partner community organization.

<sup>2</sup> Commercial initiatives refer to public welfare activities undertaken in partnership with charities, including support for the scientific development of university research organizations.

## Hemin Foundation

In 2021, the founding family of the Group launched the Hemin Foundation with a donation of RMB10 billion in cash and shares. Through the Hemin Foundation, we strive to integrate the spirit of public welfare into our corporate culture and fulfill our responsibilities for the development of education, health and other public welfare programs. With the philosophy of “Working with Assurance, Living with Integrity”, the Hemin Foundation is committed to charity, aiding those in need and giving back to society, and is thus actively engaged in fields such as public health, sports education, rural revitalization, environmental protection, and sustainable community development.

## Launching the “Hemin Student Sponsorship” program with the Jinjiang Student Financial Assistance Center



The Hemin Foundation has set up the Executive Committee of the “Hemin Student Sponsorship” program with the Jinjiang Student Financial Assistance Center to provide a total of RMB10 million grants to prospective college students in Jinjiang. This assistance aids economically disadvantaged and academically excellent students from Jinjiang City in overcoming challenges in their studies and lives, supporting them in graduating successfully and entering the workforce.



## Engaging with Local Community, Supporting Sustainable Community Development



The Hemin Foundation has long been committed to the development of a harmonious community, aiming to achieve a social “sharing” pattern where children receive quality education, the elderly is being taken care of, healthcare is guaranteed, and communities have strength. During the financial year, the Hemin Foundation launched the “Hemin Health Assistance”, and funded five “Love Libraries” for the Fujian Charity Federation and established the “Hemin Health Assistance” to provide assistance for employees and their immediate family members suffering from serious illnesses. Additionally, the Hemin Foundation funded the “Bethune Charitable Foundation”, offering annual medical assistance of RMB500,000 to children with congenital heart diseases. Furthermore, the Foundation distributed condolence funds to 60-year-old elderly residents in Andou Village, Chenqiu Town, to improve their living standards.



# GIVING BACK TO SOCIETY BY SUPPORTING PUBLIC WELFARE

## Supporting Sports Development

As one of the leading sportswear companies in Mainland China, under the guidance of our social responsibility, we insist on channeling more resources into sports development and public health by continuously innovating and promoting various social programs. In our long-term practice of social responsibility, we place special emphasis on and promote sports development in underdeveloped regions through sports product donations, cash donations, building sports fields, organizing sports camps, etc., helping local sports to thrive. In addition, we focus on public health, and work to raise public awareness of healthy lifestyles and promote fitness for all through community sports programs and health education activities.

Over the years, we have been developing alongside the sports industry in Mainland China. ANTA has been a partner of the Chinese Olympic Committee and has sponsored sportswear equipment for 28 Chinese national teams. ANTA will also provide sportswear equipment for Chinese athletes to participate in the 2024 Paris Summer Olympics Games.

## Athlete Interaction and Coaching

We are committed to fostering a positive and interactive relationship between athletes and the public through various open days, social activities and public welfare programs. We hope to inspire more individuals to forge ahead and pursue their dreams under the guidance of athletes.

### ANTA Physical Education Teacher Training Courses at the Fujian Station



During the ANTA physical education teacher training in Fujian, Wei Qiuyue, an ANTA Welfare Super A Partner and Olympic Champion of the Chinese women's volleyball team, participated in the demonstration class. She experienced the unique teaching characteristics and charm of ANTA physical education with the participating instructors and shared her valuable experience in the youth sports education. At the closing ceremony, she emphasized the importance of physical education in the growth of the youth, and inspired all frontline physical education teachers with the indomitable spirit of the Chinese women's volleyball team.





## ANTA Camp “Love Never Stops – Lighting Up the Future”



In June, the ANTA Camp “Love Never Stops – Lighting Up the Future” was broadcasted by virtually connecting participants in Beijing and Shanghai. A total of 96 teenagers from Mainland China’s underdeveloped regions had the opportunity to interact with ANTA Welfare Super A Partners, including first Winter Olympics Gold Medalist Yang Yang, World Champion of Figure Skating Chen Lu, Taekwondo Olympic Champion Wu Jingyu, and Freestyle Skiing Aerial Skills World Champion Qi Guangpu. All teenagers received these athletes’ professional sports coaching, fully experiencing the joy of sports and enjoying a meaningful Children’s Day.



# GIVING BACK TO SOCIETY BY SUPPORTING PUBLIC WELFARE

## Youth Sports Education

We recognize the importance of sports to the physical and mental health of the youth. We have actively promoted sports education applicable to underdeveloped regions to ensure that every teenager has the opportunity to enjoy sports. Our aim is to promote universal access to sports education and assist the youth in unlocking their potential throughout the process of growing up.

### ANTA Physical Education Courses for Physical Education Teachers



In May, ANTA training courses for physical education teachers were delivered in Shandong, China, Guangxi Zhuang Autonomous Region, China and Fujian, China, supporting the national volunteer sports teaching service initiative. Led by Liu Zhenyue, an ANTA Welfare Super A Partner and expert in youth sports, a team of instructors provided professional courses for the participating teachers. Through this activity, 300 rural frontline physical education teachers have deepened their understanding of physical education and updated their teaching philosophies and methodologies. Among them, 61 physical education teachers were awarded the Certificate of Excellence.



## Public Welfare and Charity

Our public welfare causes cover a wide range of areas, including education, health care and assistance. We continuously contribute to the public welfare and charitable causes through donations, public welfare activities and advocacy of social responsibility. To regulate the management of charitable donations, we have formulated the “Protocol of ANTA Group for the Management of Charitable Donation”, the “Sports Equipment Donation Process of the Sturdy Growth Charity

Project” and other policies, and conducted regular reviews of policy requirements and their effectiveness.

### Sturdy Growth Charity Project

We launched the “Sturdy Growth Charity Project” in 2017, jointly established with the China Youth Development Foundation and the ADream Foundation, with the vision of “Making Children Enjoy Happiness through Sports Activities”, the ANTA “Sturdy Growth Charity Project” focuses on youth sports, particularly youth sports proficiency

education in underdeveloped regions. We encompass six major components, namely the ANTA Equipment Kits, ANTA Physical Education Courses, ADream Centers, ANTA Fields, ANTA Camps, and ANTA Hope Classes. These components aim to support rural revitalization through sports-education integration, enabling children to grasp the spirit of sports, foster positive energy, and cultivate healthy lifestyles and sound personalities through sports engagement. According to the “Stage 2.0 Result Research Report of the ANTA Sturdy Growth Charity Project”, currently 80% of children wear sports shoes during physical education classes. Over

#### Supporting Rural Revitalization through Sports-Education Integration in Changting County, Fujian, China



Six years after the establishment of the first ADream Center in Changting, China in 2017, the ANTA “Sturdy Growth Charity Project” made a comeback during the financial year. This time, the project donated sports equipment to more than 1,100 students at the local Zhuotian Central Elementary School. The school’s physical education teachers received ANTA Physical Education Courses in September, incorporating their newly acquired knowledge into their physical education curriculum. Additionally, we donated the 175th ADream Center and the 43rd sports field. These facilities, with a total area of 1,762.5 square meters, include a basketball court and a soccer field that meet national standards.



# GIVING BACK TO SOCIETY BY SUPPORTING PUBLIC WELFARE

half of the children have shown a positive improvement in their attitudes towards and interest in sports, leading to increased focus and dedication in physical education classes.

The situation of students wearing sports shoes in physical education classes in 2023 saw comprehensive improvements compared to 2017. The proportion of people wearing sports shoes increased significantly, and the daily participation rate of physical activity showed a steady increase. Having grasped the sports qualities of “Unity, Hard Work and Challenge” embedded in the spirit of sports at Stage 1.0, students have become more “Cheerful, Outgoing and Confident” at Stage 2.0. This transformation underscores the positive impact of Stage 2.0 on the development of students’ sound and healthy personalities.

## Inputs and Results of the “Sturdy Growth Charity Project” Since 2017



- Donated over RMB**820** million worth of sportswear (calculated at tag value).
- Established **184** Adream Centers to provide teenagers with Adream courses.
- Trained **6,270** frontline physical education teachers through ANTA Physical Education Courses.
- Donated **49** ANTA fields.
- Organized **17** ANTA camps.
- The charity project covered more than **6.62** million teenagers at **16,115** schools in **31** provincial-level administrative regions.
- Assisted **100** high school students in **two** ANTA Hope Classes in Yunnan and Sichuan, China.



