

# 361°

361 Degrees International Limited

STOCK CODE: 1361



## 2024

**ENVIRONMENTAL,  
SOCIAL AND  
GOVERNANCE  
REPORT**



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# ABOUT 361°

Established in 2003, 361° is one of China's leading comprehensive sports goods enterprises. Catering to the mass market, 361° boasts a full-scale business ecosystem that encompasses brand management, product innovation and development, manufacturing, distribution, and marketing. With the brand spirit of "ONE DEGREE BEYOND" (多一度热爱), 361° maintains a brand positioning centered on "professional, youthful, and internationalized". The Group is committed to becoming a globally respected sports brand by offering high-value professional sports products for the public and inspiring everyone to engage in sports.

Grounded in professional sports, 361° provides a wide range of high-quality products across categories such as running, basketball, and lifestyle sports. Additionally, 361° Kids is positioned as "Youth Sports Expert", leveraging specialized functionality, health technology, and child-friendly fashion to create a differentiated competitive advantage. This division focuses on meeting the varied sporting and lifestyle needs of children and adolescents.

361° is dedicated to advancing the development of sports both in China and around the world. It holds the distinction of being the first Chinese sports brand to sponsor the Olympic Games and has consecutively sponsored five editions of the Asian Games. As an official partner of the Asian Olympic Council, the 2026 Asian Games in Aichi-Nagoya, and other five editions of the Asian Games, as well as the 9th Asian Winter Games in Harbin in 2025, and as the official sportswear supplier to the International Swimming Federation (FINA), 361° integrates international sports resources deeply. This integration enhances its influence and prominence in the field of professional sports.

361° has signed renowned athletes across various sports disciplines, including international basketball stars Nikola Jokić, Aaron Gordon, Spencer Dinwiddie, and Kentavious Caldwell-Pope. The brand also partners with elite marathon runners such as Li Zicheng, Guan Yousheng, and Li Bo, along with members of the Chinese women's national football team and AFC Women's Asian Cup champion Li Mengwen. These endorsements enrich the brand's portfolio, enhancing its overall value and appeal.

Additionally, 361° is committed to capturing emerging consumer trends and addressing the differentiated needs of niche markets. The Group has expanded its presence in the lifestyle sports segment by signing prominent athletes like swimmer Sun Yang and gymnast Zhang Doudou, as well as engaging young actors such as Ao Ruipeng. These strategic partnerships aim to elevate the brand's visibility and influence among younger demographics, further solidifying its market position.

Currently, 361° employs a franchised distribution model, managing an extensive network of over 9,300 sales points across China and globally through a tiered system of exclusive first-tier distributors and licensed second-tier retailers. This robust distribution network has enabled 361° to establish a leading position in major cities throughout China.

361° is a constituent of the Hang Seng Composite Index Series, as well as the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect. For more detailed information, please visit the company's website: [www.361sport.com](http://www.361sport.com).



# 2024 HIGHLIGHTS

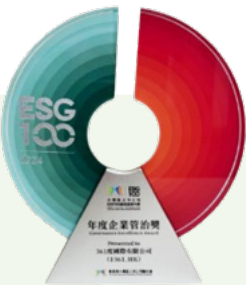
## Capital Market and ESG Awards



The 10th Hong Kong Investor Relations Association Investor Relations Awards 2024 (The "Best IR Company", the "Best IR Team", the "Best Investor Meeting", and the "Best IRO")



China Listed Companies Association 2024 Outstanding Practice Cases of Listed Companies' Sustainable Development



Governance Excellence Award by the Greater Bay Area Listed Companies ESG100 Green Advancement Awards Ceremony



The 8th China Annual IR Award (The "Best Capital Market Communication Award" and the "Best IR Director Award")



2024 JING CHAO AWARDS - Leading ESG Enterprise of the Year (鲸潮獎)



2024 PUBLIC COMPANY Best ESG Practice Award by the Hong Kong International ESG List Annual Selection

## Social Contribution Awards



2023 Quanzhou Annual Corporate Social Responsibility Award (2023年度泉州企業社會責任獎) - the Publicity Department of the Quanzhou Municipal Committee of the Communist Party of China and the Quanzhou Development and Reform Commission

泉州市產教融合型企業培育基地名單	
序號	企業名稱
1	泉州三六一度(中國)有限公司
2	泉州三六一度(中國)有限公司
3	泉州三六一度(中國)有限公司
4	泉州三六一度(中國)有限公司
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18	泉州三六一度(中國)有限公司
19	泉州三六一度(中國)有限公司
20	泉州三六一度(中國)有限公司

Quanzhou Demonstration Base for Integration of Industry and Education (泉州市產教融合型企業培育基地) - Quanzhou Municipal Development and Reform Commission



2024 Top 100 Private Enterprises in Corporate Social Responsibility in Fujian Province (2024年度福建省民營企業社會責任100佳) - the Fujian Provincial Federation of Industry and Commerce



Advanced Collective for the Hangzhou Asian Games and Asian Para Games - the General Administration of Sport of China, the China Disabled Persons' Federation, the Communist Party of China Zhejiang Provincial Committee, Zhejiang Provincial People's Government



# CHAIRMAN'S MESSAGE

Dear Shareholders, Partners, Employees, and All Stakeholders,

At 361°, we have always regarded sustainable development as a core value and strategic priority. Guided by our brand spirit of "ONE DEGREE BEYOND", we are committed to driving innovation and actively advancing our sustainability goals. As the stewards of the Group, the Board of Directors deeply understands that promoting sustainable development is not only central to fulfilling our corporate social responsibility but also a crucial driver for long-term value creation.

Today, the challenges posed by climate change and the requirements of new regulations are having profound impacts on the manufacturing industry. We are fully aware of the significant challenges we face, but we also see them as important opportunities to seize during this period of transformation, aiming to achieve high-quality development. Under the leadership of the Board, the management team is dedicated to guiding the Group with a proactive approach, preparing thoroughly to meet these changes, and fulfilling our commitments to reducing carbon emissions and minimizing environmental impact. Our goal is to drive sustainable development within the Group amidst a dynamic market environment.

## Integration of Sustainable Development and Product Innovation

Our Group has always adhered to the philosophy that sustainable development and innovation must proceed hand in hand. We firmly believe that while driving social progress, enterprises must continuously innovate to meet the ever-evolving demands of the market. Over the past year, we have been dedicated to deeply integrating sustainable development principles into our product design and manufacturing processes. From material selection to process optimization, we have continuously explored and promoted green product innovation.

As a pioneer in the industry for introducing the concept of "carbon capture"(碳捕捉), we have not only launched the "CQT Carbon Critical Technology"(CQT碳臨界科技) but also expanded the "CQT Carbon Critical Running Professional Matrix"( CQT碳臨界跑步專業矩陣) embodying our commitment to low-carbon practices. For instance, the Flying Flame 4(飛燃4) professional marathon full-length carbon plate racing shoes feature an upper made from materials containing 50% high-performance carbon fibers, with 30% of the yarn sourced from recycled materials. These shoes offer comfort and breathability while being produced through more efficient manufacturing processes. By doing so, we have not

only reduced the environmental footprint of our products but also provided consumers with high-performance, eco-friendly sports equipment.

We are convinced that innovation and sustainable development are inseparable and will serve as crucial drivers for our Group's future growth.

## Addressing Climate Change and Demonstrating Corporate Resilience

Climate change poses significant challenges to the global manufacturing sector, but it also compels us to enhance our corporate resilience and adaptability. Under the leadership of the Board of Directors, we have initiated a series of climate response measures, including improving energy efficiency, reducing greenhouse gas emissions, and increasing the use of renewable energy. Through the development of green and smart factories, combined with supply chain management optimization, we strive to minimize carbon emissions in our production processes and align with international climate policies. In response to the complexities of climate change, we not only continue to invest in environmental protection but also strengthen our sustainable development risk management system, ensuring that the Group can maintain steady growth amidst global climate changes.

## Contributing to Society and Supporting the Development of Sports

As an integrated sports goods company encompassing branding, research and development, design, production, and distribution, we are committed to giving back to society and supporting the advancement of sports. This year, 361° officially partnered with World Aquatics to serve as the official sports apparel supplier for their events, contributing to their successful organization and development. As the official partner of the 9th Asian Winter Games in Harbin 2025, 361° fully supported the success of the event, continuously promoting our brand's passion culture and inspiring more people to love winter sports, thereby advancing the development of winter sports across Asia and beyond. Additionally, 361° announced its partnership with the 2026 Asian Games in Aichi-Nagoya, Japan. This significant collaboration not only highlights 361°'s strategic vision in international sports event sponsorship but also signifies our ongoing commitment to promoting sports development in Asia and neighboring countries. From Guangzhou 2010 to Incheon, Jakarta, and Hangzhou, and

now to Aichi-Nagoya in 2026, five consecutive partnerships have deeply embedded the "Asian Games Gene" into our corporate development, becoming an integral part of our brand culture.

In 2024, we sponsored and supported various marathons, including the Zhengkai Marathon, Qingdao Marathon, Qinhuangdao Marathon, Fuzhou Marathon, and Putian Marathon, leveraging our excellent products and professional event services to further promote the development of road running in China. Beyond traditional sports sponsorships, we actively engage in community and youth sports initiatives through diverse competitions and training camps, contributing to enhancing overall physical fitness and sports participation among the public.

We believe that corporate social responsibility extends beyond economic benefits to encompass contributions to societal well-being and sustainable development. Over the years, 361° has consistently invested in charitable endeavors, focusing on supporting women, children, and individuals with disabilities through donations, material aid, and care programs.

## Looking to the Future

We will continue to uphold our sustainable development strategy, deepen our green transformation, and innovate to address new environmental challenges. Under the leadership of the Board of Directors, the Group will remain focused on the long-term development of ESG criteria and climate change initiatives. Our aim is not only to create long-term returns for our shareholders but also to make more positive contributions to society and the environment. We will continuously optimize our supply chain, promote green production, and explore innovative low-carbon and eco-friendly technologies. By achieving our sustainability goals, we will enhance our corporate resilience and market competitiveness.

On behalf of the Board of Directors, I would like to extend our heartfelt gratitude to all our shareholders, partners, and employees for their ongoing support and trust. Moving forward, we will continue to demonstrate unwavering determination and take concrete actions to drive the Group towards higher quality and more sustainable development. Together, we will build a brighter and more prosperous future.

Chairman

**DING Huihuang**

27 March 2025



# ABOUT THE REPORT

This is the 2024 Environmental, Social, and Governance ("ESG") Report (the "Report") of 361 Degrees International Limited (hereinafter referred to as "the Group", "we", or "361°"). It discloses the Group's management approaches and performance concerning significant environmental and social issues for the fiscal year ending December 31, 2024 (referred to as the "Year" or "Reporting Period"). This Report is available in both Chinese and English versions. In the event of any discrepancies between the two versions, the English version shall prevail.

### Reporting Guidelines

This Report adheres to the ESG Reporting Code (Appendix C2) of the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited (HKEX), the Implementation Guidance for Climate Disclosures under HKEX ESG reporting framework, and International Financial Reporting Standard S2 – Climate-related Disclosures (IFRS S2). It has been prepared based on the principles of "Materiality", "Quantitative", "Balance", and "Consistency", considering the actual circumstances of the Group.

### Reporting Scope

The Group adopts an operational control approach and sets the reporting scope based on the principle of Materiality. The scope of the Report covers the performance and management policies of the major operating entities, including the Group's offices in the Hong Kong Special Administrative Region ("Hong Kong"), its offices and manufacturing facilities in the United States, Europe (specifically the Netherlands), and the People's Republic of China. Businesses in Brazil and Taiwan (China) are not included in the ESG Report since there were no operations there in the Year. Besides, the newly established subsidiary, 361 SPORTS MALAYSIA SDN.BHD., is not included in the Report since there has been no operational information available during the Reporting Period.

### Feedback

If you have any comments or suggestions regarding this Report, you are welcome to contact the Group at the following address or by email:  
**Address :** Room 1609, 16/F., Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, China Hong Kong  
**Email:** 361degrees.esg@361sport.com

## Board Statement

To promote sustainable development within the Group, we are continuously improving our ESG governance system, which includes matters related to climate change. Currently, our ESG governance framework comprises the Board of Directors, the management team, and frontline execution staff.

The Board of Directors serves as the highest decision-making and supervisory body for the Group's sustainability efforts. It is responsible for formulating strategies and objectives in sustainability, identifying and assessing risks and opportunities related to sustainability, leading sustainability-related decisions, and regularly reviewing and monitoring the management of significant issues and progress towards relevant goals.

The Board adopts a comprehensive management approach that combines top-down and bottom-up methods to oversee the Group's ESG (including climate change-related) affairs and assumes ultimate responsibility for them. The Group holds an annual Board meeting dedicated to discussing sustainability and climate change matters. All Board members stay informed about the latest environmental, social, and governance regulatory requirements and leading industry practices to ensure that sustainability is integrated into the Group's core business and decision-making processes. During critical periods such as policy

updates and regulatory changes, we promptly arrange training on sustainability and climate-related topics for the Board and management to ensure their skills and competencies remain up-to-date.

The management team is responsible for conducting detailed analyses of the ESG (including climate change-related) risks and opportunities identified by the Board, developing action plans, managing issues by providing analysis, recommendations, and updates, and setting annual ESG (including climate change-related) targets for review by the Board or Board committees. This ensures that the Board can effectively supervise the implementation of policies and the achievement of goals, while also providing necessary resources and support to frontline execution staff. Frontline execution staff diligently and efficiently carry out specific tasks to achieve the Group's objectives.

The Board monitors ESG performance and related risks through various channels, including internal reports, industry research, external reports, and stakeholder feedback. The Company Secretary, Group Legal Center (集團法務中心), and Audit Center are responsible for regularly providing the Board with the latest compliance information.

## Stakeholder Engagement

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

Stakeholders	Expectations and Concerns	Communication Channels
Government and Regulatory Authorities	Law compliance Business ethics Occupational health and safety Climate change risk management	Supervision on compliance Routine reports
Shareholders	Return on investments Corporate governance Business compliance	Reports and announcements General meetings and investor briefings Corporate website
Employees	Employees' compensation and benefits Occupational health and safety Training opportunities Investment in innovations	Performance appraisals Regular meetings and training Emails, notices, circulars hotline, and team building activities
Customers	Product quality assurance Eco-friendly materials and circularity measures Technological innovations	Customer satisfaction surveys Customer service hotline and email Media conference Corporate website
Suppliers	Fair and open procurement Win-win cooperation Protection of intellectual property rights	Open tender Contracts and agreements Telephone discussions Onsite visits
Distributors and Authorized Retailers	Waste recycling enhancement in retail shops Improvement in product quality and design Strong marketing efforts Business profitability	Trade fairs for 361° brand Communication with retail channel management department Regular conferences Corporate training programmes



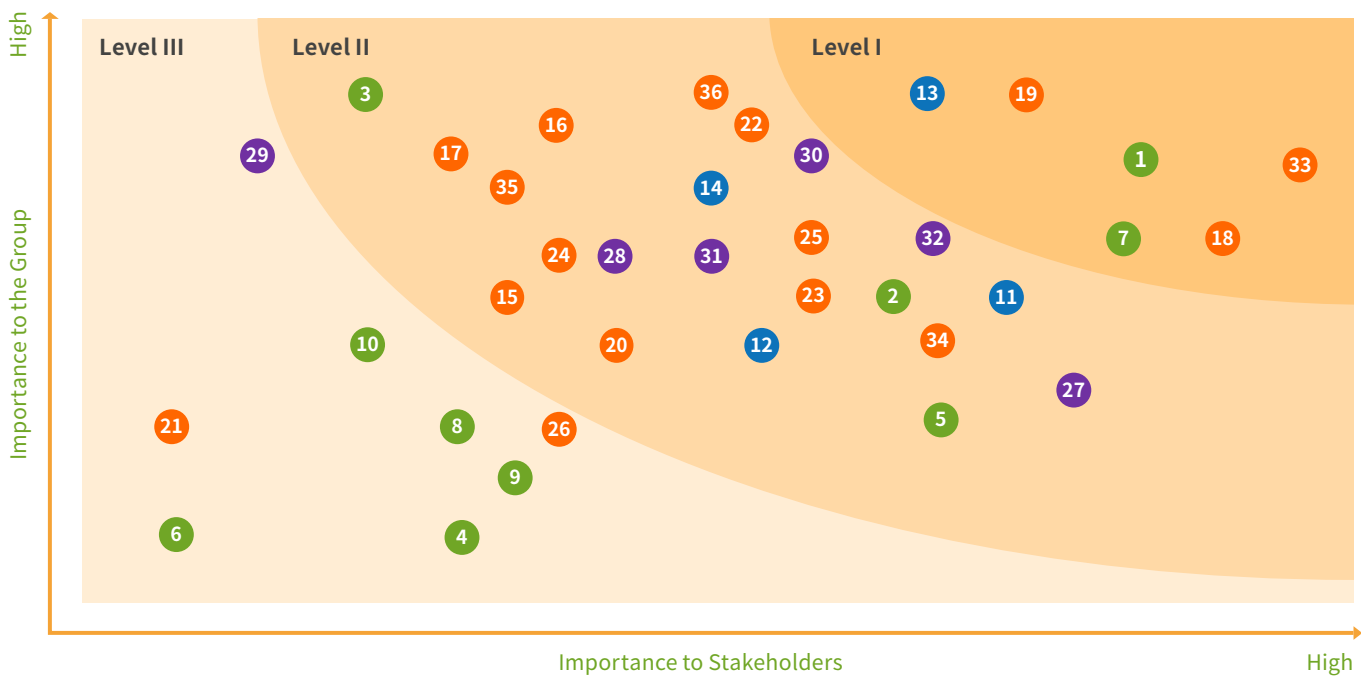
Materiality Assessment

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

Identification	An independent consultancy was engaged to identify material issues and assess materiality of 36 potentially material issues based on the "Environmental, Social and Governance Reporting Guide", the "Global Reporting Initiative (GRI) Standard" and analysis of industry peers.
Prioritization	Different stakeholders (including employees, customers, suppliers, and distributors and authorized retailers) and management representatives of the Group were administered online questionnaires, to collect materiality scores of the potentially material issues and determine the prioritization.
Validation	The management of the Group examined and confirmed the results of assessment of the material issues during the period under review, before recognizing them as disclosure priorities of the Report.
Review	The assessment process of material issues was reviewed to identify room for improvement.

