

361°

361 Degrees International Limited

STOCK CODE: 1361

2025 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



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ABOUT 361°

Founded in 2003 and listed in 2009 (1361.HK), 361° is one of China's top comprehensive sport brands. Our brand matrix boasts four segments: 361° Sports, 361° Kids, 361° E-commerce and 361° International. Over the recent years, we have been honing our expertise and offering amazing products worldwide, especially among young people. Meeting consumer needs through our brand and product values gives us momentum to grow steadily and sustainably to tackle the fierce competition. In this way, we may spread our brand culture better and ignite greater public interest in sports.

Since its inception, 361° has steadfastly adhered to its brand spirit of "ONE DEGREE BEYOND," relentlessly pursuing its corporate vision of "becoming a globally respected sports brand." It operates multiple business lines. 361° Sports expands its product matrix around core categories such as running, basketball, comprehensive training and sports lifestyle, has built a presence in badminton, a new sports sector for the Company, striving to provide professional and stylish sports gear for sports enthusiasts and professional athletes; it meets users' diverse needs for health and exercise while continuously enhancing consumer experience. 361° Kids continuously intensifies its efforts in the field of children's and adolescent sports, particularly excelling in mainstream adolescent sports such as jump rope, basketball, soccer and running; it offers children and adolescents gear that combines technology with professionalism, promoting the development of children's and adolescent sports. 361° International focuses on the global market, with subsidiaries in the United States, Europe, Malaysia and South America to expand its distribution business. So far, 361° has earned a good professional reputation with its numerous high-end footwear products and globally renowned cutting-edge technologies.

361° fully supported the 2016 Rio Olympic Games and Paralympic Games as China's first brand in this aspect. 361° has become the official partner of four consecutive Asian Games from 2010 (16th Asian Games Guangzhou) to 2022 (19th Asian Games Hangzhou). Leveraging its brand experience, the brand aims to become a unique cultural symbol of the Asian Games. It will also sponsor the ninth Asian Winter Games to be held in

Harbin in 2025, thus contributing to the vigorous development of ice and snow sports. What's more, 361° sponsored other major events such as Universiade Shenzhen 2011, Youth Olympic Games Nanjing 2014, China Table Tennis Super League from 2009 to 2013 and China Volleyball Super League from 2010 to 2015. 361° boasts professional products and rich industry experience. It has provided professional sports equipment for 28 national Olympic committees around the world, in addition to multiple Chinese national teams and professional teams. Apart from joining hands with Chinese national teams such as National Swim Team, National Hockey Team, National Cycling Team, National Triathlon Team and National Women's Water Polo Team, it has established long-term ties with the World Aquatics. In this way, 361° showcases the strength of a Chinese sports brand to the world.

Adhering to the brand strategy of "Innovate with Technology, Lead with Brand," 361° has been deeply engaged in core sports categories including basketball, running and comprehensive training. Through technology-enabled product innovation, it creates products that integrate aesthetics and technological innovation. 361° has provided professional sports gear for athletes like Nikola Jokic, Aaron Gordon, Spencer Dinwiddie, Li Zicheng, Guan Yousheng, Li Yuan, Jiang Wenwen, and Jiang Tingting. It has built an in-depth presence in the sports lifestyle sector by successively signing popular athletes, including swimmer Sun Yang, gymnast Zhang Doudou, skateboarder Gao Qunxiang, and young actor Ao Ruipeng. This has continuously enhanced the brand's popularity and influence among young demographics. 361° also actively captures emerging consumption trends and continuously explores new approaches in IP marketing. Its collaborations with popular IPs, such as The Three-Body Problem, Pepsi and Bored Ape Yacht Club (BAYC), have garnered widespread recognition from both the industry and consumers. Furthermore, 361° has forged a strategic alliance with Standard Robots to embark on a new journey of intelligent brand evolution. It has also partnered with Tianjin University of Sport to establish an industry-university-research innovation platform. These initiatives are dedicated to delivering higher-performance, technology-driven products to consumers.

Of course, 361° never forgets what it ought to do. Over the

years, to put the "Love Program" into practice, our love outreach has totaled more than 100 million yuan in forms of cash and kind. First of all, we aided more than 140,000 children from impoverished mountain areas in their garments and shoes through the "One Cares One" project with China Foundation for Poverty Alleviation. Second, we donated all the sales of relevant new products to China Youth Development Foundation via cooperation with China Cotton Industry Alliance. When the COVID-19 pandemic erupted, we sent tens of millions of cash and other supplies to Chinese places such as Hubei, Jilin and Fujian. In response to natural disasters such as floods, earthquakes and fire in Henan, Shanxi, the Beijing-Tianjin-Hebei region, Gansu, the Xizang Autonomous Region and Hong Kong, 361° has promptly donated cash and supplies worth tens of millions of yuan to support disaster relief efforts.

Born out of passion and marching towards a bright future, 361° has fully embarked on an upward trajectory. Going forward, it will uphold its brand mission of "Empowering All Through Performance: High-Quality Sports Gear for Everyone" and adhere to its core values of "Loyalty, Pragmatism, Collaboration, Efficiency." By blending tradition with innovation and utilizing expertise to drive technological advancements, 361° will leverage its brand strength to support the high-quality development of China's sports industry.

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.cn.

2025 HIGHLIGHTS



The 16th China Listed Companies Investor Relations Management "Tianma Award"
Presented by: People's Daily, Securities Times

最佳IR港股公司(H股)	
证券代码	证券简称
01361.HK	361度
01070.HK	TCL电子
02666.HK	环球医疗
03896.HK	金山云
02228.HK	晶泰控股

New Fortune 8th Best IR Hong Kong-Listed Company Award
Presented by: New Fortune



2025 Sustainable Brand Model "Responsible Product Award"
Presented by: Huxiu



2025 8th China Human Resources Sirius Award
"Best Employer Brand for Global Enterprises"
Presented by: Moka, Beijing Institute for General Artificial Intelligence, HRflag



Gold Award of the Sustainable Finance Disclosure Pioneer Programme
Presented by: Hong Kong Quality Assurance Agency (HKQAA)



ESG Sustainable Innovation Ecosystem Conference
"Annual ESG Innovation Practice Case"
Presented by: Southern Metropolis Daily



The 11th Hong Kong Investor Relations Association Investor Relations Awards 2025 (The "Best IR Company", the "Best IR Team", the "Best IRO")
Presented by: Hong Kong Investor Relations Association



Ranked 54th among Fujian Province Top 100 Private Enterprises
Presented by: the Fujian Provincial Federation of Industry and Commerce



Ranked 34th among Fujian Province Top 100 Private Manufacturing Enterprises
Presented by: the Fujian Provincial Federation of Industry and Commerce



Ranked 48th among Fujian Province Top 100 Innovative Private Enterprises
Presented by: the Fujian Provincial Federation of Industry and Commerce

CHAIRMAN'S MESSAGE

Dear Shareholders, Partners, Employees, and All Stakeholders,

361° has consistently maintained that a company's ability to achieve steady and sustainable growth depends not solely on short-term financial performance, but on whether responsibility, efficiency and innovation are embedded into every aspect of its daily operations. We have established sustainable development as a core value and an integral component of our long-term strategy. Guided by the shared spirit of "ONE DEGREE BEYOND", we ensure that this commitment is reflected in product development, operational management and concrete actions, gradually translating it into resilient and enduring long-term value.

In an external environment shaped by the intertwined evolution of climate change, regulatory requirements and industrial upgrading, we maintain a clear understanding of the complexity and severity of the challenges, while also recognising the development opportunities arising from transformation. The Board continues to integrate ESG and climate-related matters into the Company's governance and risk management framework. Through mechanisms such as double materiality assessment, we enhance the focus of resource allocation and clarify management priorities, ensuring that the Company maintains strategic resilience in a dynamic market environment and advances high-quality development with steady and disciplined progress.

Building Resilience for a Changing World

The low-carbon transition is inherently long-term and systemic, requiring continuous advancement and refinement within the overall operational framework. We have steadily promoted the integration of green manufacturing and smart manufacturing, enhancing production efficiency and management transparency through digital systems and lean management mechanisms. In doing so, energy-saving and emissions-reduction requirements are embedded into daily management processes in a traceable and measurable manner. At the same time, we have advanced the adoption of clean energy and the development of supporting facilities in an orderly manner. Initiatives such as the implementation of the "5G + Smart Factory" project and rooftop photovoltaic installations at our production bases have further strengthened the efficiency, operational stability and sustainability of our manufacturing system.

We position our practical experience within a broader industry framework by participating in national standard initiatives related to greenhouse gas management systems. Working collaboratively with value chain partners, we contribute to the refinement of methodological frameworks and the optimisation of management mechanisms, enhancing the operability and scalability of relevant systems. Through these efforts, low-carbon transformation extends beyond individual corporate action and gradually evolves into a more widely grounded industry consensus.

Advancing Innovation Alongside Sustainability

We believe whether innovation can generate long-term value depends on its ability to balance professional athletic performance with effective environmental impact management. Over the past year, we have continued to integrate green principles into our research and development framework and manufacturing processes, advancing the optimisation and upgrading of materials and production techniques so that product enhancement and environmental responsibility progress in alignment. CQT matrix physical foaming technology has been widely applied in footwear materials, alongside the adoption of more environmentally compatible process options such as fluorine-free water-repellent treatments, further strengthening the integration of product excellence with sustainable principles.

Giving Back through the Power of Sport

Born from sport, 361° continues to extend the spirit of sport into broader social contexts. Over the past year, the Company has continued to develop and operate its proprietary event and community IPs, supporting participation and growth in road running, basketball and diverse sports. Through initiatives such as "Rising Stars Arena", we promote youth sports participation and create more accessible sporting opportunities for families and schools, fostering the development of healthier lifestyles. As sport becomes more integrated into everyday life, the values it embodies, including perseverance, respect and a spirit of progress, are further conveyed across wider communities.

Looking to the Future

Looking ahead, we will remain committed to our sustainability direction and deepen our green transformation, further strengthening governance capabilities and integrating ESG and climate-related matters more systematically into business decision-making and management processes. At the same time, we will continue advancing green product and manufacturing upgrades through ongoing technological innovation, while enhancing collaboration with our supply chain and relevant partners, translating responsibility into actions that are concrete, measurable and sustainable.

Finally, on behalf of the Board of Directors, we would like to express our sincere appreciation to our shareholders, partners and all employees for their long-standing support and trust. Looking ahead, guided by the spirit of "ONE DEGREE BEYOND", we will remain steadfast amid change and continue strengthening our capabilities through transformation, advancing 361° toward higher-quality and more sustainable development, and laying a solid foundation for the creation of long-term value.

Chairman
DING Huihuang
24 March 2026

ABOUT THE REPORT

This is the 2025 Environmental, Social, and Governance ("ESG") Report (the "Report") of 361 Degrees International Limited (hereinafter referred to as "the Group", "we", "361 Degrees", or "361°"). It discloses the Group's management approaches and performance concerning significant environmental and social issues for the fiscal year ending December 31, 2025 (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 Listing Rules of the Hong Kong Exchanges and Clearing Limited (HKEX). It also makes reference to 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, in accordance with the principle of materiality, defines the disclosure boundary of this report to cover the performance and management policies of its principal operating entities, including the Group's offices in the Hong Kong Special Administrative Region ("Hong Kong") and its offices and manufacturing facilities in the United States, Europe (the Netherlands), Malaysia, Brazil and the People's Republic of China ("PRC").

As the Group's primary production bases are located in Chinese Mainland and the proportion of environmental and social data attributable to entities in Hong Kong and other overseas regions is relatively minimal, performance data disclosed in this Report cover only the Chinese Mainland entities and exclude those in Hong Kong and other regions.

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 the effective and orderly advancement of the Group's sustainable development initiatives, we have established an ESG governance framework comprising the Board of Directors, the management team, and frontline execution staff, with climate-related matters incorporated into unified oversight. Within this framework, the Board serves as the highest decision-making and supervisory body for the Group's sustainable development. It is responsible for formulating sustainability strategies and objectives, identifying and assessing ESG and climate-related risks and opportunities, leading sustainability-related decisions, and regularly reviewing and overseeing the management of material issues and progress towards relevant targets.

The Board adopts a comprehensive management approach to oversee and make decisions on the Group's ESG and climate-related matters and assumes ultimate responsibility for such matters. The Group convenes at least one Board meeting annually to discuss sustainability and climate change-related issues, ensuring that all Directors remain informed of the latest ESG regulatory requirements and leading industry practices. This enables the effective integration of the sustainable development strategy into the Group's core business operations and decision-making processes. During key periods, such as updates to policies and regulatory requirements, relevant information is communicated to the Board and management on time to ensure that their skills and competencies remain up to date.

The Group's management team is responsible for conducting detailed analyses of the ESG and climate change-related risks and opportunities identified by the Board and for formulating corresponding action plans. The management team oversees relevant matters by providing analysis, recommendations and updates, and reports annually on the achievement of ESG and climate-related targets for review by the Board or relevant Board committees. This ensures that the Board is able to exercise effective oversight, make adjustments where necessary and facilitate the implementation of related policies and the achievement of objectives, while providing frontline execution staff with the necessary resources and support. Frontline execution staff diligently and efficiently carry out their assigned responsibilities to achieve the Group's sustainability 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, the Group Legal Centre, and the Audit Centre 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. The Group engages and communicates with them through various channels, as summarised below. In order to establish mutually beneficial partnerships with all major stakeholders and create positive environmental, social, and economic impacts, the Group will continue to strengthen its engagement and maintain closer connections with diverse stakeholders in the future.

Stakeholders	Expectations and Concerns	Communication Channels
Government and Regulatory Authorities	Compliance with laws and regulations Business ethics Occupational health and safety ESG risk management	Regulatory compliance reporting Regular reports
Shareholders	Return on investment Corporate governance Business compliance	Reports and announcements General meetings and investor briefings Corporate website
Employees	Compensation and benefits Occupational health and safety Training opportunities Career development	Performance appraisals Regular meetings and training sessions Emails, notices, circulars, hotline and team-building activities
Customers	Product quality assurance Consumer experience Eco-friendly materials and circular initiatives Technological innovation	Customer satisfaction surveys Customer service hotline and email Media briefings Corporate website
Suppliers	Fair and transparent procurement management Win-win cooperation Protection of intellectual property rights	Open tender processes Contracts and agreements Telephone discussions On-site visits
Distributors and Authorised Retailers	Enhancement of waste recycling in retail stores Improvement in product quality and design Strengthened marketing efforts Business profitability	361° brand trade fairs Communication with retail channel management departments Regular meetings Corporate training programmes
Community and the Public	Development of sports initiatives Community contribution	Public events and marketing activities Investment in charitable and public welfare programmes

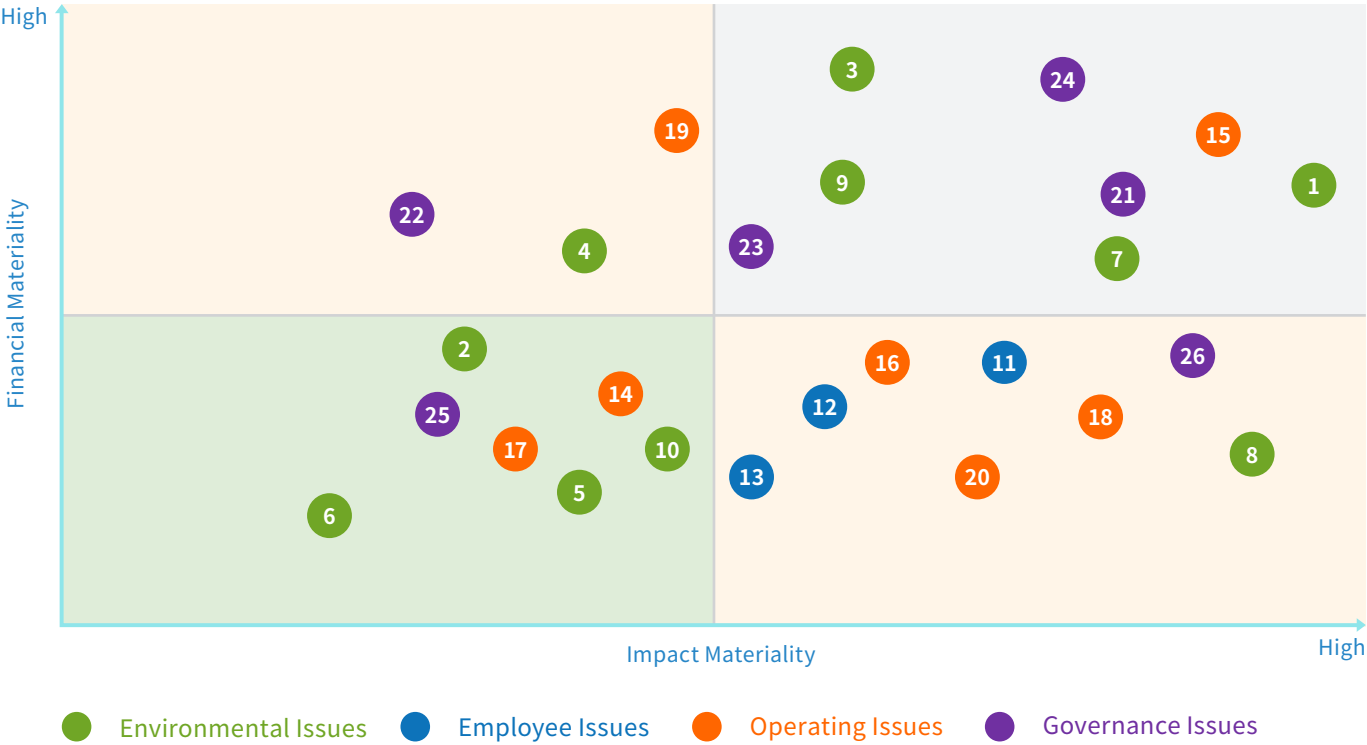
Materiality Assessment

To ensure that the direction of sustainable development remains aligned with the expectations of stakeholders and to effectively identify ESG issues that are most significant to the Group's business and its stakeholders, the Group conducted a double materiality assessment during the Reporting Period. The results of the assessment were reviewed and approved by the Board to enhance the effectiveness of disclosures to investors and other stakeholders. Based on the assessment outcomes, the Group has formulated and refined its sustainable development strategies and targets, with a view to better responding to stakeholder expectations and strengthening the relevance and transparency of ESG disclosures.

Identification	An independent sustainability consultant was engaged to identify 26 potentially material issues and assess their materiality with reference to the ESG Reporting Code, the International Financial Reporting Sustainability Disclosure Standards (IFRS), the Global Reporting Initiative (GRI) Standards and peer benchmarking analysis.
Assessment	Taking into account inputs from diverse stakeholders (including employees, customers, suppliers, distributors and authorised retailers, the public) and representatives of management, the Group evaluated each potential topic in the context of its actual operational circumstances to determine relative importance.
Analysis and Prioritisation	Based on the assessment, topics were quantified and ranked by financial materiality and impact materiality to establish disclosure and management priorities.
Validation	Management reviewed and confirmed the assessment results of the material issues identified during the Reporting Period and determined the priorities for disclosure.
Review	The materiality assessment process was reviewed to identify areas for further enhancement and continuous improvement.

The Group analysed information from multiple sources and, using weighted calculations, reflected the results in the materiality matrix below. Within this matrix, issues are categorised into three levels, from Level 1 to Level 3, with Level 1 issues considered to be of high importance to the Group.

Through the double materiality matrix, we recalibrated the prioritisation of ESG issues and identified Greenhouse Gas Emissions, Product and Service Quality and Safety, Business Model Adaptability and Resilience, Climate Change Mitigation and Adaptation, Energy Management, Raw Material Sourcing, Green and Environmental Practices, and Business Ethics and Anti-corruption as issues of double materiality. The Group will implement targeted management measures according to the level of each issue and continue to enhance its data collection mechanisms and assessment models. This approach ensures that our ESG management strategies remain aligned with the rapidly evolving external environment and the Group's ongoing business development.



