



TOPSPORTS INTERNATIONAL HOLDINGS LIMITED

滔搏國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 6110

BORN TO DARE



2025/26

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT





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About this Report

Topsports International Holdings Limited (hereinafter “Topsports” or the “Company”) and its subsidiaries (collectively, the “Group”) are pleased to present this seventh Environmental, Social and Governance (“ESG”) Report (the “Report”). The Report sets out the Group’s philosophy, governance, actions and performance on ESG matters, and responds to the interests and expectations of our stakeholders regarding the Group’s sustainability management.

Reporting Scope

The Report covers the financial year from 1 March 2025 to 28 February 2026 (the “Reporting Period” or “FY2025/26”). To enhance comparability and completeness, certain content extends to prior years where relevant. The Report primarily covers the Group’s sportswear retail business.

Reporting Basis

This Report has been prepared in accordance with Appendix C2 *Environmental, Social and Governance Reporting Code* (the “ESG Reporting Code”) to the *Rules Governing the Listing of Securities* (the “Listing Rules”) of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”), with reference to *IFRS S2 Climate-related Disclosures* (IFRS S2) issued by the International Sustainability Standards Board (ISSB), and has been prepared in light of the Group’s current stage of development and its actual ESG practices.

Reporting Principles

The Report has been prepared in accordance with the following reporting principles:

Materiality:	Material stakeholders have been identified during the preparation process to ensure that issues and information of stakeholder interest are disclosed. A materiality matrix is presented, together with the methodology and outcomes of our materiality assessment.
Quantitative:	Key environmental and social performance indicators are presented in quantitative form, accompanied by explanatory notes that clarify their purpose and significance.
Balance:	The Report is prepared on an objective and impartial basis. Its content is drawn from internal management documents, statistical records, public disclosures and media reports, providing a balanced account of the Group's ESG performance and avoiding any bias that may mislead stakeholders.
Consistency:	Statistical methodologies are disclosed within the Report and will be applied consistently in subsequent reporting periods.

Sources of Information

Information and data cited in this Report are drawn from the Group's official documents, statistical reports, internal records and relevant publicly available materials.

Access to the Report

An electronic version of this Report is available on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and on the Group's corporate website (www.topsports.com). In the event of any discrepancy between the Chinese and English versions, the Chinese version shall prevail. Your feedback is valuable in helping us further refine this Report and enhance the Group's overall ESG performance. For any enquiries or suggestions, please contact us at ir@topsports.com.cn.

01

ESG Strategy and Management

1.1 Chairman's Message

On behalf of the Board, I would like to extend my sincere appreciation to our partners, employees, consumers, investors and friends from all sectors of society who have walked alongside us. Over the past year, guided by our ESG vision—to *become a promoter and leader of green consumption by co-building a sustainable ecosystem and creating shared value*—we have continued to embed Environmental, Social and Governance (ESG) considerations into our corporate strategy and day-to-day operations against the backdrop of the global sustainability movement and ongoing industry transformation, responding to the issues of our time through tangible action and the pursuit of long-term value.

We firmly believe that sound governance is the foundation of sustainable development. During the Reporting Period, we further strengthened our ESG governance structure to ensure that sustainability matters receive proper consideration and resource support at the highest level of decision-making. In response to the defining challenge of climate change, and building on our ten-year decarbonisation targets, we conducted our first climate scenario analysis to enhance risk identification and management, and to embed climate resilience into the Group's long-term planning.

We have continued to advance the low-carbon transition of our operations, translating energy conservation and emissions reduction into concrete practices across green stores, efficient logistics and paperless offices. During the Reporting Period, the Group's Scope 1 and Scope 2 greenhouse gas emissions decreased by approximately 16% year-on-year. Our sustainability efforts extend beyond our own operations: upstream, we work hand-in-hand with brand partners to advance sustainable raw material sourcing and eco-friendly product innovation; downstream, our GREENBOX public welfare initiative has reached over 90 million consumers, transforming our offline stores into vibrant platforms for environmental advocacy and bringing the principles of circularity to life at the point of consumption. This green collaboration across the value chain is the most sincere expression of our commitment to ecosystem co-creation.

We are equally committed to fostering a diverse, equitable and dynamic workplace, and to unlocking the potential of every employee through robust training, development and care mechanisms. At the same time, we regard our commitment to quality and integrity as a fundamental imperative. From rigorous product quality controls and comprehensive information security safeguards to our zero-tolerance anti-fraud framework, we strive to build an operational foundation that earns the lasting trust of consumers, partners and investors alike.

Looking ahead, sustainability is about how we manage risk with greater resilience, how we innovate to meet consumers' aspirations for greener lifestyles, and how we build deeper trust with partners who share our values. We look forward to continuing this journey with all our stakeholders—not only as a creator of commercial value, but also as a champion of sustainable lifestyles, an enabler of diverse talent, and a steadfast guardian of business ethics—working together towards a more sustainable future!

Yu Wu

Chairman and CEO

Hong Kong, 27 May 2026



1.2 About the Group

Topsports Overview

The Group is one of China's leading sportswear retail operators, working closely with brand partners and other participants in the sports industry. Through an omni-channel ecosystem encompassing physical stores, platform e-commerce, content e-commerce and private-domain operations, we maintain seamless engagement with a cumulative user base of over 90 million, delivering quality products, professional services and rewarding experiences that support an active, healthy and joyful sporting lifestyle.

The Group has established strategic partnerships with more than 20 renowned sportswear and footwear brands, including Nike, adidas, PUMA, The North Face, Timberland, ASICS, Onitsuka Tiger, LI-NING, HOKA ONE ONE, KAILAS, norda®, Norrøna and Ciele. Our products and services span comprehensive sports, professional sports, lifestyle sports and IP-driven categories. We provide our brand partners with access to the China market and consumer insights, and aspire to serve as a one-stop omni-channel operating partner for a broader group of collaborators, delivering full-scenario retail services and value-added experiences to consumers.

The Company was listed on the Main Board of the Hong Kong Stock Exchange in October 2019 (Stock Code: 6110). The Company holds an MSCI ESG Rating of AA, a leading position among listed companies in China's sports footwear and apparel industry.



Vision

Strive to build a platform catering to the consumers' need for sportswear and healthy lifestyle and to become global first-class sports retail operator



Brand Value Proposition

Fostering joyous sports experiences and lifestyle



Mission

Break boundaries through sports and inspire limitless possibilities



Core Brand Spirit

Born to Dare

Annual Highlights

Annual revenue

RMB **25,739.9** million

Annual net profit*

RMB **1,266.8** million

Annual total dividend payout ratio

137%

Bank balances and cash

RMB **2,073.5** million

Brand partners

20+

Number of directly operated stores

4,000+

Number of users

>90 million

Total energy consumption

down **15.5%** YoY

Water consumption

down **33.4%** YoY

3 tonnes of recycled old apparel and shoes

Conducted the climate scenario analysis to strengthen climate risk management for
the First time

All directly operated stores nationwide uniformly used shopping bags made of

100% degradable all-wood pulp white kraft paper

Scope 1 and Scope 2 GHG emissions

down **16%** YoY

of brand partners (or their parent groups) have set carbon reduction targets

>70%

of brand partners or their parent groups have promised to achieve carbon neutrality by 2050

>50%

of partner brands provide eco-friendly products procured by the Group

>50%

Online e-commerce platform consumer satisfaction

90%

Number of employees

22,376

Female employee ratio

84.1%

Female executive ratio

53.0%

Employee training coverage

>95%

of revenue comes from sales of products of ZDHC-certified brands

>85%

of suppliers have signed Integrity Agreements

100%

* Net profit refers to profit attributable to the Company's equity holders

1.3 ESG Strategy

Statement from the Board of Directors

The Board of the Group attaches the highest importance to sustainable development. In strict compliance with the ESG Reporting Code of the Hong Kong Stock Exchange, the Board continuously refines and embeds the responsibilities and authorities at each level of the ESG governance structure, and progressively strengthens its oversight of, and engagement in, the Group's environmental, social and governance matters.

As the Group's highest decision-making body, the Board is tasked with establishing the ESG strategy and framework. It identifies, assesses, manages, and monitors ESG-related risks and opportunities, sets management objectives, and develops strategies. Additionally, the Board ensures that the Group maintains keen insights in a complex and ever-changing external environment. The Board regularly reviews work reports to gain a comprehensive understanding of the implementation of ESG management measures, thoroughly assesses the achievement of objectives, and promptly adjusts strategies based on actual conditions. The Board also reviews the ESG agenda, identifies key disclosure elements for the report, and evaluates and approves the ESG report to proactively meet the expectations of all stakeholders, thereby ensuring the Group's sustainable development.

ESG Strategy

As the largest sports retail operator in China, the Group has consistently upheld its corporate social responsibility. Based on its business positioning and role within the industry chain, the Group has clearly defined its ESG vision: "To become a promoter and leader of green consumption by collaboratively building a sustainable ecosystem and achieving win-win values." The Group remains dedicated to playing a pivotal role in connecting the upstream and downstream sectors in the industry's sustainability journey, fostering the development of a green and low-carbon ecological chain, and spearheading green consumption.

ESG Vision

To become a promoter and leader of green consumption by jointly building a sustainable ecosystem and achieving win-win values.



TOP Procurement and Collaboration

Take on more sustainable corporate responsibilities and jointly build the low carbon value chain among the ecosystem with other stakeholders through sustainable supply chain management.



TOP Consumption and Lifestyle

Advocate for the concept of green consumption, provide safe and high-quality consumer services, to drive forward the concept of a green and healthy sporting lifestyle.



TOP Governance and Responsibility

Actively assume corporate social responsibilities, build a diverse, equal, and inclusive culture, to achieve top-notch corporate governance.

ESG Sub-sections



— TOP Governance and Responsibility — TOP Procurement and Collaboration — TOP Consumption and Lifestyle

Mutually forge the green ecosystem as one

Build a green and low-carbon ecosystem with industry partners by promoting the use of more sustainable materials and reducing GHG emissions throughout value chain.

Green consumption and quality services

Promote the concept of a sustainable lifestyle to consumers and continue protecting user privacy.

Diversity, equality, inclusion, and coexistence

Safeguard employees' rights and interests as well as career development to build a healthy corporate culture and environment.

Plant for a better community and support to public welfare

Undertake corporate social responsibility and actively participate in community construction to build a harmonious society.

Compliance, ethics, transparency

Continuously improve the sustainable governance system in regard to international governance standards.

1.4 ESG Highlights of the Reporting Period

Mutually Forge the Green Ecosystem as One

Our Goals	Our Achievements
Build a green and low carbon ecosystem with industry partners by promoting the use of more and sustainable materials and reducing GHG emissions throughout value chain. Respond to SDGs      	• In FY2025/26, absolute Scope 1 and Scope 2 greenhouse gas emissions decreased by 16% year-on-year (with FY2024/25 as the baseline year). • Total energy consumption, water consumption and packaging material consumption decreased by 15.5%, 33.4% and 52.4% respectively compared with the previous financial year. • As at the end of the Reporting Period, the Group worked with more than 20 brand partners*, with eco-friendly products procured from over 50% of them. • Over 70% of brand partners (or their parent groups) have established carbon reduction targets. • Over 50% of brand partners (or their parent groups) have committed to carbon neutrality targets by 2050. • Among the leather raw materials used by one of our major brand partners, 99% has been certified by the Leather Working Group (LWG), the vast majority of which is sourced from Gold-rated tanneries. • All directly operated stores nationwide have adopted shopping bags made from 100% biodegradable virgin wood-pulp kraft paper. • As at the end of the Reporting Period, over 85% of stores had been equipped with energy-efficient LED lighting. • The Group's first climate scenario analysis was conducted, providing a systematic assessment of the physical and transition risks of climate change to its business. • The <i>Supplier Code of Conduct</i> has been implemented, setting out clear requirements for responsible raw material sourcing and ensuring that all products are obtained through compliant and sustainable channels; 100% of suppliers have signed the <i>Integrity Commitment Letter</i>. • Low-carbon collaboration with logistics partners has been further deepened, with comprehensive measures advanced across energy-efficient retrofitting of warehousing facilities, the use of green packaging materials and the deployment of new-energy delivery fleets, thereby reducing the carbon footprint of product warehousing and distribution.

* Refers to Nike, adidas, Timberland and similar brands; the same applies hereinafter.

Green Consumption and Quality Services

Our Goals	Our Achievements
Promote the concept of a sustainable lifestyle to consumers and continue protecting user privacy. Respond to SDGs    	- Continued development of the GREENBOX public welfare IP, with initiatives such as the <i>Recycle & Renew Program</i>, <i>Footwear and Apparel Renewal Initiative</i> and <i>Healing Energy: Circular Renewal</i>, recycling close to 3 tonnes of pre-owned items in aggregate and delivering an estimated reduction of approximately 10 tonnes of carbon emissions, further advancing green consumption. - Over 85% of the Group's revenue was generated from sales of products of sportswear brands certified under the Zero Discharge of Hazardous Chemicals (ZDHC) program. - Standardized the use and management of chemicals in the production process of FOSS brand products by referring to the Self-owned Product Restricted Substances List of FOSS Brand and Overview of Self-owned Product Development and Production Process of FOSS Brand. - Consumer surveys have been conducted across online e-commerce platforms, achieving a satisfaction score of close to 90%. - The Group contributed to industry standard-setting; the <i>Operational Efficiency Indicator System for Omni-channel Retail</i>, co-drafted with the Group as one of the principal authors, was published during the year. - The Group obtained the <i>Data Management Capability Maturity Model (DCMM) – Level 4 (Quantitatively Managed)</i> certification from the China Federation of Electronics and Information Industry, with independent external audits conducted at least annually. - The <i>Privacy Statement</i> was updated, with new requirements added regarding the collection, use, security protection and storage management of personal information.

Diversity, Equality, Inclusion, and Coexistence

Our Goals

Safeguarding employee rights and career development, and fostering a healthy corporate culture

Respond to SDGs



Our Achievements

- The Group employs 22,376 people from 31 ethnic groups, including approximately 1,200 employees of ethnic minority backgrounds, representing more than 5% of the total workforce.
- As at the end of the Reporting Period, female employees accounted for 84.1% of the total workforce.
- During the Reporting Period, approximately 500 online learning programs and close to 200 in-person training sessions were delivered across the Group, with overall training coverage exceeding 95%.
- Under the Group's *Employee Rights Policy*, the rights and welfare of every employee are safeguarded, with a wide range of allowance schemes, flexible working arrangements and non-statutory leave benefits provided to enable shared growth between the Group and its people.
- The Group received multiple "Best Employer" accolades from across the market, including being named an "2025 Shanghai Extraordinary Employer of the Year" by Liepin.

Plant for A Better Community and Support to Public Welfare

Our Goals	Our Achievements
Undertake corporate social responsibility and actively participate in community construction to build a harmonious society. Respond to SDGs    	• In collaboration with brand partners, launched the nationwide ESG public welfare initiative <i>Healing Energy: Circular Renewal</i>, with relevant funds used for stray pet rescue. • Together with brand partners, the Group launched the Trace and Renew environmental initiative to advance resource circularity. • Top Esports carried out public welfare activities across ecological conservation, animal welfare, cultural heritage preservation and educational support.

Compliance, Ethics and Transparency

Our Goals	Our Achievements
Continuously improve the sustainable governance system in regard to international governance standards. Respond to SDGs  	• Employee conduct standards and disciplinary requirements are set out in the <i>Code of Business Conduct</i>, encouraging employees to work with the Group towards higher standards of business ethics. • Anti-fraud training courses were delivered to all employees of the Group via the Topsports Academy, achieving 100% coverage. • The <i>Supplier Code of Conduct</i> has been implemented, with suppliers encouraged to establish their own anti-corruption policies; the <i>Integrity Agreement</i> has been signed with all suppliers. • In line with the principle of truthful disclosure, the Group has strengthened its marketing compliance management to ensure that promotional campaigns and day-to-day marketing activities are conducted in an orderly and compliant manner.

Sustainability Ratings, Key Awards and Certifications



Maintained MSCI ESG rating of AA level*, ranking among the industry leaders.

Topsports International Holdings

MOST HONORED COMPANY

2025 All-Asia Executive Team



Named "Most Honored Company" in the Consumer Discretionary sector by the internationally renowned financial magazine Extel (formerly Institutional Investor) for five consecutive years, ranking first overall across all participating individual categories, including "Best CEO", "Best Investor Relations", "Best ESG" and "Best Board of Directors".



Listed on the Fortune China 500 in 2025



Named an Environmentally Friendly Pioneer Enterprise of 2025 by Southern Metropolis Daily



2025 CLS Zhiyuan Award – Social Responsibility (S) Pioneer Enterprise Award



The "GREENBOX" Public Welfare IP Project was recognised as a 21st Century Vitality · ESG Social Responsibility Case



Ranked among the Top 10 of the "China Fashion Retail and Fashion Consumption TOP 100" by the China Chain Store & Franchise Association for three consecutive years



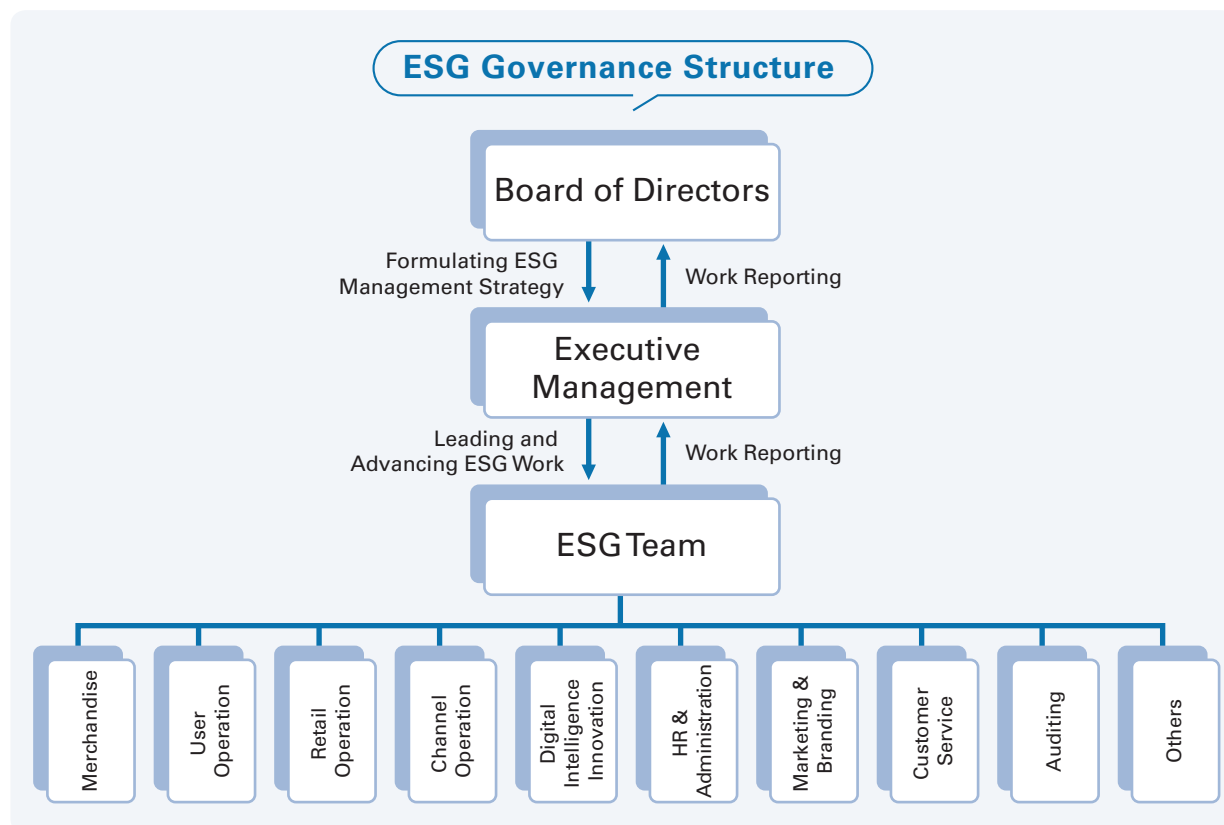
Named in the "2025 High-Quality Consumer Brands TOP 100" jointly released by Southern Metropolis Daily and the Guangdong Chain Store & Franchise Association, and recognised as a "Consumer Innovation Case"

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1.5 ESG Governance Structure

The Group attaches significant importance to building its environmental, social and governance (ESG) framework. By establishing a multi-tiered ESG governance structure centred on the Board, the Group has continued to strengthen the Board's role in the strategic oversight of ESG matters. Embedding ESG principles into major business decisions and day-to-day operations has enhanced the Group's sustainability capabilities and laid an institutional foundation for high-quality and sustainable development.

