



**ANTA SPORTS PRODUCTS LIMITED**  
Incorporated in the Cayman Islands with limited liability  
Stock Code: 2020

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

# 2022



## Mission

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

## Vision

To become a world-leading  
sustainable benchmarking  
enterprise

## Core Values

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

## Reporting Principles

This is the ESG Report for the year ended 31 December 2022 presented by ANTA Sports. This Report covers our ESG performance and practice across all our operations (including branding, production, design, procurement, supply chain management, wholesale and retail of branded sporting goods) in our principal places of business across China from 1 January to 31 December 2022. The Report has been prepared in accordance with Appendix 27 of the “Listing Rules” (with the application of the four reporting principles of “Materiality”, “Quantitative”, “Balance” and “Consistency”). We aim to enhance the Report’s breadth and representativeness by rigorously following these guidelines. The content of this report is determined through a systematic materiality assessment process, covering key issues related to different stakeholders. For the purpose of this Report preparation, we have engaged an independent professional consultant to thoroughly communicate with our major stakeholders and, with adequate consideration of the opinions of all parties, to identify key issues, evaluate the materiality and relevance and boundaries of the issues, and then determine the specific content of the Report. We will continue to strengthen the information collection regarding the Report to improve our reporting performance and disclosure level as to sustainability.

## Reporting Boundary

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

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

## Data Sources and Reliability

Data and cases contained in this Report are obtained mainly from our statistical reports and other relevant documents. This Report has been reviewed by the Sustainability Committee and approved by the Board on 21 March 2023 for publication.

## Company Profile

ANTA was established in 1991, while ANTA Sports Products Limited, a widely recognized global sportswear company, was listed on the Main Board of HKEx in 2007 (Stock code: 2020. HK). For many years, ANTA Sports has been principally engaging in the design, R&D, manufacturing, marketing and sales of professional sports products including shoes, apparel and accessories to Chinese consumers. By embracing an all-round brand portfolio including ANTA, FILA, DESCENTE and KOLON SPORT, and by setting up an investor consortium to successfully acquire Amer Sports in 2019, a global sportswear group that has internationally recognized brands including Arc’teryx, Salomon, Wilson, Peak Performance, Atomic, etc. ANTA Sports aims to unlock the potential of both the mass and high-end sportswear markets.

## Report Availability and Feedback

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

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

### ANTA Sports Products Limited

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

Telephone: (852) 2116 1660

Fax: (852) 2116 1590

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

Sustainability website:

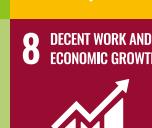
<https://ir.anta.com/esg/sc/index.php>

# CONTENTS

<b>Message from the Chairman</b>	2
<b>Statement of the Board</b>	4
<b>2022 Highlights</b>	6
<b>Safeguard Product and Pursue Innovation</b>	12
<b>Creating Value through Win-Win Cooperation</b>	28
<b>Diversity and Inclusion for People-Centered Development</b>	38
<b>Promoting Environment-Friendly and Green Development</b>	52
<b>Giving Back to Society by Supporting Public Welfare and Sports</b>	70
<b>Stable Business Operation for Sustained Progress</b>	76
<b>Prospects</b>	102
<b>Appendix</b>	107
<b>Glossary</b>	128



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



14 LIFE BELOW WATER



15 LIFE ON LAND



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



17 PARTNERSHIPS FOR THE GOALS

# MESSAGE FROM THE CHAIRMAN

Dear Stakeholders,

On behalf of the Board, I am pleased to present our ESG Report for the year ended 31 December 2022.

## Improving Management Structure for Better Governance

The year of 2022 may be one of the most complex and volatile years in history. In the past year, consumer goods market in China has been impacted by a range of factors, including a turbulent global situation, escalating geopolitical risks, instability in international supply chains, unpredictable fluctuations of the Pandemic, more frequent and severe impacts from extreme climate, and increasingly stringent legal and regulatory requirements.

The 30th anniversary marked a new chapter of ANTA Sports, and 2022 was also a critically important year for our ESG governance. In the face of the ever-changing business environment, we have maintained our long-term strategic mindset, actively responded to the situation with a "Dynamic Management" approach, and strengthened our engagement and management of sustainability issues both at the governance level and the operation level.

We continued to improve our ESG governance structure by establishing the Sustainability Committee to ensure governance level participation in sustainability issues. We have adopted the core values of "Mutualism with Consumers, Mutualism with Partners, Mutualism with Employees, Mutualism with the Society, and Mutualism with the Environment", and continued to explore growth opportunities related to stakeholders in areas such as product innovation, green supply chain, environmental protection and public welfare, in an effort to achieve high-quality and stable sustainable development. In the meantime, we have joined of the United Nations Global Compact, and pledged our support to the 10 Principles of the UNGC as well as our unwavering support to the realization of 17 SDGs of the United Nations. We firmly believe that we can continue to create more values for stakeholders by improving internal sustainability governance, strengthening management and control of our corporate development's impact on the environment and society, and abiding by the sustainability concept of "Value creation through Mutualism".

## Promoting Sustainable Consumption through Product Innovation

We actively promote the use of environmentally friendly materials in our products and packaging through R&D and technological innovation. Taking our ANTA National Team Series of ice-silk short sleeve shirts as an example, this product incorporates Sorona® fiber, which features up to 30% less energy consumption and up to 63% less GHG emissions in production compared to an equivalent amount of Nylon 6. Besides, we actively promote the sustainable packaging. During the financial year, over 50% of FILA's footwear products (including shoe boxes, hang tags, and wrapping paper) have used sustainable packaging. In addition, our brands are also exploring projects such as electronic hang tags to reduce the environmental impact of excessive packaging. We also set specific targets for each brand to continuously increase the proportion of sustainable products and exert a positive influence in the field of sustainable consumption. We have laid out clear requirements for the use of chemicals in our products, promised to gradually reduce and ultimately cease the use of harmful or restricted chemicals, and committed to identifying and managing our business activities' potential negative impacts on biodiversity and ecosystems, to articulate our commitment to the environmental attributes of our products. We have also become a member of SAC, demonstrating our commitment to assessing and managing the impact of footwear and apparel products throughout their entire lifecycle.

## Fostering a Green Corporate Ecosystem by Building Sustainable Supply Chain

Climate change is a focus of global action, and the "dual-carbon" goals and actions are of paramount importance. During the financial year, we conducted an inventory and verification of the GHG emission



status of 11 self-owned operating facilities to further analyze their emission status. Based on the findings, we formulated tailored energy conservation and emission reduction plans for four self-owned operating facilities, and procured the use of renewable energy in self-owned operating facilities and over 20 suppliers' facilities. We are also actively pursuing sustainable production and operations, in an effort to reduce emissions and waste generation, and reduce the intensity of water use. By promoting environmental impact control throughout the process of production, operation and end-product, we have integrated the principle of sustainability into our corporate activities and decisions, and worked to deliver our "1+3+5" overall environmental strategic objectives. In addition, we have formally joined and pledged to support the commitment of the SBTi in January 2023. We also plan to take active actions to promote carbon reduction in accordance with the SBTi standard.

The success in building a sustainable industry requires the close support of our suppliers. We committed to the principle of win-win cooperation continued to pay attention to the standardization and professionalism of suppliers' management processes, empowered our supply chain partner in order to improve their management capability and promoted the sustainable development of the supply chain. During the financial year, we conducted social responsibility audits on over 70 tier 1 suppliers, over 35 tier 2 suppliers and over 3 tier 3 suppliers, covering environmental and social metrics including labor management, health and safety, labor right, green production, etc. We did not find any material violations during audits. Among them, over 50 suppliers received third-party audits on SLCP, BSCI, WCA and other programs, so as to promote the sustainable development of the supply chain. In February 2023, we published the "Supplier Sustainability Management Handbook", further clarifying the management standards in the areas of labor rights, health and safety, environmental responsibility and sustainability management system, in an effort to create a mutualism platform

for building environment-friendly, healthy, safe and efficient supply chain. We are supporting suppliers to collect carbon emissions and energy usage data through digitization in order to improve their planning capabilities and management efficiency. At the same time, we are also promoting the sourcing of sustainable raw materials, and giving priority to suppliers with traceability and sustainability certification to create a green supply chain.

## Promoting Responsible Business Operation through Effective Human Resource Management

Employees are the cornerstone of an enterprise's long-term development. We regard talents as the most valuable aspect of our core competitiveness. As a member of the UNGC, we abide by all internationally recognized human rights policies outlined in the "Universal Declaration of Human Rights" and the "International Bill of Human Rights" of the United Nation. We respect an inclusive and open corporate culture, and continue to increase the proportion of women in our senior management team. As of 31 December 2022, we had approximately 59,000 employees, of which 75.1% are female and 24.9% are male, and female executives (director level and above) accounting for 36.1% of our total executives, representing an increase of 1.4 percentage point on a year-on-year basis. Based on the long-term development of the Company, we have invested substantial resources in building our employee training system and continued to cultivate a talent team tailored to our business development. During the financial year, we invested over RMB20 million in employee training, covering more than 90% employees.

## Moving to Nature toward a Better Environment

As a global strategic partner of WWF, we continue to invest in biodiversity conservation and engage our employee volunteers and the public in nature conservation work. During the financial year, we engaged in forest ecosystem protection and restoration, fry stocking

and habitat clean-up in nature reserve and other activities, leveraging our brand influence to promote the knowledge of environmental protection and boost the public awareness of the welfare cause. During the financial year, we donated a total of RMB23 million in cash and over RMB200 million of sports products (calculated at tag value) to various charitable organizations. Over the years, through the implementation of the "Sturdy Growth Charity Project", we have established 166 ADream Centers, trained 4,468 physical education teachers, and donated over RMB650 million of sports products (calculated at tag value), benefiting more than 4.9 million students in 11,711 schools in China. At the same time, we encourage our employees to participate in volunteer services, totaling over 24,000 hours during the financial year.

As the saying goes, those who keep working will get the job done; those who stay on the course can reach their destination. Over the years, thanks to our strategic planning with foresight and efficient execution, we have maintained extremely strong resilience. This has enabled us to seize the momentum of macroeconomic growth to achieve rapid development and navigate through all kinds of challenges and adversities in our business operation. Today, ANTA Sports has already grown into a world-leading sportswear group. Standing at the starting line of a new decade, we will continue to work with our team, uphold the "Keep Moving" spirit and adhere to our strategic and development goals. We will continue to create maximum value for stakeholders, strike the balance between business development and social responsibility, and take concrete steps toward a future of high-quality and sustainable development.



**Ding Shizhong**  
Chairman  
Hong Kong SAR, 21 March 2023

# STATEMENT OF THE BOARD



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

## **ESG Management Responsibilities**

The Board has overall responsibility for the Company's ESG strategy and reporting. As the top ESG governance body of the Company, the Board is responsible for formulating the Group's sustainability management guidelines, strategy and objectives, and establishing and maintaining ESG risk management and internal control system. The Board is also responsible for preparing the annual ESG report and overseeing the reporting process. In 2021, the Company established the Sustainability Committee, consisting of three Executive Directors, four Independent Non-Executive Directors and one executive designated by the Board. The committee is responsible for assisting the Board (i) to conduct effective governance and oversight of ESG matters; (ii) to formulate and review the Group's strategic objectives for sustainable development; (iii) to lead and promote each department to improve its mindsets and operation initiatives in various business processes from the sustainability perspective; (iv) to identify, assess and manage material ESG risks; and (v) to coordinate and standardize the collection of ESG related data and information to improve the quality of ESG information disclosure, so that the Company's ESG governance effectiveness would be enhanced.

## **ESG Risk Management**

We attach great importance to the potential impact of ESG-related risks and opportunities and incorporate the identification and management of ESG-related risks into the Company's risk management system. The Sustainability Committee (on behalf of the Board) is responsible for overseeing the assessment of ESG-related risks and opportunities and ensuring that appropriate and effective ESG risk management and internal supervision systems are in place. We also stress the identification, assessment and management of climate change related risks, and work on and disclose climate change-related risks and countermeasures in accordance with the requirements of the TCFD and the "Guidance on Climate Disclosures" by HKEX.

## **Review of the Progress of ESG Goals**

We have established the Group's sustainability strategy and goals, regularly evaluate key ESG issues and submit them to the Sustainability Committee for review and evaluation, in order to advise management for improvement of the ESG goals management system. The Sustainability Committee regularly reviews the ESG goals and reports to the Board. We have also incorporated ESG indicators into the performance assessment of key departments of the Group to promote the delivery of ESG goals and enhance our ESG performance.

## **ESG Reporting and this Report**

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

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

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

*Balance: The Company discloses unbiased picture with both positive and negative information and performance regarding ESG.*

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

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

# 2022 HIGHLIGHTS



## ENVIRONMENT

- Moving towards our carbon neutrality commitment by 2050:
  - Developed carbon reduction and energy optimization plans for **four** self-owned operating facilities;
  - Procured the use of renewable energy in self-owned operating facilities and over **20** suppliers' facilities;
  - Combining green spaces, energy-saving design and material in constructing the Shanghai Headquarters;
  - Officially joined and pledged support to the Science Based Targets initiative (SBTi) in January 2023 and will establish carbon reduction targets for the business across the entire value chain;
- Gradually reduce and eventually cease the use of hazardous and restricted chemicals.

*Sustainable packaging contributes to environmental impact reduction*



## PRODUCTION AND SUPPLY CHAIN

- Published "Supplier Sustainability Management Handbook" to guide suppliers and their subcontractors on social responsibility management;
- The total number of suppliers of ANTA and FILA (including footwear, apparel and accessories) was **524**;



## PACKAGING

- Over **50%** of FILA's footwear products (including shoe boxes, hang tags, and wrapping paper) have used sustainable packaging;

- Conducted social responsibility audits on over **70** tier 1 suppliers, over **35** tier 2 suppliers and over **3** tier 3 suppliers, covering environmental and social metrics including labor management, health and safety, labor right, green production, etc. We did not find any material violations during audits. Among them, over **50** suppliers received third-party audits on SLCP, BSCI, WCA and other programs;
- Supported suppliers to collect carbon emissions and energy usage data through digitization.

## PRODUCT

- ANTA National Team Series Ice-silk Short sleeve Shirts incorporate Sorona® fiber, which features up to **30%** less energy consumption and up to **63%** less GHG emissions in producing Sorona® fiber compared to an equivalent amount of Nylon 6;
- ANTA Little Millennium Sport Shoes' ramp features Global Recycling Standing (GRS) space leather material, which is made of recycled PET plastic. In comparison to the production of 1kg of virgin PET plastic, the production of recycled PET plastic results in **59%** less carbon dioxide emissions than virgin PET plastic;
- ANTA National Team Series Honor Jackets feature the use of REPREVE® recycled nylon yarn. Producing REPREVE® results in approximately **50%** reduction of CO<sub>2</sub> equivalent, compared to producing one ton of regular nylon.



- 100%** of DESCENTE's shoes packaging paper and paper shoe tree have received Forest Stewardship Council (FSC) and Global Recycle Standard (GRS) certifications respectively.

*Supply chain management  
contribute to shared social responsibility*



## SHARED SOCIAL RESPONSIBILITY

- Member of the United Nations Global Compact (UNGC) and pledged support to the UNGC's **10** principles;
- Pledged unwavering support to the achievement of the United Nations' **17** Sustainable Development Goals (SDGs);
- Member of the Sustainable Apparel Coalition (SAC), demonstrating a commitment to assessing and managing the impact of footwear and apparel products throughout their entire lifecycle;
- Global Strategic Partner of World Wildlife Fund (WWF);
- Donated a total of RMB**23** million in cash to different charities, and the value of donated sportswear (calculated at tag value) exceeded RMB**200** million in 2022.

# 2022 HIGHLIGHTS

Definition of  
Sustainability

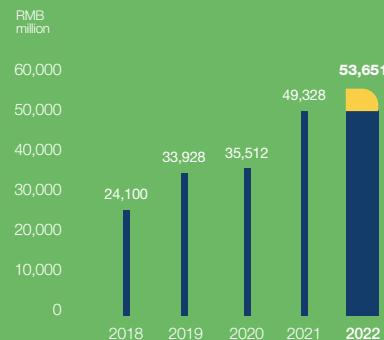
And where are we?

## Sustainability Overview Our Business

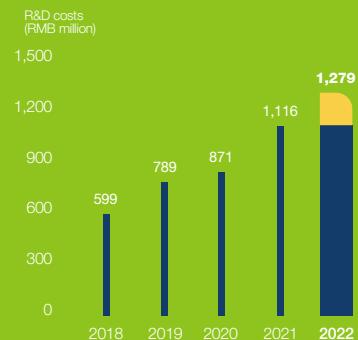
### Growing Revenue Potential

### Increasing Innovation Potential

Maintaining an upward  
revenue trend



Continued Investment in  
R&D



Multi-brand strategy



## Financial Performance for 2022

### Results Highlights

#### Financial Performance



Revenue increased by 8.8% to  
RMB **53.7** Billion



Gross profit margin decreased by 1.4% point to  
**60.2%**



Profit attributable to equity shareholders decreased by 1.7% to  
RMB **7.6** Billion



Basic earnings per share decreased by 1.7% to  
RMB **2.82**

Payout of the profit attributable to equity shareholders  
**42.4%**

#### Operational Performance

(As of 31 December 2022)

Number of ANTA stores in Mainland China and overseas stood at  
**6,924**  
(6,832)\*

Number of ANTA KIDS stores in Mainland China and overseas stood at  
**2,679**  
(2,571)\*



Number of FILA stores (including FILA KIDS and FILA FUSION standalone stores) in Mainland China, Hong Kong SAR, Macao SAR and Singapore stood at  
**1,984**  
(2,054)\*



Number of DESCENTE stores in Mainland China, Hong Kong SAR and Macao SAR stood at  
**191**  
(182)\*



Number of KOLON SPORT stores in Mainland China and Hong Kong SAR stood at  
**161**  
(155)\*



\* As of 31 December 2021

# 2022 HIGHLIGHTS

## Constituent Stock of

Index abbreviation	Index name in English
HSI	Hang Seng Index
HSCEI	Hang Seng China Enterprises Index
HSML100	Hang Seng China (Hong Kong-listed) 100 Index
HSFML25	Hang Seng China (Hong Kong-listed) 25 Index
HSCI	Hang Seng Composite Index
HSCICD	Hang Seng Composite Industry Index – Consumer Discretionary
HSLI	Hang Seng Composite LargeCap Index
HSLMI	Hang Seng Composite LargeCap & MidCap Index
HSLMIV	Hang Seng Large-Mid Cap (Investable) Index
HSSCNAH	Hang Seng SCHK ex-AH Companies Index
HSSCMLC	Hang Seng SCHK Mainland China Companies Index
HSHKI	Hang Seng Stock Connect Hong Kong Index
HSSCHK	Hang Seng Stock Connect Hong Kong Composite Index
HSCGS	Hang Seng Consumer Goods & Services Index
HSIESG	HSI ESG Index
HSCEESG	HSCEI ESG Index
HSESG50	Hang Seng ESG 50 Index
HSHKS50	Hang Seng Stock Connect Hong Kong Top Shareholding 50 Index
BWORLD	Bloomberg World Index
BESGPRO	Bloomberg ESG Data Index
BWRETL	Bloomberg World Retail Index
SBBMGLU	S&P Global BMI (US Dollar)
SCRTCN	S&P China BMI Index
SCRTEM	S&P Emerging BMI Index

## Rating and Awards

### ANTA Sports' rating:



Achieved an “A-” rating in the Hong Kong Quality Assurance Agency Sustainability Rating



Ranked ahead of 87% of approximately 160 global textile, apparel and luxury brand companies in S&P Global ESG Scores



Scored 77 in the Global ESG Monitor (GEM) 2022 global report and ranked eighth in the world's most transparent ESG reports and the top among the Hong Kong Blue Chip Stocks

### Our ESG Report:



Was awarded CarbonCare® ESG Label 2022’s “Best Practice in ESG Reporting Level 4” by CarbonCare Innovation Lab



Was awarded CarbonCare® Star Label 2022’s “Continuous Commitment in Best Practice in ESG Reporting” by CarbonCare Innovation Lab

### ANTA Sports' awards:



Was awarded the “Best ESG (G) (Large Cap)” by Hong Kong Investor Relations Association



Was selected as an “Sustainable Enterprise Case 2022 in China” by APEC’s Sustainable China Industry Development Initiative



Was awarded the “Sustainable Development category – Gold” by Quam IR Awards 2021



Was awarded the “Best ESG Employer 2022” by Aon China



Was awarded the “Top Ten Best Corporate Governance Companies” and the “ESG Zhiyuan Award Social Responsibility Pioneer Enterprise Award” by the Cailian Press



Was awarded “the 2022 Most ESG Brand Award” by 2022 China Footwear Grand Festival

## SDG goals addressed in this chapter



### ESG issues covered in this chapter

- Use of chemicals and discharge
- Product life cycle
- Product quality and safety
- Craftsmanship and product innovation
- Customer relations management
- Data privacy and protection
- Sustainable consumption
- Intellectual property management
- Responsible marketing

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

## Innovation in Craftsmanship and Design

We have always adhered to the principle that “Innovation is the Foundation of Enterprise” and strengthened our independent innovation capabilities. Based on our well-established, sound R&D innovation framework, we comprehensively push forward different dimensions of R&D work, such

as technological innovation, product innovation, design innovation and craftsmanship innovation.

### Technological R&D Innovation

We attach great importance to technological R&D innovation, and promote the deep integration of the R&D of forward-looking sports technologies and market-oriented transformation of innovative results to serve the upgrade

of our products. In 2005, we established the industry's first Sports Science Laboratory at the national level in China. Over the years, the Sports Science Laboratory has collected the foot shape data of people all across the country, providing effective data support for our independent R&D and innovation. ANTA continues to lead the direction of innovation and research in the industry with the launch of Nitrogen, A-Warm, A-Chill, Aerated, Water-Repellent and other technologies. We also work to

promote the upgrade of production processes and technologies. During the financial year, Xiamen ANTA Industrial Co., Ltd. undertook the renovation of outdoor high-end seamless workshop to strengthen the capability of seamless

technology; realized the flexible interchangeable production in the intelligent needle/woven/down assembly lines to raise the production efficiency; and established the innovative tooling and fixture technology workshop, and

introduced an innovative model of all-in-one resolution for single problems through technology sharing in the whole production process.

### Key Performance in 2022



R&D expenses: More than RMB 6 billion in the past 10 years

Employment of top talents: over 700 international design and R&D experts from eight countries

### A-Warm and A-Chill won international awards



ANTA A-Warm was designed and developed by the Sports Science Laboratory, and verified through professional tests and athletes' personal experience. With its super warm-keeping features, the technology won the "ISPO TEXTRENDS Award", and was widely used in athletic equipment during the Beijing 2022 Winter Olympic and Paralympic Games, bringing the power of sports technology to the Olympics. ANTA A-Chill technology won the "ISPO TEXTRENDS Top Ten Award", "MUSE Design Award" and three international awards for its quality material performance.

### ANTA Skeleton racing shoes with 25 patents



ANTA's self-developed Skeleton Shoes have different technology patents. The sole includes a midsole, a carbon piece, a front piece and a transparent piece, through which allow user to observe the structure of the carbon piece and whether there are any foreign objects. The heel of the shoe is equipped with a back piece, which has a smooth continuous line on the outer surface and a numerically simulated streamline design to help reduce air resistance. These shoes have been used by the Chinese skeleton national team in the Beijing 2022 Winter Olympic and Paralympic Games, helping the team win their first Olympic medal in history, and presenting to the world the power of "Made in China" and "Created in China".

# SAFEGUARD PRODUCT AND PURSUE INNOVATION

## Product Design Innovation

Product design innovation is our primary focus. We have established design centers in China and formed an international design team with designers from the US, Japan, the South Korea and Italy to build up innovation capability and deepen our innovation culture.

We have creatively integrated various styles into sports aesthetic design, producing new products combining different design styles and elements, and products that are both fashionable and practical. The new winter series of ANTA KIDS products, inspired by the Winter Olympic spirit, were presented in Shanghai Fashion Week, creating a classic winter outfit of children's sportswear. DESCENTE collaborated with contemporary Japanese fashion designer Kazuki Kuraishi and launched a new skateboarding series, DESCENTE X KAZUKI KURAISHI. Inspired by multiple fashion trends, FILA launched a premium sports down jacket series, blending culture with sports; KOLON SPORT ANTARCTICA LITE adopted the same warm-keeping technology specially made for the polar-series down jackets and its unique design inspirations to create the fashion of outdoor winter sports.

## Intellectual Property Management

We attach great importance to intellectual property protection, thoroughly implement intellectual property management, and establish sound management policies for brand protection, trademark and patents. We strictly abide by the "Patent Law of the People's Republic of China", the "Trademark Law of the People's Republic of China", the "Copyright Law of the People's Republic of China", and other laws and regulations. We have established a systemic framework of internal policies concerning intellectual property management, trademark management, patent management, brand protection, and prevention and control of intellectual property infringement risks, such as the "Intellectual Property Management Policy", "Patent Application Process" and "Protocols for Defending Rights against Counterfeiting". During the financial year, we improved the "Intellectual Property Review Management Policy", standardized and updated the audit process and penalty mechanism for the prevention and control of infringement risks, increased the intellectual property risk audits in the system, simplified the process for handling disputes over audit opinions, refined the penalties for design plagiarism and failure to follow the audit process, and strengthened the intellectual property awareness of business departments.

During the financial year, we continued to fight against intellectual property-related counterfeiting and defend our brand, and set performance targets and goals for intellectual property management. Internally, we focused on preventing risks associated with intellectual property, and externally, we focused on fighting infringement and counterfeiting, all in an effort to promote the implementation of intellectual property protection.

### Key Strategies:

- Conduct auditing and control of potential infringement risks in business in accordance with laws and regulations and job responsibilities, and set up auditing mechanisms for intellectual property risks at all key stages of the brand operation, covering but not limited to business segments such as product design, advertising and promotion, and non-production procurement;
- Investigate into the non-compliance of business departments and provide recommendations for improvement;
- Provide staff training and courses to enhance the intellectual property awareness of the design team. The topics of training include prevention and control of intellectual property risks in product design, trademark naming tips, patent analysis reports, and anti-counterfeiting awareness;
- Take various measures to combat counterfeiting and fake products, and strengthen efforts to curb the sale of counterfeit products online, especially in live streaming and private domain.



## Key Performance in 2022



- Over **1,800** registered and approved trademarks
- Over **1,600** valid patents
- Over **60** copyright registrations
- **15** training sessions on intellectual property protection awareness, covering **800** employees across merchandise, R&D and branding departments
- Over **9,800** intellectual property risk audits, clearing over **2,300** infringement risks
- Cracked down on **2,105** different types of intellectual property cases, (infringement and counterfeiting) including **1,769** administrative and criminal cases, **48** customs protection cases, **288** civil infringement claims, and received over RMB**10** million of compensation awarded by the court in civil proceedings
- Passed the 2022 annual review of National Intellectual Property Model Enterprise organized by the State Intellectual Property Office (China)

## Promoting Industry Development

During the financial year, we entered into partnerships with several industry partners to continuously improve the professional performance of our products with innovative technologies. With the aim of creating leading-edge sports equipment, we partnered with Beijing Institute of Fashion Industry to work on scientific research, jointly build a platform for industry-university-research cooperation, and accelerate the cultivation of professional talents as well as the R&D of key projects and transformation of research results. The Tsinghua University-ANTA (China) Co., Ltd. Joint Research Center for Sports Fashion, co-founded

by Tsinghua University and us, is committed to building a world-leading innovation platform for the sports industry by leveraging the resources of Tsinghua University's multi-faculty and interdisciplinary experience. It helps Chinese sporting brands drive growth and achieve global recognition by integrating the R&D of sports technology and market-oriented transformation of research results. The ANTA (China) Co., Ltd. Postdoctoral Research Station was officially approved, and it will work with Chinese universities to cultivate high-end scientific research talents in the fields of sports science, new materials, new technologies and new processes. In addition, ANTA announced a collaboration with Huawei Sports Health. The ANTA Science Laboratory

and Huawei Sports Health Science Laboratory will cooperate to explore the interaction between technology and sports. On ANTA's newly released Olympic champion running shoes, the two sides had the first attempt of collaboration. In a joint test conducted by ANTA Science Laboratory and Huawei Sports Health Science Laboratory, the running shoes demonstrated excellent shock absorption performance in all indicators. At the same time, a large number of data collected during the test, including the sample data of Olympic champions, will provide important reference for in-depth research on the running habits and needs of Chinese runners in different scenarios.