Align with SDGs

Aspect	UN SDGs	Our Actions
Operational Excellence and Product Responsibility	 8 体面工作和经济增长	Protect labour rights and promote safe and secure environment for all workers. Regular fire drills and safety training.
	 12 负责任消费和生产	Move towards more sustainable patterns of consumption and production. Ongoing R&D aimed at creating environmentally friendly materials and processes.
	 16 和平、正义与强大机构	Substantially reduce corruption and bribery in all forms. Anti-corruption trainings for both employees and suppliers.
Addressing Climate Change	 7 经济适用的清洁能源	Increase substantially the share of renewable energy in the total energy consumption. - Installed solar panels and solar heating systems on plants' rooftops. - 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.
Upholding Environmental Commitments	 13 气候行动	Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning. Established a carbon reduction target.
Compliant And Harmonious Employment Environment	 4 优质教育	Increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship. Providing various training opportunities to all employees regardless of their gender or position level.
Fulfilling Social Responsibility		

Level 1	1 Greenhouse Gas Emissions	15 Product and Service Quality and Safety	
	3 Energy Management	21 Climate Change Mitigation and Adaptation	
	7 Green and Environmental Practices	23 Business Ethics and Anti-corruption	
	9 Raw Material Management	24 Business Model Adaptability and Resilience	
Level 2	4 Renewable and Clean Energy	13 Employee Development and Training	20 Promotion of Sports Development
	8 Chemical Safety	16 Supply Chain Management	22 Intellectual Property
	11 Labour Practices	18 Support for Local Economic Development	26 Compliance Management
	12 Occupational Health and Safety	19 Participation in Philanthropic and Charitable Activities	
Level 3	2 Waste Management	14 Marketing and Promotion	
	5 Water Resources and Wastewater Management	17 Customer Privacy and Data Security	
	6 Biodiversity and Land Use	25 Diversity	
	10 Packaging Material Usage		

SUSTAINABLE GOVERNANCE PRACTICE

Governance Structure

The Group strictly adheres the Corporate Governance Code contained in the Appendix C1 to the HKEX's Listing Rules, as well as the laws and regulations of the jurisdictions in which it operates. Upholding the protection of stakeholders' interests and the safeguarding of business development as its fundamental principles, the Group continuously enhances its governance structure and procedural rules, and formulates corresponding management policies and system documents to ensure long-term and robust corporate governance.

The Group has established a clear management structure and delineation of authority. Members of the Board possess diverse professional backgrounds in areas including industry, investment, audit, sales and branding, and responsibilities are allocated

accordingly. The terms of reference of each Board committee are published on the Company's website and the HKEX website. For further details regarding the Board, please refer to the Corporate Governance Report section of the Company's Annual Report for the Year.

The Group has also established a sustainable development governance framework and corresponding processes, incorporating climate change-related matters into unified management. With the support of external sustainability consultants, the Group receives comprehensive professional assistance in advancing ESG and climate change-related initiatives and in conducting ongoing reviews of progress to ensure continuous improvement.

The Board of Directors	- Review and assess the Group's material ESG and climate-related risks, opportunities, and impacts. - Examine key ESG issues. - Formulate ESG and climate-related management strategies, targets, and plans. - Monitor the Group's sustainability goals and progress. - Approve the ESG report.
Management Team	- The Chief Financial Officer, who also serves as Board Secretary, coordinates all general manager level executives to formulate detailed action plans based on the strategies, targets, and plans proposed by the Board. - Conduct materiality assessments of ESG issues. - Track and report progress towards achieving established ESG goals and sub-goals. - Oversee and monitor the implementation of internal policies across business units. - Prepare the annual ESG report.
General Employees	- Implement company-wide ESG initiatives with the support and leadership of management. - Provide ESG-related information and data. - Engage and collaborate with key stakeholders across the value chain. - Assess and report on ESG-related risks faced in daily operations.

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

Top Level	The establishment of a strong governance structure ensures the Group's adherence to legal compliance and positions it as a leader in the industry, fostering unity and accountability throughout the 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 continues to strengthen the development of its sustainable management system and has obtained certifications for ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System and ISO 45001:2018 Occupational Health and Safety Management System. Qualified third-party institutions conduct periodic surveillance audits and re-certification reviews to ensure ongoing compliance. Through the continuous enhancement and optimisation of its internal management system, the Group ensures the effective implementation of governance practices and strategic planning. Supported by the ESG governance execution framework and management system, the Group is able to track the progress of ESG initiatives, review and monitor the implementation of plans and targets, and safeguard the effectiveness of its sustainability policies.



Board Diversity

The Group firmly believes that a diverse Board plays a pivotal role in enhancing the quality of decision-making and strengthening corporate resilience. The Group has formulated and adopted a Board Member Diversity Policy, which aims to promote diversity across multiple dimensions, including gender, age, cultural background, educational attainment, professional experience and skills. This approach enables the Board to better respond to evolving business challenges and support sustainable development. The Nomination Committee is responsible for overseeing the implementation of this policy and regards diversity as an important consideration in the selection of director candidates. The Group will continue to review the composition of the Board and optimise its diversity level through succession planning and recruitment processes, with a view to bringing broader perspectives and reinforcing the governance capability and resilience of the Group.

Risk Management

To effectively manage risks that may adversely affect the Group's business operations and sustainable development, risk management has been integrated into the Group's business decision-making processes. In accordance with the Securities and Futures Ordinance of the Hong Kong Securities and Futures Commission, the Listing Rules of HKEX and other applicable regulatory requirements in the place of listing, as well as the Company's Articles of Association, the Group has established a robust risk governance framework. The Board, as the highest governing body, assumes ultimate responsibility for ESG risk management.

At the operational level, the Group has established a regular ESG risk monitoring mechanism. Functional departments serve as the first line of defence in risk management and conduct periodic reviews of macro-policy trends and ESG risk points within operational processes. Mitigation measures and contingency plans are formulated based on the likelihood and potential impact, namely the materiality, of identified risks.

The Audit Committee is responsible for overseeing the Group's financial reporting system and internal control procedures and regularly reviews relevant policies to ensure their effectiveness. The Audit Committee holds annual discussions with management to address risk management and internal control matters, ensuring that potential risks in key areas are identified, assessed, and reported in a timely manner, and that effective risk management and internal control mechanisms are maintained.

Looking ahead, the Group will continue to enhance the consistency of process execution, the level of automation in system controls and the responsiveness in overseeing new business developments. During the Reporting Period, the Group did not identify any material deficiencies that resulted in significant financial losses or systemic risks.

Integrity and Compliant Operations

The Group regards integrity, probity and compliant operations as the cornerstone of its sustainable development and remains committed to fostering a corporate culture founded on honesty, transparency and trustworthiness. The Group strictly complies with applicable laws and regulations and ensures that all business activities are conducted in accordance with the legal requirements of the jurisdictions in which it operates. Compliance is upheld as a fundamental operating principle at all times. For details of relevant anti-corruption laws and regulations, please refer to the "Laws and Regulations" section of this Report.

Anti-corruption

The Group's integrity management framework is guided by the Bottom Line Management Regulations and the Code of Business Conduct for Partners, and specifically includes the following measures:

Policy Framework and Control Procedures	- Relies on the Bottom Line Management Regulations, Code of Conduct for Employees, Integrity and Self-discipline Standards, and the Anti-commercial Bribery Management Measures. - Explicitly prohibits bribery and acceptance of bribes in any form, including but not limited to shares, travel, cash equivalents, and gift vouchers. Clear standards are established for gifts and hospitality, as well as conflict of interest declarations. - Imposes disciplinary actions, including demotion or termination of employment, for verified violations. Cases suspected of constituting criminal offences are referred to judicial authorities. - Participates in industry anti-fraud alliances to share blacklists relating to corruption and coordinate actions against non-compliant business partners. - Due diligence procedures - Mandatory compliance investigations are conducted for high-risk counterparties. - Financial control procedures include stringent expense approval processes, corporate payment controls, and bookkeeping requirements to ensure that all transactions are genuine, accurate, and complete. - Conflict of interest management requires employees to declare on a regular basis any personal interests that may affect their professional judgement.
Safeguard Mechanisms	- In compliance with the Anti-Money Laundering Law, the Group has established mechanisms for customer identity verification, transaction record retention, and monitoring and reporting of large or suspicious transactions. - Digital tools, including the supplier management system, are utilised to strengthen monitoring and early warning capabilities for abnormal business activities. - Integrity commitment letters are signed with personnel in key positions to reinforce integrity management and strengthen managerial accountability. - Regular internal audits and risk control reviews are conducted. Job rotation in key positions and departure audits are implemented to reduce opportunities for fraud.
Integrity Training	- Integrity training is automatically triggered upon onboarding; new employee training coverage is 100%, with 100% of employees confirmed from probation required to pass the training assessment. - Enhanced integrity training and face-to-face communication sessions are conducted for high-risk positions, such as procurement and finance, achieving 100% coverage. - Case alerts and policy interpretations are regularly published through internal platforms to reinforce a culture of compliance and integrity.
Supplier Management	- The Group has established policies including the Code of Business Ethics and Conduct and the Anti-corruption and Anti-bribery Management Measures, explicitly prohibiting any form of improper benefit transfer, unfair competition or corrupt practices. - Compliance awareness is strengthened through annual supplier conferences conducted both online and offline, as well as the establishment of anonymous reporting channels. - Strict integrity admission procedures and annual assessments are implemented for suppliers and business partners, fostering a "zero tolerance" compliance culture and safeguarding a fair and competitive business environment.
Whistleblowing System	Guided by the Whistleblowing, Protection and Incentive Policy, the Group continues to enhance its reporting and protection mechanisms, including: - Optimisation of reporting channels. In addition to traditional mailboxes and hotlines, portable reporting channels such as QR codes and official online platforms have been introduced. Both anonymous and named reporting are supported. Reported information is transmitted through encrypted channels and stored independently to ensure physical isolation. - Establishment of a transparent closed-loop mechanism, with clearly defined timelines for compliance investigations and communication of outcomes. - Incentive rewards ranging from RMB500 to RMB300,000 based on the amount of loss recovered and the level of impact after verification. When publicising cases or issuing rewards, all personal identifiers are removed to prevent secondary disclosure risks. - During the Reporting Period, the effective utilisation rate of whistleblowing channels increased by 60% year-on-year, and no verified retaliation incidents were recorded. The Group will continue to enhance whistleblowing procedures and strengthen employees' trust in the reporting system.
Implementation and Enforcement	- During the Reporting Period, the Group was not involved in any concluded or pending judicial proceedings or major regulatory penalties that had a material impact arising from corruption, bribery or money laundering. - Through internal reporting channels, including hotlines and designated mailboxes, the Group received and handled 22 complaints and reports relating to potential unethical or non-compliant conduct during the Reporting Period. All cases were investigated promptly and fairly in accordance with established procedures. Among these cases, four were substantiated as violations of the Group's anti-corruption policies. The responsible individuals were subject to disciplinary actions in accordance with internal regulations, including warnings and termination of employment. Relevant processes have since been strengthened to prevent recurrence.



双节廉作舟，清风渡华诞



节日期间公司全体职员不得接受业务伙伴以各种理由、名义赠送的礼品、礼金及有价证券等，一经发现，立即查处。

如有接受合作伙伴赠礼或宴请，请立即上报并走廉洁申报流程

审计中心举报方式：

电话举报:0592-3790306/15160039381

微信举报:扫描二维码关注公众号发送举报内容

邮箱举报:sjzxjcb@361sport.com ("审计中心监察部")

现场举报:厦门湖里殿前路159号三六一度大厦8F审计中心

举报线索一经查实，将依据《举报人保护和奖励管理办法》，根据金额的大小奖励案值30%-50%单项举报最高奖励30万人民币，秉持着宁可案件不查，也绝不泄露举报人信息的保密原则，同时对举报人采取绝对的保密措施。

—— 审 计 中 心 监 察 部 宣 ——

Responsible Business Conduct

The Group regards integrity in operations and fair competition as fundamental to the sustainable development of its business. We are committed to upholding the highest standards of business ethics in all our operations and strictly comply with applicable laws and regulations in the jurisdictions in which we operate, including the Anti-Monopoly Law and the Anti-Unfair Competition Law. The Group seeks not only to ensure compliance, but also to foster a market environment built on trust and transparency. Ultimate oversight of this area rests with the Board and its Audit Committee, while the Group's Legal and Compliance Department leads implementation in coordination with various business units.

The Group emphasises the importance of honesty, transparency, fairness and lawfulness. Mandatory annual training on business ethics and anti-monopoly compliance is provided to all employees. At the same time, we actively promote shared values with our business partners by requiring the signing of the Code of Business Conduct for Partners, implementing conflict of interest management measures, and providing comprehensive anti-corruption training to partners. Anti-unfair competition clauses have been embedded into business contracts, and both internal and external stakeholders are encouraged to report any suspected violations of business ethics or fair competition principles. All reports are investigated seriously and confidentially. In addition, the Internal Audit function conducts regular compliance reviews of marketing, sales and other business activities to ensure adherence to applicable legal and ethical standards.



Supplier Integrity Training



Employee Integrity Training

To prevent interference in business activities arising from personal interests, the Group has formulated the Conflict of Interest Declaration and Management Measures to guide employees in properly handling actual or potential conflicts of interest encountered in the course of their work, thereby fostering a culture of integrity across the organisation and throughout its network of business partners. In addition to performance assessments based on business indicators, the Group has incorporated compliance as a key evaluation dimension. A "zero tolerance" approach is adopted towards violations of internal policies. Disciplinary actions, including warnings and termination of employment, are imposed in accordance with established procedures, and legal liability will be pursued where appropriate. For further information regarding supplier management, please refer to the "Supply Chain Management" section.

During the Reporting Period, the Group was not subject to any material administrative penalties or judicial decisions arising from violations of fair competition laws and regulations. The Group will continue to promote compliance awareness among its business partners and work collaboratively to maintain a healthy and orderly industry ecosystem.

OPERATIONAL EXCELLENCE AND PRODUCT RESPONSIBILITY

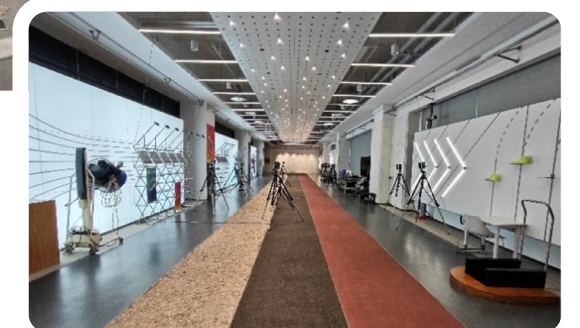


Compliance with Laws and Standards

The Group strictly complies with national and local laws and regulations relating to quality management and adheres to relevant international, national, and industry standards throughout its production and operational processes. For further details on laws and regulations concerning product responsibility, please refer to the "Laws and Regulations" section of this Report.

Continuous Technological Innovation

The Group consistently places a strong emphasis on research and development and firmly believes that technological innovation is the core driver of long-term growth. During the Reporting Period, the Group employed 843 R&D personnel; R&D expenditure represented 3.4% of the Group's revenue, and approximately 70% of revenue from new products was derived from R&D outcomes. The Group holds more than 1,100 authorised patents in China and overseas and has undertaken and participated in multiple key R&D projects at national, provincial, and municipal levels. Through sustained investment in R&D, the Group has established a comprehensive technological innovation system and implemented internal incentive mechanisms for patents and intellectual property to encourage active employee participation. These initiatives drive the continuous upgrading of products, services, and operational models. The Group collaborates with domestic and international research institutions and places significant emphasis on developing products with enhanced green attributes, striving to minimise environmental impact while maintaining product quality. In the context of intensified industry competition and rapid technological advancement, the Group remains committed to enhancing product quality and performance while promoting green and sustainable development.

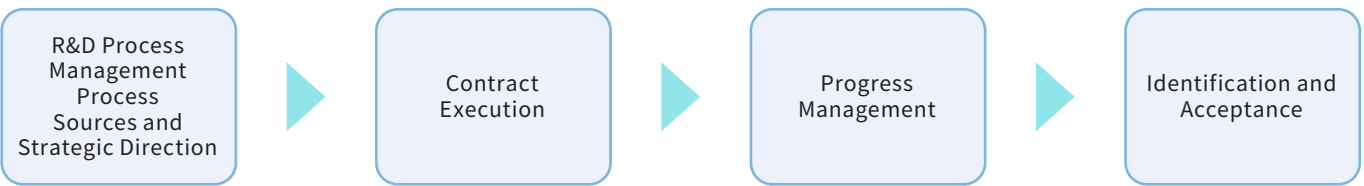


Technology and Product Research and Development

The Group adheres to a technology-driven development strategy and continuously advances innovation across multiple modules, including product manufacturing, technology research and development, and market sales. The Group's Research and Innovation Centre, located in the Wuli Industrial Park of Jinjiang City, Fujian Province, is equipped with advanced testing capabilities and facilities. The Group has been recognised with numerous prestigious titles, including National High-tech Enterprise, National Green Factory, National Green Supply Chain Management Enterprise, National Sports Industry Demonstration Unit, National Industrial Design Centre, National Academic Society Service Station, National Intellectual Property Advantage

Enterprise, the "Innovation China" Doctoral Innovation Station, and Provincial-level Technology Centre. These accolades reflect the Group's outstanding performance in technological innovation and its strong industry influence.

To ensure the standardised and efficient advancement of research activities, the Group has established the Research and Development Organisation Management System. In addition, the Patent and Professional Title Incentive Measures have been implemented to motivate and stimulate innovation initiatives across various departments, fostering a culture of continuous technological advancement.



Research and Development Management Process

The Group continues to invest in industry-university-research collaborative innovation and regards deep participation in university-enterprise partnerships as a key strategic pathway for driving technological advancement and product upgrading. By establishing long-term and stable cooperation with domestic and international universities and research institutions, the Group focuses on cutting-edge technological research, key material development, and the commercialisation of research achievements, thereby promoting the efficient integration of innovation resources. The Group actively participates in the joint establishment of industry-education integration platforms and supports the development of joint laboratories, training bases, and postdoctoral innovation practice centres, facilitating joint talent cultivation, collaborative research, and shared achievements. In collaboration with Tiangong University, the Group carried out the "Flying Swallow" (飛燕) outsole simulation project. Through simulation technology, the project analysed the impact mechanism of a three-dimensional carbon plate structure embedded in basketball shoe outsoles on bounce

performance. It further explored optimisation pathways for the structural design and material composition of three-dimensional carbon plates, and researched the development of elastic composite materials with enhanced resilience, rational structural properties, and durability. In core areas such as sports technology and new material development, the Group has established a comprehensive innovation chain spanning from fundamental research to industrial application. The Group serves as the chair unit of the National Textile and Apparel Digital Economy Industry-Education Integration Consortium - Industrial Institute, operates as a Provincial-level Postdoctoral Innovation Practice Base, and has been recognised as a Demonstration Industry-Education Integration Training Base in Quanzhou. Collaborative achievements with Soochow University and other institutions were awarded the Third Prize of the Innovation Achievement Award by the China Association for the Promotion of Industry-University-Research Cooperation, further demonstrating the Group's innovation capability and industry leadership.

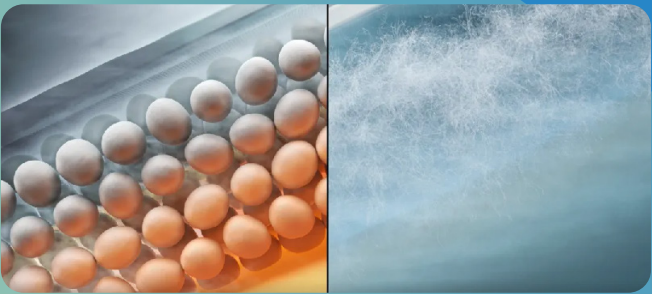


"R&D and Industrialisation of High Performance Winter Sportswear Based on Supercritical and 3D Textile Technologies" - Selected for the 2025 Fujian Provincial Key Technological Research Projects

This project represents the world's first application of supercritical technology in winter sports equipment. It explores the integration of high-expansion supercritical foamed particles with 3D fabric structural design, enabling uniform distribution of particles within garments and the storage of air within countless micron-scale cavities both between and inside the particles. Leveraging the inherent structural support of the particles, a "skeleton" is formed to sustain a thermal air layer, thereby retaining body heat and creating an effective thermal barrier.

Under identical conditions in a -25°C environment for a duration of 30 minutes, garments incorporating the "Particle Thermal Effect" technology demonstrated internal temperatures up to 10°C higher than conventional down jackets, with surface temperature differentials reaching nearly 20°C. Owing to the intrinsic physical properties of the particles, the technology also delivers wind resistance, breathability, impact resistance, and adaptive performance. It addresses the technical challenges associated with integrating multifunctional materials while maintaining lightweight characteristics and wearing comfort. The technology shows potential for broader applications in areas such as polar exploration, smart living, and medical protection, achieving a balanced integration of lightweight design, thermal insulation, breathability, and impact resistance.

In addition, the Group's innovative products, including the "Louvred Window" (百葉窗) biomimetic breathable apparel, "Flying Swallow Technology" (飛燕科技) basketball shoes, floating shock-absorbing backpacks and micro magnetic luminescent backpacks, were approved as 2025 Fujian Provincial New Textile and Footwear Products, reflecting continued recognition of the Group's technological innovation capabilities.