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

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



- Environmental Issues

● Employee Issues

● Operating Issues

● Governance Issues
- Level I

1

Greenhouse Gas Emissions

7

Climate Change Mitigation & Adaptation

13

Occupational Health and Safety

18

Eco-friendly Innovation of Product

19

Supply Chain Resilience

33

Support of Local Economic Development

Level II

2

Solid Waste Stewardship

3

Energy Management

5

Water & Wastewater Management

11

Employee Remuneration and Benefits

12

Labour Practices

14

Employee Development and Training

15

Marketing and Promotion

16

Product/Service Quality and Safety

17

Labeling Relating to Products/Services

20

Engagement with Suppliers

22

Environmental and Social Risks Management of Supply Chain

23

Green Procurement

24

Customer Privacy and Data Security

25

Intellectual Property Rights

27

Internal Grievance Mechanism

28

Business Ethics & Anti-corruption

30

Business Model Adaptation & Resilience to Environmental, Social, Political and Economic Risks and Opportunities

31

Critical Incident Risk Responsiveness

32

Management of the Legal & Regulatory Environment

34

Cultivation of Local Employment

35

Participation in Philanthropy

36

Advocating Sports Development

Level III

4

Renewable and Clean Energy

6

Biodiversity and Land Use

8

Chemical Safety

9

Raw Material Sourcing

10

Use of Packaging Materials

21

Supply Chain Labour Standards

26

Material Procurement and Efficiency

29

Systemic Risk Management



Align with Sustainable Development Goals

Aspect	UN SDGs		Our Actions
OPERATIONAL EXCELLENCE AND PRODUCT RESPONSIBILITY		Protect labour rights and promote safe and secure environment for all workers.	<ul style="list-style-type: none"><li>Regular fire drills and safety training.</li></ul>
		Move towards more sustainable patterns of consumption and production.	<ul style="list-style-type: none"><li>Ongoing R&amp;D aimed at creating environmentally friendly materials and processes.</li></ul>
		Substantially reduce corruption and bribery in all forms.	<ul style="list-style-type: none"><li>The scope of anti-corruption training includes all in-house employees and some suppliers, covering 100% of the Group's employees.</li></ul>
ADDRESSING CLIMATE CHANGE KEEPING ENVIRONMENTAL COMMITMENTS		Increase substantially the share of renewable energy in the total energy consumption.	<ul style="list-style-type: none"><li>Installed solar panels and solar heating systems on plants' rooftops.</li><li>Developed a series of ecological and environmentally friendly textile materials, which not only lower the environmental impacts during production but also take into account the after-life of the products.</li><li>Established a carbon reduction target.</li></ul>
		Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	
CREATING HARMONIOUS WORKPLACE FULFILLING SOCIAL RESPONSIBILITY		Increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.	<ul style="list-style-type: none"><li>Providing various training opportunities to all employees disregard of their gender or position level.</li></ul>

SUSTAINABLE GOVERNANCE PRACTICE

Governance Structure

The Group strictly adheres to the Corporate Governance Code in Appendix C1 of the HKEX's Listing Rules, as well as the laws and regulations of the jurisdictions in which it operates. Our fundamental approach is to protect the interests of stakeholders and support business development by continuously improving our governance structure and procedural rules. We have also implemented corresponding management system documents to ensure the long-term and stable governance of the Group.

The Group has established a clear management structure and delineation of authority, with Board members possessing diverse experience across various fields such as industry, investment, audit, sales, and branding. The Board assigns responsibilities

based on each member's background, and the scope of authority for each committee is published on our corporate website and the HKEX website. For more information about the Group's Board of Directors, please refer to the Corporate Governance Report section of the 2024 Annual Report.

The Group has established a sustainable development governance framework and processes that integrate climate change-related matters into unified management. To ensure the Group's sustainable development, we have adopted the following governance structure. This year, we also engaged external ESG experts to comprehensively optimize our ESG and climate change-related efforts from a professional perspective.

The Board of Directors	<ul style="list-style-type: none"><li>Review and assess the Group's material ESG and climate-related risks, opportunities, and impacts.</li><li>Examine key ESG issues.</li><li>Formulate ESG and climate-related management strategies, targets, and plans.</li><li>Monitor the Group's sustainability goals and progress.</li><li>Approve the ESG report.</li></ul>
Management Team	<ul style="list-style-type: none"><li>Develop detailed action plans based on the strategies, targets, and plans proposed by the Board.</li><li>Conduct materiality assessments of ESG issues.</li><li>Track and report progress towards achieving established ESG goals and sub-goals.</li><li>Oversee and monitor the implementation of internal policies across business units.</li><li>Prepare the annual ESG report.</li></ul>
General Employees	<ul style="list-style-type: none"><li>Implement company-wide ESG initiatives with the support and leadership of management.</li><li>Engage and collaborate with key stakeholders across the value chain.</li><li>Assess and report on ESG-related risks faced in daily operations.</li></ul>

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

Top Level	The establishment of a strong governance structure ensures the Group's adherence to legal compliance and positions it as a leader in the industry, fostering unity and accountability throughout the organization.
Mid Level	The Group takes on a broader responsibility by incorporating various ESG criteria into supplier selection and supply chain management, thereby spreading its impact along the entire value chain.
Third Level	With a customer-centric approach, the Group is committed to continuously improving product quality and enhancing customer satisfaction. Additionally, the Group actively fulfills its corporate social responsibilities by supporting philanthropic initiatives during challenging times or crises.



Validated Management System

The Group continuously strengthens its sustainable management system by adhering to internationally recognized standards and guidelines, including ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System, and ISO 45001:2018 Occupational Health and Safety Management System. Re-certification audits by qualified third parties are conducted every three years, with surveillance audits every two years within the three-year cycle. Each audit meets the certification requirements. The Group further reinforces its governance framework through an internal management system to ensure the ongoing effectiveness of the management system.



Board Diversity

The Group firmly believes in the importance of board diversity and continuously seeks to assemble Board members with diverse backgrounds, experiences, and perspectives. This approach provides comprehensive thinking for company decisions, fostering innovation and more precise decision-making. Therefore, we have developed and implemented a "Board Member Diversity Policy", committed to establishing a diversified governance structure. On the basis of meeting the Group's actual needs and selecting the best talents, we consider multiple factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, and length of service, in selecting Board members.

In October 2024, the Group appointed a female independent non-executive director with extensive consulting experience, improving the gender ratio on the Board and further enriching the diversity of members' experience and backgrounds. In the future, the Group will continue to prioritize diversity factors when appointing Board members, enriching the background and experience of members, and striving to increase the proportion of female members on the Board. This effort aims to enhance the Group's decision-making capabilities, drive business innovation, and promote growth.

Risk Management

To effectively manage risks that could negatively impact the Group's business operations and sustainable development, we integrate risk management into our business decision-making processes. In accordance with regulatory requirements such as the Securities and Futures Ordinance of the Hong Kong Securities and Futures Commission, the Listing Rules of the Hong Kong Stock Exchange, and the Group's Articles of Association, the Group has implemented a robust risk governance framework, with the Board of Directors serving as the highest governing body.

The Audit Committee is responsible for overseeing the Group's financial reporting system and internal control procedures, regularly reviewing relevant policies to ensure their effectiveness. The Audit Committee provides independent opinions to the Board, assessing the effectiveness of the financial reporting process, internal controls, and risk management systems. The Audit Committee holds regular discussions with management to address the Group's risk management and internal control issues, ensuring that management fulfills its duties and establishes effective risk management and internal control mechanisms.

Anti-corruption

The Group is committed to establishing a culture of integrity, honesty, and trustworthiness. We firmly believe that ethical business practices are not only the right choice but also key to achieving sustained success. To this end, we strictly adhere to relevant laws and regulations, ensuring that all business activities comply with the legal requirements of the countries and regions in which we operate, maintaining compliance at all times. For information on anti-corruption laws and regulations, please refer to the Laws and Regulations section of the Report.

361° continuously refines its internal policies and procedures, operating a robust audit system to detect corruption incidents and implement corrective measures. During this Reporting Period, we conducted a special review of corruption risks and identified four instances of improper behavior involving employees, including corruption, bribery, and fraudulent activities. Appropriate actions have been taken against the individuals involved. To protect the Group's reputation and ensure operational stability, we actively implement internal control measures to effectively address these potential risks.

Anti-corruption Practices

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

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

**Improve the internal control system**

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

**Improve the morality of employees**

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

**Establish a complete reporting mechanism**

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

**Strengthen the punishment of corruption**

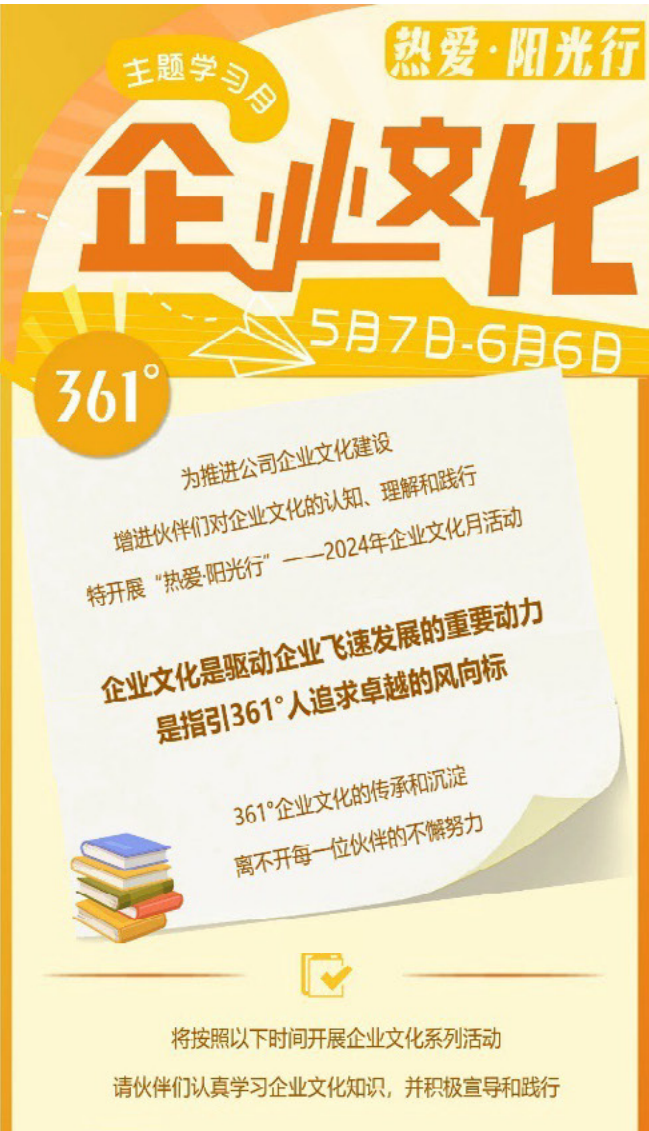
Punishment awarded to relevant responsible persons in cases of corruption is being strengthened as a warning and deterrent effect on corruption .

To promote integrity, honesty, and self-discipline, and to prevent acts of dishonesty, the Group has established the "Bottom Line Management Regulations". These regulations outline prohibited behaviors, their scope of application, related penalties and compensation rules, and clearly define management responsibilities to enhance the effectiveness of the system. On this basis, we have signed integrity commitment letters with mid- and senior-level managers across departments, further strengthening integrity building and reinforcing managerial responsibilities.

Additionally, the Group places significant emphasis on developing an anti-corruption system to minimize risks and reduce the likelihood of related incidents. We conduct regular internal audits, risk control assessments, and self-inspections. Training programs are provided for all employees and specific suppliers, promoting relevant concepts through corporate culture advocacy and thematic learning sessions. This ensures the effective implementation of these regulations.

During the Reporting Period, there were no corruption lawsuits filed against the Group or its employees.





Clean Procurement

The Group is committed to establishing transparent and ethical partnerships with collaborators, jointly building an environment of integrity in business operations. We emphasize the importance of honesty, transparency, fairness, and compliance, actively fostering shared values with our partners to promote mutual understanding. To fulfill this commitment, we incorporate integrity clauses into agreements, implement conflict of interest management measures, and provide comprehensive anti-corruption training.

To further strengthen our supplier management system and prevent employees' value judgments and work methods from deviating from the Group's interests due to personal benefits, the Group has developed the "Conflict of Interest Declaration and Management Policy". This policy guides employees in correctly handling actual or potential conflicts of interest, fostering a culture of integrity across the organization and throughout our network of collaborations. For more information on supplier management, see the "Supply Chain Management" section.



Whistleblowing System

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

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



**OPERATIONAL  
EXCELLENCE  
AND PRODUCT  
RESPONSIBILITY**

**SKATE**





Compliance with Laws and Standards

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



International/National/Industry Standards for Footwear

No.	Standard Code
1	QB/T 2673-2023
2	GB 19340-2014
3	GB 33372-2020
4	GB 20400-2006
5	GB 25038-2024
6	GB 38508-2020
7	GB/T 43293-2022
8	GB/T 15107-2013
9	GB/T 36975-2018
10	GB/T 24152-2018
11	HG/T 4905-2016
12	GB/T 19706-2015
13	QB/T 4552-2013
14	GB/T 22049-2019
15	GB/T 3903.41-2019
16	GB/T 3903.4-2017
17	GB/T 3903.2-2017
18	GB/T 3903.1-2017
19	QB/T2882-2023
20	QB/T 4118-2010
21	GB/T 3903.5-2011

No.	Standard Code
22	HG/T 3689-2014
23	GB/T9867-2008
24	QB/T 2886-2007
25	GB/T 3903.3-2011
26	GB/T 2883-2007
27	GB/T 533-2008
28	GB/T 529-2008
29	QB/T 2726-2005
30	GB/T 3903.6-2017
31	GB/T 3903.17-2008
32	GB/T 16641-2019
33	ISO 3071:2020
34	ISO 10195:2018 Method A2
35	ISO 14184-1: 2011
36	ISO 14362-1:2017
37	ISO 14389: 2022
38	ISO/IS 16179: 2012
39	ISO 16181-1: 2021
40	ISO 16186: 2021
41	ISO 16190: 2021



International/National/Industry Standards for Apparel

No.	Standard Code
1	FZ/T 81004-2022
2	FZ/T 81006-2017
3	FZ/T 81007-2022
4	FZ/T 81008-2021
5	FZ/T 81019-2014
6	GB/T 2662-2017
7	GB/T 14272-2021
8	GB/T 22700-2016
9	GB T 32614-2023
10	FZ/T 74007-2019
11	FZ/T 73059-2017
12	GB/T 22849-2014
13	GB/T 22853-2019
14	FZ/T 73020-2019
15	FZ/T 73026-2014
16	FZ/T 73032-2017
17	GB/T 26384-2011
18	GB/T 26385-2011
19	FZ/T 73052-2015
20	FZ/T 73018-2021
21	FZ/T 73005-2021
22	ISO 3071:2020
23	ISO 14184-1:2011
24	ISO 14362-1:2017
25	ISO 21675:2019

Note: Regarding laws and regulations related to product responsibility, please refer to the Laws and Regulations section of the Report.

Continuous Innovation

The Group has always placed a high priority on research and development (R&D), firmly believing that technological innovation is the core driver of long-term growth. This Year, R&D expenditures accounted for 3.4% of the Group's revenue, significantly contributing to the sustainable development of the Group's business. Through continuous investment in R&D, we have established a robust technological innovation system, implemented internal patent and intellectual property incentives, and encouraged employees to actively participate in driving the continuous upgrade of products, services, and operational models.

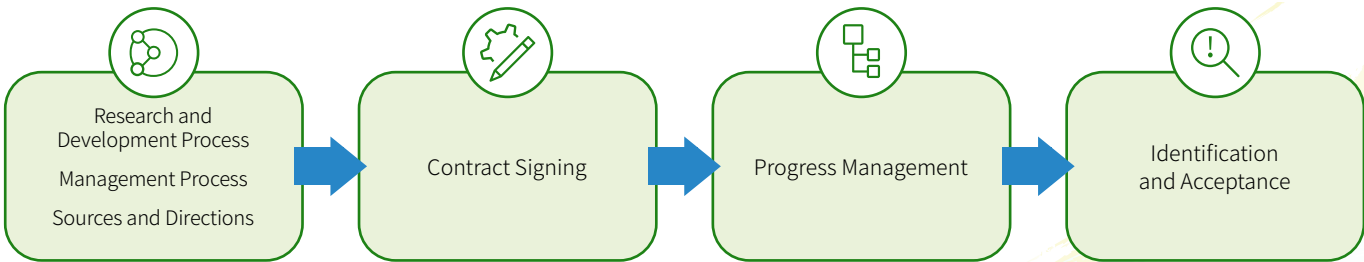
We collaborate with domestic and international research institutions and place significant emphasis on developing products with green attributes. In the face of intense industry competition and rapid technological changes, we strive to enhance product quality and performance while promoting green and sustainable development.

Technology and Product Research and Development

The Group adheres to a technology-driven development strategy, continuously innovating across multiple modules, including product manufacturing, technology research and development, and market sales. The Group's Research and Innovation Center, located in the Wuli Industrial Park of Jinjiang City, Fujian Province, is equipped with advanced capabilities and equipment for testing. The Group holds several prestigious titles, including National High-tech Enterprise (國家級高新技術企業), National Green Factory (國家級綠色工廠), National Green Supply Chain Management Enterprise (國家級綠色供應鏈管理企業), National Sports Industry Demonstration Unit (國家體育產業示範單位), National Industrial Design Center (國家級工業設計中心), National Academic Society Service Station (國家級學會服務站), National Intellectual Property Advantage Enterprise (國家級知識產權優勢企業), "Innovation China" Doctoral Innovation Station (「科創中國」博士創新站), and Provincial-level Technology Center (省級技術中心). These accolades fully recognize The Group's outstanding performance in technological innovation and industry influence.



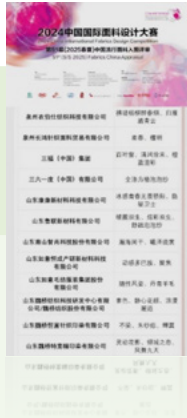
The Group has established the "Research and Development Organization Management System" to standardize and efficiently advance the research process. Additionally, the "Patent and Professional Title Reward Measures" are implemented to motivate and inspire innovation and research efforts across various departments.



Research and Development Management Process



In 2024, the Group's designed products won multiple awards, including the Kairos2 international running shoe, which won the Swiss FIT Sport Design Award in the "Exercises Sports" and "Innovation" categories. The Smart S Suit from Smart Tech also received the Product Design Award by the Red Dot Design Award, among other international accolades. Additionally, the Group earned the Excellence Award at the 51<sup>st</sup> and 52<sup>nd</sup> Chinese Popular Fabric Design Competition for China Fashion Fabrics and various other well-known domestic awards. The Group was also awarded titles such as the Fujian Artificial Intelligent Textile Materials Engineering Research Center (福建省人因智能紡織材料工程研究中心) and the Fu Xia Quan National Independent Innovation Platform (福廈泉國家自主創新平台), marking significant achievements in the field of innovative research and development.