## Volunteer Public Welfare Activities

Established in 2017, the ANTA Group Volunteer Association has set up three branches across the nation, including those in Xiamen, Jinjiang, Shanghai. Every employee is granted five hours of volunteer public welfare leave per year. We have designated 10 July every year as ANTA Group Public Welfare Day to encourage employee participation. During the financial year, we actively participated in volunteer services, with an accumulated service time over 30,000 hours.

## Responding to “Earth Hour”, Calling on Children and Teenagers to “Journey with Nature”



On 25 March, “Earth Hour 2023” kicked off in Kunshan and Beijing, China and the lights were turned off at the ANTA Operations Center in Xiamen in response to the “Earth Hour” lights-out event. During the event, ANTA KIDS, as a public welfare partner of the “Earth Hour 2023” in Mainland China, in collaboration with the WWF, jointly introduced the concept of “Journey with Nature”. This initiative called on children and teenagers to focus on environmental protection and work together to make the Earth a beautiful home.

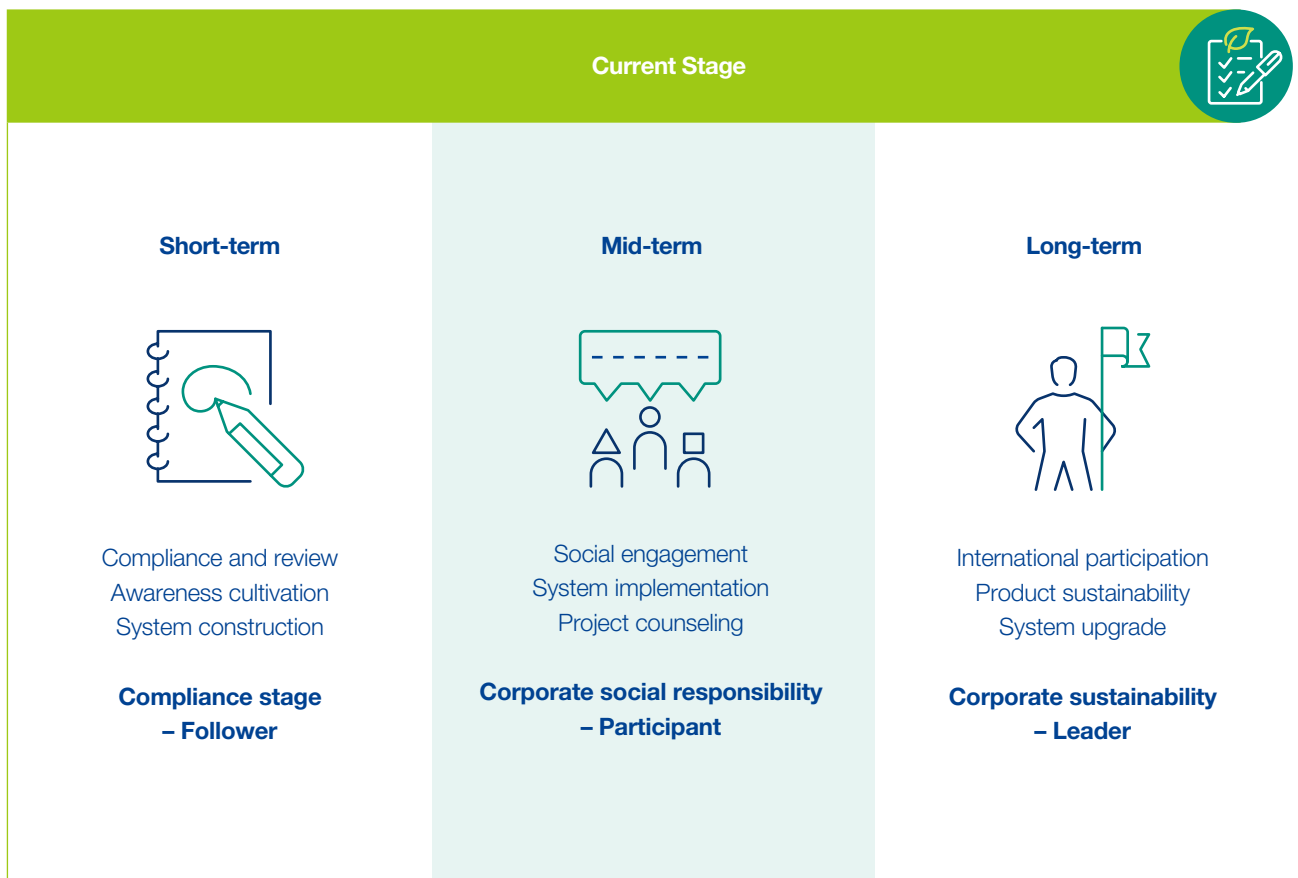


# PROSPECTS

To promote the long-term sustainable development of the entire value chain, we have formulated a basic framework for sustainable development, dividing the process into three stages: “Follower”, “Participant”, and “Leader”. Each stage focuses on different aspects, including compliance system construction, deep social engagement, and comprehensive sustainable

development. Currently, we are in the “Participant” stage. Looking back at the year 2023, we have been continuously accelerating our progress on the path of sustainable development, making comprehensive efforts in environmental, social, and governance dimensions, striving to become a “Leader” in sustainable development.

We have formulated and consistently implemented a sustainability strategy and the “1+3+5” strategic goals to guide our sustainable development practices. Reviewing the work carried out in 2023, we have continued to cultivate in the areas of mutualism with consumers, employees, partners, society, and the environment, aiming to achieve our medium and long-term objectives.



## Mutualism with Consumers

Goal	Progress in 2023
<p>Establish a definite and solid consumer ESG mindset, enabling consumers to realize circular consumption.</p>	<p>We clearly defined the direction and initial strategy of ESG mindset building for each brand. We actively educated consumers about sustainable consumption knowledge and promoted the use of sustainable and environment-friendly products.</p>

## Mutualism with Employees

Goal	Progress in 2023
<p>1. Adhere to the three core cultural propositions – “Consumer-oriented, Benchmarking with High Standard, Leaders as Role Model” – and continue to maintain our industry-leading employment standards and work environment</p>	<p>Giving care to employees in clothing, food, housing, transportation, and physical and mental health:</p> <p><b>Clothing:</b> We offer gift cards, staff discounts and discount coupons etc. to our employees for our branded products.</p> <p><b>Food:</b> Our ocean-view restaurant offers a variety of nutritious and tasty food, and many high-quality vegetables are supplied directly from our farms.</p> <p><b>Housing:</b> We provide affordable staff dormitories, housing subsidies, and interest-free loans under our “Sweet Home Plan” to help relieve our employees’ financial burden.</p> <p><b>Transportation:</b> We provide shuttle bus and free parking space, and overtime transportation reimbursement, etc.</p> <p><b>Physical and mental health:</b> We have in place supplementary medical insurance, paid sick leave, a free gym, fitness classes and sports clubs, health checkups, and a hotline to attend to employees’ mental health needs.</p>

# PROSPECTS

## Mutualism with Employees

Goal	Progress in 2023
2. Establish an industry-leading, efficient and attractive compensation system and invest more in the long-term employee incentive scheme	We shared the rewards of the growth with our employees. In addition to year-end performance bonus, we granted share incentives to employees at the manager level or above.
3. Step up the cultivation of young talents and attract young talents to work in the Group	During the financial year, we recruited over 25,000 college graduates and young talents (aged below 35) to join.
4. Provide employees with a broad career platform and improve the multi-tiered structure of global talent pool	We pushed forward the building of the internal leadership development system and the internal talent pool, and launched a special career program to attract young talents.
5. Increase the proportion of female executives (director level and above)	As of 31 December 2023, the proportion of female executives (director level and above) was 36.6% (31 December 2022: 36.1%).
6. Offer employment opportunities to the disabled and the underprivileged	During the financial year we had 41 employees with disabilities. Under the “Hemin Student Sponsorship” program, and the “Hemin Health Assistance” program, during the financial year, the number of beneficiaries were over 1,000 people in total.