R&D Project: Research and Industrial Application of a Knowledge-driven Intelligent Quality Inspection System for the Footwear Industry

This project focuses on the development and industrial application of a knowledge-driven intelligent quality inspection system tailored to the footwear industry. Leveraging AI-powered machine vision and complex three-dimensional surface recognition technology, the system enables automatic, precise

measurement, identification and positioning of customised footwear contour curves. In parallel, intelligent manufacturing equipment and control systems for footwear production have been developed to achieve automation and intelligent control of the shoe moulding process. The project has delivered key technological breakthroughs in intelligent footwear manufacturing equipment, including:

1. Achieving automatic identification accuracy of not less than 99%, automatic control precision within 1mm, and processing head movement speed of not less than 0.1m/s;
2. Fully automating the pre-treatment and adhesive application processes, reducing labour requirements by no fewer than 6 personnel per moulding production line and no fewer than 15 personnel per pre-treatment line, while saving not less than 200kg of surface activation agents per day;
3. Achieving a moulding line processing speed of not less than 400 pairs per hour and a pre-treatment line processing speed of not less than 800 pairs per hour, with product peel strength of not less than 50N/cm.

Two patent applications have been filed for this project. It has been successfully approved as a 2024 Provincial Science and Technology Programme "Unveiling and Leading" Project and as a 2025 Fujian Provincial Institute-Province Cooperation Project, demonstrating its technical advancement and industrial relevance.

In addition, the Group has introduced policies such as the Patent and Professional Title Incentive Measures to establish a scientific and effective management framework and remuneration incentive mechanism, thereby enhancing the development of its innovation platform. Employees are incentivised to engage in R&D and innovation through salary rewards, personal recognition and career development planning, thereby attracting and retaining skilled innovators to the platform and improving overall technical capability while mitigating the risk of losing high quality research talent.



Patent Inventors Recognition Conference

Innovation Training



Intellectual Property Management

The Group's intellectual property ("IP") management is jointly overseen by the Legal Affairs Centre, the R&D Department and the Marketing Department. In accordance with the Group's Patent Management Regulations, Trademark and Logo Management Measures and the 361° Logo Usage Manual, unified standards for logo usage have been established. Responsibilities and procedures, file management, risk monitoring and control, dispute resolution, trademark registration applications, trademark use and maintenance, as well as reward and disciplinary measures are standardised under a systematic management framework.

The core of the Group's IP management policy is structured around a five-dimensional framework of "Rights Confirmation + Internal Control + Monitoring + Rights Protection + Ecosystem Collaboration". This framework covers trademarks, patents, copyrights and trade secrets, balancing proactive protection with risk prevention. Through a dual-track strategy of "rights acquisition + judicial confirmation", the Group establishes a closed-loop risk control mechanism for core trademarks, spanning commercial negotiation, transfer of ownership and legal confirmation of rights.

Based on inventions and innovations generated by the R&D Department, the Group conducts patent searches and analyses, formulates patent application and portfolio strategies, and promptly files patent applications or copyright registrations, with regular renewals to ensure effective protection of R&D achievements. When entering into agreements with distributors, intellectual property protection clauses are included, specifying that distributors may only use the relevant IP in connection with the sale of the Group's products and explicitly prohibiting any activities that may infringe upon the Group's IP rights. The Group also conducts IP protection training across the organisation to enhance 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 regarding the production and sale of counterfeit products and other potential infringements. Rights analysis and infringement assessments are carried out, and enforcement measures including criminal reporting, civil litigation and administrative complaints are undertaken to combat infringements and safeguard the Group's intellectual property interests.

Combating Infringement

Online Counterfeit Investigation: For various online platforms, the Group monitors unauthorised use of its trademarks and logos by shops and products. Where infringement is identified, measures such as platform complaints, evidence preservation and legal proceedings are undertaken to remove counterfeit products from the market and safeguard the legitimate rights and interests of the Group and its customers.

Offline Warehouse Enforcement: Through multiple investigative channels, the Group identifies offline warehouses and manufacturing facilities associated with counterfeit goods. Enforcement actions are taken by reporting such cases to the Market Supervision Administration or public security authorities, in order to crack down on counterfeit factories and warehouses and protect the Group's intellectual property rights.

The Group has established an intellectual property compliance review mechanism, under which the Legal Affairs Centre intervenes at the design stage to conduct searches and clearance reviews. Trademark registration is completed prior to logo usage to mitigate risks of infringement or being infringed at the source. Prior to product launch, patent infringement risk assessments are conducted, and risk information together with mitigation recommendations are provided to avoid or reduce potential

patent infringement risks. Comprehensive searches and clearance reviews are also carried out before adopting new trademarks or logos to minimise trademark infringement risks. During advertising and promotional activities, the Group pays close attention to the legitimate sourcing of materials such as fonts and images, ensuring that proper authorisations have been obtained, thereby preventing any infringement of third-party intellectual property rights.

Product Quality Management

Adhering to the quality policy of "Quality is the foundation of trust; striving for perfection; continuous improvement; building a century-old enterprise", the Group has formulated system documents such as the Apparel Product Quality Standards Manual and the Footwear Product Quality Standards Manual. These are implemented in conjunction with corporate standards and internal control standards to carry out comprehensive quality management and advance the Group's brand strategy. The Group has established an end-to-end quality chain spanning product design and development, technical production processes, and market terminals, enabling rapid quality response. Through whole-process quality control encompassing the market, brand owners and suppliers, and by applying systematic management

methods of quality planning, quality control and quality improvement, the Group continuously enhances product and service quality to meet customers' needs and expectations.

The Group has also established a comprehensive six-level quality inspection and control system covering development and sample production, raw material production, raw material warehousing, finished product manufacturing processes, inbound sampling inspections and in-warehouse finished goods. By clearly defining responsibilities at each level and implementing preventive and monitoring measures, this quality control system ensures that all stages of the process remain effectively controlled and that product quality consistency is maintained.

Quality Management Framework

Organisational Structure	The Quality Management Centre comprises five departments: the Quality Review Department, the Standards Testing Department, the Quality Process Assurance Department, the Inbound Quality Inspection and Assurance Department, and the Quality Systems Department. These departments are responsible for risk prevention across the entire production chain, process measurement and analysis, on-site guidance and supervision, as well as market follow-up and continuous improvement initiatives.
Personnel Expertise	The Quality Management Centre currently employs 87 professionals, of whom 70% hold a college Degrees or above. Many team members have 10 to 20 years of experience in the footwear and apparel quality sector, bringing extensive expertise in quality management.
Quality Enhancement	Comparative quality analyses are conducted against competitor and benchmark products across seven dimensions: materials, structural design, functionality, fitting performance, appearance, physical and chemical properties, and cost. These assessments support continuous product quality enhancement and upgrading.
Digital and Information-based Collaborative Platform	The Group has established integrated corporate support systems, including PLM, SAP, MES, SCM and OA platforms. These digital systems enable online data statistics and analysis, collaborative management, process monitoring, standard dissemination, information communication, closed-loop improvement management and decision-making support.
Supplier Quality Assurance	A range of measures is implemented to strengthen supplier quality management, including industry chain quality empowerment initiatives (organised by government authorities), system coaching and certification, accredited laboratories, certified quality control personnel, supplier grading management, supplier performance assessments, dissemination of quality standards, targeted quality improvement projects, quality supervision and audits, monthly quality analysis meetings, pre-production quality review meetings, and supplier professional knowledge competitions. These measures collectively reinforce quality assurance across the supply chain.

Technical Assurance of Product Quality

To ensure that products comply with applicable standards and requirements, the Group has established a footwear, apparel and accessories standard testing centre equipped with advanced facilities and a professional testing team. The centre covers a total area of 2,000 square metres, with clearly designated functional zones to ensure efficient and standardised operations. Supported by the FLIMS testing system, the laboratory is capable of conducting more than 150 testing items covering raw materials, semi-finished products and finished products. These include tests relating to physical performance, safety performance, colour fastness, chemical properties and functional performance. Among these, 39 testing items 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, ensuring the reliability and credibility of testing results.



Chemical Safety

The Group places a strong emphasis on consumer health and safety and remains committed to reducing the use of hazardous chemicals. Our hazardous substance control programme covers dozens of categories, including heavy metals and various harmful compounds such as formaldehyde, benzene, bisphenol A, restricted aromatic amines and chlorophenols. To ensure compliance with chemical safety limits, the Group's testing centre applies both domestic and international standards. In addition to meeting the requirements of GB 18401 and GB 25038, we align with leading international standards such as AFIRM, REACH SVHC and Oeko-Tex® Standard 100, maintaining a high level of compliance. During the Reporting Period, a total of 17,315

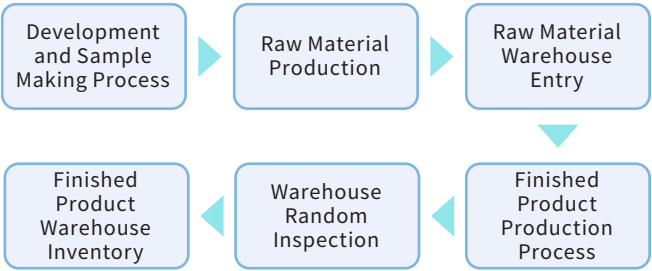
chemical tests were conducted on footwear and apparel raw materials and 251 tests on finished products, with a 100% market sampling pass rate.

Furthermore, monitoring begins at the source. Raw material suppliers are required to conduct annual chemical testing on all materials and dyes, and procurement and production are permitted only upon passing the relevant tests. Random sampling inspections are conducted quarterly during the production of semi-finished and finished footwear products. Over the past twenty years, the Group has not received any customer complaints relating to excessive chemical content in footwear or apparel products.

Process Control

The Group has established a comprehensive six-level quality inspection and control system, implementing preventive and monitoring measures from the source and assigning clear responsibilities at each level. This structured approach ensures that all stages of the process remain effectively controlled, forming a virtuous cycle that enables the consistent delivery of high-quality products to the market.

For physical performance testing of footwear and apparel products, a multi-layer control mechanism is adopted, including supplier self-testing, brand random sampling and third-party verification. During the Reporting Period, the annual random inspection pass rate reached 100%. In addition, a total of 6,989 batches were subject to inbound appearance inspection, maintaining a leading position within the industry.



Product Recall Mechanism

The Group's product quality inspection procedures encompass risk assessment, physical performance control, raw material appearance inspection and inbound appearance inspection. The Quality Management Department is responsible for strictly safeguarding product quality and safety. In the event of any safety, health or quality concerns, established procedures are immediately activated. Designated personnel will contact affected consumers, collect samples for testing and analysis, and, where necessary, request distributors to recall non-compliant products in accordance with the recall procedures set out in the Group's Return Management Policy. To ensure the prompt and effective handling of significant quality issues arising during production, inbound inspection or at market terminals for footwear, apparel and accessories products, the Group formulated the Major Quality Issue Rapid Response and Handling Procedures during the Reporting Period. This framework further standardises response measures and clarifies handling mechanisms. To date, the procedures have been operating effectively, and no batch returns or product recalls have occurred.

Quality Assurance Measures

To comply with national laws and regulations and meet customer expectations, the Group continuously applies new technologies, methods and tools to carry out various quality improvement initiatives. These include system coaching and certification, certified quality control personnel, dissemination of quality standards, targeted quality improvement projects, quality supervision and audits, quality analysis meetings and supplier quality knowledge competitions. During the Reporting Period, the Quality Department conducted more than 30 monthly quality analysis meetings and over 24 defective product quality review meetings, ensuring 100% traceability and resolution of identified issues. The Group has extended domestic supply chain quality management initiatives across the broader ecosystem, further strengthening quality governance. The certification pass rate of quality personnel increased to 96.5%, reflecting continuous enhancement of professional capability.

In response to the Group's international development strategy, 361° has begun aligning its quality management practices with ISO standard-setting principles. On the basis of compliance with applicable laws and regulations in relevant jurisdictions, the Group has compiled an English version of the 361 Degrees Quality Standards Manual, comprehensively promoting a quality culture centred on "Respect for Standards, Getting It Right the First Time, Prevention-oriented Approach and Continuous Improvement". For both domestic and overseas supply chains, quality awareness is strengthened through initiatives such as Quality Month campaigns and quality competitions, fostering organisation-wide engagement. A tiered training system has been established, under which more than 50 specialised quality training sessions were conducted during the year. In addition, 135 monthly quality analysis meetings, four pre-production quality communication meetings and 24 defective product quality review meetings were organised, contributing to an increase in the certification pass rate of quality personnel to 96.5%. The Group also organised Quality Knowledge Competitions (twice per year) and Quality Skills Competitions (twice per year) to further enhance professional capabilities and embed a culture of excellence across the organisation.

Leading a Sustainable Value Chain

The Group recognises that a sound and responsible supply chain is a core driver of sustainable development. Its integrity is directly linked to the Group's social reputation, operational resilience, and overall ESG performance. Accordingly, we have established a rigorous supplier management system to ensure that all business partners adhere to high standards in environmental, social, and governance practices.

The Group is committed to the socially and environmentally

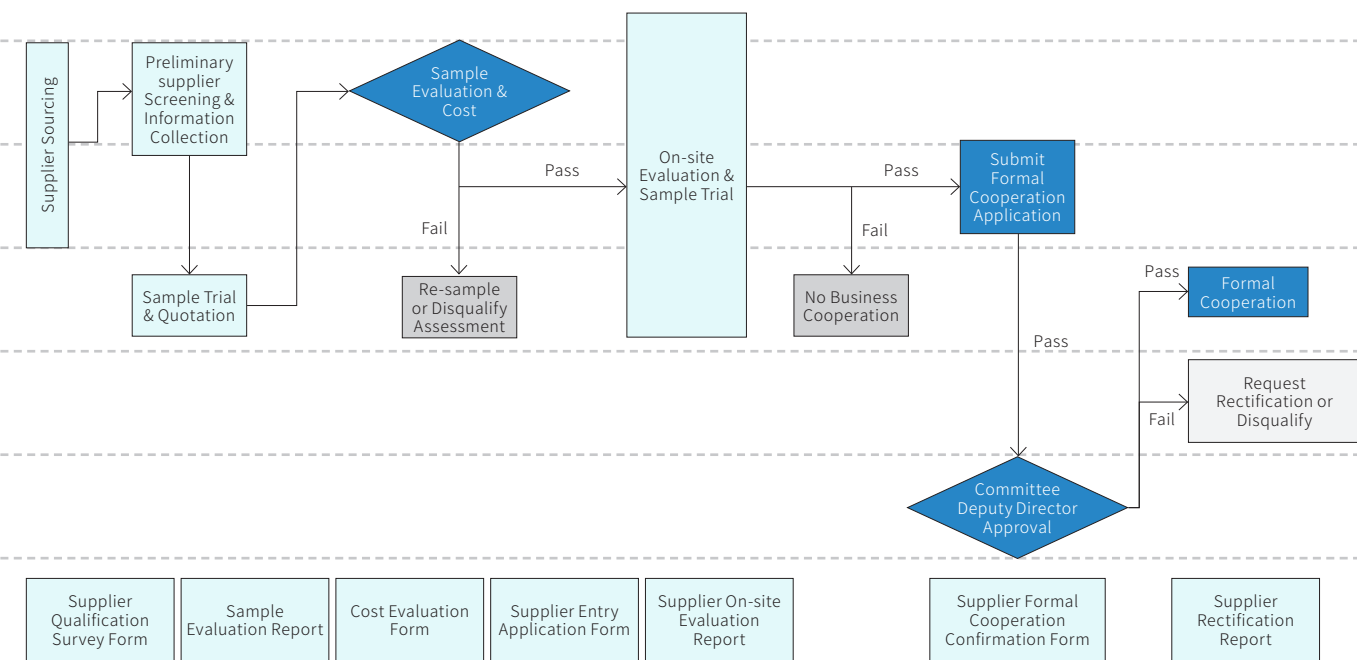
responsible management of its supply chain. We rely on approved suppliers, who are subject to regular evaluation and assessment, to provide necessary raw materials, and we procure exclusively from suppliers that meet our stringent sustainability standards. To ensure consistency and efficiency in supplier management, the Group has implemented a comprehensive system and structured procedures to regulate and optimise supplier relationship management.

Supplier Selection and Onboarding

The Procurement Management Department strictly adheres to the Group's supplier management policies when selecting suppliers. All potential suppliers are required to comply fully with applicable laws and regulations and to adhere to the Supplier Code of Conduct, which sets out stringent requirements in areas including prohibition of forced labour and child labour, overtime and working hours management, compensation and benefits, equal employment policies, environmental management, occupational health and safety, and integrity and ethical conduct.

Before onboarding, new suppliers must undergo a comprehensive review process, including admission application and preliminary screening, on-site assessment, trial cooperation management, and cooperation development confirmation.

Suppliers must achieve the required score under the supplier admission evaluation criteria and meet the review standards of the Legal and Finance Departments before progressing to the next stage of assessment. To further ensure compliance with the Group's standards and product quality requirements, a trial cooperation mechanism is implemented for new suppliers. During the one to two product-season trial period, the Group closely monitors and collects performance data relating to sample development, production progress, product quality, and cost control. Upon completion of the trial period, a Supplier Suitability Performance Evaluation Report is issued. Only suppliers achieving the required performance score are admitted into the qualified supplier database.



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 employees of the supplier work voluntarily, and employees may leave their positions or terminate their employment relationships through prior application. Suppliers must 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 and ensure employees' legal rights, including fair compensation, reasonable working hours, and a safe working environment. Suppliers must prohibit forced labour and child labour and commit to non-discrimination of any employees.

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 Quality Management Department conducts quarterly or annual evaluations of suppliers based on criteria including quality management system audit scores, annual assessment results, certification and authorisation status, and achievement of performance targets. Suppliers are classified into four grades: A, B, C and D. Supplier grading is managed in accordance with defined quality grading transition rules. Based on the Supplier Quality Performance Management Measures and the Supplier Quality Performance Evaluation Form, adjustments are made through a weighted assessment that comprehensively considers system audit outcomes and the completion status of corrective actions. During the Reporting Period, performance assessments were conducted for all key suppliers identified for the year, and classifications were updated accordingly: 48 suppliers were

rated A, 84 rated B, 12 rated C and 29 rated D, representing 100% coverage. The Group will continue to refine its supplier evaluation framework and procedures to broaden assessment scope and enhance the effectiveness and fairness of the process.

In addition, the Group has established a classification management system under which suppliers are categorised according to product attributes, such as footwear, outsoles, moulds, mesh fabrics, leather materials and production processes. Tailored management approaches are applied to each category in accordance with its specific characteristics, thereby enhancing the effectiveness and precision of supplier management.

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.

Supplier Performance Evaluation Dimensions

Primary Assessment Category	Secondary Assessment Indicators	Communication Approach
Quality	Market return and defect rate Physical and chemical compliance rate First-time inbound acceptance rate Inbound inspection pass rate Review approval rate Improvement of issues identified in process audits	Status Analysis Joint discussion and analysis of performance results to clarify scoring criteria. Communication and Feedback Address uncertainties and improvement areas through meetings to reach consensus. Guidance and Support Facilitate focused discussions among suppliers within the same category to address uncertainties and challenges; provide on-site professional support to ensure effective feedback and timely problem resolution. Improvement Encourage suppliers to implement improvements under aligned objectives and provide feedback on corrective measures.
Quality Incidents, Improvements and Certification	Major quality incidents in the market Major quality incidents during production QC/Laboratory certification status Quality improvement initiatives	
Delivery	Factory cooperation level Order fulfilment lead time Performance in special footwear orders In-house process rate In-house stitching rate	
Development	Development success rate Finished footwear test pass rate (ordering fairs) One-time comfort test pass rate Development lead time accuracy Technical approval rate Cooperation level	
Cost	Quotation timeliness Quotation accuracy Equipment upgrade rate Cost target achievement and control Cost-saving case studies	
Environmental and Social Responsibility	Contribution rate to cooperation Toxic and hazardous chemical safety management Wastewater and waste discharge, recycling and transfer records Occupational health and safety management system Work-related injuries and fatalities	

Existing Supplier Evaluation Classification and Frequency

Supplier Category	Routine Performance Evaluation		Annual On-site Evaluation		Other Evaluations
	Frequency	Completion Time	Frequency	Completion Time	Ad hoc
Finished Footwear Suppliers	Once per quarter	By the 10th day of the month following each quarter	Once per year	November each year	Temporary evaluations organised in cases of significant abnormalities in production capacity, quality performance or potential financial risks
Raw Material Suppliers					
Processing Suppliers					
Mould Suppliers					

Supplier Grade	Supplier Grading Criteria		
	System Audit Score	Recognition Status	Quality Performance Score
Grade A	>90 points	Authorised upon certification as Quality Manager, Quality Evaluation Engineer and Laboratory Accreditation	>90 points
Grade B	>75 points	Authorised upon certification as Quality Evaluation Engineer and Laboratory Accreditation	>80 points
Grade C	>65 points	Authorised upon Laboratory Accreditation	>65 points
Grade D	<55 points	No authorisation granted for any certification items	<55 points

Supply Chain Risk Management

The Group manages potential risks within the supply chain through the implementation of an internal risk management system. The Supplier Coordination and Management Department is responsible for overseeing and monitoring supply chain risks, including the social and environmental impacts across the entire value chain. The Group's Supply Chain Management (SCM) system enables the digital management of supplier information, evaluation results and contract administration, thereby enhancing the efficiency of risk identification and

early warning mechanisms. For risks identified within the supply chain, relevant departments are required to implement dynamic optimisation and control strategies in accordance with management policies, taking into account factors such as market changes, regulatory adjustments and emerging technologies. Through these measures, the Group effectively mitigates supply chain disruption risks, compliance risks and environmental risks, while strengthening supply chain resilience and transparency, thereby enhancing overall market competitiveness.