The Group's ESG strategy is formulated under the overall responsibility of the Board, ensuring close alignment with the Group's broader strategic direction. Acting on the ESG strategy, management defines specific work plans and leads cross-departmental collaboration to advance ESG initiatives. The ESG Team is responsible for implementing measures across key areas of ESG management in day-to-day operations and reports its progress to management and the Board on a regular basis. The Working Group also collects and consolidates ESG-related information and quantitative data, and prepares the Group's annual ESG report, presenting a comprehensive view of the Group's sustainability efforts and outcomes.



1.6 Stakeholder Engagement and Materiality Assessment

Stakeholder Engagement

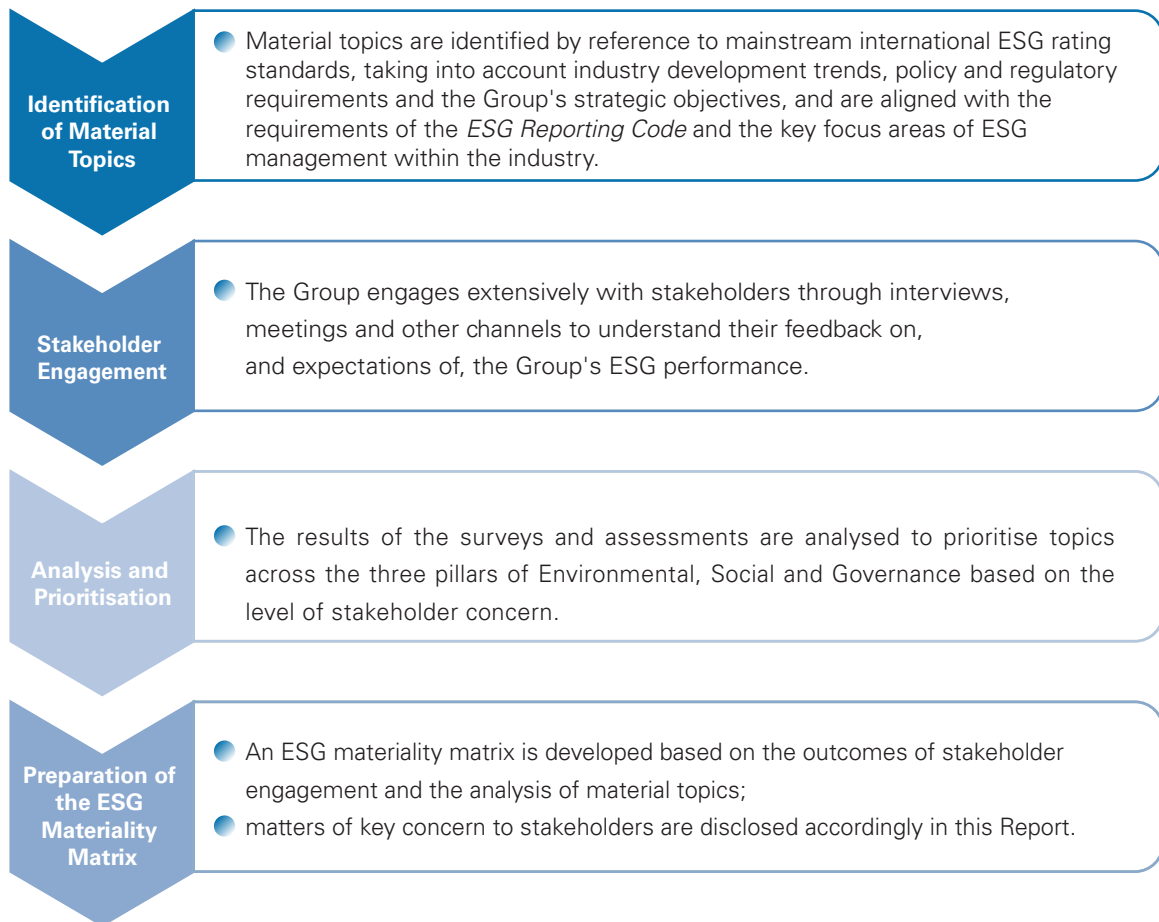
The Group recognizes that close and open dialogue with stakeholders is essential to translating its ESG strategy into action and to achieving sustainable development. To this end, the Group has established a structured engagement mechanism, drawing on a range of regular communication channels to listen to, respond to and where appropriate adopt stakeholder views, thereby enhancing the precision and effectiveness of its ESG management and laying a solid foundation for a sustainable future.

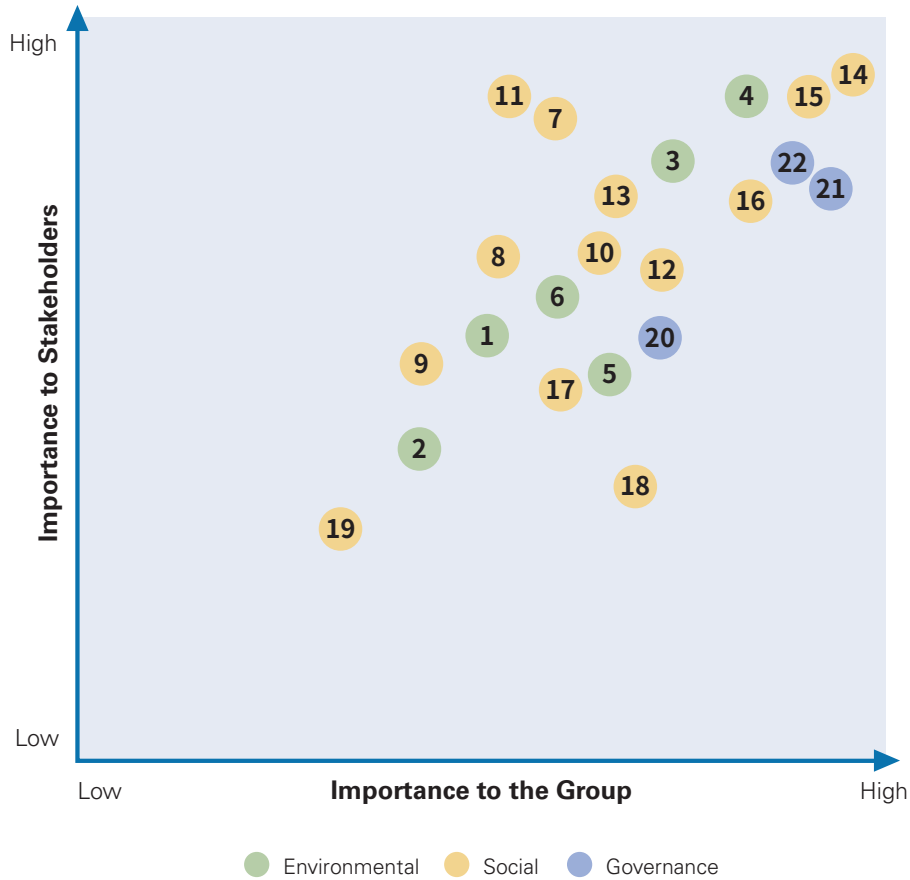
Stakeholder Category	Demands and Expectations	Communication and Response during the Reporting Period
Government and Regulatory Authorities	Legal Compliance and Tax Payment Response to national policies Strategic project cooperation	Strengthening compliance management Responding to and Implementing National Policies Promoted fair competition within the industry
Investors and Shareholders	Financial performance and returns Information disclosure and transparency Sustainable profitability	Held shareholder meetings and annual and interim results presentations In-depth exchanges with shareholder representatives and investors Participated in various investor summits and strategy meetings Conducted domestic and international roadshow activities
Consumers	Product quality assurance Quality of consumer services Protection of consumer information Ethical marketing	Ongoing collection of and response to consumer feedback Conducted consumer satisfaction surveys
Employees	Protection of employee rights Career development opportunities Remuneration and benefits Employee care	Communication through routine work meetings, forums, social media platforms and the Topsports Academy online learning system Employee care activities
Suppliers and Partners	Integrity in cooperation Win-win cooperation Fairness and openness	Improved supplier management mechanism Conducted project expansion and cooperation

Stakeholder Category	Demands and Expectations	Communication and Response during the Reporting Period
Industry Associations and Media	Compliance with industry norms Promotion of industry development Information transparency	Participated in industry discussions and exchanges Attended media interviews
Community	Community engagement Fulfilment of community responsibilities	Organized various social welfare activities

Materiality Assessment

During the Reporting Period, the Group undertook a structured review of stakeholder concerns and expectations on sustainability matters. Drawing on internationally recognized ESG frameworks, and with reference to industry trends, regulatory developments and the Group's strategic priorities, we evaluated the potential scale and scope of impact of each topic to establish the prioritization of our sustainability agenda. The key steps are set out below:





Environmental

- 1 Packaging Materials
- 2 Waste Management
- 3 Green Store Operations
- 4 Addressing Climate Change
- 5 Energy and Resource Use
- 6 Green Logistics

Social

- 7 Remuneration and Benefits
- 8 Equality, Inclusion and Diversity
- 9 Occupational Health and Safety
- 10 Employee Training and Development
- 11 Protection of Employee Rights
- 12 Responsible Sourcing
- 13 Supply Chain Management
- 14 Product Quality and Health
- 15 Customer Service and Satisfaction
- 16 Information Security and Privacy Protection
- 17 Responsible Marketing
- 18 Digital Operations
- 19 Philanthropy and Charity

Governance

- 20 Intellectual Property Protection
- 21 Compliance and Sound Operations
- 22 Anti-corruption and Business Ethics

02

Mutually Forge the Green Ecosystem as One

— *Joining Hands to Address Climate Change*

The Group is committed to green development, adheres rigorously to environmental requirements, and embeds low-carbon principles in its day-to-day operations. The Group promotes clean energy, advances low-carbon practices, and broadens the application of sustainable materials, while strengthening resource efficiency and waste reduction to continually enhance its environmental management performance and foster harmony between people and nature.

ESG Topics Covered in This Chapter

Green Store Operations
Packaging Materials
Waste Management
Addressing Climate Change
Energy and Resource Use
Green Logistics
Responsible Sourcing
Supply Chain Management

SDGs Addressed in this Chapter



2.1 Green Office Operations

The Group complies with the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, the *Energy Conservation Law of the People's Republic of China* and other applicable regulations. Internal policies such as the *ESG Environmental Protection and Energy Conservation Management, Waste Treatment and Fire Safety Measures* guide day-to-day practice across retail stores, logistics and warehousing, and office administration, where energy-saving, waste reduction and water conservation measures are rolled out and progress against environmental targets is tracked. During the Reporting Period, the Group recorded no major environmental pollution incidents and no environmental administrative penalties.

Targets on Energy, Water and Waste Management		Progress
Energy Conservation	Adopting energy-efficient technologies and lower-impact operating models, advancing green operations and office practices. improving energy efficiency, and encouraging green commuting to cut greenhouse gas emissions.	Total energy consumption reached 1,950.43 MWh, down 15.51% year-on-year.
Waste Reduction	Promoting waste sorting and paperless office practices. raising the reuse rate of office supplies and packaging, and embedding circularity to reduce waste at source.	Non-hazardous waste generation totalled 20.93 tonnes, down 29.96% year-on-year.
Water Conservation	Maintaining water facilities and equipment, rolling out water-saving measures. and building water-conservation awareness among employees.	Water consumption stood at 8,842.46 m ³ , down 33.37% year-on-year.

Green Operations

The Group is reducing its environmental footprint across stores and offices. Stores are being upgraded with energy-efficient equipment and lower-impact materials. Offices are going digital to cut paper and energy use. Waste management has been tightened, with improved sorting, recycling and resource recovery across the business. practicing green office concepts, advocating digitalization and energy conservation; improving waste management processes, strengthening classified recycling and resource utilization, and comprehensively advancing the synergistic development of business operations and environmental protection.

Green Initiatives in Stores:

Optimized Electricity Consumption Management	Store electricity guidelines set out an on-demand usage principle: unnecessary long-hour lighting is switched off, “lights off when leaving” is reinforced as a habit. and consumption is adjusted in line with weather conditions to cut waste.
Store Energy Efficiency	Lighting upgrades continue across the network. By the end of the Reporting Period, more than 85% of stores had switched to energy-efficient LED lighting, lifting energy efficiency materially.
Eco-friendly Packaging	All directly operated stores nationwide now use shopping bags made from 100% degradable all-wood pulp white kraft paper.
Smart Consumables Control	- A proprietary paper bag management system forecasts demand and controls inventory-to-sales ratios, preventing overstocking and waste at source. - A new consumables control system launched during the Reporting Period applies fine-grained analysis of product categories and volumes, dynamically optimises usage plans, and tracks recommendation accuracy daily through BI dashboards — bringing digital precision to consumables management.

Green Initiatives in Offices:

Water Management

- Water-saving taps and flush devices have been installed to drive water efficiency at the hardware level.
- Routine inspection cover office plumbing and related equipment, with timely repairs of leaks to cut waste systematically.

Power and Energy Management

- LED and other high-efficiency lighting has been deployed across offices.
- Procurement prioritises energy-rated equipment, with quantities right-sized to reduce standby and idle loads.
- Air-conditioning temperature controls are strictly enforced to avoid unnecessary cooling and heating, optimising overall energy use.

Green Commuting

- Vehicle management has been refined to control fleet size and improve utilisation, with the fleet progressively transitioning to energy-efficient models.
- Online meetings replace selected business trips to cut travel-related emissions.
- Employees are encouraged to commute by public transport and other low-carbon options for sustainable life and work styles.

Paperless Office

- Streamlined workflows and management mechanisms have shifted document routing, approval and archiving to digital formats, materially reducing paper use and lifting both efficiency and environmental performance.

Resource Conservation

- Office supplies are issued on demand and procured to standard, with reuse encouraged to cut consumption at source.
- Double-sided printing and paper reuse are promoted in daily printing to further reduce paper use.

Awareness Building

- Internal communications, themed training and case-sharing sessions reinforce employee awareness of resource conservation and green office practices.
- A dedicated recognition scheme rewards teams and individuals who excel in energy efficiency and resource circularity, encouraging broad participation in building a low-carbon, high-efficiency workplace.

Waste Management

Guided by circular-economy principles, the Group complies with the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste* and other applicable regulations to manage waste responsibly. Waste generated falls into two streams: non-hazardous (office paper, cardboard and similar) and hazardous (used printer cartridges and toner drums). All waste is sorted at source, collected through dedicated channels and disposed of safely to ensure end-to-end compliance and minimise environmental impact.

Non-hazardous Waste

- Sorting bins are placed across office areas with clear labelling to guide correct disposal.
- Day-to-day office and domestic waste is collected and handed over to qualified third parties for compliant treatment.

Hazardous Waste

- Used printer cartridges and toner drums are kept in service as long as possible under a “reuse first” principle.
- Items beyond reuse are collected separately and handed to licensed processors for compliant treatment, eliminating environmental risk.

Recyclable Waste

- Waste paper, used office supplies and other recyclables are sorted, collected on a regular schedule, and sent to specialised recycling facilities — putting circular-economy principles into practice.