## Mutualism with Partners

Goal	Progress in 2023
1. Empower suppliers and improve supplier governance capabilities	According to the “Code of Conduct for Suppliers of ANTA Sports” and the “Supplier Sustainability Management Handbook” as the standard for supplier management, we conduct annual reviews of the sustainability performance of our suppliers and continuously strive to enhance their performances.
2. Enhance supply chain transparency	
3. Optimize the supplier management policies and system	

## Mutualism with the Society

Goal	Progress in 2023
1. One medical aid project	The Hemin Foundation set up by the founding family of the Group had solely donated the construction of the Fujian Hemin Hospital since 2022, to support the national project of regional medical centers and enhance the region’s capacity of medical services
2. One poverty alleviation project	The Hemin Foundation set up by the founding family of the Group set up the “Hemin Health Assistance” program and the “Hemin Student Sponsorship” program, to enable timely medical treatment to the participants of medical insurance schemes in Jinjiang, China and help children from financially-strapped households in Fujian, China to complete their university studies

# PROSPECTS

## Mutualism with the Society

Goal	Progress in 2023
3. One China sports development project	The Hemin Foundation set up by the founding family of the Group established the program dedicated to supporting the active or retired national team athletes who have financial difficulties in the future.
4. One sports education project	We have launched the “Sturdy Growth Charity Project” since 2017, and partnered with the China Youth Development Foundation and the ADream Foundation on its joint implementation. With the vision of “Making Children Enjoy Happiness through Sports Activities”, the project focuses on youth sports, and helps the youth in underdeveloped regions grow up happily with the charity support from ANTA Equipment Kits, ANTA Physical Education Courses, ADream Centers, ANTA Fields, ANTA Camps, and ANTA Hope Classes.
5. One ecological protection project	We actively participated in environmental volunteer services such as “Earth Hour”, “NON-STOP Nature Changsha Sustainable Relay”, “Journey with Nature, Protecting Yangtze Finless Porpoises”, and “ANTA Forest” to contribute to environmental conservation.

## Mutualism with the Environment

Goal	Progress in 2023
<p><b>One overall goal</b></p> <p>Carbon neutrality by 2050</p>	<ul style="list-style-type: none"> <li>We formally joined and pledged to support the commitment of the SBTi. We also planned to set carbon reduction targets for our business in accordance with the SBTi standard, and take active actions to promote carbon reduction.</li> </ul>
<p><b>Three “zeroes”</b></p> <p>By 2030</p> <ul style="list-style-type: none"> <li>Net zero carbon emissions in self-owned operating facilities</li> <li>Zero use of virgin plastic in self-owned operating facilities</li> <li>Zero landfill of self-generated production waste</li> </ul>	<ul style="list-style-type: none"> <li>In cooperation with external consulting organization, we conducted carbon footprint and GHG emissions assessment of all self-operated facilities in accordance with ISO 14064-1:2008. Based on the results of the assessment, we develop carbon reduction plans for all self-operated facilities.</li> <li>ANTA (China) Co., Ltd. and Xiamen ANTA Industrial Co., Ltd. obtained the Fujian Green Factory Certification in 2023.</li> <li>We have initiated the collection of our self-generated production waste and plan to further enhance our data and document management system in the future.</li> </ul>
<p><b>Five “50%”</b></p> <p>By 2030</p> <ul style="list-style-type: none"> <li>Increase the proportion of sustainable products to 50%</li> <li>Use sustainable packaging for 50% of products</li> <li>Apply 50% sustainable raw materials</li> <li>Replace 50% of fuel used for transportation in our self-owned operating facilities with clean fuels</li> <li>Replace 50% of strategic partners’ energy consumption with renewable energy</li> </ul>	<ul style="list-style-type: none"> <li>The proportion of sustainable footwear and apparel products in the overall order volume is 19.5%.</li> <li>Footwear and apparel products sustainable packaging usage was 9,157 tons, accounting for 19.7% of the total footwear and apparel products packaging material.</li> <li>Applying over 20% sustainable raw materials (footwear, apparel and accessories products).</li> <li>We have already achieved over 50% of fuel used for transportation in our self-owned operating facilities with electricity. In the future, we will continue to research and explore the use of clean fuels as replacements.</li> <li>We plan to improve our suppliers’ energy consumption and carbon emission management system, actively promoted over 111 suppliers to use clean and renewable energy in their facilities.</li> </ul>

# APPENDIX 1 LIST OF ESG POLICIES AND LAWS AND REGULATIONS TO COMPLY WITH

ESG indicator	Laws, regulations and policies	Internal policies
A. Environment	<ul style="list-style-type: none"> <li>• National Catalogue of Hazardous Wastes</li> <li>• Solid Waste Pollution Prevention and Control Law of the People’s Republic of China</li> <li>• Environmental Protection Law of the People’s Republic of China</li> <li>• Environmental Impact Assessment Law of the People’s Republic of China</li> <li>• Regulations of the People’s Republic of China on Nature Reserves</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 the Prevention and Control of Environmental Noise Pollution</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental/Occupational Health and Safety Manual</li> <li>• Regulations on the Management of Energy Conservation and Consumption Reduction</li> <li>• Standardization Management Specifications for Production Packaging Boxes</li> <li>• Office Management Policy</li> <li>• Energy Saving and Consumption Reduction Plan</li> <li>• Central Air Conditioning Turn-On/Off Control Standards</li> <li>• Wastewater Treatment Operation Procedures</li> <li>• Noise Management Regulations</li> <li>• Industrial Enterprise Fugitive Emissions Control Plan</li> <li>• Solid Waste Management Regulations</li> <li>• Hazardous Chemicals Management Regulations</li> <li>• Hazardous Waste Pollution Prevention and Control Responsibility System</li> <li>• Hazardous Waste Warehouse Storage Standards</li> <li>• Energy Conservation and Emission Reduction Management System</li> <li>• Cost Savings Measures for Industrial Park</li> <li>• Letter on Energy Conservation, Energy Consumption Reduction and Safe Production in the Industrial Park</li> <li>• ANTA Sports Chemicals Management Manual</li> <li>• Energy Operation Control Program</li> <li>• Energy Non-Conformity, Corrective Actions, and Improvement Control Program</li> <li>• Energy Management Manual</li> <li>• Policy on Scrap Management</li> <li>• Management Measures for Utilization of the Obsolete Materials</li> </ul>

ESG indicator	Laws, regulations and policies	Internal policies
B1. Employment	<ul style="list-style-type: none"> <li>• Labor Law of the People’s Republic of China</li> <li>• Labor Contract Law of the People’s Republic of China</li> <li>• Employment Promotion Law of the People’s Republic of China</li> <li>• Social Insurance Law of the People’s Republic of China</li> <li>• Provisions on the Prohibition of Using Child Labor</li> <li>• Law of the People’s Republic of China on Protection of Minors</li> <li>• Trade Union Law of the People’s Republic of China</li> </ul>	<ul style="list-style-type: none"> <li>• Employee Handbook of ANTA Group</li> <li>• New Employee Onboarding Management System</li> <li>• Employees’ Labor Contract</li> <li>• Social Recruitment Management System</li> <li>• Campus Recruitment Management Regulations of ANTA Group</li> <li>• Internal Recruitment Recommendation Management Policy</li> <li>• Rewards and Discipline Policy</li> <li>• Board Diversity Policy</li> <li>• Remuneration Policy</li> <li>• Management Policy for Individual Performance</li> <li>• Management Policy of Group for Individual Performance at Regional Retail Offices</li> <li>• Management Policy of Group for Individual Performance Production Staff Below the Manager Level</li> <li>• Directors and Senior Management Remuneration Policy</li> <li>• Management Policy for E-commerce Platform Staff</li> <li>• Welfare Management Policy</li> <li>• Policy on Promotion Management</li> <li>• Policy on the Ranking Adjustment of the Group’s Retail Staff and Store Managers</li> </ul>