# SAFEGUARD PRODUCT AND PURSUE INNOVATION



## Raising Product Quality

We strictly abide by the “Product Quality Law of the People’s Republic of China”, the “Consumer Rights Protection Law of the People’s Republic of China”, and other laws and regulations. We continue to improve our internal quality and safety control management system, and thoroughly implement quality monitoring and safety and security measures. We continuously develop and adopt new technologies to improve product quality, and strive to ensure that all consumers enjoy the fun of sports with our high-quality sportswear. During the financial year, we focused on quality management capability, R&D technology, product quality and service, as well as the development of sustainability standards to improve product quality.

## Product Quality and Safety

Product quality is the foundation of our business. We are committed to supplying high-quality products to consumers. We have established a quality control system covering the entire life cycle of products, and strictly implemented the “Technical Standards on the Safety of Chemicals”, the “Manual on the Safety Control of Chemical Products for ANTA Suppliers”, the “Standards for the Appearance of Clothing Lining Materials”, the “Quality Standards on Child Safety” and other standardized requirements. Our “Quality Management Manual” provides a complete introduction of product quality management, including chemical specifications, recall management, product risk assessment, and other policies.

## Quality and Safety Certification and Training

We have established a comprehensive quality management system, and conducted certification of our quality and safety system. We commissioned an external organization to conduct the annual supervisory audit of the certification of our quality management system, environmental management system and occupational health and safety management system in accordance with the “2022 Annual Plan for Management System Audit”. Those confirmed effective will be issued a “Certificate of Confirmation”. The scope of the certification covers the design, development, production and sales management of sports and leisure footwear and apparel.

At the same time, we actively organize quality-related training, learning and relevant certification for employees and suppliers.

- For employees, training on regulatory standards such as the “Requirements of Quality Management System” and the “Guide to the Audit of the Management System”;
- For suppliers, the Supplier Quality System Manager/Engineer Certification program.

### Special Quality Inspection

We conducted special quality inspections on subjects such as production, equipment, and returned products to further ensure the quality of our products.

- Special inspection on glue and equipment: we conduct random inspections of glue and equipment from time to time, and keep track of the progress in correcting non-conformities;
- Special inspection to reduce the amount of returned goods: we carry out special inspections on a weekly basis to reduce the amount of returned residuals, and conduct regular review based on the comparison of returned products and check of abnormalities;
- Inter-department audit: we organize multiple departments to inspect and provide guidance on the production process, key points in process operation and product quality.

### Product Recall Management

We track and manage the quality of the products sold, and have a sound product-recall mechanism. If a product with quality problems or potential safety hazards is found after leaving factory, we will initiate a recall according to the “ANTA Recall Management Policy”, to prevent any losses to consumers. For products that do not comply with regulations, that have problems in the self-inspection process, or with recall rate exceeding 5%, we would issue a takedown notice within one working day after recall confirmation, and notify our distributors, DTC franchisees and self-owned operating stores to return all products for centralized processing. Employees are strictly prohibited from handling them individually. For products that are returned or recalled for quality reasons, we will take the products back for repair and give out compensation, and include them in the major quality management assessment.

### Chemicals Safety Management

We attach great importance to the management of chemicals safety, and we strictly abide by the relevant laws and regulations on environmental protection. We established chemicals management policies where our suppliers should also follow. In accordance with the relevant regulations and market requirements in China, we formulated specifications such as the “Chemicals Safety Technical Specifications” and the “Guidelines for Chemicals Safety Process Control”. During the financial year, we revised the “Chemicals Safety Technical Specifications” and the “Chemicals Safety Management Measures on

Footwear Products”, specifying the indicator requirements, test methods, sampling and verification rules on the chemicals safety performance of apparel, footwear and accessory products and materials to better identify chemicals.

Our “Chemicals Safety Technical Specifications”, which is established with reference to recommended national standards, OEKO-TEX100, REACH, EU eco-labeling for shoes and boots, and other requirements, sets clear rules for the environment-friendly and safe manufacturing of products made from various raw materials (natural fibers, chemical fibers, mixed fibers), leather products, coated fabrics, various printed products, etc. According to the industry standards, we identify, among all the existing chemicals used in our production, the types of chemicals that are recognized as harmful to the environment and health to formulate a comprehensive list of chemicals of concern, such as organotin compounds and allergenic dyes, and establish the scope of testing on this basis. The quality departments of our footwear, apparel and accessories brands determine the testing items according to these specifications and conduct sampling tests on the corresponding products or materials according to the relevant documents, compile statistics on the use of chemicals in the entire production process, and list the types and quantities of all chemicals of concern planned to be phased out or banned according to the requirements of relevant laws and regulations and industry standards, including 70 types of insecticides, 25 types of plasticizers, 24 types of aromatic amine dyes, 18 types of carcinogenic dyes, 22 types of allergenic disperse dyes, six types

# SAFEGUARD PRODUCT AND PURSUE INNOVATION

of other banned dyes, 21 types of banned flame retardants, and 13 types of banned organochlorine carriers. At the same time, we are committed to gradually reducing and ultimately stopping the use of hazardous and restricted chemicals, which include using environment-friendly water-based glues, reducing the content of volatile organic compounds in waste gas, and reducing the amount of treatment agents used in the shoe production process.

We have introduced clear standards and requirements on the use of chemicals by our suppliers, and established the "Guidance on Chemical Safety Management for Suppliers", the "Statement of Compliance for Chemical Safety Control of Suppliers" and other systems, to ensure effective control of the practices of our supplier partners in all aspects of chemical use, and make sure that our products and raw materials will not harm human health or the environment while they are worn, maintained or handled. We are committed to protecting the rights and interests of consumers and achieving win-win cooperation with suppliers in the long run. During the financial year, we provided training on chemical safety standards and chemical safety management protocols to our suppliers, with the participation of over 500 people.

## Digital Empowerment

Since 2020, we have invested on DTC model and formulated its development plan over the next decade. The DTC model achieves the reconstruction of

relationship among people, goods and markets, enhances member value, strengthens the technological middle platform, and makes use of innovative product intelligence. It also enables efficient connection between ANTA and the retail channels, helping ANTA to quickly respond to consumer needs.

In the R&D process, we have greatly shortened the R&D cycle, using AI technology to automatically generate color matching, design, and 3D technology modeling, so we can provide different color matching for designers' reference. Using the data from front-end sales and market feedback, we can quickly improve product design. In addition, our smart factory has allowed transformation and upgrading of the manufacturing process through the use of digital technology. Changting ANTA Sports Products Co., Ltd. has built a digital factory and completed the second phase of the smart factory construction during the financial year, advancing the digitization process at a faster speed.

## Advocating Circular Fashion

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

## Sustainable Product Design

We have developed product standards and certification standards related to ESG projects, adopt the "Technical Specifications for Sustainable Products", which standardizes the technical and certification requirements for sustainable materials, sustainable production processes, sustainable packaging and sustainable products, and measure environmental and health profile of new products as part of product designing, to lead the trend of sustainability in the apparel and footwear industry. We adhere to the concept of sustainability in developing our products and continuously promote the launch of environment-friendly products. From product design concepts to the use of recycled materials as the raw materials for production, we strive to achieve efficient use of resources and reduce the environmental impact in the whole process of production.

In terms of environmental technology, ANTA has Water-Repellent, A-Chill, and Aerated technologies, and we also use different eco-friendly materials. In the future, we will actively increase the proportion of sustainable products, and have already set specific goals for each brand.

We use the following eco-friendly materials:



#### DuPont™ Sorona® fiber

Sorona® uses up to 30% less energy in production compared to an equivalent amount of Nylon 6. Secondly, the GHG emissions in the production of Sorona® is up to 63% lower than the production of an equivalent amount of Nylon 6. Applying Sorona® helps reduce our dependence on petroleum resources and petrochemicals.



#### EcoCosy fabrics

EcoCosy® fiber is made from certified wood pulp including CFCC®/ PEFC™ in China. Manufacturing practices meet the requirements of the level of STeP by OEKO-TEX® certification standards.



#### REPREVE® nylon yarn

This material is derived from industrial waste such as leftover thread, scraps, and cuttings generated during the production of nylon. It avoids the use of petroleum resources and is processed using special techniques, saving up to 44% of energy. Producing REPREVE® results in approximately 50% reduction of CO<sub>2</sub> equivalent, compared to producing one ton of regular nylon.

#### ANTA National Team Series

**ANTA** is advancing the integration of the technology of the National Team Series and environmentally-friendly technology. The National Team Series of ice-silk short sleeve shirts now incorporate Sorona® special fiber. We have upgraded Sorona® fiber by infusing it with various substances such as jade powder, antibacterial agents, and coffee carbon to provide functions such as cooling, antibacterial properties, heating and other functions.



# SAFEGUARD PRODUCT AND PURSUE INNOVATION

## ANTA NATIONAL TEAM SERIES

ANTA's National Team Series of Honor jackets now feature REPREVE® recycled nylon material, which is specifically recycled nylon yarn.



## ANTA LITTLE MILLENNIUM SPORTS SHOES

The shoe upper features GRS Space leather material, which is an eco-friendly and recycled material. The production process for this material involves the use of recycled PET plastic. In comparison to the production of one kg of virgin PET plastic, the production of one kg of recycled PET plastic results in only 0.91kg of carbon dioxide emissions. In other words, the production of recycled PET plastic emits 59% less carbon dioxide than the production of virgin PET plastic, which emits approximately 2.23kg of carbon dioxide per kg produced.

## ANTA KIDS SKATEBOARD SERIES

ANTA KIDS's apparel applies Sorona® fiber, driving new fashion style of sustainable fashion.



### FILA ORIGINALE "GLOBAL CITIZEN" RECYCLED COLLECTION SERIES

**FILA** has adopted the fabric that is made from recycled waste plastic bottles, which has a good wrinkle resistance and dry feel. The design of the garment is inspired by the global climate map, which is printed on the clothes to appeal for public attention to climate change.



### RE: DESCENTE SERIES

**DESCENTE** has also launched the RE:DESCENTE BIRTH, DESCENTE SEED, and DESCENTE BUILD collections, which are made from old clothing, thus embodying the concepts of environmental protection and circular economy.



### KOLON SPORT POLARTEC LONG SLEEVE TOP

**KOLON SPORT** uses recycled polyester fabric, which is quick-drying and highly breathable.

# SAFEGUARD PRODUCT AND PURSUE INNOVATION

Selection into the Excellent Enterprise Cases of the  
“Sustainable China Industry Development Initiative”  
by APEC



We have been selected as an excellent enterprise case of the “Sustainable China Industry Development Initiative 2022” launched by the APEC, which recognized our practice of advocating low-carbon consumption and living through product design and R&D innovation, and promoting green transformation in our value chain.



## Advocating Sustainable Consumption

We are making a positive impact in the area of sustainable consumption initiatives in line with our global emissions reduction targets. While pursuing profitability and growth, we also strive to raise consumer awareness of sustainable consumption and achieve mutual development. On the one hand, we are practicing the concept of sustainable development through our own actions.

For products that are recalled in bulk, we classify them according to their damage and value. Products that can be repaired will be fixed and put on the shelf again; products that cannot be repaired but could still be used will be handled as an employee benefit; only products that cannot neither be repaired or used will be scrapped. These efforts are aimed at ensuring maximum recycling of our products. On the other hand, we have organized public awareness campaigns on eco-friendly products and explained

to consumers of the chemical contents per regulatory registration requirement in an effort to promote green consumption and raise consumers' awareness of environmental protection.

## Improving Customer Service

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

## Customer Service System

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

matters. FILA also provides efficient services for customers through its Customer Service Department and Membership Management Department .

### Distributor Management

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

The main criteria for becoming our distributor include:

- Sales experience
- Ability to meet sales targets
- Sufficient working capital to operate an authorized store
- Ability to find suitable store locations and space
- Track record of payment and credit term
- Ability to comply with our operational policies and etc.

After meeting the above basic requirements, we will review the actual situation of distributors and thoroughly explain to them our requirements of operation capability, environmental policy, employment relationship and social responsibility, to prevent the risks caused by improper management of distributors. In order to provide our

distributors with the basic rules to abide by and standardize the supervision of their performance, we have established the “Standard Operating Procedures”, “Terminal Activities Management Regulations” and other operational terms and conditions. We require distributors to align with our expectations in terms of retail policies, inventory management, store layout, promotion, customer service and after-sales service standards. At the same time, we have established an incentive and rebate mechanism for distributors. When distributors

meet the conditions of sales targets and receivables, we provide them with rebates in different ways to encourage their sustainable development. We hold trade fairs to introduce technology products to be launched in the future and knowledge related to the products to our distributors and franchisees, and we also communicate with distributors from across the country to adjust marketing strategies and improve business directions, and deliver high-quality distributor products and services to our customers.

### FILA advocating low-carbon growth and shaping sustainable fashion



FILA organized the “Carbon Elegant Light Life” music camping to promote the concept of “Sustainable Fashion” to consumers. At the concert, the brand ambassador wore new products from FILA’s “Global Citizen” recycled collection to promote FILA’s appeal for environmental protection, calling on the public to protect the oceans and water sources and support to the sustainable development of the Earth.



# SAFEGUARD PRODUCT AND PURSUE INNOVATION

## Responding to Customer Demands

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

To further improve the quality of our customer services, we have included the handling of customer complaint into the performance appraisal of the relevant staff. We conducted assessment of customer services on the retail end, and have the relevant standards for customer reception and after-sales services. Inspectors sent by the headquarters pay undercover visits to retail stores regularly and analyze the collected data on customer complaints. In the meantime, we continuously conduct training on the competence and service awareness of service personnel, and actively work with various business department to deliver timely after-sales services and make sure that the legitimate demands of consumers are well-satisfied. FILA conducts weekly and monthly monitoring of product quality, and issues opinion reports to

make improvement on products with more complaints and bring down the compliant rate of consumers. During the financial year, FILA gradually improved its services according to consumer demands, and launched the functions of shipping insurance, door-to-door pickup and store pickup in the private domain mini-program to continuously improve product quality and services.

## Customer Satisfaction

We continuously optimize our products and improve our customer service system to raise customer satisfaction. We also identify customer needs through customer satisfaction surveys. To effectively quantify user satisfaction, we have launched an internal net promoter score questionnaire and consumer survey, which is automatically



Key Performance  
in 2022



100% complaint handling completion rate of the customer service system at our headquarters



triggered after customers shop in brick-and-mortar stores, FILA mini-program and FILA Tmall official flagship store. Customers can also voluntarily participate in the survey by scanning the net recommendation score QR code. By analyzing the survey data, we can identify the specific subjects that consumers complain about, such as stores, products or purchasing platforms. We ask the complainee to provide improvement data on a monthly basis, and continuously track the improvement results. Based on the valid feedback

received from the net promoter score survey, the overall consumer satisfaction rate of the FILA brand reached over 90% in 2022.

## Respect Customer's Rights and Interests

### Responsible Marketing

We abide by the "Advertising Law of the People's Republic of China", the "Anti-Unfair Competition Law of the People's

Republic of China", the "E-Commerce Law of the People's Republic of China", and other laws and regulations. We strictly control the information released through our promotion channels, such as television, print media, web portals, and live-streaming media to ensure the accuracy, legality and authenticity of our publicity information. We oppose unfair competition, abstain from disinforming customers on competitors' work/product, and prevent or avoid any potential adverse social impact and legal risks to our brands due to inappropriate publicity; we give extra care and protection to children and other disadvantaged groups in the marketing process and strive to practice responsible marketing.

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

# SAFEGUARD PRODUCT AND PURSUE INNOVATION

We continue to focus on the impact of sustainability issues on our brands, and we conducted research to understand consumers' perceptions of sustainability issues and analyze their impact on our brands and business performance. We continue to track the relevance of our brands to ESG in an effort to create a responsible brand image in the minds of consumers.

## Information Security and Privacy

We attach great importance to information security and customer privacy, strictly abide by the "Internet Security Law of the People's Republic of China", the "Data Security Law of the People's Republic of China", the "Personal Information Protection Law of the People's Republic of China", and other laws and regulations. Accordingly, we have built and implemented an information security management system, and formulated a well-rounded information security management policy matrix consisting of 28 information security systems, including the "Penalty Rules of the Information Security Regulations" and the "Rewards and Discipline Policy" that are established for the punishment of employees violating information security regulations, as well as the "Validity Measurement Procedures", which provides the standards for the assessment of data and network security. In this financial year, we reviewed 28 information security systems to assess the

appropriateness, adequacy and effectiveness of their contents, and updated the "Internet Access Management Policy", the "Personal Information Protection Management Policy", the "Data Classification and Hierarchical Management Standards", "Data Sharing Process" and other policies to strengthen the security management of corporate data and personal information. We also obtained ISO 27001 certification for information security management system. At the supervisory level, we established the Personal Information Protection Office to coordinate the management of personal information protection in the Group, and the Sustainability Committee reviews the Group's information security issues and reports to the Board.

We conduct internal and external audits of information security annually. During the financial year, we commissioned a qualified external organization to carry out an external audit covering all areas of work related to information security management, and completed a group-wide internal audit in the same year. On the whole, our performance is consistent with the requirements of the information security management system, and no major non-compliance has been found. In addition, we carried out penetration testing of our special application systems and conducted comprehensive security penetration assessment of systems involving user data processing to ensure the safe and stable operation of application systems.

## Customer Privacy Protection

We are committed to protecting the privacy of our customers, and our official brand stores and other stores are required to follow the "Personal Information Protection Management Policy" and publicly present the policy to consumers. During the financial year, we received no complaints from regulators or external parties regarding customer privacy violations.

Highlights of the privacy policy:

- Channels of information use: sales of products, consumer marketing and services;
- Channels of information protection: access control, encryption, sensitive information protection, etc.;
- Means of information use: internal use, handling by commissioned service providers, sharing according to law or contract;
- Time allowed to keep the information: depending on the necessity of information use, as short as possible;
- Customer's right to decide: customers can decide by themselves whether to provide non-essential information, and reserve the right to request the deletion of personal information.

## Measures for Information Security

We have established an Information Security Management Committee and a specialized monitoring and enforcement team. With the support

and guidance of management, we have constructed a security management system and security technology system to ensure information security. Our measures include building an ISO 27001 information security management system, a data leakage prevention system, performing penetration testing, conducting offensive and defensive drills, implementing proactive and passive defense plans, and taking measures such as security monitoring, threat warning, and emergency response for core systems to trace abnormal behavior. In cases of information theft, we enforce punishment according to the established policies and disclose on the social media to serve as a warning.

- For core data, we have a clear management process for acquisition, transmission, use and storage;
- For sensitive user data, we protect and encrypt sensitive information, and develop individual-level privacy information reports;
- For potential information security risks, we conduct daily checks and make timely corrections on information system vulnerabilities and unauthorized access to personal privacy.

We promote information security awareness among all employees. We continuously carry out information security awareness training every year and provide relevant information security courses on the online learning platform of “ANTA Academy”. During the financial year, we organized special training on

data privacy management, including a special course on personal information protection and a security test, and our employees completed a series of compulsory courses on information security in the IT field and training and examination of compulsory courses on employee information security. We also adopted such means as email phishing drills to raise employees' information security awareness.

Through employee reporting and the involvement of Personal Information Protection Office, we have been able to respond and resolve information security incidents in a timely manner. Employees can make report according to the “Information Security Incident Management Policy”. The information security department will organize different degrees of investigation, evaluation, processing, reporting, and summarizing based on the level of the incident; and Personal Information Protection Office will arrange for the relevant department to handle the incident according to the emergency response plan.

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



# CREATING VALUE THROUGH WIN-WIN COOPERATION

SDGs addressed in this chapter

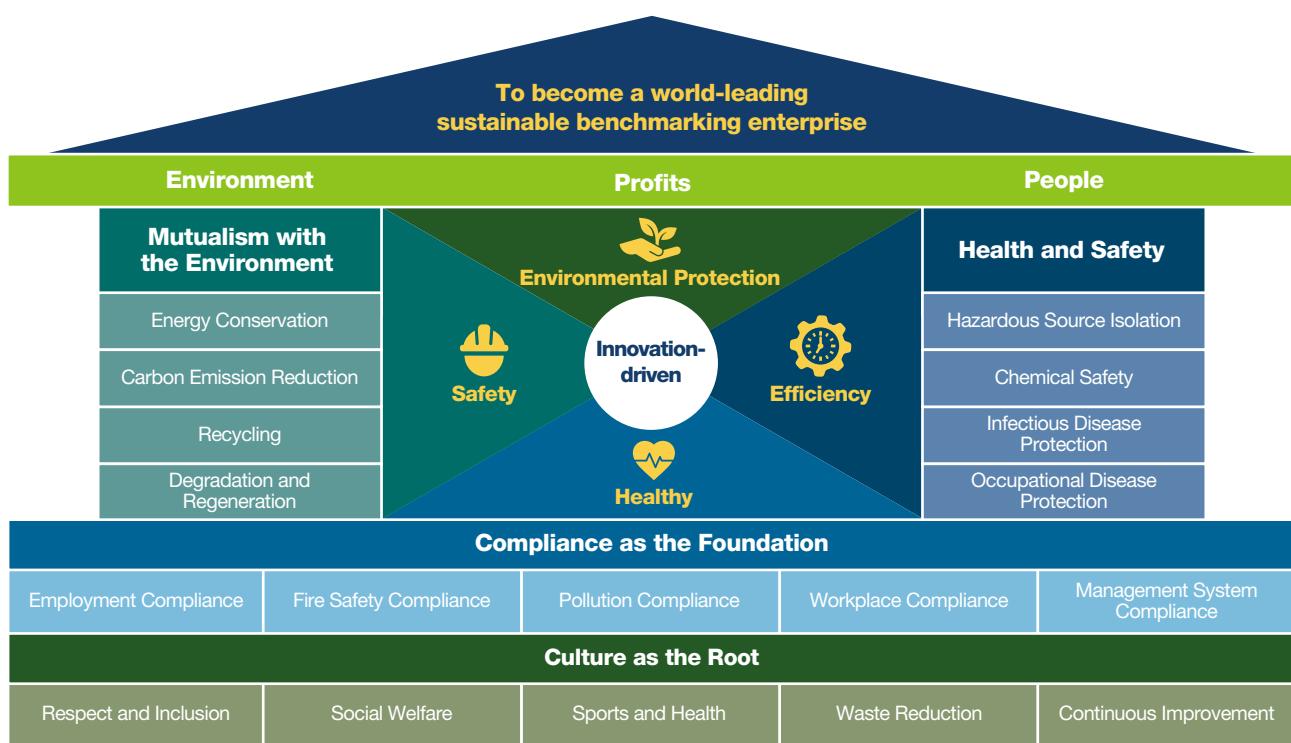


## ESG issues addressed in this chapter

Supply chain management

Sustainable raw material sourcing

In order to build a fair, open and equitable value chain, we are practicing our commitment to responsible procurement, working together with our partners to actively assume environmental and social responsibility through supplier empowerment training and communication, and continue to build an environment-friendly, healthy, safe and efficient supply chain management system to promote the healthy development of the supply chain and achieve win-win cooperation.



## Responsible Supply Chain Management

### Supply Chain Risk Management

To ensure business continuity, we have established a supply chain risk management system and actively cooperated with upstream and downstream partners to enhance supply chain stability, reduce systemic

risks in the supply chain, and promote sustainable development of the supply chain.

We continue to improve our supply chain risk assessment and early warning mechanism, regularly identify and evaluate the risks of the supply chain, such as the operating environment, materials supply and social impact while continuously observing the development trend of the external environment, to

ensure that any risks that may affect our operations are taken into comprehensive and timely considerations. We assess the possible ESG risks based on our risk management system, and in line with the “Procurement Contingency Plan of the Group”, carefully review and deploy the needed prevention and response plans for various supply chain risks, in an effort to reduce and avoid the impact of supply chain risks on the enterprise.

Type of risk	Risk assessment	Response measures and precautionary mechanisms
Policy and regulatory risks	Against the background of the dual-carbon target and related carbon emission and energy consumption control policies, more laws and regulations on emission restriction and compulsory electricity conservation may be introduced in the future, and our supply chain may face the risks of lower output and higher electricity tariff, which could reduce our production efficiency and output and drive up operating costs.	<ul style="list-style-type: none"><li>Promote equipment upgrade and technical improvement of the supply chain to reduce the use of energy-intensive equipment and improve the efficiency of energy use;</li><li>Promote the use of clean and renewable energies, and improve the energy use structure of the supply chain.</li></ul>
Extreme weather risks	Given the impact of extreme weather such as typhoon, rainstorm and high temperature, we may face the risk of supply chain disruptions such as water and power outages for suppliers, damage to suppliers' equipment or stored materials, and obstruction of logistics and transportation channels, which could affect our and suppliers' production capacity and incoming material costs, and drive up operating costs and production costs.	<ul style="list-style-type: none"><li>Establish a sound emergency management system for climate risks in the supply chain, pay close attention to weather warnings, keep track of the development of weather conditions and the status of personnel and production, and assist suppliers in formulating special contingency plans and making advance preparations for disaster prevention materials and equipment.</li></ul>

# CREATING VALUE THROUGH WIN-WIN COOPERATION

Type of risk	Risk assessment	Response measures and precautionary mechanisms
Market risks	Given the impact of climate and environmental changes, energy transformation and other factors, we may face the risks of rising energy and raw material prices, damage to the planting environment of raw materials (e.g. cotton, rubber), and material shortage of some suppliers, which could lead to disruptions in production operations and drive up production costs.	<ul style="list-style-type: none"> <li>Stay informed of market information and policy change;</li> <li>Actively search for alternative energy and raw materials, reserve potential qualified suppliers for key and major materials, and increase the stock of key suppliers;</li> <li>Regularly audit the supply risk of suppliers.</li> </ul>
Economic and social environment risk	Given the impact of social and public events such as recurring pandemics, we may be exposed to risks such as the health and safety problems of suppliers' employees and supply chain shutdown, which could result in production and operation interruptions. External risks including geopolitics or relevant restrictions or measures may also affect supply chain stability.	<ul style="list-style-type: none"> <li>Assist and guide suppliers in taking measures against the pandemic and resuming production, and promote supplier empowerment to enhance their overall capability;</li> <li>Perform well on supplier sourcing and develop a reserve supplier database;</li> <li>Stay informed of market information and policy change;</li> <li>Pay attention to capacity allocation strategy and coordinate the capacity of different brands/categories to ensure maximum utilization of production capacity.</li> </ul>
Supply responsibility risks	Given the impact of delayed delivery caused by insufficient capacity of suppliers, obstructed logistics and other factors or major incidents of mass recall of substandard products, we may face the risk of supply chain disruption and reputation damage.	<ul style="list-style-type: none"> <li>Establish a multi-tiered supplier system and contingency supply plan;</li> <li>Require suppliers to develop production cycle schedules for different products and make timely report of any information that may affect the progress of production;</li> <li>Conduct regular quality audits and provide guidance on process improvement and quality inspection for suppliers in need.</li> </ul>
Social responsibility risks	As the social issues concerning the supply chain, such as labor rights, health and safety, and business integrity, capture growing attention from all parties, we may face risks involving suppliers' responsibilities such as labor disputes, employee injuries and deaths, illegal emissions, and bribery, which could lead to shutdown of the supply chain and damage to our reputation.	<ul style="list-style-type: none"> <li>Conduct regular audits of suppliers' social responsibility risks and keep monitoring during the admittance and annual reviews with reference to the "Supplier Sustainability Management Handbook" to strictly control ESG management risks;</li> <li>Ask suppliers to conduct regular inspections on the safety hazards of factories, assess the environmental impact of their operations, and protect employees' human rights, as provided in the risk early-warning mechanism of the strategic operation department, to ensure the operational compliance of suppliers.</li> </ul>

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

## Supplier Lifecycle Management

For the purpose of promoting the sustainability management of suppliers, and create an environmentally and socially responsible supply chain, we have developed a series of management policies and procedures, including the “Protocol for the Management of Supplier Access and Exit of Apparel Suppliers” and the “Protocol for the Management of Supplier Access and Exit of Footwear Suppliers”, and introduced lifecycle management covering the whole process of admittance, audit, correction and exit of all suppliers, in an effort to promote standardized supplier control and improve the efficiency of supplier management.

We developed the “Code of Conduct for ANTA Group Suppliers” and the “Supplier Sustainability Management Handbook” to systematize and standardize the social responsibility management of all suppliers and their subcontractors, with a view to reducing the environmental and social risks in the supply chain and improving the sustainability practices and performance of our supply chain partners. The work of supplier management is led by the Sustainability Committee and jointly promoted by the Sustainability Department, Footwear/ Apparel Procurement Department and all related departments.