Excellence Award at the 51st and 52nd Chinese Popular Fabrics



Science and Technology Award - First Prize in Technological Invention by China National Textile and Apparel Council



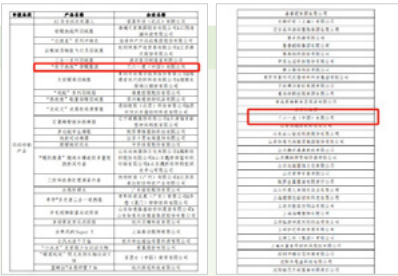
Sports Shoes Innovative Frontier Award - the 10th Aibang Polymer Shoe Material Industry Forum



Industry Benchmark Award - Manufacturing Excellence & Innovation Awards



"Particle Technology" Thermal Clothing and 7 other products selected for Fujian Province New Textile and Apparel Products



2024 Top Ten Textile Innovative Products and Top Ten Textile Innovative Products "Continuous Innovation Units"



Product Design Award - the Red Dot Design Award



Gold Prize in the Textile and Apparel category - the 1st Quanzhou High-Value Patent Competition



The list of winners under the "Exercises Sports" and "Innovation" categories by "FIT Sport Design Awards" in Switzerland

Intellectual Property Management

The intellectual property management work of the Group is jointly handled by the Legal Affairs Center, R&D, and Marketing departments. In accordance with the Group's "Patent Management Regulations" and "Trademark Management Measures", the responsibilities and procedures, file management, risk monitoring and control, dispute resolution, as well as trademark registration applications, trademark usage and maintenance, reward and penalty measures, and other related matters are standardized and systematically managed.

As of the end of this Reporting Period, the Group holds 633 patents, with 139 new patents granted compared to the previous year. Among them, 353 are for footwear, 184 for apparel, and 96 for accessories. The Group has 836 R&D personnel, of whom 417 work in footwear, 310 in apparel, 109 in children's products, and accessories.

Intellectual Property Protection

Based on the inventions and innovations of the R&D department, the Group conducts patent searches and analysis, proposes patent applications and layout strategies, and promptly files patent applications for protection or copyright registrations, with regular renewals to ensure the effective protection of the Group's R&D outcomes. When entering into agreements with distributors, the Group includes intellectual property protection clauses, specifying that distributors may only use the relevant intellectual property while selling the Group's products, and explicitly prohibiting participation in any activities that may infringe upon the Group's intellectual property rights. Additionally, we carry out intellectual property protection training within the Group to raise employees' awareness of intellectual property protection.

In response to external infringements of the Group's intellectual property rights, the Group continuously monitors and collects information on clues related to the production, manufacturing, and sale of counterfeit products, among other infringements. We conduct rights analysis and infringement assessments, and take measures such as filing criminal complaints, pursuing civil litigation, and making administrative complaints to combat violations of the Group's intellectual property rights and protect the Group's intellectual property interests.

Online Counterfeit Investigation	For various online platforms, we identify shops and products that use our Group's logos without authorization. We take actions such as filing complaints with the platforms, securing evidence, and pursuing legal action to remove counterfeit products from the market, in order to protect our own and our customers' legitimate rights and interests.
Offline Warehouse Investigation	Through various channels, we investigate offline warehouses and factories related to counterfeit goods. We take measures such as reporting to the Market Supervision Bureau or the police to crack down on counterfeit factories and warehouses.

Avoiding Infringement of Others' Intellectual Property Rights

Before launching products, we conduct patent infringement risk assessments, provide feedback on risk information, and offer suggestions for risk mitigation to avoid or reduce patent infringement risks. Before using new logos, we carry out thorough and comprehensive searches to avoid trademark infringement risks. During advertising and promotional activities, we pay attention to the legal sources of fonts, images, and other materials, ensuring that all have obtained proper authorization, thereby avoiding the infringement of others' intellectual property rights.

To enhance employees' awareness of intellectual property protection, we conduct annual intellectual property management awareness campaigns across the Group and invite external professional organizations to provide relevant training.



Product Quality Management

Adhering to the quality policy of "Quality is the foundation for gaining trust, striving for the most perfect products, continuous improvement, and building a century-old enterprise", the Group actively implements the ISO 9001 Quality Management System. We have developed system documents such as the "Apparel Product Quality Standards Manual" and the "Footwear Product Quality Standards Manual", in conjunction with corporate and internal control standards, to implement comprehensive quality management and a "brand strategy". The Group strengthens the quality chain across product design and development, technical production processes, and market end points, rapidly improving quality response speed. We focus on the entire process of quality control involving the market, brand owners, and suppliers, using systematic management methods of quality planning, quality control, and quality improvement to enhance product and service quality, continuously meeting customer needs and expectations.

Quality Management System	
Organizational Structure	The Quality Management Center consists of five departments: the Quality Review Department, Standards Testing Department, Quality Process Assurance Department, Warehouse Inspection and Assurance Department, and Quality System Department. These departments are responsible for risk prevention across the entire production chain, process measurement and analysis, on-site guidance and supervision, market tracking and improvement, and other quality-related tasks.
Personnel Experience	The Quality Management Center has a total of 89 members, 70% of whom hold a college degree or higher. Many of the team members have 10 to 20 years of experience in the footwear and apparel quality industry. 46% of the laboratory personnel hold intermediate or senior professional titles, bringing rich expertise in quality management.
Quality Upgrades	Quality improvement is carried out by conducting comparative analyses of competitors' and benchmark products in seven areas: materials, design structure, functionality, fit, appearance, physical and chemical properties, and cost. This helps to implement product quality upgrades and improvements.
Digital Information and Collaborative Platform	The Group has established a collaborative support platform with various management systems (e.g., PLM, SAP, MES, SCM, OA). This digital platform covers online statistics, analysis, collaboration, monitoring, standard publishing, information transmission, improvement management, and decision support.
Supplier Quality Assurance	The Group supports the quality of the supply chain through various initiatives such as Industrial chain supply chain quality empowerment (organized by government), system coaching and certification, accredited laboratories, certified QC, supplier grading management, supplier performance evaluations, quality standards dissemination, targeted quality improvements, quality supervision and audits, monthly quality analysis meetings, pre-production quality analysis meetings, and supplier knowledge competitions.



The Group maintained an excellent level of quality work and continued to win a number of honors during the Reporting Period.



Knitting Standards Committee Strategic Cooperation Unit



Eco-Inclusion Award



Certificate of Proficiency Testing



National Product and Service Quality and Integrity Demonstration Enterprise, National Sporting Goods Industry Quality Leading Brand



Inter-laboratory Comparison Certificate



Measurement Audit Certificate

Product Safety

To ensure that products meet standard requirements, the Group has established a footwear and apparel standard testing center equipped with advanced facilities and a professional testing team. With the FLIMS testing system, the center is capable of performing over 150 types of tests, including physical performance, safety performance, color fastness, chemical properties, and functionality tests. Among these, 39 tests have been accredited by the China National Accreditation Service for Conformity Assessment (CNAS) and comply with the requirements of ISO/IEC 17025:2017 and CNAS-CL01.



In the footwear and apparel sectors, the Group participates in the formulation and revision of various national and industry standards. Additionally, the Group has further refined product quality requirements through multiple corporate standards and internal control standards, effectively controlling the physicochemical properties of products and preventing product risks.

Participating in the formulation and revision of national standards	Participating in the formulation and revision of industry standards	Corporate standards	Internal control standards
18	12	107	265

For chemical substances in footwear and apparel products, we monitor from the source manufacturers, requiring raw material suppliers to conduct chemical testing on all materials and dyes annually. Production can only proceed if the materials pass the tests. During the semi-finished and finished product stages, random sampling and testing are conducted quarterly. Over the past twenty years, there have been no customer complaints regarding chemical substances exceeding the standard in footwear and apparel products.

Relevant chemical testing standards:

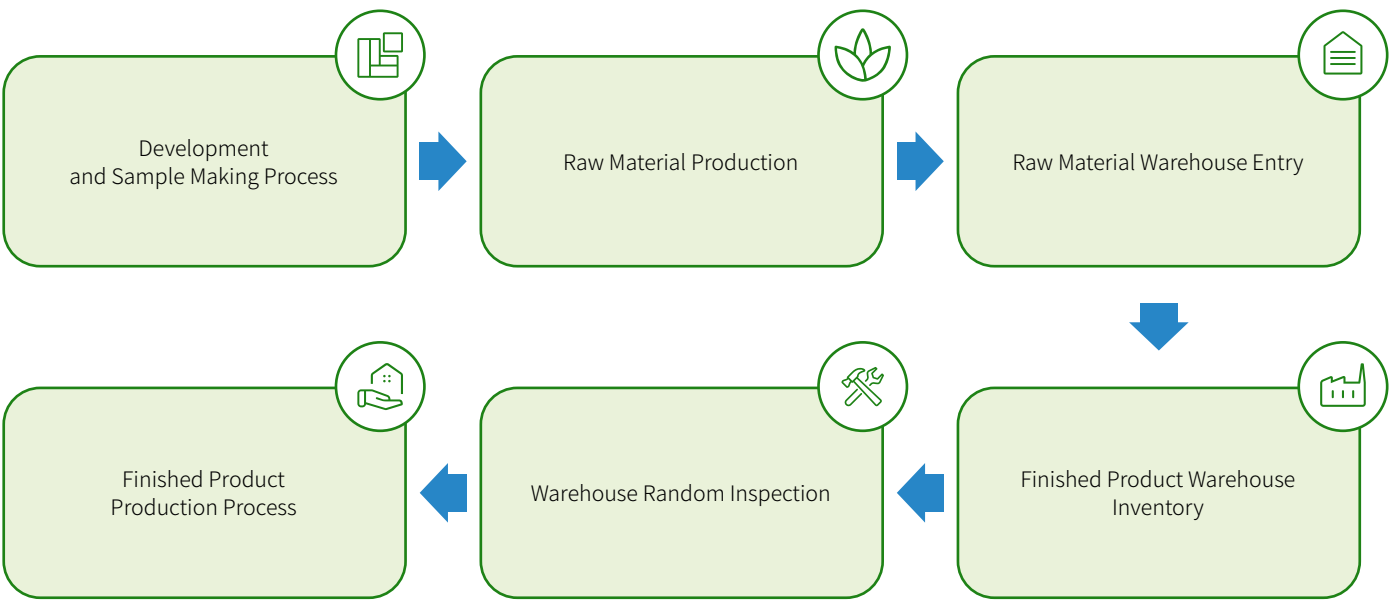
- Apparel testing standards (GB 18401)
- Footwear testing standards (GB 25038, GB 20400, GB 38508, etc.)
- International standards such as AFIRM, REACH SVHC, Oeko-Tex 100, etc.

These standards ensure compliance with regulations related to chemical safety.

Chemical Testing Control	Year	Footwear		Apparel and Accessories		Chemical Testing Random Sampling Pass Rate
		Raw Material Chemical Testing (Samples)	Finished Product Chemical Testing (Samples)	Raw Material Chemical Testing (Samples)	Finished Product Chemical Testing (Samples)	
	2024	114	12	8,089	69	100%

Process Control

The Group has established a comprehensive six-level quality inspection control system, starting from the source to prevent and monitor, with responsibilities assigned at each level. This ensures that every step of the process is well-controlled, guarantees a positive cycle, and delivers high-quality products to the market. The Group conducted 146,000 annual physical tests on footwear and apparel, with 43,000 batches of appearance inspections during the inbound stock process, maintaining an industry-leading level.



Product Recall Mechanism

The Group strictly controls product quality and safety. If there are safety, health risks, or quality issues with the products, the Group will immediately take action to contact consumers, collect samples for testing and analysis, and, if necessary, follow the recall procedures outlined in the Group's return management policy to request distributors to recall non-compliant products. No product returns or recalls occurred during the Reporting Period.

Quality Assurance Measures

To meet national laws and regulations as well as customer demands, the Group has conducted various product quality assurance activities, including risk assessments, physical property control, appearance inspection of raw materials, and appearance inspection of inbound stock. The Group continuously applies new technologies, methods, and tools, and conducts various quality improvement activities, such as quality projects, competitor comparisons, bottleneck issue projects, defect quality analysis meetings, and certification QC training. These activities effectively promote quality improvement within the Group, ensure the best user experience, and achieve quality management goals.

Footwear and Apparel Certification QC Training

Standardization of Metal Goods Placement Area

序号	物料名称	规格	数量	存放位置	存放时间	存放环境	存放方式	存放人	存放日期
1	鞋面	100000	100000	100000	100000	100000	100000	100000	100000
2	鞋底	100000	100000	100000	100000	100000	100000	100000	100000
3	鞋垫	100000	100000	100000	100000	100000	100000	100000	100000
4	鞋带	100000	100000	100000	100000	100000	100000	100000	100000
5	鞋盒	100000	100000	100000	100000	100000	100000	100000	100000

Establishment of Risk Assessment

Process Inspection Record Standardization

Raw Material Warehouse Material Storage Labeling Management

Laboratory Testing Position Skill Certification

Incoming Material Inspection Environment Standardization

Footwear and Apparel Supplier Inspector Color Blindness Assessment and Color Judgment Training

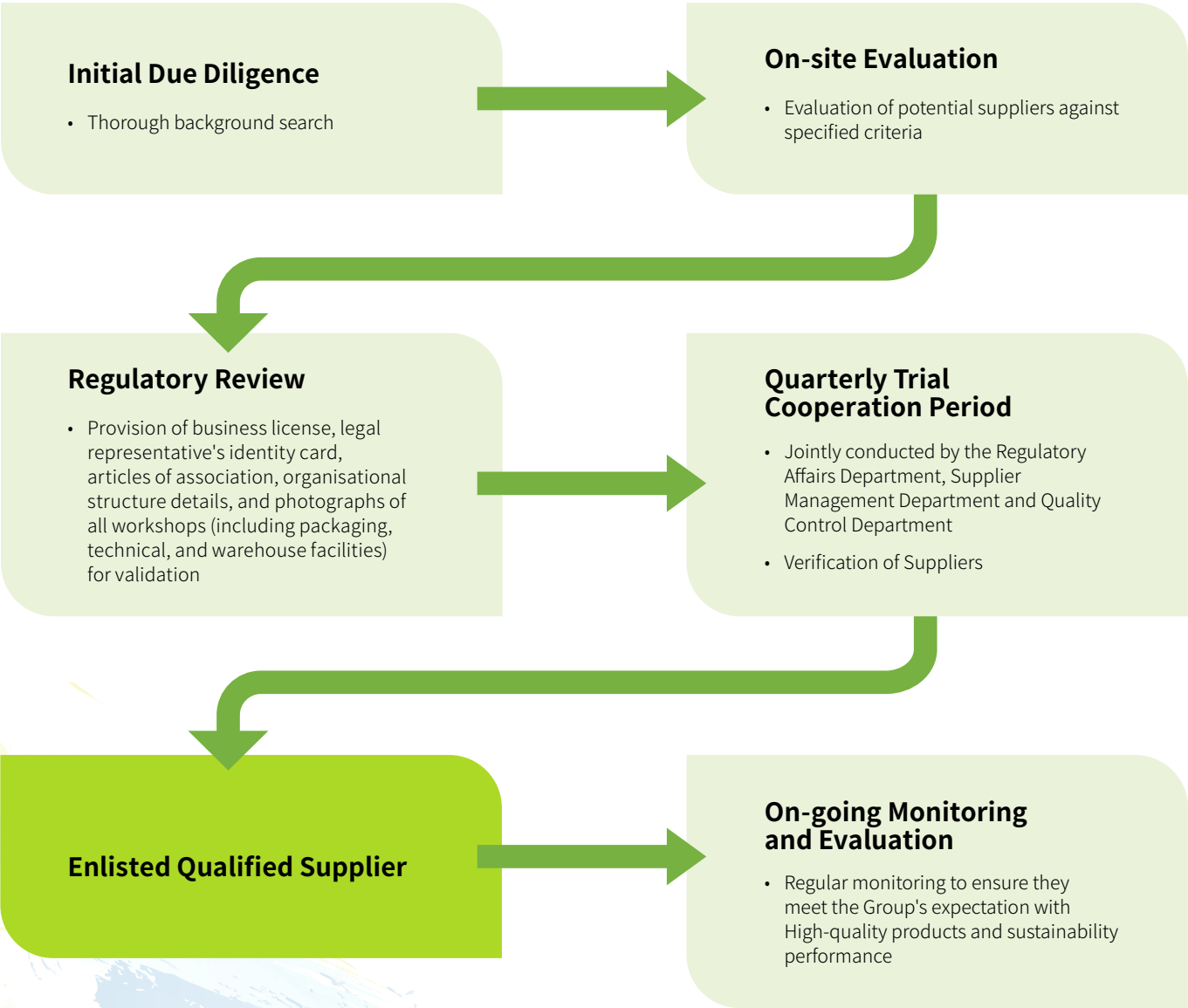


Supply Chain Management

The Group is committed to the socially and environmentally responsible management of its supply chain. We rely on suppliers to provide necessary raw materials such as textiles, leather, synthetic leather, polypropylene (PP) film, accessories, crafts, molds, fabrics, rubber, outsoles, and plastics, thus we only source materials from approved suppliers who meet our strict sustainability standards. To ensure consistency and efficiency in supplier management, we have implemented a robust system and processes to regulate and optimize our approach to managing supplier relationships.

Supplier Selection

Our procurement department adopts a comprehensive approach when selecting suppliers. We require all potential suppliers to fully comply with relevant laws and regulations and refer to our "Supplier Code of Conduct", which includes the implementation of environmental management, equal employment and anti-discrimination policies, prohibition of forced labour and child labour, overtime and working hour management, freedom of association, occupational health and safety, and integrity and honesty. In addition, we place great emphasis on the suppliers' performance in sustainability. Under equal conditions, we prioritize those partners who possess environmental protection technologies, green production processes, and actively fulfill their social responsibilities.



Supplier Code of Conduct

The 361° Supplier Code of Conduct aims to build an honest, sustainable, and compliant supply chain system. Suppliers must adhere to this code to ensure that all aspects comply with legal and ethical standards, jointly promoting the healthy development of the sports goods industry.

**Compliance with Legal Requirements**

Suppliers must comply with all the laws and regulations of the jurisdictions where they operate.

**Compensation and Benefits**

Suppliers must comply with national laws, regulations, or local provisions concerning compensation and benefits. They must pay employees at least the minimum wage and overtime pay required by law and provide legally mandated benefits.

**Prohibition of Forced Labour**

All workers must be employed voluntarily. Employees must have the freedom to leave their positions or terminate their employment through prior application. Employers may not require employees to deposit any government-issued identification documents as a condition of employment.