# APPENDIX 1 LIST OF ESG POLICIES AND LAWS AND REGULATIONS TO COMPLY WITH

ESG indicator	Laws, regulations and policies	Internal policies
B2. Health and safety	<ul style="list-style-type: none"> <li>• Labor Law of the People’s Republic of China</li> <li>• Fire Control Law of the People’s Republic of China</li> <li>• Work Safety Law of the People’s Republic of China</li> <li>• Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases</li> <li>• Emergency Response Law of the People’s Republic of China</li> <li>• Regulation on Work-Related Injury Insurance</li> <li>• Administrative Provisions on the Work Safety License of Construction Enterprises</li> <li>• Regulations on the Reporting, Investigation and Disposition of Work Safety Accidents</li> <li>• Environmental Management Systems – Requirements with Guidance for Use</li> <li>• Occupational Health and Safety Management Systems – Requirements with Guidance for Use</li> <li>• Warning Signs for Occupational Hazards in the Workplace</li> <li>• Management Regulations for the Occupational Disease Hazard Notification and Warning Sign of Employers</li> </ul>	<ul style="list-style-type: none"> <li>• Occupational Health and Safety Regulations</li> <li>• Environmental/Occupational Health and Safety Manual</li> <li>• Environmental/Occupational Health and Safety Performance Monitoring and Measurement Control Procedures</li> <li>• Operation Control Procedures on Environmental and Occupational Safety</li> <li>• Objectives, Indicators and Management Plan</li> </ul>
B3. Development and training		<ul style="list-style-type: none"> <li>• Training Operation Management Policy</li> <li>• ANTA Star and Olympic Star Training Development and Salary Management Policy</li> <li>• Lecturer and Textbook Management Policy</li> <li>• ANTA Fresh Graduate Training Management Policy</li> <li>• Policy on Promotion Management</li> <li>• Policy on the Ranking Adjustment of the Group’s Retail Staff and Store Managers</li> </ul>

ESG indicator	Laws, regulations and policies	Internal policies
B4. Labor standards	<ul style="list-style-type: none"> <li>• Labor Law of the People’s Republic of China</li> <li>• Labor Contract Law of the People’s Republic of China</li> <li>• Employment Promotion Law of the People’s Republic of China</li> <li>• Social Insurance Law of the People’s Republic of China</li> <li>• Provisions on the Prohibition of Using Child Labor</li> <li>• Law of the People’s Republic of China on Protection of Minors</li> <li>• Trade Union Law of the People’s Republic of China</li> </ul>	<ul style="list-style-type: none"> <li>• Social Recruitment Recommendation Management Policy</li> <li>• Campus Recruitment Management Regulations of ANTA Group</li> <li>• Internal Recruitment Recommendation Management Policy</li> <li>• Rewards and Discipline Policy</li> <li>• Labor Policy</li> <li>• ANTA Retail Terminal Handbook</li> <li>• ANTA Retail Branch Office Handbook</li> </ul>
B5. Supply chain management		<ul style="list-style-type: none"> <li>• Guidance on Chemical Safety Management for Suppliers</li> <li>• Statement of Compliance for Chemical Safety Control of Suppliers</li> <li>• Integrity and Anti-Corruption Agreement</li> <li>• Supplier Management System for Brand Protection</li> <li>• Procurement Contingency Plan of the Group</li> <li>• Supplier Sustainability Management Handbook</li> <li>• Protocol for the Management of Supplier Access and Exit of Apparel and Accessories Suppliers</li> <li>• Protocol for the Management of Supplier Access and Exit of Footwear Suppliers</li> <li>• Code of Conduct for Suppliers of ANTA Sports</li> <li>• Group Procurement Supplier Performance Appraisal Management Policy</li> <li>• Chemicals Safety Management Measures on Footwear Products</li> <li>• Apparel Supplier MIS Performance Appraisal Management Mechanism</li> <li>• Footwear Supplier Tiered Grading and Evaluation Management Control Mechanism</li> </ul>

# APPENDIX 1 LIST OF ESG POLICIES AND LAWS AND REGULATIONS TO COMPLY WITH

ESG indicator	Laws, regulations and policies	Internal policies
B6. Product responsibility	<ul style="list-style-type: none"> <li>• Copyright Law of the People’s Republic of China</li> <li>• Trademark Law of the People’s Republic of China</li> <li>• Advertising Law of the People’s Republic of China</li> <li>• Patent Law of the People’s Republic of China</li> <li>• Civil Code of the People’s Republic of China</li> <li>• Fire Control Law of the People’s Republic of China</li> <li>• Product Quality 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>• Data Security Law of the People’s Republic of China</li> <li>• Personal Information Protection Law of the People’s Republic of China</li> <li>• Electronic Commerce Law of the People’s Republic of China</li> <li>• Cybersecurity Law of the People’s Republic of China</li> <li>• Anti-Unfair Competition Law of the People’s Republic of China</li> <li>• Emergency Plan for National Network Security Incidents</li> </ul>	<ul style="list-style-type: none"> <li>• Intellectual Property Management Policy</li> <li>• Patent Application Process</li> <li>• Protocols for Defending Rights against Counterfeiting</li> <li>• Intellectual Property Review Management Policy</li> <li>• Product Intellectual Property Risk Management Process</li> <li>• Chemicals Safety Technical Specifications</li> <li>• Manual on the Safety Control of Chemical Products for ANTA Suppliers</li> <li>• Apparel, Footwear, and Accessories Chemical Safety Technical Specifications</li> <li>• Standards for the Appearance of Apparel Lining Materials</li> <li>• Quality Standards on Child Safety</li> <li>• Technical Specifications for Sustainable Products</li> <li>• Product Standard Formulation and Revision Regulations</li> <li>• Policy on Scrap Management</li> <li>• Management Measures for Utilization of the Obsolete Materials</li> <li>• Guidelines for Chemicals Safety Process Control</li> <li>• Quality Management Manual</li> <li>• ANTA Group Product Safety Standards Formulation and Revision Regulations</li> <li>• ANTA Recall Management Policy</li> <li>• ANTA Sports Chemicals Management Manual</li> </ul>



ESG indicator	Laws, regulations and policies	Internal policies
		<ul style="list-style-type: none"> <li>• Chemicals Safety Management Measures on Footwear Products</li> <li>• Guidance on Chemical Safety Management for Suppliers</li> <li>• Statement of Compliance for Chemical Safety Control of Suppliers</li> <li>• Customer Service Management Policy</li> <li>• Standard Operating Procedures</li> <li>• Terminal Activities Management Regulations</li> <li>• Penalty Rules of the Information Security Regulations</li> <li>• Rewards and Discipline Policy</li> <li>• Validity Measurement Procedures</li> <li>• Internet Access Management Policy</li> <li>• Personal Information Protection Management Policy</li> <li>• Personal Information Security Incident Emergency Response Manual</li> <li>• Employee Personal Information Protection Implementation Rules</li> <li>• Data Classification and Hierarchical Management Standards</li> <li>• Data Sharing Process</li> <li>• Information Security Incident Management Policy</li> <li>• Application System Development and Maintenance Safety Management Regulations</li> <li>• System Access Management Regulations</li> <li>• Procedures for Handling Non-conforming Product Buyback and Returns</li> <li>• Sustainable Development Complaint and Grievance Mechanism</li> <li>• ANTA Group Sustainable Advertising Review Management Policy</li> <li>• ANTA Group Sustainable Advertising Compliance Guidelines</li> </ul>

# APPENDIX 1 LIST OF ESG POLICIES AND LAWS AND REGULATIONS TO COMPLY WITH

ESG indicator	Laws, regulations and policies	Internal policies
B7. Anti-corruption	<ul style="list-style-type: none"> <li>• Company 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-Monopoly Law of the People’s Republic of China</li> <li>• Anti-Unfair Competition Law of the People’s Republic of China</li> <li>• Interim Provisions on Banning Commercial Bribery of the State Administration for Industry and Commerce of the People’s Republic of China</li> <li>• Supervision Law of the People’s Republic of China</li> </ul>	<ul style="list-style-type: none"> <li>• Employee Handbook of ANTA Group</li> <li>• Integrity and Self-discipline Commitment</li> <li>• Anti-Corruption Policy</li> <li>• Whistleblowing Policy</li> <li>• Code of Conduct for Suppliers of ANTA Sports</li> <li>• ANTA Group Supplier Integrity and Compliance Management Measures</li> <li>• Integrity and Anti-Corruption Agreement</li> <li>• Auditing and Supervision System</li> <li>• Auditing and Supervision Patrol System</li> <li>• Audit and Supervision Penalty Management System</li> <li>• Group Business Gift Management Policy</li> </ul>
B8. Community investment		<ul style="list-style-type: none"> <li>• Protocol of ANTA Group for the Management of Charitable Donation</li> <li>• Sports Equipment Donation Process of the Sturdy Growth Charity Project</li> </ul>