### Admittance Screening

We conduct standardized admittance review of suppliers in three stages, that are, information collection, preliminary information review and on-site review, to effectively control and reduce the potential supply, quality, service, efficiency and financial risks in the supply chain at their source, consider ESG factors, such as health and safety system, environmental protection, and labor management, along with price and quality during screening, to ensure that the quality of products and services provided by suppliers, and their social responsible management performance meet our sustainability requirements.

# CREATING VALUE THROUGH WIN-WIN COOPERATION

## Key Performance in 2022



Number of suppliers of ANTA and FILA (including footwear, apparel and accessories):

Chinese suppliers: **503**, overseas suppliers: **21**



### Collecting supplier information:

We collect detailed information of our suppliers through the "Supplier Basic Information Form", including company profile, basic information of the workforce and employee rights, professional qualifications or service capabilities, and relevant operational experience.



### Preliminary review of supplier information:

We conduct preliminary screening of potential suppliers based on their basic information. If zero-tolerance breaches or seriously dishonest behaviors such as use of child labor, forced labor and commercial bribery are detected during the review, the admittance process will be terminated immediately.



### On-site supplier review:

We make on-site inspections and professional assessments of suppliers' business premises and practices to check the authenticity of supplier information, formally establish cooperative relationships with qualified suppliers and include the social responsibility performance standards for suppliers into the attachments of the contract to strengthen the standardized requirements for suppliers.

## Tiered Management

In the day-to-day management of suppliers, we have adopted a categorized management to improve the management efficiency of contracted suppliers. Suppliers are classified into tier 1 suppliers, tier 2 suppliers and tier 3 suppliers according to their material categories as well as service relations and other general factors.

Tier 1 suppliers	Tier 2 suppliers	Tier 3 suppliers
Suppliers that directly provide finished products (such as garments, finished shoes, finished accessories, etc.)	Registered suppliers, providing materials, components and processes, including fabric, down, lining, leather, soles, auxiliary materials, molds, etc., for Tier 1 suppliers	Registered suppliers, providing materials and processes, including zippers, webbing, tapes, yarns, sole accessories, air cushions, etc., for Tier 2 suppliers

## Scope of Audit on Social Responsibility Management of Supply Chain

Labor Rights	Health and Safety	Environment and Social Responsibility	Sustainability Management System
<ul style="list-style-type: none"> <li>Prohibition of child labor and forced labor</li> <li>Prohibition of harassment and abuse</li> <li>Anti-discrimination</li> <li>Humane treatment</li> <li>Right to freedom of association</li> <li>Compliance of employment relations</li> <li>Compliance of working hours</li> <li>Paid overtime</li> <li>Remuneration and benefits</li> <li>Minimum wage standard</li> </ul>	<ul style="list-style-type: none"> <li>Occupational safety</li> <li>Equipment safety maintenance</li> <li>Workplace safety</li> <li>Chemical safety management</li> <li>Contingency planning</li> <li>Occupational disease prevention</li> <li>Incident management</li> <li>Public health, food and accommodation</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with environmental laws and regulations</li> <li>Pollution prevention and treatment</li> <li>Emissions management</li> <li>Anti-corruption</li> <li>Anti-competitive behaviors</li> <li>Sustainable sourcing policy</li> </ul>	<ul style="list-style-type: none"> <li>Establishment of the sustainability management system</li> <li>Establishment of the Sustainability Committee</li> </ul>

### Appraisal and Audit

We have designed the MIS and adopted a double-axis audit method to assess suppliers' quality, delivery, cost, and other current order execution capabilities, as well as their medium- and long-term development capabilities such as development and innovation, environmental management, and social responsibility. We audit suppliers' performance and long-term development capabilities through various means, including supplier self-assessment, internal audit and audit by third-party organizations. In addition to social responsibility audit for all suppliers in the admittance process, we also conduct annually social responsibility management audits for suppliers according to the "ANTA Group Code of Conduct for Suppliers" and the "Supplier Sustainability

Management Handbook". During the financial year, we conducted social responsibility management audits for critical suppliers (including ANTA and FILA) which form more than 50% by cost of our procurement, and continuously track and control the rectification of various risks in order to enhance the environmental, social and governance performance of suppliers.

Our suppliers are divided into five levels, from the best performing ones to the least performing ones, based on their audit results: excellent, outstanding, good, improvement needed, and red line. In accordance with the "Apparel Supplier MIS Performance Appraisal Management Mechanism", we provide corresponding incentives for suppliers at different levels to encourage further improvement and motivate their initiative to fulfill contracts.

We take social responsibility management performance as a factor during extending contacts; for suppliers with audit results of "good" or above, we will consider giving priority to renewing cooperation with them after the end of the contract period; for suppliers with assessment results of "improvement needed", we will make clear the requirements for rectification, provide training to them, and assist them in optimizing their own management. We also follow up the rectification of suppliers through corrective action plans, and continue cooperation if the suppliers reach compliance. In addition, for suppliers that have triggered major violations such as "zero-tolerance" and failed to rectify the situation in a timely manner or still failed to meet the requirements after improvement, the supplier will be disqualified after the approval process and will be denied the opportunity of cooperation for two years.

# CREATING VALUE THROUGH WIN-WIN COOPERATION

## Key Performance in 2022



During the financial year, we conducted social responsibility audits over **70** tier 1 suppliers, over 35 tier 2 suppliers and over **3** tier 3 suppliers, covering environmental and social metrics including labor management, health and safety, labor right, green production, etc. We did not find any material violations during audits. Among them, over **50** suppliers received third-party audits on SLCP, BSCI, WCA and other programs.

According to the audit results, some suppliers had violations related with chemical safety, fire safety, overtime hours, overtime pay and other issues. Based on the results, we provided improvement guidance and assisted the suppliers in making improvement plans on fire prevention, protection of labor rights and other items, required them to complete the rectification on time, and tracked the progress of rectification through corrective action plans.

## Supplier fire safety assessment and improvement



During the financial year, we conducted a fire safety assessment for our suppliers and found a number of key risks in some factories such as “three-in-one” dormitories with chemical storage, cable shacks connected to many inactive cable lines, and lack of automatic fire extinguishing systems. We have offered suggestions for improvement for each point of risk: keeping liquid chemicals in a hazardous chemical warehouse away from the dormitory; using tubes to connect the cable shacks with the cable lines; installing more dry powder fire extinguishers, spraying equipment and automatic alarm systems. Our auditors will continue to follow up on the corrective measures to ensure that the risks are properly addressed and improve protection for the health and safety of the workforce.

## Supplier Communication and Training

We always believe that a strong relationship with suppliers is based on friendly communication between the two parties. We provide communication

and compliant channels for suppliers and their employees, make continuous improvements in the process of supply chain management based on the feedback of suppliers and their employees, boost the sense of belonging and satisfaction of suppliers and their

employees, and pursue mutual growth with our supplier partners through targeted empowerment training.

We respect suppliers' opinions and suggestions, and through various channels and methods such as visits, online communication, offline seminar, audit interview, website, and WeChat group, we strive to create a harmonious, regular, and transparent communication environment, establish a sound communication mechanism with suppliers, explore the direction for optimizing supply chain management, and jointly build a more stable and sustainable supply chain.

At the same time, we attach great importance to the lawful rights and interests of our suppliers and employees, and believe that a sound working atmosphere is the cornerstone of a harmonious and stable supply chain. Suppliers and their employees can report any violations of the “Code of Conduct for ANTA Group Suppliers” or any potential violations of human rights or environmental hazards through the ANTA CSR mailbox or employee care hotline. We take necessary measures to protect the privacy of suppliers' employees who report in good faith, strictly prohibit any threatening, intimidating, coercive and other retaliatory acts against the complainants, and promptly intervene in the accepted case and communicate with the suppliers to conduct investigation. We take targeted measures to improve our performance and resolve the reasonable and legitimate demands of the complainants, protect their rights and interest, and step up to our responsibility in the supply chain.

We proactively share our industry knowledge and best practices with suppliers in order to improve their overall performance. To improve suppliers'

## Multiple training sessions empowered suppliers to improve ESG performance



During the financial year, we organized 14 training sessions and seminars, empowering over 200 suppliers. The training sessions on ESG-related topics included the following:

- Launch of ESG session on supply chain, boosting suppliers' awareness and understanding of basic ESG concepts and our medium and long-term ESG development goals;
- Seminar on best ESG practices in the supply chain, providing case studies and references to improve suppliers' ESG management practices;
- Introduction of environmental data collection, ensuring standardized supplier data collection and improving the environmental data management capability of the whole supply chain;
- Three training sessions on social responsibility compliance for footwear, apparel and accessories suppliers, helping suppliers familiarize themselves with the mechanism for project audit and building stronger awareness of compliance management.



compliance and help them understand our quality and social responsibility standards, we have developed a training and awareness program and hold regular training sessions and seminars for suppliers on topics such as quality verification, pre-production risk verification, integrity and self-discipline, labor management and rights, data and information collection, etc., to further

enhance suppliers' understanding of product and service quality, social responsibility code of conduct and other requirements, and continuously empower suppliers to improve their management capabilities in various aspects.

In addition, we collaborated with peers and non-governmental organizations

## Key Performance in 2022



### Number of external certifications received by our suppliers

ISO 9001 certification standard on quality assurance: **257**

ISO 14001 international certification standard on environmental management: **184**

ISO 45001 certification standard on occupational health and safety management systems: **111**

Bluesign® certification: **38**

on supplier empowerment to explore, mitigate, and address potential risks in the supply chain, in an effort to reduce the operating costs for suppliers and ourselves, and enhance the overall competitiveness of the supply chain. In our collaboration with WWF on sustainable development and supply chain transformation in the textile industry, we have encouraged 15 fabric and five mesh suppliers to actively engage in energy conservation and emission reduction, and introduced the FAIS water efficiency system to optimize the management of water resources, in an effort to reduce the negative impact of the supply chain on the ecological environment and promote the green development and transformation of the supply chain in the textile industry.

We also support suppliers to obtain certification in environmental management, health and safety, and product quality to jointly build a sustainable supply chain.

# CREATING VALUE THROUGH WIN-WIN COOPERATION



## Sustainable Sourcing of Raw Materials

### Responsible Sourcing

Following the country's policy direction of green development, we are actively fulfilling our responsibility of environmental protection, exploring green materials in the value chain, and gradually increasing the sourcing of sustainable raw materials, in order to reduce the environmental impact of our products throughout their life cycle, and move toward the strategic goal of using sustainable raw materials for the manufacturing of 50% of our products by 2030.

We are committed to promoting a green supply chain and prioritizing the use of raw materials, products and services that are resource and environment-friendly, safe and healthy. Cotton, leather and other materials and their finished products are widely used in our apparel and footwear products, but the cultivation and production of these materials have both environmental and social impacts: cotton cultivation and processing not only requires large amounts of water, but the use of pesticides and chemical fertilizers may also cause deterioration of soil and water quality in the surrounding environment; the leather production process generates a large amount of heavy metals, organic solvents and waste gases, and other hazardous wastes. Their leakage or

improper disposal will increase the environmental burden and health threat to the society. Therefore, in order to reduce the potential environmental and social impacts of plantation and production, we commit to increase the sourcing of responsible leather and cotton materials, and prioritize the selection of suppliers certified by the Leather Working Group, the Global Organic Textile Standard and other relevant international standards. We set target on continuously increasing the procurement and use of sustainable and traceable cotton and leather materials, and continue to encourage suppliers to obtain relevant certifications so as to keep our production process in line with environmental, health and safety standards.

In order to convey our abiding commitment of green development to suppliers, we launch training program and regularly conduct training and advocacy sessions on responsible supply chain, and explain our requirements of green supply chain management to our suppliers. With training sessions covering topics including responsible land management, water reduction, and chemical and production of responsible leather and cotton, we aim to further raise suppliers' awareness of social responsibility management and work with them to create a green future together.

## Raw Material Traceability

In order to ensure the safety and reliability of our products, we will gradually improve the traceability procedures from raw materials to final products, and continuously increase the proportion of products whose materials can be traced back to their places of origin, so as to ensure compliance with production standards and responsible

### Key Performance in 2022



LWG Gold certified leather materials are used in **100%** of ANTA's and FILA's footwear leather products, and all of them can be traced to their place of origin.

### Organizing training on sustainable leather production process to improve the environmental performance of leather material production



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

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

management requirements throughout the process, and fulfill our commitment of providing customers with safe, healthy and high-quality products. In addition, in order to ensure effective and reliable traceability of raw materials, we have customized the scope of traceability and assessment standards according to the special features of different products and materials, and formulated targeted action plans on traceability, including traceability of recyclable yarns using the trace element method. We also continuously improve the raw material traceability platform, and strengthen information sharing in order to gradually move toward digitized raw material traceability.

## Growing Together with Partners

We work together with our core retail channel partners to build retail channels, high-quality products and digital operation management model by empowering digital upgrade. We process information on multi-brand products, supply chain, retail channels and customer demand, and conduct sourcing, production and sales and other businesses to fully enhance market efficiency and promote brand upgrade at the retail end. In addition, we provide digital training and seminars for our staff, distributors and store employees to promote the understanding and application of digital transformation and related tools, and bolster high-quality business development.

# DIVERSITY AND INCLUSION FOR PEOPLE-CENTERED DEVELOPMENT

## SDGs goals addressed in this chapter



## ESG issues addressed in this chapter

Human rights and labor rights

Staff development and training

Staff welfare

Health and safety

Diversity and inclusion

Employees are the cornerstone of the enterprise's long-term development. We regard talent as the most valuable aspect of our core competitiveness, respect the fundamental rights and interests of our employees, and strive to create an equal, inclusive, healthy and safe working environment. We stand committed to building a training system for diversified talent development, attach importance to employee growth, and we strive to create a better future with them.

## Employment Management

### Employment Compliance

We strictly abide by the "Labor Law of the People's Republic of China", the "Labor Contract Law of the People's Republic of China", the "Regulations on the Prohibition of Child Labor", and other laws and regulations on labor and employment. We have developed internal management policies, such as the "Social Recruitment Management System of ANTA Group", the "Campus Recruitment Management Regulations", and the "Internal Recruitment Recommendation Management Policy", to standardize recruitment management processes such as job opening, interview screening, and offer approval. We sign labor contracts with our employees and strengthen the management of employment compliance, all in an effort to protect employees' labor right as well as other fundamental rights and interests, resulting in fair and compliant employment, as well as sound and stable employment relationship with our employees.

### Key Performance in 2022

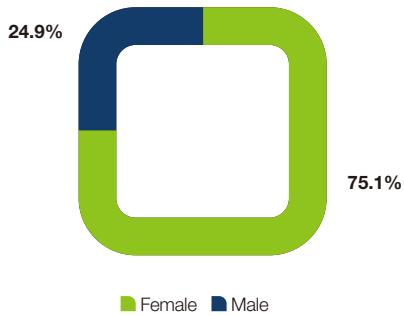


During the financial year, we did not have any major violations of labor and employment laws and regulations.

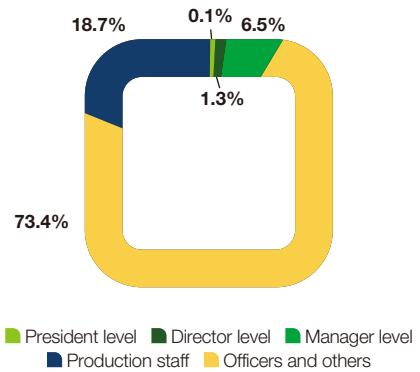
As of 31 December 2022, We had **59,000** employees<sup>1</sup>, with male and female employees accounting for **24.9%** and **75.1%** respectively of the total, and female executives (director level and above) accounted for **36.1%** of total executives.

<sup>1</sup> Excluding other types of workers, such as temporary workers, trainees and interns employed by our directly operated and managed businesses

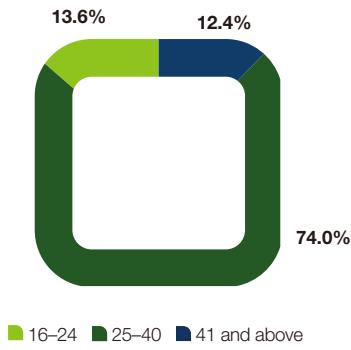
**Percentage of Employees by Gender in 2022**



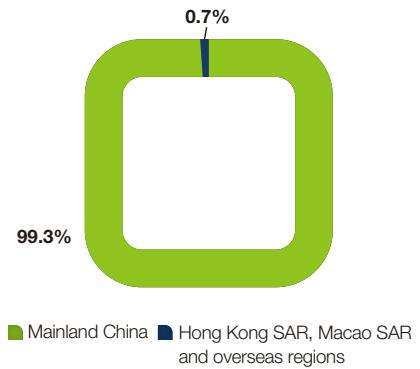
**Percentage of Employees by Rank in 2022**



**Percentage of Employees by Age Group in 2022**



**Percentage of Employees by Geographical Region in 2022**



## Talent Acquisition

An extensive pool of talents is the driving force of our development. We continuously improve the recruitment management system, standardize the recruitment processes, make annual recruitment plans for university graduates and key positions based

on our business demand, and attract industry elites through multiple channels, such as campus recruitment, community recruitment, executive search firms, and employee referrals. In the meantime, we conduct human resources analysis according to our corporate strategies and characteristics of various job vacancies to identify the talents needed,

put the right person in the right job, and achieve efficient and precise talent recruitment. In addition, based on our business needs, department planning, and supply and demand in the talent market, we prioritize localized recruitment and actively create employment opportunities for local communities.

# DIVERSITY AND INCLUSION FOR PEOPLE-CENTERED DEVELOPMENT

During the financial year, we received the following best employer awards:

Award name	Award institution
China's Most Attractive Employers Top 3 (Fashion, accessories and luxury goods)	Universum
China's Most Attractive Employers Top 100 (By business/commerce students)	
Best ESG Employer 2022	Aon China
2021 China Best Employer	Zhaopin

## Applying People Analytics to Achieve Effective Workforce Planning



We introduced third-party assessment tools in the evaluation of our future talents, conducted personality tests on our employees and assessed the comprehensive quality of our management personnel, in an effort to build a customized talent management system. We gathered information about the reasoning ability, management ability, professional personality, and organization loyalty of the personnel under evaluation, and applied the test results to different scenarios such as recruitment and hiring, executive reserve, employee performance management and strategic workforce planning.

- Recruitment and selection: We conducted personality assessment on candidates to identify the characteristic, skills, strengths and weaknesses of potential talents;
- Executive reserve: We conducted comprehensive caliber assessment for middle and senior-level management personnel to analyze their ability and willingness, and make timely adjustment in their positions;
- Employee performance management: We analyzed all employees' personal abilities and training status, introduced a personal caliber assessment scale, provided employees with feedback and development suggestions based on the assessment results, and urged them to seek self-improvement;
- Strategic workforce planning: We applied the results of human resources analysis to the formulation of strategic workforce planning, to identify key positions and talent gaps, and push for the upgrade of the talent management system.

## Respecting Employee Rights

### Respecting Human Rights

As a member of the United Nations Global Compact, we abide by all internationally recognized human

rights policies outlined in the "Universal Declaration of Human Rights" of the United Nations and the "International Bill of Human Rights", and formulate internal policies abide by the core conventions of the International Labor Organization and the United Nations Global Compact in the area of labor management.

According to our policies, we fulfill our

responsibilities in the areas of human rights and labor standards, fully protect the lawful rights and interests of employees, and respect the basic rights of our employees, such as freedom of association, collective agreements, minimum wages, and maximum working hours. We promise not to engage in any acts that disregard or trample on human



rights, and we prohibit child labor and forced labor, oppose discrimination, and oppose human trafficking.

#### **Prohibition of Child Labor and Forced Labor**

We prohibit child labor or any form of forced labor in any of our operations, and introduce an Identity card verification system combined with manual verification at the time of recruitment and entry to ensure that employees meet the minimum working age requirements set by law. In the event that child labor are recruited by mistake, we will immediately stop the work of the employee involved, conduct a health check, and report the case to relevant authorities for further investigation. Once child labor is confirmed, we will pay the full amount of their salary and send them safely to their family or guardian. We see child labor and forced labor as a zero-tolerance item in our suppliers' initial screening

#### **Key Performance in 2022**



We had no illegal employment incidents, or no child labor or forced labor, and received no complaints about human rights issues.

and review process. In case of any violation, we will immediately terminate the cooperation process.

#### **Collective Agreements and Freedom of Association**

We are committed to protecting the rights of all employees to collective agreements and freedom of association, and properly managing labor relations. According to "The Trade Union Law of the People's Republic of China", we

have established the trade union and all employees can join the trade union and express their views through the trade union. Currently, we have over 3,000 employees joining the trade union.

#### **Diversity and Inclusion**

We attach great importance to the diversity of our employees, and advocate a corporate culture of respect, inclusiveness, diversity and openness. As the "Employee Handbook" explains, there must be no discriminatory treatment in recruitment, salary, promotion or development of employees based on gender, age, nationality, religious belief, complexion, race, ethnic group, sexual orientation, political affiliation, family background and health or other social identity. We continue to promote gender equality and equal pay for our employees, and increase the percentage of women in senior management.

We do not tolerate any form of discrimination or harassment in the workplace, and have a clear mechanism for punishing and redressing acts of discrimination and harassment in our "Rewards and Discipline Policy". These efforts protect employees against discrimination and harassment, including physical, verbal, sexual or psychological harassment, abuse or threats. We offer employee training programs such as "Healthy Workplace – Say No to Sexual Harassment in the Workplace" to help employees learn about the protections provided by the Company and raise their awareness of self-prevention.

# DIVERSITY AND INCLUSION FOR PEOPLE-CENTERED DEVELOPMENT

## Women's Day Special Activities, Salute to the She-power



On Women's Day, all our departments actively launched themed activities to create a harmonious and pleasant working atmosphere for female employees and pay tribute to all the hard-working women in various positions.

We picked nearly 100 female model workers from all business departments and publicly promoted their exemplary work as a way to recognize women's achievements in the workplace and shape a culture of love and respect for work. The Group's production departments also publicized the exemplary performance of female employees in each product line. They used their she-power to lead their teams through difficulties, or blend their personal growth with career development, achieving mutualism with the production department in their own professional fields. In addition, we also held Women's Day activities in various departments, sending women employees beautiful gifts and offering flower arranging, manicure and handicraft courses to make life more colorful for them in their spare time.



To assist foreign employees in adapting to life and work in China, we have introduced a bonus incentive mechanism to encourage them to learn Chinese, and arrange for them to take part in the standardized national Chinese proficiency test. During the

"ANTA Forum" and other activities, we also provide simultaneous interpretation for our foreign employees, so that they can better understand the content of our activities and fully integrate into the ANTA family.

## Key Performance in 2022



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

## Employee Communication

We value the opinions of our employees, actively listen to their voices, and provide open feedback channel for them. We encourage employees to actively make suggestions and report complaints in real names or anonymously. Employees can contact the relevant departments through online and offline channels such as suggestion box, cloud platform, mailbox, hotline, and the official WeChat account of "ANTA Integrity". After receiving feedback or complaints from employees, the department concerned will send emails to the business unit for investigation and follow-up, so as to effectively respond to and help employees solve their problems. For example, in the process of personal performance appraisal, if an employee disagrees with the appraisal result, he/she can submit the "Personal Performance Complaint Form" within two days after receiving the result. Upon receipt of the form, the relevant management staff of the Group will immediately conduct an investigation, and adjust the result of performance if appropriate based on the conclusion of the investigation.

In addition to the regular feedback channels, we have also established special communication platforms such as interview with senior executive, "ANTA Forum", "ANTA Youth" WeChat public account, message board on the corporate culture website, and the "Youth Observation" section of "ANTA Youth", to bring executives closer to employees and better listen to the voices of young employees.

We commission a third party to conduct an employee engagement survey annually using the Kincentric model to understand employees' opinions and

satisfaction in various aspects, such as remuneration and benefits, promotion and development, and management system. We track the engagement performance over each year, analyze its drives, propose optimization plans based on the survey results and coordinate the implementation by each department, in order to protect employees' rights and interests, and continuously improve employees' satisfaction and sense of belonging.

During the financial year, we proposed a strategic vision of improving employee engagement and set annual targets. Based on the results of the 2021 survey, we identified three areas for improvements, namely organizational support, recognition and motivation, and staffing and allocation. We proposed various improvement measures, such as offering salary adjustment incentives to employees with good performance, strengthening the echelon of our workforce, and rationalizing staff allocation, in order to relieve employees' work pressure and create a positive and motivating organizational atmosphere. During the financial year, over 10,000

employees participated in the survey and the overall employee engagement score was 80%, up by 7 percentage point compared to 2021.

## Employee Remuneration and Benefits

### Employee Remuneration Management

We are committed to providing fair, reasonable and market-competitive remuneration and benefits, giving full play to the motivating effect of the remuneration and performance appraisal system on talents, and continuously attracting and retaining high-caliber both within and outside the Company. We have established a "Remuneration Policy" applicable to all employees, and commit to provide salaries, including wages, subsidies, performance-based bonuses and benefits, above the national minimum wage standard. Every year, we make appropriate adjustment to the salary and benefits we provide to our employees in accordance with the salary level in the market and our business performance.

#### Key Performance in 2022



We commissioned a third party to conduct employee engagement and satisfaction survey with the overall score as **80%**, up by **7** percentage point compared to 2021.

We continuously implement our scientific and effective performance appraisal model. Based on the characteristics of each position and our business development, we implemented a monthly and semi-annual performance review mechanism, and linked strong performance-based incentive pay to employees' evaluation results, in accordance with management policies such as the "Management Policy for Individual Performance", "Management Policy for the Individual Performance of Group Production Employees below the

# DIVERSITY AND INCLUSION FOR PEOPLE-CENTERED DEVELOPMENT

Manager Level”, “Management Policy for Excess I incentive”, “Management Policy for E-commerce Platform Staff”, covering all employees at different levels. In addition, we grant stock awards to our employees to recognize their contributions to us, and retain high-caliber talents to support our high-quality development.

## Employee Welfare Management

In accordance with national and regional laws and regulations, we have formulated the “Welfare Management Policy” and other regulations, and established a comprehensive welfare protection system. In addition, we have actively introduced broad range of non-

statutory benefits and expanded the coverage of benefits to all employees to continuously improve employees’ welfare. We care for employees in need and their families, and actively provide a wide variety of activities to enrich employees’ life in their spare time, and create a corporate atmosphere of shared values and responsibilities.

<b>Statutory benefits</b>	Leave entitlement: statutory holidays, weekends, sick leave, work related injury leave, personal leave, marriage leave, bereavement leave, annual leave, leave in lieu  Social insurance: basic endowment insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and housing provident fund
<b>Health protection</b>	Medical protection: medical care plan, including special health check for workers on special jobs, and supplemental medical insurance  Psychological counseling: psychological counseling hotline, psychological counseling appointment  Health knowledge promotion: bulletin boards, brochures, health knowledge contest, etc.  Workplace facilities: gymnasium
<b>Maternal and child care</b>	Medical protection: additional breast ultrasound, digestive and two cancer examinations, urinary ultrasound, etc. for most female employees  Leave entitlement: All employees can apply for maternity leave, and female employees are entitled to breastfeeding leave  Workplace facilities: The mother-and-baby room is equipped with a baby care table, crib, refrigerator and sterilizer; the staff dormitory is equipped with rooms for pregnant women and rooms for visiting relatives  Health knowledge promotion: online communication platform for maternal and child health services, female health seminars
<b>Employee support</b>	Charity subsidy: “Hemin Health Assistance” program helps employees whose families face special financial difficulties due to major diseases or unavoidable disasters  Academic support: “Hemin Student Sponsorship” program provides support for employees whose children have been admitted to colleges and universities but face financial difficulties at home  Care for employees with disability: We have set up some special positions for people with disability, and arranged work stations according to employees’ physical conditions. For example, employees with hearing and auditory disabilities work in the same area, and employees with mobility difficulties are put in convenient positions on the first floor

<b>Housing support</b>	Supplementary housing: All employees can apply for welfare housing and staff dormitories, and married employees can apply for family suites  Housing subsidies: The “Sweet Home Plan” provides mortgage assistance and assistance in housing subsidy application for employees
<b>Other benefits</b>	Holiday benefits: employee holiday benefits; special events on the Spring Festival, Women’s Day, Mid-Autumn Festival, and other holidays  Additional subsidies: service subsidy, meal subsidy, kilometer subsidy  Anti-epidemic protection: gift packs, supplies, text-message wishes

**From Isolation to Work,  
We Protect Shanghai Employees with Our Heart**



During the financial year, we continued to provide care for our employees in need, helping them navigate through the challenge of pandemic. From isolation to work, we faced up to the difficulties and provided all-round protection for our employees. At the height of the pandemic in Shanghai, when material supplies were seriously disrupted, we launched a special welfare campaign to show our care for employees, giving out more than 2,000 gift packs of vegetables and other supplies to employees in 14 districts in Shanghai, and distributed supplies to employees’ relatives who were in need of assistance in Shanghai. After the pandemic situation stabilized in the city, we prepared a nice gift for each and every employee who returned to work, and organized a “Good to See You” group activity to send the best wishes from all of our employees to our colleagues in Shanghai.