In addition, supply chain management personnel conduct periodic visits to suppliers to collect environmental and social risk data across various operational stages. A Supplier Visit Record Form is completed during each visit, and the findings are incorporated into the supplier performance evaluation framework.

Identification	The Group identifies potential supplier risks through the following methods: - Assessing whether suppliers have standardised management manuals or operating procedure manuals in place; - Reviewing suppliers' financial statements and related financial indicators to evaluate financial soundness; - Conducting background checks through the internet, journals, newspapers and other media sources; - Performing on-site inspections of suppliers' factories and business premises and maintaining regular communication to assess internal management risks; - Conducting enquiries with suppliers' business partners and industry peers; and - Carrying out internal analysis of supplier performance data through the Group's supplier management system.
Assessment	Probability: The Supplier Coordination and Management Department analyses information collected from various channels to estimate the likelihood of risk occurrence and implement preventive measures in advance. Severity: The department assesses the extent to which supplier-related risks may impact the Group's business operations to ensure effective monitoring and control.
Management	- For newly onboarded suppliers, strict tracking procedures are followed during the trial cooperation period to ensure compliance with the Group's requirements. Initial order volumes must not exceed 5% of the total order quantity for a specific product category. - During each production season, the Supplier Coordination and Management Department collaborates, where necessary, with the Production Planning Department and the Quality Centre to quantify supplier risks. - Backup suppliers and alternative products are identified and maintained. - Suppliers that may pose significant procurement risks to the Group may be placed on a blacklist under circumstances including: - Significant deviation of product quotations from market averages; - Serious breach of contract, including but not limited to delayed delivery, provision of counterfeit or substandard products, and slow after-sales response; - Serious quality issues; - Commercial bribery; and - Adverse credit records.

For the supply of textiles, adhesives, footwear materials and related products, suppliers are required to submit samples to the Group's CNAS-accredited laboratory for testing prior to delivery. Suppliers must also provide test reports issued by qualified third-party testing institutions. All procedures implemented by the Group ensure that raw materials comply with applicable national and industry standards and regulatory requirements.

Supplier Engagement

The Group conducts regular performance communication meetings with suppliers and provides clear performance scores for each component of the quarterly evaluation. Suppliers demonstrating outstanding performance on an annual or quarterly basis are rewarded with incentives such as increased order volumes and priority payment arrangements, thereby encouraging collaborative improvement. To address non-compliant conduct, the Group provides multiple reporting channels, including telephone hotlines, designated email addresses and on-site reporting mechanisms, ensuring integrity, transparency and effective business oversight.

Supplier Relationship Management

For suppliers that have entered into strategic cooperation agreements with the Group, a regular mutual visit mechanism is implemented to maintain and strengthen stable supply-demand relationships, with the objective of achieving long-term strategic collaboration.

For strategic suppliers, the Group enhances tracking, coordination and follow-up throughout the entire transaction process, including delivery, acceptance and payment of goods under both the strategic cooperation agreements and related procurement contracts or orders. This approach standardises transaction practices, safeguards fair competition, promotes continuous improvement in supplier service quality, reduces supply risks and costs, and secures sustainable benefits from long-term strategic partnerships.

The Group also assesses the training needs of different suppliers and organises joint training sessions between suppliers and the Company on a periodic basis, fostering mutual understanding and capability enhancement.

Supplier Quality Improvement in 2025

Apparel and Accessories					
Certified Laboratory	Certified QC	Quality Management System Audit and Coaching	Quality Issue Improvement Rate	Quality Analysis Meeting	Special Inspection
12 units	17 personnel	18 units	93.2%	38 times	251 suppliers

Footwear					
Certified Laborator	Certified QC	Quality Management System Audit and Coaching	Quality Issue Improvement Rate	Quality Analysis Meeting	New Models Inspection
34 units	20 personnel	17 units	100%	111 times	120 models

Sustainable Supply Chain Development

The Group places strong emphasis on suppliers' sustainability performance and has incorporated additional documentation requirements into its supplier admission criteria. These include environmental certifications such as ISO 14001, social responsibility reports such as SA8000, and carbon footprint data. The Group also conducts periodic communication and training on the Supplier Code of Conduct to ensure effective implementation by suppliers. In addition, the Group regularly evaluates the environmental performance of its supply chain to ensure that procurement activities promote efficient resource utilisation, minimise waste and reduce environmental impacts. The Group was included in the national green supply chain list in 2021.

The Group actively seeks environmentally friendly and biodegradable materials and joined Evonik's Sustainable Development Solutions Programme during the Reporting Period to jointly promote the adoption of sustainable materials. Under

equivalent conditions, priority is given to partners that possess environmental technologies, implement green production processes and actively fulfil their social responsibilities. Suppliers are required to provide certifications issued by authoritative third-party institutions, including GHG verification reports in accordance with ISO 14064, ISO 14001 Environmental Management System certification and ISO 45001 Occupational Health and Safety Management System certification.

The Group also references suppliers' Higg FEM self-assessments and verifications, as well as participation in programmes such as Supplier to Zero, as part of the evaluation criteria for green procurement practices. Currently, a number of the Group's key raw materials have obtained international certifications, including the Organic Content Standard (OCS), Global Recycled Standard (GRS), Global Organic Textile Standard (GOTS) and OEKO-TEX® certifications.

The 361° professional elite marathon racing shoe, Furious FUTURE2 (飛騰 FUTURE2), incorporates Evonik's Eco E40 material for the first time. By replacing 50% of fossil-based materials with recycled rubber, the product reduces carbon emissions by 70% compared with conventional manufacturing processes. Combined with the CQT carbon-critical midsole technology, the outsole achieves enhanced lightweight performance, delivering responsive cushioning and superior energy return. The upper features a large proportion of 50% carbon fibre material, including 30% recycled, environmentally friendly yarn, ensuring breathability while enhancing the product's environmental attributes.

50% carbon fiber composition
30% recycled eco-yarn content
Lightweight, fine texture, and highly breathable
Keeps feet dry; enhanced durability



Raw Material Traceability

The Group places a high priority on the sustainability and traceability of raw materials and is committed to promoting responsible procurement practices.

Although the Group does not directly procure cotton, compliance and sustainable sourcing of cotton materials are ensured through the supplier management system. In terms of certification, cotton suppliers hold multiple sustainability certifications, including GRS, RCS, GOTS, and ISO 14000. The Group has achieved 100% traceability of cotton materials and is able to provide detailed information on their origin, thereby enhancing supply chain transparency. In addition, the Group's leather suppliers generally hold internationally recognised sustainability certifications such as ISCC PLUS, GRS and RCS, with approximately 75% of overall raw materials certified.

To address industry characteristics and environmental challenges across the value chain, the Group has systematically implemented various sustainability initiatives. These include establishing stable and diversified raw material supply channels to mitigate single-source risks; introducing automated equipment, optimising distribution models, and implementing inventory management systems; and promoting green logistics and a "zero inventory" management model to reduce resource waste. At the same time, the Group has developed a Supply Chain Management (SCM) platform to strengthen information coordination and data transparency across the entire value chain, from procurement and production to logistics and inventory management. These measures cover key stages throughout the life cycle of critical raw materials, ensuring supply security while enhancing operational efficiency and reducing environmental impact.

Local Support within the Value Chain

The Group prioritises cooperation with local business partners to minimise the environmental impact associated with the transportation of goods and raw materials. By building a supply chain system characterised by strong local integration, risk control, and efficiency enhancement, the Group has shortened logistics cycles, reduced transportation costs by approximately 15%-20% compared with cross-provincial procurement, and simultaneously lowered carbon emissions.

Local Supplier Practices

Category	Proportion of Local Suppliers		Cost Savings
	Fujian Province	Jinjiang City	
Footwear Supply Chain	78%	59%	15%-20% reduction compared with cross-provincial procurement
Apparel Supply Chain	83%	75%	

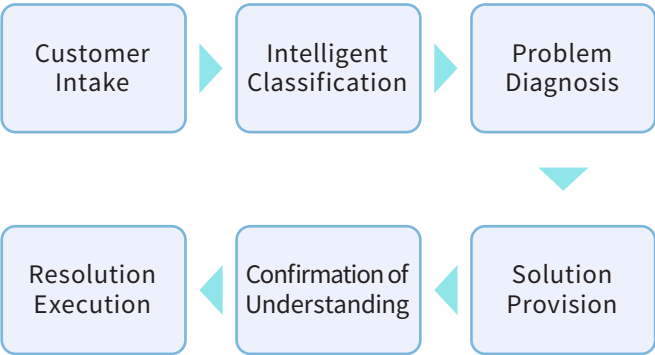
HIGH-QUALITY
CUSTOMER
SERVICE

Customer Satisfaction Assurance

The Group is committed to providing high-quality services to customers and consumers. We have established internal policies, including the 361 Degrees After-sales Service Management Manual and the Return Management Regulations, to standardise after-sales service procedures. Targeted training programmes are conducted for employees across different sales channels, complemented by diversified communication channels such as market support initiatives and terminal-level customer consultation services, to continuously enhance and optimise the service system.

The Customer Service Department and the Quality Control Department are responsible for receiving, analysing, and handling customer complaints on time. Responsible personnel are assigned to follow established complaint handling procedures to ensure proper investigation and the prompt implementation of corrective measures. To improve the efficiency of complaint resolution, the Group has established online working groups integrating both online and offline after-sales teams, ensuring that customer complaints are addressed on the same day.

In addition, the Group has set clear customer service quality targets, striving to achieve a 100% complaint closure rate, 100% response and handling rate for consumer feedback, and an after-sales service satisfaction rate exceeding 90%.



Standardised Customer Service Handling Process

Customer Satisfaction Maintenance Framework	
Customer Feedback Channels and Mechanisms	• 400 customer service hotline • Customer interviews and online surveys • Social media platforms • Retail specialty stores
Multi-dimensional Performance Monitoring	• Monthly archiving and analysis of store-level neutral and negative reviews, including classification of root causes and horizontal and vertical comparative analysis • Monthly report on product experience-related issue order rate, with detailed review of orders associated with the highest sampling inspection issue rates and analysis of underlying causes • Social media sentiment monitoring across platforms such as Weibo, Douyin and Xiaohongshu • Monthly customer service reception satisfaction report
Tiered Service Mechanism	• Frontline customer service: handling common enquiries, covering approximately 80% of standardised issues • Second-line customer service: addressing complex complaints and specialised issues • Premium customer hotline: dedicated service channel for high-value customers • Dispute and complaint specialists: handling escalated disputes and complaint cases
Feedback-driven Improvement Measures	• Service-related issues: organising targeted customer service training, optimising service scripts, refining workflows and establishing dedicated guidance mechanisms • Logistics-related issues: coordinating with warehousing and logistics departments to optimise delivery routes and address high-frequency concerns • Quality-related issues: for high-frequency issues reported by consumers, the Operations Department collaborates with the Quality Department to conduct sampling inspections and ongoing monitoring of relevant products

During the Reporting Period, the Group conducted consumer satisfaction surveys through both online and offline channels. The questionnaire results indicated that overall consumer satisfaction exceeded 94% across both channels. Based on the feedback collected, the Group formulated product optimisation and service quality enhancement plans and continued to monitor improvement outcomes, with the ongoing objective of enhancing consumer satisfaction. During the Reporting Period, the Group did not receive any material complaints relating to the quality of its products or services.

Responsible Marketing

The Group adheres to the principles of responsible marketing and strictly complies with applicable laws and regulations, including the Advertising Law of the People's Republic of China, the Anti-Unfair Competition Law, the Data Security Law, and the Law on the Protection of Minors, while ensuring alignment with ethical standards and social norms. A stringent advertising review mechanism has been established to conduct multiple compliance checks on all externally released product information, promotional materials, and marketing activities. The Group strictly prohibits false advertising, exaggerated claims, or misleading statements, ensuring that consumers receive truthful, accurate, and complete product information, thereby safeguarding their right to know and right to choose.

At the operational level, the Group has defined detailed compliance red lines, focusing on the following key areas:

Advertising compliance: Prohibition of absolute or superlative claims; requirement for data to be clearly sourced and verifiable; strict adherence to regulations relating to the protection of minors in the promotion of children's products; completion of legal, ethical, and public opinion due diligence before engaging brand ambassadors, with termination clauses for negative conduct clearly stipulated in contracts.

Promotion and pricing compliance: Transparent promotion rules; prohibition of fabricated original prices or false discount claims; compliance of promotional gift quality standards and clear allocation of responsibilities.

Privacy Protection

The Group strictly complies with international and regional laws and regulations relating to customer privacy protection. Its privacy protection policy aligns with the Personal Information Protection Law of the People's Republic of China, the Cybersecurity Law of the People's Republic of China, and the Personal Data (Privacy) Ordinance of Hong Kong. The Group's privacy protection framework is centred on its Privacy Policy, supported by policies governing data security, marketing compliance, and data usage at distribution terminals. This framework comprehensively covers the entire lifecycle of user information, including collection, storage, use, sharing, and deletion. Guided by the principles of data minimisation, informed consent, and security compliance, the Group implements data classification management and assigns clear accountability for data security. Through both technical and administrative measures, the Group ensures the protection of customer data throughout its lifecycle.

Policy Framework: The Group publicly discloses its Privacy Policy on the official website and integrates it into the registration processes of its mobile applications, mini-programmes, and membership systems. Users are required to review and confirm their consent to the Privacy Policy upon first use.

Data Collection: The Group follows the principle of data minimisation, clearly specifying the purpose and scope of data collection, such as membership registration, order fulfilment, and marketing communications. Personal data is categorised into general information and sensitive information, including biometric data and children's information. Separate and explicit consent is required for the collection and processing of sensitive information.

Use and Sharing: Personal data is used strictly within business-necessary scenarios. Third-party partners are required to enter into data processing agreements and are subject to audit oversight. The Group prohibits the sharing of user information with unrelated third parties without prior user consent.

The Group implements measures such as personal data encryption, firewall installation and confidentiality agreements with employees to closely monitor abnormal activities and prevent any unauthorised data misuse, transmission or duplication. All customer information collected is used solely for purposes agreed by both parties. Sensitive data is strictly protected and securely stored, accessible only to authorised personnel. In the event of any leakage or infringement of the Company's trade secrets, the Group promptly takes legal action, including litigation or arbitration, to safeguard its legitimate rights and interests.

In response to national regulations on consumer information protection and platform data encryption requirements, the Group's e-commerce systems have implemented full lifecycle encryption mechanisms for customer information. Core privacy data, including user accounts, names, detailed addresses and mobile phone numbers, are encrypted throughout the entire process from data acquisition and warehousing fulfilment to delivery, ensuring the security of customer information during transmission and storage.

During the Reporting Period, the Group did not receive any complaints relating to customer data privacy and recorded no information security incidents.

Information Security

To strengthen the control of and response to information security breach incidents, the Group has established an information security management system in compliance with the Data Security Law, focusing on five key dimensions: data security, system security, network security, endpoint security, and employee security. The Group has obtained ISO/IEC 27001:2002 Information Security Management System certification.

The Group's data security management processes cover the entire data lifecycle, including collection, transmission, storage, use, and destruction, supported by internal security policies and employee training programmes to ensure the establishment and maintenance of a comprehensive information security management system. Multiple layers of security protection have been implemented. All external access requires strict security screening and identity authentication before system entry. Core data and servers are deployed within fully isolated internal networks, with end-to-end encrypted transmission and daily segregated backups. Strict equipment recycling and timely decommissioning requirements are also in place to prevent data leakage.

Comprehensive system security capability assessments are conducted annually, and third-party penetration testing, including vulnerability scanning and security testing, is commissioned. Identified medium- and high-level vulnerabilities are promptly remediated to ensure the long-term effectiveness of information security measures. In addition, regular cybersecurity and information security training sessions are conducted across the Group to enhance employees' awareness and response capabilities.

During the Reporting Period, the Group did not experience any material violations of laws and regulations relating to product and service health and safety, advertising, labelling, or privacy.

Leveraging Information Technology

To ensure effective control over the entire process of information management system development, the Group has established the Information Technology Development Planning, Management, and Review Framework. This framework standardises workflows from project initiation to final acceptance and provides for quarterly and semi-annual reviews of projects, culminating in review reports to facilitate continuous improvement. By deploying industry-leading integrated information technology platforms, the Group continues to accelerate its digital transformation. The Group also actively promotes information security training and awareness initiatives to enhance employees' understanding of the importance of information security.

Accelerating Digital Transformation

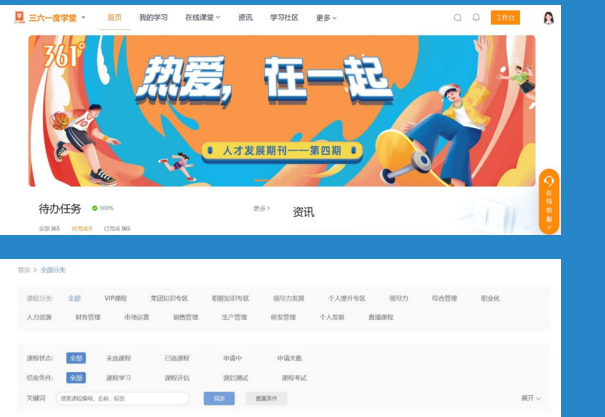
Digital transformation remains a core strategic priority for the Group. During the Reporting Period, the Group focused on digital upgrades in business operations, intelligent manufacturing and supply chain management. Key initiatives included the application of 3D technologies, customer traffic analysis, intelligent manufacturing systems, artificial intelligence and big data analytics, driving quality enhancement and efficiency improvement across the entire value chain.

During the Reporting Period, the Group implemented the following key measures to accelerate digital transformation:

- ①. Launch of the CDP (Customer Data Platform) Project: The Group introduced a CDP consumer data platform and established an omnichannel customer asset centre. This initiative enables comprehensive user insights, the development of a refined operational management system, and the establishment of closed-loop strategic scenario implementation. These enhancements have significantly improved the efficiency of precision operations for existing customers.
- ②. Development of a Digital Supply Chain Collaborative Management System: As a leading enterprise within the industry chain, 361° has built a digital supply chain collaborative management system to empower numerous suppliers, including finished product manufacturers and material manufacturers. The Group successfully implemented a digital transformation solution facilitating deep collaboration across supply chain enterprises, strengthened connectivity between the Group and manufacturing partners, and enabled the interconnectivity of critical production and operational data. This has contributed to the establishment of an industry community ecosystem centred around 361°.

In addition to empowering business operations, the Group has extensively applied digital technologies to its daily corporate management activities, further enhancing operational efficiency and governance capabilities.

During the Reporting Period, the Group continued to optimise its digital learning platform, the "361 Degrees Academy", offering a wide range of online courses and micro-learning modules to support flexible learning anytime and anywhere. Blended learning programmes have become the mainstream training approach, integrating online pre-learning, assignment submission, offline workshops, and on-the-job practice to enhance learning effectiveness and knowledge transfer. The Group has also embedded its core values of "Loyalty, Pragmatism, Collaboration, and Efficiency" into learning and development initiatives, designing incentive-based programmes to strengthen employee engagement and alignment with corporate culture.



ADDRESSING CLIMATE CHANGE

The Group integrates climate change governance into its overall ESG governance framework under unified deployment. The Board and management approach climate-related matters with a high degree of accountability and transparency, ensuring that such issues receive adequate attention and are effectively managed. For further details, please refer to the section titled "Sustainable Governance Practices".



Climate-Related Risks and Opportunities

361° fully recognises that climate change presents significant risks and opportunities to its business development, the sports industry and society as a whole. As a responsible enterprise, the Group is committed to establishing a more systematic climate change management framework to effectively identify and respond to risks and opportunities that may affect its operations. Taking into account China's "3060 Dual Carbon Targets" and the Hong Kong Climate Action Blueprint 2050, the Group

categorises climate-related risks and opportunities into short-term (up to 2027), medium-term (up to 2030) and long-term (up to 2050) horizons for assessment and scenario selection. These analyses cover the Group's principal operations at its offices and production bases in Chinese Mainland. The same time horizons are applied to the planning scope of corresponding strategic responses and decision-making processes.