**Respect for Employee Rights**

Suppliers must comply with labour laws to ensure employees' legal rights, including fair compensation, reasonable working hours, and a safe working environment. Forced labour and child labour are prohibited, and suppliers must commit to not discriminating against any employee.

**Safety Responsibility**

Suppliers must provide a work environment that complies with local laws, health, and safety regulations. Employees should have access to clean drinking water and public health facilities, and all public areas must be equipped with adequate medical kits, emergency exits, and safety protection equipment.

**Freedom of Association**

Suppliers must respect employees' rights to form and join industry organizations or unions and to engage in collective bargaining peacefully and legally under applicable laws.

**Environmental Protection and Resource Conservation**

Suppliers must comply with environmental protection laws and regulations, taking measures to reduce the ecological impact of production activities. This includes conserving energy and resources to minimize the negative environmental impact of daily operations. This includes, but is not limited to, managing air quality, water quality, soil, noise, and chemicals, as well as waste management.

**Confidential Information**

Suppliers must respect intellectual property rights and take measures to protect them. This includes managing technology and expertise and ensuring compliance with intellectual property regulations regarding the products, materials, components, and services in the supply chain. Suppliers must disclose all practices and resources related to the production of 361° products in a comprehensive and timely manner.

**Prohibition of Bribery**

Suppliers must comply with anti-corruption laws and regulations in their operating locations. Gifts, including cash, cash equivalents (e.g., gift cards, product discounts), hospitality, or unrelated business activities, are strictly prohibited.

**Business Integrity and Ethical Standards**

Suppliers must conduct business with honesty, fairness, and ethical standards. They must not engage in anti-competitive, fraudulent, discriminatory, dishonest, illegal, or unethical business practices. Without written consent from 361°, suppliers may not transfer or subcontract the manufacturing of 361° products or their components to third parties.

**Communication Channels and Complaints Mechanism**

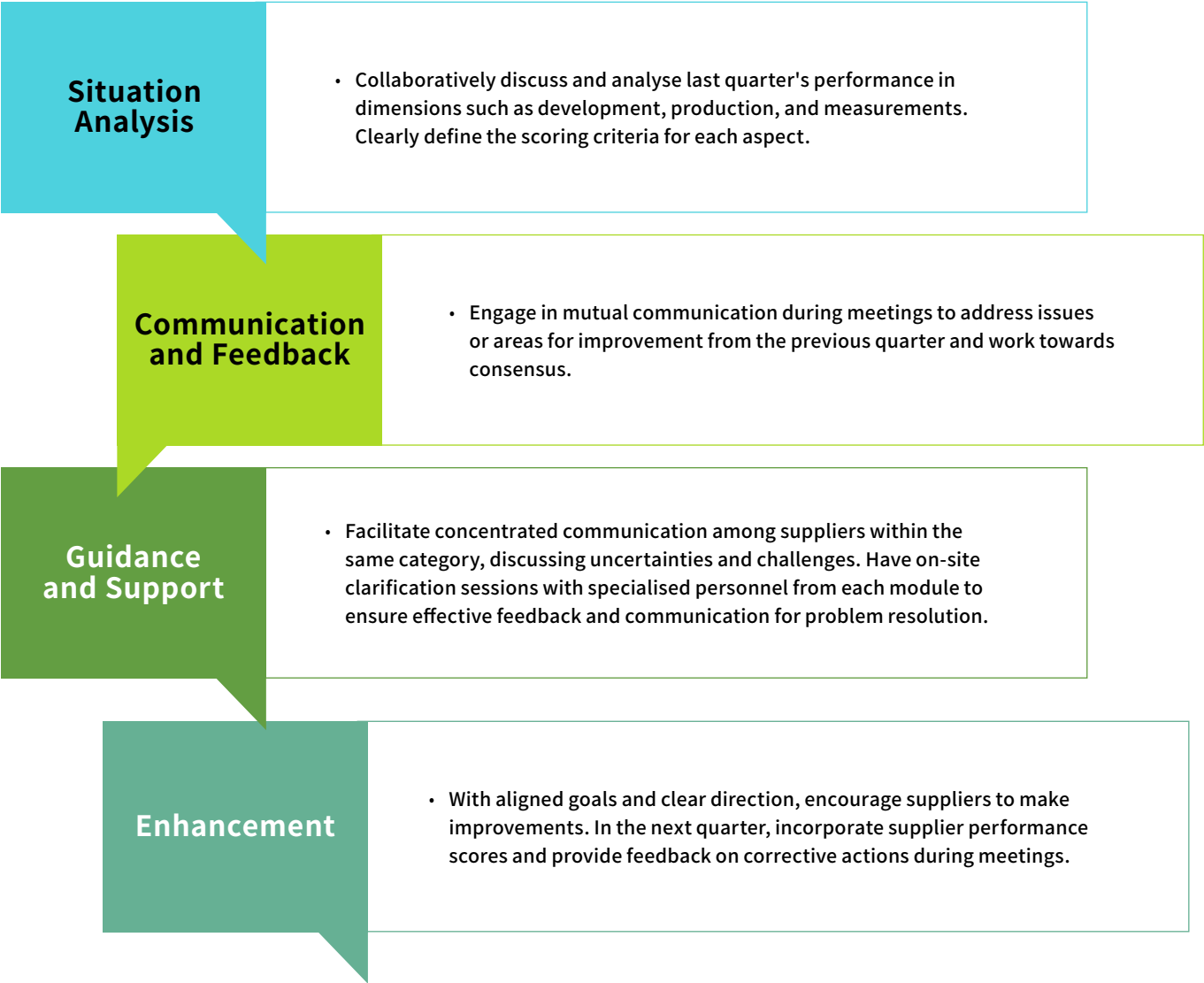
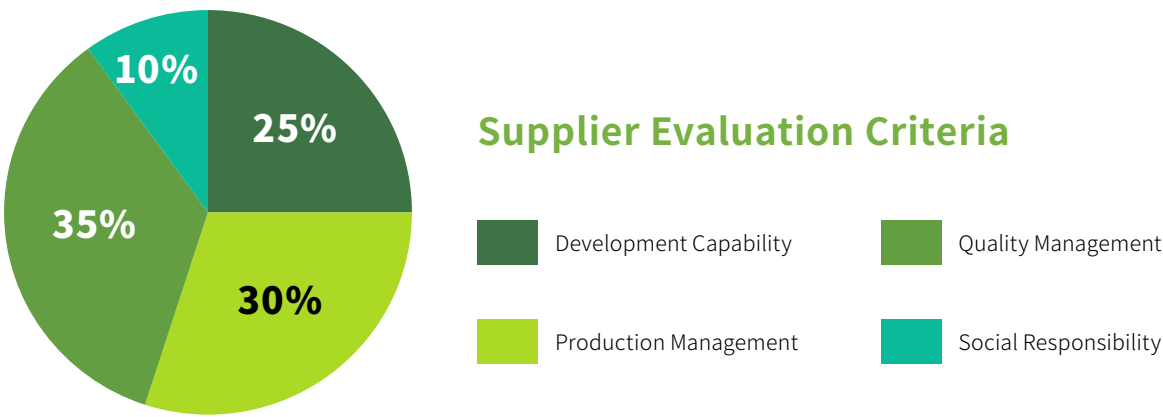
Suppliers must establish effective communication channels for employees and implement complaint, reporting, and grievance mechanisms. These mechanisms must protect employees from retaliation for reporting or filing complaints, ensuring that the grievance system operates effectively.

Supplier Grading and Classification

The Group classifies suppliers into levels 1, 2, and 3 based on their status, with strict control measures applied to level 1 and 2 suppliers. Through performance evaluations, suppliers are further categorized into A, B, C, and D categories. Additionally, a classification management system has been established, where suppliers are categorized based on product attributes (such as footwear, outsoles, molds, mesh fabrics, leather materials, and processes). Each category is managed with tailored approaches according to its unique characteristics.

Category A	Category B	Category C	Category D
<b>Strategic Suppliers</b> R&D capabilities Development capabilities Strong willingness to collaborate	<b>Core Suppliers</b> Lack R&D capabilities or have weak R&D capabilities Possess development capabilities Strong willingness to collaborate	<b>Key Suppliers</b> Lack R&D and development capabilities Only have mass production capabilities	<b>Normal Suppliers</b> Temporary or one-time collaboration suppliers

Refining Performance Management	
Refining Evaluation Standards	Set relatively reasonable evaluation standards based on dimensions such as the supplier's collaboration scale, product complexity, and other relevant factors.
Delivery Assessment	Reassess the in-house production rate for the vamp and processes, and mutually agree on a reasonable ratio and scoring standards.
Development Evaluation	Classify suppliers and evaluate them differently based on their R&D capabilities. Suppliers with R&D capabilities should be evaluated separately from those without, setting different evaluation scores based on their technical or R&D levels.
Dynamic Performance Management	Adjust the evaluation dimensions and intensity based on different supplier needs at various stages of the supply chain to align with the development of the supply chain.





Supply Chain Risk Management

The Group implements an internal risk management system to address potential risks within the supply chain. The Supplier Coordination and Management Department is responsible for managing and monitoring these risks, as well as overseeing and managing the impact of the entire value chain on society and the environment during the Reporting Period.

**Identification**

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

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

**Evaluation**

- Probability:** The Supplier Coordination Management Department analyses the data based on the information collected from various channels, and forecasts the probability of risk occurrence and takes precautionary measures in advance.
- Severity:** The Supplier Coordination Management Department analyses the degree of supplier risk that may affect the business of the Group and ensures effective monitoring.

**Management**

- Follow strict tracking procedures during the trial cooperation period of newly admitted suppliers to ensure they meet the requirements. The first order quantity should not exceed 5% of the total order of a certain type of product.
- During the production process in each production season, the Supplier Coordination Management Department occasionally collaborates with the Production Planning Department and Quality Center to quantify the risk of the supplier.
- Backup suppliers and alternative products should be in place.
- Blacklist suppliers who are found to have the following problems that may bring greater procurement risks to the Group:
  - Major deviation between the product quotation and average market level;
  - Seriously breaking the contract, including but not limited to delays in supply, provision of fake and shoddy products and slow response in after-sales service;
  - Severe quality issues;
  - Commercial bribery; and
  - Bad credit records.

For the supply of textiles, adhesives, footwear materials, and products, suppliers are required to provide samples to the Group's CNAS-accredited laboratory for testing before delivery. Suppliers must provide test reports issued by qualified third-party testing institutions. All procedures implemented by the Group ensure that raw materials comply with the requirements of standards such as GB 18401 "National General Safety Technical Code for Textile Products", GB/T 15107 "Tourist Shoes", and GB 19340 "Adhesives for Footwear and Case and Bag", among others.

Supplier Participation

The Group implements performance communication meetings with suppliers, providing clear performance scores for each part of the quarterly evaluation. Through analyzing the current situation of departments and supplier personnel, and providing communication feedback, areas for improvement are identified, improvement suggestions are proposed, and suppliers are encouraged and monitored to take necessary actions. Corrective feedback is provided in subsequent meetings to enhance product quality and service levels. For suppliers with outstanding annual and quarterly performance, we offer rewards such as increased order volumes and priority payments, encouraging suppliers to collaborate on improvements.

This year, we focused on the digital supply chain collaboration project. While launching multiple new products using new materials, we collaborated with suppliers to establish a unified quality management platform. This platform addresses quality issues across the entire lifecycle of the products, based on individual styles. We have implemented online quality collaboration management and coordination with third-party inspection agencies for physical and chemical quality testing.

Supplier Quality Improvement in 2024						
Apparel and Accessories						
Certified Laboratory	Certified QC	Quality Management System Audit and Coaching	Quality Issue Improvement Rate	Quality Awareness Training at the Factory	Quality Analysis Meeting	Special Inspection
5 units	19 personnel	16 suppliers	81%	19 times/2,200 person-times	15 times	19 suppliers
Footwear						
Certified Laboratory	Certified QC	Quality Management System Audit and Coaching	Quality Issue Improvement Rate	Quality Awareness Training at the Factory	Quality Analysis Meeting	New Models Inspection
34 units	19 personnel	9 suppliers	82.5%	22 times/2,300 person-times	30 times	253 models

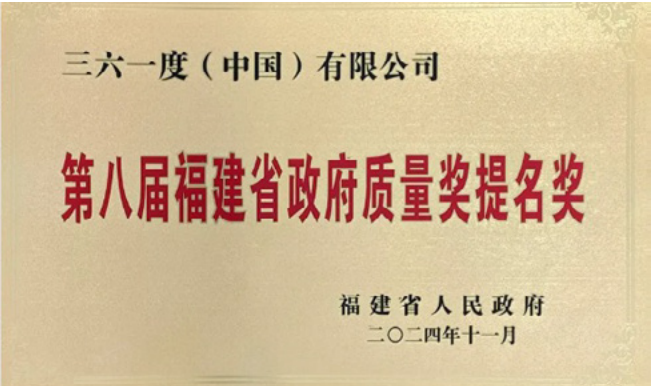
The "Rain-block" (雨屏) 8th Generation Running Shoes are a comprehensive upgrade based on the excellent performance of the previous generation. Inspired by the hydrophobic and breathable properties of bird feathers, the shoes have enhanced water resistance and breathability. They are equipped with FLY-TEX Waterproof and Breathable Membrane Technology, which integrates the waterproof and breathable membrane into the inner layer of the fabric, achieving dual functions of water resistance and breathability.



**The 361° Rain-block Windproof Jacket (禦屏衝鋒衣)** from the brand's "Lightweight Adventure Series" (輕野系列) series stands out as a premium product with high cost-performance and outstanding functionality, making it a favorite among light outdoor enthusiasts. The jacket utilizes the "Block Technology" (屏科技) Platform, with a waterproof rating of 8,000mmH<sub>2</sub>O and a breathability rate of 8,000g/m<sup>2</sup>/24h, effectively resisting harsh weather conditions, including heavy rainstorms. Additionally, it incorporates multiple technologies such as windproof, stain-resistant, and abrasion-resistant features, achieving a comprehensive 6-in-1 protection system.



During the Year, the Group was nominated for the 8th Fujian Provincial Government Quality Award. As a "chain-leader enterprise", 361° has built a collaborative digital supply chain management system, empowering more than 400 suppliers, including nearly 100 finished product manufacturers and over 300 material manufacturers. This has established an industry community ecosystem centered around 361°. Through joint research and collaborative innovation, new technological products such as "Rain-block" (雨屏) waterproof fabrics and "Louvred Window (百葉窗)" biomimetic ventilated materials have been developed, bringing new growth opportunities and market prospects to the partners along the supply chain.



Supply Chain and Industry Empowerment Initiatives

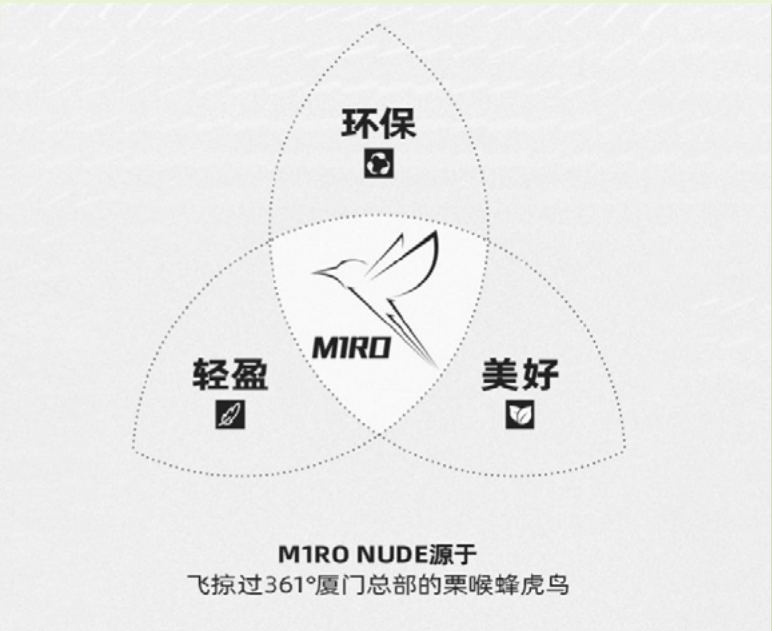
Green Procurement

The Group firmly adheres to the concept of Green Procurement and is committed to seeking sustainable solutions for the materials and substances used in its products. Our green procurement strategy prioritizes the purchase of low-carbon, low-energy consumption, recyclable, and environmentally friendly materials, while actively encouraging suppliers to adopt sustainable production practices. We require suppliers to comply with environmental regulations during the production process, reduce greenhouse gas emissions, and promote the use of clean energy and green technologies. Additionally, we regularly assess the environmental performance of our supply chain to ensure that procurement activities contribute to the efficient use of resources, minimize waste, and reduce environmental impact.

The Group actively seeks environmentally friendly and biodegradable materials, requiring suppliers to comply with local emissions regulations and manage wastewater discharge and waste in a scientific and effective manner. Additionally, the Group prioritizes cooperation with local business partners to minimize the environmental impact of transporting goods and raw materials.

**The 361° MIRO NUDE Carbon Plate Running Shoes** are crafted using eco-friendly, high-quality materials to deliver exceptional performance:

- Extreme Lightweight:** Each size 41 shoe weighs only 110g, significantly reducing the burden during running, allowing for a lighter stride;
- Top-Notch Midsole Technology:** The midsole features Evonik PA12 Nylon Precursor CQT EXTREM3 technology, providing up to 90% energy return, delivering essential energy rebound for competitive running shoes;
- Powerful Carbon Plate Support:** The shoes are equipped with an ultra-light carbon fiber plate that converts midsole rebound energy into forward propulsion;
- Premium Outsole Design:** The outsole uses specialized hollow RPU materials, covering only key areas where landing, support, and take-off occur. This ensures excellent traction, durability, and adaptability to various running environments;
- Comfortable Vamp Material:** The vamp is made of 100% carbon fiber, which is light, thin, and highly resilient. Incorporating eco-friendly concepts, it provides comfort and support during runs through a special weaving technique.





We prioritize selecting suppliers with strong environmental certifications and effective environmental management systems. Suppliers are asked to provide certificates verified by authoritative third-party organizations, including greenhouse gas verification reports in line with ISO 14064, ISO 14001 Environmental Management System certification, and ISO 45001 Occupational Health and Safety Management System certification. We also refer to information such as the Higg FEM self-assessment and verification, Supplier to Zero, and other relevant documents as criteria for evaluating green procurement practices.

Currently, many of the raw materials purchased by our Group have been certified by international standards, including the ORGANIC CONTENT STANDARD (OCS), GLOBAL RECYCLED STANDARD (GRS), GLOBAL ORGANIC TEXTILE STANDARD (GOTS), and OEKO-TEX® certifications.