# APPENDIX 2

## SUSTAINABILITY OVERVIEW

### List of HKEX ESG Index

Aspects, General Disclosure and KPIs	Descriptions	“Comply or Explain” Provisions
<b>A: Environment</b>		
<b>A1: Emissions</b>		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	GREEN DEVELOPMENT FOR ECOLOGICAL CONSERVATION APPENDIX 1: LIST OF ESG POLICIES AND LAWS AND REGULATIONS TO COMPLY WITH
KPI A1.1	The types of emissions and respective emissions data.	GREEN DEVELOPMENT FOR ECOLOGICAL CONSERVATION ESG KEY PERFORMANCE INDEX DATA TABLE
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) GHG emissions (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	GREEN DEVELOPMENT FOR ECOLOGICAL CONSERVATION ESG KEY PERFORMANCE INDEX DATA TABLE
KPI A1.3	Total hazardous waste produced (in tons) and where appropriate, intensity (e.g. per unit of production volume, per facility).	GREEN DEVELOPMENT FOR ECOLOGICAL CONSERVATION ESG KEY PERFORMANCE INDEX DATA TABLE

# APPENDIX 2

## SUSTAINABILITY OVERVIEW

Aspects, General Disclosure and KPIs	Descriptions	“Comply or Explain” Provisions
KPI A1.4	Total non-hazardous waste produced (in tons) and where appropriate, intensity (e.g. per unit of production volume, per facility).	GREEN DEVELOPMENT FOR ECOLOGICAL CONSERVATION ESG KEY PERFORMANCE INDEX DATA TABLE
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	GREEN DEVELOPMENT FOR ECOLOGICAL CONSERVATION PROSPECTS
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	GREEN DEVELOPMENT FOR ECOLOGICAL CONSERVATION PROSPECTS
<b>A2: Use of resources</b>		
General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	GREEN DEVELOPMENT FOR ECOLOGICAL CONSERVATION APPENDIX 1: LIST OF ESG POLICIES AND LAWS AND REGULATIONS TO COMPLY WITH
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	GREEN DEVELOPMENT FOR ECOLOGICAL CONSERVATION ESG KEY PERFORMANCE INDEX DATA TABLE
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	GREEN DEVELOPMENT FOR ECOLOGICAL CONSERVATION ESG KEY PERFORMANCE INDEX DATA TABLE
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	GREEN DEVELOPMENT FOR ECOLOGICAL CONSERVATION PROSPECTS

Aspects, General Disclosure and KPIs	Descriptions	“Comply or Explain” Provisions
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	GREEN DEVELOPMENT FOR ECOLOGICAL CONSERVATION
KPI A2.5	Total packaging material used for finished products (in tons) and if applicable, with reference to per unit produced.	GREEN DEVELOPMENT FOR ECOLOGICAL CONSERVATION ESG KEY PERFORMANCE INDEX DATA TABLE
<b>A3: Environment and natural resources</b>		
General disclosure	Policies on minimising the issuer’s significant impacts on the environment and natural resources.	GREEN DEVELOPMENT FOR ECOLOGICAL CONSERVATION APPENDIX 1: LIST OF ESG POLICIES AND LAWS AND REGULATIONS TO COMPLY WITH
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	GREEN DEVELOPMENT FOR ECOLOGICAL CONSERVATION
<b>A4: Climate change</b>		
General disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	GREEN DEVELOPMENT FOR ECOLOGICAL CONSERVATION
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	GREEN DEVELOPMENT FOR ECOLOGICAL CONSERVATION

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Aspects, General Disclosure and KPIs	Descriptions	“Comply or Explain” Provisions
<b>B: Society</b>		
<b>Employment and Labor Practices</b>		
<b>B1: Employment</b>		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	DIVERSITY AND INCLUSION FOR PEOPLE-CENTERED DEVELOPMENT APPENDIX 1: LIST OF ESG POLICIES AND LAWS AND REGULATIONS TO COMPLY WITH
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	DIVERSITY AND INCLUSION FOR PEOPLE-CENTERED DEVELOPMENT ESG KEY PERFORMANCE INDEX DATA TABLE
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	ESG KEY PERFORMANCE INDEX DATA TABLE

Aspects, General Disclosure and KPIs	Descriptions	“Comply or Explain” Provisions
<b>B2: Health and safety</b>		
General disclosure	General Disclosure 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.	DIVERSITY AND INCLUSION FOR PEOPLE-CENTERED DEVELOPMENT APPENDIX 1: LIST OF ESG POLICIES AND LAWS AND REGULATIONS TO COMPLY WITH
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	DIVERSITY AND INCLUSION FOR PEOPLE-CENTERED DEVELOPMENT ESG KEY PERFORMANCE INDEX DATA TABLE
KPI B2.2	Lost days due to work injury.	DIVERSITY AND INCLUSION FOR PEOPLE-CENTERED DEVELOPMENT ESG KEY PERFORMANCE INDEX DATA TABLE
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	DIVERSITY AND INCLUSION FOR PEOPLE-CENTERED DEVELOPMENT

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Aspects, General Disclosure and KPIs	Descriptions	“Comply or Explain” Provisions
<b>B3: Development and training</b>		
General disclosure	Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities.	DIVERSITY AND INCLUSION FOR PEOPLE-CENTERED DEVELOPMENT
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	DIVERSITY AND INCLUSION FOR PEOPLE-CENTERED DEVELOPMENT ESG KEY PERFORMANCE INDEX DATA TABLE
KPI B3.2	The average training hours completed per employee by gender and employee category.	ESG KEY PERFORMANCE INDEX DATA TABLE
<b>B4: Labor standards</b>		
General disclosure	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 and forced labor.	DIVERSITY AND INCLUSION FOR PEOPLE-CENTERED DEVELOPMENT APPENDIX 1: LIST OF ESG POLICIES AND LAWS AND REGULATIONS TO COMPLY WITH
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	DIVERSITY AND INCLUSION FOR PEOPLE-CENTERED DEVELOPMENT
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	DIVERSITY AND INCLUSION FOR PEOPLE-CENTERED DEVELOPMENT



Aspects, General Disclosure and KPIs	Descriptions	“Comply or Explain” Provisions
<b>Operation practices</b>		
<b>B5: Supply Chain Management</b>		
General disclosure	Policies on managing environmental and social risks of the supply chain.	COOPERATION FOR WIN-WIN RESULTS APPENDIX 1: LIST OF ESG POLICIES AND LAWS AND REGULATIONS TO COMPLY WITH
KPI B5.1	Number of suppliers by geographical region.	COOPERATION FOR WIN-WIN RESULTS ESG KEY PERFORMANCE INDEX DATA TABLE
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	COOPERATION FOR WIN-WIN RESULTS ESG KEY PERFORMANCE INDEX DATA TABLE
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	COOPERATION FOR WIN-WIN RESULTS
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	COOPERATION FOR WIN-WIN RESULTS

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Aspects, General Disclosure and KPIs	Descriptions	“Comply or Explain” Provisions
<b>B6: Product responsibility</b>		
General disclosure	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.	INNOVATION FOR ROBUST PRODUCTS APPENDIX 1: LIST OF ESG POLICIES AND LAWS AND REGULATIONS TO COMPLY WITH
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	INNOVATION FOR ROBUST PRODUCTS ESG KEY PERFORMANCE INDEX DATA TABLE
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	INNOVATION FOR ROBUST PRODUCTS ESG KEY PERFORMANCE INDEX DATA TABLE
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	INNOVATION FOR ROBUST PRODUCTS
KPI B6.4	Description of quality assurance process and recall procedures.	INNOVATION FOR ROBUST PRODUCTS
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	INNOVATION FOR ROBUST PRODUCTS

Aspects, General Disclosure and KPIs	Descriptions	“Comply or Explain” Provisions
<b>B7: Anti-corruption</b>		
General disclosure	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.	BUILDING A FOUNDATION THROUGH PROMOTING RESPONSIBLE BUSINESS OPERATION APPENDIX 1: LIST OF ESG POLICIES AND LAWS AND REGULATIONS TO COMPLY WITH
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	BUILDING A FOUNDATION THROUGH PROMOTING RESPONSIBLE BUSINESS OPERATION ESG KEY PERFORMANCE INDEX DATA TABLE
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	BUILDING A FOUNDATION THROUGH PROMOTING RESPONSIBLE BUSINESS OPERATION
KPI B7.3	Description of anti-corruption training provided to directors and staff.	BUILDING A FOUNDATION THROUGH PROMOTING RESPONSIBLE BUSINESS OPERATION ESG KEY PERFORMANCE INDEX DATA TABLE