Green Logistics

The Group works with its logistics partners to lower the carbon footprint of its supply chain through warehouse upgrades, eco-friendly packaging and the build-out of a new-energy fleet. Initiatives rolled out jointly with logistics partners during the Reporting Period include:

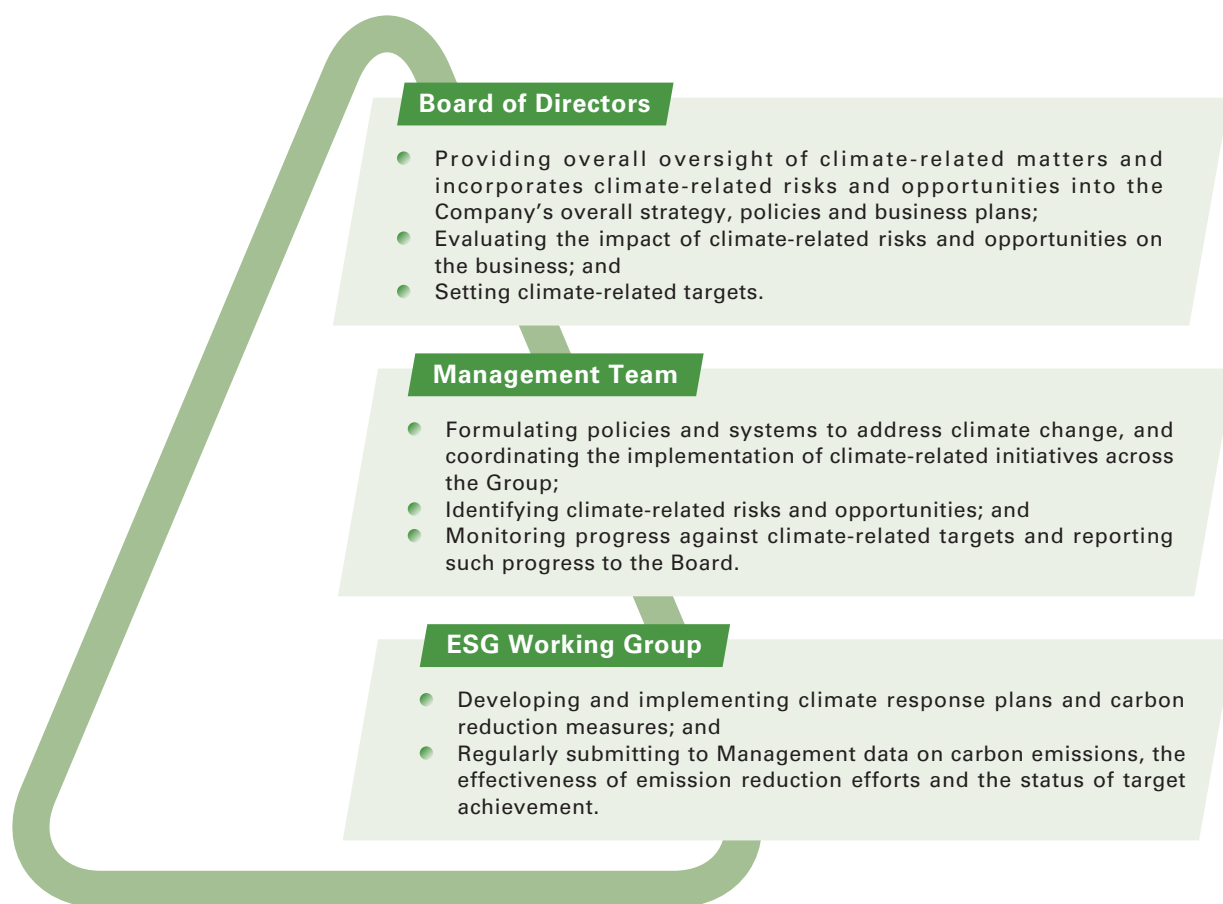
Green Warehousing	● Actively advance and guide suppliers to implement energy-saving upgrades and clean energy application, continuously expand warehouses photovoltaic coverage. Around 30,000 square meters of solar panels have been installed in Qingpu Campus. ● Motion-sensor lighting has been deployed at warehouses in Chengdu, Wuxi and Huizhou, switching on only when needed. Industrial dehumidifiers and automatic sensor-controlled doors operate on demand to minimize energy loss. Together, these measures have cut combined energy use by close to 40%, materially lowering the warehousing carbon footprint.
Green Packaging	✓ Following the 3R principle (Reduce, Reuse, Recycle), reusable totes and other measures are deployed alongside logistics partners to drive packaging circularity and reduction. ✓ System-based volumetric measurement matches outbound goods to the right box size, lifting resource efficiency.
Green Logistics	During the Reporting Period, logistics partners drove systemic improvements through network optimization, fleet upgrades and smart dispatch: ● A KPI framework centered on load factor and vehicle efficiency was introduced for national distribution centers, tracked through daily monitoring and weekly reviews. ● The “diesel-to-electric” transition has accelerated, with new-energy vehicles entering service at multiple distribution centers. Purchases of new diesel vehicles will be phased out, and end-of-life diesel units replaced with leased EVs. ● Smart dispatch has been rolled out at 90% of national distribution centers, enabling dynamic route optimization and tighter labour cost control.

2.2 Addressing Climate Change

The Group is taking a forward-looking approach to global climate trends — strengthening climate risk management while pursuing the green-growth opportunities of the transition. Emission-reduction efforts and the low-carbon transformation are advancing in line with our operating realities, in response to China’s “Dual-Carbon” strategy. During the Reporting Period, the Group deepened its understanding of the new climate-related disclosure requirements under the *ESG Reporting Code*, and continued to build out its climate work across the four core pillars of governance, strategy, risk management, and metrics and targets.

Governance

The Group has established a climate governance structure with clearly defined responsibilities, embedding climate change and related core topics into Group strategy to ensure coordinated planning, execution and oversight. The Board, as the highest governing body for the Group’s sustainability matters, is responsible for setting climate strategy, reviewing climate-related risk management policies, establishing climate targets, monitoring progress against those targets, and identifying climate-related opportunities. The Board discusses progress on climate action at its regular meetings each year. Management reports to the Board on initiatives addressing climate and sustainability-related risks and opportunities, related investment plans, and reports on material climate and sustainability issues, work plans, performance target-setting and tracking. The Board reviews and approves material operational matters and oversees climate-related risks and opportunities to ensure compliant delivery. The Group also plans to roll out climate-change training for the Board and management in the coming financial year, to strengthen the leadership team’s capabilities in managing climate risks and capturing related opportunities.



Strategy

The Group is integrating climate factors into its long-term strategic planning and decision-making. Through multi-scenario analysis models, it assesses the potential financial impacts of different climate pathways on business operations, asset deployment, the supply chain and market structure — and develops targeted response measures and transition plans to deliver resilient growth in the face of climate challenges.

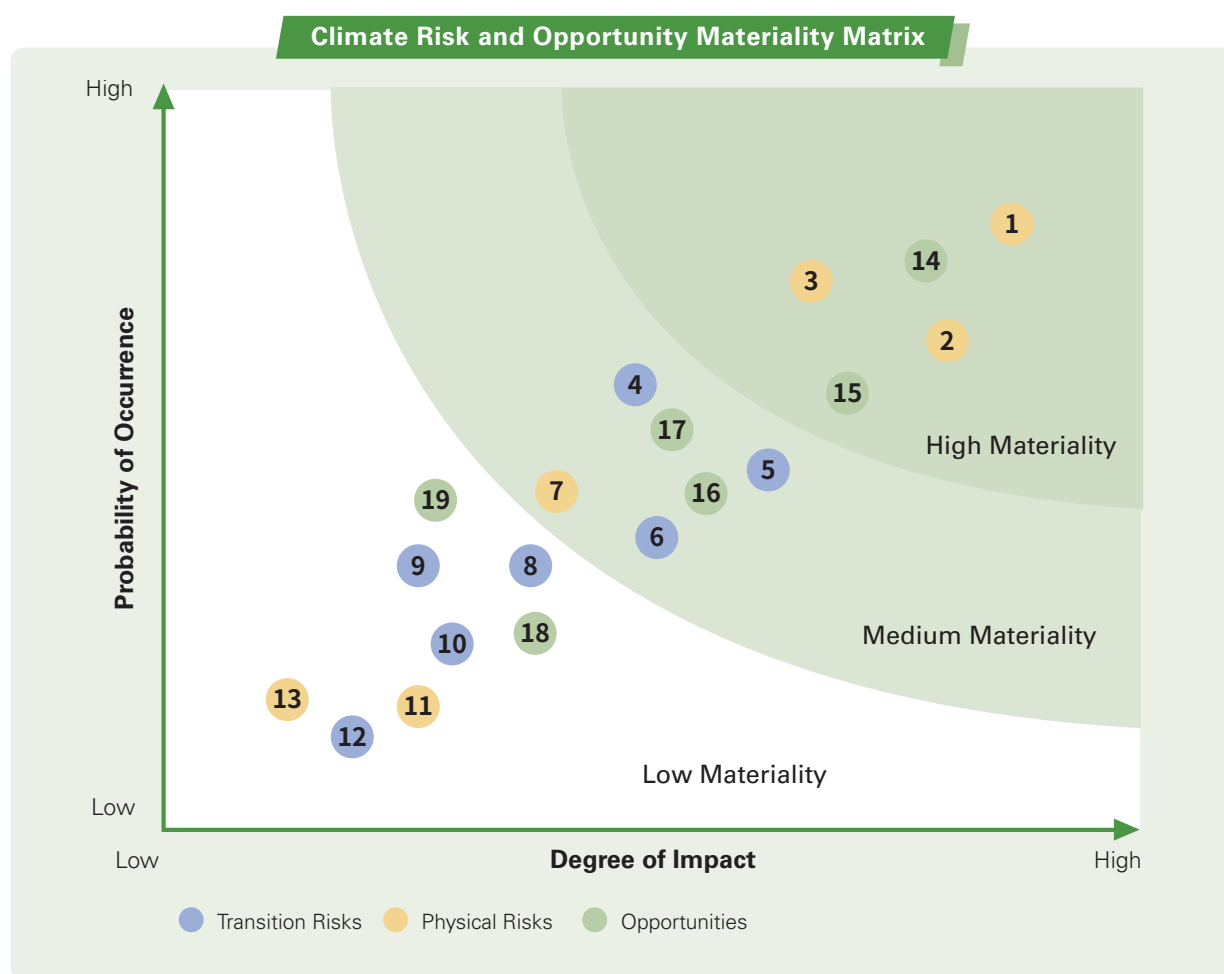
Climate Risk and Opportunity Assessment

During the Reporting Period, in line with the recommendations of the Task Force on Climate-related Financial Disclosures and taking account of policy and legal, technological and market factors — together with the Group’s own business characteristics and industry research — the Group identified and assessed climate-related risks and opportunities across its businesses over the short term (within 1 year), medium term (1–5 years) and long term (more than 5 years). Building on this, the Group engaged the relevant departments and regional teams through a questionnaire-based survey to evaluate each climate risk and opportunity. Based on survey data covering both likelihood and magnitude of impact, climate risks and opportunities were classified as high, medium or low, and a climate risk and opportunity materiality matrix was prepared to set out their priority distribution.

The Group identified a total of 19 climate-related risks and opportunities during the Reporting Period, analyzed their potential impact on the value chain and financials, and developed and implemented corresponding control measures.

Materiality	No.	Risk Type	Primary Category	Sub-category
High	1	Physical Risks	Acute	Extreme heat
	2			Typhoons and flooding
	3		Chronic	Rising average temperatures
Medium	4	Transition Risks	Reputation	Stakeholder concerns
	5		Market	Rising procurement and operating costs
	6		Policies and Regulations	Climate and environmental policies
	7		Technology	Substitution of conventional products by green alternatives
	8	Physical Risks	Acute	Cold wave
Low	9	Transition Risks	Policies and Regulations	Stricter emissions reporting requirements
	10		Market	Shifts in demand
	11		Technology	Low-carbon technology transition
	12	Physical Risks	Chronic	Sea-level rise
	13	Physical Risks	Chronic	Earthquake

Materiality	No.	Opportunity Type	Sub-category
High	14	Resource Efficiency	Advancing green packaging and resource circularity
	15	Products & Services	Promoting green services
Medium	16	Market & Customers	Green communication and consumer education
	17	Products & Services	Promoting green products
Low	18	Resilience	Building a climate-adaptive supply chain
	19	Energy Source	Adopting clean energy and improving energy efficiency



The Group assessed the following 4 physical risks as high or medium materiality, and conducted targeted analysis of their specific impacts, magnitude and response measures. The Group will continue to monitor the potential evolution of other physical risks and maintain control over related impacts through systematic management.

Risk Type		Impact on Business Model	Time Frame	Value Chain Impact	Financial Impact	Response Measures
Acute Risks	Extreme heat	Employee health and safety: Frequent travel during high-temperature weather affects employee productivity and poses risks to health and safety, potentially increasing heat allowances and medical expenses. Consumer demand: Sustained extreme temperatures may reduce participation in outdoor sports, dampening demand for outdoor goods and creating market headwinds.	Short term, Medium term	Operations, Downstream value chain	Reduced revenue, higher operating costs	✓ Issued the <i>Store Extreme Weather Emergency Response Plan</i> and established an emergency leadership team to enhance rapid response and coordination during extreme weather events. ✓ Participate in extreme weather drills and training organised by mall property management to raise employee safety awareness. ✓ Strengthened readiness of emergency personnel and supplies, with ongoing monitoring of weather conditions and targeted deployment based on forecasts from malls and senior management.
	Typhoons and flooding	Asset losses: Stores in low-lying areas or in cities with weak drainage face risks of merchandise water damage, equipment losses and business interruption. Traffic disruptions: Severe flooding has disrupted travel, leading to a sharp decline in regional passenger traffic. Online orders may also be delayed or canceled due to logistical disruptions.	Short term, Medium term	Operations	Higher operating costs, asset impairment, reduced revenue	✓ Stores file closure notifications received from property management on the Topsports Product Platform (TPP) to ensure timely information sharing. ✓ Reinforced the curtain walls of street-front stores against wind, with stepped-up routine safety inspections and protective measures for water, electrical and other facilities.
	Cold Wave	Lower store traffic: Cold wave dampen consumers' willingness to travel, with a direct impact on store visits and sales. Supply chain and logistics disruption: Cold waves can paralyse transport, delaying merchandise distribution and disrupting inbound and outbound operations at warehouses. Increased heating demand: Stores need to increase their heating energy consumption to maintain a suitable shopping environment.	Short term, medium term	Operations	Reduced revenue, higher operating costs	✓ During extreme weather, work with logistics providers to track real-time delivery progress and route risks, and adjust delivery routes, defer shipments or arrange staggered batch deliveries based on the duration of weather impact, ensuring goods are transported safely and aligned with store operations. ✓ Where weather affects operations, selected stores shift to online channels to offset offline sales losses.

Risk Type		Impact on Business Model	Time Frame	Value Chain Impact	Financial Impact	Response Measures
Chronic	Rising average temperatures	Store air-conditioning energy consumption rises markedly, driving up operating costs over time, and may also affect store traffic and employee productivity.	Long term	Operations, Downstream value chain	Reduced revenue, higher operating costs	✓ Future plans include energy-efficiency retrofits at stores (e.g. high-efficiency air conditioning, LED lighting) and the development of employee care and scheduling protocols for high-temperature conditions.

The Group also assessed the following 4 transition risks as medium materiality and conducted targeted analysis of their specific impacts, magnitude and response measures.

Risk Type		Impact on Business Model	Time Frame	Value Chain Impact	Financial Impact	Response Measures
Policy and Regulatory Risks		Governments and regulators are accelerating the introduction of green and low-carbon transition policies, with tightening enforcement. This may affect the Group's operating model and lead to higher spending on environmental protection, energy conservation and emissions reduction.	Short term, medium term, long term	Upstream value chain, operations	Higher operating costs, capital expenditure	✓ Monitor the direction of climate-related policies, conduct in-depth analysis of policies that have been issued, track developments in domestic laws and regulations as well as international industry standards, and position strategy ahead of internal and external changes.
Market Risks		Rising ESG-related costs — driven by emissions reduction, energy price volatility and supply chain ESG requirements — may push up procurement and operating expenses, putting pressure on retail gross margins and cost discipline.	Short term, medium term	Operations, downstream value chain	Reduced revenue	✓ Deepen green collaboration across the supply chain, optimize internal operating efficiency, and explore cost pass-through mechanisms that balance sustainability with commercial viability, to address operational pressure from rising costs.
Reputation Risks		Environmental pollution or labour rights issues in the supply chain would damage the reputation of Topsports and the premium brands it represents, triggering a crisis of consumer trust.	Short term, medium term, long term	Upstream supply chain, operations, downstream supply chain	Reduced revenue, higher compliance costs, long-term value erosion	✓ Continue to embed ESG factors in supplier management, incentivizing and enabling partners to lift sustainability performance together. ✓ Streamline and align all public-facing sustainability communications to ensure all statements are accurate, clear, evidence-based and consistent with overall Group strategy.

Risk Type	Impact on Business Model	Time Frame	Value Chain Impact	Financial Impact	Response Measures
Technology Risks	Accelerated adoption of low-carbon materials, eco-friendly processes and sustainable design is driving the gradual substitution of conventional products by green alternatives. An inadequate brand portfolio response could weaken market competitiveness and product appeal.	Short term, medium term, long term	Upstream supply chain, operations, downstream supply chain	Reduced revenue	✓ Explore green product collaborations with partners, plan and roll out green product lines, and secure access to top-tier resources. ✓ Strengthen consumer-facing communication, using in-store experiences and marketing campaigns to convey the value and stories behind green products, building consumer awareness and preference.

In addressing climate risks that are becoming the new normal, companies must not only safeguard business continuity but also identify, with foresight, the strategic opportunities embedded within. The Group identified two climate opportunities of high materiality and conducted targeted analysis of their specific impacts, magnitude and response measures.

Opportunity Type		Impact on Business Model	Time Frame	Value Chain Impact	Financial Impact	Response Measures
Resource Efficiency	Advancing green packaging and resource circularity	Green packaging is becoming an industry trend. Promoting recyclable and biodegradable packaging materials and reducing single-use plastics can lower both packaging procurement and waste disposal costs, while strengthening brand environmental credentials and deepening consumer affinity.	Short term, medium term, long term	Operations, downstream value chain	Lower operating costs, higher sales revenue	✓ Continue to drive packaging decarbonisation: all directly operated stores nationwide use 100% biodegradable virgin wood pulp white kraft paper shopping bags.
						✓ Encourage consumers to reduce shopping bag use.
Products & Services	Promoting green services	As circular-economy thinking goes mainstream and consumer awareness of sustainable consumption strengthens, green service models such as recycling and reuse are gaining market traction. Offering green services meets diversified, eco-conscious consumer needs, extends product lifecycles, expands the commercial perimeter, and – alongside environmental benefits – opens up new growth points and consumer engagement scenarios.	Short term, medium term, long term	Operations, downstream value chain	Higher sales revenue	✓ Build the GREENBOX social-impact IP, rolling out circular regeneration initiatives and Footwear and Apparel Renewal Initiative to amplify environmental messaging.

Scenario Analysis

To build a forward-looking, climate-resilient strategy, the Group conducted climate scenario analysis to model how identified high-materiality climate risks may affect Group performance under different global warming pathways. The aim is to quantify risk exposure and provide a decision-making basis for strengthening strategic resilience and operational flexibility.

Physical Risk Scenario Analysis

During the Reporting Period, the Group focused on extreme heat — assessed as high materiality — as the priority subject of physical risk scenario analysis. Drawing on the scientific framework of the IPCC's Sixth Assessment Report (AR6), the Group adopted SSP1-2.6 (low-emissions scenario) and SSP5-8.5 (high-emissions scenario) from the Shared Socioeconomic Pathways (SSPs) to assess the physical climate risk profile of 110 principal operating locations selected by geography, covering key offices, selected stores and data centers.

Climate Scenario	SSP1-2.6 Low-Emission Scenario	SSP5-8.5 Hgh-Emission Scenario
Source	IPCC Sixth Assessment Report (AR6)	
Description and Assumptions	A rapid shift from a fossil-fuel-based economy to one powered by renewables, with many countries adopting strong climate-mitigation measures to keep global warming this century below 2.0°C above pre-industrial levels (1850). CO ₂ emissions reach net zero around 2070, after which net negative emissions are achieved.	Governments, industry and other actors fail to put adequate policies in place, allowing greenhouse gas emissions to keep rising. Global average temperatures are projected to rise by more than 4°C by 2100, which may amplify the frequency of extreme weather events.

Extreme High Temperature Risk Assessment Results for 110 Major Operational Sites

Extreme Heat Risk Assessment Results	2030		2050	
	Low-Emission Scenario	High-Emission Scenario	Low-Emission Scenario	High-Emission Scenario
Low risk	30.00%*	32.73%	0%	0%
Lower risk	70.00%	67.27%	70.91%	43.64%
Medium risk	0%	0%	29.09%	45.45%
Moderately high risk	0%	0%	0%	8.18%
High risk	0%	0%	0%	2.73%

The results show that, as the frequency, intensity and duration of extreme heat events rise, the Group's sample operating locations show a clear shift in extreme heat risk across scenarios. Under the high-emissions scenario, the share of sample locations in the moderately high and high risk categories in 2050 is markedly above the 2030 level. To address these risks, the Group plans to refine in-store temperature control and energy management, and develop employee health protection and operational contingency plans for high-temperature periods. The Group will also adjust seasonal merchandise strategy and inventory management in response to weather conditions, to safeguard customer experience and business continuity.