Eco-friendly Materials We Use:

- "Rain-block" (雨屏) Technology** – This technology utilizes several fluorine-free water repellents, which do not contain fluorinated compounds (such as PFOS, PFOA, etc.). It has minimal environmental impact during production, use, and disposal, and does not damage the ozone layer.
- SORONA Fiber** – Made with plant-based materials as part of its raw ingredients, SORONA fiber reduces energy consumption and carbon dioxide emissions during production compared to traditional petrochemical-based fibers.
- Physical Foam Midsole** – In comparison to traditional chemical foam midsoles, this method reduces the use of chemical catalysts and utilizes recycled carbon dioxide extracted from waste gases for production.

During the Reporting Period, The Group's apparel production included the use of approximately 89 tons of recycled polyester, 333 tons of bio-based SORONA, 54 tons of hemp yarn, and 71 tons of eco-friendly bio-based and fluorine-free waterproof materials. The Group is continuously expanding the application of eco-friendly materials. In The Group's footwear products, approximately 15% of the midsole in the shoes are made with CQT matrix physical foam material. Compared to traditional chemical foam midsoles, this technology reduces the use of chemical catalysts and utilizes recycled carbon dioxide extracted from waste gases, contributing to waste gas recovery and reuse. This technology has been widely applied in models such as the Flying Flame 4 (飛燃4), Flying Flame 3 (飛燃3), Flying Flame 3ET (飛燃3ET), Furious 2 (飛騰2), SPIRE FLOAT2 (速湃 FLOAT2), SPIRE CQT (速湃CQT), Titan 2PRO (泰坦2PRO), Titan 2 CQT (泰坦2CQT), and Rain-Block 8 (雨屏8). Additionally, all new international footwear products feature uppers made from recycled yarn.

The Group was included in the national green supply chain list in 2021.



Quality Service



The Group is committed to providing high-quality services to customers and consumers. We have established the "361° After-Sales Service Management Manual" and the "Return Management Regulations" to standardize service processes, conducted employee training programs, and developed diverse communication channels such as market support and terminal Q&A to continuously improve and enhance our service system.

The Customer Service Department and the Quality Control Department are responsible for receiving, analyzing, and promptly handling complaints according to internal procedures. This includes identifying responsible parties and executing the complaint handling process to ensure timely inspections and corrective actions. To improve complaint resolution efficiency, we have established online and offline after-sales teams with online workgroups to ensure that complaints are resolved on the same day. Additionally, we have set customer service quality targets, aiming to achieve 100% timely resolution of customer and consumer complaints while ensuring a satisfaction rate exceeding 90% in after-sales services.

During the Year, we conducted customer satisfaction surveys through both offline and online channels. The survey results showed that overall customer satisfaction indices for both online and offline services exceeded 95%. Based on feedback from these surveys, we formulated product optimization and service quality improvement plans and continued to monitor the effectiveness of these improvements, always striving to enhance customer satisfaction. During the Reporting Period, the Group did not receive any significant complaints regarding the quality of its products and services.



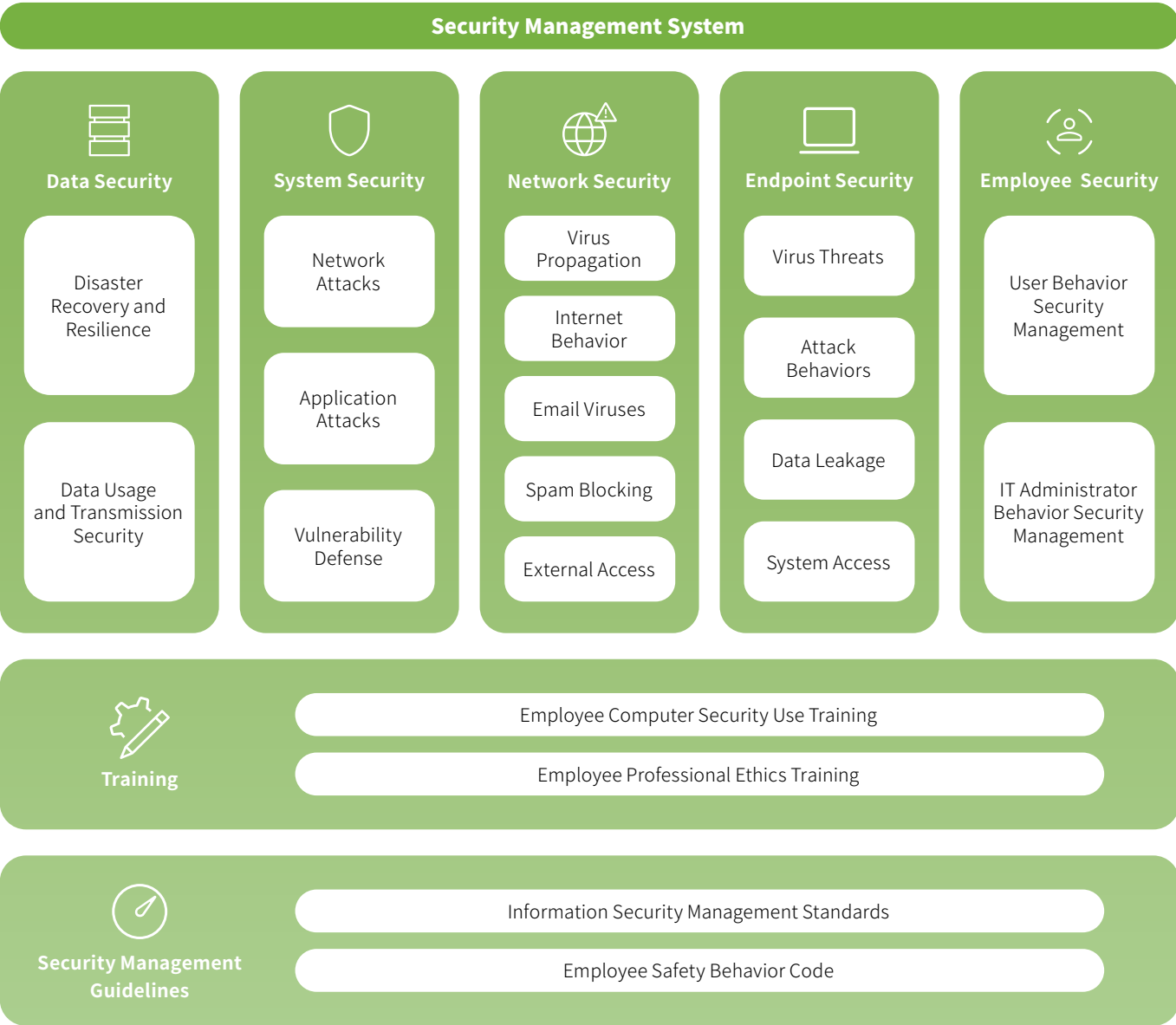
General Process for Customer Complaint Handling

Privacy Protection and Information Security

The Group strictly adheres to international and regional laws and regulations related to customer privacy protection. Through measures such as personal data encryption, firewall installation, and signing confidentiality agreements with employees, we closely monitor any abnormal activities to prevent unauthorised misuse, output, and duplication of data. All data collected from customers is used only for mutually agreed-upon purposes. Sensitive information is rigorously protected and securely stored, accessible only to authorised personnel.

During the Reporting Period, the Group has not received any complaints regarding customer data privacy, and there is no record of any information security incidents.

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





Leveraging Information Technology

To achieve effective control over the entire process of information management system development, the Group has established the "Information Technology Construction Special Planning, Management, and Review System". This system helps standardize the workflow from project requirements to project acceptance and includes quarterly and bi-annual reviews of each project. The resulting review reports facilitate continuous improvement.

The Group accelerates its digital transformation by implementing a leading comprehensive information technology platform. Additionally, the Group actively promotes information security training and awareness campaigns to enhance employees' understanding and awareness of the importance of information security.



This year, we vigorously promoted digital transformation with the following measures:

①. **5G + Smart Factory Project:** By integrating multiple terminals, production systems, and data carriers into an information platform, we implemented visualized production processes, quality management, line information flows, and quantified production efficiency across the entire manufacturing process. This initiative enhances the Group's standardization and intelligence levels, driving towards smart manufacturing.



②. **CDP (Consumer Data Platform) Project:** Launched to achieve comprehensive customer asset management, this project enables in-depth user insights, builds a refined operational system, and ensures closed-loop strategy implementation. It effectively improves the operational efficiency of existing users through precise and targeted operations.

③. **Digital Supply Chain Collaborative Management System:** As a chain-leader enterprise, 361° established a digital supply chain collaborative management system, empowering numerous suppliers (including finished product manufacturers and material manufacturers). We successfully implemented a digital transformation solution that fosters deep collaboration among enterprises within the supply chain. This initiative has connected companies with manufacturers, enabling the interconnectivity of critical production and operational data. It has established an industry community ecosystem centered around 361°.





# ADDRESSING CLIMATE CHANGE

The Group integrates climate change governance with overall ESG governance, deploying them in a unified manner. The Board of Directors and management team approach these responsibilities with a high degree of accountability and transparency, ensuring that relevant issues are given adequate attention and effectively managed. For more detailed information, please refer to the "Sustainable Governance Practice" section.



Climate-related Risks and Potential Impacts

361° recognizes the significant risks and opportunities that climate change poses to its business development, the sports industry, and society as a whole. As a responsible enterprise, we are committed to establishing a more systematic climate change management system to effectively identify and address risks and opportunities that could impact our operations. Considering China's "3060 Dual Carbon Targets" and the Hong Kong Climate Action Blueprint 2050, the Group has categorized climate-related risks and opportunities into short-term (up to 2027), medium-term (up to 2030), and long-term (up to 2050) assessments. We apply the same categorization to our strategic planning processes to guide corresponding decision-making.

Type	Climate-related Risks	Impacts on Business, Finance, and the Value Chain	Impact Period	Risk Rating			Strategies and Decisions
				Probab-ility	Impact Level	Grade	
Physical Risks	Acute	Increasing severity of extreme weather events, such as high temperatures, prolonged rainfall, flooding, and typhoons	Short-term	Medium	Medium	Medium	Conduct facility maintenance and regular inspections, stockpile emergency supplies, develop emergency response plans, and help distribution clients enhance their response capabilities through training.
		Alterations in weather patterns and increased variability					
	Chronic	Escalating average temperatures	Mid-term	Medium	Low	Low	Provide health insurance for employees, improve air conditioning systems in factories and transportation vehicles, and ensure occupational safety.
		Raw material yields and quality are affected by high temperatures, leading to increased raw material costs. Hot weather also raises electricity expenses for cooling equipment such as air conditioners and fans in factories. Additionally, it impacts the work efficiency and health of employees and transportation staff, resulting in higher operational costs and increased expenditures on heat subsidies.					
		Rising sea levels					

Type	Climate-related Risks	Impacts on Business, Finance, and the Value Chain	Impact Period	Risk Rating			Strategies and Decisions
				Probab-ility	Impact Level	Grade	
Transition Risks	Policy and Legal	Increased GHG emissions reporting obligations	Mid-term	Medium	High	Medium	Invest in sustainable development projects, continuously engage external professional consultants to assist the Group in sustainability-related work, and regularly provide relevant training for the Board of Directors and management.
		Product Authorization and Regulation	Mid-term	High	Medium	High	Hire legal advisors, conduct training for relevant personnel to strengthen compliance and risk management, and obtain international certifications for the Group and its products to reduce compliance risks.
		Carbon Pricing and Carbon Tax	Mid-term	High	Medium	High	Conduct carbon audits, manage product carbon footprints, and strive to reduce the Group's product carbon emissions. Actively participate in carbon trading markets.
	Technology	Unsuccessful new technology investments	Short-term	Low	Low	Low	Make sustainable R&D investments by forming specialized teams comprising professionals from diverse backgrounds to evaluate projects. Engage professional consultants for analysis when appropriate.
		Transition costs to green technologies	Short-term	High	Medium	Medium	Diversify eco-friendly product lines, practice green procurement, and prioritize raw materials with green and eco-friendly attributes.
	Market	Raw Material Supply Stability and Operational Pressure	Mid-term	High	Medium	Medium	Perform scenario analysis to identify and quantify risk levels. Leverage the Group's role as a "chain leader" to guide upstream and downstream partners in developing response measures, establishing long-term relationships, and implementing sustainable practices.
	Reputation	Shifts in consumer preferences	Mid-term	Medium	Medium	Medium	Increase investment in products with green and low-carbon attributes, practice green procurement, organize eco-friendly brand activities, and build a green brand image.
		Increased stakeholder concern	Mid-term	High	High	High	Actively collaborate with stakeholders to ensure timely disclosure and transparency and prioritize employee well-being and satisfaction.

Climate Resilience

The Group places a high priority on climate-related changes, developments, and uncertainties, and actively implements strategies to ensure business resilience in this context. After identifying climate risks and opportunities, we use scenario analysis to assess the potential impacts of different climate scenarios on our business model and strategy. This analysis considers extreme climate events, policy changes, and the dynamics of market and technological developments, aiming to enhance our adaptive capacity and risk management in response to climate change.

Based on the assessment results, the Group proactively develops response plans to ensure operational robustness and sustainable development amidst the uncertainties of climate change. Through these measures, we aim to maintain business resilience in a continuously changing environment and provide clear climate risk mitigation strategies to our stakeholders.

Types of Risks		Climate-related Risks	Relevance and Assumptions	IPCC AR6 SSP2-4.5			IPCC AR6 SSP5-8.5		
				Value at Risk			Value at Risk		
				2027	2030	2050	2027	2030	2050
Physical Risks	Acute Risks	Extreme weather events, such as high temperatures, prolonged rainfall and flooding, typhoons	Assess the impact of extreme weather and climate change on the value of assets and operations.	Low	Low	Low	Low	Low	Medium
	Chronic Risks	Changes in weather patterns and increased variability		Low	Low	Low	Low	Low	Medium
		Rising average temperatures		Low	Low	Low	Low	Low	Medium
		Rising sea levels		Low	Low	Low	Low	Low	Medium

Types of Risks		Climate-related Risks	Relevance and Assumptions	NGFS Net Zero 2050			NGFS Current Policies		
				Potential Financial Effect			Potential Financial Effect		
				2027	2030	2050	2027	2030	2050
Transition Risks	Policy and Legal	Increase in greenhouse gas emissions reporting obligations	Expected impact on operating costs and product sales due to policy and regulatory requirements.	Low	Low	Low	Low	Low	Low
		Product authorization and regulation		Low	Medium	Medium	Low	Low	Low
		Carbon pricing and carbon taxes		Low	Medium	High	Low	Low	Low
	Technology	Failure in investment in new technologies	Assess the costs and risks of R&D and investment transformation in response to green and low-carbon regulatory requirements and market demand.	Low	Medium	Medium	Low	Low	Medium
		Transition to low-carbon technologies		Low	Medium	Medium	Low	Low	Low
	Market	Stability of raw material supply and operational pressure	Assess the financial impact on the market's upstream and downstream as well as on the Group's operations.	Low	Medium	High	Low	Low	Medium
	Reputation	Shift in consumer preferences	Expected revenue impact due to changes in consumer behavior.	Low	Low	Medium	Low	Low	Low
		Increased concerns from stakeholders	Anticipate stakeholder expectations within the context of policies, markets, and regulations.	Low	Low	Medium	Low	Low	Low

Climate Change Risk Management

The Group integrates climate-related risk management into our overall risk management framework, implementing systematic measures to ensure the identification, assessment, response, and monitoring of various climate risks. Based on the potential physical and transitional risks posed by climate change, and in conjunction with scenario analysis results, we evaluate the potential impacts of different climate scenarios on our operations, financial performance, and supply chain from multiple perspectives, including impact period, probability, and severity.

On this basis, we have identified key risk factors related to extreme climate events, policy changes, and market transitions. We have designed corresponding response strategies and mitigation measures for these risks. In developing our risk management strategies, the Group emphasizes integrating climate risks with other business risks to ensure comprehensive risk control and continuous operations. This approach ensures that all stakeholders are informed about our risk management framework and its effectiveness.

Metrics and Figures

The Group deeply recognizes the significant impact of greenhouse gas emissions on climate change and views greenhouse gas emissions as a core issue in addressing climate-related risks. We comply with relevant greenhouse gas emissions laws and regulations and, based on our own situation, take reasonable measures to reduce emissions.

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

Apart from the practices narrated above, the Group is working on offsetting its GHG emissions by providing biodiversity benefits to the surrounding areas and taking useful measures to convert its working sites into eco-friendly places.

The Group's greenhouse gas emissions report is prepared in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004), the Hong Kong Stock Exchange's How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs, and the Implementation Guidance for Climate Disclosures under HKEX ESG reporting framework. The Report also references the Intergovernmental Panel on Climate Change (IPCC) Emissions Factor Database. Detailed emission information is provided in the table below:

GHG Emissions				
Emission Category	Amount (Tons of CO <sub>2</sub> e)		Intensity (Tons of CO <sub>2</sub> e/million RMB revenue) <sup>1</sup>	
	Year 2024	Year 2023	Year 2024	Year 2023
Scope 1 <sup>2</sup> (Direct Emissions)	7,476.45	7,233.50	0.74	0.86
Scope 2 <sup>3</sup> (Indirect Emissions)	27,492.95	26,460.60	2.73	3.14
Scope 3 <sup>4</sup> (Other Indirect Emissions)	3,724.85	2,981.70	0.37	0.35
Total	38,694.25	36,675.80	3.84	4.35

<sup>1</sup> Since the Group's primary business activity is product manufacturing, the calculation method for greenhouse gas emissions intensity is based on dividing the emissions from waste gases, greenhouse gases, and other emissions by the Group's total revenue for the corresponding year. This approach allows for a more intuitive display of the changes in greenhouse gas emissions brought about by production and manufacturing.

<sup>2</sup> The Group's Scope 1 (Direct Emissions) includes emissions generated from the consumption of gasoline, diesel, and natural gas.

<sup>3</sup> The Group's Scope 2 (Indirect Emissions from Energy) includes only emissions generated from electricity consumption. The carbon emission factor for electricity is sourced from the Ministry of Ecology and Environment's announcement on the "2022 Carbon Dioxide Emission Factor for Electricity".

<sup>4</sup> The Group's Scope 3 (Other Indirect Emissions) currently only includes emissions from business travel.





Emission Management

361° places a high priority on the protection of the ecological environment. To reduce the negative impact on the environment during production and operations, the Group takes appropriate measures to minimize the emissions of air pollutants, greenhouse gases, solid waste, and wastewater.