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Aspects, General Disclosure and KPIs	Descriptions	“Comply or Explain” Provisions
<b>Community</b>		
<b>B8: Social investment</b>		
General disclosure	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.	GIVING BACK TO SOCIETY BY SUPPORTING PUBLIC WELFARE APPENDIX 1: LIST OF ESG POLICIES AND LAWS AND REGULATIONS TO COMPLY WITH
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	GIVING BACK TO SOCIETY BY SUPPORTING PUBLIC WELFARE
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	GIVING BACK TO SOCIETY BY SUPPORTING PUBLIC WELFARE ESG KEY PERFORMANCE INDEX DATA TABLE

## ESG Key Performance Index Data Table

Subject Area	ESG KPIs	Unit	2023	2022	2021
<b>A. Environmental<sup>1</sup></b>					
<b>Aspect A1: Emissions</b>	<b>A1.1 The types of emissions and respective emissions data<sup>2</sup></b>				
	Particulates	Ton	2.33	3.69	3.87
	Sulfur oxides	Ton	0.15	0.00	0.14
	Nitrogen oxide	Ton	1.09	1.03	1.26
	Waste water <sup>3</sup>	Ton	1,104,684	1,142,461	Not disclosed
	<b>A1.2 Direct (Scope 1) and energy indirect (Scope 2) GHG emissions and intensity</b>				
	Scope 1 Direct GHG emissions <sup>4</sup>	Ton of CO <sub>2</sub> equivalent	8,525	4,820	2,772
	Scope 2 Indirect GHG emissions <sup>5</sup>	Ton of CO <sub>2</sub> equivalent	191,654	173,974	142,682
	Total GHG emissions	Ton of CO <sub>2</sub> equivalent	200,179	178,794	145,454
	Scope 1 GHG emission intensity	Ton of CO <sub>2</sub> equivalent/ Revenue per million RMB	0.14	0.09	0.05
Scope 2 GHG emission intensity	Ton of CO <sub>2</sub> equivalent/ Revenue per million RMB	3.07	3.24	2.90	
Total GHG emission intensity	Ton of CO <sub>2</sub> equivalent/ Revenue per million RMB	3.21	3.33	2.95	

<sup>1</sup> We adopted the "Operation Control Method" to compile and convert the environmental data, and did not convert the data of each unit according to shareholding ratio.

<sup>2</sup> Emissions (nitrogen oxide, sulphur oxides and particulates) are mainly derived from emissions from the Group's manufacturing companies and emissions from the use of corporate vehicles, of which the calculation of corporate vehicle emissions is based on "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the HKEX. In 2023, we further enhance our statistical capability and improve the statistical coverage of Sulfur oxides compared to 2022, with the addition of Xiamen ANTA Industrial Co., Ltd., resulting in an increase in the Sulfur oxides statistics.

<sup>3</sup> Waste water data are obtained from the industrial and domestic waste water of the Group's manufacturing facilities, administrative facilities and logistics facility.

<sup>4</sup> Scope 1 GHG emissions are mainly from direct GHG emissions from fossil fuel consumption (such as gasoline, diesel, natural gas, acetylene), refrigerant, carbon dioxide fire extinguishers and septic tank emissions, during operation/production process and the refrigerants emission. The formula used to calculate the main GHG emissions from fossil fuel consumption: CO<sub>2</sub> emissions from fossil fuel combustion = fuel consumption x low level heat generation x carbon content per unit calorific value x fuel carbon oxidation rate x 44/12, while the calculation of refrigerant emissions data refers to "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the HKEX, and the corresponding emission factors refer to the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC). The calculation of septic tank emission data was estimated based on the number of employees and the number of working days per month. In 2023, we have further enhanced our statistical capability compared to 2022 by supplementing the statistics of acetylene, carbon dioxide fire extinguishers and septic tank GHG emissions, which has resulted in an increase in the Scope 1 GHG emissions.

<sup>5</sup> Scope 2 GHG emissions are mainly from indirect GHG emissions generated from purchased electricity and steam, purchased cooling and purchased heat consumed in the Group's operation/production process, calculated with reference to "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the HKEX. The electricity emission factor 0.5703 tCO<sub>2</sub>/MWh for Scope 2 Indirect GHG emissions in 2023 is adopted from "Notice on the management of GHG emission reporting by enterprises in the electricity generation industry from 2023 to 2025" issued by Ministry of Ecology and Environment on 7 February 2023. In 2023, we further enhanced our statistical capabilities compared to 2022 by adding new statistics on purchased cooling and purchased heat GHG emissions. Meanwhile, in 2023, the number of ANTA DTC stores increased due to business expansion, resulting in an increase in purchased electricity and a rise in Scope 2 GHG emissions.

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Subject Area	ESG KPIs	Unit	2023	2022	2021
<b>Aspect A1: Emissions</b>	<b>A1.3 Total hazardous waste produced and intensity</b>				
	Total hazardous waste produced <sup>6</sup>	Ton	110.1	58.5	24.1
	Hazardous waste intensity	Kg / Revenue per million RMB	1.76	1.09	0.49
	<b>A1.4 Total non-hazardous waste produced and intensity</b>				
	Total non-hazardous waste produced <sup>7</sup>	Ton	11,830	9,204	3,249
	Non-hazardous waste intensity	Ton / Revenue per million RMB	0.19	0.17	0.07
<b>Aspect A2: Use of Resources</b>	<b>A2.1 Direct and indirect energy consumption by type in total and intensity<sup>8</sup></b>				
	Gasoline <sup>9</sup>	kWh	553,156	366,546	889,062
	Diesel <sup>10</sup>	kWh	307,665	199,930	255,379
	Natural gas	kWh	14,729,561	14,504,389	11,895,520
	Acetylene	kWh	2,428	Not disclosed	Not disclosed
	Purchased electricity <sup>11</sup>	kWh	297,910,911	265,058,740	205,233,867
	Purchased steam	kWh	54,735,492	57,573,558	60,989,345
	Purchased Cooling	kWh	339,013	Not disclosed	Not disclosed
	Purchased heat	kWh	191,620	Not disclosed	Not disclosed
	Total energy consumption	MWh	368,770	337,703	279,263
Total energy consumption intensity	MWh / Revenue per million RMB	5.91	6.29	5.66	

<sup>6</sup> Hazardous waste data are obtained from the disposal volume of hazardous waste of the Group's manufacturing facilities and administrative facilities. In 2023, we further enhanced our statistical capacity compared to 2022 by refining the statistical scope of the total amount of hazardous waste and restating 2022's data. Additionally, we expanded the scope to include Changting ANTA Sports Products Co., Ltd. resulting in an increase in the total amount of hazardous waste.

<sup>7</sup> Non-hazardous waste data are obtained from the disposal volume of non-hazardous waste of the Group's manufacturing facilities, administrative facilities and logistics facility. In 2023, we further enhanced our statistical capacity compared to 2022 by refining the statistical scope of the total amount of non-hazardous waste, adding the production waste of Fujian ANTA Logistics Information Technology Co., Ltd. as well as an increase in the total number of employees in 2023, which resulted in an increase in the total amount of non-hazardous waste.

<sup>8</sup> Energy consumption is calculated from the consumption of gasoline, diesel, natural gas, purchased electricity, purchased steam, purchased cooling and purchased heat, while the calculation refers to the "General Rules for Calculation of the Comprehensive Energy Consumption" (GB/T 2589-2020).

<sup>9</sup> Gasoline energy consumption is mainly derived from the Group's mobile-source gasoline consumption in manufacturing, administrative, logistics and store facilities. In 2023, we have further enhanced our statistical capabilities and improved the scope of our gasoline consumption statistics compared to 2022, with the addition of ANTA (China) Co., Ltd. resulting in an increase in the total gasoline energy consumption.

<sup>10</sup> Diesel energy consumption is mainly derived from the Group's fixed-source and mobile-source diesel consumption in the manufacturing, administrative, logistics and store facilities. In 2023, we further enhanced our statistical capability compared to 2022 by refining the statistical coverage of diesel consumption and including Quanzhou Athletic Shoes & Garments Co., Ltd., and Fujian ANTA Logistics Information Technology Co., Ltd., which resulted in an increase in total diesel consumption.

<sup>11</sup> The purchased electricity data are obtained from the purchased electricity volume of the Group's manufacturing facilities, administrative facilities, logistics facility and store facilities. The number of ANTA DTC stores increased due to business expansion thus the purchased electricity data in 2023 increased.