* Note: Figures represent the share of operating locations falling into each extreme heat risk category under different time horizons and climate scenarios.

Transition Risk Scenario Analysis

During the Reporting Period, the Group deepened management of climate-related transition risks. Taking account of the macro environment, industry trends and its own circumstances, the Group drew on the International Energy Agency (IEA) Stated Policies Scenario (STEPS) and the Net Zero by 2050 Scenario (NZE) to evaluate transition risks.

Scenario Type	Scenario Selected	Source	Application
High-Emission Scenario	Stated Policies Scenario (STEPS)	IEA	This scenario reflects the prevailing policy landscape and is built bottom-up from a sector-by-sector assessment of the specific policies in place and those that have been announced by governments. It serves as a benchmark for assessing the potential outcomes — and limitations — of recent developments in energy and climate policy.
Low-Emission Scenario	Net Zero by 2050 (NZE)	IEA	An aspirational scenario describing how, through stringent climate policies and innovation, global CO ₂ emissions can reach net zero around 2050, holding global warming to within 1.5°C.

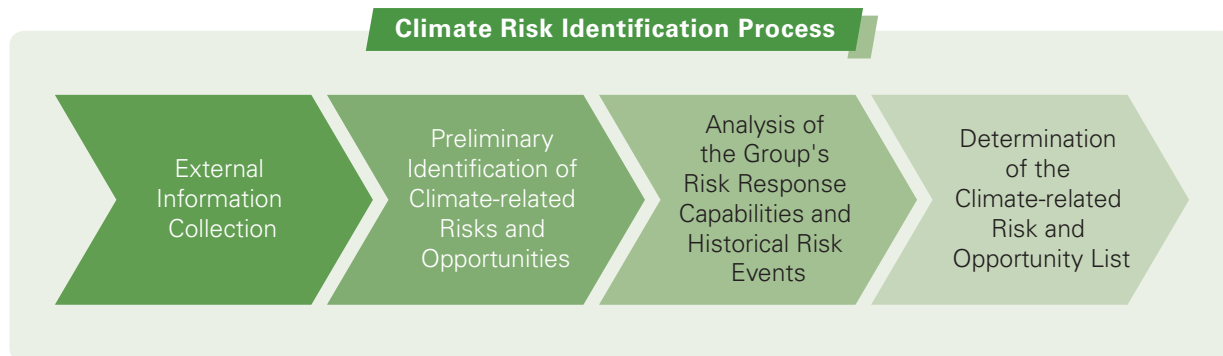
As climate and environmental policies evolve, the energy transition is reshaping supply and pricing across fossil fuels, electricity and other energy sources, with a degree of uncertainty that may have a bearing on the Group's energy costs. Assuming the Group maintains its decarbonisation target of "40.2% reduction in absolute Scope 1 and Scope 2 GHG emissions by FY2034/35 (from FY2024/25 baseline)" modelling indicates that under both the NZE and STEPS scenarios, total energy costs covered by this target — including petrol, clean electricity and conventional electricity — would account for less than 1.0% of the Group's projected total revenue in 2035. The financial impact on the Group would therefore be limited.

Risk Management

The Group has incorporated climate-related risks into its enterprise risk management framework, monitors external climate and policy developments, and identifies and assesses their potential impact. The Group reviews and analyses climate-related topics on a regular basis, formulates response measures, tracks the relevant indicators, and refines its risk-control mechanisms to strengthen corporate sustainability resilience.

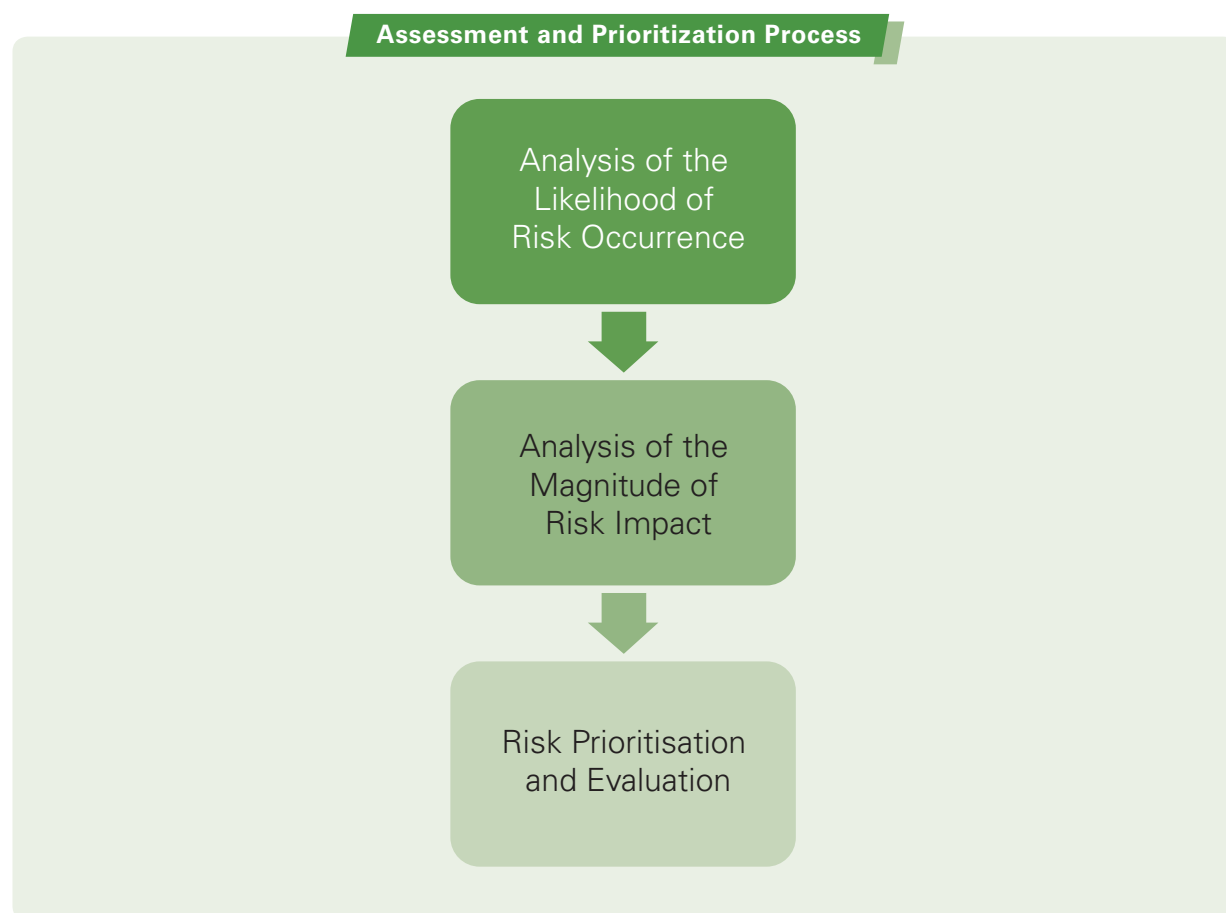
Climate Risk Identification

The Group monitors and analyses internal and external changes driven by climate-related risks. Through review of peer reports, industry research, media coverage, regulatory policy releases and other external sources, complemented by stakeholder engagement and online research, the Group develops an initial view of the short-, medium- and long-term climate risks and opportunities it may face. Building on this, the Group examines its own risk tolerance, operating model, material topics and historical risk events to compile a long-list of potential climate risks and opportunities.



Risk Assessment and Prioritization

The Group weighs risk against return, brand reputation, social responsibility and other factors, and analyses climate risk outcomes in light of the underlying drivers and the Group's risk appetite. Management, the ESG Team and other relevant business units jointly review the findings and develop response measures, with the ESG Team leading implementation to support stable Group development.



Risk Management and Oversight

The Group weighs risk against return, brand reputation, social responsibility and other factors, and analyses climate risk outcomes in light of the underlying drivers and the Group's risk appetite. Management, the ESG Team and other relevant business units jointly review the findings and develop response measures, with the ESG Team leading implementation to support stable Group development.

The Group also tracks, monitors and manages the handling of climate-related risks on an ongoing basis. In day-to-day operations, it refines risk-control mechanisms and management capabilities to strengthen its climate risk response.



Metrics and Targets

The Group has answered the call for global climate action by integrating climate response into its strategy and operations. Based on a full assessment of climate-related risks and opportunities, the Group has set clear emission-reduction targets and an implementation pathway, contributing to the low-carbon transition and sustainable development.

Carbon Reduction Target

40.2% reduction in absolute Scope 1 and Scope 2 GHG emissions by FY2034/35 (from FY2024/25 baseline)

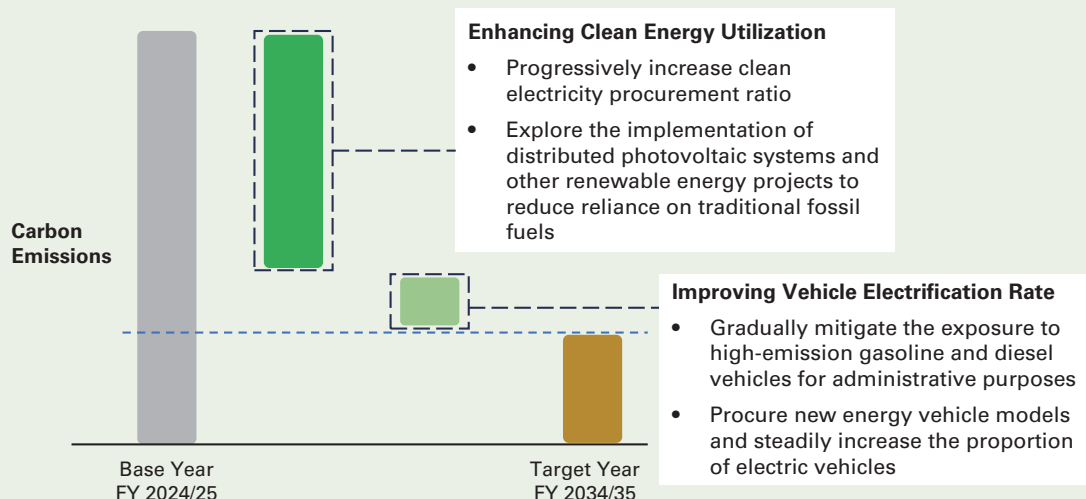
Greenhouse gas emissions from the Group's operations come primarily from office energy use. The Group will improve energy efficiency, expand the use of clean energy and replace high-emission vehicles, to deliver this target at the operational level.

Emission Reduction Plan

Promoting vehicle electrification: Gradually mitigate the exposure to high-emission gasoline and diesel vehicles used for administrative purposes by purchasing new energy vehicle models, thereby progressively increasing the proportion of electric vehicles.

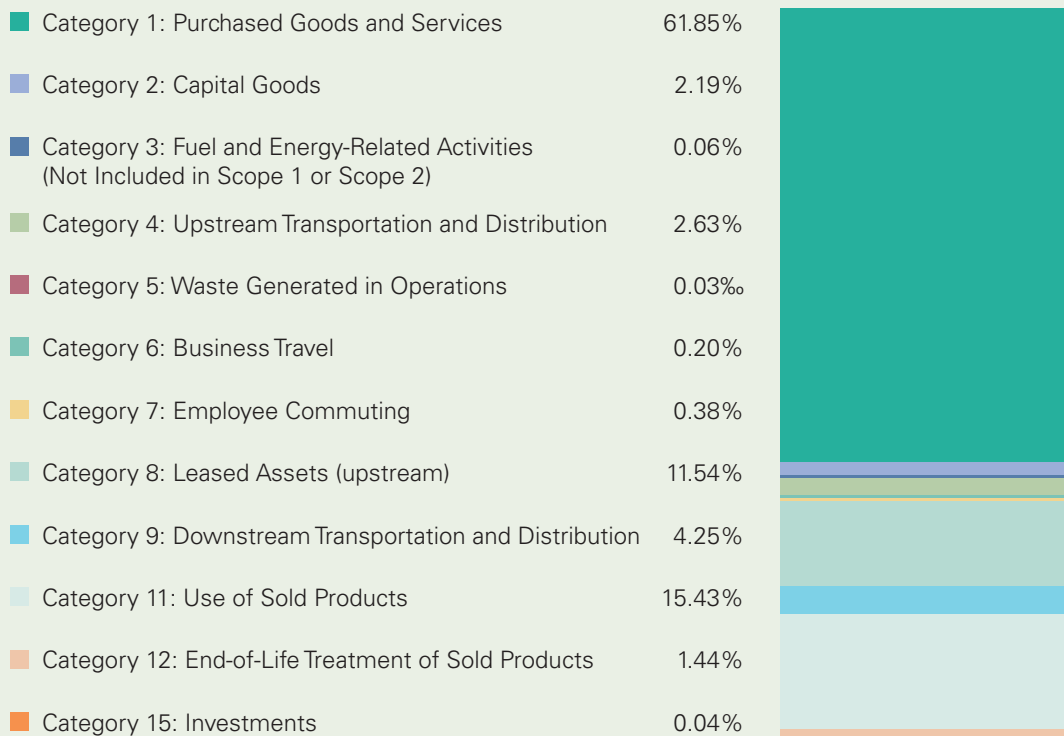
Clean Energy Transition: Systematically increasing clean electricity procurement proportions annually in alignment with operational capabilities; explore the implementation of distributed photovoltaic and other renewable energy projects; progressively reduce dependence on traditional fossil energy; and systematically advance the green transformation of the energy structure.

Scope 1 and Scope 2 Emission Reduction Pathway



In response to climate change and in fulfilment of its corporate carbon-neutrality responsibilities, the Group has deepened its Scope 3 greenhouse gas inventory, supported the green transition and low-carbon management of its supply chain, and embedded emission-reduction targets in long-term corporate strategy. During the Reporting Period, the Group's combined Scope 1 and Scope 2 emissions totaled 868.06 tonnes of CO₂ equivalent, a reduction of 16.11% versus FY2024/25. The Group has also expanded the scope of its Scope 3 inventory, adding Category 11 (use of sold products) and Category 15 (investments). Total Scope 3 emissions amounted to 448,054.48 tonnes of CO₂ equivalent. Detailed data are set out below:

Proportion of GHG Scope 3 Emissions



2.3 Supply Chain Management and Collaboration

A sustainable supply chain is central to the Group's long-term growth. The Group embeds compliance and sustainability requirements throughout supplier onboarding, assessment and ongoing cooperation, strengthens ESG management of its suppliers and partners, helps them reduce their environmental and social impact, and works with brands and others across the industry to build a mutually beneficial sustainable supply chain.

Raw Material Sourcing

The Group follows responsible sourcing principles. Its *Supplier Code of Conduct* sets out requirements on environmental protection, business ethics and social responsibility, and these requirements apply at every stage of procurement. As a retail platform, the Group also uses its reach to promote ethical sourcing and environmental stewardship, encouraging brand partners and suppliers to act responsibly and to help build a supply chain that delivers products combining quality with environmental value. During the Reporting Period, the Group sourced sustainability-related products from more than 50% of its brand partners.

In raw material management, the Group focuses on traceability and the environmental footprint of key materials such as leather and cotton. Suppliers are asked to trace the origin of the products they supply and to provide supporting evidence, and — where commercially feasible — the Group sources more origin-traceable products from its brand partners. The Group also encourages suppliers to broaden their use of sustainable leather and cotton, and to introduce more products certified by recognised independent third parties.

- **Leather.** The Group pays close attention to transparency and environmental performance in the leather supply chain. At one of our principal brand partners, 99% of the leather used is certified by the Leather Working Group (LWG), with the great majority coming from Gold-rated tanneries.
- **Cotton.** The Group sources third-party-certified sustainable cotton from its brand partners. Where commercially feasible, it plans to develop a recycled-cotton sourcing roadmap and scale it up over time and encourages suppliers to choose recycled cotton in support of textile alternatives with a lower environmental footprint.

Carbon Footprint Management

Carbon footprint management is a lever for greening the value chain. The Group works closely with suppliers and brand partners, expands its range of more sustainable products, and aims to offer consumers a wider choice of low-carbon options. On supply chain emissions, the Group plans to monitor energy use at core suppliers and reserves the right to collect this data annually. It also encourages and supports suppliers in publishing environmental performance reports, to improve disclosure across the value chain and raise environmental management standards.

Alongside greater use of renewable electricity and gains in energy efficiency, one of our principal brand partners is scaling up its use of low-carbon materials — including recycled, renewable and organic materials — and has already replaced 99% of its polyester with recycled polyester.

Another brand partner has committed to becoming carbon neutral by 2029. By that date, 100% of its raw materials will come from recycled, organically grown, sustainable bio-synthetic or reprocessed materials, or from responsibly sourced animal-derived materials. The partner also plans to adopt circular business models — covering reduction, extended use, recycling and biodegradation — to minimise the environmental impact of its materials.

To deliver its value chain decarbonisation goals, the Group is rolling out a low-carbon pathway. Under the *Supplier Code of Conduct*, suppliers are asked to take action to reduce their emissions, and the Group works with core suppliers to deliver against shared environmental targets. Suppliers are encouraged and supported to raise the share of environment-friendly materials in their operations, reduce water use and improve waste recycling, helping the Group move toward value chain carbon neutrality.

As at the end of the Reporting Period,
 over **70%** of the Group's brand partners or their parent groups had set carbon reduction targets, and more than **50%** had committed to carbon neutrality by 2050.

Supplier Onboarding and Assessment

The Group complies with the *Bidding Law of the People's Republic of China*, the *Government Procurement Law of the People's Republic of China* and other applicable laws and regulations. It has put in place internal rules including the *Supplier Code of Conduct* and the *Supply Chain Management Procedures and Assessment Process*. Guided by the principles of “preferred selection, quality and effectiveness,” the Group assesses suppliers on factors such as performance capability and raw material origin, to ensure that all products come from responsible sources and to support a green, sustainable supply chain.

Supplier Onboarding	When selecting potential suppliers, the Group screens candidates on qualifications and certifications, creditworthiness, material quality, pricing, on-time delivery and overall service. All else being equal, suppliers with environmental certifications are preferred.
Supplier Assessment	The Group combines real-time review with seasonal assessments (Spring/Summer and Autumn/Winter product seasons), evaluating supplier performance against five core criteria: quality, cost, delivery, service and rapid response. Environmental protection, anti-fraud and other management indicators are also factored into selection and review, strengthening oversight of suppliers' ESG performance and improving sustainability outcomes across the supply chain.

To create a transparent and well-governed working relationship, the Group reinforces ethical conduct across its supply chain. Suppliers are required to sign an *Integrity Commitment Letter* and are encouraged to put their own anti-corruption policies in place to govern conduct on both sides. The Group treats any breach during procurement or cooperation seriously and will impose penalties or terminate the partnership in line with the relevant rules. As at the end of the Reporting Period, 100% of the Group's suppliers had signed the *Integrity Commitment Letter*.