During the Year, we have treated organic exhaust gases generated during production using activated carbon adsorption combined with UV photolysis technology. This ensures that both the concentration and total amount of pollutants consistently meet the relevant emission standards. During the Reporting Period, the Group invested 4.54 million RMB to upgrade the organic exhaust gas treatment process to a dry filtration + activated carbon adsorption/desorption + catalytic combustion process. The project is currently being implemented, and the expected results are that the treatment efficiency of organic exhaust gases will improve from around 40% to approximately 90%, while the annual organic exhaust gas emissions will decrease from 15.8 t to 2.6 t, resulting in a reduction of 13.2 t annually.

The Group regularly engages qualified professional agencies to conduct air pollutant emission testing. In addition, to improve air pollutant emissions caused by vehicle usage, the Group has installed exhaust gas filters and other facilities on its vehicles.

During the Reporting Period, the Group's emissions of sulfur oxides (SO<sub>x</sub>), nitrogen oxides (NO<sub>x</sub>), and particulate matter (PM) decreased by 15.11%, 0.63%, and 7.31%, respectively, compared to the year of 2023.

During the Reporting Period, the Group complied with applicable laws and regulations regarding the emissions of exhaust gases and greenhouse gases, discharge into water sources and land, generation of hazardous and non-hazardous waste, and noise, all of which have a significant impact on the Group.

Goals and Actions

Based on an in-depth assessment of climate change risks and opportunities, we fully recognize the profound impact that climate change has on the Group's operations. In response to climate change and the national carbon neutrality goals, we have set clear greenhouse gas emissions reduction targets to drive the Group's low-carbon transformation, enhance climate resilience, and improve market competitiveness. By optimizing energy use, improving energy efficiency, adopting renewable energy, and enhancing supply chain management, we aim to reduce the carbon footprint of our operations. In addition, we will regularly monitor and report on emissions progress, ensuring the achievement of our emissions reduction targets to promote the Group's sustainable development and fulfill our social responsibilities.

Scope	Target
Scope 1 and Scope 2 Greenhouse Gas Emissions	Reduce the intensity of Scope 1 and Scope 2 greenhouse gas emissions by 20% compared to the 2024 baseline by 2030, and achieve carbon neutrality by 2050.
Scope 3 Greenhouse Gas Emissions	By 2028, establish a carbon emission control mechanism for upstream purchased products, incorporate product carbon footprint into procurement considerations, and establish a carbon emission control mechanism for upstream procurement products by 2030.
Physical Risks	Reduce the percentage of asset value affected by acute and chronic physical climate-related risks by 50% by 2050.
Transition Risks	Complete the ISO 14064 greenhouse gas verification for the Group by 2030.
Renewable Energy	Increase the net installed capacity of renewable energy by 50% compared to the 2023 baseline by 2035.
Products	Increase the proportion of recycled raw materials used by 50% compared to the 2023 baseline by 2030.
Compensation	Integrate climate change-related performance indicators into the senior management compensation policy by 2030.



# KEEPING ENVIRONMENTAL COMMITMENTS





Green Initiative

The Group actively pursues sustainable development through green operations and green innovation initiatives, and comprehensive commits to reducing its environmental footprint and protecting natural resources through relevant management policies and measures. Our practices include the application of environmentally friendly materials, craft research and development, as well as the construction of green factories. By investing in innovative solutions, we are committed to reducing the environmental impact at every stage of our operations. The Group also continuously deepens sustainability and environmental awareness through certifications, initiatives, responsible decision-making, and specific environmental management practices. We have successfully obtained ISO 14001 Environmental Management System certification and will continue to invest resources to uphold our commitment to effective environmental management.

361° launched several new products at the 2024 Brand Day event, thoroughly implement the concept of environmental protection. The newly launched running shoes products include the Flying Flame 4 (飛燃4), SPIRE FLOAT 2 (速湃 FLOAT 2), Flying Flame 4 MIX (飛燃4 MIX), Flying Flame 3ET (飛燃3 ET), and Biospeed 4 PRO (飈速4 PRO). As a new member of the Flying Flame series after five years of iteration, the Flying Flame 4 running shoes perfectly combine the use of environmentally friendly materials with athletic performance in their vamp and midsole design. The vamp significantly increases the proportion of carbon fiber, using materials containing 50% high-performance carbon fiber, with 30% of the yarn is recycled materials. This not only enhances

the breathability and lightness of the upper but also reflects the brand's commitment to environmental protection. The midsole uses a 3mm Aliphatic recycled materials supercritical insole, enhancing soft rebound and cushioning feel. It is also treated with extra thickness and curvature optimization, improving running efficiency while strengthening cushioning. The newly upgraded spoon-shaped three-dimensional curved carbon plate, combined with the dome technology at the tail of the carbon plate, optimizes pressure distribution during running, providing runners with stable and efficient running power. The other products released simultaneously, while completing the professional racing shoe lineup, also reflect the brand's pursuit of environmental protection and sustainable development to varying degrees. In terms of material selection and manufacturing processes, they minimize the negative impact on the environment, following the principle of balancing environmental friendliness and performance.



**361° Carbon Critical Technology**, based on physical foaming technology, is the industry's first to introduce carbon dioxide foaming molding technology. Unlike the common use of nitrogen physical foaming in the industry, 361° pioneered the use of heated and pressurized carbon dioxide to help foam the midsole material, achieving carbon dioxide sequestration (secondary utilization) within the midsole.

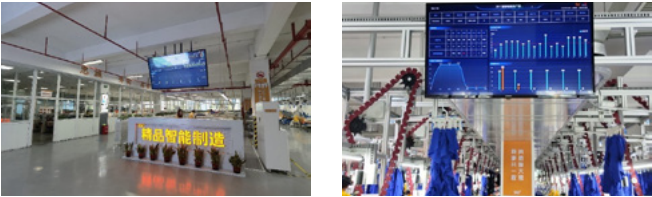
**Unlike nitrogen foaming, 361° Carbon Critical Technology:**

- Is safer and more environmentally friendly
- Achieves better uniformity and stability in midsole products



Green Factory Construction

The Group has gradually developed a series of green factory systems, covering areas such as environmental protection, safety, and energy management. These include mid- to long-term plans for green factory construction, annual energy-saving targets, and the implementation plan for the green system. Additionally, energy management teams and HSE (Health, Safety, and Environmental) departments have been established to ensure that daily operations meet green factory standards. The Group was included in the Ministry of Industry and Information Technology's Green Factory List (工業和信息化部綠色工廠名單) in 2019.



Implementing Automation to Reduce Resource Consumption

The Group has developed an information technology development plan, introducing multiple management software systems. It has built an information collaboration system for the apparel and footwear industry chain, with 361° at the core, forming a shared platform for information collaboration from raw material supply, production processing, to sales and service. This system promotes the joint development of enterprises along the industry chain. In addition, the Group has implemented paperless office practices and replaced conventional machines with automatic punching machines to improve production efficiency and yield, reduce resource waste, and save production costs.

Factory Energy Saving and Consumption Reduction Construction

The Group has deployed energy-efficient products and high-efficiency, low-energy-consuming equipment for general energy use in its factories. It also uses low-carbon, clean new energy and renewable energy to replace non-renewable energy sources. For example, variable frequency and electromagnetic speed control technologies are applied to air compressors and ventilation air conditioning systems to reduce motor starting current, avoid excessive heat generation, and reduce energy consumption. The Group has hired external companies to carry out energy management to achieve energy-saving goals. Additionally, it has partnered to build photovoltaic power station projects, making full use of renewable energy.

In addition, the Group has implemented a comprehensive energy-saving renovation project in its production workshops. This includes replacing boilers with infrared heating, upgrading workshop lighting systems, eliminating unnecessary lighting (such as "always-on" lights), and strengthening daily energy-saving management and assessments. After the project implementation, energy consumption in the workshops has significantly decreased, allowing the Group to better control product costs and enhance its market competitiveness.

Reducing Environmental Impact

The Group is committed to reducing its environmental impact and protecting natural resources. By implementing the "361° Environmental Management System Compilation", the Group ensures that various environmental protection tasks are properly carried out and has established a comprehensive renovation plan to further enhance its environmental sustainability efforts.

The Group has implemented closed workshops to prevent pollution from exhaust gases and dust. It also includes volatile organic compounds (VOCs) such as benzene, toluene, and xylene in its control measures. Exhaust gases generated in the workshops are treated through a return air system to reduce harmful emissions. In terms of water resources, substantial investments have been made to strengthen the purification of sewage pipelines, ensuring that all wastewater is thoroughly treated before discharge, meeting and exceeding the required wastewater treatment standards. Furthermore, the Group continuously improves rainwater and sewage diversion projects to further reduce its environmental footprint. The Group actively evaluates whether printing processes and other activities meet environmental protection requirements, carefully considering their environmental impact to ensure continuous improvement in environmentally friendly production.

During the Reporting Period, the Group initiated a feasibility study for the technical upgrade of VOCs treatment across all sites. In line with the requirements of the "Industry Structure Adjustment Guidance Catalogue (2024 Edition)", the plan is to dismantle the existing "UV photolysis + activated carbon adsorption" exhaust gas treatment systems at three factories and upgrade them to a "dry filtration + activated carbon adsorption + desorption + CO catalytic combustion" system. The new system will incorporate variable frequency technology for energy-saving and reduced consumption, with appropriate installed capacity and an improved power supply and distribution system. Once completed, the project will effectively control the emission concentrations of VOCs and particulate matter within the relevant standard limits and significantly reduce non-methane total hydrocarbon emissions.

This Year, the Group hired a third-party organization to conduct testing on noise, wastewater, and exhaust gases. No instances of exceeding the relevant standard requirements were found.

Energy Consumption

This Year, the resources consumed by the Group include electricity, natural gas, gasoline, diesel, water, paper, and various forms of packaging materials. Due to a significant increase in brand awareness and steady growth in performance, resource consumption has risen compared to last year, while the consumption intensity has been effectively controlled.

Electricity

This Year, electricity was the main source of energy consumption for the Group, accounting for approximately 61.4% of the total, which is almost the same as the previous year (2023: 60.7%).

To reduce greenhouse gas emissions and energy consumption, the Group is working to integrate the principle of "energy conservation" into its business strategy and daily operations, raising employee awareness through energy-saving activities and regular environmental training. Measures for saving electricity include:

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

During the Reporting Period, the Group used 5,652,789 kWh of renewable electricity, accounting for approximately 10% of the total electricity consumption.

Other Energy Consumption

During this Year, the Group used natural gas to produce shoe soles and consumed gasoline and diesel during transportation. To manage the consumption of liquid fossil fuels more effectively and reduce associated emissions, the Group has standardized the use of its vehicle fleet for business and product transportation. Additionally, it strongly encourages employees to communicate via digital platforms, reducing unnecessary business travel.

In addition, to reduce the consumption of fossil fuels at the source, the Group is exploring the use of renewable energy and promoting the use of electric vehicles in industrial parks to decrease the use of fossil fuels during transportation.

This Year, the Group's gasoline consumption has decreased by 2% compared to last year, attributable to the Group's continuous efforts in managing the use of its fleet.

Consumption of Other Energy Resources

Category	Unit	Year 2024	Year 2023
Petrol	Liters	116,847	119,260
Diesel	Liters	22,456	21,970
Natural Gas	Cubic Meters	3,302,253	3,171,243

Resource Management

Water

Water resource management has always been a key component of our sustainable development strategy. We are committed to implementing scientifically sound and reasonable water management measures, focusing on reducing water consumption and improving water efficiency during production, while ensuring the sustainable use of water resources. Although the Group did not encounter any issues with water supply during the Reporting Period, in order to achieve sustainable water management goals, the Group has already implemented effective measures to optimize operations and reduce water usage.

- ①. Adopt advanced technologies to strengthen water recycling in the manufacturing process
- ②. Strengthen the inspection and maintenance of water taps, water pipelines and water storage tanks
- ③. Manage water consumption by controlling the flow rate of faucets and install separate water metering devices
- ④. Set water consumption limitations for the canteen and charge extra cost for overconsumption
- ⑤. Promote the importance of water conservation by placing posters and raising employees' awareness during morning briefings

In the Reporting Period, the Group's water consumption was 1,353,198 m³, with a water intensity of 134.38 tons per million RMB of revenue.

Packaging Materials

Packaging materials are one of the key wastes that need to be minimized throughout the value chain. To reduce the use of packaging materials, the Group is committed to improving packaging design to enhance its durability, reusability, and recyclability. At the same time, the Group continuously explores and tests alternative packaging solutions, prioritizing the use of more environmentally friendly materials, such as cardboard, paper, and woven bags.

This Year, when launching the 361° MIRO NUDE Running Shoes Gift Box Edition, we innovatively used recyclable and biodegradable materials to create "pulp molded egg" packaging, replacing the traditional paper shoe box packaging. This packaging has a smaller environmental impact during production, use, and disposal, representing another attempt by the Group to practice its green and environmentally friendly philosophy. In the future, we will promote this concept to regular product packaging through cost management, material upgrades, and other approaches.

This Year, the Group's packaging material consumption is as follows:

- Total cardboard consumption: 2,820 t (2023: 2,700 t)
- Total packaging paper consumption: 210 t (2023: 170 t)

Paper

The Group actively encourages all employees to conserve paper and contribute to reducing carbon emissions. The Group promotes paperless office practices, utilizing online collaboration platforms for document editing and approval; optimizing print management by setting double-sided printing as the default, requiring employees to carefully preview documents before printing to avoid mistakes, and placing "Save Paper, Save Resources" reminders near photocopiers. The Group also strengthens awareness campaigns to enhance employees' environmental consciousness, promoting paper reuse by using single-sided paper as draft paper, thereby achieving comprehensive paper savings in the office. This Year, the Group successfully recycled 2,425 kg of paper.

In line with the Group's overall resource conservation policy, the paper consumption this Year was 8,000 kg, a 1.84% decrease compared to 2023.



Waste Management

This Year, the Group has taken proactive measures in waste management. The main solid waste generated by manufacturing operations consists of non-hazardous residual materials and edge scraps. To reduce waste generation, the Group focuses on minimizing the use of disposable products at the source. Following the "circular economy principle", the Group continuously adjusts the footwear product formulations to increase the use of secondary materials. At the same time, residual materials and edge scraps are processed by shredders and sent to recycling stations to improve recycling efficiency. For non-recyclable materials such as adhesives and synthetic resins, they are handed over to certified recycling centers for proper disposal.

In addition, the Group actively encourages employees to sort waste in daily operations to facilitate the recycling of solid waste. Waste management measures have been implemented in production and office areas, with dedicated sorting and recycling areas established. Employees are encouraged to sort residual materials and edge scraps, improving the efficiency of sorting and recycling and ensuring proper resource utilization and waste disposal.

361° has always placed a strong emphasis on protecting water resources and biodiversity. As a result, a dedicated hazardous waste management warehouse has been established. Hazardous waste is securely stored and processed in strict accordance with regulations. Once a certain quantity of hazardous waste has accumulated, qualified hazardous waste management professionals are employed to handle its disposal. This approach ensures the proper management and disposal of hazardous waste, minimizing any adverse impact on the environment and natural resources.

The Group follows a due diligence process and regularly audits the waste management capabilities of its service suppliers, monitoring the impact of waste generation from a lifecycle perspective.

Non-Hazardous Waste

Category	Unit	Total of Year 2024	Intensity of Year 2024 (unit/million RMB revenue)	Total of Year 2023	Intensity of Year 2023 (unit/million RMB revenue)
Domestic and Commercial Solid Waste	t	1,910	0.19	1,951	0.26
Manufacturing Solid Waste	t	1,610	0.16	1,551	0.21
Total Solid Waste	t	3,520	0.35	3,502	0.47

Wastewater Management

Given that the biggest challenge in textile wastewater treatment is insufficient treatment capacity, rather than a lack of awareness or commitment, the Group continues to follow the "3R principle" - Reduce, Reuse, and Recycle.

This Year, the Group generated a total of 477,460 tons of wastewater.



Goals and Actions

Looking back at the Group's business operations and environmental performance over the years, as well as the steps taken and goals achieved to meet this year's objectives, the Group has set the following environmental goals aimed at balancing economic development with environmental impact.

	2025 Environmental Goals (Baseline: Year 2024)	Actions
Waste Management	Reduce the total intensity of hazardous and non-hazardous waste by 3%	Establish a product system considering the use of eco-friendly materials
Wastewater and Emissions	Reduce the intensity of waste gas and wastewater discharge by 3%	Explore possible ways of treating and reusing the wastewater discharged during operations for other purposes
Electricity Consumption	Maintain the current electricity consumption intensity level	Continue efforts to save electricity and encourage employees to follow environmental principles
Other Fuel Consumption	Maintain the current intensity level of other fuel consumption	Optimise transportation routes of company cars to reduce fuel consumption
Water Consumption	Maintain the current water consumption intensity level	Regularly communicate and continue advocating the concept of "water conservation" to employees
Paper Consumption	Reduce paper consumption by 5%	Control paper use in the office and strive for a paperless work environment



# FULFILLING SOCIAL RESPONSIBILITY

As a brand that is deeply engaged in the sports field, the Group believes that the accumulation of corporate capabilities is not only reflected in the innovation and quality of products, but also in the contribution and commitment to society. As an influential company, the Group has practiced public welfare in various aspects, such as promoting the development of social sports and the spirit of equality, and endeavors to realize every bit of contribution.





Promote the Development of Sports

The Group is committed to providing professional products and services for the general sports population, promoting the development of sports in society through sponsorship and participation in various sports events. During the Reporting Period, 361° signed a partnership with the World Aquatics, becoming the official sportswear supplier for its events, especially providing comprehensive support for the 2024 World Swimming Championships in Doha. As the official partner of the 2025 9th Asian Winter Games in Harbin, 361° worked with the Beijing Institute of Fashion Technology to create the official sportswear for the event, providing apparel for torchbearers, runners, volunteers, technical officials, and security personnel. In September 2024, 361° announced its partnership with the Aichi-Nagoya 2026 Asian Games, becoming the official partner and creating exclusive apparel using eco-friendly materials for event personnel, further supporting the smooth execution of the event. This marks the fifth consecutive time 361° has supported the Asian Games, reflecting The Group's infinite passion for sports and its unwavering commitment to contributing to the development of sports.



Commitment to Hosting Proprietary Events

361° deepens its brand's professionalization through a series of self-hosted events, driving the comprehensive development of sportsmanship.

In 2021, 361° introduced the "3# Track" (3號赛道) race series as part of its ongoing commitment to fostering sustainable and high-quality sporting events. The "3# Track 10km Race Series" represents a pioneering initiative that integrates advanced technological innovation with professional athletic competition. This event is specifically designed to cater to elite runners who are dedicated to achieving peak performance and speed. In 2024, the event underwent a comprehensive upgrade, with the introduction of two new road running competitions into the race system.