Climate-Related Risks

Type	Climate-related Risk	Potential Impact on Business, Finance and Value Chain	Time Horizon	Risk Rating			Response Strategies and Decisions
				Proba-bility	Impact	Grade	
Physical Risks	Acute	Extreme weather events (e.g. high temperatures, prolonged rainfall, flooding, typhoons)					
		Natural disasters may cause damage to products, equipment and buildings, disrupt transportation by air and land, and impede the operations of distributors' retail stores.	Short-term	Medium	Medium	Medium	Conduct facility maintenance and regular inspections, stockpile emergency supplies, formulate contingency plans, and enhance distributors' response capabilities through training.
	Chronic	Changes in weather patterns and increased variability					
		Changes in precipitation and frequency of extreme weather events may affect the future production of raw materials such as cotton, leading to increased production costs.	Medium-term	Medium	Medium	Medium	Establish long-term partnerships with suppliers to mitigate volatility, increase investment in R&D and innovation, and strengthen product quality control processes.
		Rising average temperatures					
		If raw material yields and quality are affected by high temperatures, raw material costs may increase. If higher temperature weather becomes more frequent, electricity expenditure for cooling equipment such as air conditioners and fans may rise, and the working efficiency and health of employees and transport personnel may be affected, thereby increasing operating costs and heat related allowances.	Medium-term	Medium	Low	Low	Provide employee health insurance, upgrade factory and transportation cooling systems, and strengthen occupational safety measures.
		Rising sea levels					
		Coastal facilities within the value chain, including factories and warehouses, may face asset losses and increased insurance costs.	Long-term	Low	Medium	Low	Invest in facility maintenance and resilience enhancement to protect coastal assets.

Type	Climate-related Risk	Potential Impact on Business, Finance and Value Chain	Time Horizon	Risk Rating			Response Strategies and Decisions		
				Probability	Impact	Grade			
Transition Risks	Policy and Legal	Increased GHG emissions reporting obligations	Climate related regulatory and reporting obligations may become more stringent, requiring systematic training and the preparation of requisite data and disclosures, and failure to meet such requirements could result in compliance risks.	Medium-term	Medium	High	Medium	Invest in sustainability initiatives, engage external professional consultants, and provide regular training to the Board and management.	
		Product authorisation and regulatory requirements	Stricter requirements on green attributes and carbon emissions in manufacturing and sales, as well as complex export regulations, may increase compliance and production costs.	Medium-term	High	Medium	High	Engage legal advisors, provide compliance training, and obtain international certifications to reduce regulatory risks.	
		Carbon pricing and carbon tax	The domestic carbon-trading market is expected to mature, and the Group's overall production and carbon emission metrics may be affected by carbon pricing mechanisms. Higher export costs for high-emission products may be incurred as a result of carbon tax requirements in regions such as Europe, leading to production and financial impacts.	Medium-term	High	Medium	High	Carbon verification and related measures are planned to be deployed to manage product carbon footprints, efforts will be made to reduce the Group's product carbon emissions, and active participation in carbon trading markets will be pursued.	
	Technology	Failure of new technology investment	Insufficient investment in low-carbon technologies may weaken our competitiveness.	Short-term	Low	Low	Low	Continue conducting sustainable R&D investment supported by cross-functional expert review and external consultancy where appropriate.	
		Low-carbon technology transition	Adoption of green and low-carbon technologies may increase R&D and operational expenditure.	Short-term	High	Medium	Medium	A diversified range of eco-friendly products will continue to be launched, green procurement practices will be implemented, and raw materials with environmentally preferable attributes will be prioritised.	
	Market	Raw material supply stability and operational pressure	Upstream and downstream value chain enterprises are expected to be similarly affected by green and low carbon policy requirements, with new technology adoption and climate related factors jointly driving cost increases, further affecting the quantity and quality of raw material supply and prompting higher production expenditures for the Group.	Medium-term	High	Medium	Medium	Scenario analysis will be conducted to identify and quantify risk levels, and the Group will assume the role of a "lead firm" to mobilise upstream and downstream partners to develop response measures, establish long term collaborations and implement sustainable practices.	
		Reputation	Shift in consumer preferences	Rising consumer awareness of sustainability may induce shifts in product demand, and failure to timely update technologies and products to meet demand for green, low carbon attributes may result in customer attrition.	Medium-term	Medium	Medium	Medium	The Group plans to introduce more products with green and low carbon attributes, implement green procurement, and organise environmental brand initiatives to cultivate a sustainable brand image.
			Increased stakeholder concerns	Stakeholder attention to the Group's sustainability disclosures and responses to climate related issues is increasing, and failure to implement timely measures to address stakeholder concerns may undermine stakeholder confidence.	Medium-term	High	High	High	Continue to engage proactively with stakeholders to ensure timely disclosure and transparency, with priority given to employee welfare and satisfaction..

Climate-Related Opportunities

Type	Climate-related Opportunity	Potential Impact on Business, Finance and Value Chain	Time Horizon	Response Strategies and Decisions
Resource Efficiency	Improvement in energy efficiency	Enhancing energy efficiency reduces energy costs and supports global climate action, thereby improving operational efficiency and strengthening environmental credentials.	Medium-term	Will continue to optimise and implement energy management systems, optimise factory equipment and production processes, and improve overall energy utilisation efficiency.
Energy Structure	Adoption of renewable energy	The increasing adoption of renewable energy contributes to the gradual reduction in the cost of solar, wind and other renewable sources. Expanding renewable energy usage, particularly in production facilities, reduces reliance on conventional energy sources.	Medium-to long-term	Further develop or expand renewable energy facilities, such as solar power projects, to reduce carbon emissions.
Market	Sustainable development policies and incentives	Potential reduction in tax burden and operating costs, access to government support and policy incentives, improved financial performance and enhanced corporate reputation.	Medium-to long-term	Actively respond to government policies, seek environmental policy support, and apply for environmental subsidies and incentive programmes.
Products and Services	Green and environmentally friendly products	Growing consumer demand for sustainable and low-carbon products enhances brand attractiveness and broadens the consumer base.	Short- to medium-term	Develop footwear and apparel using environmentally friendly materials and strengthen promotion of green product offerings to enhance consumer awareness.
Resilience	Resource diversification and circular economy	Diversifying resource sources and increasing the use of recycled and reusable materials reduces waste, lowers raw material procurement costs and dependency, enhances product value and reduces environmental impact.	Long-term	Develop new materials, promote product recycling and reuse, design circular products and collaborate with suppliers to establish circular economy models.

Climate Resilience

The Group places significant emphasis on climate-related changes, developments and uncertainties, and proactively adopts strategies to enhance business resilience in this context. Following the identification of climate-related risks and opportunities, the Group conducted scenario analyses to assess the potential impacts of different climate scenarios on its business model and strategic planning. The analysis considered the effects of extreme weather events, regulatory and policy developments, as well as evolving market and technological trends. This approach aims to

strengthen the Group's adaptive capacity and enhance its overall climate risk management capabilities. Based on the assessment results, the Group has formulated corresponding response plans to ensure operational stability and sustainable development amid climate-related uncertainties. Through these measures, the Group seeks to maintain resilience in a rapidly changing environment and provide stakeholders with a clear and structured strategy for managing climate-related risks.

Type		Climate-related Risk	Relevance and Assumptions	IPCC AR6 SSP2-4.5 Scenario			IPCC AR6 SSP5-8.5 Scenario		
				Value at Risk			Value at Risk		
				2027	2030	2050	2027	2030	2050
Physical Risks	Acute	Extreme weather events (e.g. high temperatures, prolonged rainfall, flooding, typhoons)	Assessment of the impact of extreme weather and climate change on asset value and operational performance	Low	Low	Low	Low	Low	Medium
	Chronic	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

Type		Climate-related Risk	Impact pathways	NGFS Net Zero 2050 Scenario			NGFS Current Policies Scenario		
				Value at Risk			Value at Risk		
				2027	2030	2050	2027	2030	2050
Transition Risks	Policy and Legal	Increased GHG emissions reporting obligations	Estimated operational cost and product sales impacts arising from policy and regulatory requirements	Low	Low	Low	Low	Low	Low
		Product authorisation and regulatory requirements		Low	Medium	Medium	Low	Low	Low
		Carbon pricing and carbon tax		Low	Medium	High	Low	Low	Low
	Technology	Failure of new technology investment	Assessment of costs and risks associated with R&D and investment transformation in response to green and low-carbon regulatory requirements and market demand	Low	Medium	Medium	Low	Low	Medium
		Low-carbon technology transition		Low	Medium	Medium	Low	Low	Low
	Market	Raw material supply stability and operational pressure	Assessment of financial impacts on upstream and downstream markets and the Group's own operations	Low	Medium	High	Low	Low	Medium
	Reputation	Shift in consumer preferences	Estimated revenue impact arising from changes in consumer behaviour	Low	Low	Medium	Low	Low	Low
		Increased stakeholder concerns	Expected stakeholder expectations under policy, market and regulatory developments	Low	Low	Medium	Low	Low	Low

Notes: ¹ The selected data sources adopt time horizons that are consistent with the Group's strategic planning period and aligned with China's "3060 Dual Carbon Targets" and the Hong Kong Climate Action Blueprint 2050; ² The selected scenarios assist the Group in assessing the level of physical and transition risks faced and support the development of future strategic planning; ³ The scenario analysis was conducted in 2024. At the time of analysis, it was assumed that the location of the Group's production bases would remain unchanged in the short to medium term and that existing mitigation measures would continue; ⁴ Due to uncertainties in information, actual developments in policy and regulation, technological advancement and consumer behaviour trends may deviate from the assumptions adopted; and ⁵ As of the end of the Reporting Period, no events have occurred that would require material adjustments to these assumptions.

Climate Change Risk Management

Consistent with the previous Reporting Period, the Group integrates climate related risks and opportunities into its risk management framework and applies a systematic process of identification, assessment, prioritisation and management to ensure appropriate response and oversight. Analyses are conducted using internal business information together with publicly available scenario tools, with risks and opportunities evaluated by impact and likelihood; scenario results are used to assess potential effects on operations, financial performance and the supply chain across time horizons, probability and severity. In developing mitigation strategies, climate risks are addressed alongside other business risks with priority given to items of higher likelihood and greater impact, and adequate resources have been allocated to support green factory upgrades and sustainable product R&D, thereby ensuring the Group's ability to adjust and implement responses across energy, product and supply chain dimensions. While policy changes may necessitate accelerated factory upgrades and product roll out, these measures are intended to maintain comprehensive risk control and business continuity and to provide stakeholders with transparency on the risk management framework and its effectiveness.

From an operational perspective, as no material climate-related risks or opportunities have been identified in the short to medium term that would significantly affect normal business operations, the Group continues to enhance resource and energy efficiency, invest in new technologies, particularly low-carbon

and green innovations, and expand the adoption of renewable energy. Emission reduction and energy optimisation strategies are incorporated into target-setting processes, and climate risk management is integrated with green supply chain management to strengthen resilience against extreme climate events and enhance operational robustness.

Furthermore, the Group is progressively advancing assessments of climate related financial impacts, with the financial areas of focus including capital expenditure, operating costs, insurance costs and changes in asset values. As the operational and financial impacts caused by climate related factors remain limited at this stage, analyses of the anticipated financial impacts are ongoing and no material effect on the Group's operations is expected in the short to medium term. During the Reporting Period, the Group did not separately account for the financials of projects such as green factory construction, sustainable product R&D and renewable energy investments, nor were such projects separately classified as material capital expenditure. Looking ahead, the Group plans to establish a more granular climate financial impact assessment mechanism, incorporate related capital expenditures into the climate risk management framework and progressively disclose quantitative data to present the financial effects of climate related risks and opportunities in a more measurable manner. At present, the Group has not introduced an internal carbon pricing mechanism into its investment decision-making.

Metrics and Targets

The Group recognises the significant impact of greenhouse gas ("GHG") emissions on climate change and regards GHG emissions management as a core component of addressing climate-related risks. The Group complies with relevant laws and regulations concerning GHG emissions and implements appropriate emission reduction measures in line with its operational characteristics.

The Group's primary sources of GHG emissions include fossil fuel combustion from transportation, electricity consumption in business operations and business travel. To reduce emissions from operations and production activities, the Group implements effective controls on corporate vehicle usage, installs exhaust filtration devices and equips production lines with emission reduction facilities. To mitigate emissions associated with electricity consumption, energy conservation

principles are integrated into the Group's business strategies and daily operations.

In addition to these measures, the Group is committed to enhancing biodiversity in surrounding areas and adopting environmentally friendly workplace practices to offset its GHG emissions.

The Group's GHG emissions report has been prepared in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, the HKEX's How to Prepare an ESG Report - Appendix 2: Reporting Guidance on Environmental KPIs, and the Implementation Guidance for Climate Disclosures under the HKEX ESG reporting framework, with reference to emission factor data from the Intergovernmental Panel on Climate Change (IPCC). Detailed emissions information is set out in the table below.

GHG Emissions ¹

Category	Unit	Year 2025	Year 2024
Scope 1 GHG Emissions ²	Tonnes of CO ₂ Equivalent	8,695.45	7,476.45
Scope 2 GHG Emissions ³	Tonnes of CO ₂ Equivalent	25,919.69	27,492.95
Total Scope 1 and Scope 2 GHG Emissions	Tonnes of CO ₂ Equivalent	34,615.13	34,969.40
Total Scope 1 and Scope 2 GHG Emission Intensity	Tonnes of CO ₂ Equivalent per RMB Million Revenue	3.11	3.47

Notes: ¹ The calculation methodology for GHG emissions follows the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard and other applicable standards; ² Scope 1 direct GHG emissions comprise emissions directly arising from the combustion of petrol, diesel and natural gas in the Group's operations, and are calculated using emission factors recommended in the calculation tool issued by the Green and Sustainable Finance Cross-Agency Steering Group; maintenance of air conditioning equipment is conducted by third parties and fugitive releases of refrigerants are not available for measurement, and therefore have not been included in the disclosed scope; and ³ Location-based Scope 2 indirect GHG emissions include emissions arising from electricity consumption. The carbon dioxide emission factor applied is based on the Announcement on the Release of 2023 Electricity Carbon Dioxide Emission Factors issued by the Ministry of Ecology and Environment of the People's Republic of China.

We are continuously enhancing our GHG emissions management system and is progressively expanding the scope of Scope 3 emissions verification while refining the associated calculation methodologies. During the Reporting Period, the Group's Scope 3 GHG emissions were as follows:

Category	Reporting Boundary	Emissions (t)	Calculation Methodology and Basis
Category 1 Purchased Goods and Services	Emissions generated during the production of finished footwear and apparel products purchased from major suppliers	781,775	Emissions generated during the production of finished footwear and apparel products purchased from major suppliers. Calculations are based on the weight of procured goods derived from procurement data. Emission factors are referenced from research published by Textile & Leather Review and data from the China Product Life Cycle Greenhouse Gas Emission Factor Database.
Category 4 Upstream Transportation and Distribution	Emissions arising from the transportation of finished footwear and apparel products purchased from major suppliers	5,286	Distance data are measured or estimated based on origin locations. Emission factors are referenced from data published by DEFRA.
Category 6 Business Travel	GHG emissions generated from employee business travel by air and rail	3,347	Distance data are measured or estimated based on travel mode. Emission factors are referenced from data published by DEFRA.
Category 9 Downstream Transportation and Distribution	Emissions arising from wholesale distribution and retail transportation of products to customers or distributors	16,103	Distance data are measured or estimated based on origin locations. Emission factors are referenced from DEFRA data.
Category 13 Downstream Leased Assets	Indirect GHG emissions resulting from municipal electricity consumption of externally leased assets	809	Indirect GHG emissions from municipal electricity consumption of externally leased properties. Calculation methodology is consistent with Scope 2 GHG emissions accounting.
Category 14 Franchises	Direct and indirect GHG emissions generated from the operations of franchised retail stores	113,872	Direct and indirect emissions from franchised retail store operations. Natural gas consumption and municipal electricity consumption are aggregated. Calculation methodology is consistent with Scope 1 and Scope 2 GHG emissions accounting.
Total		921,192	/

Notes: ¹ The Group has conducted a relevance screening of upstream and downstream emission categories in accordance with the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard. The determination of the accounting boundary strictly adheres to the principles of materiality and data availability, with the aim of accurately identifying and reporting the Group's principal climate impacts across the value chain; ² During the Reporting Period, the categories presented in the table were confirmed, following the Group's comprehensive assessment, as material emission sources under the current operating model and have therefore been disclosed. This determination was based on multiple considerations, including that these categories constitute the main sources of the Group's value chain emissions and present significant environmental materiality; in addition, the Group has established traceable data collection mechanisms for the relevant segments to ensure the accuracy and reliability of activity data, thereby meeting the data availability requirement; and ³ The remaining categories have not been included in the current accounting scope, primarily because the emissions associated with those categories were preliminarily estimated to represent an immaterial proportion of the Group's overall carbon footprint and therefore do not meet the materiality threshold for disclosure; some categories are not relevant to the Group's current business activities; furthermore, current limitations in value chain data collection maturity prevent the acquisition of data that meets disclosure requirements. The Group will continue to improve its data management systems and plans to progressively expand the Scope 3 accounting and disclosure boundary to more comprehensively reflect value chain climate performance.

Targets and Actions

Based on a comprehensive assessment of climate-related risks and opportunities, the Group fully recognises the profound impact of climate change on its operations. To align with the national "Dual Carbon" targets and the objectives of the Paris Agreement to limit global temperature rise to 1.5°C, the Group has established clear GHG emission reduction targets. These targets support the Group's low-carbon transition, enhance climate resilience and strengthen market competitiveness.

Through measures such as improving energy efficiency, adopting renewable energy installations, developing green factories, creating low carbon products and enhancing supply chain management, the Group is planning a transformation programme

aimed at becoming a low carbon, green manufacturing enterprise in response to stakeholder expectations and its sustainability objectives.

The Group first established climate-related targets in the previous year. During the Reporting Period, Scope 1 and Scope 2 GHG emission intensity declined, and the accounting boundary for Scope 3 emissions was further expanded. Looking ahead, the Group will continue to monitor, review and report on emissions performance regularly to ensure the achievement of reduction targets and fulfil its commitments to sustainable development and corporate social responsibility.

Scope	Target	Progress Review
Total Scope 1 and Scope 2 GHG Emissions	Reduce the intensity of Scope 1 and Scope 2 GHG emissions by 20% compared to the 2024 baseline by 2030, and achieve carbon neutrality by 2050.	Reduced by 10% compared with the baseline
Scope 3 GHG 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.	Category 1 – Purchased Goods and Services has been incorporated into the Scope 3 accounting boundary
Physical Risks	Reduce the percentage of asset value affected by acute and chronic physical climate-related risks by 50% by 2050.	In progress
Transition Risks	Complete the ISO 14064 GHG verification for the Group by 2030.	In progress
Renewable Energy	Increase the net installed capacity of renewable energy by 50% compared to the 2023 baseline by 2035.	In progress
Products	Increase the proportion of recycled raw materials used by 50% compared to the 2023 baseline by 2030.	In progress
Compensation	Integrate climate change-related performance indicators into the senior management compensation policy by 2030.	Preparations are underway

UPHOLDING ENVIRONMENTAL COMMITMENTS

Green Initiatives

As a leading sports goods enterprise in China, the Group incorporates low-carbon transition into its long-term strategic planning and systematically responds to carbon emission policy requirements. The Group is fully committed to reducing its environmental footprint and protecting natural resources. The Group has established a comprehensive carbon accounting system to accurately monitor GHG emissions across the entire value chain, from raw material procurement and manufacturing to logistics and distribution. Phased emission reduction targets have been set, supported by core initiatives including: increasing the use of renewable energy; upgrading energy-efficient facilities at production bases; prioritising cooperation with environmentally compliant green suppliers to promote collaborative supply chain decarbonisation; and continuously developing eco-friendly materials and low-carbon products, such as recycled fibre sportswear, to guide green consumption. At the same time, the Group actively participates in the formulation of industry standards, regularly publishes ESG reports, and responds proactively to regulatory and market expectations. By embedding low-carbon management into its core operations, 361° aims to enhance resource efficiency, reduce compliance risks, and cultivate a responsible and competitive brand image in the transition towards sustainable development.

Participation in National Standard Development

As a pioneer and advocate of green and low-carbon transformation within the industry, the Group recognises the critical role of standardisation in supporting the achievement of China's "3060 Dual Carbon Targets". Leveraging its extensive practical experience and forward-looking technological deployment in carbon management, the Group actively participated in the drafting of the national standard Greenhouse Gas Management Systems - Requirements (GB/T 46566-2025). During the development of this standard, the Group's technical expert team contributed to ensuring its scientific rigour, practicality, and forward-looking relevance. By sharing best practices, the Group supported the establishment of unified and standardised requirements for GHG management systems, thereby encouraging upstream and downstream stakeholders across the value chain, as well as broader society, to enhance climate governance capacity and jointly contribute to the nation's green development agenda.