03

Green Consumption and Quality Service

— *Leading a Greener Way of Life*

The Group strengthens its product quality management system to safeguard consumer rights, draws on digital tools to improve operating efficiency and service standards, responds to diverse customer needs through professional and attentive service, refines its processes to lift customer satisfaction, and embeds sustainability across the consumer journey to help customers move toward healthier, more environmentally friendly lifestyles.

ESG Topics Covered in This Chapter

Product Quality and Safety

Customer Service and Satisfaction

Information Security and Privacy Protection

Digital Transformation

SDGs addressed in this chapter



3.1 Product Quality

The Group complies with the *Product Quality Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests* and other applicable laws and regulations. It maintains a sound product quality management system covering standardised process management and chemical safety risk control, protecting consumers' right to safe products and delivering quality goods. During the Reporting Period, the Group recorded no recalls of sold products on grounds of safety or health.

Product Quality Management

The Group reinforces and refines its product quality management system through stronger internal rules, updated quality standards and improved workflows, holding the line on product safety.

On standardisation, the Group applies internal rules such as the *O2O Store Goods Packaging Standards*. During the Reporting Period, drawing on the tiered return-management rules of its various brand partners, the Group revised and reissued the *Topsports Footwear and Apparel Quality Standards 2026*, and rolled the updated standards out across warehouse quality inspection nationwide. Work practices and operating requirements were unified to give warehouse inspection a single, standardised playbook. In execution, the Group tightened quality sorting controls covering the full inbound process for returned goods, fine-tuned the sorting framework, sped up the turnover and circulation of returns and exchanges, reduced inventory build-up and improved the use of warehouse resources. The Group also consolidates and reviews returns data from each warehouse on a regular basis, forming a continuous improvement mechanism that updates the quality sorting playbook as needed and lifts both quality control and warehouse operations.

On industry standard-setting, the Group draws on its operational experience to take part in the Ministry of Commerce's drafting of the *Operational Efficiency Indicator System for Omni-channel Retail*, translating its long-standing omni-channel management experience into industry-wide standards and supporting more disciplined, higher-quality development of the retail sector. Building on this work, the Group has set up an efficiency indicator framework spanning merchandise operations, user management and order fulfilment, allowing it to allocate resources more rationally and lift the overall efficiency and sustainability of its omni-channel retail business.

Chemical Safety

The Group takes chemical safety seriously. It complies with national and industry laws, regulations and oversight requirements, refines life-cycle management of chemicals, and tightly controls the use of hazardous and restricted substances to limit environmental and health risks at source.

During the Reporting Period, more than **85%** of the Group's revenue came from the sale of sportswear brand products certified under the Zero Discharge of Hazardous Chemicals (ZDHC) program.

Benchmarked against international standards including the EU REACH Substances of Very High Concern (SVHC) Candidate List, OEKO-TEX Standard 100 and AFIRM RSL 2023, the Group has established the *FOSS Brand Restricted Substances List for Own-brand Products*, which sets out the rules and controls on chemical use in own-brand production and lists the restricted substances and limit values applicable to products and production materials. The list also identifies chemicals planned for phase-out or prohibition, including 70 pesticides, 24 aromatic amines and 18 carcinogenic dyes.

The Group has also issued the *FOSS Brand Product Development and Production Process Overview*, which embeds environmental and health standards and chemical testing into key stages of FOSS-brand product design, development, ordering and production delivery. Products are screened against the *FOSS Restricted Substances List for Own-brand Products* to identify any substances of very high concern, allowing chemical risks to be addressed before products reach the market and supporting product safety, production compliance and environmental performance.

Drawing on national regulations and industry standards, the Group also updates its product testing requirements as those standards evolve, looks at how restricted substances can be phased out over time, and searches for safer alternatives. In line with operational realities, the Group will study and develop a substitution plan for substances of high concern, so that products meet functional needs while reaching higher environmental and health standards.

3.2 Service Quality and Innovation

The Group takes a customer-centric approach and works to build long-term value for its customers across the full customer journey. Honesty is the foundation of its service standards. The Group maintains efficient channels for capturing and acting on customer feedback, and updates its service models to improve every interaction. Sustainability is part of how the Group serves its customers: it supports a greener way to shop and a lifestyle built around sport, health and care for the environment.

Innovation in Experience

During the Reporting Period, the Group continued to lead retail innovation and experience upgrades, partnering with brands to launch a series of premium retail spaces that bring together brand culture, digital interaction and immersive design. Through flagship stores, concept experience centers and specialist sports venues, the Group is redefining the look and function of retail space — creating settings where customers can engage with products, with the brand, and with the wider sports community.



Shenzhen's first NIKE RISE
2000 experience store



Topsports' first The North
Face latest-generation L2
store opens



Topsports' first Kailas top-tier
"Granite Space" store opens

Green Consumption

With customer demand for greener choices on the rise, the Group continues to build out its GREENBOX community-impact IP, running environmental and low-carbon programs that have brought sustainable concepts to more than 90 million users and supported a healthy, active way of life.



Through GREENBOX, the Group has launched programs including “Recycle & Renew Program”, “Footwear and Apparel Renewal Initiative” and “Healing Energy: Circular Renewal”, covering more than 300 stores in cities such as Beijing, Shanghai, Shenzhen, Wuhan, Changsha, Qingdao and Harbin. To date, these programs have collected close to 3 tonnes of used clothing and avoided around 10 tonnes of carbon emissions. Stores serve as the delivery channel — converting routine shopping occasions into points of environmental contribution.

The Group also works with brand partners on greener consumption, taking part in Nike’s “Reuse A Shoe” program. Stores collect used footwear from customers, and shoe-waste recycling technology turns the recovered materials into school sports courts in rural China. The program supports Nike’s goal of building 100 environmentally friendly courts by the end of 2030 and broadens access to sport for children in rural areas.

Customer Service

The Group complies with the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests* and other applicable laws and regulations, and continues to refine its customer service and quality management systems. Building on the *Topsports Omni-channel Customer Service Workflow Standards*, the Group has issued an updated the *Topsports Footwear and Apparel Quality Standards 2026 manual*. Together with training rollouts, upgraded smart tools and end-to-end quality control, these measures have improved service response times, customer experience and order fulfilment. During the Reporting Period, the Group focused on the following areas to upgrade customer service quality through intelligent tools and closed-loop management:

Ticket management

Ticket flow across the business has been streamlined. The data platform now connects information and ticketing end to end, with automated screening and handling in place, shortening the loop on orders and after-sales requests.

Handling of exception orders

A cross-functional rapid response mechanism is in place for difficult and exception orders, with warehousing and logistics prioritizing these cases. A blacklist mechanism has also been introduced to curb bulk fraudulent returns.

Service quality assessment

Service quality is tracked through real-time satisfaction surveys across multiple channels, supported by sample-based audits and real-time alerts on higher-risk situations. Performance reviews, training and operating procedures are adjusted on this basis.

Closed-loop complaint handling

Every complaint is tracked through to resolution, with follow-up calls and full records kept. Handling procedures undergo periodic review. During the Reporting Period, all complaints received were verified and followed up within 48 hours, and all reached resolution.

Employee Skills Training

Store employees receive retail skills training to apply the service standards in day-to-day operations and in customer interactions.

Digital Operations

Innovation continues to drive the Group's operations. Working along three lines — integration across the business, smarter operations and end-to-end coverage — and drawing on digital management tools and AI systems, the Group has built a digital loop running from supply chain to point of sale, supporting platform upgrades and business growth.

“Dolphin” AI (海豚AI) Deployment

During the Reporting Period, the Group continued to build out its “Dolphin” AI capability. By integrating a large-model foundation with a knowledge center, more than 20 business use cases have gone live, with daily call volumes reaching the hundreds of thousands and supporting day-to-day operations across the business: in e-commerce automation and content production, AI image generation has lifted product on-boarding efficiency, with peak output of up to 20,000 images per day; goods-routing algorithms have reduced total logistics costs and strengthened supply chain management; smart contract review, AI interviewers and AI shift scheduling are now under way, advancing the shift to a digital, AI-enabled operating model.

Cloud Computing

To strengthen system resilience, resource efficiency and data governance, during the Reporting Period the Group migrated its big-data platform from a self-built IDC to Alibaba Cloud and, drawing on cloud-native technology, built a new architecture combining a data lakehouse with unified streaming and batch processing. The migration has delivered measurable results in operating efficiency, data governance and system reliability.

Operating efficiency	Elastic cloud compute has replaced energy-intensive on-premise data centers. During peak periods, batch-processing time has been cut by close to 2 hours and overall computing efficiency raised by more than 25%, supporting business growth while reducing energy use per unit of compute.
Data governance and system resilience	The new architecture consolidates internal and external data sources from multiple origins onto a single management platform, providing a complete and timely data foundation for decision-making. Centralized cross-resource management and multi-dimensional monitoring have improved fault diagnosis efficiency by 30% and reduced overall operations and maintenance costs, supporting business continuity and high availability.
Operations and maintenance	Visual operation and cloud development capability have lowered the barrier to running the system, raising team efficiency and system reliability.

The Group also continues to expand analytics capability across the business. Through in-house platforms — including the Reporting Centre, Da Suan (大算) and Tao Xiao Wei (滔小微) — and introduce external data analysis tools such as Tag Factory and Guangyuan BI. Group-wide analytics coverage has reached 100%, providing a clear view of data assets and a Group-wide data map. During the Reporting Period, the Group received DCMM - Level 4 (Quantitatively Managed) certification from the China Federation of Electronics and Information Industry.



Data Management Capability Maturity Model (DCMM) Certificate

3.3 Privacy and Data Security

The Group complies with the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China* and other applicable laws, regulations and regulatory requirements. It has put in place internal policies including the *Data Security Management Guidelines*, supported by a systematic, day-to-day governance structure and technical safeguards that continue to strengthen its data security and personal information protection capabilities. During the Reporting Period, the Group recorded no major information security incidents and no leaks of sensitive information involving customers, employees or business partners.

The Group treats data security and privacy protection as a core governance priority. A management responsibility framework with overall coordination at the senior management level is in place, supported by a dedicated information security management department that runs the information security program on an ongoing basis. During the Reporting Period, the Group further strengthened its governance structure, designating a Data Security Officer and Personal Information Protection Officer (PIPO) as the most senior accountable role for privacy and data security. The PIPO reports to senior management and oversees privacy and data security strategy, policy development, compliance governance, data security incident response, internal audit and oversight, and third-party data protection management. Under the PIPO's direction, the dedicated information security department carries out day-to-day management and technical safeguards, providing coverage from strategy through to execution.

The Group also continues to deepen its data security capabilities, benchmarking against domestic and international standards and industry best practice — including China's Cybersecurity Classified Protection Level 3 (MLPS) and the ISO 27001 information security management system — to build a mature and efficient Group-wide information security management system. During the Reporting Period, the Group received DCMM (Data Management Capability Maturity Model) - Level 4 certification, with the certification scope covering all of the Group's business activities and operating scenarios, marking a step-change in standardised data management. The Group's information security system has also received MLPS Level 3 certification, with the certification scope covering more than 80% of the Group's consumer-facing core business scenarios. An ongoing external oversight mechanism is in place, with at least one independent external information security audit conducted each year, supporting continuous refinement of risk control strategies and measures. These arrangements safeguard the data assets of customers, employees and partners and steadily raise the Group's data governance compliance and risk management capabilities.

The Group continues to strengthen its data security defence framework and improve the compliance of security operations through measures such as data security classification and grading, information system enhancement and the optimisation of user access permissions — with the aim of reducing the likelihood of data breaches and other information security incidents to the lowest possible level. The Group's measures to strengthen data security and user privacy protection are set out below:

- **Data classification and grading:** Based on data importance and sensitivity, the Group has established a classification and grading mechanism that defines management responsibilities and protection requirements for each data category. Security controls are matched to the level assigned to each category.
- **Data security defence system:** Establish and improve the data intrusion monitoring and defence system, respond promptly to possible attacks, and conduct regular security tests on the system's basic environment every year to promptly identify and deal with potential threats and reduce overall information security risks; an adaptive active network security control model covers all of the Group's business systems, strengthening information security protection in environments shaped by emerging technologies.
- **Data access and retrieval permissions:** Member information can be entered and queried through real-time generated dynamic QR codes to prevent unauthorized access and tampering. Access to consumer personal information is governed by access controls, identity authentication, log tracking, authorisation approval, data masking and ciphertext storage and retrieval. A zero-trust platform provides unified management of internal employee log-in authentication, access control, data masking and sensitive-action audit, helping to prevent data leaks.
- **Data security incident response:** The *Information Security Incident Emergency Response Standards* set out response procedures matched to the severity of each incident category. Data breach contingency plans and incident response mechanisms are reviewed and updated each year, with one emergency response drill conducted annually to strengthen incident detection and handling.
- **Privacy protection technologies and measures:** A multi-layered defence-in-depth framework is in place to address evolving cybersecurity threats. On the client side, HTTPS encryption is used, with hybrid encryption and multiple encoding obfuscation techniques applied to data exchange, and sensitive information masked before display. At the network layer, network firewalls based on IP and port access control are deployed, with the Alibaba Cloud Web Application Firewall (WAF) deployed at the system service layer. At the host layer, a Host-based Intrusion Detection System (HIDS) is in place, supported by additional security and monitoring measures.

- **Data protection safeguards integrated into product & service development:** Data security and privacy protection requirements are embedded across the product design and development life cycle, covering planning, development, launch and operation of applications and services (including apps and mini programs), to embed data security in from the start. At the requirements planning stage, each product proposal undergoes a data security and privacy protection review; proposals that do not meet national or Group information security requirements are returned for rework or refined through iteration, removing privacy and security risks at the design stage. At the architecture design stage, information security reviews and hardening of the technology stack and architecture are performed to strengthen data security capabilities. At the coding stage, multi-tier security checks are applied — including white-box audits (combining tool-based scanning with manual review), testing and hardening of project code — to identify potential data security vulnerabilities. Before each release, security penetration testing is conducted (combining tool-based scanning with manual hacker-attack simulation) to verify system defenses and data security under a range of risk scenarios. After release, ongoing security monitoring and periodic external security assessments are conducted, drawing on the risk assessment capabilities of qualified third parties to support long-term security operations, refresh defence strategies and protect user data and privacy.

To strengthen the compliant use of consumer privacy data and the supporting institutional framework, the Group has issued a *Privacy Statement* that applies across all business lines and covers all of its products and service scenarios. The Privacy Statement sets out consumers' legal rights — including access, correction, deletion of personal information and withdrawal of consent — and confirms that user consent is obtained before any personal information is collected. Users have control over their personal information, including the right to access and correct it, delete it, change the scope of consent or withdraw consent, and close their account. Other than where required to provide services, the Group does not lease, sell or otherwise share consumer personal information with any third-party organisation, institution or individual without authorisation, ensuring that the purposes of personal information processing are clear, the scope is controlled and the process is compliant. During the Reporting Period, the Group updated the *Privacy Statement*, adding requirements on personal information collection, use, security protection and storage management to better safeguard user privacy.

The Group recognises that people management is the foundation of its information security and privacy protection framework, and continues to strengthen compliance awareness and behavioural standards across the workforce. All customer service employees are required to sign the *Consumer Privacy Protection Agreement*, committing not to disclose or share consumer personal identity information without consumer authorisation, building privacy protection into front-line operations.

The Group communicates consumer information confidentiality requirements to all employees and outsourced personnel on an ongoing basis, so that employee in every role understand their privacy protection responsibilities and the confidentiality standards expected of them, supporting the protection of user personal information. On data security culture, the Group runs training for all employees (including full-time employees and outsourced personnel) on topics such as data security management, personal privacy protection and compliant operating practice, delivered through online sessions, Group-wide communications and other channels. The training program has lifted employee awareness of security responsibilities and risk identification, embedding information security into day-to-day work.



Topsports Data Security Training Comic

In supply chain and partner ecosystem management, the Group extends its information security and privacy protection requirements across the full third-party engagement life cycle. Confidentiality agreements are signed with brand partners and other third-party business partners before cooperation begins, setting out data management standards, the boundaries of security responsibility and the compliance obligations of each party. Partners are required to comply with the Group's internal policies — including the *Privacy Statement* — and applicable laws and regulations, and to apply security measures such as data masking and encrypted transmission. The Group monitors partners' data security capabilities and their compliance with data protection laws and regulations. Where a partner breaches privacy protection or data security commitments, the Group is entitled to enforce accountability and corrective measures under its policies and the relevant contract terms, supporting a secure, compliant and controlled cooperation model.

04

Diversity, Equality, Inclusion, and Coexistence

— Building Strength through Diversity and Inclusion

The Group has embedded the core principle that “talent constitutes our primary resource” into its management practice. Through a robust talent selection mechanism, a continuously refined differentiated incentive framework and a systematic, tiered talent development platform, the Group is raising the overall effectiveness and core competitiveness of its workforce, providing the talent foundation and intellectual capital needed to support sustained, high-quality development.

ESG Topics Covered in This Chapter

Remuneration and Benefits
Equality, Inclusion and Diversity
Occupational Health and Safety
Employee Training and Development
Protection of Employee Rights

SDGs Addressed in this Chapter



4.1 Employment Management

Recruitment Management

The Group regards quality talent as a core source of competitive advantage, complies with labour laws and regulations in the jurisdictions where it operates and applies internal policies including the *Recruitment Management Guidelines*. Guided by a results-oriented approach focused on efficiency and quality, the Group recruits in a structured way around new business incubation, the strengthening of key roles and talent pipeline development. The Group is also exploring the use of AI in recruitment and placement, refining its processes and broadening its talent acquisition channels to improve recruitment outcomes and support the Group's long-term competitiveness.

Campus Recruitment	The Group reaches out to students at universities across China through on-campus recruitment fairs, dedicated information sessions and online live-streamed events. These activities keep the Group close to changes in the recruitment market and help students gain a more complete and direct understanding of the Group's business and culture. The Group has established Topsports Talent Reserve Bases jointly with more than 100 universities and has launched programs such as the University Live-Streaming E-commerce Talent Program and the University Omni-channel Retail Talent Program to develop young talent aligned with the needs of the business.
Social Recruitment	The Group draws on leading social recruitment platforms and is actively expanding into newer social channels to engage with talent, improve the candidate experience, showcase the strength of our employer brand and raise the precision of recruitment. Through the talent pool of internal recruitment system, the Group reviews and evaluates existing talent resources to refine talent placement and the composition of workforce.

For internal talent development, the Group operates the Pulse Program and the Flowing Water Program to refine the selection and mobility of mid-to-senior level talent. These programs maintain the stability of the core leadership team while energising the organisation and keeping the talent structure aligned with evolving business needs. By combining internal and external recruitment, the Group has opened internal management roles and core positions in new stores in multiple locations, providing employees with clear promotional pathways and cross-regional development opportunities, broadening career growth paths and supporting greater mobility within the internal talent market.

During the Reporting Period, the Group received the 2025 Shanghai Extraordinary Employer of the Year award, a recognition by the market of the Group's strengths in talent attraction, development and retention.