# DIVERSITY AND INCLUSION FOR PEOPLE-CENTERED DEVELOPMENT

## Employee Development and Training

### Training System

To ensure the long-term development of the enterprise, we have invested substantial resources to build an employee training system, and continue to build a talent pool that can adapt to our business development needs. We have formulated the “Training Operation Management Policy”, “ANTA Fresh Graduate Training Management Policy”, “Lecturer and Textbook Management Policy”, and other training policies, to clarify the training operation process and lecturers’ responsibilities and form a well-rounded internal talent training system. Based on the characteristics of the positions and business needs, we have set up special skills training and academic and leadership improvement programs to strengthen the business foundation of our employees. In line with the trend of sustainable development, we have also launched various training programs related to ESG issues to broaden the knowledge spectrum of our employees.

To enhance the quality of training, we actively collect feedback from employees on training programs through feedback channels such as satisfaction surveys, pre-training questionnaires and training and learning feedback forms, and make timely adjustment to the training content.



### Specialized skills training

By sorting out the workflow of key positions, required professional competencies and characteristics of the positions, we divide the courses into three main categories, namely leadership, professionalism and general competence, to help employees understand the our rules and policies and corporate culture, and build their team management and project management skills. We also work with higher education institutions and introduce their high-quality courses to enhance the professional competencies of employees for specific positions.

Name of school-enterprise cooperation training program	Program description
“Tsinghua Academy of Arts & Design Master’s Forum”	With a focus on the theme of “Blending Art with Science”, the program provided cutting-edge art insight for more than 3,000 participants in design and planning-related positions of the Company.
“Donghua University x ANTA Micro Forum on Material Science Innovation”	The program focused on the research of innovative sportswear products and the development of employees’ innovative management skills, targeting at positions related to materials, process, technology, quality, products and design, and around 700 employees took part in online learning under the program.

## Improvement in degree program

We provide continuing education resources for our employees, encouraging all employees (including part-time and contractors) to pursue the improvement in degree program. For management-level employees, we encourage them to pursue MBA/

EMBA programs. For the supply chain, we have set up college and bachelor's degree upgrade programs and encourage employees in need to sign up. For the production department, we have launched "Binary Education Upgrade" classes with junior colleges such as Liming Vocational University and Quanzhou Huaguang College, and a

total of 120 employees have successfully graduated from these classes. In addition, we have launched an education upgrade program with Huaqiao University, covering fine arts, visual communication design and product design, with a cumulative enrollment of approximately 17 employees.

Name of program	Target group	Purpose of training	Content of training
"TOP 150" Programme	Senior management	We set up committees for different types of "TOP 150" talents in order to select, assess, train, and cultivate the global vision, strategic planning and diversified management capabilities of employees.	<ul style="list-style-type: none"> <li>• Improvement in degree</li> <li>• Participation in industry forum</li> <li>• Visit to outstanding peer companies</li> <li>• Job rotation</li> </ul>
"Champion Class" Programme	Backbone employee at intermediate level	We set up an "Interview Committee" to select the participants of the program, focusing internally on young and talented employees with strong overall ability, and externally recruiting outstanding talents graduated from top business schools in China and abroad. The Chairman will personally serve as the class instructor to cultivate the underlying business logic and general management skills of the selected employees.	<ul style="list-style-type: none"> <li>• Lecture, action learning, online learning, book sharing, business assessment, etc.</li> <li>• Regular meeting opportunities with the Chairman</li> </ul>
"Olympic Star" Programme	Outstanding young employees	We select employees with managerial potential from all the new recruits through a horse-race mechanism, and have them personally coached by senior management. Those with outstanding performance in the bi-annual assessment will be specially promoted to build up their loyalty to us.	<ul style="list-style-type: none"> <li>• Pressure training</li> <li>• Leadership development</li> <li>• Complex project management</li> <li>• Virtual team management</li> </ul>

# DIVERSITY AND INCLUSION FOR PEOPLE-CENTERED DEVELOPMENT

## Leadership Development Program

We have a comprehensive succession planning and leadership development program and a well-structured training system for building a competent workforce, covering all employees. We have designed a talent development plan for key positions at three different levels, including the profiling of talents, selection of future talents, and criteria for bi-annual evaluation.

In order to build the leadership skills of employees, we analyzed the leadership behavior data of nearly 2,000 employees over the past two years, and, with reference to the results of employee engagement survey and interviews with senior management, identified the areas of their improvements, and designed a leadership program named “Team Leader Squad”. Based on the results of 360-degree behavioral assessment of the trainees, the program identifies the trainees’ weaknesses, organizes learning and training through skills coaching, 1-on-1 external coaching, coaching practice, employee dialogue on career development and other means, and ultimately helps the trainees improve their ability as team leaders. The leadership program “Team Leader Squad” was selected into the 2021 “Branded Learning Programs Development” project of the “Training”, and won the Learning Program Award at the Bund Human Resources Summit during the financial year.

## ESG Training

We attach high importance to the learning of ESG knowledge and conceptual development, and organize employees to study the annual ESG report to help them understand the ESG initiatives. We have included a number of ESG-related courses in our employee training system, including the “Compulsory Course on Anti-Corruption Audit”, “Compulsory Course on Information Security”, “Innovation and Sustainable Development”, “Green Action Guide” and “Special Course on Personal Information Protection”, covering ESG issues such as business ethics, information security, sustainable development and green office.

## Promotion Mechanisms

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

We provide equal promotion opportunities to all qualified employees based on their work performance, training results, and appreciation of our corporate culture. The conditions for promotion are unified and open, and the promotion results are made public to all employees. Moreover, for outstanding employees with high potential and those who have made outstanding contributions to us, we provide them with exceptional promotion opportunities. In addition to regular promotions, we also encourage employees to log on to our internal Employee Career Development Platform at any time to achieve promotion and personal development through open competition for job vacancies within the Group.

## Occupational Health and Safety

### Production Safety Management System

We make sure that our business operations comply with all regulatory requirements, and strictly abide by the “Law of Prevention and Control of Occupational Disease of the People’s Republic of China”, the “Production Safety Law of the People’s Republic of China”, the “Regulations on Work-Related Injury Insurance”, and other national laws and regulations. In accordance with the “Environmental management systems – Requirements with Guidance for Use” (GB/T24001-



2016) and the “Occupational Health and Safety Management Systems – Requirements with Guidance for Use” (GB/T45001-2020), we have formulated a number of regulations, including the “Manual on the Environmental/Occupational Health and Safety”, the “Occupational Health and Safety Regulations, the Operation Control Procedures on Environmental and Occupational Safety”, and we are

committed to continuously refine our occupational and health security management system.

Our occupational health and safety management is oversight by a designated executive, and management representatives report regularly on performance and improvement needs. Our employee representatives are responsible for collecting and reflecting the views of employees on occupational

## Key Performance in 2022



ANTA (China) Co., Ltd. has passed the GB/T45001-2020/ISO 400051:2018 Occupational Health and Safety Certification and the Certification of Level-3 Enterprise of Production Safety Standardization.



health and safety matters and participate in the discussion of major occupational health and safety issues.

The Group’s administrative department leads the day-to-day management, defining the process of the occupational health management system and assigning functions to each line, and setting up an occupational safety leadership team at each site to hold regular internal discussions on

# DIVERSITY AND INCLUSION FOR PEOPLE-CENTERED DEVELOPMENT



occupational health and safety issues. We have set a safety target of “zero casualties”, and employee injuries, including mechanical injuries, accidents in team-building activities, and accidental injuries, are all linked to the performance of management staff of the department. In the case of work-related injuries that fall within their scope of responsibilities, the relevant management staff must immediately deal with the accidents, and his/her performance appraisal points will also be deducted according to the rules.

## Safety Prevention and Control

In order to build a safe workplace, we strengthen hazard prevention and control, monitor the inducing factors of occupational disease, and submit reporting on the occupational hazards in the workplace on an annual basis. We hire a third party every year to perform occupational health inspection in the production area and conduct specialized technical inspection on dust, noise and other factors. We arrange daily checks and night inspections, organize monthly inspections on the fire protection system,

and regularly maintain production facilities and the use of equipment by our employees. We have also introduced automated technology equipment and put in place a full-fledged, front-loaded safety accident prevention system.

## Safety Precautions

We provide employees in different positions with corresponding labor protective products and first-aid equipment, conduct daily supervision and correction of employees' use of labor protective products, and optimize

the work environment for our employees by upgrading exhaust equipment or air collection devices, installing heat protection equipment, and replacing oil-based glue with environment-friendly, water-based glue. In the vicinity of workplaces, work stations or equipment prone to occupational disease hazards, we set up warning signs and hazard notification cards with reference to the "Warning Signs for Occupational Hazards in the Workplace" and the "Management Regulations for the Occupational Disease Hazard Notification and Warning Sign of Employers" to remind employees to operate with caution.

### Safety Emergency Drills

Every year, we formulate an emergency drill plan and organize a variety of safety emergency drills. For fire safety, we regularly conduct large-scale fire safety drills every year to enhance employees' escape and response capability; for pandemic response, we monitor policy changes in a timely manner, prepare anti-epidemic supplies in advance, and make emergency plans; for extreme weather conditions such as rainstorm and typhoon, we carry out advance deployment and emergency control, and continuously supplement and improve the safeguard measures according to the situation on the ground.



### Handling of Safety Incidents

If there is a production safety incident, we will classify the incident according to its nature, severity and scope to determine the incident-handling procedures, and produce an incident investigation report in the end of the process. The relevant responsible persons will be held accountable according to the investigation results. During the financial year, we had no incidents of violation of occupational health and safety laws and regulations.

### Safety Training and Education

We regard "Safety Culture" as a foundation of production safety management of the enterprise, and conduct targeted safety education according to the job requirements for each position. We regularly organize safety training on production safety, fire safety, and occupational health safety. New employees are required to receive level 3 safety training, fire safety training, and other safety training on subjects such as the prevention of work-related injuries and machine operation regulations. Relevant personnel are also required to take part in the training for the certification of first responder or safety officer. Besides, we put up warning signs in places with potential occupational hazards, set up a safety culture promotion gallery, and carry out health and safety promotion through meetings, radio, TV, and WeChat groups to raise the awareness of health protection of all employees.

# PROMOTING ENVIRONMENT-FRIENDLY AND GREEN DEVELOPMENT

## SDGs addressed in this chapter



## ESG issues addressed in this chapter

Climate change | GHG emissions  
Use of energy | Biodiversity and land use  
General waste discharge  
Use of packaging materials  
Waste gas and waste water discharge  
Use of water resources

We actively respond to the national green development requirements and take the realization of green development and dual-carbon goals as an important part of our development. We identify, assess and manage climate-related risks, make timely adjustments to our business strategy, accelerate our clean and low-carbon transformation process, and commit to achieve carbon neutrality by 2050. We continuously attach importance to environment protection and the pursuit of ecological civilization, and we are committed to incorporating sustainable development into corporate activities and decision-making. We continuously promote green product design, packaging-reduction projects, and sustainable logistics. We also promote environmental impact control throughout the entire process, from production and operations to retail products to save energy and resources and reduce emissions and waste. We proactively promote green office operations and conduct various employee activities to enhance the environmental awareness of our employees and their families.

## Combating Climate Change

We are aware of the risks that climate change brings to our business and are committed to addressing climate change-related risks and seizing climate-related opportunities. Based on the

recommendations of the TCFD and with reference to "Guidance on Climate Disclosures" by HKEX, we are working on climate change in four key areas, namely Governance, Strategy, Risk Management, Metrics and Targets. We incorporate the identification, assessment and management of

climate risks into the our strategy and risk management system in an effort to effectively manage our opportunities and risks associated with climate change.

At the same time, we pledge to actively use clean energy, improve energy efficiency across the board, reduce carbon emissions in production and

operations, and collaborate with upstream and downstream partners to address climate change risks and reduce the potential impact of climate related risks, through both management and technological innovation in accordance with the United Nations' SDGs. During the financial year, we have established a climate change governance framework and produced a list of potential climate risks under different climate scenarios in accordance with "Guidance on Climate Disclosures" by HKEX. In the future, we will continue to promote the identification of climate change risks and opportunities, deepen the analysis of their impact on business, strategy and financial planning, improve the construction of risk management systems and processes, refine risk management metrics and targets, and set up specific actions for climate risk management and incorporate them into the long-term planning of business strategies.

## Governance

To address climate change-related risks and opportunities, through the structure consisting of the Board, the Sustainability Committee and the Sustainability Department, we achieve effective governance. The Board has the ultimate and overall responsibility on the Group's climate change related matters, with monitoring on the Sustainability Committee's work and receipt of the committee's reporting. The Sustainability Committee is responsible the



identification, evaluation, management and reporting of climate-related risks and opportunities, aiming to reduce the negative effect of our business development and ensure the effective implementation of climate change-related work. Under the guidance of the Sustainability Committee, the Sustainability Department collaborates with persons-in-charge of each department and business unit to promote the identification and assessment of climate change risks and the implementation of related management strategies.

## Strategy

In order to better understand the impact of climate change on our business, we carefully assess the physical risks, transition risks and opportunities of climate change on business marketing

of the significant component of our business. In relation to our business segments and with reference to the climate scenarios proposed by the United Nations IPCC, NGFS and other institutions, we have constructed three climate scenarios, i.e. 1.5°C scenario, 2°C scenario and 3°C scenario, for the short-term (0-5 years), medium-term (6-10 years) and long-term (up to 2050) timeframes. The scenario-based assessment of the physical environment and socioeconomic environment lays the foundation for identifying key climate parameters, and provides the basis for further identifying the actual and potential impacts of climate-related risks on our business, strategy and financial planning. We will also promote the identification and impact assessment of climate change-related opportunities based on our business development.

# PROMOTING ENVIRONMENT-FRIENDLY AND GREEN DEVELOPMENT

## Climate Scenario Construction

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

In accordance with the TCFD and “Guidance on Climate Disclosures”, we have assessed the physical risks (including acute risks with short-term impacts and chronic risks caused by long-term shifts in climate patterns) and transition risks that may affect ANTA Sports, identified five potential physical risks in two categories and 13 potential transition risks in four categories, and produced a list of potential climate risks, which will be used as an important input for further assessing the impact of climate-related material risks on our business.

### List of Potential Climate Risks

Type of risk		Influencing factor	Impact on business, strategic and financial planning
Physical risk	Acute risk	Typhoon	Fujian province is a typical landing spot of typhoons. Given the possible increase in the frequency of typhoons as a result of climate change, the Company is expected to experience increased number and longer days of operation interruptions, which will undermine the stability of buildings such as warehouses and campuses as well as operations, and increase the cost of infrastructure maintenance, leading to higher losses of production and operation interruptions.
		Flood	Road transportation is the main form of cargo transport in Mainland China. Increased frequency of floods may disrupt highway traffic and transportation across regions, potentially jeopardizing the stable operation of logistics and transportation.
Physical risk	Chronic risk	Extreme changes in rainfall patterns and weather patterns	Increased frequency of extreme weather patterns such as floods, typhoons and thunderstorms caused by climate change will have a significant impact on agriculture. This long-term change will visibly affect the planting patterns and purchase prices of natural fibers such as cotton, which will in turn lead to an increase in operating costs.
		Average temperature rise	The rise in average temperature caused by climate change may affect the yield of agricultural products, which may lead to a reduction in production of natural fibers such as cotton in the long term, pushing up the purchase price and eventually affecting corporate income.  The increase in hot weather may lower the work efficiency of employees and jeopardize their health and safety, pushing up the expenses of high-temperature subsidies and medical care as well as may suppress public demand for outdoor sports, resulting in lower consumer demand for outdoor products.
		Rising sea levels	Rising sea levels may affect the world's available arable land and reduce the area for crop cultivation, which will significantly affect the production of natural fibers such as cotton thus increase procurement costs.

# PROMOTING ENVIRONMENT-FRIENDLY AND GREEN DEVELOPMENT

Type of risk		Influencing factor	Impact on business, strategic and financial planning
Transition risk	Policy and legal risk	Higher pricing for GHG emissions	Under a carbon-reduction scenario, the consumer goods sector may be further incorporated into the carbon pricing mechanism in China's carbon trading market; the EU is already planning to issue a carbon border tax requirement for the textile industry. A carbon price could set the direction for the market, and encourage low-carbon energy consumption and innovation in low-carbon technologies. If the Company emits more GHG emissions than it is allowed to, it will have to incur extra operating costs.
		Enhanced emissions reporting obligations	ANTA Sports is listed on the HKEX. Currently, the HKEX requires listed companies to disclose GHG emissions, and plans to further enhance the reporting obligations related to climate risks. It is expected that before 2025, listed companies will be required to disclose information related to climate risks consistent with TCFD recommendations.
		Existing requirements and regulation of products and services	The existing requirements and regulation of products and services may drive up the cost of professional training for the Company's sales personnel. Government or industry associations may impose increasingly stringent requirements on the energy consumption standards of the products and the carbon intensity of the industry, including possible requirement for the carbon footprint label of products or carbon intensity per unit weight of product, or even requirement for the elimination of high-carbon products. The Company may also be subject to quotas of energy consumption and carbon emission in the production and operation stages.
Transition risk	Technology risk	Failure on new technology investment	The potential of transferring to industry with clean and low-carbon technology may lead to extra investment.
		Cost of low-carbon technology transition	In recent years, more and more electric and even hydrogen-driven vehicles have been used in freight transport. The replacement and upgrade cost of the freight vehicles may have an impact on the cost of this particular link on the value chain segment, and eventually pass on to ANTA Sports. As a leading company, ANTA Sports is expected to undertake greater obligations of carbon emission reduction, and make greater investment in energy-conserving and carbon-reducing technologies; in addition, new technologies and processes required for low-carbon production will lead to the replacement and iteration of existing equipment, which will bring down the value of corporate assets.

Type of risk		Influencing factor	Impact on business, strategic and financial planning
Transition risk	Market risk	Changes in customer behavior	Our customers may seek more environmentally friendly products and service experiences due to consumer preferences or policy requirements. This may lead to an increase in consumer demand for low-carbon products and require companies to push for transition in aspects such as raw materials and energy structure. If we fail to innovate our products, it may result in a loss of revenue and market share and additional investment in technology transformation.
		Rising costs of raw materials	The increased frequency of floods, typhoons thunderstorms and extreme high/low temperatures caused by climate change will push up the prices of natural fibers and other raw materials required for our production, which will increase the procurement cost of raw materials and may ultimately affect our revenue.  Due to ever more rigorous requirements of environmental protection and increased policy actions, the demand for low-carbon transformation of raw materials and energy is becoming higher and higher. Suppliers will transfer the cost of environmental protection to the downstream suppliers, and the cost of energy consumption, raw materials etc., will increase due to requirement of low-carbon transitions.
Transition risk	Reputation risk	Change in consumer preference	With changing public perception and consumer preference, more attention will be paid to the low-carbon attributes of goods, which may lead to an increase in the demand for low-carbon products and affect the preferred forms of sales, such as the green design and mode of promotion adopted by the stores.
		Increased stakeholder concerns and negative feedback	More and more investors are adopting ESG investment principles, such as responsible investment principles, and closely following companies' climate change actions. They are paying closer attention to the climate risks, carbon emission performance, and carbon emission targets of companies. If we fail to take proactive steps toward decarbonization, investors may undervalue our Company, resulting in a negative impact on the company's reputation and financing costs.

# PROMOTING ENVIRONMENT-FRIENDLY AND GREEN DEVELOPMENT

## Risk Management

We have incorporated climate risk management into our strategy and risk management, and the Sustainability Committee coordinates the implementation of climate-related risk management in all departments and business units. In order to cope with the risks associated with climate change, we continue to expand our

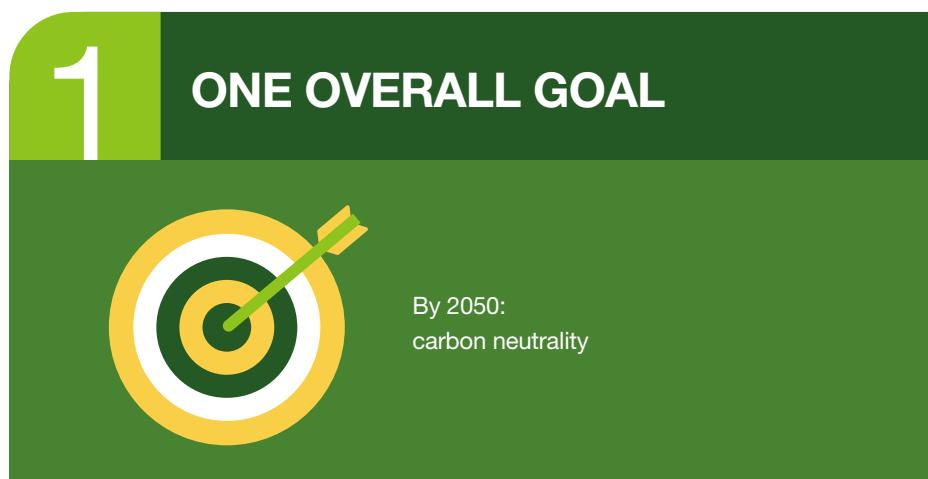
efforts and measures in areas such as biodiversity protection based on the concept of coexistence between corporate development and the environment; introduce carbon inventories to promote green and low-carbon development in the value chain and areas of consumption; set up contingency plans for extreme weather and natural disasters such as typhoons and earthquakes to ensure stable

production and operations. Following the trend of green development, we also strive to promote the low-carbon transformation of our business while enhancing climate resilience and sustainable competitiveness. Based on the scenario analysis of climate risks and the identification of key business issues, we will continue to promote the improvement and refinement of the risk management framework.

## Targets

Based on the assessment of climate change risks and potential opportunities and our commitment to achieve carbon neutrality by 2050, we have, in line with our development strategy, formulated and actively promoted the “**“1+3+5” strategic goals** for achieving mutualism with the environment, and will continue to promote clean and low-carbon transformation of our business, push forward green and low-carbon development in the value chain, and enhance our climate resilience and sustainable competitiveness. In the future, we will continue to improve and refine our climate change metrics and targets.

**1 + 3 + 5 Strategic Goals**



## **Product Carbon Footprint Management**

Climate change has become the biggest global challenge. We have proactively responded to China's goal of achieving carbon neutrality by 2060, we worked with our upstream and downstream partners to tackle climate change, and we are committed to achieving carbon neutrality by 2050. We proactively had disclosed our GHG emissions performance for eight consecutive years, and we are committed to reducing our GHG emissions. While rapidly expanding our business, we have continued to strengthen our carbon footprint management and lead the green, low-carbon, and circular development of the industry.

### **Commitment to Science Based Target**

Based on the goal of achieving net-zero carbon emissions by 2050, we have formally joined and pledged to support the commitment of the SBTi in January 2023. We also plan to set carbon reduction targets for our business in accordance with the SBTi standard, covering the whole value chain, including the production of our core products, upstream supplier production, logistics and retail, and take active actions to promote carbon reduction. We promise to continuously invest in the development of low-carbon products and adopt energy conservation programs to improve energy efficiency and encourage the use of renewable energy, in order to reduce carbon emissions and mitigate climate change in the production phase. At the same time, considering the requirement of Scope

3 carbon reduction from SBTi, we will expand carbon footprint calculation to include all core products, from upstream raw materials to downstream retail, and develop a comprehensive carbon reduction plan to work toward the goal of net-zero carbon emissions by 2050.

### **Low-Carbon Production and Operations**

#### **Conducting Carbon Emissions Assessment**

In cooperation with external consulting institutions, we conducted carbon intensity assessment of our seven self-owned operating factories, three office buildings and one logistics center in accordance with ISO 14064-1:2008. Based on the results of the carbon intensity assessment, we selected two self-owned operating factories, one office building and one logistics center as pilot sites to develop carbon reduction plans.

## **ZEROES”**

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

## **5 FIVE “50%”**



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

# PROMOTING ENVIRONMENT-FRIENDLY AND GREEN DEVELOPMENT

## Energy Conservation and Carbon Reduction in Production

In order to promote energy conservation and effective use of energy, we have established an energy conservation and emission reduction management system and an energy conservation and emission reduction implementation plan. During the financial year, we conducted carbon intensity assessment of our seven self-owned operating factories to identify the sources of carbon emissions. In the meantime, based on the carbon intensity assessment, we picked ANTA (China) Co., Ltd. and Xiamen ANTA Sports Goods Co., Ltd. as pilot sites to review the existing emission reduction measures and design and evaluate possible energy conservation and emission reduction measures, including the construction of green factories and the development of distributed photovoltaic projects, with a view to promoting viable solutions to all plants. We have taken the following measures (as shown in the table) at each of our plants to improve energy efficiency in production and reduce carbon emissions.

## Carbon Reduction in Logistics

We are continuously exploring various ways to achieve green logistics, and are committed to reducing the carbon footprint generated during the distribution of raw materials and products. On the basis of compliance with relevant laws and regulations, we have established internal policies, such as the “Regulations on the Management of Energy Conservation and Consumption Reduction” and the “Standardized Management Specifications for Production of Packaging Boxes”, with the aim of building a green logistics

### Measures aimed at improving energy efficiency in production

- Exercised daily control of air conditioners, boilers and other equipment and control with time switch to reduce non-essential energy consumption;
- Conducted regular maintenance to reduce abnormal operation of equipment, replacing old equipment on a timely basis, and promoting energy-saving equipment such as energy-saving lamps to improve the operation efficiency of the equipment and reduce energy loss;
- Conducted monthly inspection on energy conservation to analyze the energy conservation status of each floor, and following up on the energy conservation measures and suggestions of each department in a timely manner;
- Carried out energy conservation activities such as energy conservation renovation and application of new technologies to reduce electricity usage.

### Measures aimed at improving energy efficiency in logistics

- Promoted the use of clean energy and gradually replacing existing fuel vehicles with electric vehicles;
- Promoted photovoltaic power generation projects, which are already in use in some warehouses;
- Built new warehouses and rearranging transport routes to shorten the journey of cargo transport, and reduce the carbon emissions of freight vehicles.

system. We also linked the progress of energy conservation and emission reduction targets in logistics to the performance of relevant personnel to promote carbon reduction in the logistics sector with greater efficiency. During the financial year, based on the carbon intensity assessment of our logistics and distribution centers, we adopted an energy conservation and carbon reduction plan in line with our operational practices, including measures to control the use of refrigerants and improve warehouse lighting, which will be assessed for feasibility through pilot implementation and introduced to all logistic and distribution centers. We have

taken the following measures (as shown in the table) in each logistics center and the transportation process to improve energy efficiency and reduce carbon emissions.