Subject Area	ESG KPIs	Unit	2023	2022	2021
Aspect A2: Use of Resources	<b>A2.2 Water consumption in total and intensity</b>				
	Total water consumption	m <sup>3</sup>	1,517,270	1,429,691	1,424,207
	Total water consumption intensity	m <sup>3</sup> / Revenue per million RMB	24.3	26.7	28.9
	<b>A2.5 Total packaging material used for finished products and with reference to per unit produced</b>				
	Total packaging material consumption <sup>12</sup>	Ton	46,500	24,064	21,944
	Intensity of packaging material consumption	Ton / Revenue per million RMB	0.75	0.45	0.44

## B. Social

Aspect B1: Employment	<b>B1.1 Total workforce: by gender, employment type<sup>13</sup>, age group, and geographical region</b>				
	Total number of employees <sup>13</sup>	Person	60,500	59,000	52,000
	By gender				
	Male	%	24.8	24.9	26.0
	Female	%	75.2	75.1	74.0
	By function				
	Office employees	%	19.4	19.5	20.6
	Production and logistics staff	%	21.5	22.1	22.7
	Retail employees	%	59.1	58.4	56.7
	By rank				
	President level	%	0.1	0.1	0.1
	Director level	%	1.4	1.3	1.3
	Manager level	%	7.1	6.5	6.4
	Officers and others	%	73.5	73.4	72.5
	Production staff	%	17.9	18.7	19.7

<sup>12</sup> The total amount of packaging material consumption is mainly derived from the total weight of packaging material consumption in the Group's manufacturing, administrative, logistics and store facilities. Compared to 2022, we have improved our statistical capabilities, expanding the scope of statistics for packaging materials to include the packaging material usage for both DESCENTE and KOLON SPORT footwear and apparel products, resulting in an overall increase in the total amount of packaging material consumption.

<sup>13</sup> The total number of employees is defined as our regular employees. In addition, we have 1,912 other types of workers, such as temporary workers, trainees and interns employed by our directly operated and managed businesses.

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Subject Area	ESG KPIs	Unit	2023	2022	2021	
<b>Aspect B1: Employment</b>	By age group					
	16–24	%	12.6	13.6	15.4	
	25–40	%	74.5	74.0	73.0	
	41 and above	%	12.9	12.4	11.6	
	By geographical region					
	Mainland China	%	99.2	99.3	99.2	
	Hong Kong SAR, Macao SAR, and overseas regions	%	0.8	0.7	0.8	
	<b>B1.2 Employee turnover rate: by gender, age group and geographical region<sup>14</sup></b>					
	Total employee turnover rate	%	33.6	35.7	34.6	
	By gender					
	Male	%	37.8	40.0	39.4	
	Female	%	32.1	34.1	32.7	
	By age group					
	16–24	%	49.3	50.7	47.4	
	25–40	%	31.4	33.3	32.0	
	41 and above	%	25.1	26.3	28.5	
By geographical region						
Mainland China	%	33.7	35.7	34.6		
Hong Kong SAR, Macao SAR, and overseas regions	%	27.3	37.3	34.8		

<sup>14</sup> In 2023 and 2022, the employee turnover rate is calculated based on our latest standards and the 2022 employee turnover rate is adjusted retrospectively. Overall employee turnover rate = number of leaving employees during the financial year/(number of employees at the end of the financial year + number of leaving employees during the financial year) x 100%. Employee turnover rate by category = number of leaving employees of that category during the financial year/(number of employees of that category at the end of the financial year + number of leaving employees of that category during the financial year) x 100%. Employee turnover includes the number of employees who have left (terminated their employment with the Group due to voluntary resignation, dismissal, retirement or death). Our statistics and reporting include all regular employees at all operating locations. The number of employees who left during probationary period is also included. Since both the retail and manufacturing industries are labor-intensive and thus have a higher turnover rate, we will continue to monitor the turnover rate and actively seek improvements.



Subject Area	ESG KPIs	Unit	2023	2022	2021
Aspect B1: Employment	<b>B1.3 Total newly hired workforce: by gender, employment type, age group and geographical region</b>				
	Total number of newly hired employees	Person	33,500	Not disclosed	Not disclosed
	By gender				
	Male	%	28.8	Not disclosed	Not disclosed
	Female	%	71.2	Not disclosed	Not disclosed
	By rank				
	President level	%	0.01	Not disclosed	Not disclosed
	Director level	%	0.3	Not disclosed	Not disclosed
	Manager level	%	2.0	Not disclosed	Not disclosed
	Officers and others	%	72.3	Not disclosed	Not disclosed
	Production staff	%	25.39	Not disclosed	Not disclosed
	By age group				
	16–24	%	28.0	Not disclosed	Not disclosed
	25–40	%	66.3	Not disclosed	Not disclosed
	41 and above	%	5.7	Not disclosed	Not disclosed

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Subject Area	ESG KPIs	Unit	2023	2022	2021
<b>Aspect B2: Health and Safety</b>	<b>B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year<sup>15</sup></b>				
	Number of work-related fatalities	Person	1	0	0
	Rate of work-related fatalities	%	0	0	0
	<b>B2.2 Lost days due to work injury<sup>16</sup></b>				
	Office employees	Day	458.5	1,060	422
	Production and logistics staff	Day	1,434.5	2,269	2,313
Retail employees	Day	3,073.5	4,121	2,078	
<b>Aspect B3: Development and Training</b>	<b>B3.1 The percentage of employees trained by gender and employee category<sup>17</sup></b>				
	Percentage of employees trained	%	95.1	92.5	79.7
	Employees trained by gender				
	Male	%	23.7	23.7	23.0
	Female	%	76.3	76.3	77.0
	Employees trained by rank				
	President level	%	0.1	0.1	0.1
	Director level	%	1.5	1.4	1.4
	Manager level	%	7.4	6.9	7.1
	Officers and others	%	72.7	72.3	77.6
Production staff	%	18.3	19.3	13.8	

<sup>15</sup> Data obtained from the human resources department, verified by local authorities for workplace fatalities. Number and rate of work-related fatalities data during the financial year was verified by a third party organization.

<sup>16</sup> The data cover employees in Mainland China and are obtained from the human resources department in Mainland China, verified by local Human Resources and Social Security Bureau for workplace injuries. As for the injury data of employees in other regions, we are optimizing our data collection system and will disclose such information in the future.

<sup>17</sup> The scope of data reporting excludes Quanzhou Athletic Shoes & Garments Co., Ltd. The percentage of employees trained = (employees trained/number of employees) x 100%, employees trained in relevant category = (employees trained in the specified category/total number of employees trained) x 100%.

Subject Area	ESG KPIs	Unit	2023	2022	2021
<b>Aspect B3: Development and Training</b>	Employees trained by function				
	Office employees	%	20.2	20.9	21.9
	Production and logistics staff	%	18.3	19.2	15.1
	Retail employees	%	61.5	59.9	63.0
	<b>B3.2 The average training hours completed per employee by gender and employee category<sup>18</sup></b>				
	Average training hours	Hour	29.1	29.1	17.6
	Average training hours by gender				
	Male employee average training hours	Hour	34.6	37.0	14.4
	Female employee average training hours	Hour	25.5	26.5	18.7
	Average training hours by rank				
	President level	Hour	37.5	23.9	6.33
	Director level	Hour	85.9	78.7	19.3
	Manager level	Hour	80.1	85.8	19.7
	Officers and others	Hour	26.8	29.3	19.6
	Production staff	Hour	6.33	5.12	7.61
	Average training hours by function				
Office employees	Hour	80.6	81.9	17.0	
Production and logistics staff	Hour	5.25	4.34	7.13	
Retail employees	Hour	18.6	20.9	21.1	

<sup>18</sup> Average training hours per employee = total training hours/total number of employees. Average training hours for employees in relevant categories = total number of training hours for employees in the specified category/number of employees in the specified category.