Intelligent Green Production

In addition to continuously advancing environmental protection, safety and energy management practices in accordance with green factory standards, the Group continued to implement the "5G + Smart Factory" project at its Wuli Footwear Production Base during the Reporting Period. By integrating multiple terminals, production systems and data platforms into a unified information system, the Group has embedded visualised production processes, visualised quality management, production line information flows and quantified production efficiency throughout the entire manufacturing cycle, accelerating the transition towards intelligent manufacturing. This initiative integrates green design concepts with intelligent technologies, achieving optimisation of energy consumption, improvement in operational efficiency and reduction of carbon emissions. As a benchmark green intelligent factory project, it has received multiple national and provincial-level recognitions.

Energy-efficient Infrastructure Upgrades

The Group actively promotes the development of green warehousing and has implemented comprehensive energy efficiency upgrades across its infrastructure, combining physical facility enhancement with digital system control to improve operational efficiency and ensure production safety.

- **Lighting system upgrade:** Warehouse areas have been fully equipped with LED explosion-proof lighting systems. These systems offer flicker-free illumination and high colour rendering, creating a comfortable and low visual fatigue working environment. The explosion-proof feature eliminates the risk of spark ignition, thereby enhancing asset safety while reducing energy consumption.
- **Logistics system empowerment:** The Group has upgraded its digital infrastructure by introducing a Warehouse Management System (WMS) and an Order and Transportation Management System (OTMS). These systems enable full-process visibility across warehousing and transportation operations, allowing precise inventory and transport capacity management, reducing redundant processes and promoting energy conservation and emission reduction within logistics operations.

Renewable Energy Application

The Group actively adopts low-carbon and clean renewable energy solutions to replace traditional energy-intensive production models. Photovoltaic power generation facilities have been installed at the 361° Wuli Industrial Park and 361° Footwear Plastics facilities, with a total installed capacity of nearly 5MW and rooftop coverage of approximately 40,000㎡. During the Reporting Period, total power generation reached 5,774 MWh. In addition to meeting part of the electricity demand for warehousing and office operations, the facilities also have grid-connection capability.

Reducing Product Carbon Emissions

Green Material Upgrades

While focusing on energy efficiency improvements in operational facilities, the Group has simultaneously advanced green transformation at the product level. Through raw material substitution and process innovation, the Group seeks to minimise the environmental footprint of its products. During the Reporting Period, more than 3.1 million products incorporated environmentally friendly technologies.

- **Low-carbon material substitution:** The Group has expanded the use of sustainable raw materials such as plant-based biofibres and regenerated cellulose fibres. This reduces reliance on petroleum-based materials and lowers carbon emissions associated with raw material extraction and processing, supporting the transition towards circular and regenerative product design.
- **Harmless process innovation:** The Group continues to upgrade product materials and manufacturing processes to achieve both ecological safety and reduced product carbon footprint, aligning environmental performance with product functionality and quality.

The Group uses bio-based materials such as SORONA® yarn, of which 37% of the core raw materials are derived from plant-based resources including corn and are produced through bio-fermentation technology. This reduces reliance on petroleum-based products and contributes to energy conservation and carbon reduction. The material is widely applied in adult and children's apparel products. During the Reporting Period, annual sales of products incorporating SORONA® yarn reached approximately 930,000 pieces, accounting for around 10% of total adult autumn apparel production.

Fluorine-free water repellents are adopted to deliver the "Rain-block Technology" functionality to fabrics. Fabrics treated with fluorinated waterproofing agents require costly and energy-intensive wastewater treatment to meet discharge standards and prevent PFAS pollution. The use of fluorine-free agents eliminates this additional energy consumption associated with specialised wastewater treatment.

EcoCosy® (Lyocell) yarn is used as a core material, with wood pulp sourced entirely from sustainably managed forests certified under systems such as FSC, ensuring traceable green sourcing. Compared with conventional viscose fibre production, this technology reduces water consumption and energy use, significantly lowering carbon emissions during production. In addition, the material is biodegradable, reducing energy consumption during degradation.

Lenzing Modal yarn is also applied, with its wood pulp primarily sourced from sustainably managed European beech forests. These forests follow the principle of "harvest one, grow one" and are certified under FSC or PEFC forest certification schemes.

Cooling finishing agents containing plant extracts such as xylitol and menthol are used in place of purely synthetic chemical additives. These bio-based additives reduce energy consumption during the synthesis process compared with conventional chemical agents.

361 Degrees collaborated with Evonik to launch the second-generation Mass Balance low-carbon running shoe, the Flying Flame 5 (飛燃5). Building upon its strong performance-oriented heritage, the Flying Flame 5 has been upgraded with Evonik's VESTAMID® eCOE40 Nylon 12 elastomer foam material. Through the innovative "mass balance" approach, this material integrates recycled raw materials such as end-of-life tyres with green production processes including biogas-based power generation, achieving an approximate 70% reduction in carbon emissions.



The Group provided official event apparel for the 2025 Nagoya Asian Games, integrating environmentally friendly technologies and embedding sustainability concepts into major sporting events. The volunteer sportswear features ultra-lightweight recycled polyester fabrics for polo shirts and trousers, offering breathability, quick-drying performance and environmental benefits. The sports jackets utilise "New Microrou" recyclable eco-friendly fibres. The fabrics have obtained triple certification from SCS (United States), Oeko-Tex® (Europe) and the Global Recycled Standard (GRS), ensuring transparency and traceability throughout the recycling chain while significantly reducing carbon emissions and energy consumption. In addition, digital printing technology is applied to the apparel, enabling zero wastewater discharge during the printing process and further reducing environmental impact.



Reducing Environmental Impact

The Group is committed to minimising environmental impact and safeguarding natural resources. It strictly complies with applicable laws and regulations and implements environmental initiatives in accordance with the 361 Degrees Environmental Management System Compendium, supported by comprehensive improvement plans. To mitigate adverse environmental effects arising from production and operations, the Group has adopted appropriate measures to reduce emissions of air pollutants, GHG, solid waste and wastewater. At present, within the scope of this Report, there are no other pollutants regulated by national laws and regulations.

Emissions Management

In terms of exhaust gas control, enclosed workshop management is implemented to effectively control fugitive emissions of dust and volatile organic compounds (VOCs), including benzene, toluene and xylene. In response to the latest national environmental regulatory requirements effective from 2025, the Group upgraded and optimised its exhaust air recirculation and treatment systems during the Reporting Period. All process-related exhaust gases are now subject to centralised collection and advanced treatment, with emission concentrations performing better than national and local regulatory standards.

With respect to water resource management, the Group continues to increase environmental investment by improving wastewater pipeline networks and purification facilities. All industrial wastewater is thoroughly treated prior to discharge, with key parameters meeting and exceeding required standards. The Group has also actively promoted rainwater and wastewater separation projects within its production sites to enhance water recycling efficiency and reduce impacts on the surrounding water environment.

Source-level Environmental Control

The Group promotes the integration of environmentally friendly materials and green manufacturing processes to reduce pollutants at the source:

Material innovation: CQT matrix physical foaming materials are widely applied in footwear midsoles. This technology uses recycled carbon dioxide extracted from waste gases for physical foaming, significantly reducing the use of chemical catalysts. In addition, all new products under the international footwear line adopt recycled yarn for uppers, supporting circular resource utilisation.

Process upgrades: The Group actively promotes fluorine-free waterproofing processes. Selected products have fully adopted fluorine-free water repellents that exclude persistent organic pollutants such as PFOS and PFOA, substantially reducing environmental risks during production and disposal. Furthermore, environmentally friendly inks have been introduced across printing processes, replacing conventional inks. Production processes are continuously reviewed and improved to enhance environmental compatibility.

Green Factory and Carbon Management System Development

Aligned with China's "Dual Carbon" objectives, the Group continues to strengthen its green factory management system. Based on its medium- and long-term development plans and annual energy-saving targets, the Group reinforces energy management functions within production departments. Through annual carbon inventories, GHG emissions are precisely tracked, and measures such as optimising the energy structure, enhancing production efficiency and exploring recycling and reuse of production waste are implemented. These initiatives reduce operational carbon footprints and solid waste generation, supporting the transition towards a low-carbon and circular green manufacturing model.

During the Reporting Period, the Group engaged third-party institutions to conduct testing of noise, wastewater and exhaust emissions. No instances of non-compliance with relevant standards were identified. Compared with the 2024 financial year, emissions of sulphur oxides (SO_x), nitrogen oxides (NO_x) and particulate matter (PM) from vehicle fleet decreased by 20.5%, 27.4% and 23.9%, respectively.

The Group invested RMB4.7 million to upgrade and enhance end-of-pipe treatment facilities for organic exhaust emissions from its production operations. A total of 18 "UV photolysis + activated carbon adsorption" exhaust treatment units at the Wuli, Jiangtou and Footwear Plastics production sites were dismantled and replaced with four new "dry filtration + activated carbon adsorption/desorption + catalytic combustion" (CO catalytic combustion) exhaust treatment systems. Upon completion of the project, the Group expects to reduce organic exhaust emissions by approximately 13.2 tonnes per year.



Energy Consumption

During the Reporting Period, the Group's primary resource consumption included electricity, natural gas, gasoline, diesel, water, paper and various forms of packaging materials. Due to enhanced brand recognition, steady business growth and changes in production volumes driven by product structure adjustments, certain resource consumption levels increased compared with the previous year.

Electricity

Electricity remained the Group's primary source of energy consumption during the Reporting Period, accounting for approximately 56.8% of total energy consumption. Total electricity consumption intensity decreased by 13.0% compared with the previous year.

To reduce GHG emissions and overall energy consumption, the Group continues to integrate the principle of energy conservation into its business strategy and daily operations. Energy-saving initiatives and regular environmental protection and resource conservation training sessions are conducted to enhance employee awareness. Temperature control settings for air conditioning systems are regulated to prevent energy waste. Photovoltaic power generation facilities have been installed at the Wuli Industrial Park and certain factories, covering part of the electricity demand for production, warehousing and office operations. In addition, green walls and rainwater collection systems have been introduced in multiple office areas to further reduce environmental impact.

During the Reporting Period, the Group utilised 5,774,064 kWh of renewable electricity, representing approximately 10.6% of total electricity consumption.

Other Energy Resource Consumption

Category	Unit	Total Consumption in 2025	Total Consumption in 2024
Gasoline	Litres	83,078	116,847
Diesel	Litres	17,949	22,456
Natural Gas	Cubic Metres	3,900,593	3,302,253

Other Energy Consumption

Natural gas was used primarily in outsole production, while gasoline and diesel were consumed in transportation activities. To more effectively manage liquid fossil fuel consumption and reduce related emissions, the Group has standardised fleet management for business and product transportation purposes and actively encourages employees to utilise digital communication platforms to minimise unnecessary business travel.

The Group is also accelerating the electrification of its vehicle fleet, prioritising the introduction of new energy vehicles into its transportation operations. During the Reporting Period, gasoline consumption decreased by 28.9% compared with the previous year, reflecting continued efforts in fleet management optimisation.

Resource Management

Water

Water resource management remains a key component of the Group's sustainability strategy. The Group adopts scientific and prudent water management measures to reduce water consumption during production processes, improve water use efficiency and ensure the sustainable utilisation of water resources. Although no issues relating to water supply were encountered during the Reporting Period, the Group has implemented effective measures to optimise operations and reduce water consumption in pursuit of long-term sustainability objectives:

- ①. Adoption of advanced technologies to enhance water recycling in production processes;
- ②. Strengthening inspection and maintenance of faucets, water pipelines and storage tanks;
- ③. Managing water consumption by controlling faucet flow rates and installing individual water meters;
- ④. Setting water consumption limits in canteen facilities and imposing additional charges for usage exceeding prescribed thresholds; and
- ⑤. Promoting water conservation awareness through posters and employee briefings during morning meetings.

As at the end of the Reporting Period, the Group's total water consumption amounted to 1,388,451 tonnes, with a water intensity of 124.86 tonnes per RMB million of revenue, representing a 7.1% decrease compared with the previous year.

Packaging Materials

To reduce packaging material usage, the Group continuously improves packaging design to enhance durability, reusability and recyclability. A "Green Packaging" initiative has been implemented across the Group, prioritising environmentally friendly materials and promoting packaging reuse.

In daily operations, factories are required to sort incoming product cartons after internal goods dispatch. Intact and clean cartons are reused for wholesale shipments. Cartons that cannot be reused are fully channelled into recycling streams and sold to professional paper recyclers, avoiding disposal as waste and achieving closed-loop resource management.

During the Reporting Period, recyclable materials accounted for 65% of e-commerce packaging, and packaging weight was reduced by an average of 20%. In collaboration with logistics centres, the e-commerce department implemented a packaging recycling programme, recovering approximately 85,150 cartons for reuse during the Reporting Period.

During the Reporting Period, total packaging material consumption amounted to 7,390 tonnes, with a packaging material intensity of 0.66 tonnes per RMB million of revenue, representing a 3.1% decrease compared with the previous year.

Paper

The Group actively encourages all employees to conserve paper in order to reduce carbon emissions. Paperless office practices are promoted through online collaboration platforms that enable digital document editing and approval. An electronic signature system has been introduced and applied to documents requiring official seals, contracts and orders, reducing paper usage while enhancing document security and efficiency. Printing management has been optimised, with double-sided printing set as the default option and employees required to preview documents before printing to avoid unnecessary waste. Notices promoting paper conservation are displayed near photocopiers. Awareness campaigns further encourage the reuse of single-sided paper as draft paper to maximise resource efficiency.

In line with the Group's overall resource conservation policy, total paper consumption during the Reporting Period was 7,262 kilograms, representing a 9.2% decrease compared with the previous year. Among this amount, 2,559 kilograms of waste paper were successfully recycled, further contributing to resource conservation.

Waste Management

The Group is committed to proactive waste management. The majority of solid waste generated by our manufacturing operations consists of non hazardous residual materials and off cuts, while hazardous waste is principally limited to consumables from office activities, such as used toner cartridges and fluorescent lamps.

To minimise waste generation, the Group addresses the issue at source and follows circular economy principles by reducing single use items and increasing the use of secondary materials in footwear formulations. Residual materials and off cuts are processed by shredders and sent to recycling centres to improve recovery rates, non recyclable adhesives and synthetic resins are handled by licensed disposal facilities, and dedicated segregation and collection areas have been established in production and office zones to facilitate employee participation and enhance recovery and sorting efficiency. Non-recyclable materials such as adhesives and synthetic resins are transferred to qualified recycling centres for proper disposal. Employees are encouraged

to classify waste in daily operations to facilitate recycling. Dedicated waste sorting areas have been established within production and office areas to promote proper segregation and improve sorting efficiency, ensuring effective resource utilisation and appropriate waste treatment.

The Group places high importance on protecting water resources and biodiversity and has established a dedicated hazardous waste storage facility. Hazardous waste is stored safely and handled in strict compliance with relevant regulations. Once a specified quantity of hazardous waste is accumulated, qualified hazardous waste treatment service providers are engaged for disposal. This approach ensures proper treatment and disposal while minimising adverse environmental impacts.

The Group follows due diligence procedures and conducts regular audits of service providers' waste management capabilities, monitoring waste-related impacts from a life-cycle perspective.

Waste Emissions

Non-hazardous Waste			
Domestic and Commercial Solid Waste	Tonnes	1,860	1,910
Manufacturing Solid Waste	Tonnes	1,560	1,610
Non-hazardous Waste Intensity	Tonnes per RMB million revenue	0.31	0.35
Hazardous Waste			
Hazardous Waste	Kilograms	1,123	1,147
Hazardous Waste Intensity	Kilograms per RMB million revenue	0.10	0.11

Wastewater Management

Recognising that the primary challenge in wastewater treatment within the textile industry lies in treatment capacity rather than awareness or commitment, the Group continues to adhere to the "3R Principles - Reduce, Reuse and Recycle".

During the Reporting Period, the Group generated a total of 482,475 tonnes 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.

Project	2026 Environmental Goals (Baseline: Year 2025)	Actions	Progress Review
Waste Management	Reduce total hazardous and non-hazardous waste intensity by 3%	Establish product systems incorporating environmentally friendly materials	Except for fluctuations in total consumption and intensity of certain resource categories driven by production demand, all environmental targets set out in the 2024 ESG Report were successfully achieved in 2025. Based on this performance, new environmental targets have been established accordingly.
Emissions	Reduce vehicles emission intensity by 3%	Reduce use of petrol/diesel vehicles and prioritise procurement of new-energy fleet vehicles	
Wastewater and Emissions	Reduce wastewater emission intensity by 3%	Explore feasible methods for treating and reusing wastewater generated during operations	
Electricity Consumption	Maintain the current electricity consumption intensity level	Continue promoting electricity conservation and encouraging employees to adhere to environmental principles	
Other Fuel Consumption	Maintain the current intensity level of other fuel consumption	Optimise corporate vehicle transport routes to reduce fuel consumption	
Water Consumption	Maintain the current water consumption intensity level	Regularly communicate and promote the concept of water conservation among employees	
Paper Consumption	Reduce paper consumption by 5%	Control paper usage in offices and promote a paperless working environment	





COMPLIANT AND HARMONIOUS EMPLOYMENT ENVIRONMENT

Compliant Employment

The Group adheres to a "people-oriented and inclusive" talent management philosophy and is committed to building a lawful, fair and dynamic workplace, recognising employees as strategic partners in business development. The Group strictly complies with the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, and other applicable laws and regulations in the jurisdictions where it operates. Equal employment principles are upheld, and all forms of discrimination, child labour and forced labour are strictly prohibited. Through standardised processes for recruitment, promotion, remuneration and termination, the Group safeguards employees' legitimate rights and provides a dignified and inclusive platform for career development.

Prohibition of Child and Forced Labour

The Group has implemented the Recruitment Management Measures, clearly defining zero-tolerance red lines against forced labour and child labour. Principles such as equal pay for equal work and anti-discrimination are embedded into recruitment and employment policies. A three-tier identity verification mechanism is established by the Human Resources Department, verifying candidate information through platforms such as the national education database and household registration systems to ensure compliance with statutory employment age requirements. Employment contracts clearly stipulate the nature of employment and employee rights to prevent forced labour. Anonymous reporting channels are available to employees and the public for oversight.

A regular evaluation mechanism has been established for the human resources management system. Recruitment policies are reviewed annually in accordance with national and local regulations, and recruitment processes are assessed on a weekly, monthly and annual basis, with detailed reports generated to identify improvement areas. Any violation of labour laws identified during reviews will result in immediate termination of employment contracts and disciplinary action in accordance with the law.

The Group extends its compliance employment principles across its value chain, requiring suppliers to adhere to the Supplier Code of Conduct and refraining from cooperation with suppliers involved in child or forced labour. For details, please refer to the "Supplier Selection and Onboarding" section.

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

Employee Profile

In compliance with applicable laws in Chinese Mainland, Hong Kong and other operating regions, the Group has formulated and regularly updated internal policies such as the Recruitment Management Policy and the Human Resources Management Policy. The Labour Contract Management Measures have been established to standardise contract drafting, execution, amendment, renewal and archiving processes.

During the Reporting Period, the Group employed a total of 6,932 full-time employees, including management, technical, sales and operational personnel. The workforce maintained a balanced gender distribution, with male employees accounting for 43.96% and female employees accounting for 56.04%.

Working Hours and Leave

The Group strictly complies with local employment laws and regulations in arranging working hours and ensuring employees' entitlement to statutory annual leave and public holidays. Internal policies exceeding statutory requirements are implemented, supported by advanced attendance systems to accurately record overtime and provide appropriate compensation. Additional leave benefits, including marriage leave, maternity leave, paternity leave, bereavement leave and sick leave, are provided in accordance with local regulations to comprehensively safeguard employee rights.

Equal Opportunity and Diversity

The Group is committed to fostering a non discriminatory and inclusive work environment and embeds diversity within its core ESG practices to ensure equitable development opportunities for all employees. We strictly comply with applicable laws and regulations across all employment processes and have codified the principle of non discrimination in the Employee Handbook. In handling labour matters, no favour or prejudice is shown on the basis of age, gender, marital status, pregnancy, family circumstances, disability, race, colour, lineage, ethnic origin, nationality or religious belief. Employees are encouraged to report any incidents of discrimination to the Human Resources Department, which will duly record, assess and take appropriate action to uphold fairness and equality in the workplace.

To further embed diversity practices, the Group has set female talent intake targets for campus and external recruitment, maintaining a relatively high proportion of female new hires; promotion processes prioritise gender equity, with a significant share of promotions in both professional and managerial tracks awarded to women to broaden female career pathways. For age and educational diversity, a tiered talent acquisition system has been implemented: campus recruitment attracts large cohorts of graduates to inject fresh energy, while senior industry professionals are recruited into technical expert and management roles to achieve a balanced mix of junior, mid career and senior talent. The Group has removed rigid academic qualification barriers for operational roles and provides equal employment and development opportunities for candidates of diverse educational backgrounds, particularly for production technical and warehouse management positions.