As a pioneer among domestic sports brands, 361° became the first to organize its own Intellectual Property (IP) road running events. The Group significantly enhanced its professionalism across various aspects of event management, including race organization, timekeeping, and officiating, ensuring a superior experience for participants. By focusing on delivering a more professional and competitive environment, 361° has attracted serious and high-level runners, resulting in a highly enthusiastic registration response and growing influence within the running community.

Leveraging its expertise in organizing races, 361° has established a dedicated running community and founded the "3# Track Club" (3號赛道俱乐部) to promote its brand and sporting philosophy. The Group launched the "Track Dream Plan" (赛道梦想计划) to support grassroots and young runners, culminating in the annual recognition of six outstanding "Grassroots Gods" on Brand Day. The race further excelled through innovative enhancements, including the establishment of a "Million Reward" pool, upgrades to the race system, an enhanced lineup of participants, a peak prize pool, and an elevated event image, complemented by surprise appearances from renowned personalities.

Over the course of the Year, the running community successfully

organized 2,600 events, engaging a total of 140,000 runners. The "3# Track" initiative expanded to nearly 400 communities, involving more than 150,000 participants, with an additional 60,000 users actively utilizing the associated mini-program.

The "Light Up" (觸地即燃) race series was established in 2020, and in the 2024 season, it expanded to include four distinct race events, marking the first time the competition extended overseas and continued its Junior race category. The finals were held in Shijiazhuang with the support of several prominent endorsers and celebrities. This international expansion was complemented by visual upgrades through collaborations with trendsetting artists. In 2024, the cumulative number of competing teams reached approximately 300, with around 1,200 participating athletes, and the community membership exceeded 100,000 individuals.

"Meet Up on Skateboards" (板上見) was established in 2024 with the mission of providing a platform for skateboarders across the country to hone their skills and foster cultural exchanges between skateboarding communities in different cities. Starting in June 2024, 361° launched its inaugural nationwide city tour event, "Dare to Meet on the Skateboards", in four cities: Shijiazhuang, Lanzhou, Shenyang, and Xiamen.

Launched in 2024, the "Prove it on the Field" (場上說) soccer challenge series is designed to ignite passion among soccer fans by offering an innovative format and a premier professional platform. This initiative not only encourages active participation on the playing field but also fosters a vibrant and competitive atmosphere, raising the bar for soccer excellence and promoting grassroots engagement.





Investing in Youth Sports Development

361° supports the development of children's sports by promoting the enrichment of children's own events and activities. Since March 2024, 361° Kids has taken advantage of the national store layout to carry out the third "National Rope Skipping Competition" (全國跳繩大賽), attracting members of the national rope skipping team, well-known rope skippers from home and abroad, and rope skipping enthusiasts to compete on the same pitch, with the event covering 23 provinces and more than 100 cities across the country, organizing thousands of sessions and attracting more than a million people to participate in the event. Relying on professional resources, 361° Kids responded to the call of the policy of bringing sports into the community by joining hands with the National Rope Skipping Promotion Committee of the Social Sports Center of the State General Administration of Sports to hold the first demonstration project of the Rope Skipping Ranking System into the community, namely, the China Rope Skipping Ranking System Store Evaluation Project Activity, and the demonstration effect and impact of the activity were highly affirmed by the National Rope Skipping Promotion Committee.

During the Year, 361° also acted as the exclusive title sponsor of the 2024 Asian Rope Skipping Championships, helping nearly 300

athletes and coaches from China's national rope skipping team to go to Kawasaki, Japan, for the event. The professional rope skipping equipment helped China's team to get the best results in the competition over the past 20 years, with 144 medals, 7 team titles and 15 Asian records being broken.

This Year, 361° Kids continued to promote the landing scale of the "Light Up — Junior Basketball Training Camp" (觸地即燃·少年籃球訓練營), which landed in Nanchang and other 8 cities from the opening of the camp in April to the closing of the game in December, and the e "Light Up - Junior Basketball Game" (觸地即燃·少年籃球賽事) has been held in 7 cities, bringing together 18 teams, through the recruitment of outstanding city players and the promotion of the game schedule, the brand continues to convey the concept and promote professional basketball products. 361° Children's also joined hands with the top-tier Chinese Super League Club "Beijing Guoan F.C." to host the "3V3 Youth Football Championship", which has landed in Jinan and other major soccer towns one after another, and has become a benchmark soccer tournament for young people in the country, and continues to boost the development of China's soccer youth training cause.



Focus on Women's Health

361° focuses on women's health and vitality and strives to promote the popularization and development of women's sports. In order to encourage more women to participate in sports, 361° has continued to create multiple series of women's sports products in recent years to meet the needs of different sports scenarios. This Year, 361° joined hands with KEEB and other partners to launch a series of offline sports activities, such as the Resilient Good Moves Party, which provided a platform for women to show themselves and communicate and learn.

Founded in 2023, the "Women's Fitness Gym" (女子健身局), is an exclusive women's sports community that attracts consumers with a variety of activities for "Resilient Girls" (韌性女孩) who love sports. The activity unites the community structure to serve more end-consumer groups, allowing consumers to feel the role of 361° as a companion of women's sports, to satisfy the female pursuit

of "beauty" in sports, and to enjoy the joy of sports. During the Year, 361° utilized the "Women's Fitness Gym" (女子健身局) sports community IP to launch a series of yoga, combat gymnastics and other sports experience courses and sports community activities nationwide, encouraging women to integrate sports into their lives through the support of the sports community, and helping them to establish a healthy lifestyle and improve their physical and mental health.



Ongoing Community Investment

During the Reporting Period, the Group, in close cooperation with local government departments, undertook, co-organized and participated in various types of community welfare activities in Jinjiang City, Xiamen City, Fujian Province and even nationwide, contributing to the promotion of the concept of a healthy life and the promotion of social harmony and co-prosperity, as well as a series of charitable donations (both in cash and in materials) for public welfare activities, totaling approximately RMB 11.2 million.

Supporting Employment for People with Disabilities

The Group actively fulfills its social responsibility and pays long-term attention to the employment and life of disabled employees. As of December 2024, the Group has placed nearly 500 employees with disabilities and invested RMB 5 million annually to implement social insurance and benefits. 361° uphold the principles of understanding, respect, care and assistance, and with equality and respect in mind, we provide each disabled employee with a job that is suitable for their physical condition, develop individualized training programs, and ensure that their salary is treated no differently than ordinary employees.

The Group is one of the first batch of members of the "Jin's Love and Peer Enterprises Alliance for Helping the Disabled" (晉愛同行企業助殘聯盟) in Jinjiang City, and the only enterprise in Quanzhou to be awarded the title of "National Proportional Employment Base for the Disabled" (全國殘疾人按比例就業基地) by the China Disabled Persons' Federation in the year of 2023. This Year, the Group was awarded the plaques of "National Proportional Employment Base for the Disabled" (全國殘疾人按比例就業基地) and "Jin's Love and Peer Union of Enterprises Helping the Disabled" (晉愛同行助殘聯盟單位).



Promoting Cross-Strait Exchange

As one of the organizers of the Jinjiang Cross-Strait Student Design Camp, 361° actively coordinated resources and promoted the smooth implementation of the event in the 2024 Jinjiang Cross-Strait Student Design Camp. 129 outstanding students from 32 colleges and universities across the Taiwan Strait participated in the event, delving into 8 Jinjiang manufacturing enterprises, designing and practicing around intelligent environmental protection and other cutting-edge fields, and finally presenting 224 pieces of innovative works. These works show the innovative thinking and professional ability of young designers from both sides of the Taiwan Strait, and also provide new ideas and directions for the transformation and upgrading of manufacturing industry in Jinjiang.

361° believes that the Design Camp is not only a platform for cross-strait young designers to communicate, but also an important carrier to promote cross-strait cultural exchange and integration. Through the organization of the event, young people were able to learn from and inspire each other in practice, and jointly promote innovation and development in the field of design. In the future, 361° will further deepen cross-strait youth communication and cooperation, and contribute positively to cross-strait cultural exchange and industrial innovation.





# ***CREATING HARMONIOUS WORKPLACE***



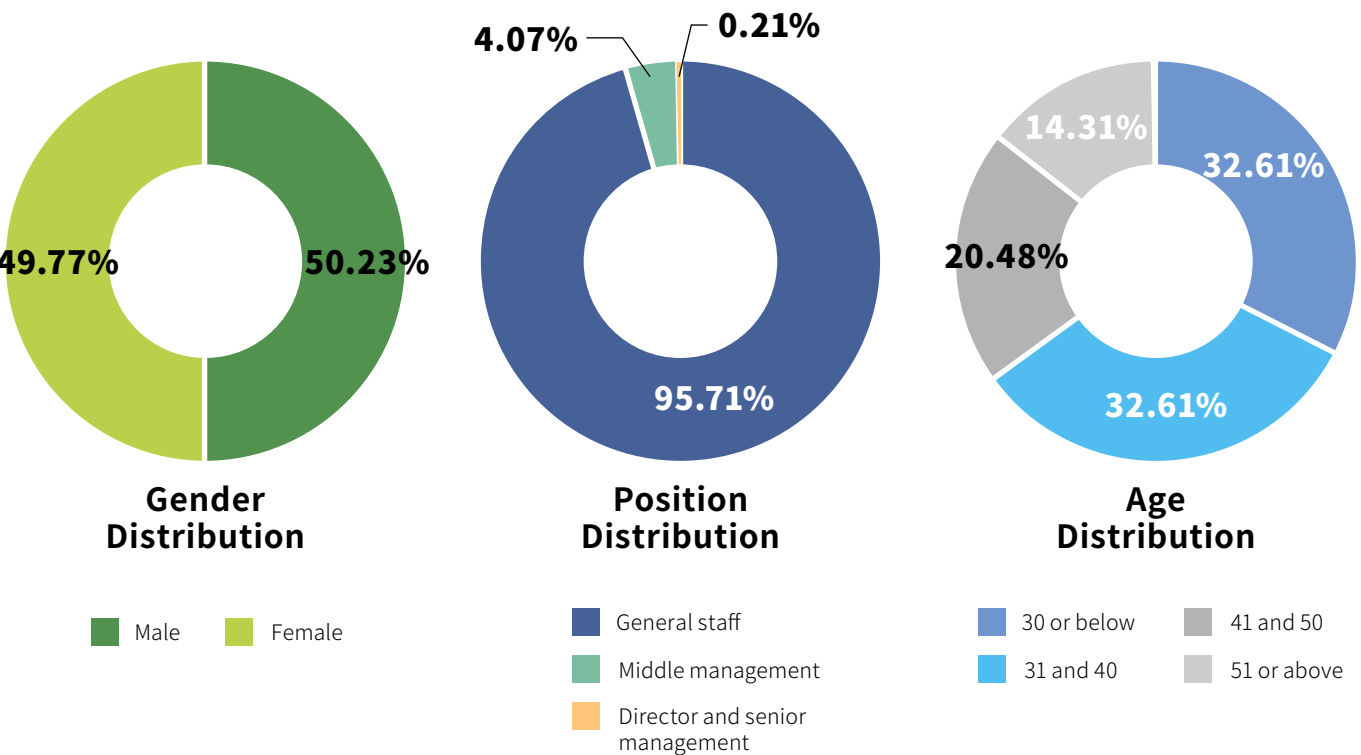
Employment Management

The Group always adheres to the people-oriented core values, deeply understands the close connection between the personal growth of employees and the development of the enterprise, and endeavors to create a fair and transparent workplace atmosphere for employees and provide them with a rich and diversified growth platform, aiming to fully stimulate their inherent potentials and help them realize their self-worth.

In addition, the Group attaches great importance to the building of a team culture by fostering the spirit of teamwork and enhancing the sense of collective honor, thereby bringing together the wisdom and strength of the team to face the various challenges in the market. We firmly believe that the progress of individual employees is the source to drive the enterprise to move forward, while the tacit cooperation between the team is the solid backing for the success of the enterprise. Therefore, the Group will continue to invest resources to fully support the growth of its employees and carefully build a highly effective and collaborative team in order to drive the Group to achieve sustained, stable and healthy development.

Employment Practice

The Group compiles the "Recruitment Management System" and "Personnel Management System" policy documents within the Group in accordance with the applicable laws in Mainland China, Hong Kong and other operating regions, and reviews and updates them on a regular basis to continuously adapt to the changes in the society and protect the rights and interests of all parties. During the Reporting Period, the Group employed a total of 7,934 employees, all of whom were full-time staff, covering managers, technicians, sales staff and general workers. In terms of gender structure, male employees accounted for 50.23% and female employees accounted for 49.77%, maintaining a balanced ratio.



Compliant Employment

The Group has always strictly complied with various labour standards as well as laws and regulations of various regions, and is committed to building harmonious and stable labour relations and effectively avoiding potential labour risks. In order to strengthen and improve the labour contract management system, the Group has formulated a more stringent "Labour Contract Management Measures" internally in light of the actual situation. The measures provide a detailed delineation of responsibilities and a detailed description of the connotations of each link in the process of determining, signing, changing, renewing and filing the text of the labour contract, ensuring that each link is rigorously and orderly.

At the same time, the Group attaches great importance to compliance in recruitment management and conducts a comprehensive review of recruitment management measures every year in accordance with relevant national and local regulations. The Group has also established a regular evaluation mechanism, conducting weekly, monthly, and annual in-depth evaluations of the recruitment process, generating detailed reports and summaries to identify issues promptly and continuously improve recruitment practices. Once any violation of labour laws, regulations or standards is found during the review or evaluation process, the Group will immediately terminate the relevant labour contract and seriously deal with the personnel in charge of human resources management in accordance with the law.

During the Reporting Period, the Group did not have any employment-related violations of relevant laws and regulations.

Equal Opportunities, Diversity, and Anti-Discrimination

The Group has always been committed to building a non-discriminatory and inclusive work environment, and hopes to help each employee find a suitable stage for development on an equal footing. Following the principle of "making the best use of talent and fitting the talent to the position", in order to more reasonably allocate the Group's talent, maximize the effectiveness of the talent resources, strengthen internal incentives and smooth the internal promotion channel, we have elaborately compiled the "Promotion Management System", which specifies that the promotion channel of the staff is divided into two categories, namely, the promotion of managerial positions and the promotion of professional positions. The managerial position achieves results by integrating team resources, while the professional position brings value through professional contribution.

The Group implements the principle of non-discrimination in key areas such as recruitment, training, termination and retirement policies, and has explicitly included this principle in the "Employee Handbook". In handling these affairs, the Group will not show any favoritism on the basis of age, sex, marital status, pregnancy, family status, disability, race, color, ancestry, ethnic background, nationality or religious beliefs. In order to maintain a fair and equal work environment, employees are encouraged to report any discrimination-related incidents to Human Resources in a timely manner. The Human Resources Department will carefully evaluate and document these incidents and take necessary actions to ensure a fair and equal work environment.

Working Hours and Holidays

The Group strictly complies with the employment laws and regulations of the local government, and reasonably plans and arranges the working hours and working hours of its employees to ensure that each employee is entitled to basic paid annual vacations and statutory holidays. To further strengthen the protection of employees' rights and interests, the Group has formulated internal policies that are stricter than those stipulated by the law. With the aid of an advanced Time and Attendance System, the Group accurately records and reasonably compensates employees for extra overtime work. In addition, according to the specific laws and regulations of the region where the employees are located, the Group also provides additional leave benefits for employees, including marriage leave, maternity leave, paternity leave, bereavement leave and sick leave, etc., so as to comprehensively safeguard the legitimate rights and benefits of employees.



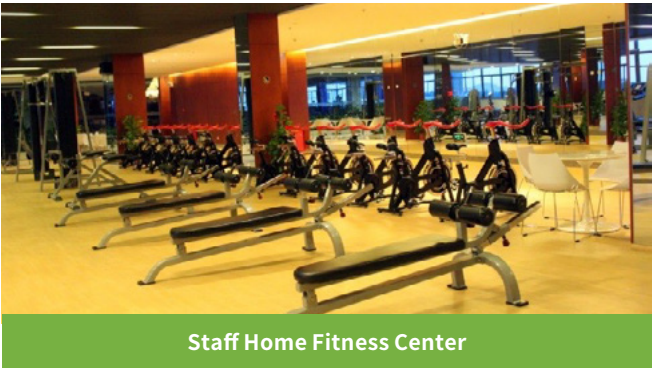
Benefits and Welfare

The Group provides employees with various protection plans, subsidies and services, including statutory benefits, basic benefits and specific benefits, in addition to salaries and bonuses, in accordance with the internally prepared "Employee Benefits Management System". Among them, the Group provides employees with statutory basic guaranteed benefits in accordance with national and local government regulations; basic benefits are guaranteed benefits and services provided by the Group to its employees on its own, including working meals, health check-ups, holiday celebrations and reunion activities, etc.; and specific benefits are certain differentiated welfare benefits provided by us based on factors such as ranks, special positions, locations and working conditions.

To ensure the physical and mental health of our employees, the Group provides all employees with comprehensive benefits including medical insurance and annual medical check-ups. Factory employees also enjoy benefits such as well-equipped dormitories and free transportation between the workplace and dormitories.

361° Club

The Group actively advocates employees to freely and voluntarily form various activity teams according to their personal interests and hobbies. In order to better serve, support and manage these teams, the Group has specially formulated the "361° Club Management Measures". It clearly defines key elements such as the responsible department, start-up process and supervision of the club to ensure that the operation of the club is in order. At the same time, we have also opened up special venues in the Group's parks and plants, and provided the necessary facilities for activities, so as to fully guarantee the smooth and sustainable operation of the club mechanism.



Psychological Counseling Room vs. Emotional Release Room

We have set up a psychological counseling room for our employees and regularly invite psychological counselors to come in and provide professional psychological counseling and tutoring services to assist our employees in solving the psychological problems they encounter at work or in their lives. At the same time, we also recognized that sometimes employees need a private space to temporarily release their stress and negative emotions, so we set up an emotional release room to provide a safe environment for employees to self-regulate and vent their emotions without interference.

Talent Development and Training

In order to more effectively attract top talent, the Group actively expands its recruitment channels and focuses on improving the efficiency and quality of hiring. To achieve this, the Group encourages internal employees to leverage their social resources and actively recommend outstanding talent. Specific rewards are offered for particular positions to motivate employees. To ensure the standardized operation of this mechanism, the Group has specifically developed the "Talent Recommendation Management Measures", which has been revised and optimized multiple times based on practical feedback. Through this recommendation mechanism, we have successfully attracted many exceptional talents.