2025 Shanghai Extraordinary Employer of the Year

Equality, Inclusion and Diversity

The Group complies with the *Labour Law of the People's Republic of China*, the *Provisions on the Prohibition of Using Child Labour* and other applicable laws and regulations, and supports international human rights instruments including the *UN Guiding Principles on Business and Human Rights* and the *Convention on the Elimination of All Forms of Discrimination Against Women*. Through the implementation of internal policies including the *Human Resources Management Guidelines*, the Group ensures that recruitment, employment and people management are conducted on a fair and equitable basis. The Group respects individual differences and diversity, continues to refine and standardise employee recruitment, employment management and termination processes, and publicly discloses *Employee Rights and Interests Policy* on its corporate website, conveying the Group's core commitment to respecting, safeguarding and empowering every employee.

Recruitment

The Group's *Recruitment Management Guidelines* outline recruitment requirements, processes, and standards, emphasizing that job information must not include restrictions unrelated to the position, such as gender, ethnicity, or physical condition, to prevent discrimination and ensure fair, professional talent selection. The Group is committed to a diverse workforce, recognises the value that talent from different backgrounds brings and supports their development alongside the Group. The Group also hires people with disabilities into suitable roles, providing fair and non-discriminatory employment opportunities.

The Group prohibits the employment of child labour in any form and follows the International Labour Organization's definition of and rules on child labour across all operating sites and work processes. The HR system enforces a minimum hiring age and prevents anyone under the age of 16 from being onboarded, removing the risk of child labour at source. During the Reporting Period, the Group recorded no incidents of child labour.

Employment	The Group enters into the appropriate form of labour contract with each employee in accordance with employee category and applicable law, and prohibits forced labour in any form and other conduct that infringes employee rights. On overtime management, the Group prohibits mandatory overtime; all overtime is fully recorded, supporting accurate calculation of time off in lieu and overtime pay to protect employees' lawful rights. During the Reporting Period, the Group recorded no incidents of forced labour.
Termination and Dissolution	The Group respects employees' freedom of choice. In line with the <i>Employee Rights Policy</i> and the terms of the labour contract, employees have the right to terminate their employment after providing reasonable advance notice.

The Group is committed to building a workplace that respects difference, supports development and is inclusive of all employees. The Group opposes any form of discrimination based on gender, ethnicity, age, religious belief, sexual orientation or health status, and applies the principles of diversity, equality and inclusion in practice. People decisions — covering compensation, promotion, transfer, disciplinary action and dismissal — are based on objective criteria including contribution, capability and fit with the role, supporting fairness and continuous progress in talent management. During the Reporting Period, women made up 84.05% of the Group's workforce, 53.04% of management and 39.53% of senior executives. The workforce represented 31 ethnic groups, with around 1,200 employees from ethnic minority groups, accounting for more than 5% of total headcount.

4.2 Development and Training

Performance Evaluation and Promotion

The Group attaches great importance to building its talent pipeline. Guided by the philosophy of “centring on the business and developing talent to support business growth,” the Group has implemented the *Job Promotion System* and established a performance assessment, promotion and job management framework covering all employees, providing clear pathways for career development. The Group has also strengthened its performance-driven incentive system: through an annual Key Performance Indicator (KPI) assessment mechanism, it comprehensively evaluates business contribution, professional capability and collaboration, with assessment results linked directly to bonus incentives to motivate employees and stimulate creativity.

In addition, the Group has established a career points management system around five dimensions — sales performance, customer relationship management, customer service, employee experience and visual merchandising — enabling quantitative management of talent evaluation, selection and promotion. The system supports the simultaneous development of individual capability and store operating effectiveness, advancing the joint progress of employees and the organisation.

Training and Development

The Group adheres to the principle of “discovering talent, developing talent and passing on capability.” Guided by a cultivation model that integrates training with practice, tool-based enablement and AI-driven efficiency, the Group continues to refine its training framework, comprehensively enhancing employees’ professional competence and overall capability, providing talent support for the Group’s long-term development. By optimising five systems that cover the full talent lifecycle — the talent development system, the internal trainer system, the functional and frontline leader development system, the new employee training system and the campus recruitment system — the Group provides a solid talent foundation for business growth.

New Employee Training System

- **Corporate Headquarters:**
The Group has built a new employee training and curriculum framework covering the critical period from the first day of onboarding to the six-month mark. Through phased, focused and varied formats — including meetings, mentoring and on-the-job practice — and supported by digital tools for learning and assessment, the system helps new joiners integrate quickly and become competent in their roles. During the Reporting Period, the Group conducted 32 new employee training sessions, developing more than 140 new joiners in the functional roles.
- **Regional Stores:**
The Group has built a training and curriculum framework for regional stores, advancing version 1.0 of the “store associate — team leader/visual merchandiser — store manager — retail head” career pathway and the related training and curriculum framework, setting out clear development paths and training objectives for frontline employees.

Internal Trainer System

- Building on the three-tier internal trainer certification (junior, intermediate and senior), the Group launched the Internal Trainer TTT program during the Reporting Period, adopting an innovative three-dimensional training model and certifying 15 new internal trainers, reinforcing the core resource for frontline talent development.
- The Pioneer Win trainer boot camp has developed a group of core trainers capable of delivering standardised courses, providing teaching capacity to support the enhancement of in-store retail capability.

Talent Development System	The Group continues to refine the “Leadership Radar” assessment model for middle management, strengthening the evaluation of their core competencies and driving deeper alignment between talent strategy and business needs.
Functional and Frontline Leader Development System	Through the “Pioneer Win” program, which centres on the three core roles of “Trainer–Store Manager–Top Seller”, the Group delivers tiered training for its retail talent pipeline, covering more than 500 core stores across 62 cities nationwide. Standardised operational capabilities are reinforced through graded training camps and an accompanying incentive system.
Campus Recruitment System	The Group continues to upgrade the Topstars program, deepening university partnerships and innovating its talent selection model to strengthen the pipeline of young talent.

The Group provides systematic training for all employees. Alongside the continued refinement of the middle management leadership assessment mechanism, programs including new employee training, the Topsports Academy online learning platform and internal trainer development systematically enhance individual job competency and overall organisational effectiveness.

During the Reporting Period, the Group conducted **500** online learning programs and close to **200** offline training activities.

Topsports Academy Digital Learning Ecosystem

- During the Reporting Period, Topsports Academy continued to upgrade its capabilities, with a focus on deepening the application of digital tools and advancing intelligent knowledge services. Two dedicated learning programs were launched to support the optimisation of the talent pipeline and the enhancement of organisational capabilities.
- **Omni-channel Four-Piece Toolkit Training:** 5 courses were rolled out to promote core tools such as the omni-channel sales SOP and the single-store operations calculation model, comprehensively enhancing the standardisation of frontline store operations;
- **Dolphin AI Knowledge Base:** Focuses on cultivating employees' ability to use AI for accurate retrieval, call upon intelligent assistants, and search for excellent cases, advance frontline employee to "know how to use AI and make good use of tools".

Strong leadership is a core driver of the organisation's ability to respond to market change and achieve its strategic objectives. The Group places ongoing focus on employee leadership development and is committed to building a professional and well-rounded management team through a tiered, structured development framework, providing talent support for the Group's sustainable development. During the Reporting Period, the Group conducted 12 leadership-related training initiatives — including the Functional Leader Training Program — Sharpening Sword Plan, the Forging Generals Plan, the Four-Star Operations Leader training, the Five-Star Operations Leader training and Topsports Pioneer Win — with close to 150 participants in total.

**Case Study****Topsports Pioneer Win Training to Enhance Retail Capability**

In 2025, in response to challenges including a fragmented single-brand retail network, insufficient training coverage and gaps in the capability framework, the Group launched the Topsports Pioneer Win training program. The program targets three key groups — trainers, store managers and top sellers — and covers more than 500 core stores and over 1,000 sales associates across 62 cities in China. Through a unified curriculum and toolset, blended online and offline training combined with practice, and a points-based incentive scheme, the program strengthens sales, operations and leadership capability at the retail front line in a structured way.

The program has developed 124 certified trainers and driven the full rollout of operating tools, with parallel gains in per-employee productivity, inventory efficiency and store performance, forming a sustainable retail talent development network that provides solid organisational support for business expansion.



On site at the Topsports Pioneer Win training

4.3 Welfare and Support

Remuneration and Benefits

The Group operates in accordance with the *Labour Law of the People's Republic of China*, the *Social Insurance Law of the People's Republic of China*, the *Regulations on the Administration of Housing Provident Funds* and other applicable laws and regulations. The Group has formulated and implemented the *Remuneration Management Guidelines*, establishing a compensation system centred on value contribution. Standardised pay structures, defined job grades, refined payroll processes and reinforced review controls underpin sound remuneration management and a pay framework that is fair, transparent and competitive in the market.

Remuneration for all employees, across both store retail and management roles, comprises a fixed salary and variable performance pay, with adjustments made considering each employee's capability, experience and prevailing market levels to ensure that pay reflects seniority and actual contribution. The Group reviews the remuneration and benefits framework on a regular basis, balancing market competitiveness with internal equity in support of employee satisfaction and retention. All remuneration is paid in cash. Variable pay for store retail roles is linked to individual sales contribution, while variable pay for management positions* is determined by reference to the Group's overall performance in the preceding financial year.

The Group meets its obligations under employment contract legislation in full, makes the required contributions to the five social insurances and the housing provident fund, and provides employer's liability insurance for interns. Prior to onboarding, candidates are informed of the relevant terms and conditions of employment and asked to confirm their agreement, safeguarding the lawful rights of both parties. Where redundancies are necessary, the Group adheres to the relevant national laws and regulations and guided by its *Employee Rights and Interests Policy* and a people-first approach, provides affected employees with transitional support such as career transition training and job placement assistance where practicable, fulfilling its corporate social responsibility and supporting employees through the change.

* Management team includes executive leadership including the Chief Executive Officer, Senior Vice Presidents, and Vice Presidents.

To address the needs of employees across different roles, the Group provides a range of allowances covering communications, meals, transport, housing and business travel, alongside flexible working arrangements and supplementary leave. Departmental team-building budgets enable teams to organise their own activities, fostering collaboration and cohesion and contributing to a flexible, inclusive and caring working environment.

 Remuneration Structure	 Statutory Benefits	 Non-statutory Benefits
- Employee compensation comprises base salary, performance pay and benefits. - Across store retail and management roles, it combines a fixed component with variable performance pay.	- The Group contributes to basic pension, basic medical, maternity, work-related injury and unemployment insurance, as well as the housing provident fund. - Employees are entitled to paid annual leave, statutory public holidays, and maternity, marriage and bereavement leave, along with other statutory forms of leave.	- Allowances are provided for communications, meals, transport, housing and business travel. Each department is allocated a team-building budget, and employees receive festival and birthday gifts. - Under the flexible working hours scheme, employees may arrange their own start and finish times provided required attendance hours are met. - The long-service award entitles store employees to one additional day of annual leave for each year of service beyond the first five. - A work-from-home option is available where circumstances permit. - Ahead of statutory public holidays, employees may leave early on the last working day to allow additional time for travel. - During the winter and summer school holidays, employees may bring their children to the workplace, provided this does not affect their own work or that of their colleagues. - The Group also extends festive care to store employees through messages of appreciation and red-packet incentives, and holds monthly birthday gatherings.

Health and Safety

The Group places significant emphasis on occupational health and safety, operating in accordance with the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, the *Work Safety Law of the People's Republic of China* and other applicable laws and regulations. The Group has formulated and implemented the *Fire Response and Emergency Evacuation Plan* and the *Extreme Weather Contingency Plan*, and conducts regular hazard inspections, employee health check-ups, mental health seminars and emergency drills to build awareness and capability across the workforce in areas including fire safety, emergency response, electrical safety and evacuation procedures. These efforts strengthen employees' safety awareness and emergency management capabilities, supporting the Group's commitment to providing a safe and reliable working environment.*

Work Injury investigation	Established work injury investigation procedures, with ongoing refinement of requirements for witnesses, verification processes and supporting documentation, to ensure that incidents are identified and addressed in a timely and appropriate manner.
Safety education	A structured program of safety education activities raises employee awareness of risk prevention and strengthens preparedness for responding to work-related incidents.

* During the Reporting Period, the Group recorded no work-related fatalities. A total of 4,239 days were lost due to work-related injuries, and the Lost Time Injury Frequency Rate (LTIFR) per million hours worked stood at 2.15 for full-time employees and 1.76 for outsourced personnel. No work-related fatalities occurred during the 2023/24 financial year, while 1 work-related fatality was recorded during the 2024/25 financial year.



Case Study

Fire Drill Exercise

The Group remains committed to providing a secure working environment. Regular fire safety training and facility inspections are carried out to ensure that fire extinguishers, hydrants and other equipment are in working order and that evacuation routes are kept clear. Requirements for the safe use of electricity and the storage of materials are clearly defined, and fire drills are organised to help employees become familiar with evacuation and self-rescue procedures.



On site at a fire drill exercise

Communication and Care

The Group values employee feedback and is committed to maintaining an open, transparent and effective two-way communication mechanism. The *Employee Rights Policy* has been formulated and implemented to support employees' freedom of association and to safeguard their lawful rights to engage in collective bargaining and to raise reasonable concerns. Through routine work meetings, review sessions and face-to-face exchanges, complemented by online forums, the employee community, social platforms and the Topsports Academy cloud-based learning platform, the Group has established a multi-channel dialogue framework that maintains close engagement with employees and enables timely responses to their views.

The Group conducts employee satisfaction and engagement surveys from time to time, drawing on the findings to inform management improvements and enhance the employee experience. Feedback gathered through these channels informs ongoing improvements to the working environment and underpins constructive, stable labour relations.

In addition, the Group continues to organise a wide range of team-building activities, including diverse cultural and sports events, fostering a healthy and warm working environment. The Group also runs a variety of cultural, sporting and team-building activities that contribute to a healthy and welcoming working atmosphere. An on-site gym is provided, alongside regular football and basketball tournaments, and employees are encouraged to take part in weekly activities organised by interest-based clubs covering basketball, football, badminton, yoga, cycling and running, supporting both physical and mental wellbeing and reinforcing team cohesion.



Employee New Year gift packs



Running club at a marathon event



International Women's Day activity



Live-action CS team activity



Employee birthday celebration



Double 11 kick-off meeting

05

Plant for a Better Community and Support to Public Welfare

— *Building a Better Future Together*

The Group is committed to being a responsible corporate citizen. Drawing on its business strengths and technical expertise, the Group integrates resources from across its network to support charitable and public welfare initiatives, championing a “sports + environmental protection” approach to sustainable development and contributing to society through tangible action.

ESG Topics Covered in This Chapter

Philanthropy and Charity

SDGs Addressed in this Chapter



In the area of environmental public welfare, the Group continues to work through programs such as GREENBOX, partnering with stakeholders to deliver innovative green initiatives. During the Reporting Period, the Group has embedded environmental education and low-carbon practices into sports consumption and outdoor settings through special initiatives such as the “Healing Energy: Circular Renewal” used footwear and apparel recycling campaign, bringing healthier lifestyles and corporate social responsibility together and translating green principles into everyday action.



Case Study

“Healing Energy: Circular Renewal” Used Footwear and Apparel Recycling Campaign

In April 2025, the Group joined Honest Bite to launch the *Healing Energy: Circular Renewal* nationwide ESG public welfare initiative. Centred on the recycling of used footwear and apparel, the campaign invited consumers to bring clean pre-owned items to designated stores in exchange for pet food and a co-branded fridge magnet. With a qualifying purchase, customers could also redeem a co-branded pet bed for an additional RMB 9.9. Proceeds from the campaign and the associated recycling fund were directed to stray animal welfare.



Campaign poster: “Healing Energy: Circular Renewal”

ESG Case Study
“Trace to Renewal” Environmental Public Welfare Initiative

In January 2026, the Group partnered with AVATR to launch the “Trace to Renewal” environmental public welfare initiative, bringing together sport with green and low-carbon principles. A leave-no-trace trail run was held in Chongqing, with participants combining running with litter collection to help restore the natural landscape. Urban supply stations were set up at selected stores in Chongqing, Wuhan and Hangzhou to encourage resource recycling, and 47 Topsports stores nationwide hosted interactive green pledge activities, inspiring public engagement with environmental causes.



Campaign poster: “Trace to Renewal” environmental public welfare initiative

During the Reporting Period, Top Esports also undertook a range of public welfare activities spanning ecological protection, animal welfare, cultural heritage and education. To mark World Water Day, the team worked with public welfare organisations on a marine conservation campaign, releasing co-branded eco-friendly merchandise with professional players and donating the full proceeds. A collaboration with a laboratory beagle rescue organisation featured custom charity merchandise and player appearances at offline events, broadening the reach of the cause and resonating strongly with fans. In education and culture, donations to school libraries and partnerships with intangible cultural heritage practitioners further extended the scope and impact of the Group’s community engagement.



Marine conservation campaign with Better Blue and Meow Buddy



Beagle welfare campaign with Beagle Commune



2025 Honor of Kings 10th Anniversary Carnival ×
Changsha TES.A intangible cultural heritage collaboration

06

Compliance, Ethics and Transparency

— A Discipline Central to the Business

The Group adheres to high standards of business conduct, integrating compliance management into strategic planning and daily operations. Risk management and internal controls are kept under regular review, while a culture of integrity is reinforced through anti-fraud oversight and clear lines of accountability. Continued work on intellectual property protection helps safeguard the innovations and lawful interests of the Group and its partners alike, providing a stable basis for long-term growth.

ESG Topics Covered in This Chapter

Compliance and Sound Operations
Anti-corruption and Business Ethics
Intellectual Property Protection
Responsible Marketing

SDGs Addressed in this Chapter



6.1 Internal Control and Risk Management

The Group operates a well-established risk management and internal control framework, set out in the *Comprehensive Risk Management Policy* and other internal policies, which is kept under regular review so that risks are identified, assessed and held within acceptable limits.

The Group's Board of Directors is responsible for establishing, maintaining, and reviewing the effectiveness of the risk management and internal control systems, while management is responsible for their design and implementation to ensure that key risks are effectively managed. The Group's Audit Department exercises independent oversight of the effectiveness of the risk management and internal control systems, conducting an annual independent audit in accordance with the annual audit plan covering key areas including operations, finance, compliance and risk management, with audit findings reported directly to the Audit Committee to safeguard its independence and transparency.

The Group conducts an enterprise-wide risk assessment on an annual basis, systematically analysing the range of risks that may arise in the pursuit of its strategic objectives. Environmental, social and governance (ESG) risks are incorporated into the scope of assessment to enhance the foresight and comprehensiveness of risk identification. The Group also closely monitors changes in the external environment, proactively identifying and evaluating emerging risks, assessing their potential medium- and long-term impact and formulating corresponding response strategies. During the Reporting Period, the Group identified two emerging risks: carbon tax policy development risk and artificial intelligence application risk.