The Group is committed to optimising talent allocation, maximising the value of human resources, strengthening internal incentives and facilitating internal promotion. In line with the principle of "placing the right people in the right roles", we have established a Promotion Management Policy that delineates two promotion pathways: managerial promotion, which recognises achievement through team leadership and integration of resources; and professional promotion, which rewards value delivered through technical or specialist contributions.



Work-Life Balance

Under the Employee Welfare Management Policy, the Group provides various benefits beyond salary and bonuses, including meal services, health check-ups, festive celebrations and team-building activities. Comprehensive benefits such as medical insurance and annual physical examinations are provided to safeguard employee health. Factory employees are offered dormitory accommodation and free shuttle services between workplaces and residential facilities.

The table below summarises the key employee welfare initiatives implemented during the Reporting Period.



Employee Basketball Tournament



Employee Badminton Tournament

Initiative Name	Key Content	Social Impact
Employee Dormitory Upgrade (Phase I)	Differentiated allocation of large and small single-room units based on employees' family structures	Significantly enhanced accommodation quality and comfort, with welfare standards exceeding industry benchmarks
Factory Pedestrian Bridge Corridor Renovation	Upgraded lighting system and visual design	Improved factory image and strengthened employees' sense of belonging and cultural identity
Xiamen Operations Headquarters Environment Renewal Project	Comprehensive carpet replacement; installation of soundproof booths and nursing rooms; refurbishment of underground parking garage walls; scientific planning of designated smoking areas	Multi-dimensional enhancement of office comfort, functional facilities and employee well-being
361° Childcare Centre	Provision of childcare services for employees' children, enabling a "bring your child to work" model	Addressed employees' childcare needs, improved satisfaction and retention; recognised as a "National Caring Employer for Childcare"
Committee on Caring for the Next Generation and Trade Union Development	Ongoing promotion of youth employee development and harmonious labour relations	Awarded "Provincial Model 'Five Excellence' Grassroots Committee" and "National Advanced Enterprise Trade Union for Dual Care and Evaluation", reflecting leading standards in employee rights protection and youth support at provincial and national levels

Talent Development and Incentives

The Group recognises that employees are a critical resource for sustainable development and competitive advantage. Accordingly, it is committed to building a systematic talent development framework. Through ongoing career development support, clearly defined incentive mechanisms and diversified training programmes, the Group empowers employees to

enhance their professional capabilities and sustain innovation momentum. Employees are encouraged to leverage their networks to recommend outstanding talent. The Talent Recommendation Management Measures have been revised and optimised on multiple occasions to maintain the Group's attractiveness to high-calibre candidates.

Talent Acquisition

By optimising recruitment policies and establishing multi-channel talent acquisition systems, the Group continues to attract high-quality talent aligned with its development strategy. In 2025, the Group was awarded the Human Resources "Sirius Award" for Best Employer Brand among Global Enterprises.

Tailored Campus Talent Acquisition	Deepening university-enterprise cooperation with institutions specialising in sports, design and digital disciplines to establish an integrated talent development pipeline.
Targeted Social Recruitment	Focusing on key strategic areas such as sports technology research and development and ESG compliance to attract high-calibre professionals. For example, the introduction of experienced green supply chain management professionals has successfully supported several partner suppliers in transitioning to low-carbon production models, thereby strengthening the foundation of the Group's green supply chain.
Specialised Recruitment for Diverse Talent Groups	Providing suitable roles in areas such as administrative security, e-commerce customer service and warehouse management for individuals from diverse backgrounds, including persons with disabilities and military veterans. This initiative fulfils the Group's social responsibility commitments while attracting dedicated and practically skilled talent.

Performance Management and Grievance Mechanism

The Human Resources Department manages employee performance and promotion in accordance with the Performance Management Policy and the Promotion Management Policy, with the objective of safeguarding employee growth and development. Performance evaluations are conducted through a unified platform to ensure they are comprehensive, fair and transparent. This approach ensures equitable remuneration and is supported by incentive measures such as promotion, salary adjustments and year-end bonuses. The implementation of this system enhances the scientific and standardised management of the Group and provides a reliable basis for human resources decisions, including salary adjustments, bonus allocation, promotion and talent development. It also contributes to improved employee morale, satisfaction and organisational cohesion.

At the same time, the Group strictly implements the grievance mechanism embedded within its performance management system to fully safeguard employees' right to appeal. At the policy level, clear rules and response timelines are defined for the acceptance and handling of grievances. At the operational level, employees may formally submit performance-related appeals through the Office Automation (OA) system. Upon receipt, the Human Resources Business Partner (HRBP) conducts investigation and verification and provides feedback within the prescribed timeframe.

Training and Development

The Group attaches great importance to employees' professional growth. Through years of institutional development, it has established a comprehensive and practical talent development and training management system. To further strengthen the training framework, the Group has formulated specialised policies including the Training Management Policy, the Training Planning and Budget Management Measures and the Training Records Management Measures. These policies clearly define training procedures, allocation of responsibilities, cost control measures and risk management requirements, ensuring that all training activities are conducted in a structured, systematic and accountable manner.

Dual-track Employee Development Pathway

	Management Track	Professional Track
Positioning and Objectives	Focused on enhancing leadership and comprehensive management capabilities, cultivating managers capable of leading teams and coordinating business operations	Covering specialised domains such as technology, R&D, marketing and functional departments, cultivating highly skilled and specialised professionals
Development Path	Junior Supervisor → Middle Management → Senior Management	Specialist → Senior Specialist → Expert → Senior Expert → Chief Expert
Core Value	Strengthening organisational coordination, strategic execution and team-building capabilities	Deepening professional expertise and driving technological innovation and business specialisation
Remuneration and Authority	Entitled to corresponding managerial authority and remuneration based on position level	Granted remuneration and professional authority equivalent to managerial roles at the same level, avoiding a singular managerial promotion pathway
Supporting Development Programmes	- Eagle Programme: Targeted at high-potential employees and newly appointed managers, focusing on cultural integration and practical management skills - Soaring Eagle Programme: Targeted at mid- to senior-level managers, strengthening strategic vision and team leadership capabilities	Professional track talents participate in industry-specific training, technical workshops, certification programmes and internal knowledge development initiatives (e.g. course development and tool framework construction)
Key Achievement Examples	- Eagle Programme Outputs: 8 leadership short films (over 100,000 views), 62 management practice reports, 24 sets of management tool frameworks - Soaring Eagle Programme Outputs: 24 certified leadership courses, 44 internal trainers, reaching over 2,100 participants	Demonstrated value through professional project delivery, technical patents, standard formulation (e.g. the "Jump Rope Shoes" industry standard), and product innovation
Promotion Evaluation Mechanism	- Regularised "semi-annual review and annual assessment" mechanism - Evaluation methods include work report presentations, 360-degrees assessments and project performance reviews - Promotion review committee composed of cross-departmental experts, HR and business partners	Same transparent promotion mechanism applies, with evaluation focused on professional achievements, technical influence, innovation capability and tangible business contributions
Ecosystem Linkage	Soaring Eagle participants serve as mentors for Eagle Programme participants and deliver practical courses; Eagle participants contribute creative outputs that reinforce organisational culture	Professional experts participate in course development, standard formulation and mentorship of new employees, forming a closed-loop ecosystem of internal knowledge accumulation and talent cultivation

The Group adopts a blended training approach that combines internal and external programmes and has developed proprietary internal training brands such as the "Passion Lecture Hall" and the "One Degree Beyond Story Forum". The curriculum covers a wide range of areas, including corporate culture communication, professional skill enhancement, business innovation, market trend analysis, personal development guidance, and team-building capabilities. These programmes benefit employees across different levels and functional departments, aiming not only to address targeted development needs but also to efficiently disseminate business and market-oriented knowledge to all interested employees. In addition, the training framework supports the cultivation of future management talent. During the Reporting Period, the overall employee training participation rate reached 97.99%, with total training hours amounting to 42,062 hours. Detailed information on employee training is set out below:

	Percentage of Employees Trained	Average Training Hours (Hours)
By Employee Level		
General Employees	95.63%	5.68
Middle Management	4.33%	15.06
Directors and Senior Management	0.04%	0.99
By Gender		
Male	43.28%	5.96
Female	56.72%	6.15
Total	100.00%	6.07

Note: The data presented in this table covers all types of employee training provided by the 361 Degrees Group, excluding Board-level training, including new employee induction, internal training and external training programmes.

Employee Satisfaction

The Group is committed to fostering a positive and engaging working environment and continuously seeks to understand and respond to employee needs through multiple channels. A diversified and institutionalised employee satisfaction survey mechanism has been established. Comprehensive company-wide satisfaction surveys are conducted annually, complemented by two in-depth surveys each year, monthly follow-ups and feedback channels through the Office Automation (OA) system to ensure that employee opinions are collected confidentially and addressed on time. The Group is committed to ensuring open communication through formal mechanisms, including multiple anonymous feedback channels and closed-loop management of feedback issues. Through training sessions, forums and dialogue platforms, the Group safeguards employee rights and cultivates a culture of respect, safety and growth. During the Reporting Period, results from the organisational health survey indicated that several indicators reached record highs, while others approached historical peak levels. Overall employee satisfaction scores demonstrated a continued upward trend, reflecting positive progress in organisational engagement and workplace environment.

To further understand employee perspectives and reinforce the implementation of corporate culture, the Group organised a cultural forum themed "Rooted in Passion, Growing Upward". Thirty employee representatives from various centres and business units participated in open dialogue sessions, discussing cultural perceptions, shared values and constructive suggestions.



Occupational Health and Safety

The Group places paramount importance on workplace safety and has implemented comprehensive and multi-dimensional occupational health protection measures. The Group strictly adheres to national and local laws and regulations related to health and safety. A series of stringent safety management systems have been established, including the 361 Degrees (China) Co., Ltd. Safety Management System Compendium, the Environmental Management System Compendium and the Fire Safety Management System Compendium. These systems define responsibilities for relevant departments and cover hazard identification and mitigation, accident management, dust prevention, toxic substance control, fire and explosion prevention, warehouse safety, special operations management and safety education. Monthly Hazard Identification and Investigation Reports are generated to ensure effective implementation of safety management measures.

The Group has obtained ISO 45001 certification. Each business unit is required to formulate and implement specific measures to effectively manage occupational risks when outsourcing work or materials. The Group also organises regular safety inspections and implements 6S management practices within its factories to reinforce fundamental safety management and fully implement accident prevention measures. In addition, the Group continuously upgrades and renovates ageing equipment to enhance production safety management standards and strengthen safety foundations, thereby preventing the occurrence of various types of accidents.

In line with international safety standards, the Group prioritises the adoption of automated and intelligent equipment equipped with mandatory protective features, including high-performance photoelectric protection devices (light curtains), dual-hand interlocking start systems, emergency stop buttons and safety guards. For high-risk processes such as cutting, sewing and moulding, enhanced "human-machine separation" and error-proofing design modifications have been implemented to ensure that equipment can automatically shut down within milliseconds in the event of abnormal operations or accidental entry into hazardous areas. Employees assigned to special positions are required to obtain relevant qualifications or work permits prior to commencing duties.

The Group also closely monitors workplace exposure to hazardous factors in accordance with standards such as GBZ2.1 and GBZ2.2 on occupational exposure limits. Regular assessments and monitoring of workplace exposure risks are conducted across all factories, and weekly 6S inspections are carried out to minimise employee exposure to hazardous substances. For logistics operations, regular safety training and emergency drills are conducted, and warehouses are equipped with ventilation and heat mitigation measures to improve working conditions.

In addition, the Group has established an Emergency Command Centre and response teams. The Administration Management Centre's Environment, Health and Safety Department organises regular fire drills to ensure employees are prepared to respond effectively to emergency situations. Drill activities include fire prevention training, emergency response procedures, demonstrations of fire extinguisher and hydrant use, and practical exercises involving simulated fire extinguishing scenarios.

Over the past three years, the Group has not recorded any work-related fatalities.

FULFILLING SOCIAL RESPONSIBILITY

As a company deeply rooted in the sports industry, the Group is committed not only to delivering high-quality products to consumers but also to promoting the spirit of sport and advocating healthy lifestyles. Corporate citizenship is embedded into the core values of the brand, and the Group strives to give back to society through the unique power of sport, transmitting the values of resilience, perseverance, and inclusiveness to a broader audience.

Promoting Sports Development

The Group is dedicated to providing professional products and services to the mass sports community and actively promotes sports participation through sponsorship and organisation of various sporting events.

Developing Proprietary Sporting Events

Leveraging its proprietary IP events, the Group continues to strengthen its professional presence in road running, basketball, and emerging sports, building diversified vertical sports communities and fostering the comprehensive development of sporting spirit.

Road Running: The Group continues to operate its proprietary IP event, the "Track No. 3 10KM Race Series". Designed as a high-level competitive platform for elite runners, the event underwent a comprehensive format upgrade in 2024, becoming the first domestically branded sports company to host an independent IP road running event. In 2025, the event's influence further expanded, with semi-finals and road races successfully held in cities such as Wuhan and Jinan, supporting athletes in achieving competitive breakthroughs. Through its event organisation expertise, the Group also established the "Track No. 3 Running Club Alliance", effectively engaging a wide range of running enthusiasts.

Basketball: The proprietary IP event system "Light Up" (觸地即燃) has been further enhanced. The 2025 season opener was launched in Wuhan, followed by events in Hengyang, Wenzhou and Putian. The event series previously established four major competition categories and introduced overseas divisions for the first time, upgrading the visual experience through collaborations with trend art initiatives. At the same time, the Group continues to support youth sports development by promoting the "Ignite on Contact · Youth Basketball Training Camp" and youth competitions across multiple cities nationwide.

Emerging Sports: The Group actively expands into emerging sports such as skateboarding, badminton, and football. The skateboarding IP "Meet Up on Skateboards" (板上見) launched its 2025 city tour event in Guangzhou following successful tours in Shijiazhuang, Lanzhou and other cities in 2024. The badminton IP "SWING AS ONE" (一拍即合) concluded its first city competition in Dongguan, complemented by new product launches to support enthusiasts' competitive performance. The football IP "Prove it on the Field" (場上說) also provides a professional competitive platform through innovative competition formats.

Supporting Youth Sports Development

Over the years, the Group has continued to organise proprietary events and initiatives to support the development of youth sports. As an advocate of children's sports, 361° Kids organised 36 "Young Athletes" (運動少年) events across 25 cities, engaging over 35,000 families. These events promoted fundamental sports such as running and rope skipping through fun activities, supporting physical development among young participants. The "Rising Stars Arena" (聚星場) programme provided professional training guidance to nearly 1,800 children across nine cities, systematically empowering youth sports potential development. Through the innovative "Sports + Philanthropy" model, the Group continues to promote youth sports development and fulfil its social responsibility commitments.

In response to the national fitness initiative and in support of building a strong sporting nation, 361° Kids leveraged its brand advantages and nationwide network of over 2,000 retail stores to organise a nationwide rope skipping competition. Throughout the year, more than 300 events were held across 24 provinces, autonomous regions, and municipalities, covering over 100 cities and engaging approximately one million rope skipping participants. The competition attracted more than 100,000 participants, effectively promoting the popularisation and development of rope skipping and helping young people strengthen physical fitness, thereby fulfilling the brand's social responsibility.



Young Athletes Initiative



"Rising Stars Arena" Programme

On 10 July 2025, the "Jump Rope Shoes" group standard, led and jointly drafted by 361 Degrees, was officially released and came into effect on 15 July. The standard defines terminology and product structure for jump rope shoes and establishes systematic specifications covering technical requirements, testing methods, inspection rules, labelling and packaging. It addresses the long-standing absence of unified industry standards in China's jump rope sports equipment sector.

As a public technical specification, the introduction of this standard contributes to enhancing product safety, functionality and quality consistency. It provides consumers, particularly young people, with more reliable and fit-for-purpose sports equipment, supporting the standardised promotion of jump rope activities and aligning with national policies encouraging public fitness and youth sports development.

In advancing the implementation of the standard, the Group leveraged its R&D expertise and market experience in the jump rope footwear segment to provide substantive technical input. The adoption of this standard not only promotes collaboration and product quality improvement across the industry value chain, but also establishes measurable and supervisable technical benchmarks, contributing to a more transparent and orderly market environment.



Supporting Women's Health

The Group places strong emphasis on women's health and vitality and is committed to promoting broader participation of women in sports. To encourage greater female engagement in physical activity, the Group has continuously developed multiple women-focused sports product series in recent years, designed to meet the needs of diverse sporting scenarios and lifestyles.



International Yoga Day Programme

Sustained Social Contribution

Commitment to Philanthropy

As the brand continues to grow and evolve, the Group remains mindful of its corporate social responsibilities and actively engages in philanthropic initiatives to give back to society. The Group has established a dedicated Government Affairs Department to maintain regular engagement with provincial, municipal, and district-level authorities. Through systematic coordination, the Group aligns with local development priorities and social needs, translating policy advocacy into concrete actions. These initiatives are implemented in collaboration with recognised institutions such as the Red Cross, forming a sustainable and structured model for community contribution.

Initiatives	Social Impact
"Warm Dual Support" Philanthropic Initiative	Donated RMB10,000 in education grants to Yiqun Primary School; donated RMB4,000 each to the Elderly Associations of Dashanhou Village and Lizheng Village to support rural education and community elderly care, addressing the essential needs of vulnerable groups.
Disaster Relief Support	Donated cash and in-kind contributions valued at RMB8 million to provide winter relief supplies to earthquake-affected areas in Shigatse, Tibet. Donated cash and professional equipment totalling RMB15 million to support rescue and reconstruction efforts following the fire incident in Tai Po, Hong Kong. As at the date of this Report, the cash donation has been fully disbursed, while part of the in-kind donations remains in progress.
In-kind Donations	Donated apparel to the Red Cross to support charitable causes and convert resources into disaster prevention or poverty alleviation support, contributing to emergency response and public livelihood protection; received a certificate of honour from the Red Cross in recognition.
Educational Support	Mr. Ding Jiantong, Founder of the 361 Degrees Group, donated RMB20 million to Jinjiang Chendai Minzu Middle School for the construction and improvement of educational facilities. Mr. Ding Huihuang, Chairman of the Group, attended the donation ceremony, and the Chairman of the Jinjiang Municipal Committee of the Chinese People's Political Consultative Conference presented a commemorative plaque to recognise the Group's outstanding contribution to local education development.



In December 2025, the Group was awarded the title of "National Advanced Enterprise Trade Union for Dual Care and Evaluation" by the All-China Federation of Trade Unions. This recognition reflects the Group's nationally advanced standards in fostering harmonious labour relations and safeguarding employee rights, as well as its achievement of a positive and sustainable development cycle between the enterprise and its employees.

Supporting Employment of Persons with Disabilities

The Group actively fulfils its social responsibilities and has long been committed to supporting the employment and well-being of employees with disabilities. An annual investment of RMB5 million is allocated to ensure the provision of social insurance and related welfare benefits. Guided by the principles of understanding, respect, care and support, the Group provides suitable job positions aligned with individual physical conditions, designs personalised training programmes and ensures equal remuneration and treatment compared with other employees.

The Group is among the first members of the Jinjiang "Jin'ai Tongxing Enterprise Alliance for Supporting Persons with Disabilities". In 2023, it was the only enterprise in Quanzhou to be recognised by the China Disabled Persons' Federation as a "National Proportional Employment Base for Persons with Disabilities". In 2024, the Group was awarded dual recognition as a "National Proportional Employment Base for Persons with Disabilities" and a "Jin'ai Tongxing Alliance Supporting Unit".



Establishing Academic Exchange Platform

Guided by the Quanzhou Municipal Bureau of Industry and Information Technology and jointly organised by the Jinjiang Municipal Bureau of Industry and Information Technology and the Taiwan Affairs Office of the Jinjiang Municipal People's Government, the "361° Cup" Cross-Strait University Student Design Camp, hosted by the Jinjiang Industrial Design and Fashion Creativity Association and 361 Degrees Group, was successfully concluded. The event attracted participants from a wide range of universities, including Asia University, Shih Chien University (Kaohsiung), National Kaohsiung Normal University, China Academy of Art, Beijing Institute of Fashion Technology, Fuzhou University, Shaanxi University of Science and Technology, Hubei Institute of Fine Arts, Huaqiao University, Sanming University, Quanzhou Normal University and Xiamen University Tan Kah Kee College. The programme facilitated deep integration of industry, academia and research around footwear and apparel design.