## Energy Conservation and Carbon Reduction in Office

We formulated the “Office Management Policy” and “Central Air Conditioning Turn-On/Off Control Standards” to regulate the use of energy resources as well as the minimum requirement and time for turning on air conditioning in office areas, and adopted a number of green office measures. During the

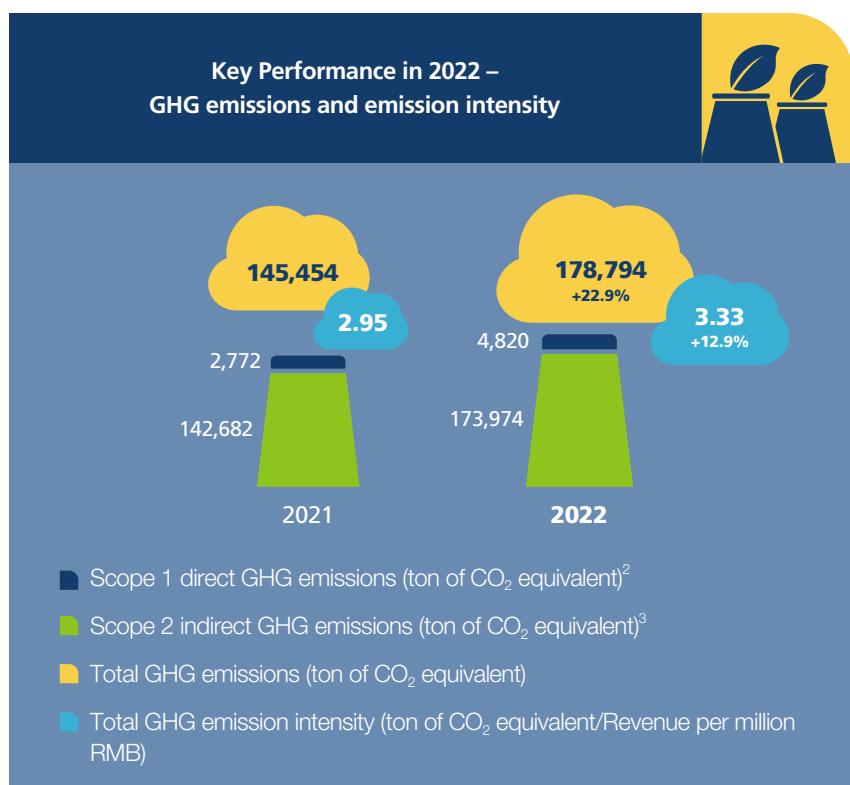
current financial year, we conducted an assessment of the carbon emissions intensity of our Jinjiang operation building and proposed potentially feasible measures to reduce carbon emissions, such as reusing office furniture and using electric office vehicles, which were evaluated on a pilot basis and gradually extended to all operation bases. We have adopted the following measures (as shown in the table) in each of our operation buildings to improve energy efficiency and reduce carbon emissions.

## Management of Carbon Emissions on the Supply Chain

We are working with our core tier 1 and tier 2 suppliers to spearhead the management of carbon emissions from our suppliers. During the financial year, we started collecting carbon emission and energy use data of core tier 1 and tier 2 suppliers to access their carbon emission intensity. In addition, we actively pursued over 20 suppliers' facilities to use clean energy and renewable energy, and assisted four suppliers to obtain green certification, and promoted them to procure low-carbon and sustainable raw materials in an effort to build a green supply chain.

## Sustainable Production and Operation

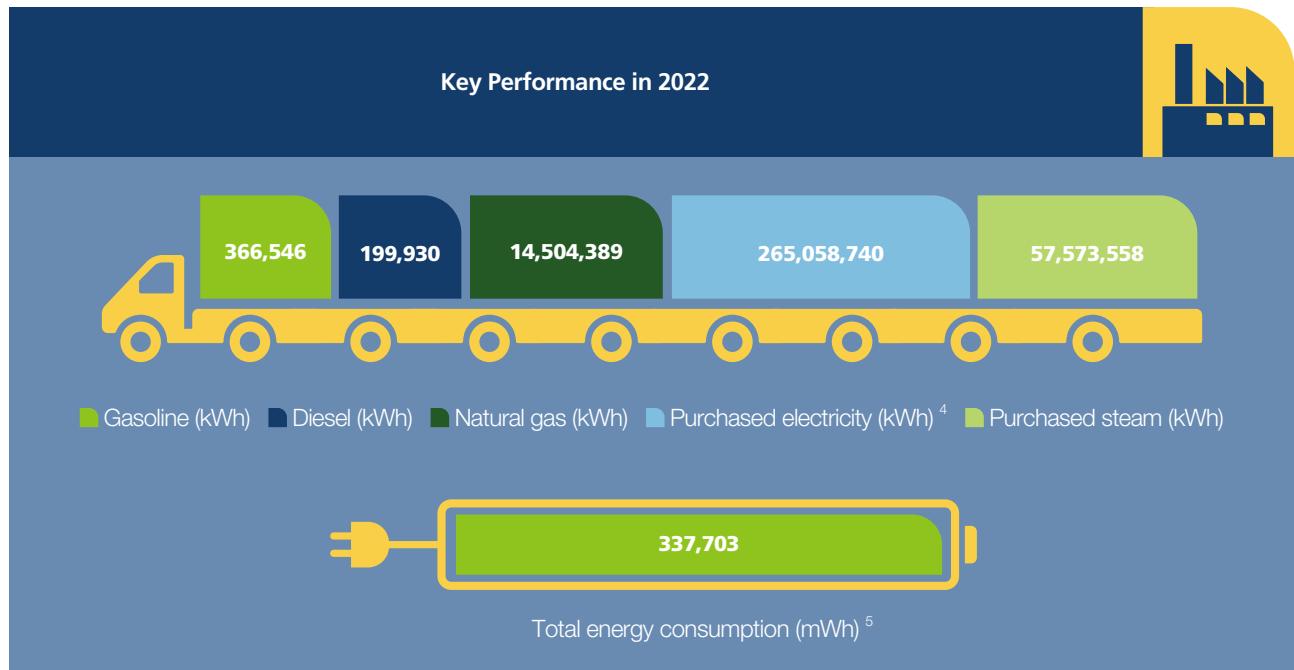
We comply with national laws and regulations, establish and follow a strict management system to reduce environmental pollution in our production process. We implement various green environmental measures in our production process, including waste sorting and resource conservation. At the same time, we have set up management systems in accordance with ISO 14001 and ISO 14064 standards to improve the environmental management of our production and operation processes. During the financial year, we were not subject to any environmental or ecological fine.



<sup>2</sup> Scope 1 greenhouse gas emissions are mainly from direct greenhouse gas emissions from fossil fuel consumption (such as gasoline, diesel, natural gas) during operation/production process and the refrigerants emission. The formula used to calculate the main greenhouse gas missions from fossil fuel consumption: CO<sub>2</sub> emissions from fossil fuel combustion = fuel consumption x low level heat generation x carbon content per unit calorific value x fuel carbon oxidation rate x 44/12, while the calculation of refrigerant emissions data refers to Appendix 27 of the "Listing Rules": "Appendix II: Reporting Guidance on Environmental KPIs". In 2022, we improved on the statistical scope of refrigerants compared to 2021, adding ANTA (China) Co., Ltd. and Quanzhou Athletic Shoes & Garments Co., Ltd. and the Scope 1 Direct greenhouse gas emissions data in 2022 increased.

<sup>3</sup> Scope 2 greenhouse gas emissions are mainly from indirect greenhouse gas emissions generated from purchased electricity and steam consumed in the Group's operation/production process, calculated with reference to Appendix 27 of the "Listing Rules": "Appendix II: Reporting Guidance on Environmental KPIs". The electricity emission factor 0.5703 tCO<sub>2</sub>/MWh for Scope 2 Indirect greenhouse gas emissions in 2022 is adopted from "Notice on the management of greenhouse gas emission reporting by enterprises in the electricity generation industry from 2023 to 2025" (Huanban Qihou 2023 No.43). In 2022, we improved on the statistical scope of purchased electricity compared to 2021, adding the FILA office building and Shangqiu Anta Shoes Co., Ltd. Additionally, the number of ANTA DTC stores increased due to business expansion. The Scope 2 Indirect greenhouse gas emissions data in 2022 increased.

# PROMOTING ENVIRONMENT-FRIENDLY AND GREEN DEVELOPMENT



## Energy efficiency measures in office areas

- Establish a regular inspection system for public office areas and conduct checks on safety risks to ensure the lowest per capita energy consumption;
- Manage the energy use of air conditioning, lighting and other equipment to ensure proper usage and conduct regular maintenance to extend their service life and improve the efficiency of resource use;
- Manage the use of paper and other office supplies, promote paperless office, and make double-sided printing as the default setting to reduce the consumption of office paper;
- Reduce GHG emissions from travel by replacing some business trips with video conferencing.

## Key Performance in 2022

- ANTA (China) Co., Ltd., Shangqiu ANTA Shoes Co., Ltd., Xiamen ANTA Industrial Co., Ltd., and Xiamen ANTA Sports Goods Co., Ltd. have received the ISO 14001 environmental management system certification
- ANTA (China) Co., Ltd., Xiamen ANTA Industrial Co., Ltd., Xiamen ANTA Sportswear Co., Ltd., Quanzhou ANTA Material Supply Co., Ltd., and Changting ANTA Sports Products Co., Ltd. have passed the ISO 14064-1 GHG verification

<sup>4</sup> The purchased electricity data are obtained from the purchased electricity volume of the Group's manufacturing facilities, administrative facilities, logistics facility and store facilities. In 2022, we improved on the statistical scope of purchased electricity compared to 2021, adding the FILA office building and Shangqiu Anta Shoes Co., Ltd.. Additionally, the number of ANTA DTC stores increased due to business expansion. The purchased electricity data in 2022 increased.

<sup>5</sup> Energy consumption (unit: kWh) is calculated from the consumption of gasoline, diesel, natural gas, purchased electricity and purchased steam, while the calculation refers to the "General Principles for Calculation of Total Production Energy Consumption" (GB2589-2020).

## Emissions and Waste

### Emissions Management

We have established internal systems such as the “Wastewater Treatment Operation Procedures” to manage emissions, and taken effective measures to promote green production, including actively controlling the environmental impact of the production process and reducing the generation and discharge of pollutants. At the same time, we have commissioned qualified third parties to conduct regular inspections of wastewater, exhaust and noise to ensure compliance in waste discharge, with the goal of gradually reducing the intensity of emissions in the future.

Measures for reducing waste water discharge	Measures for reducing waste gas emission	Measures for reducing dust emission
<ul style="list-style-type: none"><li>Using the “Coagulation and Sedimentation” process to treat wastewater. After treatment, supernatant that meets the standard will be discharged, and sludge will be dewatered and transported for disposal;</li><li>Reducing the use of chemicals, therefore reducing the loads of chemicals in wastewater treatment.</li></ul>	<ul style="list-style-type: none"><li>Using environment-friendly water-based glue instead of oil-based glue to reduce the content of volatile organic compounds in waste gas;</li><li>Adopting the process of “UV Photolysis + Activated Carbon Adsorption” in treating organic waste gas to meet the emission standard.</li></ul>	<ul style="list-style-type: none"><li>Equipping electric engraving machines with a pulse-jet collector to reduce dust pollution;</li><li>Adding a new cutting waste recycling device and using innovative liquid nitrogen cryogenic grinding technology, which enables full waste recycling and substantially reduces dust in our factories.</li></ul>

### Waste Management

We abide by our “Solid Waste Management Regulations”, “Hazardous Chemicals Management Regulations”, “Hazardous Waste Pollution Prevention and Control Responsibility System”, “Hazardous Waste Warehouse Storage Standards” and other internal policies and guidance and clearly define the responsibilities of all departments. We sort and manage waste in the production process, and keep complete records of the process. In the meantime, we conduct general or key controls over our waste recycling partners, depending on the circumstances. We communicate our environmental policy to them, obtain their waste recycling and treatment results, and follow up when necessary.

### Waste sorting and treatment measures

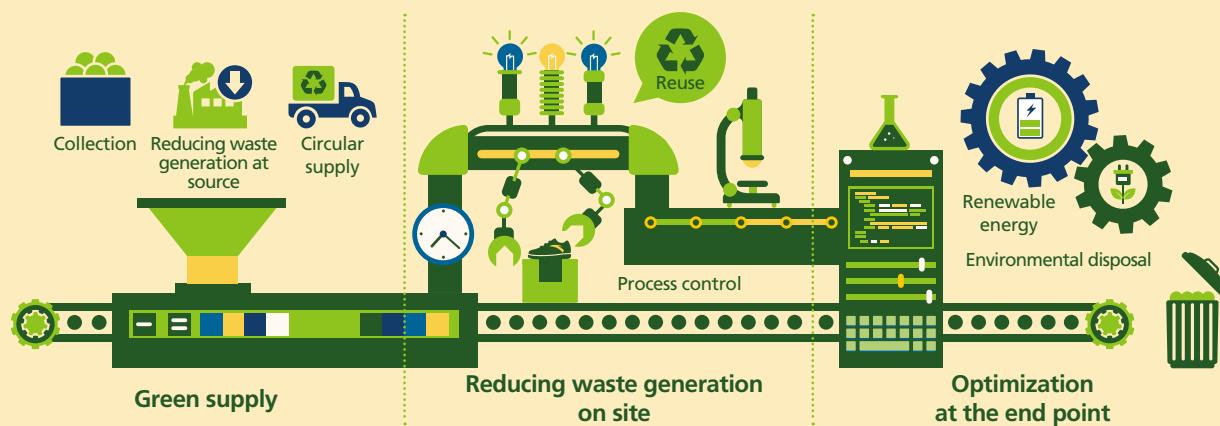
- Recyclable waste: including wastepaper and scrap metal. For these types of waste, we set up collection points where they get sorted and recovered by the waste recycling department;
- Non-recyclable waste: including domestic and engineering wastes that have no recycling value. These types of waste are collected by relevant departments for centralized disposal;
- Hazardous waste: we set up hazardous waste warehouse to keep them in storage, and commission qualified third parties to treat and dispose of them all together so as to ensure compliance with laws and regulations on hazardous waste disposal.

# PROMOTING ENVIRONMENT-FRIENDLY AND GREEN DEVELOPMENT

## Reducing waste generation at its source



ANTA (China) Co., Ltd invested resources to improve production processes and reduce waste generation at its source. At the same time, we promote sorting and recycling of waste, and reduce the proportion of waste going to landfill and incineration.



## Key Performance in 2022: Waste Production



<sup>6</sup> Hazardous waste data are obtained from the disposal volume of hazardous waste of the Group's manufacturing facilities and administrative facilities. In 2022, we improved on the statistical scope of hazardous waste compared to 2021, adding the office building in Xiamen, the FILA office building, Quanzhou Athletic Shoes & Garments Co., Ltd., Shangqiu Anta Shoes Co., Ltd., Xiamen ANTA Sports Goods Co., Ltd. and Xiamen ANTA Industrial Co., Ltd., and the hazardous waste data in 2022 increased.

<sup>7</sup> Non-hazardous waste data are obtained from the disposal volume of non-hazardous waste of the Group's manufacturing facilities, administrative facilities and logistics facility. In 2022, we improved on the statistical scope of non-hazardous waste compared to 2021, adding the FILA office building, Shangqiu Anta Shoes Co., Ltd. and Fujian ANTA Logistics Information Technology Co., Ltd., and the non-hazardous waste data in 2022 increased.

## Water Resources Management

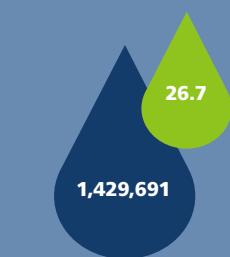
We issued the “Cost Savings Measures for Industrial Park” and the “Letter on Energy Conservation, Energy Consumption Reduction and Safe Production in the Industrial Park”, which stipulate detailed measures for reducing water use during production, and we also adopted an inspection system to ensure their implementation, with the goal of gradually reducing the intensity of water use in the future.



### Measures to raise the efficiency of water utilization

- Improving the recycling rate of production water, renovating and upgrading the boiler return water piping system, and recycling steam boiler water (hot water) under the condition of ensuring water quality;
- Improving the reuse rate of domestic water, such as maximizing the use of reclaimed water for greening;
- Purchasing water-saving appliances and making water-saving improvements to existing facilities, such as using moderate-sized faucet valves and sinking filled-up bottles into the flushing water tanks in the factory toilets to take up volume and reduce the amount of flushing water needed;
- Regularly inspecting the plumbing equipment, and monitoring and analyzing water use to prevent water pipes from dripping, leaking and bursting that would result in equipment damage;
- Strengthening awareness campaigns on water conservation and posting water conservation slogans at major water-using locations to enhance employees' awareness of water conservation.

### Key Performance in 2022



- Total water consumption (m<sup>3</sup>)
- Total water consumption intensity (m<sup>3</sup>/revenue per million RMB)

# PROMOTING ENVIRONMENT-FRIENDLY AND GREEN DEVELOPMENT

## Sustainable Packaging

We are actively reducing the use of packaging materials from production to sales and promoting the recycling of packaging materials to reduce the pressure on resources and the

environment. We define sustainable packaging as biodegradable or recyclable plastic packaging made of reused or recycled materials, as well as paper packaging made of reused or recycled materials that can either be recycled or has FSC certification, and

we are actively promoting the use of sustainable packaging for our branded products, reducing the use of virgin plastic packaging and continuously increasing the proportion of sustainable packaging for our products.



Promoting Packaging Reduction	Promoting Sustainable Packaging
<ul style="list-style-type: none"><li>Reducing the use of packaging paper, redesigning the specifications of packaging paper, standardizing the size of packaging cartons used in our supply chain, logistics and stores, and minimizing the use of tags, isolation paper for apparel packaging and packaging cartons;</li><li>Using crates, instead of cartons, for internal circulation in the factories; improving the reuse rate of cartons in logistics, such as recycling cartons after shipping them to self-owned operating factories;</li><li>Improving in-store displays to reduce the use of packaging materials.</li></ul>	<ul style="list-style-type: none"><li>Using degradable paper or recycled paper as shoe packaging and stop using plastic bags for 99.9% of our shoe products;</li><li>Using environment-friendly wax rope instead of transparent buckles, recycled polyethylene moisture barrier bags and polyethylene tape.</li></ul>



## Key Performance in 2022



- Total packaging material consumption during the financial year was **24,064** tons
- More than **50%** of FILA's footwear products (including shoebox, tag and wrapping paper) have used sustainable packaging
- 100%** of DESCENTE's shoes packaging paper and paper shoe tree have received FSC and GRS certifications respectively

## Change to light packaging helps preserve our green homeland



The green development of packaging products is an important part of our low-carbon operation. We have introduced changes and upgrade to product packaging in order to realize the goals of reduced use, light weight and recycling. Through the coordinated efforts of all departments, we have successfully upgraded the sustainability of shoe boxes and shopping bags: the shoe box, which was reduced from five layers to three layers, with added weight for each layer, now weighs only 510 grams, down by about 15% from the original weight of 600 grams, and the weight of each shopping bag was reduced from 120 grams to 100 grams, down by about 16%. The sustainable development upgrade of shoe boxes and shopping bags helps to reduce carbon emissions and conserve water and electricity, while also reducing costs.

# PROMOTING ENVIRONMENT-FRIENDLY AND GREEN DEVELOPMENT

## Biodiversity Conservation

As a global strategic partner of WWF, we have been promoting the conservation of biodiversity for many years. We are committed to identifying and managing our business activities' potential negative impacts on biodiversity and ecosystems in accordance with global biodiversity conservation goals and the "Regulations of the People's Republic of China on Nature Reserves", and we are committed not to engaging in deforestation.

Co-organizing the Panda Tour in Xiamen together with the One Planet Foundation



In October, on the occasion of International Panda Day, we co-organized "Panda Tour in Xiamen" together with the One Planet Foundation. During the event, the paper sculptures of pandas made their debut in Xiamen, and 30 employee volunteers participated in the organization work on site. The event effectively raised public awareness of biodiversity conservation and made a call to the public to join in the protection of endangered wildlife species.





## Protecting the Yangtze River Dolphins, "Moving to the Nature"



In May, on the occasion of the "International Day for Biological Diversity", we joined hands with our strategic partner WWF to organize an event on the theme of "Fry Stocking and Protecting the Beautiful Swan Island" Yangtze River dolphins conservation event in the Lipotes Vexillifer National Nature Reserve on the Swan Island of Yangtze River in Hubei, the first protected migration site of Yangtze River dolphins in the country. During the event, nearly 20 employees volunteers participated in fry stocking, habitat clean-up and other activities. In addition, we also made donations for the building of the interactive science museum on the theme of Yangtze River dolphins to raise public awareness of Yangtze River dolphins' conservation and mobilize more people and social forces to participate in biodiversity conservation.

## Building ANTA Forest to Protect the Forest Ecosystem



We worked with WWF to build "ANTA Forest" to help protect and restore the forest ecosystem around Beijing since 2021. By supporting the construction of Beijing's urban forest, the initiative also helped shape the green landscape of Beijing 2022 Winter Olympics. As of 31 December 2022, there were 600 mu of "ANTA Forest" in Beijing and 150 mu of ANTA Forest in the Northeast Tiger and Leopard National Park, totaling 750 mu of near-natural restoration demonstration area. In the future, we will continue to monitor and track the progress of restoration to support the enhancement of forest biodiversity and upgrade the service functions of the forest ecosystem.



# GIVING BACK TO SOCIETY BY SUPPORTING PUBLIC WELFARE AND SPORTS

This section responds to the SDGs goals



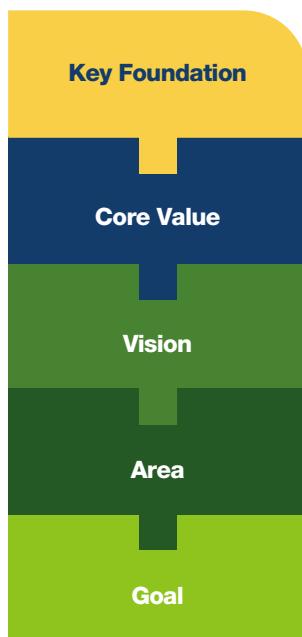
## ESG issues addressed in this section Social Investment

Over the years, we have actively practiced our social responsibility and contributed to sports development and the society while promoting corporate production and operations. We also organize volunteer activities and encourage our employees to participate in public welfare activities to jointly fulfill our corporate social responsibilities.

## Public welfare system

We believe in “Value Creation through Mutualism”, that is, mutualism with partners, mutualism with employees, mutualism with the society, and mutualism with the environment. We are actively fulfilling our social responsibility and promoting the company’s development in the ESG field, while continuously improving our public welfare system and contributing to public welfare and charity.

## Our Public Welfare System



- Direct donation of cash and sportswear
  - Established ANTA “Sturdy Growth Charity Project”
  - The founding family of the Group established the Hemin Foundation
- 
- Integrity and Gratitude
- 
- Becoming a pioneer in fulfilling social responsibilities among Chinese enterprises
- 
- Youth sports education, sports development, medical and health care, community support and rural revitalization, environmental sustainability
- 
- Promoting common prosperity and better meeting people's aspirations for a better life based on the core objectives of sports empowerment and healthy China

During the financial year, we donated a total of RMB23 million in cash to different charities, and the value of donated sportswear (calculated at tag value) exceeded RMB200 million.



### “Five Ones Project”

We and the Hemin Foundation set up by the founding family of the Group have taken an active part in the cause of social welfare. With efforts in areas such as education, sports and people's livelihood, we have taken concrete actions to give back to the society and launched the following social responsibility mechanism based on the core objectives of sports empowerment and healthy China:



#### One sports education project

The project focuses on youth sports, and helps young people in underdeveloped regions grow up happily with the charity support of donating equipment kit, providing physical education, establishing ADream Centers, building sports fields, organizing sports camps, etc.



#### One medical aid project

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



#### One China sports development project

The Hemin Foundation set up by the founding family of the Group, establishes the program dedicated to supporting the active/retired national team athletes who have financial difficulties in the future.



#### One poverty alleviation project

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



#### One ecological protection project

Working with international environmental organization, focusing on Biodiversity Conservation.

## Keeping Sports Development Close to Heart

As a leading sportswear company in China, we aspire to invest more resources in sports development and public health by continuously promoting different types of social projects. Through sports product donations, cash donations and training of physical education teachers, etc., we facilitate the development of sports in underdeveloped areas. ANTA has been a partner of the Chinese Olympic Committee for 16 consecutive years and has sponsored Olympic equipment for 22 Chinese national teams, including winter sports, boxing, taekwondo, gymnastics, karate, weightlifting, wrestling and trampoline, we have made multi-pronged efforts to promote sports activities and sports development.

# GIVING BACK TO SOCIETY BY SUPPORTING PUBLIC WELFARE AND SPORTS

## Athlete-Public Interaction

As role models in society, athletes are expected to present a positive image to young people. We strive to bring athletes closer to the public and strengthen the positive interactions between them, hoping that this will encourage more young people to muster the courage to pursue their dreams, overcome difficulties and push themselves to the limit.

Through the “Sturdy Growth Charity Project”, we have established the “ANTA Welfare Super A Alliance”, and continued to expand the base of the “ANTA Welfare Super A Partners”. We have invited Olympic Champion of Short Track Speed Skating Wu Dajing, Women’s Volleyball World Champion Wei Qiuyue, Taekwondo World Champion Wu Jingyu, China’s

first World Champion of Figure Skating Chen Lu, and former Men’s Basketball National team player Zhang Qingpeng, to join us as “ANTA Welfare Super A Partners”. We have also invited Weightlifting World Champion Deng Wei, Gymnastics World Champion Deng Shudi, Freestyle Skiing Aerial Skills World Champion Cheng Shuang, and former Women’s Soccer National team player Lou Xiaoxu to take the role of “ANTA Welfare Super A Partners”, in an effort to bring athletes into school campus and closer to the public to promote the spirit of sports, share their growth experience, and spread love and warmth.

## Supporting Sports Education

Physical education is a subject in the national curriculum. It enables students

to master the basic knowledge and skills of physical education and sports, which plays a vital role in improving the level of physical fitness of Chinese citizens. We have actively responded to the advocacy of the General Administration of Sport of China and the Ministry of Education for the integration of sports and education, and committed ourselves to the development of youth sports education. We promoted training courses which are more suitable for underdeveloped areas in order to allow more youth and teenager to enjoy the happiness from sports activities. By carrying out the “Sturdy Growth Charity Project”, we have used charity as a means to promote sports-education integration and support rural revitalization, helping young people in underdeveloped regions to truly benefit from every physical education class.



### ANTA Sports Camp Joins Hands with Famous Athletes to Share the Joy of Sports



During the financial year, we organized five ANTA Sports Camps under the “Sturdy Growth Charity Project”, with skiing, soccer, basketball and volleyball as the main themes. A total of 265 youths from five provinces, including Jilin, Heilongjiang, Liaoning, Jiangxi and Guizhou, participated in the camps, and famous athletes such as Wei Qiuyue and Zhang Qingpeng came to the site to share their inspirations and interact with the participants.

## Training the frontline physical education teachers, to share the joy of sports



During the financial year, ANTA training courses enable students to enjoy professional and interesting lessons and build a strong body. We had carried out dozens of training sessions for frontline physical education teachers in Hubei, Guizhou, Yunnan, Heilongjiang, Hainan and other provinces, training more than 1,600 frontline physical education teachers, passing on professional skills and sowing sports dreams.



## Enthusiastic about Public Welfare and Charity

We have long engaged in public welfare and charity undertakings in various fields. By working on social welfare and leading by example, we are committed to making the society a better place. At the same time, we have formulated the “Protocol of ANTA Group for the Management of Charitable Donation”, the “Sports Equipment Donation Process of the Sturdy Growth Charity Project” and other rules to continuously improve the donation management system, regulate the act of charitable donation

and provide safeguard for the delivery of charitable donations. In the future, we and the Hemin Foundation will continue to adhere to the concept of “Starting a Business with Peace of Mind and Being Practical”, build China’s leading charity system, and continue to contribute to the social charity cause.

### Sturdy Growth Charity Project

We launched the “Sturdy Growth Charity Project” in 2017, jointly established with the China Youth Development Foundation and the ADream Foundation. With the vision

of “Making Children Enjoy Happiness through Sports Activities”, the project focuses on youth sports, and helps young people in underdeveloped regions grow up happily with the charity support of donating equipment kit, providing physical education, establishing ADream Centers, building sports fields, organizing sports camps etc. We are dedicated to integrating the sports spirit into every child’s life. With our resources and strengths, we strive to create a more well-rounded growth environment for young people and help them form a healthy lifestyle and personality.

# GIVING BACK TO SOCIETY BY SUPPORTING PUBLIC WELFARE AND SPORTS



## Key performance in 2022



### Over the years, the “Sturdy Growth Charity Project” has:

- donated over RMB650 million worth of sportswear (calculated at tag value)
- established 166 “ADream Centers”, providing training to physical education teachers and dream classes to young people
- trained 4,468 physical education teachers
- donated 31 ANTA sports fields
- organized 33 ANTA sports camps
- benefited over 4.9 million students in 11,711 schools in China



## Hemin Foundation

In 2021, the founding family of the Group launched the Hemin Foundation with a donation of RMB10 billion in cash and shares. Through the Hemin Foundation, we strive to blend the spirit of public welfare into our corporate culture and fulfill our responsibilities for the development of education, health and other public programs.

### Hemin Health Assistance program, helping people with illnesses and difficulties



The “Hemin Health Assistance” program is established to enable timely medical treatment to the participants of medical insurance schemes in Jinjiang who are suffering from illness and livelihood difficulties, secure the access to medical services of urban and rural residents with livelihood difficulties, supplement and improve the medical assistance system for urban and rural residents in Jinjiang, and promote the development of welfare programs on medical health.