At the same time, the Group is committed to providing a favorable career development environment for its employees. We formulate system documents such as "Promotion Management System" and "Performance Management System" to effectively guarantee the growth and development of talents. For individuals and teams with outstanding performance in the performance appraisal, the Group provides substantial incentives such as salary adjustment and promotion in accordance with clear system regulations, thus promoting the overall development of employees.

We place great importance on the career growth of our employees. Through years of system accumulation, we have developed a comprehensive and practical talent development and training management system. To strengthen the training system, the Group has established specialized and systematic documents, including the "Training Management System", "Training Planning and Budget Management Measures", and "Training Records Management Measures". These documents clearly and comprehensively outline the training procedures, responsibility assignments, cost control, risk mitigation, and other related aspects, ensuring that every step and detail of the training process is well-regulated and can be followed.

The Group's training system adopts a combination of internal and external training methods, creating internal training brands through projects such as "Loving Lecture Hall" (熱愛大講堂) and "ONE DEGREE BEYOND Stories Sharing Sessions" (多一度故事會). The course content covers a wide range of areas, including the promotion of corporate culture, enhancement of professional skills, innovation in business strategies, market trend analysis, personal development guidance, and team building. These programs benefit employees from various levels and departments, aiming to meet specific needs while efficiently delivering the Group's business and market-oriented thinking and knowledge to all interested employees. This also helps the Group cultivate future management talents.

This year, the overall employee training participation rate of the Group has reached 94.35%, with a total training time of 27,917.4 hours.

Accelerating the Integration of New Employees

The Group has formulated the "New Employee Integration Management Measures" (also known as the "New Employee Integration Program") for new employees, which provides new employees with detailed information on corporate culture, values, company vision and mission, etc., and helps them integrate into 361°. During the Reporting Period, a total of 156 new employees adapted quickly and smoothly to working life at 361° with the help of the "New Employee Integration Program".

For fresh graduates, we carry out the 361° Triple Good Students program every year to provide perfect pre-employment training for newcomers to the workplace.





Functional Managers and Leaders' Competency Development

Functional Managers are the core talent within the Group who break down departmental walls, open their minds and empower the business. During the Reporting Period, we selected 36 functional managers for an 8-month special training program with the theme of "Customer Focus", which was designed to enhance the comprehensive capabilities of functional managers from theory to practice through a variety of teaching methods, such as corporate culture, market insight, benchmarking interviews and action learning.

In addition to the long-term development of general employees, the Group also emphasizes the continuous advancement of leaders' abilities. During the Reporting Period, the Group organized a Group Leadership Co-Creation Camp for a total of 13 general managers from different regions and functional departments to share their experiences with each other in the form of case studies and exchanges of ideas, so as to enhance the capability of the management team.



Internal Course Development and Internal Trainer System

We have also established a specialized management approach for internal course development and internal trainers within the Group. This includes clear guidelines for course development project approval, review processes, and contribution incentives. We encourage the internal selection and development of trainers, fully tapping into the potential of each employee. Additionally, we have designed a training satisfaction survey for trainees to monitor the effectiveness of the training. During the Reporting Period, the Group conducted 139 internal training sessions, with an average course satisfaction rating of 9.7/10. By the end of the Reporting Period, the Group had registered 106 internal trainers, with 45% at the manager level and 33% at the director level. Among them, 21 were newly certified internal trainers in 2024.

During the Reporting Period, the Group conducted employee training with the following details:

	Percentage of Trainees	Average Training Hours (Hours)
By Position		
General staff	96.05%	3.25
Middle Management	3.87%	10.10
Director and Senior Management	0.08%	0.45
By Gender		
Male	49.95%	3.41
Female	50.05%	3.63
Total	94.35%	3.52

Note: The data presented in this table covers all types of training provided by the Group for employees, including new employee onboarding, internal and external training, etc.

Occupational Health and Safety

The Group strictly adheres to national and local laws and regulations related to health and safety. In order to strengthen employee health management and create a safe, clean and stable working environment, the Group has implemented a comprehensive occupational health and safety policy and established "Environmental and Occupational Health and Safety Operational Control Procedures" and internal manuals to effectively respond to and minimize occupational risks, while the administration department is responsible for monitoring and auditing the implementation of the internal health and safety policy. The Administration Department is responsible for monitoring and auditing the implementation of the internal health and safety policy. The Group has established strict production safety regulations, including the "361° (China) Co., Ltd. Safety Management System Compilation", "361° (China) Co., Ltd. Environmental Protection Management System Compilation", and "361° (China) Co., Ltd. Fire Safety Management System Compilation". These regulations clearly define responsible departments, hazard identification, accident management, dust prevention, poison prevention, fire prevention, explosion prevention, warehouse safety, special operations, and safety education, providing institutional guarantees for safety management. Additionally, a monthly "Hazard Identification Report" is generated to implement safety management measures. To reduce accident risks, the Group has introduced advanced equipment in the production facilities that significantly enhance the safety of the working environment. We also maintain continuous safety warnings to further enhance employees' safety awareness.

The Group has obtained ISO 45001 certification. Each business unit within the Group is required to establish and implement specific methods to effectively manage occupational risks when outsourcing work or materials. The Group also conducts safety inspections in its factories, implements "9S" management, and carries out effective basic safety management practices to ensure comprehensive accident prevention measures. Continuous updates and renovations of outdated equipment are carried out to improve safety production management, strengthen safety foundations, and prevent the occurrence of various types of accidents.

In order to ensure the personal safety of employees, employees entering the production area must use the personal protective equipment designated by the Group. For specific positions, the Group also requires employees to obtain relevant qualifications or work permits to ensure that they are equipped to deal with potential risks.

To further minimize the risk, the Group regularly assesses and monitors the risk of exposure in the workplace of each plant. This includes weekly "6S" inspections, through which the Group is able to identify and deal with potential safety hazards in a timely

manner. Meanwhile, the Group strictly prohibits any metal from entering the workshop to minimize the possibility of accidental injury.

The Group places particular emphasis on harmful factors in the workplace. In order to safeguard employee health, the Group is committed to adhering to national occupational health standards, specifically the provisions regarding occupational exposure limits for harmful factors in the workplace as outlined in the GBZ2.1 and GBZ2.2 standards. These measures collectively mitigate the exposure risk to harmful factors, thereby ensuring a safe and healthy working environment for employees.

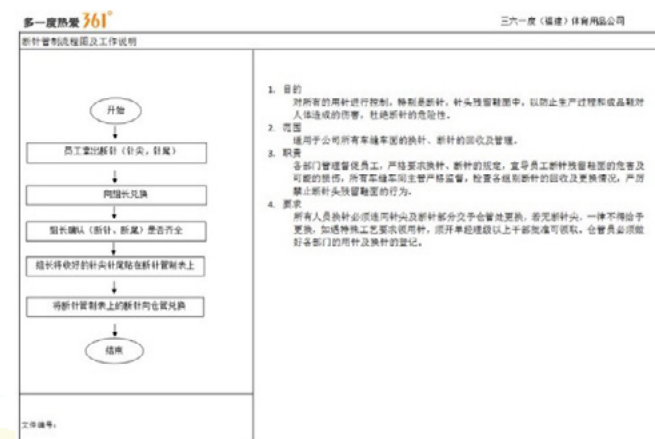
During the Reporting Period and the preceding three years, the Group did not have any work-related fatalities.





## Safety Responsibilities at the Individual Level

"Needle Manager" can simplify the accessory management process and ensure timely replacement of needles and accessories through timely reminder function, thus maintaining the normal operation of sewing machines. At the same time, the precise data recording function of the machine needle manager can track the specific situation of each needle replacement in detail, including the time of replacement, replacement personnel and other information, such a clear data record to help the enterprise to clarify the safety responsibility to the individual. Through the introduction of machine needle management equipment, in the event of a problem, the person in charge can quickly locate the responsible person and take timely measures to avoid potential risks.



## Effective Safety Warnings

At the Group's production sites, the safety warning system provides comprehensive coverage to ensure that conspicuous warning signs are prominently posted at each key production link, and that the signs correspond to and indicate the potential safety risks of each link and describe in detail the possible hazardous situations in accordance with the characteristics of the actual production environment. At the same time, the warning content also provides specific precautionary measures and emergency response methods, including safety checklists, guidelines for identifying hazardous factors, and emergency procedures, to ensure that the relevant personnel can quickly obtain the necessary reference information and respond effectively in the event of a sudden emergency. To further enhance safety and security, the Group has also provided back-up facilities in some key areas, such as the provision of earplugs in noisy areas to minimize noise hazards. Through meticulous and comprehensive safety measures, the Group is committed to building an efficient and practical production safety management system.



## Fire Drill and Safety Training

In terms of safety training, the Group has an Emergency Command Center and an Emergency Response Team. Regular fire drills and safety training are organized for all employees to ensure effective handling of any unforeseen incidents. This Year, the Group conducted a joint inspection to identify safety hazards, carried out on-site inspections of five subsidiary factories, and completed corrective actions within the Year.



## APPENDIX Laws and Regulations

Aspects	Applicable Laws and Regulations	Corresponding Section
Environmental	<ul style="list-style-type: none"><li>• Environmental Protection Law of the People's Republic of China;</li><li>• Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution;</li><li>• Law of the People's Republic of China on Prevention and Control of Water Pollution;</li><li>• Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution; and</li><li>• Law of the People's Republic of China on Prevention and Control of Environmental Noise Pollution.</li></ul>	KEEPING ENVIRONMENTAL COMMITMENTS
Employment and Labour Standards	<ul style="list-style-type: none"><li>• Employment Ordinance (Cap. 57 of the Laws of Hong Kong);</li><li>• Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong);</li><li>• Employees' Compensation Ordinance (Cap. 282 of the Laws of Hong Kong);</li><li>• Minimum Wage Ordinance (Cap. 608 of the Laws of Hong Kong);</li><li>• Disability Discrimination Ordinance (Cap. 487 of the Laws of Hong Kong);</li><li>• Race Discrimination Ordinance (Cap. 602 of the Laws of Hong Kong);</li><li>• Sex Discrimination Ordinance (Cap. 480 of the Laws of Hong Kong);</li><li>• Minimum Wage Standards;</li><li>• Company Law of the People's Republic of China;</li><li>• Labour Law of the People's Republic of China;</li><li>• Law of the People's Republic of China on Promotion of Employment;</li><li>• Social Insurance Law of the People's Republic of China;</li><li>• Labour Contract Law of the People's Republic of China;</li><li>• Regulations on Management of Housing Provident Fund in Xiamen;</li><li>• Legal Protection of Rights and Benefits of the Peasant Workers;</li><li>• Rules of the State Council on Working Hours of Workers and Staff Members;</li><li>• Labour Standards Act (Taiwan);</li><li>• Consolidation of labour Laws (Consolidação das Leis do Trabalho, CLT) (Brazil);</li><li>• Fair labour Standards Act (FLSA) (United States);</li><li>• Work and Security Act (Netherlands); and</li><li>• Netherlands Working Conditions Act.</li></ul>	CREATING HARMONIOUS WORKPLACE
Health and Safety	<ul style="list-style-type: none"><li>• Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong);</li><li>• Production Safety Law of the People's Republic of China;</li><li>• Law of the People's Republic of China on Prevention and Control of Occupational Diseases;</li><li>• Regulations on the Reporting, Investigation and Disposition of Work Safety Accidents;</li><li>• Special Rules on the labour Protection of Female Employees; and</li><li>• Regulation on Work-Related Injury Insurance.</li></ul>	CREATING HARMONIOUS WORKPLACE
Product Responsibility	<ul style="list-style-type: none"><li>• The Law of the People's Republic of China on Product Quality;</li><li>• The Fire Protection Law of the People's Republic of China;</li><li>• The Metrology Law of the People's Republic of China;</li><li>• Law of the People's Republic of China on the Protection of Consumer Rights and Interests;</li><li>• The Patent Law of the People's Republic of China;</li><li>• The Trademark Law of the People's Republic of China;</li><li>• Copyright Law of the People's Republic of China;</li><li>• Personal Data Protection Law;</li><li>• Personal Data (Privacy) Ordinance (Cap 486 of the Laws of Hong Kong); and</li><li>• General Data Protection Regulation (EU 2016/679).</li></ul>	OPERATIONAL EXCELLENCE AND PRODUCT RESPONSIBILITY
Anti-corruption	<ul style="list-style-type: none"><li>• Anti-Corruption Law of the People's Republic of China;</li><li>• Law of the People's Republic of China on Anti-money Laundering;</li><li>• Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong); and</li><li>• Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong).</li></ul>	SUSTAINABLE GOVERNANCE PRACTICE

Environmental Performance

Content	Unit	Year 2024	Year 2023
Air Pollutants			
Nitrogen oxides	kg	208.54	245.66
Sulfur oxides	kg	2.05	2.06
Particulate matter	kg	14.95	16.13
Greenhouse Gas Emissions			
Scope 1 (Direct carbon emissions)	tCO <sub>2</sub> e	7,476.45	7,233.50
Scope 2 (Indirect carbon emissions)	tCO <sub>2</sub> e	27,492.95	26,460.60
Scope 3 (Other indirect carbon emissions)	tCO <sub>2</sub> e	3,724.85	2,981.70
Total GHG emissions	tCO <sub>2</sub> e	38,694.25	36,675.80
Intensity – Scope 1	tCO <sub>2</sub> e/million RMB revenue	0.74	0.86
Intensity – Scope 2	tCO <sub>2</sub> e/million RMB revenue	2.73	3.14
Intensity – Scope 3	tCO <sub>2</sub> e/million RMB revenue	0.37	0.35
Intensity – Total	tCO <sub>2</sub> e/million RMB revenue	3.84	4.35
Energy Consumption			
Electricity (Non-renewable)	kWh	51,235,473	46,396,150
Electricity (Renewable)	kWh	5,652,789	5,458,530
Petrol	L	116,847	119,260
Diesel	L	22,456	21,970
Natural gas	m <sup>3</sup>	3,302,253.00	3,171,242.90
Total	MWh	92,659.52	85,378.20
Intensity – Electricity	kWh/million RMB revenue	5,649.28	6,156.13
Intensity – Petrol	L/million RMB revenue	11.60	14.16
Intensity – Diesel	L/million RMB revenue	2.23	2.61
Intensity – Natural gas	m <sup>3</sup> /million RMB revenue	327.93	376.49
Total energy consumption	MWh/million RMB revenue	9.20	10.14
Non-Hazardous Waste			
Domestic and commercial solid waste	t	1,910	1,951
Manufacturing solid wastes	t	1,610	1,551
Wastewater	t	477,460	471,190
Intensity – Domestic and commercial solid waste	t/million RMB revenue	0.19	0.23
Intensity – Manufacturing solid wastes	t/million RMB revenue	0.16	0.18
Intensity – Wastewater	t/million RMB revenue	47.41	55.94
Hazardous Waste			
Hazardous waste	kg	1,147	1,234
Intensity – Hazardous waste	kg/million RMB revenue	0.11	0.15
Water Resources			
Water	t	1,353,198	1,288,322
Intensity – Water	t/million RMB revenue	134.38	152.95
Paper			
Paper consumption	kg	8,000	8,150
Intensity – Paper consumption	kg/million RMB revenue	0.79	0.97
Packaging Material			
Paper box	t	2,820	2,700
Other paper-made products such as packaging paper	t	210	170
Intensity – Paper box	t/million RMB revenue	0.28	0.32
Intensity – Other paper-made products such as packaging paper	t/million RMB revenue	0.02	0.01

Social Performance

Content	Year 2024	Year 2023
Total Number of Employees	7,934	7,375
By Gender		
Male	3,985	3,598
Female	3,949	3,777
By Position		
General staff	7,594	6,437
Middle management	323	920
Director and senior management	17	18
By Age		
30 or under	2,587	2,373
31 to 40	2,587	2,460
41 to 50	1,625	1,573
51 or above	1,135	969
By Employment Type		
Full-time	7,934	7,374
Part-time	0	1
By Geographical Location		
Mainland China	7,921	7,353
Hong Kong SAR	12	10
Taiwan	1	3
US	0	3
Netherlands	0	2
Others	0	4
Employee Turnover Rate	38.12%	22.68%
By Gender		
Male	44.21%	21.46%
Female	31.97%	23.85%
By Age		
30 or under	54.69%	23.01%
31 to 40	33.30%	21.63%
41 to 50	32.17%	37.83%
51 or above	19.82%	0.00%
By Geographical Location		
Mainland China	38.15%	22.68%
Hong Kong SAR	8.33%	0.00%
Taiwan	100.00%	0.00%
US	-	0.00%
Netherlands	-	0.00%
Others	-	0.00%
Work Injury		
Number of work-related fatalities	0	0
Rate of work-related fatalities	0.00%	0.00%
Lost days due to work injury	724	360.5



Content	Year 2024	Year 2023
Total Number of Employees Trained	7,486	3,930
By Gender		
Male	3,739	1,804
Female	3,747	2,126
By Position		
General staff	7,190	3,740
Middle management	290	188
Director and senior management	6	2
Total Percentage of Employees Trained	94.35%	53.29%
By Gender		
Male	49.95%	45.90%
Female	50.05%	54.10%
By Position		
General staff	96.05%	95.17%
Middle management	3.87%	4.78%
Director and senior management	0.08%	0.05%
Total Training Hours (Hours)	27,917.4	8,508.5
By Gender		
Male	13,596.6	3,743.5
Female	14,320.8	4,765.0
By Position		
General staff	24,648.0	8,122.5
Middle management	3,261.8	392.0
Director and senior management	7.6	4.0
Average Training Hours (Hours)	3.52	1.15
By Gender		
Male	3.41	1.04
Female	3.63	1.26
By Position		
General staff	3.25	1.26
Middle management	10.10	0.43
Director and senior management	0.45	0.22
Total Number of Suppliers <sup>1</sup>	499	411
Region Distribution		
Mainland China	499	411
Others <sup>2</sup>	0	0
Percentage of Total Products Sold or Shipped Subject to Recalls for Safety and Health Reasons		
Products subject to recalls	0	0
Number of Products and Service Related Complaints Received		
Number of complaints	20,863	19,840
Number of Concluded Legal Cases Regarding Corrupt Practices Brought against the Group or its Employees		
Number of legal cases	0	0
Community Investment		
Donation (RMB)	11,181,000	13,731,000

Note: <sup>1</sup> Due to the Group's supplier system being categorized by subsidiary and product category for registration, the supplier statistics criteria have been adjusted this Year, and duplicate supplier records have been removed.

<sup>2</sup> This Year, suppliers with offices overseas but whose actual business is mainly undertaken by the domestic entity are adjusted to reflect the actual location of supply operations, i.e., Mainland China, as the statistical method.



361 Degrees International Limited

STOCK CODE: 1361