Guided by the Quanzhou Municipal Bureau of Industry and Information Technology and hosted by the Jinjiang Municipal Bureau of Industry and Information Technology and the Jinjiang Municipal Government Taiwan Affairs Office, the "361° Cup" Cross Strait University Students' Design Camp, organised by the Jinjiang Industrial Design and Fashion Creativity Association and undertaken by the 361° Group, concluded successfully. The event attracted participants from universities including Asia University, National Kaohsiung University of Science and Technology, National Kaohsiung Normal University, China Academy of Art, Beijing Institute of Fashion Technology, Fuzhou University, Shaanxi University of Science and Technology, Hubei Institute of Fine Arts, Huaqiao University, Sanming University, Quanzhou Normal University and Xiamen University Tan Kah Kee College. Focusing on integrated industry academy research collaboration in footwear and apparel design, the camp received 99 garment design sketches, 48 valid entries, 8 prototypes; 34 footwear sketches, 16 valid entries, and 3 patent applications.



APPENDIX

Laws and Regulations

Aspects	Applicable Laws and Regulations	Corresponding Section
Environmental	- Environmental Protection Law of the People's Republic of China - Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution - Law of the People's Republic of China on Prevention and Control of Water Pollution - Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution - Law of the People's Republic of China on Prevention and Control of Environmental Noise Pollution	KEEPING ENVIRONMENTAL COMMITMENTS
Employment and Labour Standards	- Employment Ordinance (Cap. 57 of the Laws of Hong Kong); - Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong); - Employees' Compensation Ordinance (Cap. 282 of the Laws of Hong Kong); - Minimum Wage Ordinance (Cap. 608 of the Laws of Hong Kong); - Disability Discrimination Ordinance (Cap. 487 of the Laws of Hong Kong); - Race Discrimination Ordinance (Cap. 602 of the Laws of Hong Kong); - Sex Discrimination Ordinance (Cap. 480 of the Laws of Hong Kong); - Minimum Wage Standards; - Company Law of the People's Republic of China; - Labour Law of the People's Republic of China; - Law of the People's Republic of China on Promotion of Employment; - Social Insurance Law of the People's Republic of China; - Labour Contract Law of the People's Republic of China; - Regulations on Management of Housing Provident Fund in Xiamen; - Legal Protection of Rights and Benefits of the Peasant Workers; - Rules of the State Council on Working Hours of Workers and Staff Members; - Labour Standards Act (Taiwan); - Consolidation of Labour Laws (Consolidação das Leis do Trabalho, CLT) (Brazil); - Fair Labour Standards Act (FLSA) (United States); - Work and Security Act (Netherlands); and - Netherlands Working Conditions Act.	COMPLIANT AND HARMONIOUS EMPLOYMENT ENVIRONMENT
Health and Safety	- Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong); - Production Safety Law of the People's Republic of China; - Law of the People's Republic of China on Prevention and Control of Occupational Diseases; - Regulations on the Reporting, Investigation and Disposition of Work Safety Accidents; - Special Rules on the Labour Protection of Female Employees; and - Regulation on Work-Related Injury Insurance.	COMPLIANT AND HARMONIOUS EMPLOYMENT ENVIRONMENT
Product Responsibility	- The Law of the People's Republic of China on Product Quality; - The Fire Protection Law of the People's Republic of China; - The Metrology Law of the People's Republic of China; - Law of the People's Republic of China on the Protection of Consumer Rights and Interests; - The Patent Law of the People's Republic of China; - The Trademark Law of the People's Republic of China; - Copyright Law of the People's Republic of China; - Personal Data Protection Law; - Personal Data (Privacy) Ordinance (Cap 486 of the Laws of Hong Kong); and - General Data Protection Regulation (EU 2016/679).	OPERATIONAL EXCELLENCE AND PRODUCT RESPONSIBILITY
Anti-corruption	- Anti-Corruption Law of the People's Republic of China; - Law of the People's Republic of China on Anti-money Laundering; - Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong); and - Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong).	INTEGRITY AND COMPLIANT OPERATION

Environmental Performance Indicators

INDICATORS	UNIT	Year 2025	Year 2024
AIR POLLUTANTS ^{1,2}			
Nitrogen Oxides (NO _x)	kg	4,846.43	208.54
Sulphur Oxides (SO _x)	kg	1.49	2.05
Particulate Matter (PM)	kg	11.38	14.95
GHG EMISSIONS			
Scope 1 Direct GHG Emissions	tCO ₂ e	8,695.45	7,476.45
Scope 2 Indirect GHG Emissions	tCO ₂ e	25,919.69	27,492.95
Total Scope 1 and Scope 2 GHG Emissions	tCO ₂ e	34,615.13	34,969.40
Total Scope 1 and Scope 2 GHG Emission Intensity	tCO ₂ e / million RMB revenue	3.11	3.47
ENERGY CONSUMPTION			
Electricity (Mains Electricity)	MWh	48,849.87	51,235.47
Electricity (Renewable Energy)	MWh	5,774.06	5,652.79
Gasoline	L	83,078	116,847
Diesel	L	17,949	22,456
Natural Gas ³	m ³	3,900,593	3,302,253
Total Energy Consumption	MWh	96,252.29	92,659.52
Electricity Consumption Intensity	MWh / million RMB revenue	4.91	5.65
Total Energy Consumption Intensity	MWh / million RMB revenue	8.66	9.20
NON-HAZARDOUS WASTE			
Domestic and Commercial Solid Waste	t	1,860	1,910
Manufacturing Solid Waste	t	1,560	1,610
Non-hazardous Waste Intensity	t / million RMB revenue	0.31	0.35
HAZARDOUS WASTE			
Hazardous Waste	kg	1,123	1,147
Hazardous Waste Intensity	kg / million RMB revenue	0.10	0.11
WATER RESOURCES			
Water Consumption	t	1,388,451	1,353,198
Water Consumption Intensity	t / million RMB revenue	124.86	134.38
PAPER			
Paper Consumption	kg	7,262	8,000
Paper Consumption Intensity	kg / million RMB revenue	0.65	0.79
PACKAGING MATERIALS ⁴			
Cartons	t	6,731	6,257
Other Paper-based Packaging	t	247	247
Plastic Packaging	t	412	404
Total Packaging Consumption	t	7,390	6,907
Packaging Consumption Intensity	t / million RMB revenue	0.66	0.69

Notes: ¹ Current calculations of sulphur oxides (SO_x) and particulate matter emissions are derived from vehicle emissions; nitrogen oxides (NO_x) show a significant increase compared with 2024 data because combustion of natural gas was included in the calculation boundary during the Reporting Period;

² As the Group's fugitive emissions from production bases have been monitored and confirmed to be significantly below national standard limits, and in light of the intermittent operational mode, such emissions are not considered material environmental impacts and were not quantified separately for disclosure in the Reporting Period;

³ Natural gas consumption varies with product volumes and process requirements for certain production lines; however, overall energy consumption intensity continues to show a declining trend; and

⁴ Packaging material usage for 2024 has been restated due to an expanded and refined scope of packaging material statistics.

Social Performance Indicators

Indicator	Year 2025	Year 2024
Total Number of Employees	6,932	7,934
By Gender		
Male	3,047	3,985
Female	3,885	3,949
By Position		
General staff	6,620	7,594
Middle management	295	323
Director and senior management	17	17
By Age		
30 or under	1,843	2,587
31 to 40	2,304	2,587
41 to 50	1,643	1,625
51 or above	1,142	1,135
By Employment Type		
Full-time	6,932	7,934
Part-time	0	0
By Geographical Location ¹		
Chinese Mainland	6,922	7,921
Hong Kong SAR	9	12
Taiwan, China	1	1
Employee Turnover Rate	35.11%	38.12%
By Gender		
Male	44.17%	44.21%
Female	28.01%	31.97%
By Age		
30 or under	71.41%	54.69%
31 to 40	28.04%	33.30%
41 to 50	20.51%	32.17%
51 or above	11.82%	19.82%
By Geographical Location		
Chinese Mainland	35.13%	38.15%
Hong Kong SAR	22.22%	8.33%
Taiwan, China	0.00%	100.00%
Work Injury		
Number of work-related fatalities	0	0
Rate of work-related fatalities	0.00%	0.00%
Lost days due to work injury	478	724

Indicator	Year 2025	Year 2024
Total Number of Employees Trained	6,793	7,486
By Gender		
Male	2,940	3,739
Female	3,853	3,747
By Position		
General staff	6,496	7,190
Middle management	294	290
Director and senior management	3	6
Total Percentage of Employees Trained	97.99%	94.35%
By Gender		
Male	43.28%	49.95%
Female	56.72%	50.05%
By Position		
General staff	95.63%	96.05%
Middle management	4.33%	3.87%
Director and senior management	0.04%	0.08%
Total Training Hours ² (Hours)	42,062.0	27,917.4
By Gender		
Male	18,168.8	13,596.6
Female	23,893.2	14,320.8
By Position		
General staff	37,602.7	24,648.0
Middle management	4,442.4	3,261.8
Director and senior management	16.9	7.6
Average Training Hours (Hours)	6.07	3.52
By Gender		
Male	5.96	3.41
Female	6.15	3.63
By Position		
General staff	5.68	3.25
Middle management	15.06	10.10
Director and senior management	0.99	0.45
Total Number of Suppliers ³	650	499
Region Distribution		
Chinese Mainland	650	499
Others	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	21,034	20,863
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)	43,514,636	11,181,000

Notes: ¹ Within the reporting scope, employee office locations are all in Chinese Mainland; the above geographical distribution denotes employees' nationalities; ² During the Reporting Period, employee training hours increased significantly due to: (i) the expansion of employee training programmes; and (ii) the extensive adoption of the online learning platform "361° Academy", which substantially increased the frequency of online course delivery; and ³ For suppliers that maintain overseas offices but whose substantive supply operations are primarily undertaken by domestic entities, the actual location of supply activities, namely Chinese Mainland, is adopted as the statistical basis.

REPORT INDEX

Aspects, General Disclosures and KPIs	Description	Disclosure Sections
Part B: Mandatory Disclosure Requirements		
Governance Structure	A statement from the board containing the following elements: i. a disclosure of the board's oversight of ESG issues; ii. the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and iii. how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Board Statement Sustainable Governance Practice
Reporting Principles	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	About the Report
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About the Report
Part C: "Comply or explain" Provisions		
A1 Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Upholding Environmental Commitments Laws and Regulations
A1.1	The types of emissions and respective emissions data.	Environmental Performance Indicators
A1.3	Total hazardous waste produced and, where appropriate, intensity.	Environmental Performance Indicators
A1.4	Total non-hazardous waste produced and intensity.	Environmental Performance Indicators
A1.5	Description of emission target(s) set and steps taken to achieve them.	Goals and Actions
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Waste Management Goals and Actions

A2 Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Upholding Environmental Commitments
A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Environmental Performance Indicators
A2.2	Water consumption in total and intensity.	Environmental Performance Indicators
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Goals and Actions
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Resource Management Goals and Actions
A2.5	Total packaging material used for finished products and per unit produced.	Resource Management
A3 The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Upholding Environmental Commitments
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Upholding Environmental Commitments
B1 Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Compliant and Harmonious Employment Environment Laws and Regulations
B1.1	Total workforce by gender, employment type, age group and geographical region.	Social Performance Indicators
B1.2	Employee turnover rate by gender, age group and geographical region.	Social Performance Indicators
B2 Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Occupational Health and Safety Laws and Regulations
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Occupational Health and Safety
B2.2	Lost days due to work injury.	Social Performance Indicators
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Occupational Health and Safety

B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Talent Development and Incentives
B3.1	The percentage of employees trained by gender and employee category.	Social Performance Indicators
B3.2	The average training hours completed per employee by gender and employee category.	Social Performance Indicators
B4 Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Prohibition of Child and Forced Labour Laws and Regulations
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Prohibition of Child and Forced Labour
B4.2	Description of steps taken to eliminate such practices when discovered.	Prohibition of Child and Forced Labour
B5 Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Leading a Sustainable Value Chain
B5.1	Number of suppliers by geographical region.	Social Performance Indicators
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Leading a Sustainable Value Chain
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Leading a Sustainable Value Chain
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Leading a Sustainable Value Chain
B6 Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Quality Management High-quality Customer Service Laws and Regulations
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Social Performance Indicators
B6.2	Number of products and service-related complaints received and how they are dealt with.	Product Quality Management Social Performance Indicators
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Management
B6.4	Description of quality assurance process and recall procedures.	Product Quality Management
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Privacy Protection

B7 Anti-courruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Integrity and Compliant Operations Laws and Regulations
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption
B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
B8 Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Fulfilling Social Responsibility
B8.1	Focus areas of contribution.	Fulfilling Social Responsibility
B8.2	Resources contributed to the focus area.	Fulfilling Social Responsibility Social Performance Indicators
Part D: Climate-related Disclosures		
(I) Governance		
Paragraph 19	An issuer shall disclose information about: (a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about: i. how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities; ii. how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities; iii. how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; iv. how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance are included in remuneration policies (see paragraph 35); and (b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about: i. whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and ii. whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	Board Statement Governance Structure Addressing Climate Change
(II) Strategy		
Paragraph 20	An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall: (a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term; (b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk; (c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and (d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	Addressing Climate Change

(II) Strategy		
Paragraph 21	An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose: (a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and (b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	Addressing Climate Change
Paragraph 22	An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose: (a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about: i. current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities; ii. current and anticipated adaptation and mitigation efforts (whether direct or indirect); iii. any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and iv. how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and (b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	Addressing Climate Change Green Initiatives
Paragraph 23	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	Addressing Climate Change Green Initiatives
Paragraph 24	An issuer shall disclose qualitative and quantitative information about: (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and (b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	Addressing Climate Change
Paragraph 25	The issuer shall provide qualitative and quantitative disclosures about: (a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: i. its investment and disposal plans; and ii. its planned sources of funding to implement its strategy; and (b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	Addressing Climate Change

Paragraph 26	An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose: (a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of: i. the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis; ii. the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and iii. the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term; (b) how and when the climate-related scenario analysis was carried out, including: i. information about the inputs used, including: ①. which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; ②. whether the analysis included a diverse range of climate-related scenarios; ③. whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; ④. whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; ⑤. why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; ⑥. time horizons the issuer used in the analysis; and ⑦. what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis); ii. the key assumptions the issuer made in the analysis; and iii. the reporting period in which the climate-related scenario analysis was carried out.	Addressing Climate Change
(III) Risk Management		
Paragraph 27	An issuer shall disclose information about: (a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about: i. the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes); ii. whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks; iii. how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria); iv. whether and how the issuer prioritises climate-related risks relative to other types of risks; v. how the issuer monitors climate-related risks; and vi. whether and how the issuer has changed the processes it uses compared with the previous reporting period; (b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and (c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	Addressing Climate Change

(IV) Metrics and Targets		
Paragraph 28	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO2 equivalent, classified as: (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions.	Addressing Climate Change Environmental Performance Indicators
Paragraph 29	An issuer shall: (a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions; (b) disclose the approach it uses to measure its greenhouse gas emissions including: i. the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; ii. the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and iii. any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes; (c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and (d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	Addressing Climate Change Environmental Performance Indicators
Paragraph 30	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Addressing Climate Change
Paragraph 31	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Addressing Climate Change
Paragraph 32	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Addressing Climate Change
Paragraph 33	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Addressing Climate Change
Paragraph 34	An issuer shall disclose: (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	Addressing Climate Change
Paragraph 35	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	Addressing Climate Change
Paragraph 36	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterize participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	Addressing Climate Change

Paragraph 37	An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose: (a) the metric used to set the target; (b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives); (c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region); (d) the period over which the target applies; (e) the base period from which progress is measured; (f) milestones or interim targets (if any); (g) if the target is quantitative, whether the target is an absolute target or an intensity target; and (h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	Addressing Climate Change
Paragraph 38	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including: (a) whether the target and the methodology for setting the target has been validated by a third party; (b) the issuer's processes for reviewing the target; (c) the metrics used to monitor progress towards reaching the target; and (d) any revisions to the target and an explanation for those revisions.	Addressing Climate Change
Paragraph 39	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Addressing Climate Change
Paragraph 40	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose: (a) which greenhouse gases are covered by the target; (b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; (c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target; (d) whether the target was derived using a sectoral decarbonisation approach; and (e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose: i. the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; ii. which third-party scheme(s) will verify or certify the carbon credits; iii. the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and iv. any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	Addressing Climate Change Environmental Performance Indicators
Paragraph 41	In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	Not yet disclosed



Independent Limited Assurance Report

To the Management of 361 Degrees International Limited

1. Limited Assurance Conclusion

Hong Kong Quality Assurance Agency ("HKQAA", "we", "our", "us") was engaged by 361 Degrees International Limited ("the Company") to conduct an independent limited assurance engagement on the sustainability disclosures ("Sustainability Disclosures") presented in its 2025 Environmental, Social and Governance Report ("the Report") for the reporting period from 1 January 2025 to 31 December 2025 ("Reporting Period") and issue this Independent Assurance Report ("Assurance Report").

Based on the procedures performed, evidence obtained, and subject to the stated assumptions, dependencies, boundaries, limitations, and exclusions set out in Appendix A, nothing has come to our attention that causes us to believe that the Sustainability Disclosures are not presented, in all material respects, in accordance with the requirements of the ESG Reporting Code.

2. Engagement Overview

The objective of this sustainability assurance service is to provide an independent conclusion, with a limited level of assurance, on whether the Sustainability Disclosures have been prepared in accordance with the following reporting criteria:

The Environmental, Social and Governance Reporting Code ("ESG Reporting Code") set out in Appendix C2 of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited.

For the avoidance of doubt, the Appendices listed at the end of this Assurance Report form an integral part of it, though certain Appendices are intended for the Company's internal use only. For reference, a generic version of Appendix A (which sets out the assumptions, dependencies, boundaries, limitations, exclusions, roles and responsibilities, and independence applicable to this engagement) is publicly available on the HKQAA website (www.hkqaa.org) under the navigation path: News & Resources > Guides & Forms > Guidelines > Sustainability Assurance.

3. Basis for Conclusion

HKQAA's assurance procedure was conducted in accordance with the International Standard on Sustainability Assurance 5000, General Requirements for Sustainability Assurance

Engagements ("ISSA 5000"), issued by the International Auditing and Assurance Standards Board ("IAASB").

A limited assurance engagement involves performing procedures that vary in nature and extent from those performed for a reasonable assurance engagement. Accordingly, the level of assurance obtained is substantially lower than that obtained in a reasonable assurance engagement.

In conducting this engagement, we confirm our independence from the Company. The engagement team performed the engagement in accordance with the HKQAA Code of Conduct. Based on the procedures performed and the evidence obtained, we consider the evidence sufficient and appropriate to form a basis for our conclusion.

4. Responsibilities for the Sustainability Disclosures

The Company's management is responsible for the preparation of the Sustainability Disclosures in accordance with the applicable reporting criteria, and for designing, implementing and maintaining such internal controls as it determines necessary to enable the preparation of Sustainability Disclosures that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Company's sustainability reporting process.

5. Responsibilities of the Engagement Team

Our responsibility is to plan and perform this engagement to obtain limited assurance about whether the Sustainability Disclosures are free from material misstatement, whether due to fraud or error, and to issue this Assurance Report that includes our conclusion.

Misstatements can arise from fraud or error and are considered material if they could reasonably be expected to influence the decisions of users taken on the basis of the Sustainability Disclosures.

As part of this engagement, we exercise professional judgment and maintain professional skepticism, perform risk assessment procedures including obtaining an understanding of relevant internal controls (but not for the purpose of providing a

conclusion on their effectiveness), and design and perform procedures responsive to assessed risks. As fraud is inherently more difficult to detect than unintentional error, the risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error.

6. Summary of Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Disclosures. The nature, timing and extent of procedures selected depend on professional judgment, including the assessed risks of material misstatement, whether due to fraud or error.

Our assurance procedures included, but were not limited to:

- reviewing relevant policies, procedures, relevant documentation and records provided by the Company, including those related to sustainability related information such as governance, risk identification, and performance metrics;
- interviewing key management and responsible personnel of the Company for reporting and sustainability related governance;
- conducting analytical reviews of disclosures for plausibility and consistency with relevant external frameworks and internal supporting data;
- selecting representative samples of disclosures, with a focus on materiality and risk, and assessing the underlying evidence for each sample using judgmental sampling;
- evaluating the transparency of disclosed assumptions, dependencies, and boundaries; and
- assessing the completeness of coverage with respect to the requirements of the reporting criteria, including reviewing methodologies used for estimations, sensitivity analyses, and disclosures of uncertainties.

This Assurance Report is made solely for the use of 361 Degrees International Limited and the users of its 2025 Environmental, Social and Governance Report, and for use in accordance with the reporting criteria stated in Section 2 of this Assurance

Report. We do not accept or assume responsibility for any other purpose or to any other person to whom this Assurance Report is shown or in whose hands it may come.

The engagement leader on the assurance engagement resulting in this Assurance Report is Irene Soo.

Signed on behalf of Hong Kong Quality Assurance Agency

Hong Kong, PRC
18 March 2026
Ref: 14993155



361 Degrees International Limited

STOCK CODE: 1361