## Hemin Student Sponsorship program, supporting the cultivation of rural talents



The “Hemin Student Sponsorship” program, jointly launched by the Hemin Foundation and Jinjiang Student Financial Assistance Center, aims to help children from financially-strapped households to complete their university studies. Program not only relieves the financial pressure of the families of students in need, but also encourages the students to change their fate with knowledge, build self-confidence and seek self-improvement, and harnesses the power of knowledge to support the cultivation of rural talents and the revitalization of local villages.

## Assistance for Pandemic Response

In the face of pandemic outbreaks around the country, we have always strictly implemented the relevant requirements on pandemic control, and actively donated funds and material supplies. We have donated cash and sportswear to medical workers fighting against the pandemic in Quanzhou,

Fujian and Shanghai, personnel and volunteers, in order to support the nation-wide battle against the virus.

## Volunteer Services

Our volunteer team, “ANTA Dream Camp Volunteer Association”, was established in 2017. To encourage employees to actively participate in public welfare, every one of them is entitled to half a

day of leave for public welfare services each year. During the financial year, we have actively participated in volunteer services such as “Earth Hour”, “Porpoise Day Beach Cleanup and Fry Stocking”, “Panda Tour”, “Sturdy Growth Welfare Project”, and ANTA training courses for physical education teachers, with an accumulated service time over 24,000 hours.



# STABLE BUSINESS OPERATION FOR SUSTAINED PROGRESS

SDG goals addressed in this chapter



## ESG issues covered in this chapter Corporate governance | Business ethics

We stand committed to fulfilling our social responsibilities, formulate ESG strategies and goals, and proactively support the realization of the 17 SDGs of the United Nations. We proactively communicate with various stakeholders and collect their suggestions. We continuously improve our sustainability structure, and strive to establish a sound corporate governance system, implement comprehensive risk control, and build a management mechanism featuring business compliance, clean and efficient operation and smooth functioning, all in an effort to safeguard the rights and interests of investors. We incorporate ESG into the Company's development strategy and join hands with all walks of life to build a better world.

## Sustainable Development

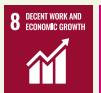
### ESG Strategy

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

We support the United Nations' 2030 SDGs and Sustainable Development Agenda, and incorporate ESG responsibilities into our strategic goals. We adhere to creating mutual growth value with consumers, employees, partners, society, and environment, as we firmly believe that fulfilling our social responsibilities and being accountable to stakeholders are the keys to achieving sustainable business growth. We continuously improve our ESG management system, focusing on areas such as product quality, employee well-being, environmental protection, and social welfare.

### Supporting the SDGs of the United Nations

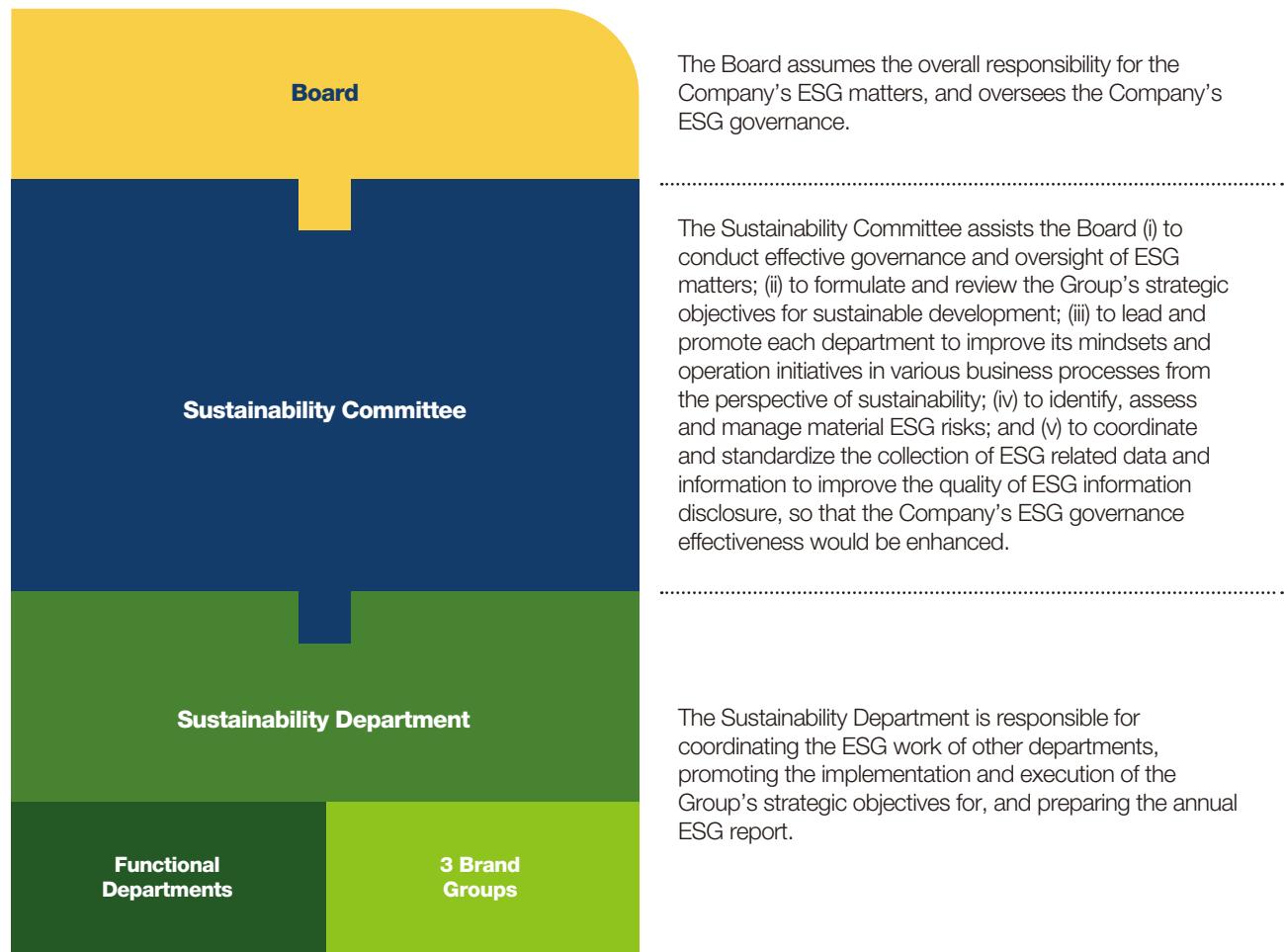
We take our corporate responsibilities in Environment, Social and Governance seriously, and actively support the SDGs of the United Nations. We became a signatory to the United Nations Global Compact in 2021, committing to the 10 principles including human rights, labor standards, environment and anti-corruption, and dedicating ourselves to the pursuit of sustainable development while promoting economic prosperity.

Our Goals	Theme of Action 2022	17 SDGs of the United Nations
<b>Economic Growth</b> Improve the quality of development, create sustainable economic benefits, drive economic development, and promote employment opportunity.	<ul style="list-style-type: none"> <li>Corporate governance</li> </ul>	  
<b>Leap in Product Quality</b> Maintain product quality at a high level, take technological innovation as the key to brand competitiveness, and win the consumers' long-term confidence in the Group's brands.	<ul style="list-style-type: none"> <li>Innovate process design</li> <li>Improve product quality</li> <li>Promote circular fashion</li> <li>Optimize customer service</li> <li>Respect customer rights</li> </ul>	 
<b>Caring for Employees</b> Create an equal, inclusive, healthy and safe work environment for employees, build a training system for diversified talent development, dedicate to employee growth, and join hands with employees to create a better future.	<ul style="list-style-type: none"> <li>Employment management</li> <li>Respect for the rights of employees</li> <li>Employee compensation and benefits</li> <li>Employee development and training</li> <li>Occupational Health and Safety</li> </ul>	     
<b>Creating a Green Supply Chain</b> Continue to encourage suppliers to join us in building a green supply chain, promote the application of sustainable packaging, strengthen the independent R&D of core technologies, and promote green transformation and upgrading of the supply chain.	<ul style="list-style-type: none"> <li>Responsible supply chain management</li> <li>Sustainable sourcing of raw materials</li> <li>Develop together with partners</li> </ul>	 
<b>Protecting the Environment</b> Take up responsibility for the environment, promote energy conservation, emissions reduction and green operation, and work with upstream and downstream partners to jointly tackle the risks of climate change. Continue to promote green products and sustainable logistics. Promote green office, and enhance the environmental protection awareness of employees and their families through various employee activities.	<ul style="list-style-type: none"> <li>Climate change response</li> <li>Product carbon footprint management</li> <li>Sustainable production and operation</li> <li>Biodiversity conservation</li> </ul>	     
<b>Giving Back to Society</b> Act on the country's macro strategies, undertake corporate social responsibility, actively participate in community building, and contribute to the development of a harmonious society through various community activities.	<ul style="list-style-type: none"> <li>Public welfare system</li> <li>Dedication to sports development</li> <li>Dedication to charity</li> </ul>	   

# STABLE BUSINESS OPERATION FOR SUSTAINED PROGRESS

## ESG Governance Structure

We attach great importance to sustainability. By adhering to improving internal sustainability governance, and strengthening the management and control of our corporate development's impact on the environment and society, we strive to create values for our stakeholders. We have established a top-down ESG governance structure to coordinate, from governance level, the Group's overall sustainability matters and promote the realization of the related goals.



The Sustainability Committee, established on 18 December 2021, consists of three Executive Directors, four Independent Non-Executive Directors, and one executive designated by the Board. For details of the Sustainability Committee, please refer to the Sustainability Committee Terms of Reference.



## Progress on Sustainability Initiatives

We are actively pursuing sustainability initiatives to advance our performance and have achieved significant results.

<b>Applying Green Finance Solutions to Show our Commitment to Sustainable Development</b>		<b>Joining the SAC to Manage the Environmental and Social Impacts of our Footwear and Apparel Products</b>	
<p>During the financial year, we issued our first green medium-term notes with a total amount of RMB500 million to raise funds for the construction of our Shanghai headquarters, a project integrating green space, energy-saving design and material application. We also successfully opened a “Sustainable Savings Account” at Standard Chartered Bank (China) Limited and received a “Sustainable Savings Certificate”, which is a testimony to our long-term commitment to sustainable development.</p>	<p>The SAC is a global multi-stakeholder non-profit alliance in the consumer goods industry dedicated to reducing the adverse ecological and social impacts of textile manufacturing and sales. During the financial year, we made a successful application for the membership of the SAC, which demonstrated our commitment to the assessment and management of the full lifecycle impact of our footwear and apparel products. We also started making sustainability plans for our footwear and apparel products, formulated clear standards for sustainable accessories, packaging and raw materials, and completed the review of our existing sustainable products. In the future, we will continue to invest in the development of ESG products to meet sustainable standards.</p>		

# STABLE BUSINESS OPERATION FOR SUSTAINED PROGRESS

## Stakeholder Engagement

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

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

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

## ESG Issues Materiality

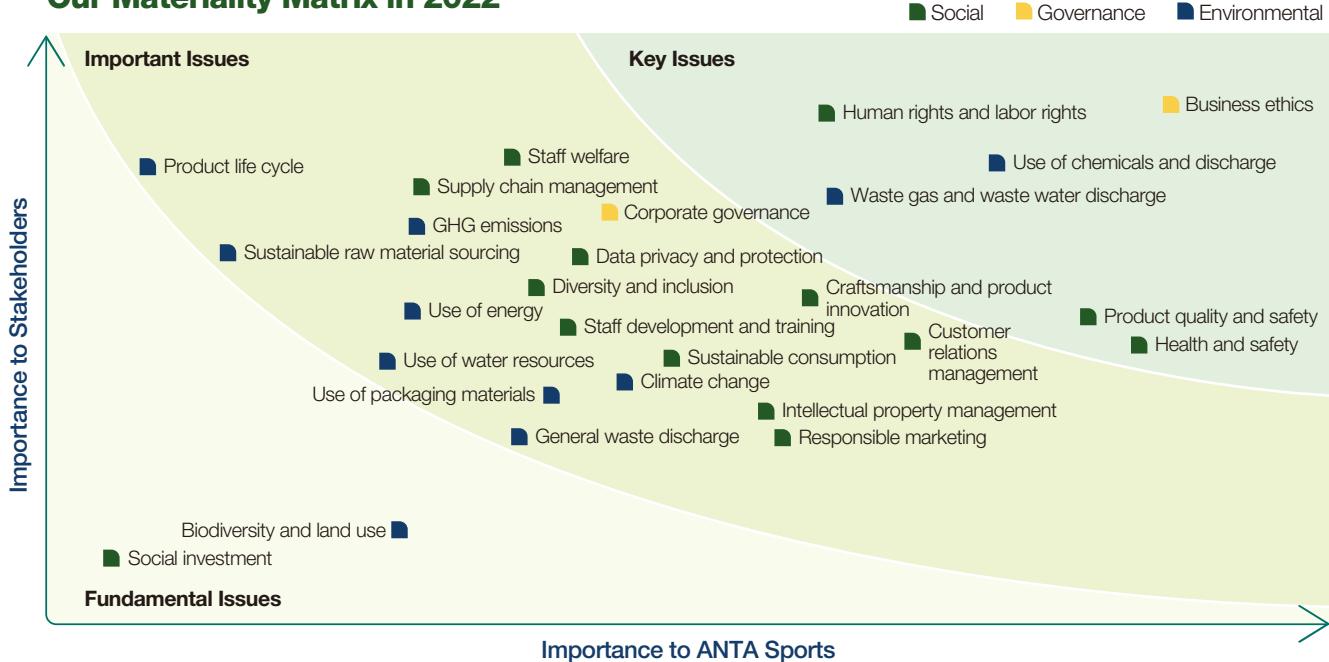
During the financial year, we engaged an independent professional consultant to conduct internal and external stakeholders survey and assessment and collected their feedback. This was followed by a materiality analysis to prioritize issues, which provided a reference for the Group to improve its ESG management and efficiently respond to the expectations and demands of stakeholders.

### Analysis of Progress in Materiality Determination



# STABLE BUSINESS OPERATION FOR SUSTAINED PROGRESS

## Our Materiality Matrix in 2022



## ANTA ESG Material Issues 2022

Materiality	Topic Category	Issues	Materiality	Topic Category	Issues
Key Issues	Governance	Business ethics	Fundamental Issues	Social	Staff development and training
	Environmental	Use of chemicals and discharge		Social	Diversity and inclusion
	Social	Human rights and labor rights		Environmental	GHG emissions
	Environmental	Waste gas and waste water discharge		Social	Sustainable consumption
	Social	Product quality and safety		Social	Intellectual property management
	Social	Health and safety		Social	Responsible marketing
Important Issues	Governance	Corporate governance	Environmental	Use of energy	
	Social	Staff welfare	Environmental	Use of packaging materials	
	Social	Craftsmanship and product innovation	Environmental	Use of water resources	
	Social	Customer relations management	Environmental	Product life cycle	
	Environmental	Climate change	Environmental	Sustainable raw material sourcing	
	Social	Data privacy and protection	Environmental	General waste discharge	
	Social	Supply chain management	Fundamental Issues	Environmental	Biodiversity and land use
	Social			Social	Social investment

According to the materiality matrix, the changes in the sequence of the top eight key issues compared to 2021 are as follows:

	2022	2021
1	Business ethics	Intellectual property management
2	Use of chemical and discharge	Anti-corruption
3	Human rights and labor rights	Product quality and safety
4	Waste gas and waste water discharge	Corporate governance
5	Product quality and safety	Health and safety
6	Health and safety	Use of chemical and discharge
7	Corporate governance	Supply chain management
8	Staff welfare	Staff welfare

Compared to 2021, we found that during the financial year:

1. The overall distribution of issues is rather consistent with that of 2021, and governance issues continue to receive a high level of attention.
2. Among the top eight issues, social issues account for a higher proportion than environmental issues, and human rights and labor rights issues notably moved up in the order of importance.
3. Customer relations management and data privacy and protection have been rated as key issues though it is only the first time for them to be included in the list, indicating they might be elevated to a more important position in the future from stakeholders' aspect.
4. The issues of chemical use and discharge, waste gas and waste water emissions, and climate change have all made notable advances in ranking, showing that environmental issues have received more attention compared to the 2021 results.

### The Top Three Issues Concerned by Key Stakeholders

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

# STABLE BUSINESS OPERATION FOR SUSTAINED PROGRESS

Details of the Board as of 31 December 2022:

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

\* The Sustainability Committee comprises 1 chairman and 7 members, including Mr. YIU Wai Hung (CEO of Fashion Sports Group).

## Corporate Governance

### Company Governance

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

The Board takes responsibility to oversee all major matters of the

Company, including the formulation and approval of all policy matters, overall strategies, risk management and internal control systems, and monitoring of the performance of management team. All Directors are subject to the same legal duties under all applicable laws and the Listing Rules. They are required, in the performance of their duties as directors, to act honestly and in good faith in the overall interests of the Company as a whole, avoid actual and potential conflicts of interest and duty, apply reasonable care and diligence, and make decisions objectively in the best interests of the Company.

### Diversified Governance

We are committed to establishing a diversified governance structure. There are five committees under the Board,

namely Audit Committee, Remuneration Committee, Nomination Committee, Risk Management Committee and Sustainability Committee. Each committee has formulated specific terms of reference, which are posted on the Company's website ([ir.anta.com](http://ir.anta.com)) and the Hong Kong Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)).

Before a Board/committee meeting starts, all members of the Board/committee shall declare their interests (including the interests of their associates) in respect of the matters to be discussed and/or the resolutions to be approved during the meeting in accordance with the articles of association of the Company and/or the Listing Rules. In case a member of the Board/committee (or his associate) has a material interest in a matter to

be discussed and/or a resolution to be approved during a meeting, other members of the Board/committee, for the purpose of avoidance of conflict of interests, shall consider and decide if the member shall abstain from voting in the resolutions and/or be absent from the meeting.

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

#### **Independent Non-Executive Directors**

Independent Non-Executive Directors play a significant role in the Board by virtue of their independent judgment and their views carry significant weight in the Board's decision. In particular, they bring an impartial view to bear on issues of the Company's strategy, performance and control. All Independent Non-Executive Directors possess extensive academic,

professional and industry expertise and management experience and have provided their professional advices to the Board. The Board also considers that Independent Non-Executive Directors can provide independent advice on the Company's business strategy, results and management so that all interests of Shareholders can be taken into account, and the interests of the Company and the Shareholders can be protected.

The Company has received annual confirmations of independence from each of the existing Independent Non-Executive Directors in accordance with Rule 3.13 of the Listing Rules. The Nomination Committee has assessed the independence of all the Independent Non-Executive Directors, and the Board and Nomination Committee consider that all the Independent Non-Executive Directors are independent in accordance with the Listing Rules.

Ms. Xia Lian has been appointed as an Independent Non-Executive Director by the Board to fill a casual vacancy with effect from 1 July 2022. She holds a bachelor's degree in marketing from the Peking University in China and a master's degree in executive master in change from European Institute of Business Administration (INSEAD). She is currently an executive director and the general manager of Vista Education Technology (Shenzhen) Co., Ltd.<sup>#</sup> (遠見教育科技（深圳）有限公司) and a director of China Publishing Group Kunlun Media Co. Ltd.<sup>#</sup> (中版昆侖傳媒有限公司), and has over 20 years of experience in business administration and business consultancy. She was employed by Cheung Kong Graduate School of Business from April 2007

to August 2020 with her last position as an assistant dean. Ms. Xia is an independent director of Shanying International Holding Co., Ltd.<sup>#</sup> (山鷹國際控股股份公司) (stock code: 600567) listed on Shanghai Stock Exchange.

In considering the appointment of Ms. Xia, the Board, with assistance and recommendation from the Nomination Committee, has reviewed the structure, size, composition and diversity of the Board from a number of aspects, including but not limited to the professional experience, skills and expertise, that Ms. Xia can bring. In respect of the Independent Non-Executive Director appointment of Ms. Xia, the Board has reviewed the qualification and assessed the independence (including the requirements under Rule 3.13 of the Listing Rules) of Ms. Xia, and the Board is not aware of any circumstance that might influence Ms. Xia in exercising independent judgment, and is satisfied that she has the required character, integrity, independence and experience to fulfill the role of Independent Non-Executive Director and she will be able to maintain an independent view of the Group's affairs.

#### **Board Diversity**

The Board contains a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Group's business. The Board includes a balanced composition of Executive Directors and Non-Executive Directors (including Independent Non-Executive Directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgment. Board practice

<sup>#</sup> The English translation of the company names is for reference only. The official names of these companies are in Chinese.

# STABLE BUSINESS OPERATION FOR SUSTAINED PROGRESS

is in place so that any changes to the Board composition (if any) can be managed without undue disruption.

The Company adopted a board diversity policy in accordance with the requirement set out in the CG Code. The policy aims to set out the approach to achieve diversity on the Board. The Company recognises and embraces the benefits of having a diverse Board to broaden its view and enhance the quality of its performance. All Board appointments will be based on meritocracy, and candidates shall be considered against objective criteria, having due regard for the benefits of

diversity on the Board. Diversity on the Board can be achieved through consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. In designing the Board's composition, the Company will also take into account factors based on its own business model and specific needs from time to time.

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background,

ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

Our Board is composed of members with diverse background and experience, including professionals with similar industry experience, risk management experience, etc. We value the diversity of the Board. In particular, after the appointment of each of Ms. Wang Jiaqian and Ms. Xia Lian as an Independent Non-Executive Director on 1 July 2021 and 1 July 2022, respectively, the Board is no longer a

Name	Mr. Ding Shizhong	Mr. Ding Shijia
Gender	Male	Male
Age	52	58
Length of service of the Board (up to 31 December 2022)	15 years	15 years
Skills, knowledge & professional experience	(a) Accounting & finance	
	(b) Business development	✓
	(c) Brand management	✓
	(d) Capital management	
	(e) Corporate responsibility/sustainability	✓
	(f) Corporate strategy and planning	✓
	(g) Executive management and leadership skills	✓
	(h) Information management	
	(i) Investor relations	
	(j) Law	
	(k) Manufacturing	✓
	(l) Experience/role in the Board of other listed companies	
	(m) Operational management	✓
	(n) Risk management	
	(o) Sales and marketing	✓
	(p) Supply chain management	
	(q) Treasury management	✓

single gender board. The ratio of female directors raises gradually since 2020.

By the end of the financial year, the ratio of female directors has been raised to 20%.

The Nomination Committee (and the Board) recognises the importance and benefits of gender diversity at the Board level, and shall continue to take initiatives to identify more female candidate(s) to further enhance the gender diversity among the Board members with a target of 30% women in the Board by the end of 2030.

## **Board details as of 31 December 2022**

- The Board consisted of 10 members, including six Executive Directors, and four Independent Non-Executive Directors
  - The Board had two female directors
  - The ages of Board members ranged from 44 to 66
  - A total of four Board members hold executive positions in no more than four other listed companies, including Ms. Wang Jiaqian, who has experience of strategic business operation in the same industry<sup>8</sup> as ANTA SPORTS and currently holds an executive position

<sup>8</sup> The classification standard of the industry refers to the Global Industry Classification Standard (Level 1).

# STABLE BUSINESS OPERATION FOR SUSTAINED PROGRESS

## ESG Risk Management

We attach great importance to the identification and management of ESG risks. During the financial year, we built an ESG risk database through stakeholder surveys and analysis of the risk identification practices of our peers, established ESG risk countermeasures and preventive mechanisms in line with our ESG work plan.

Risk issues	Risk description	Type of risk	Order of importance	Response measures and preventive mechanism
Business ethics	Compliance risk	Violation of business ethics: Potential compliance risks resulting from employees' violation of business ethics and code of conduct during the implementation of the anti-corruption and integrity mechanism.	Key	<ul style="list-style-type: none"><li><b>Supplier compliance management system:</b> Through whole-process supplier management, we have improved the assessment and early-warning system of supply chain risks, and conducted audit and evaluation of the social responsibility standards of supply chains, including anti-corruption, to ensure the operational compliance of our suppliers;</li><li><b>Strengthening business ethics training and management:</b> We have signed the "Integrity and Self-discipline Commitment" with all our employees and included anti-corruption provisions in the "Employees' Labor Contract" to strengthen internal constraints on corruption. We also provide business ethics and anti-corruption courses and training for the Board, the management team and employees, and strengthen integrity training and education for our employees;</li><li><b>Supervision and audit management:</b> We make strong efforts to supervise the disciplinary violations of our employees and urge them to honor the basic principle of integrity. We have adopted a "Whistleblowing Policy" for all employees as well as customers, suppliers and other third parties to regulate the management of whistleblowing complaints. We also provide multiple options of 7x24 independent reporting channels for whistleblowers, including email, hotline, WeChat and mailbox.</li></ul>

Risk issues	Risk description	Type of risk	Order of importance	Response measures and preventive mechanism
Use of chemicals and discharge	Compliance risk	Risk associated with chemical use: Environmental and potential compliance risks in the selection, use and disposal of chemicals (such as waste glue, treatment agents, dyes, etc.).	Key	<ul style="list-style-type: none"> <li><b>Establishing chemical management standards:</b> We have established a series of technical standards, including the “Technical Standards on the Safety of Apparel Chemicals”, the Manual on the Safety Control of Chemical Products for ANTA Suppliers”, and the “Technical Standards on the Safety of Chemicals in Apparel, Footwear and Accessories”, and continuously improve and revise them to strengthen the control of chemicals;</li> <li><b>Developing chemical phase-out plan and use list:</b> We have published a chemical phase-out plan and a chemical use list, and worked toward reducing or discontinuing the use of harmful and restricted chemicals by using environment-friendly water-based glues, reducing the content of volatile organic compounds in waste gas, and reducing the amount of treatment agents used in the shoe production process;</li> <li><b>Supplier chemical management:</b> We have adopted the “Guidance on Chemical Safety Management for Suppliers”, “Statement of Compliance for Chemical Safety Control of Suppliers” and other systems, to ensure effective control of the practices of our supplier partners in all aspects of chemical use.</li> </ul>
Human rights and labor rights	Operational risk Compliance risk	Protection of employees' human rights and labor rights and interests: Insufficient benchmarking of employees' human rights with international standards, and inadequate consideration or operational and compliance risks caused by employees' working hours, work intensity and basic protection systems	Key	<ul style="list-style-type: none"> <li><b>System of employee rights protection:</b> We have joined the UN Global Compact as a signatory, developed an internal management system, actively fulfilled our basic responsibilities in the areas of human rights and labor standards, including prohibition of child labor and forced labor and protection of freedom of collective bargaining and association, and fostered an inclusive corporate culture in multiple dimensions;</li> <li><b>Strengthening employee communication:</b> We have made available both online and offline channels, including suggestion box, cloud platform, whistleblowing mailbox, whistleblowing hotline, and the official WeChat account “ANTA Integrity”, to strengthen communication with employees, and commission an external organization to conduct satisfaction survey annually on all employees to get their feedback.</li> </ul>

# STABLE BUSINESS OPERATION FOR SUSTAINED PROGRESS

Risk issues	Risk description	Type of risk	Order of importance	Response measures and preventive mechanism
Waste gas and waste water discharge	Compliance risk Operational risk	Waste gas and waste water discharge: Potential compliance and operational risks associated with the improper treatment and discharge of waste gas and waste water under the latest standards.	Key	<ul style="list-style-type: none"> <li><b>Improving the internal management system:</b> We have formulated internal rules such as the “Wastewater Treatment Operation Procedures” to manage the discharge, and at the same time appointed qualified third parties to conduct regular inspection of waste water, waste gas and noise to ensure that waste discharge meets all compliance requirements;</li> <li><b>Reducing emissions through green production:</b> We have worked to reduce waste water/waste gas by upgrading processes, reduce VOC emissions with substitute of environment-friendly materials, and reduce pollutant generation and emissions by improving processing equipment.</li> </ul>
	Strategy risk Compliance risk	Investment in environment-friendly waste treatment: The increased spending on environment-friendly waste treatment will have a potential impact on the Company's operating costs and product prices, thus reducing the economic benefits of the Company.	Key	<ul style="list-style-type: none"> <li><b>Reducing/discontinuing the use of hazardous and restricted chemicals:</b> We have developed a chemical plan and a chemical use list, and worked toward reducing or discontinuing the use of hazardous and restricted chemicals;</li> <li><b>Reinforcing responsible supplier management:</b> We provide training and education on responsible supply chains for our cotton, leather and other materials suppliers. In the future, we will introduce sustainable management regulations on land use, water reduction, chemical safety, etc. to our suppliers to strengthen the Group's green supply chain management requirements;</li> <li><b>Reducing emissions through green production:</b> We have worked to reduce waste water/waste gas by upgrading processes, reduce VOC emissions with substitute of environment-friendly materials, and reduce pollutant generation and emissions by improving processing equipment.</li> </ul>