	Emerging Risk 1: Carbon Tax Policy Development Risk	Emerging Risk 2: Artificial Intelligence Application Risk
Risk Category	Economic Risk	Social Risk
Risk Description	Guided by China's "dual carbon" goals and the accelerated green and low-carbon transition, China's emissions trading market continues to develop and the dual control mechanism for total emissions and emissions intensity is being progressively strengthened. As the carbon pricing system matures, a carbon tax may be introduced in due course. As a multi-brand sports retailer, the Group faces the dual challenges of carbon cost transmission across international supply chains and tightening domestic compliance requirements.	As the Group advances its omni-channel and digital intelligence transformation, artificial intelligence is being progressively applied to core business scenarios including consumer insight, precision marketing and inventory management. AI adoption nonetheless remains at a deepening stage, with weaknesses in data governance foundations and gaps between technical capabilities and business needs. The use of AI in data processing, content generation and algorithmic decision-making is also subject to evolving privacy and compliance requirements, against a regulatory environment that continues to tighten.

Risk Impact	Emerging Risk 1: Carbon Tax Policy Development Risk	Emerging Risk 2: Artificial Intelligence Application Risk
	(1) Impact on operating costs and profitability: carbon tax costs may be transmitted to channels through supply prices, discount policies and logistics costs, while energy expenditure across stores, warehousing and distribution may rise, compressing product gross margins. (2) Impact on business model and strategy: a carbon tax would prompt the Group to accelerate its transition to a green and low-carbon business model, increasing investment in green logistics, energy-efficient store retrofits and clean energy applications, and raising the bar for green supply chain development, including encouraging brand partners to expand their offering of environmentally friendly products. (3) Impact on compliance, governance and disclosure: a carbon tax would elevate disclosure requirements relating to the accuracy, coverage and transparency of emissions data, requiring the Group to dedicate further resources to its carbon data collection, accounting and monitoring systems to meet regulatory and assurance requirements and safeguard its ESG ratings and market reputation.	(1) Impact on data compliance and information security: AI applications rely on substantial volumes of consumer behaviour and transaction data, and non-compliant practices in data collection, use or storage could give rise to privacy and data security risks. (2) Impact on business decision-making and operations: in key areas such as sales forecasting, merchandise management and marketing recommendations, inadequate training data quality or model bias could distort decisions, leading to operational issues such as misjudged product selection or inventory imbalances, with knock-on effects on stock turnover and sales conversion. (3) Impact on resource allocation and transformation efficiency: AI development requires significant investment, and if the Group lacks a clear pathway to business implementation and a robust mechanism for assessing outcomes, resource inputs may not be commensurate with business returns.

	Emerging Risk 1: Carbon Tax Policy Development Risk	Emerging Risk 2: Artificial Intelligence Application Risk
Response Strategies	(1) Monitoring and analysing developments in domestic and international policies on carbon tax and carbon trading on an ongoing basis, evaluating their potential implications for procurement, brand portfolio and operations, and providing critical input to the Group's medium- and long-term strategic planning. (2) Advancing green supply chain development through closer collaboration with brand partners and suppliers on low-carbon products and emissions reduction targets, improving the energy efficiency of in-house logistics and warehousing, and rolling out green delivery solutions including the adoption of new energy vehicles. (3) Setting Group-level ten-year carbon reduction targets, conducting a Scope 3 greenhouse gas inventory, and proactively meeting compliance expectations through stronger carbon data management and greater disclosure transparency.	(1) Establishing a central AI enablement team to coordinate AI deployment and compliance across the Group, with quarterly reviews of the contribution of AI projects to operational efficiency and prioritised roll-out of high-value use cases. (2) Strengthening information security and privacy management, putting in place data classification and access control mechanisms, and keeping the privacy policy under continuous review. (3) Tracking AI regulatory developments across the industry on an ongoing basis, to ensure that AI applications support business innovation while meeting regulatory and compliance requirements.

6.2 Business Ethics and Integrity

The Group complies with the *Company Law of the People's Republic of China*, the *Anti-Unfair Competition Law*, the *Interim Provisions on Prohibition of Commercial Bribery* and other applicable laws and regulations. Internal policies including the *Comprehensive Risk Management Policy*, the *Internal Audit Management Policy* and the *Employee Handbook* set out clear responsibilities and procedures for anti-fraud and internal control management, providing a robust foundation for compliance.

During the Reporting Period, the Group joined the Trust & Integrity Enterprise Alliance and took an active part in the anti-fraud exchanges and training organised by the Alliance, sharing experience and building capabilities across anti-corruption, anti-fraud, anti-counterfeiting and information security, and working with industry peers to advance compliance and anti-corruption practices. The Group has also introduced a misconduct management mechanism: individuals confirmed through investigation to have engaged in misconduct or breaches of trust are added to a blacklist within the human resources system, allowing the information to be shared internally and the related risks to be addressed at an early stage. Furthermore, the Group has publicly released its *Code of Business Conduct* on its official website, clearly defining the behavioural norms and ethical bottom lines for all employees and management in business activities. It advocates for their adherence to laws and regulations and the highest professional ethics, thereby enhancing the transparency and external oversight effectiveness of the anti-fraud system. No corruption-related legal cases were brought against the Group or its employees during the Reporting Period.

To support the effective operation of the business ethics framework, the Group's Audit Department oversees internal control monitoring and conducts dedicated audits, identifying and assessing higher-risk areas for integrity and working with the relevant functions to put targeted controls in place. Routine audits cover anti-corruption and business ethics risks, assess the effectiveness of business ethics measures across all business units, and drive rectification and continuous improvement. Audit findings are reported regularly to the Audit Committee and the Board, strengthening governance-level oversight of integrity and compliance.

Specific Integrity Requirements



For Middle and Senior Management Team

- The Group operates a quarterly conflict-of-interest declaration regime, requiring mid and senior-level employees to disclose any interests that could affect the impartial performance of their duties through the internal system. The regime strengthens oversight of decision-making authority and helps ensure that business decisions are made on a sound ethical basis.

For All Employees

- As part of onboarding and ongoing employment, every employee is required to sign the anti-fraud agreement set out in the *Employee Handbook*. The agreement defines the conduct that will not be tolerated and reinforces each employee's awareness of compliance and professional integrity.



For Suppliers

- The Group has signed an *Integrity Agreement* with every supplier and has published the *Supplier Code of Conduct* on its official website, setting out a consistent set of anti-corruption and anti-fraud expectations across the supply base.
- Integrity clauses have been built into the Group's standard contract templates, defining each party's compliance responsibilities and the limits of acceptable conduct in commercial dealings. The Group firmly rejecting commercial bribery, the offering of bribes and any other improper business practice. For collaborations not using standard templates, ethical conduct is enforced through revised cooperation terms or signed Integrity Commitment letters, to ensure that integrity requirements apply consistently across all forms of cooperation.



Integrity Training

The Group sees a culture of integrity as fundamental to its long-term development and works to build an organisational culture grounded in integrity, accountability and compliance through ongoing communication and a range of educational activities. Integrity training is provided to all employees on a regular basis, combining in-person sessions with online self-directed learning. This approach deepens employees' understanding and commitment to ethical workplace standards, internalizing integrity as a core value and translating it into daily conduct, and contributing to an open and ethical business environment.



During the Reporting Period, the Group's online learning platform, Topsports Academy, delivered anti-fraud training to all permanent employees, covering both full-time employees, part-time and contractors, with **100%** reach and completion.

For Management Team



- 2 in-person sessions on audit findings and fraud cases were held, with a combined attendance of 60, including regional heads, managing-city heads, brand heads, retail representatives and heads of support functions. The sessions were designed to sharpen managers' ability to identify risk, reinforce accountability, and strengthen integrity and self-discipline in the performance of their roles.

For All Employees



- Anti-fraud publicity and training for all employees are conducted regularly through Topsports Academy, the Group's internal online learning platform.
- 29 briefings on audit findings were held over the year, reaching head office, regional management, office employees and store employees, and helping to build a culture in which integrity is a shared responsibility.

For New Employees



- Anti-fraud training is a mandatory part of onboarding. Combining structured e-learning with assessment, the program introduces new joiners to the Group's compliance requirements and standards of conduct, so that integrity is established as an expectation from the outset of their career with the Group.

Reporting and Protection

The Group has zero tolerance for corruption, bribery, fraud, embezzlement, unfair competition and other illegal conduct, and will deal strictly with them once verified. A range of reporting channels has been put in place, including the corporate website, the *Employee Handbook*, in-store signage, the mobile interface of the employee information system, and supplier agreements, encouraging employees, suppliers, customers and other stakeholders to report any conduct involving, or suspected of involving commercial bribery, corruption or fraud. During the Reporting Period, the Group rolled out a new reporting identifier and refreshed the cashier-desk cards used to deter off-the-books transactions in stores nationwide, with a cleaner and more visible design at the point of payment to reinforce integrity awareness at the front line.



Upgraded cashier-desk card for the prevention of off-the-books transactions

Regarding the whistleblowing management mechanism, the Group has established a standardized process whereby the Group's Audit Department uniformly responsible for accepting and investigating fraud reports. Supporting by the integrity reporting system, this ensures end-to-end case management, guaranteeing timely response and consistent handling, and outcomes are reported to management regularly. During the Reporting Period, the Group revised the *Anti-Fraud Management Guidelines*. Building on the existing process for handling reported cases, including the requirement to convene a cross-functional task force for cases involving criminal conduct or material amounts, the Group introduced a whistleblower reward scheme, under which rewards are granted for reports that are substantiated and recover direct financial losses for the Group. The revised guidelines have been made available through the internal reporting system and on the corporate website, further reinforcing internal oversight and the Group's culture of integrity.

Regarding whistleblower protection, the Group is committed to protecting whistleblowers and applies strict rules on the confidentiality of reports and the privacy of those who make them. The content of any report and the identity of the whistleblower are treated as confidential at every stage of intake, investigation and handling, and all personnel involved are required to sign confidentiality undertakings. Retaliation in any form is prohibited; offenders will be held accountable under applicable laws and internal rules, and serious cases referred to the judicial authorities.



Integrity Reporting Email
compliance@topsports.com.cn



Integrity Reporting
QR Code



6.3 Responsible Marketing

The Group complies with the *Advertising Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, the *Implementing Regulations of the Law on the Protection of Consumer Rights and Interests* and other applicable laws and regulations. The Group's marketing is grounded in truthful information and operates within clearly defined compliance boundaries, with no tolerance for false advertising, misleading claims or improper promotional practices. The Group continues to raise the standard and transparency of its marketing to safeguard consumers' lawful rights.

A suite of internal policies and guidance documents is in place and applied across the business, including the *Key Points and Reminders on the Implementing Regulations of the Law on the Protection of Consumer Rights and Interests*, the *Guidance on Compliant Price Labelling*, the *Guidance on Changes to Label and Tag Information*, the *Interpretation of the Administrative Measures for Internet Advertising* and *Risk Reminders for Live-streaming Sales* and the *Topsports Legal Department's Integrated Guidance on Sales Conduct during Major Promotional Periods (covering consumer rights handling, promotions, prize draws, advertising and the use of copyrighted materials)*. Structured training and communications are run across the business teams to sharpen employees' ability to identify and meet compliance requirements in advertising, pricing and promotions, live-streaming sales and other key activities. During the Reporting Period, ahead of major commercial moments such as the Labour Day Golden Week and the 618 Shopping Festival, the Group ran dedicated training for retail front-line teams nationwide on the legal risks associated with major promotions, covering practical points such as prohibited terms under the advertising law, the rules around what can be cited as the "original price" in promotions, and the limits of live-streaming scripts. The training was supported by an *In-Store Self-Check List for Common Legal Risks in Promotional Activities*, helping front-line employee identify and avoid breaches in day-to-day operations and embedding compliance at the customer-facing end of the business.

The Group monitors regulatory developments closely and translates new requirements into action on the business side promptly. During the Reporting Period, the Group issued targeted compliance reminders to its e-commerce live-streaming and offline retail teams, setting out key requirements such as the archiving of live-streaming content, and rolled out price-labelling self-checks and remediation across stores, with particular attention to missing or unclear price tags and the omission of units of measurement. These steps further strengthen the compliance foundations of the Group's marketing and sales activities.

The Group also continues to refine the way marketing-compliance knowledge is shared. Recurring initiatives such as the *Topsports Legal Mini-Classroom*, the “Promotional Compliance Awareness Week” and quarterly summaries of self-check findings are complemented by lighter-touch channels, including the Legal Department Bulletin service window on the internal office system. Together, these channels deliver marketing-compliance points to the business teams accurately and in good time, building responsible-marketing awareness and capability and supporting the orderly conduct of promotional and day-to-day marketing activities.



“Promotional Compliance Awareness Week” campaign

6.4 Intellectual Property Protection

The Group treats the protection of intellectual property as an integral part of compliant operations. We complies with the *Copyright Law of the People's Republic of China*, the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China* and other applicable laws and regulations, and applies internal policies including the *Code of Business Conduct*, which set out clear rules for the use of copyrighted materials in external communications. Third-party content used in such materials, whether text, images, music, video or software, must be properly licensed, so that the intellectual property of others is respected and the risk of infringement reduced.

The Group continues to strengthen its approach to intellectual property management across trademark portfolio planning and maintenance, the compliant use of copyrighted works, the registration of original designs and the handling of enforcement matters, and works to embed intellectual property considerations throughout business decision-making and execution. During the Reporting Period, intellectual property checks were built into the key stages of routine contract review and business-process review, with scenario-based communications used to bring home the importance of intellectual property protection to the business teams. For contracts and projects involving user information or commercial data, particular attention is given to the ownership of data rights, the scope of authorised use and the allocation of compliance responsibilities, so that intellectual property protection is translated from a general principle into specific, executable business practice that is consistent with the Group's overall strategy and compliance requirements.

Beyond handling routine trademark-maintenance and review matters, the Group is increasingly engaged at the front end of the business, pursuing trademark applications and registrations and copyright registrations for original designs around its core product categories and target markets, providing intellectual property cover for brand-asset protection and business growth and reducing the risk of infringement disputes. During the Reporting Period, the Group also took the following steps to put intellectual property management into practice:

Proper Use	All external communication materials go through a copyright review before release, and each business function has been briefed, through internal notices, on how the in-house image and text library may be used and within what limits, so that infringement risk is dealt with before it arises.
Dedicated Ownership	Designated employee responsible for daily monitoring, upkeep and records of the Group's trademarks and other intellectual property, picking up potential issues early and keeping the Group's IP portfolio in good standing.
Protection of Rights	In response to external infringements such as the unauthorized use of the Group's trademarks or name, the Group actively takes measures through administrative complaints, platform takedown requests or the courts to protect its rights.

The Group also runs ongoing communications on intellectual property compliance. Drawing on formats such as *Topsports Legal Mini-Classroom* short videos, posters and key-point reminders, regular training is delivered to business teams to build their understanding and practical capability in the compliant use of materials, the proper management of trademarks and the protection of original designs, so that intellectual property requirements are met across the full range of business activities.

07

Appendix

Appendix I: ESG Key Performance Data Table

Environmental

No.	KPIs	Unit	Usage/Emissions
A1.1	Sulfur dioxide emissions	kilogram	1.10
	Nitrogen oxide emissions	kilogram	485.57
	Particulate matter emissions	kilogram	46.35
A1.3	Total hazardous waste	kilogram	300.16
A1.4	Total non-hazardous waste	tonnes	20.93
A2.1	Total energy consumption	MWh	1,950.43
	Direct energy consumption	MWh	689.29
	Indirect energy consumption	MWh	1,261.14
	Energy consumption intensity	MWh/m ²	0.08
	Total electricity consumption	MWh	1,261.14
	Gasoline consumption	Liters	74,775.59
A2.2	Water consumption	m ³	8,842.46
	Water consumption intensity	m ³ /m ²	0.36
A2.5	Paper bag usage	tonnes	525.04
Climate-related Disclosures			
28	GHG emissions (Scope 1)	tCO ₂ e	198.90
	GHG emissions (Scope 2)	tCO ₂ e	669.16
	GHG emissions (Scope 1 + 2)	tCO ₂ e	868.06
	GHG emissions (Scope 3)	tCO ₂ e	448,054.48
	Category 1: Purchased goods and services	tCO ₂ e	277,124.36
	Category 2: Capital goods	tCO ₂ e	9,791.09
	Category 3: Fuel and energy-related activities (not included in Scope 1 or Scope 2)	tCO ₂ e	263.53
	Category 4: Upstream transportation and distribution	tCO ₂ e	11,762.84

No.	KPIs	Unit	Usage/Emissions
	Category 5: Waste generated in operations	tCO ₂ e	13.82
	Category 6: Business travel	tCO ₂ e	889.80
	Category 7: Employee commuting	tCO ₂ e	1,709.16
	Category 8: Upstream leased assets	tCO ₂ e	51,705.79
	Category 9: Downstream transportation and distribution	tCO ₂ e	19,025.64
	Category 11: Use of sold products	tCO ₂ e	69,138.82
	Category 12: End-of-life treatment of sold products	tCO ₂ e	6,453.68
	Category 15: Investments	tCO ₂ e	175.95

Environmental Data and Coefficient Explanations

- The data covers the Group's headquarters and its subordinate administrative offices areas, for the period from 1 March 2025 to 28 February 2026.
- GHG emissions (Scope 1) arise primarily from fuel consumption by company vehicles, and GHG emissions (Scope 2) from purchased electricity. Data are sourced from the corresponding utility bills and administrative records.
- During the Reporting Period, the Group's GHG emissions (Scope 3) cover 12 categories, as set out below:
 - Category 1 includes emissions from purchased goods and services. Purchased goods include all upstream (cradle-to-gate) emissions associated with the apparel, accessories and footwear of the various brands. Emissions from purchased services include carbon emissions generated by services such as marketing and promotion, audit, design and telecommunications. Emission factors primarily reference the Ecoinvent database, the China Product Life Cycle Greenhouse Gas Emission Factor Database, and the EEIO Carbon Footprint Factor Database published by the U.S. Environmental Protection Agency.
 - Category 2 capital goods emissions are the carbon emissions generated by various assets from cradle to point of sale. Emission factors primarily reference the EEIO Carbon Footprint Factor Database published by the U.S. Environmental Protection Agency.

Environmental Data and Coefficient Explanations (Continued)

- 3) Category 3 Fuel and energy-related activities emissions also covers all upstream (cradle-to-gate) emissions associated with purchased energy and fuels, including upstream emissions from the extraction and processing of energy resources and from the production, transportation, distribution and storage of fuels, as well as transmission and distribution energy losses. Emission factors primarily reference the *UK Government GHG Conversion Factors for Company Reporting* published by the UK Department for Energy Security and Net Zero.
- 4) Category 4 upstream transportation and distribution emissions are those generated from the transportation of goods from upstream suppliers to the Group's locations, predominantly by road transport. Emission factors primarily reference the *UK Government GHG Conversion Factors for Company Reporting* published by the UK Department for Energy Security and Net Zero.
- 5) Category 5 operational waste disposal emissions data include carbon emissions generated when the third-party treatment of operational waste across four categories: hazardous waste, general waste, domestic waste and wastewater. Treatment routes are mainly recycling, incineration and landfill. Emission factors primarily reference the *UK Government GHG Conversion Factors for Company Reporting* published by the UK Department for Energy Security and Net Zero, and from the U.S. EPA, among other sources.
- 6) Category 6 includes carbon emissions from employee business travel by air, road and rail. Emission factors primarily reference the U.S. EPA's EEIO Carbon Footprint Factors Database.
- 7) Category 7 includes carbon emissions from employee commuting. Commuting modes and distances were determined through a sample survey of employees in representative operating regions, with modes including cars, public transport, motorcycles and walking. Emission factors primarily reference from the *UK Government GHG Conversion Factors for Company Reporting* published by the UK Department for Energy Security and Net Zero.
- 8) Category 8 upstream leased assets emissions include emissions from all stores operated by the Group under lease arrangements, principally arising from the electricity consumed in store operations. The electricity emission factor used is the national average carbon dioxide emission factor of 0.5306 kgCO₂/kWh, as published in the *Announcement on the Release of Carbon Dioxide Emission Factors for Electricity in 2022* issued jointly by the Ministry of Ecology and Environment and the National Bureau of Statistics.