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Subject Area	ESG KPIs	Unit	2023	2022	2021
<b>Aspect B5: Supply Chain Management</b>	<b>B5.1 Number of suppliers by geographical region<sup>19</sup></b>				
	Total number of suppliers	Number	801	524	459
	Suppliers in Mainland China, Hong Kong SAR, Macao SAR and Taiwan region	%	89.5	96.0	95.9
	T1 suppliers in Mainland China, Hong Kong SAR, Macao SAR and Taiwan region	Number	245	Not disclosed	Not disclosed
	T2 suppliers in Mainland China, Hong Kong SAR, Macao SAR and Taiwan region	Number	331	Not disclosed	Not disclosed
	T3 suppliers in Mainland China, Hong Kong SAR, Macao SAR and Taiwan region	Number	141	Not disclosed	Not disclosed
	Suppliers overseas	%	10.5	4.0	4.1
	T1 suppliers overseas	Number	22	Not disclosed	Not disclosed
	T2 suppliers overseas	Number	39	Not disclosed	Not disclosed
	T3 suppliers overseas	Number	23	Not disclosed	Not disclosed
	<b>B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented<sup>19</sup></b>				
	Suppliers that signed the Code of Conduct	%	94.0	92.4	96.6
	Number of suppliers with ISO 9001 certification	Number	245	257	267
	Number of suppliers with ISO 14001 certification	Number	180	184	162
Number of suppliers with ISO 45001 certification	Number	119	111	65	
Number of suppliers with Bluesign <sup>®</sup> certification	Number	39	38	45	

<sup>19</sup> The scopes of 2022 and 2021's data only covered ANTA and FILA suppliers managed by the Group's procurement department, including the number of tier 1 suppliers, and some tier 2 and tier 3 suppliers.

Subject Area	ESG KPIs	Unit	2023	2022	2021
<b>Aspect B6: Product Responsibility</b>	<b>B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons</b>				
	Recalled products	%	0.00	0.01	Not applicable
	<b>B6.2 Number of products and service related complaints received<sup>20</sup></b>				
	Product complaints <sup>21</sup>	Case	228,430	290,439	294,924
	Among which: Footwear	%	68.7	69.4	63.8
	Apparel	%	30.5	29.4	35.0
	Accessories	%	0.8	1.2	1.2
Service complaints	Case	15,966	9,903	6,060	
<b>Aspect B7: Anti- corruption</b>	<b>B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases</b>				
	Concluded legal cases regarding corrupt practices	Case	0	0	1
	<b>B7.3 Anti-corruption training provided to directors and employees</b>				
	Anti-corruption training for top management and Board members <sup>22</sup>	Number of participants	908	804	728
	Anti-corruption training for office employees	%	100	100	100
Anti-corruption training for Board members	%	100	100	100	
<b>Aspect B8: Community Investment</b>	<b>B8.2 Resources contributed to the focus area</b>				
	Cash	Million RMB	59	23	65
	Product (calculated at tag value)	Million RMB	Over 250	Over 200	Over 270

<sup>20</sup> The scope of data on the number of products and service related complaints received is ANTA and FILA.

<sup>21</sup> The scope of statistics includes quality complaints, 400 hotline complaints and online complaints.

<sup>22</sup> The scope of data is president and director level.

# GLOSSARY

## **AMER SPORTS**

Amer Sports Oy (Amer Sports Corporation), a sporting goods company (with internationally recognised brands including Arc'teryx, Salomon, Wilson, Peak Performance, Atomic, etc.) incorporated in the Republic of Finland

## **AMER SPORTS, INC.**

Amer Sports, Inc., a company incorporated in the Cayman Islands and listed on the New York Stock Exchange (NYSE: AS)

## **AMER SPORTS LISTING**

The listing of Amer Sports, Inc.'s ordinary shares on the New York Stock Exchange

## **ANTA**

ANTA Brand

## **ANTA KIDS**

ANTA KIDS brand, which offers ANTA products for children

## **ANTA SPORTS/COMPANY/WE/ OUR/US**

ANTA Sports Products Limited

## **ANTA STORE(S)**

ANTA authorized retail store(s)

## **AS HOLDING**

Amer Sports Holding (Cayman) Limited, a joint venture of the Company prior to the completion of the Amer Sports Listing and the post-listing reorganisation at the shareholders level of Amer Sports, Inc. on 9 February 2024

## **AUDIT COMMITTEE**

The audit committee of the Company

## **BLUESIGN**

Bluesign®

## **BOARD**

Board of Directors

## **CEO**

The chief executive officer/  
Co-chief executive officer(s) of the Company (as applicable)

## **CDP**

CDP Global

## **CG CODE**

Corporate Governance Code set out in Appendix C1 to the Listing Rules

## **CHAIRMAN**

Chairman of the board of directors of the Company

## **CHINA/PRC**

People's Republic of China

## **COC**

Chinese Olympic Committee

## **CO<sub>2</sub>**

Carbon dioxide

## **CO<sub>2</sub> equivalent/CO<sub>2</sub>e**

Carbon dioxide equivalent

## **DEI**

Diversity, Equity and Inclusion

## **DESCENTE**

DESCENTE brand

## **DESCENTE STORE(S)**

DESCENTE retail store(s)

## **DIRECTOR(S)**

Director(s) of the Company

## **DTC**

Direct to Consumer

## **ESG**

Environmental, social and governance

## **EXECUTIVE DIRECTOR(S)**

Executive director(s) of the Company

## **FILA**

FILA Brand

## **FILA FUSION**

The sub-brand of FILA, which offers youth's trendy clothing

## **FILA KIDS**

FILA KIDS brand, which offers FILA products for children

## **FILA STORE(S)**

FILA retail store(s)

## **FSC**

Forest Stewardship Council

## **GHG**

Greenhouse gas

## **GOTS**

Global Organic Textile Standard

## **GROUP/ANTA GROUP**

The Company and its subsidiaries

## **GRS**

Global Recycled Standard

## **HIGG FEM**

Higg Facility Environmental Module

## **HONG KONG/HONG KONG SAR**

The Hong Kong Special Administrative Region of the PRC

## **HONG KONG STOCK EXCHANGE/ HKEX**

The Stock Exchange of Hong Kong Limited

**IFRS**

International Financial Reporting Standards

**INDEPENDENT NON-EXECUTIVE DIRECTOR(S)**

Independent non-executive director(s) of the Company

**IPCC**

United Nations Intergovernmental Panel on Climate Change

**IPE**

Institute for Public and Environmental Affairs

**ISPO Munich**

International Trade Fair for Sporting Goods and Sports Fashion in Munich

**ISSB**

International Sustainability Standards Board

**KOLON SPORT**

KOLON SPORT brand

**KOLON SPORT STORE(S)**

KOLON SPORT retail store(s)

**KPI**

Key performance indicator

**LISTING RULES**

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)

**LWG**

Leather Working Group

**MACAO/MACAO SAR**

The Macao Special Administrative Region of the PRC

**MAINLAND CHINA**

Mainland of China, geographically excluding Hong Kong SAR, Macao SAR and Taiwan region

**MIS**

Management Information System

**MRSI**

The Manufacturing Restricted Substance List

**MSCI**

Morgan Stanley Capital International Global Standard Index

**NGFS**

Central Banks and Supervisors Network for Greening the Financial System

**NOMINATION COMMITTEE**

The nomination committee of the Company

**NON-EXECUTIVE DIRECTOR(S)**

Non-executive director(s) of the Company

**PE**

Polyethylene

**R&D**

Research and development

**RCS**

Recycled Claim Standard

**RDS**

Responsible Down Standard

**REMUNERATION COMMITTEE**

The remuneration committee of the Company

**REPORT**

Environmental, Social, Governance Report

**RFID**

Radio-frequency identification

**RISK MANAGEMENT COMMITTEE**

The risk management committee of the Company

**RMB**

Renminbi, the lawful currency of the PRC

**RSL**

The Restricted Substance List

**SBTi**

Science Based Targets initiative

**SDGS**

The United Nations' 17 Sustainable Development Goals

**SHAREHOLDER(S)**

Shareholder(s) of the Company

**SLCP**

Social & Labor Convergence Program

**SUSTAINABILITY COMMITTEE**

The Sustainability Committee of the Company

**TCFD**

Task Force on Climate-Related Financial Disclosures

**UNGC**

United Nations Global Compact

**UNHCR**

United Nations High Commissioner for Refugees

**WBCSD**

World Business Council for Sustainable Development

**WEPs**

Women's Empowerment Principles

**WWF**

World Wildlife Fund

**OCS**

Organic content standard

**OEKO-TEX**

International association for research and testing in the field of textile ecology

**YEAR**

The year ended 31 December 2023

**ZDHC**

Zero Discharge of Hazardous Chemicals



If you have any inquiries, please contact:

ANTA Sports Products Limited

- Sustainability Department

Address: 16/F, Manhattan Place, 23 Wang Tai Road,  
Kowloon Bay, Kwoloon, Hong Kong

Telephone: (852) 2116 1660

Fax: (852) 2116 1590

Email: [esg@anta.com.hk](mailto:esg@anta.com.hk)