Risk issues	Risk description	Type of risk	Order of importance	Response measures and preventive mechanism
Product quality and safety	Operational risk	Risk associated with product quality: Potential reputational risk caused by inadequate product quality and quality control, which may threaten the business sustainability.	Key	<ul style="list-style-type: none"> <li><b>Establishing a quality control system covering the whole product lifecycle:</b> We have set up quality control markers based on the quality standards of the industry and the Group, including quality assessment, covering the whole process from product R&amp;D to mass production, to provide technical assurance for product safety;</li> <li><b>Improving quality control mechanisms across all dimensions:</b> We continuously improve our quality control mechanisms through quality and safety certification and training, special quality inspection, product recall management and special management regime on chemical safety.</li> </ul>
	Operational risk	Risk associated with new materials: The use of new materials (such as environment-friendly materials) may result in higher quality risks and costs.	Key	<ul style="list-style-type: none"> <li><b>Enhancing R&amp;D capability through the industry-academia-research cooperation platform:</b> We have entered into cooperative relations with several industry partners, and harnessed innovative technologies to improve the professional performance of ANTA products. We have also leveraged the industry-academia-research cooperation platform to accelerate the training of professionals and the execution and results conversion of key R&amp;D projects, and explore sports science, new materials, new technologies and new processes;</li> <li><b>Bolstering quality control capability:</b> We have achieved breakthroughs in product quality by strengthening the supplier quality control system, innovating inspection methods, developing differentiated supervision mechanism, and upgrading the consumer quality survey system and product modification mechanism.</li> </ul>

# STABLE BUSINESS OPERATION FOR SUSTAINED PROGRESS

Risk issues	Risk description	Type of risk	Order of importance	Response measures and preventive mechanism
Health and safety	Operational risk	Risk associated with changes in the health and safety requirements for workers: Pandemics, disasters and other external emergencies cause operational risks on the safety of employees at workplace, having a visibly negative impact on the normal business operation of the Company.	Key	<ul style="list-style-type: none"> <li><b>Employee welfare management during the pandemic:</b> We provided continuous protection, care and needed supplies to employees during the Pandemic and other emergencies, from the time of isolation to the time of resumption of work;</li> <li><b>Bolstering health protection for employees:</b> We have strengthened the management of employee welfare and provided welfare and health benefits including medical protection, psychological counseling, health knowledge and workplace facilities;</li> <li><b>Implementing the risk management system:</b> We continuously monitor potential risks, and assess and analyze our contingency plans based on the Group's risk management system.</li> </ul>
	Compliance risk	Risk associated with occupational health and safety: The use of chemicals, occupational diseases, and production in special positions threaten employees' health and cause potential compliance risks.	Key	<ul style="list-style-type: none"> <li><b>Improving the structure of production safety management:</b> Based on national laws and related regulations and standards, we have formulated the "Manual on the Environmental/Occupational Health and Safety", the "Occupational Health and Safety Regulations" and the "Operation Control Procedures on Environmental and Occupational Safety", and put in place a well-rounded structure of safety production management, coordinated by the Group's President, led by the Group's administrative department and implemented by the Occupational Safety Leadership Group;</li> <li><b>Building the production safety system:</b> We have put in place a safety management system covering safety risk management, safety protection facilities, safety emergency drills, safety incident handling, and safety training and education;</li> <li><b>Safety system certification:</b> With improved safety management structure and mechanism, ANTA (China) Co., Ltd. has obtained three certificates of Quality Management System (ISO 9001), Environmental Management System (ISO 14001) and Occupational Health and Safety Management System (ISO 45001).</li> </ul>

Risk issues	Risk description	Type of risk	Order of importance	Response measures and preventive mechanism
Craftsmanship and product innovation	Strategy risk	Product innovation and changing consumer preferences: The identity of a professional sportswear and the challenge of technology innovation may make it difficult to meet the demands of new-generation consumers.	Important	<ul style="list-style-type: none"> <li><b>Investing in the R&amp;D of proprietary technologies:</b> We set up a national-level sports science laboratory, and established global design and R&amp;D centers and Italy to invest in our own R&amp;D work;</li> <li><b>Strengthen quality innovation:</b> We have set up a team of more than 200 international design and R&amp;D experts from 18 countries and regions. This international design team has helped the Company build innovation capacity and innovation culture, and develop innovative product designs that have been successfully applied in the product lines of ANTA, DESCENTE, FILA and several other brands.</li> </ul>
	Strategy risk	Risk associated with the environmental technology of products: The risk of losing in market competition due to the environmental requirements on products and lack of progress in technology development.	Important	<ul style="list-style-type: none"> <li><b>Setting low-carbon product development targets:</b> We have set quantitative targets including the proportions for sustainable products, sustainable raw materials and sustainable packaging to drive the development of low-carbon products;</li> <li><b>Developing technical specifications on sustainable products:</b> We have formulated the sustainable product standards, certification standards and sustainable design guidelines, and adopted the "Technical Specifications for Sustainable Products" to drive the development of products;</li> <li><b>Joining the SAC to promote the development of the industry.</b></li> </ul>

# STABLE BUSINESS OPERATION FOR SUSTAINED PROGRESS

Risk issues	Risk description	Type of risk	Order of importance	Response measures and preventive mechanism
Climate change	Operation risk	Operational risk associated with climate change: Climate change leads to changes in the market environment and regulatory requirements, and puts operational pressure on the supply chain stability and production of the Company, with possible consequences of rising costs.	Important	<ul style="list-style-type: none"> <li><b>Establishing the governance structure:</b> We have put in place an ESG management structure with the Board at the highest decision-making level, providing effective oversight of issues including climate change response, and established a governance structure with the Sustainability Committee taking up the responsibility for identifying and assessing climate risks and opportunities, developing climate risk response strategy, and evaluating the Company's annual performance in delivering the energy conservation/carbon reduction targets and other climate change and energy-related key performance indicators;</li> <li><b>Establishing scenario analysis to identify risk:</b> We have constructed three comparative scenarios based on three action paths, i.e. optimistic, neutral and negative, with considerations given to business, brand groups and value chain segments, and identified important physical and transitional risks;</li> <li><b>Setting strategic goals for coexisting with the environment:</b> We have set "1+3+5" strategic goals, aiming to achieve the objective of carbon neutrality by 2050, to drive the Group's low-carbon development in the long run.</li> </ul>

Risk issues	Risk description	Type of risk	Order of importance	Response measures and preventive mechanism
Data privacy and protection	Compliance risk	Privacy and data protection: The security and stability of data security and consumer privacy protection systems may have a significant impact on the Company's business operation and result in compliance risks	Important	<ul style="list-style-type: none"> <li><b>Building the matrix of information security management systems:</b> We have put in place an information security management matrix consisting of 28 information security systems, and conduct regular review and update;</li> <li><b>Performing internal and external audits on information security:</b> We set up a Personal Information Protection Office at the supervision level to coordinate the management of personal information protection in the Group, and conduct annual Group-wide internal audits and external audits by qualified third parties;</li> <li><b>Strengthen information security training:</b> We promote information security awareness among all employees. We continuously carry out annual information security awareness training and provide relevant information security courses on the online learning platform of ANTA Academy;</li> <li><b>System assessment and system certification:</b> We regularly carry out penetration testing of our special application systems and conduct comprehensive security penetration assessment of systems involving user data processing. We have obtained ISO 27001 certification.</li> </ul>

# STABLE BUSINESS OPERATION FOR SUSTAINED PROGRESS

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

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

# STABLE BUSINESS OPERATION FOR SUSTAINED PROGRESS



## Business Ethics

### Anti-corruption Policy

The Company is committed to pursuing ethical and anti-corruption business practices with a high standard of integrity and zero tolerance to corruption. To this end, the Company has adopted an anti-corruption policy to complement all applicable anti-corruption laws and regulations and to achieve the Company's desired anti-corruption culture.

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

the legal requirements of the countries or regions as applicable. The Group strictly prohibits charitable donations from being used for bribery or corruption, and ensures that charitable donations and sponsorships are compliant, legal and ethical.

The anti-corruption policy is applicable to all Directors (including the Independent Non-Executive Directors), all employees of the Group at all levels, external parties having business dealings with the Group (including suppliers, services providers, business partners, etc.) and persons acting in an agency or fiduciary capacity on behalf of the Group (e.g. agents, consultants and contractors of the Group).

Directors and employees of the Group shall uphold at all times the Group's core value of integrity, honesty, fairness,

impartiality and ethical business practices.

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

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

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

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

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

Risk Management Committee would regularly review the implementation and effectiveness of the anti-corruption policy

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

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

### **Internal Supervision and Management**

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

All of our employees are required to sign the "Integrity and Self-discipline Commitment" and we have added anti-corruption clauses in our standard "Employees' Labor Contract" to strengthen internal anti-corruption measures. During the financial year, we have strengthened the supervision of employees' personal disciplinary violations and urged them to honor the basic principle of integrity. In addition, we joined the Sunshine Integrity Alliance and the Corporate Anti-Fraud Alliance as a member in 2019 to learn from the experience of excellent companies and improve our internal anti-corruption system. We reached an anti-fraud consensus with alliance companies during the financial year by sharing the list of untrustworthy individuals and promising to refuse to hire these untrustworthy individuals who engaged in unethical or immoral activity.

### **Building Integrity Culture**

We proactively build an anti-corruption culture and use both online and offline training to promote integrity culture to the Board, management and employees (including part-time and contractors), with a coverage rate close to 100%. We have explored innovative forms of education, such as the promotion video on integrity culture, the animation Healthy Workplace and online quiz of anti-corruption knowledge, and promoted their dissemination through our corporate account on social media, special website on corporate culture and the Group's video channels. We have

# STABLE BUSINESS OPERATION FOR SUSTAINED PROGRESS

adopted lively and easy-to-understand means of presentation to explain our anti-corruption systems and measures, and conducted cautionary education with typical cases of violations. We also organize visits to anti-corruption and cautionary education bases and special offline training for our employees to strengthen their anti-corruption awareness.

We value the integrity of our suppliers and stand committed to working with them to build a fair and clean business environment and eliminate any form of corrupt practices. In accordance with the “Code of Conduct for ANTA Group Suppliers”, we signed an “Anti-Commercial Bribery Agreement” with suppliers, and received an integrity undertaking from suppliers at the admittance stage, requesting suppliers to establish anti-corruption policies and have programs to verify compliance. We persist in supervising and managing the integrity performance of our suppliers, and require the audit and supervision department to conduct independent investigation on suppliers suspected of violating the anti-corruption responsibility clause. Once confirmed, they will be resolutely dismissed and held accountable for the relevant legal responsibilities in accordance with the law. Meanwhile, we promote integrity education to suppliers through various channels, including supplier conferences and social media, to enhance their awareness of the importance of integrity and anti-corruption.

## Whistleblowing Policy

The Group is committed to achieving and maintaining the high probity standards and ethical business practices and encouraging reporting of concerns of actual or suspected misconduct or malpractice by any employees and/or external parties in any matter related to the Group. The Company has adopted a whistleblowing policy to create a system for employees and other persons or entities who deal with the Group (e.g. customers and suppliers) to raise concerns, in confidence and anonymity, with the Risk Management Committee (designated by the Board with relevant authorities) about possible improprieties relating to the Group. The identity of the whistleblower would be treated with the strictest confidence.

The whistleblowing system established under the policy is intended:

- to cultivate a culture of openness and transparency in the Group;
- to maintain internal corporate justice;
- to encourage employees and other persons or entities dealing with the Group to raise concerns about possible improprieties relating to the Group and to provide them with confidential reporting channels for such purposes; and
- to enable the Company to detect and deter or remedy a misconduct or malpractice in the Group before serious damage is caused.

The whistleblowing policy is applicable to all employees of the Group at all levels and to other persons or entities who deal with the Group (e.g. customers and suppliers).

Whistleblowers may choose to report a misconduct to the designated ethics officers (being the Chairman and the chairman of the Risk Management Committee) or the Group’s internal audit department.

When making a report, although the whistleblower may be unable to provide conclusive proof or evidence, the report of misconduct made under the whistleblowing policy shall include full disclosure of any relevant or material information to the extent possible.

The Company is committed to exerting its best effort to keep all reports by whistleblower confidential and privileged to the fullest extent permitted by law, and handle the reports in a timely manner. Any person making a genuine and appropriate report in good faith under the policy will be assured of fair treatment, and should not be subject to any unwarranted disciplinary action or unfair dismissal as a result of making such report. The Company strictly prohibits any retaliation and will make the best effort to take reasonable measures in order to protect whistleblowers from retaliation. Persons who victimise or retaliate against those who have genuinely raised concerns in good faith under this Policy will be subject to disciplinary actions, and the identity of such person may be disclosed to internal

or external investigators, or relevant law enforcement agencies or governmental, judicial or regulatory bodies for appropriate action without notifying such person to the extent permitted by law.

Should circumstances arise in which the Company is required to disclose the whistleblower's identity, the Company will, to the extent permitted by law, endeavor to inform the whistleblower that his identity is likely to be disclosed, and the Company will endeavor to protect the reasonable interest of the whistleblower.

All reports must be made in good faith. Persons making a report on any misconduct under the whistleblowing policy should exercise due care in ensuring accuracy of the information they report to the ethics officers or the internal audit department.

The Group reserves the right to take appropriate actions against any person who knowingly or irresponsibly makes false allegations or malicious allegations, including but not limited to disclosing

the identity of such person to internal or external investigators, or relevant law enforcement agencies or governmental, judicial or regulatory bodies for appropriate action without notifying such person to the extent permissible by law. The Group also reserves its right to take any actions against such person to recover any loss or damages resulted from the false report. Employees who make a false report may be subject to disciplinary actions, including dismissal, where appropriate.

The Risk Management Committee would regularly review the implementation and effectiveness of the whistleblowing policy to ensure that the policy remains relevant to the Company's needs and reflects both current regulatory requirements and good corporate governance practice, and will also discuss and consider any revisions that may be required.

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

## Whistleblowing Report Handling

To strengthen internal and external whistleblowing supervision, effectively combat corruption and fraud, and create an honest, well-regulated work environment, we have adopted a whistleblowing policy and related internal execution systems for all employees as well as customers, suppliers and other third parties to regulate the management of whistleblowing. We provide multiple options of 7×24 independent reporting channels for whistleblowers, including email, hotline, WeChat and mailbox. We also have dedicated investigators with professional skills to investigate and handle whistleblowing reports, and notify whistleblowers of the results where permitted by law.

We promise to strictly protect the lawful rights of whistleblowers and prohibit any retaliation against whistleblowers. We accept anonymous reports and have multiple protection measures in place to prevent retaliation, especially for entities or individuals who make whistleblowing reports in their real names.

## Key performance in 2022



We did not have any corruption-related litigation cases.

During the financial year, the signing rate of the "Anti-Commercial Bribery Agreement" by suppliers reached **67.6%**.

During the financial year, we received **172** reports in total, involving **127** violations from retail channels, **17** management issues, and **28** integrity and ethics issues. The reports received have been investigated and handled by dedicated personnel according to internal rules, and we provided training for employees.

# PROSPECTS

To deliver the vision of “Becoming a Leading Multi-Brand Sportswear Group in the World”, we hope to seize market opportunities to drive our own development, and strive to promote sustainability in the upstream and downstream of the eco-system and the industry. We have developed a fundamental framework for sustainable development, which is divided into the following three stages: “Follower”,

“Participant” and “Leader”. On the path to sustainable development, we are now in the stages of “Participant”, as we aim to respond to international initiatives and formulate long-term goals and strategies. We firmly believe that as long as we keep moving towards our set objectives, we will definitely grow into a “Leader” in the sustainable development.

Sustainability will play a key role in our future development plans, and our sustainability strategy and “1+3+5” strategic goals will guide our sustainability practices. Building on the accomplishment of all of our planned work for 2022, we will continue to advance and revise our work plans in the areas of consumers, employees, partners, society and the environment in order to achieve our medium and long-term goals.



## Mutualism with Consumers

Goal	Progress in 2022
1. Establish a definite and solid consumer ESG mindset, enabling consumers to realize circular consumption	<ul style="list-style-type: none"> <li>• Clearly defined the direction and initial strategy of ESG mindset building for each brand</li> </ul>

## Mutualism with Employees

Goals	Progress in 2022
1. Adhere to the three core cultural propositions – “Consumer-oriented, Benchmarking with High Standard, Leaders as Role Model” – and continue to maintain our industry-leading employment standards and work environment	<p>Giving care to employees in clothing, food, housing, transportation, and physical and mental health:</p> <p><b>Clothing:</b> We offer gift cards, staff discounts and discount coupons etc. to our employees for our branded products</p> <p><b>Food:</b> Our ocean-view restaurant offers a variety of nutritious and tasty food, and many high-quality vegetables are supplied directly from our farms</p> <p><b>Housing:</b> We provide affordable staff dormitories, housing subsidies, and interest-free loans under our “Sweet Home Plan” to help relieve our employees’ financial burden</p> <p><b>Transportation:</b> We provide shuttle bus and free parking space, and overtime transportation reimbursement, etc.</p> <p><b>Physical and mental health:</b> We have in place supplementary medical insurance, paid sick leave, a free gym, fitness classes and sports clubs, health checkups, and a hotline to attend to employees’ mental health needs</p>

# PROSPECTS

Goals	Progress in 2022
2. Establish an industry-leading, efficient and attractive compensation system and invest more in the long-term employee incentive scheme	We shared the rewards of the Company's growth with our employees. In addition to year-end performance bonus, we granted share incentives to more than 3,700 employees at the manager level or above
3. Step up the cultivation of young talents and attract young talents to work in the Group	During the financial year, we recruited over 17,000 college graduates and young talents (age below 35) to join the Group
4. Provide employees with a broad career platform and improve the multi-tiered structure of global talent pool	We pushed forward the building of the internal leadership development system and the internal talent pool, and launched a special career program to attract young talents
5. Increase the proportion of female executives (director level and above)	As of 31 December 2022, the proportion of female executives (director level and above) was 36.1%, up by 1.4 percentage point over the previous year (31 December 2021: 34.7%)
6. Offer employment opportunities to the disabled and the underprivileged	As of 31 December 2022, we had 44 employees with disabilities. Under "Hemin Student Sponsorship" program, and "Hemin Health Assistance" program, during the financial year, the number of beneficiaries were 66 people in total

## Mutualism with Partners

Goals	Progress in 2022
1. Empower suppliers and improve supplier governance capabilities	We joined SAC, and formulated the "Code of Conduct for ANTA Group Suppliers" and the "The Supplier Sustainability Management Handbook" as the standard for supplier management
2. Enhance supply chain transparency	
3. Optimize the supplier management policies and system	

## Mutualism with the Society

Goals	Progress in 2022
1. One medical aid project	The Hemin Foundation set up by the founding family of the Group solely donated the construction of the Fujian Hemin Hospital during the financial year, to support the national project of regional medical centers and enhance the region's capacity of medical services
2. One poverty alleviation project	During the financial year, the Hemin Foundation set up "Hemin Health Assistance" program and "Hemin Student Sponsorship" program, to enable timely medical treatment to the participants of medical insurance schemes in Jinjiang and help children from financially-strapped households to complete their university studies.
3. One China sports development project	The Hemin Foundation set up by the founding family of the Group established the program dedicated to supporting the active or retired national team athletes who have financial difficulties in the future
4. One sports education project	We have launched the "Sturdy Growth Charity Project" since 2017, and partnered with the China Youth Development Foundation and the ADream Foundation on its joint implementation. With the vision of "Making Children Enjoy Happiness through Sports Activities", the project focuses on youth sports, and helps young people in underdeveloped regions grow up happily with the charity support of product donation, moral education and sports training
5. One ecological protection project	We joined hands with the One Planet Foundation to organize the "Panda Tour" in Xiamen and protect the finless porpoise, promote the concept of Moving to Nature, and build "ANTA Forest" to protect the forest ecosystem

# PROSPECTS

## Mutualism with the Environment

	Goals	Progress in 2022
1 overall goal	Carbon neutrality by 2050	<ul style="list-style-type: none"><li>During the financial year, we prepared and formally joined and pledged to support the commitment of the SBTi in January 2023. We also plan to set carbon reduction targets for our business in accordance with the SBTi standard, covering our core products and the whole value chain, including supplier, production, logistics and retail, and take active actions to promote carbon reduction.</li></ul>
3 “zeroes”	By 2030 <ul style="list-style-type: none"><li>Net zero carbon emissions in self-owned operating facilities</li><li>Zero use of virgin plastic in self-owned operating facilities</li><li>Zero landfill of self-generated production waste</li></ul>	<ul style="list-style-type: none"><li>In cooperation with external consulting institutions, we conducted basic inventory and verification on the carbon emissions of our seven self-owned operating factories, three operation buildings and one logistics center in accordance with ISO 14064-1:2008;</li><li>We issued green bonds for our Shanghai headquarters, which is still under construction and meets green building standards.</li></ul>
5 “50%”	By 2030 <ul style="list-style-type: none"><li>Increase the proportion of sustainable products to 50%</li><li>Use sustainable packaging for 50% of products</li><li>Apply 50% sustainable raw materials</li><li>Replace 50% of fuel used for transportation in our self-owned operating facilities with clean fuels</li><li>Replace 50% of strategic partners' energy consumption with renewable energy</li></ul>	<ul style="list-style-type: none"><li>We conducted a stock take of the sustainable products currently, and adopted the “Technical Specifications for Sustainable Products”;</li><li>We defined sustainable packaging and we are actively promoting the use of sustainable packaging for our branded products, reducing the use of virgin plastic packaging and continuously increasing the proportion of sustainable packaging for our products.</li></ul>

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

ESG indicator	Laws, regulations and policies	Internal policies
A. Environment	<ul style="list-style-type: none"> <li>National Catalogue of Hazardous Wastes</li> <li>Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste</li> <li>Environmental Protection Law of the People's Republic of China</li> <li>Environmental Impact Assessment Law of the People's Republic of China</li> <li>Regulations of the People's Republic of China on Nature Reserves</li> </ul>	<ul style="list-style-type: none"> <li>Regulations on the Management of Energy Conservation and Consumption Reduction</li> <li>Standardized Management Specifications for Production of Packaging Boxes</li> <li>Office Management Policy</li> <li>Central Air Conditioning Turn-On/Off Control Standards</li> <li>Wastewater Treatment Operation Procedures</li> <li>Solid Waste Management Regulations</li> <li>Hazardous Chemicals Management Regulations</li> <li>Hazardous Waste Pollution Prevention and Control Responsibility System</li> <li>Hazardous Waste Warehouse Storage Standards</li> <li>Energy Conservation and Emission Reduction Management System</li> <li>Cost Savings Measures for Industrial Park</li> <li>Letter on Energy Conservation, Energy Consumption Reduction and Safe Production in the Industrial Park</li> </ul>
B1. Employment	<ul style="list-style-type: none"> <li>Labor Law of the People's Republic of China</li> <li>Labor Contract Law of the People's Republic of China</li> <li>Employment Promotion Law of the People's Republic of China</li> <li>Social Insurance Law of the People's Republic of China</li> <li>Regulations on the Prohibition of Child Labor</li> <li>Minors Protection Law of the People's Republic of China</li> </ul>	<ul style="list-style-type: none"> <li>Employees' Labor Contract</li> <li>Social Recruitment Management System of ANTA Group</li> <li>Campus Recruitment Management Regulations</li> <li>Internal Recruitment Recommendation Management Policy</li> <li>Employee Handbook</li> <li>Rewards and Discipline Policy</li> <li>Remuneration Policy</li> <li>Management Policy for Individual Performance</li> <li>Management Policy for Individual Performance of Group Retail Regional Office</li> <li>Management Policy for the Individual Performance of Group Production Employees or below the Manager Level</li> <li>Management Policy for Excess-incentive</li> <li>Management Policy for E-commerce Platform Staff</li> <li>Welfare Management Policy</li> </ul>

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

ESG indicator	Laws, regulations and policies	Internal policies
B2. Health and safety	<ul style="list-style-type: none"> <li>• Labor Law of the People's Republic of China</li> <li>• Fire Control Law of the People's Republic of China</li> <li>• Production Safety Law of the People's Republic of China</li> <li>• Law of Prevention and Control of Occupational Diseases of the People's Republic of China</li> <li>• Emergency Response Law of the People's Republic of China</li> <li>• Regulations on Work-Related Injury Insurance</li> <li>• Administrative Provisions on the Work Safety License of Construction Enterprises</li> <li>• Regulations on the Reporting, Investigation and Disposition of Work Safety Accidents</li> <li>• Environmental Management Systems – Requirements with Guidance for Use</li> <li>• Occupational Health and Safety Management systems – Requirements with Guidance for Use</li> <li>• Warning Signs for Occupational Hazards in the Workplace</li> <li>• Management Regulations for the Occupational Disease Hazard Notification and Warning Sign of Employers</li> </ul>	<ul style="list-style-type: none"> <li>• Occupational Health and Safety Regulations</li> <li>• Manual on the Environmental/Occupational Health and Safety</li> <li>• Assessment Measures for Implementing the System of Production Safety Responsibility</li> <li>• Work-Related Injury Prevention and Treatment Mechanism</li> <li>• Operation Control Procedures on Environmental and Occupational Safety</li> </ul>
B3. Development and training		<ul style="list-style-type: none"> <li>• Training Operation Management Policy</li> <li>• Lecturer and Textbook Management Policy</li> <li>• Import and Export Training Operation Management Policy</li> <li>• ANTA Fresh Graduate Training Management Policy</li> <li>• Campus Recruitment Retail Management Trainee Development Program</li> <li>• Policy on Promotion Management</li> <li>• Policy on the Ranking Adjustment of the Group's Retail Staff and Store Managers</li> </ul>

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

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

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

ESG indicator	Laws, regulations and policies	Internal policies
		<ul style="list-style-type: none"> <li>• Chemicals Safety Management Measures on Footwear Products</li> <li>• Guidance on Chemical Safety Management for Suppliers</li> <li>• Statement of Compliance for Chemical Safety Control of Suppliers</li> <li>• Customer Service Management Policy</li> <li>• Standard Operating Procedures</li> <li>• Terminal Activities Management Regulations</li> <li>• Penalty Rules of the Information Security Regulations</li> <li>• Rewards and Discipline Policy</li> <li>• Validity Measurement Procedures</li> <li>• Internet Access Management Policy</li> <li>• Personal Information Protection Management Policy</li> <li>• Data Classification and Hierarchical Management Standards</li> <li>• Data Sharing Process</li> <li>• Information Security Incident Management Policy</li> <li>• Application System Development and Maintenance Safety Management Regulations</li> <li>• System Access Management Regulations</li> </ul>
B7. Anti-corruption	<ul style="list-style-type: none"> <li>• Company Law of the People's Republic of China</li> <li>• Anti-Money Laundering Law of the People's Republic of China</li> <li>• Anti-Monopoly Law of the People's Republic of China</li> <li>• Anti-Unfair Competition Law of the People's Republic of China</li> <li>• Interim Provisions on Banning Commercial Bribery of the State Administration for Industry and Commerce of the People's Republic of China</li> <li>• Supervision Law of the People's Republic of China</li> </ul>	<ul style="list-style-type: none"> <li>• Employee Handbook</li> <li>• Integrity and Self-discipline Commitment</li> <li>• Anti-Corruption Policy</li> <li>• Whistleblowing Policy</li> <li>• Code of Conduct for ANTA Group Suppliers</li> <li>• Auditing and Supervision Policy</li> <li>• Group Business Gift Management Policy</li> <li>• Management Accountability Policy</li> <li>• Exit Audit Policy</li> </ul>
B8. Community investment		<ul style="list-style-type: none"> <li>• Protocol of ANTA Group for the Management of Charitable Donation</li> <li>• Sports Equipment Donation Process of the Sturdy Growth Charity Project</li> </ul>

## APPENDIX 2: SUSTAINABILITY OVERVIEW

### List of HKEX ESG Index

Aspects, general disclosure and KPIs	Descriptions	“Comply or Explain” Provisions
<b>A: Environment</b>		
<b>A1: Emissions</b>		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	PROMOTING ENVIRONMENT-FRIENDLY AND GREEN DEVELOPMENT APPENDIX 1: LIST OF ESG POLICIES AND LAWS AND REGULATIONS ANTA COMPLIES WITH
KPI A1.1	The types of emissions and respective emissions data.	PROMOTING ENVIRONMENT-FRIENDLY AND GREEN DEVELOPMENT ESG Key Performance Index Data Table
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	PROMOTING ENVIRONMENT-FRIENDLY AND GREEN DEVELOPMENT ESG Key Performance Index Data Table
KPI A1.3	Total hazardous waste produced (in tons) and where appropriate, intensity (e.g. per unit of production volume, per facility).	PROMOTING ENVIRONMENT-FRIENDLY AND GREEN DEVELOPMENT ESG Key Performance Index Data Table