Environmental Data and Coefficient Explanations (Continued)

- 9) Category 9 downstream transportation and distribution of goods emissions refer to emissions generated from the transportation of goods from the Group's warehouses to its various downstream distribution channels, predominantly by road. Emission factors primarily reference from the U.S. EPA's EEIO Carbon Footprint Factors Database.
- 10) Category 11 use of sold products emissions refer to emissions arising from the normal use of footwear, apparel and accessories sold during the Reporting Period by end consumers. Emission factors primarily reference the Ecoinvent database, the the China Product Life Cycle Greenhouse Gas Emission Factor Database, and the U.S. EPA's EEIO Carbon Footprint Factors Database.
- 11) Category 12 end-of-life treatment of sold products emissions data are calculated by material category and covers emissions from the third-party end-of-life treatment of three material streams across apparel, accessories and footwear: the products themselves, plastic packaging and paper packaging. Treatment methods are mainly recycling, incineration, and landfill. Based on the disposal situations of different types of waste, estimations are made using the general processing situations in China calculated from the *2023 China Urban Construction Status Bulletin*, *Our World in Data 2023* based on the OECD, and the *China Paper Industry 2023 Annual Report*.
- 12) Category 15 Investments emissions refer to carbon dioxide, methane and carbon monoxide from the Group's investees. Emission factors primarily reference the *China's Economy-Carbon Emissions Input-Output Table 2018* released by Tsinghua University.
4. The energy consumed by the Group comprises fuel for company vehicles and purchased electricity. Data are taken from the corresponding utility bills and administrative records. Unit conversion factors for the various energy types are based on the *Greenhouse Gas Emission Accounting Methods and Reporting Guidelines for Enterprises in Other Industrial Sectors* issued by the National Development and Reform Commission.
5. Hazardous waste comprises spent printer ink and toner cartridges; non-hazardous waste comprises domestic waste generated in office areas. Data are sourced from printing records and property-management sanitation records.
6. The Group's water is supplied by the municipal water network, and there are no issues in sourcing suitable water. Data are taken from water bills and finance and administrative records.

Social

KPIs

Key Performance Data

Total Workforce by Gender, Employment Type, Age Group and Geographical Region

		Number of Employees (persons)
By gender	Male	3,568
	Female	18,808
By employment type	Full-time	3,678
	Outsourced	18,698
By age group	Below 30 years old	5,562
	31-40 years old	12,153
	41-50 years old	4,596
	Above 50 years old	65
By geographical region	Chinese Mainland	22,355
	Overseas, Hong Kong, Macau and Taiwan regions	21
Total number of employees		22,376

Employee Turnover Rate by Gender, Age Group and Geographical Region

		Turnover Rate (%)
By gender	Male	46.67%
	Female	32.00%
By age group	Below 30 years old	53.23%
	31-40 years old	26.98%
	41-50 years old	19.51%
	Above 50 years old	36.27%
By geographical region	Chinese Mainland	34.87%
	Overseas, Hong Kong, Macau and Taiwan regions	4.55%
Total employee turnover rate		34.86%

Diverse Employee Structure

		Number of Employees (persons)
Number of female employees	Executives	34
	Senior management	184
	Management Tea	218
Number of ethnic minority employees	Total Number of Employees	1,175

Percentage of Employees Trained and Average Training Hours by Gender, Rank and Age Group

		Percentage of Employees Trained (%)	Training Hours per Employee (Hours/Person)
By gender	Male	100.00%	9.15
	Female	99.90%	13.60
By rank	Executives	100.00%	1.31
	Senior management	100.00%	4.20
	General employees	99.91%	13.07
By age group	Below 30 years old	100.00%	9.90
	31-40 years old	99.84%	13.85
	41-50 years old	100.00%	14.06
	Above 50 years old	100.00%	7.20
Percentage of all employees trained and average training hours		99.92%	12.89

Supply Chain Management

Number of suppliers located in Chinese Mainland	167
Number of suppliers located in Hong Kong, Macau, Taiwan and overseas	2
Number of suppliers that have signed the <i>Integrity Agreement</i>	169

Consumer Service

Number of complaints received (times)	3,410
Number of complaints handled (times)	3,410
Number of follow-up visits (times)	13,640
Customer satisfaction rate (%)	88.46%
Coverage rate of online customer satisfaction survey (%)	100.00%

Anti-corruption

Number of concluded corruption lawsuits	0
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Appendix II: Content Index of the Environmental, Social and Governance Reporting Code

ESG Indicator		Disclosure Status	Corresponding Section
A1 General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Disclosed	Mutually Forge the Green Ecosystem as One
A1.1	The types of emissions and respective emissions data.	Disclosed	Appendix I: ESG Key Performance Data Table
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	Appendix I: ESG Key Performance Data Table
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	Appendix I: ESG Key Performance Data Table
A1.5	Description of emissions target(s) set and steps taken to achieve them.	Disclosed	Mutually Forge the Green Ecosystem as One
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.	Disclosed	Mutually Forge the Green Ecosystem as One

ESG Indicator		Disclosure Status	Corresponding Section
A2 General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Disclosed	Mutually Forge the Green Ecosystem as One
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Disclosed	Appendix I: ESG Key Performance Data Table
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Disclosed	Appendix I: ESG Key Performance Data Table
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Disclosed	Mutually Forge the Green Ecosystem as One
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.	Disclosed	Mutually Forge the Green Ecosystem as One
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Disclosed	Appendix I: ESG Key Performance Data Table
A3 General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Disclosed	Mutually Forge the Green Ecosystem as One
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Disclosed	Mutually Forge the Green Ecosystem as One

ESG Indicator		Disclosure Status	Corresponding Section
B1 General Disclosure	Information on the policies and 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.	Disclosed	Diversity, Equality, Inclusion, and Coexistence
B1.1	Total workforce by gender, employment type, age group and geographical region.	Disclosed	Appendix I: ESG Key Performance Data Table
B1.2	Employee turnover rate by gender, age group and geographical region.	Disclosed	Appendix I: ESG Key Performance Data Table
B2 General Disclosure	Information on the policies and 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.	Disclosed	Diversity, Equality, Inclusion, and Coexistence
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Disclosed	Diversity, Equality, Inclusion, and Coexistence
B2.2	Lost days due to work injury.	Disclosed	Diversity, Equality, Inclusion, and Coexistence
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Disclosed	Diversity, Equality, Inclusion, and Coexistence

ESG Indicator		Disclosure Status	Corresponding Section
B3 General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Disclosed	Diversity, Equality, Inclusion, and Coexistence
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Disclosed	Appendix I: ESG Key Performance Data Table
B3.2	The average training hours completed per employee by gender and employee category.	Disclosed	Appendix I: ESG Key Performance Data Table
B4 General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Disclosed	Diversity, Equality, Inclusion, and Coexistence
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Disclosed	Diversity, Equality, Inclusion, and Coexistence
B4.2	Description of steps taken to eliminate such practices when discovered.	Disclosed	Diversity, Equality, Inclusion, and Coexistence
B5 General Disclosure	Policies on managing environmental and social risks of the supply chain.	Disclosed	Mutually Forge the Green Ecosystem as One
B5.1	Number of suppliers by geographical region.	Disclosed	Appendix I: ESG Key Performance Data Table
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.	Disclosed	Mutually Forge the Green Ecosystem as One

ESG Indicator	Disclosure Status	Corresponding Section
B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Disclosed	Mutually Forge the Green Ecosystem as One
B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Disclosed	Mutually Forge the Green Ecosystem as One
B6 General Disclosure Information on the policies and 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.	Disclosed	Green Consumption and Quality Service Compliance, Ethics and Transparency
B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable	–
B6.2 Number of products and service-related complaints received and how they are dealt with.	Disclosed	Appendix I: ESG Key Performance Data Table
B6.3 Description of practices relating to observing and protecting intellectual property rights.	Disclosed	Compliance, Ethics and Transparency
B6.4 Description of quality assurance process and recall procedures.	Disclosed	Green Consumption and Quality Service
B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Disclosed	Green Consumption and Quality Service

ESG Indicator		Disclosure Status	Corresponding Section
B7 General Disclosure	Information on the policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Disclosed	Compliance, Ethics and Transparency
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.	Disclosed	Compliance, Ethics and Transparency Appendix I: ESG Key Performance Data Table
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Disclosed	Compliance, Ethics and Transparency
B7.3	Description of anti-corruption training provided to directors and employee.	Disclosed	Compliance, Ethics and Transparency
B8 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.	Disclosed	Plant for a Better Community and Support to Public Welfare
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Disclosed	Plant for a Better Community and Support to Public Welfare
B8.2	Resources contributed (e.g. money or time) to the focus area.	Disclosed	Plant for a Better Community and Support to Public Welfare

Climate-related Disclosures

Disclosure Requirements	Disclosure Section (Comply or Explain)
(I) Governance	
The issuer shall disclose information about:	
(a) An 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 or individual(s) and disclose information about:	Addressing Climate Change – Governance
(i) how that body 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;	Addressing Climate Change – Governance
(ii) how and how often that body or individual(s) is informed about climate-related risks and opportunities;	Addressing Climate Change – Governance
(iii) how that body 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 that body or individual(s) has considered trade-offs associated with those climate-related risks and opportunities;	Addressing Climate Change – Governance
(iv) how that body or individual(s) oversees the setting of targets related to climate-related risks and opportunities, and monitors progress towards those targets, including whether and how related performance metrics are included in remuneration policies; and	Addressing Climate Change – Governance The Group is actively advancing the integration of remuneration policies, business operations and climate strategy. Specific measures include incorporating climate-related factors into the remuneration framework, such as embedding considerations of climate risk into performance appraisal forms and the assessment system.

Disclosure Requirements	Disclosure Section (Comply or Explain)
(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:	Addressing Climate Change – Governance
(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	Addressing Climate Change – Governance
(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.	Addressing Climate Change – Governance
(II) Strategy	
Climate-related Risks and Opportunities	
An issuer shall disclose information that enables users to understand the 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:	Addressing Climate Change – Strategy
(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;	Addressing Climate Change – Risk Management
(b) explain, for each climate-related risk identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;	Addressing Climate Change – Risk Management
(c) specify, for each climate-related risk and opportunity identified, the time horizons (short, medium or long term) over which the effects could reasonably be expected to occur; and	Addressing Climate Change – Risk Management
(d) explain how the issuer defines short, medium and long term and how these definitions are linked to its strategic decision-making planning horizons.	Addressing Climate Change – Risk Management

Disclosure Requirements	Disclosure Section (Comply or Explain)
Business Model and Value Chain	
An issuer shall disclose information that enables users to understand the current and anticipated effects of climate-related risks and opportunities on its business model and value chain. Specifically, the issuer shall disclose:	Addressing Climate Change – Risk Management
(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	Addressing Climate Change – Risk Management
(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 – Risk Management
Strategy and Decision-making	
An issuer shall disclose information that enables users to understand the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:	Addressing Climate Change – Strategy Addressing Climate Change – Risk Management Addressing Climate Change – Metrics and Targets
(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) any adaptation and mitigation efforts (direct or indirect) that have been undertaken or are planned;	
(iii) any climate-related transition plan the issuer has, including information about key assumptions used in developing the transition plan and dependencies on which the plan relies, or, if the issuer does not have any such plan, an appropriate negative statement;	
(iv) how the issuer plans to achieve any climate-related targets, including any greenhouse gas emissions targets (if any); and	

Disclosure Requirements	Disclosure Section (Comply or Explain)
(b) information about how the issuer is resourcing, and plans to resource, the activities.	Addressing Climate Change – Strategy The Group is developing a transition plan by integrating internal resources and processes, supported by a comprehensive implementation framework.
(c) disclosure of progress on plans disclosed in previous reporting periods.	Addressing Climate Change – Strategy The Group is developing a transition plan by integrating internal resources and processes, supported by a comprehensive implementation framework.
Financial Position, Financial Performance and Cash Flows	
Current Financial Effects	
(a) An issuer shall disclose qualitative and quantitative information about how climate-related risks and opportunities have affected the issuer’s financial position, financial performance and cash flows for the reporting period; and	Addressing Climate Change – Strategy The Group is currently conducting an internal assessment to review the results of the quantitative financial assessment.
(b) information that identifies climate-related risks and opportunities for which there is a significant risk that there will be a material adjustment within the next reporting year to the carrying amounts of assets and liabilities reported in the related financial statements.	Addressing Climate Change – Strategy The Group is currently conducting an internal assessment to review the results of the quantitative financial assessment.
Anticipated Financial Effects	
(a) The issuer shall disclose qualitative and quantitative information about how it 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	Addressing Climate Change – Strategy The Group is currently conducting an internal assessment to review the results of the quantitative financial assessment.
(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 – Strategy The Group is currently conducting an internal assessment to review the results of the quantitative financial assessment.

Disclosure Requirements	Disclosure Section (Comply or Explain)
Climate Resilience	
(a) An issuer shall disclose qualitative and quantitative information about the climate-related risks and opportunities identified as at the reporting date that enables users to understand:	Addressing Climate Change – Strategy
(i) the implications of the issuer’s analysis for its strategy and business model (if any), including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;	
(ii) the areas of significant uncertainty considered in the issuer’s assessment of climate resilience; and	
(iii) the issuer’s capacity to adjust or adapt its strategy and business model to climate change over the short, medium and long term;	
(b) how and when the climate-related scenario analysis was carried out, including:	Addressing Climate Change – Strategy
(i) the input data used;	
(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.	
(III) Risk Management	
(a) An issuer shall disclose the processes and related policies used to identify, assess, prioritise and monitor climate-related risks, including information about:	Addressing Climate Change – Strategy Addressing Climate Change – Risk Management
(i) the inputs and parameters the issuer uses;	
(ii) whether and how the issuer uses climate-related scenario analysis to identify climate-related risks;	
(iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks;	
(iv) whether and how the issuer prioritises climate-related risks relative to other types of risk;	
(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;	

Disclosure Requirements	Disclosure Section (Comply or Explain)
(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 identify 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 – Strategy Addressing Climate Change – Risk Management Addressing Climate Change – Risk Management
(IV) Metrics and Targets	
Greenhouse Gas Emissions	
(a) The issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO₂ equivalent, classified as: • Scope 1 greenhouse gas emissions; • Scope 2 greenhouse gas emissions; and • Scope 3 greenhouse gas emissions.	Addressing Climate Change – Metrics and Targets Appendix I: ESG Key Performance Data Table
(b) Unless otherwise required by a jurisdictional authority or another exchange on which the issuer is listed, the issuer shall measure its greenhouse gas emissions in accordance with the <i>Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)</i>;	Addressing Climate Change – Metrics and Targets Appendix I: ESG Key Performance Data Table
(c) disclose the approach it uses to measure its greenhouse gas emissions;	Addressing Climate Change – Metrics and Targets Appendix I: ESG Key Performance Data Table
(d) for Scope 2 greenhouse gas emissions, disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to inform users' understanding of those emissions; and	Addressing Climate Change – Metrics and Targets Appendix I: ESG Key Performance Data Table
(e) for Scope 3 greenhouse gas emissions, 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 <i>Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)</i>.	Addressing Climate Change – Metrics and Targets Appendix I: ESG Key Performance Data Table

Disclosure Requirements	Disclosure Section (Comply or Explain)
Climate-related Risks and Opportunities	
(a) An issuer shall disclose the amount and percentage of assets or business activities vulnerable to: (i) climate-related transition risks; and (ii) climate-related physical risks.	The Group has assessed the proportion of assets affected by physical risks, and is progressively quantifying the financial impact arising from the identified climate-related transition risks and opportunities.
(b) An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	The Group is developing a robust methodology to ensure accurate disclosure of climate-related investments in future reports.
Capital Deployment, Internal Carbon Pricing, Remuneration and Industry-based Metrics	
(a) An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	The Group is developing a robust methodology to ensure accurate disclosure of climate-related investments in future reports.
(b) An issuer shall disclose the following: (i) 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 (ii) the price per metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement confirming that the issuer is not applying a carbon price in decision-making.	The Group has not yet established an internal carbon pricing mechanism, but is closely monitoring carbon-related regulatory requirements and market trends in order to formulate future response strategies.
(c) The issuer shall disclose whether and how climate-related considerations are factored into remuneration policies, or provide an appropriate negative statement.	The Group is actively advancing the integration of remuneration policies, business operations and climate strategy. Specific measures include incorporating climate-related factors into the remuneration framework, such as embedding considerations of climate risk into performance appraisal forms and the assessment system.

Disclosure Requirements	Disclosure Section (Comply or Explain)
(d) In determining which industry-based metrics to disclose, the Exchange encourages issuers to refer to and consider the applicability of industry-based metrics associated with the disclosure topics described in the <i>Industry-based Guidance on Implementing IFRS S2</i> and industry-based disclosure requirements set out in other international ESG reporting frameworks.	The Group is committed to building the capacity to measure and disclose financed emissions, as well as the percentage of total exposure in the portfolio that is covered by such risks. The Group recognises the importance of these banking sector-specific metrics and is committed to continuously improving its reporting mechanisms to incorporate the relevant data in future reports.
Climate-related Targets	
(a) An issuer shall disclose: (i) the qualitative and quantitative climate-related targets it has set to monitor progress towards achieving its strategic goals; and (ii) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets.	Addressing Climate Change – Metrics and Targets
(b) An issuer shall disclose its approach to setting and reviewing each target, and how it monitors progress against each target.	Addressing Climate Change – Metrics and Targets Appendix I: ESG Key Performance Data Table
(c) 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 – Metrics and Targets Appendix I: ESG Key Performance Data Table
(d) For each greenhouse gas emissions target, the issuer shall disclose: (i) which greenhouse gases are covered by the target; (ii) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target; (iii) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target; (iv) whether the target was derived using a sectoral decarbonisation approach; and (v) the issuer’s planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target.	Addressing Climate Change – Metrics and Targets Appendix I: ESG Key Performance Data Table The Group is currently not engaged in carbon credit trading or carbon offset programs. In addition, the Group continues to closely monitor market developments and regulatory trends, and is evaluating high-quality carbon credits as a potential supplementary tool to support the achievement of the Group’s emissions reduction targets.