<b>Aspects, general disclosure and KPIs</b>	<b>Descriptions</b>	<b>“Comply or Explain” Provisions</b>
KPI A1.4	Total non-hazardous waste produced (in tons) and where appropriate, intensity (e.g. per unit of production volume, per facility).	PROMOTING ENVIRONMENT-FRIENDLY AND GREEN DEVELOPMENT ESG Key Performance Index Data Table
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	PROMOTING ENVIRONMENT-FRIENDLY AND GREEN DEVELOPMENT PROSPECTS
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	PROMOTING ENVIRONMENT-FRIENDLY AND GREEN DEVELOPMENT PROSPECTS

## A2: Use of resources

General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	PROMOTING ENVIRONMENT-FRIENDLY AND GREEN DEVELOPMENT APPENDIX 1: LIST OF ESG POLICIES AND LAWS AND REGULATIONS TO COMPLY WITH
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	PROMOTING ENVIRONMENT-FRIENDLY AND GREEN DEVELOPMENT ESG Key Performance Index Data Table
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	PROMOTING ENVIRONMENT-FRIENDLY AND GREEN DEVELOPMENT ESG Key Performance Index Data Table
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	PROMOTING ENVIRONMENT-FRIENDLY AND GREEN DEVELOPMENT PROSPECTS

## APPENDIX 2: SUSTAINABILITY OVERVIEW

Aspects, general disclosure and KPIs	Descriptions	“Comply or Explain” Provisions
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	PROMOTING ENVIRONMENT-FRIENDLY AND GREEN DEVELOPMENT PROSPECTS
KPI A2.5	Total packaging material used for finished products (in tons) and if applicable, with reference to per unit produced.	PROMOTING ENVIRONMENT-FRIENDLY AND GREEN DEVELOPMENT ESG Key Performance Index Data Table

### A3: Environment and natural resources

General disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	PROMOTING ENVIRONMENT-FRIENDLY AND GREEN DEVELOPMENT APPENDIX 1: LIST OF ESG POLICIES AND LAWS AND REGULATIONS TO COMPLY WITH
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	PROMOTING ENVIRONMENT-FRIENDLY AND GREEN DEVELOPMENT

### A4: Climate change

General disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	PROMOTING ENVIRONMENT-FRIENDLY AND GREEN DEVELOPMENT
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	PROMOTING ENVIRONMENT-FRIENDLY AND GREEN DEVELOPMENT

Aspects, general disclosure and KPIs	Descriptions	“Comply or Explain” Provisions
<b>B: Society</b>		
<b>Employment and Labor Practices</b>		
<b>B1: Employment</b>		
General disclosure	<p>Information on:</p> <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.</li> </ul>	DIVERSITY AND INCLUSION FOR PEOPLE-CENTERED DEVELOPMENT APPENDIX 1: LIST OF ESG POLICIES AND LAWS AND REGULATIONS TO COMPLY WITH
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	DIVERSITY AND INCLUSION FOR PEOPLE-CENTERED DEVELOPMENT ESG Key Performance Index Data Table
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	ESG Key Performance Index Data Table

## APPENDIX 2: SUSTAINABILITY OVERVIEW

Aspects, general disclosure and KPIs	Descriptions	“Comply or Explain” Provisions
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### B2: Health and safety

General disclosure	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	DIVERSITY AND INCLUSION FOR PEOPLE-CENTERED DEVELOPMENT APPENDIX 1: LIST OF ESG POLICIES AND LAWS AND REGULATIONS TO COMPLY WITH
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	DIVERSITY AND INCLUSION FOR PEOPLE-CENTERED DEVELOPMENT ESG Key Performance Index Data Table
KPI B2.2	Lost days due to work injury.	DIVERSITY AND INCLUSION FOR PEOPLE-CENTERED DEVELOPMENT ESG Key Performance Index Data Table
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	DIVERSITY AND INCLUSION FOR PEOPLE-CENTERED DEVELOPMENT

### B3: Development and training

General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	DIVERSITY AND INCLUSION FOR PEOPLE-CENTERED DEVELOPMENT
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	DIVERSITY AND INCLUSION FOR PEOPLE-CENTERED DEVELOPMENT ESG Key Performance Index Data Table
KPI B3.2	The average training hours completed per employee by gender and employee category.	ESG Key Performance Index Data Table

Aspects, general disclosure and KPIs	Descriptions	“Comply or Explain” Provisions
<b>B4: Labor standards</b>		
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labor.	DIVERSITY AND INCLUSION FOR PEOPLE-CENTERED DEVELOPMENT APPENDIX 1: LIST OF ESG POLICIES AND LAWS AND REGULATIONS TO COMPLY WITH
KPI B4.1	Description of measures to review employment practices to avoid child and forced labor.	DIVERSITY AND INCLUSION FOR PEOPLE-CENTERED DEVELOPMENT
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	DIVERSITY AND INCLUSION FOR PEOPLE-CENTERED DEVELOPMENT
<b>Operation practices</b>		
<b>B5: Supply Chain Management</b>		
General disclosure	Policies on managing environmental and social risks of the supply chain.	CREATING VALUE THROUGH WIN-WIN COOPERATION APPENDIX 1: LIST OF ESG POLICIES AND LAWS AND REGULATIONS TO COMPLY WITH
KPI B5.1	Number of suppliers by geographical region.	CREATING VALUE THROUGH WIN-WIN COOPERATION ESG Key Performance Index Data Table
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	CREATING VALUE THROUGH WIN-WIN COOPERATION ESG Key Performance Index Data Table
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	CREATING VALUE THROUGH WIN-WIN COOPERATION
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	CREATING VALUE THROUGH WIN-WIN COOPERATION

## APPENDIX 2: SUSTAINABILITY OVERVIEW

Aspects, general disclosure and KPIs	Descriptions	“Comply or Explain” Provisions
<b>B6: Product responsibility</b>		
General disclosure	<p>Information on:</p> <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</li> </ul>	APPENDIX 1: LIST OF ESG POLICIES AND LAWS AND REGULATIONS TO COMPLY WITH
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	SAFEGUARD PRODUCT AND PURSUE INNOVATION ESG Key Performance Index Data Table
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	SAFEGUARD PRODUCT AND PURSUE INNOVATION ESG Key Performance Index Data Table
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	SAFEGUARD PRODUCT AND PURSUE INNOVATION
KPI B6.4	Description of quality assurance process and recall procedures.	SAFEGUARD PRODUCT AND PURSUE INNOVATION
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	SAFEGUARD PRODUCT AND PURSUE INNOVATION

Aspects, general disclosure and KPIs	Descriptions	“Comply or Explain” Provisions
<b>B7: Anti-corruption</b>		
General disclosure	<p>Information on:</p> <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.</li> </ul>	<p>STABLE BUSINESS OPERATION FOR SUSTAINED PROGRESS APPENDIX 1: LIST OF ESG POLICIES AND LAWS AND REGULATIONS TO COMPLY WITH</p>
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	<p>STABLE BUSINESS OPERATION FOR SUSTAINED PROGRESS ESG Key Performance Index Data Table</p>
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	<p>STABLE BUSINESS OPERATION FOR SUSTAINED PROGRESS</p>
KPI B7.3	Description of anti-corruption training provided to directors and staff.	<p>STABLE BUSINESS OPERATION FOR SUSTAINED PROGRESS ESG Key Performance Index Data Table</p>
<b>Community</b>		
<b>B8: Social investment</b>		
General disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	<p>GIVING BACK TO SOCIETY BY SUPPORTING PUBLIC WELFARE AND SPORTS APPENDIX 1: LIST OF ESG POLICIES AND LAWS AND REGULATIONS TO COMPLY WITH</p>
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport).	<p>GIVING BACK TO SOCIETY BY SUPPORTING PUBLIC WELFARE AND SPORTS</p>
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	<p>GIVING BACK TO SOCIETY BY SUPPORTING PUBLIC WELFARE AND SPORTS ESG Key Performance Index Data Table</p>

## APPENDIX 2: SUSTAINABILITY OVERVIEW

### ESG Key Performance Index Data Table

Subject Area	ESG KPIs	Unit	2022	2021	2020
<b>A. Environmental<sup>1</sup></b>					
<b>Aspect A1: Emissions</b>					
	<b>A1.1 The types of emissions and respective emissions data<sup>2</sup></b>				
	Particulates	Ton	3.69	3.87	Not disclosed
	Sulfur oxides	Ton	0.00	0.14	Not disclosed
	Nitrogen oxide	Ton	1.03	1.26	Not disclosed
	Waste water <sup>3</sup>	Ton	1,142,461	Not disclosed	Not disclosed
	<b>A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity</b>				
	Scope 1 Direct greenhouse gas emissions <sup>4</sup>	Ton of CO <sub>2</sub> equivalent	4,820	2,772	2,713
	Scope 2 Indirect greenhouse gas emissions <sup>5</sup>	Ton of CO <sub>2</sub> equivalent	173,974	142,682	90,552
	Total greenhouse gas emissions	Ton of CO <sub>2</sub> equivalent	178,794	145,454	93,265
	Scope 1 greenhouse gas emission intensity	Ton of CO <sub>2</sub> equivalent/ Revenue per million RMB	0.09	0.05	Not disclosed
	Scope 2 greenhouse gas emission intensity	Ton of CO <sub>2</sub> equivalent/ Revenue per million RMB	3.24	2.90	Not disclosed
	Total greenhouse gas emission intensity	Ton of CO <sub>2</sub> equivalent/ Revenue per million RMB	3.33	2.95	2.63

<sup>1</sup> We adopted the "Operation Control Method" to compile and convert the environmental data in 2022 and 2021, and did not convert the data of each unit according to shareholding ratio; while in 2020 and before, we adopted the "Equity Ratio Method" to adjust the overall data according to shareholding ratio.

<sup>2</sup> Emissions (nitrogen oxide, sulfur dioxide and particulates) are mainly from emissions from the Group's manufacturing companies and emissions from the use of corporate vehicles, of which the calculation of corporate vehicle emissions is based on Appendix 27 of the "Listing Rules": "Appendix II: Reporting Guidance on Environmental KPIs".

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

<sup>4</sup> Scope 1 greenhouse gas emissions are mainly from direct greenhouse gas emissions from fossil fuel consumption (such as gasoline, diesel, natural gas) during operation / production process and the refrigerants emission. The formula used to calculate the main greenhouse gas emissions from fossil fuel consumption: CO<sub>2</sub> emissions from fossil fuel combustion = fuel consumption x low level heat generation x carbon content per unit calorific value x fuel carbon oxidation rate x 44/12, while the calculation of refrigerant emissions data refers to Appendix 27 of the "Listing Rules": "Appendix II: Reporting Guidance on Environmental KPIs". In 2022, we improved on the statistical scope of refrigerants compared to 2021, adding ANTA (China) Co., Ltd. and Quanzhou Athletic Shoes & Garments Co., Ltd. and the Scope 1 Direct greenhouse gas emissions data in 2022 increased.

<sup>5</sup> Scope 2 greenhouse gas emissions are mainly from indirect greenhouse gas emissions generated from purchased electricity and steam consumed in the Group's operation/production process, calculated with reference to Appendix 27 of the "Listing Rules": "Appendix II: Reporting Guidance on Environmental KPIs". The electricity emission factor 0.5703 tCO<sub>2</sub>/MWh for Scope 2 Indirect greenhouse gas emissions in 2022 is adopted from "Notice on the management of greenhouse gas emission reporting by enterprises in the electricity generation industry from 2023 to 2025" (Huanban Qihou 2023 No.43). In 2022, we improved on the statistical scope of purchased electricity compared to 2021, adding the FILA office building and Shangqiu Anta Shoes Co., Ltd. Additionally, the number of ANTA DTC stores increased due to business expansion. The Scope 2 Indirect greenhouse gas emissions data in 2022 increased.

Subject Area	ESG KPIs	Unit	2022	2021	2020
Aspect A1: Emissions	<b>A1.3 Total hazardous waste produced and intensity</b>				
	Total hazardous waste produced <sup>6</sup>	Ton	335.4	24.1	17
	Hazardous waste intensity	Kg / Revenue per million RMB	6.25	0.49	Not disclosed
	<b>A1.4 Total non-hazardous waste produced and intensity</b>				
	Total non-hazardous waste produced <sup>7</sup>	Ton	9,204	3,249	2,359
	Non-hazardous waste intensity	Ton / Revenue per million RMB	0.17	0.07	Not disclosed
	<b>A2.1 Direct and indirect energy consumption by type in total and intensity<sup>8</sup></b>				
Aspect A2: Use of Resources	Gasoline	kWh	366,546	889,062	313,192
	Diesel	kWh	199,930	255,379	152,407
	Natural gas	kWh	14,504,389	11,895,520	12,704,352
	Purchased electricity <sup>9</sup>	kWh	265,058,740	205,233,867	110,175,714
	Purchased steam	kWh	57,573,558	60,989,345	60,770,785
	Total energy consumption	MWh	337,703	279,263	Not disclosed
	Total energy consumption intensity	MWh / Revenue per million RMB	6.29	5.66	Not disclosed

<sup>6</sup> Hazardous waste data are obtained from the disposal volume of hazardous waste of the Group's manufacturing facilities and administrative facilities. In 2022, we improved on the statistical scope of hazardous waste compared to 2021, adding the office building in Xiamen, the FILA office building, Quanzhou Athletic Shoes & Garments Co., Ltd., Shangqiu Anta Shoes Co., Ltd., Xiamen ANTA Sports Goods Co., Ltd. and Xiamen ANTA Industrial Co., Ltd., and the hazardous waste data in 2022 increased.

<sup>7</sup> Non-hazardous waste data are obtained from the disposal volume of non-hazardous waste of the Group's manufacturing facilities, administrative facilities and logistics facility. In 2022, we improved on the statistical scope of non-hazardous waste compared to 2021, adding the FILA office building, Shangqiu Anta Shoes Co., Ltd. and Fujian ANTA Logistics Information Technology Co., Ltd., and the non-hazardous waste data in 2022 increased.

<sup>8</sup> Energy consumption (unit: kWh) is calculated from the consumption of gasoline, diesel, natural gas, purchased electricity and purchased steam, while the calculation refers to the "General Principles for Calculation of Total Production Energy Consumption" (GB2589-2020).

<sup>9</sup> The purchased electricity data are obtained from the purchased electricity volume of the Group's manufacturing facilities, administrative facilities, logistics facility and store facilities. In 2022, we improved on the statistical scope of purchased electricity compared to 2021, adding the FILA office building and Shangqiu Anta Shoes Co., Ltd.. Additionally, the number of ANTA DTC stores increased due to business expansion thus the purchased electricity data in 2022 increased.

## APPENDIX 2: SUSTAINABILITY OVERVIEW

Subject Area	ESG KPIs	Unit	2022	2021	2020
<b>Aspect A2: Use of Resources</b>	<b>A2.2 Water consumption in total and intensity</b>				
	Total water consumption	m <sup>3</sup>	1,429,691	1,424,207	1,684,010
	Total water consumption intensity	m <sup>3</sup> / Revenue per million RMB	26.7	28.9	47
	<b>A2.5 Total packaging material used for finished products and with reference to per unit produced</b>				
	Total packaging material consumption	Ton	24,064	21,944	12,283
	Intensity of packaging material consumption	Ton / Revenue per million RMB	0.45	0.44	Not disclosed
<b>B. Social</b>					
<b>Aspect B1: Employment</b>	<b>B1.1 Total workforce: by gender, employment type<sup>10</sup>, age group, and geographical region</b>				
	Total number of employees <sup>10</sup>	Person	59,000	52,000	41,000
	By gender				
	Male	%	24.9	26.0	27.1
	Female	%	75.1	74.0	72.9
	By function				
	Office employees	%	19.5	20.6	Not disclosed
	Production and logistics staff	%	22.1	22.7	Not disclosed
	Retail employees	%	58.4	56.7	Not disclosed
	By rank				
	President level	%	0.1	0.1	Not disclosed
	Director level	%	1.3	1.3	Not disclosed
	Manager level	%	6.5	6.4	Not disclosed
	Officers and others	%	73.4	72.5	Not disclosed
	Production staff	%	18.7	19.7	Not disclosed

<sup>10</sup> The total number of employees is defined as our regular employees. In addition, we have 2,870 other types of workers, such as temporary workers, trainees and interns employed by our directly operated and managed businesses.

Subject Area	ESG KPIs	Unit	2022	2021	2020
<b>Aspect B1: Employment</b>	By age group				
	16-24	%	13.6	15.4	11.6
	25-40	%	74.0	73.0	74.3
	41 and above	%	12.4	11.6	14.1
	By geographical region				
	Mainland China	%	99.3	99.2	Not disclosed
	Hong Kong SAR, Macao SAR, and overseas regions	%	0.7	0.8	Not disclosed
	<b>B1.2 Employee turnover rate: by gender, age group and geographical region<sup>11</sup></b>				
	Total employee turnover rate	%	35.7	34.6	Not disclosed
	By gender				
	Male	%	40.0	39.4	Not disclosed
	Female	%	34.1	32.7	Not disclosed
	By age group				
	16-24	%	50.7	47.4	Not disclosed
	25-40	%	33.3	32.0	Not disclosed
	41 and above	%	26.3	28.5	Not disclosed
	By geographical region				
	Mainland China	%	35.7	34.6	Not disclosed
	Hong Kong SAR, Macao SAR, and overseas regions	%	37.3	34.8	Not disclosed

<sup>11</sup> In 2022, the employee turnover rate is calculated based on our latest standards and the 2021 employee turnover rate is adjusted retrospectively. Overall employee turnover rate = number of leaving employees during the financial year/(number of employees at the end of the financial year + number of leaving employees during the financial year) x 100%. Employee turnover rate by category = number of leaving employees of that category during the financial year/(number of employees of that category at the end of the financial year + number of leaving employees of that category during the financial year) x 100%. Employee turnover includes the number of employees who have left (terminated their employment with the Group due to voluntary resignation, dismissal, retirement or death). Our statistics and reporting include all regular employees at all operating locations. The number of employees who left during probationary period is also included. Since both the retail and manufacturing industries are labor-intensive and thus have a higher turnover rate, we will continue to monitor the turnover rate and actively seek improvements.

## APPENDIX 2: SUSTAINABILITY OVERVIEW

Subject Area	ESG KPIs	Unit	2022	2021	2020
Aspect B2: Health and Safety	<b>B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year<sup>12</sup></b>				
	Number of work-related fatalities	Person	0	0	0
	Rate of work-related fatalities	%	0	0	0
	<b>B2.2 Lost days due to work injury<sup>13</sup></b>				
	Office employees	Day	1,060	422	295.5
	Production and logistics staff <sup>14</sup>	Day	2,269	2,313	1,815
	Retail employees	Day	4,121	2,078	493
	<b>B3.1 The percentage of employees trained by gender and employee category<sup>15</sup></b>				
	Percentage of employees trained	%	92.5	79.7	Not disclosed
	Employees trained by gender				
Aspect B3: Development and Training	Male	%	23.7	23.0	Not disclosed
	Female	%	76.3	77.0	Not disclosed
	Employees trained by rank				
	President level	%	0.1	0.1	Not disclosed
	Director level	%	1.4	1.4	Not disclosed
	Manager level	%	6.9	7.1	Not disclosed
	Officers and others	%	72.3	77.6	Not disclosed
	Production staff	%	19.3	13.8	Not disclosed

<sup>12</sup> Data obtained from the human resources department, verified by local authorities for workplace fatalities.

<sup>13</sup> The data cover employees in Mainland China and are obtained from the human resources department in Mainland China, verified by local Human Resources and Social Security Bureau for workplace injuries. As for the injury data of employees in other regions, we are optimizing our data collection system and will disclose such information in the future. The number of work-related injuries in 2022 increased by 3 compared with 2021, while the number of work-related injuries of retail employees in 2022 decreased compared with 2021. We are committed to continuously refine our occupational and health security management system, enhance safety guarantees and training.

<sup>14</sup> The scope of data reporting covers production and logistics staff in 2022 and 2021, and factory employees in 2020, with no retrospective adjustments.

<sup>15</sup> The scope of data reporting excludes Quanzhou Athletic Shoes & Garments Co., Ltd. The percentage of employees trained = (employees trained/number of employees) x 100%, employees trained in relevant category = (employees trained in the specified category/total number of employees trained) x 100%.

Subject Area	ESG KPIs	Unit	2022	2021	2020
<b>Aspect B3: Development and Training</b>	Employees trained by function				
	Office employees	%	20.9	21.9	Not disclosed
	Production and logistics staff	%	19.2	15.1	Not disclosed
	Retail employees	%	59.9	63.0	Not disclosed
	<b>B3.2 The average training hours completed per employee by gender and employee category<sup>16</sup></b>				
	Average training hours	Hour	29.1	17.6	Not disclosed
	Average training hours by gender				
	Male employee average training hours	Hour	37.0	14.4	Not disclosed
	Female employee average training hours	Hour	26.5	18.7	Not disclosed
	Average training hours by rank				
	President level	Hour	23.9	6.33	Not disclosed
	Director level	Hour	78.7	19.3	Not disclosed
	Manager level	Hour	85.8	19.7	Not disclosed
	Officers and others	Hour	29.3	19.6	Not disclosed
	Production staff	Hour	5.12	7.61	Not disclosed
	Average training hours by function				
	Office employees	Hour	81.9	17.0	Not disclosed
	Production and logistics staff	Hour	4.34	7.13	Not disclosed
	Retail employees	Hour	20.9	21.1	Not disclosed

<sup>16</sup> Average training hours per employee = total training hours/total number of employees. Average training hours for employees in relevant categories = total number of training hours for employees in the specified category/number of employees in the specified category.

## APPENDIX 2: SUSTAINABILITY OVERVIEW

Subject Area	ESG KPIs	Unit	2022	2021	2020
<b>Aspect B5: Supply Chain Management</b>	<b>B5.1 Number of suppliers by geographical region<sup>17</sup></b>				
	Total number of suppliers	Number	524	459	720
	Suppliers in China	%	96.0	95.9	96.9
	Suppliers overseas	%	4.0	4.1	3.1
	<b>B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented<sup>18</sup></b>				
	Suppliers that signed the Code of Conduct	%	92.4	96.6	Not disclosed
	Number of suppliers with ISO 9001 certification	Number	257	267	Not disclosed
	Number of suppliers with ISO 14001 certification	Number	184	162	Not disclosed
	Number of suppliers with ISO 45001 certification	Number	111	65	Not disclosed
	Number of suppliers with Bluesign® certification	Number	38	45	40

<sup>17</sup> The scope of data reporting is the number of ANTA and FILA suppliers managed by the Group's procurement department, including the number of Tier 1 suppliers, and some Tier 2 and Tier 3 suppliers. To maintain consistency, the number of suppliers 2021 is adjusted retrospectively.

<sup>18</sup> The scope of data reporting is the number of ANTA and FILA suppliers managed by the Group's procurement department, including the number of Tier 1 suppliers, and some Tier 2 and Tier 3 suppliers.

Subject Area	ESG KPIs	Unit	2022	2021	2020
<b>Aspect B6: Product Responsibility</b>	<b>B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons</b>				
	Recalled products	%	0.01	Not applicable	0.01
	<b>B6.2 Number of products and service related complaints received<sup>19</sup></b>				
	Product complaints	Case	290,439 <sup>20</sup>	294,924 <sup>20</sup>	5,011 <sup>21</sup>
	Among which: Footwear	%	69.4	63.8	56.0
	Apparel	%	29.4	35.0	42.4
	Accessories	%	1.2	1.2	1.6
<b>Aspect B7: Anti- corruption</b>	<b>B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases</b>				
	Concluded legal cases regarding corrupt practices	Case	0	1	0
	<b>B7.3 Anti-corruption training provided to directors and employees</b>				
	Anti-corruption training for top management and Board members <sup>22</sup>	Number of participants	804	728	Not disclosed
	Anti-corruption training for office employees	%	100	100	Not disclosed
	Anti-corruption training for Board members	%	100	100	Not disclosed
	<b>B8.2 Resources contributed to the focus area</b>				
<b>Aspect B8: Community Investment</b>	Cash	Million RMB	23	65	32
	Product (calculated at tag value)	Million RMB	Over 200	Over 270	Over 100

<sup>19</sup> The scope of data is ANTA and the FILA brand.

<sup>20</sup> The scope of statistics includes quality returns, 400 hotline complaints and online complaints.

<sup>21</sup> The scope of data is quality returns.

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

# GLOSSARY

## AMER SPORTS

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

## ANTA

ANTA Brand

## ANTA KIDS

ANTA KIDS brand, which offers ANTA products for children

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

ANTA Sports Products Limited

## ANTA STORE(S)

ANTA authorized retail store(s)

## APEC

Asia-Pacific Economic Cooperation

## AUDIT COMMITTEE

The audit committee of the Company

## BOARD

Board of Directors

## BSCI

Business Social Compliance Initiative

## CG CODE

Corporate Governance Code set out in Appendix 14 to the Listing Rules

## CHAIRMAN

Chairman of the board of directors of the Company

## CHINA/PRC

People's Republic of China

## CO<sub>2</sub>

Carbon dioxide

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

Carbon dioxide equivalent

## DESCENTE

DESCENTE brand

## DESCENTE STORE(S)

DESCENTE retail store(s)

## DIRECTOR(S)

Director(s) of the Company

## DTC

Direct to Consumer

## ESG

Environmental, social and governance

## EXECUTIVE DIRECTOR(S)

Executive director(s) of the Company

## FAIS

Factory Automation Interconnection System

## FILA

FILA Brand

## FILA FUSION

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

## FILA KIDS

FILA KIDS brand, which offers FILA products for children

## FILA STORE(S)

FILA retail store(s)

## FSC

Forest Stewardship Council

## GHG

Greenhouse gas

## GROUP

The Company and its subsidiaries

## GRS

Global Recycled Standard

## HONG KONG/HONG KONG SAR

The Hong Kong Special Administrative Region of the PRC

## HONG KONG STOCK EXCHANGE/HKEX

The Stock Exchange of Hong Kong Limited

<b>INDEPENDENT NON-EXECUTIVE DIRECTOR(S)</b>	<b>MIS</b> Manufacturing Index System	<b>SBTi</b> Science Based Targets initiative
Independent non-executive director(s) of the Company		
<b>IPCC</b> United Nations Intergovernmental Panel on Climate Change	<b>NGFS</b> Central Banks and Supervisors Network for Greening the Financial System	<b>SDGs</b> The United Nations' 17 Sustainable Development Goals
<b>KOLON SPORT</b> KOLON SPORT brand	<b>NOMINATION COMMITTEE</b> The nomination committee of the Company	<b>SHAREHOLDER(S)</b> Shareholder(s) of the Company
<b>KOLON SPORT STORE(S)</b> KOLON SPORT retail store(s)	<b>NON-EXECUTIVE DIRECTOR(S)</b> Non-executive director(s) of the Company	<b>SLCP</b> Social & Labor Convergence Program
<b>KPI</b> Key performance indicator	<b>PANDEMIC</b> 2019 novel coronavirus disease	<b>STeP</b> Sustainable Textile & Leather Production
<b>LISTING RULES</b> The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)	<b>PE</b> Polyethylene	<b>SUSTAINABILITY COMMITTEE</b> The sustainability committee of the Company
<b>LWG</b> Leather working group	<b>R&amp;D</b> Research and development	<b>TCFD</b> Task Force on Climate-Related Financial Disclosures
<b>MACAO/MACAO SAR</b> The Macao Special Administrative Region of the PRC	<b>REMUNERATION COMMITTEE</b> The remuneration committee of the Company	<b>UNGC</b> United Nations Global Compact
<b>MAINLAND CHINA</b> Mainland of China, geographically excluding Hong Kong SAR, Macao SAR and Taiwan region	<b>REPORT</b> Environmental, Social, Governance Report	<b>WBCSD</b> World Business Council for Sustainable Development
	<b>RISK MANAGEMENT COMMITTEE</b> The risk management committee of the Company	<b>WCA</b> Workplace Conditions Assessment
	<b>RMB</b> Renminbi, the lawful currency of the PRC	<b>WWF</b> World Wildlife Fund
	<b>SAC</b> Sustainable Apparel Coalition	<b>YEAR</b> The year ended 31 December 2022

