



SUSTAINABILITY REPORT 2024

Celebrating Weihai's picturesque charm: Every image in this report captures the beauty of Weihai, serving as a testament to our pride in the location of our head office





White swans at sunset,
Weihai, Shandong, China

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Images used throughout this report are all of Weihai

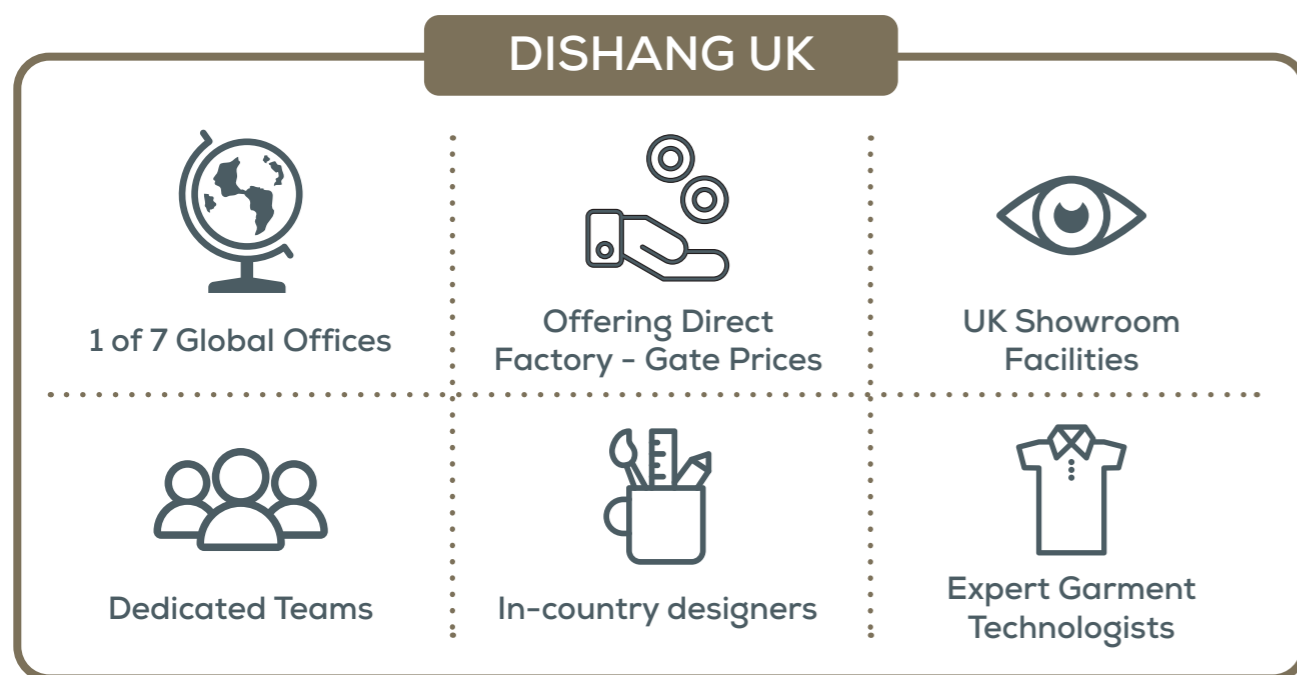
ABOUT DISHANG GROUP

Dishang was founded in 1993 and has more than 50,000 employees. Dishang business covers garment design and manufacturing, import and export trade, brand retailing and e-commerce..

At Dishang, we provide end-to-end garment solutions and our in-country offices enable us to provide local expertise and support to our customers. We pride ourselves in having a highly-skilled workforce, with the ability to conceptualise and bring to life a wide range of apparel.

In mobilising the latest trends and technologies, we ensure that our manufacturing capabilities are at the forefront of innovation.

With an extensive network of trusted suppliers, we excel in sourcing the highest quality fabric and trims, and with 90 wholly-owned factories, our production processes are streamlined to maximise efficiency and maintain strict quality control at every stage.



We offer in-house design expertise and have factories and internal teams that specialise in different products, meaning brands and retailers can come to us for everything.

Lihua Zhu - Dishang Group Chairman

A FOREWORD FROM OUR CHAIRMAN

MR LIHUA ZHU

Over the past 30 years, sustainability has been an integral part of Dishang group's development model. It is rooted in the company's goal of sustainable management and our overall contribution to society.

The concept of sustainable development is the starting point of Dishang's technology, workmanship and design. For this reason, we are committed to creating a "green clothing supply chain" to reduce carbon emissions and eliminate chemical pollution from the manufacturing process.

Dishang will continue to vigorously promote its commitment to sustainability and translate this into a comprehensive road map for both our customers and supply chain partners, to inject momentum into the sustainable development of the entire industry.

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...we are committed to creating a "green clothing supply chain"



A FOREWORD FROM OUR UK DIRECTOR

RICHARD WATTS

From eco-friendly manufacturing processes to waste reduction initiatives, we strive to be industry leaders in sustainable textile production. Our retail and branded customers have benefitted from our focus on sustainability for many years, so with rich experience from working with leading fashion and sportswear brands, we have taken it in our stride to partner our customers on how they can be more sustainable. We are constantly working on new sustainable developments, pushing the boundaries to be a leader in our industry.

... we strive to be industry leaders in sustainable textile production



We understand the importance of establishing an efficient and robust supply chain network. We employ a comprehensive approach to supplier collaboration and risk management, building strong relationships with suppliers and conducting thorough risk assessments. This helps to identify vulnerabilities in the supply chain and enables us to develop mitigation strategies for potential disruptions. A key aspect of resilience in the supply chain is the ability to adapt quickly to changing circumstances; indeed, an important part of our heritage is sports and fashion retail, in which we embrace the rapid requirement to change. From years of collaborating with the leaders in this sector, we understand the technical aspects of product, as well as the need for comfort. From this we have a way of using advanced technologies and years of knowledge to empower the performance requirements of all garments.

We have developed a fabric and trim platform which links more than 4,000 suppliers around the world, providing rapid supply capacity. We also have an offline exhibition hall and stock warehouse with more than 50,000 fabrics and 20,000 accessories.

We collaborate closely with our customers. By understanding their demand forecasts and production schedules, we can align our fabric and trim stock levels accordingly, ensuring that we have the necessary materials readily available when needed.

Where speed to market is particularly important and in crucial top-up order and re-supply situations, we have the ability to set up a fast-track line which quickly ensures supply chain continuity and rapid response replenishment for any sizes which may be out of stock in our customers' warehouses. These efforts enable us to enhance our speed-to-market production, providing our customers with a more reliable and efficient service.

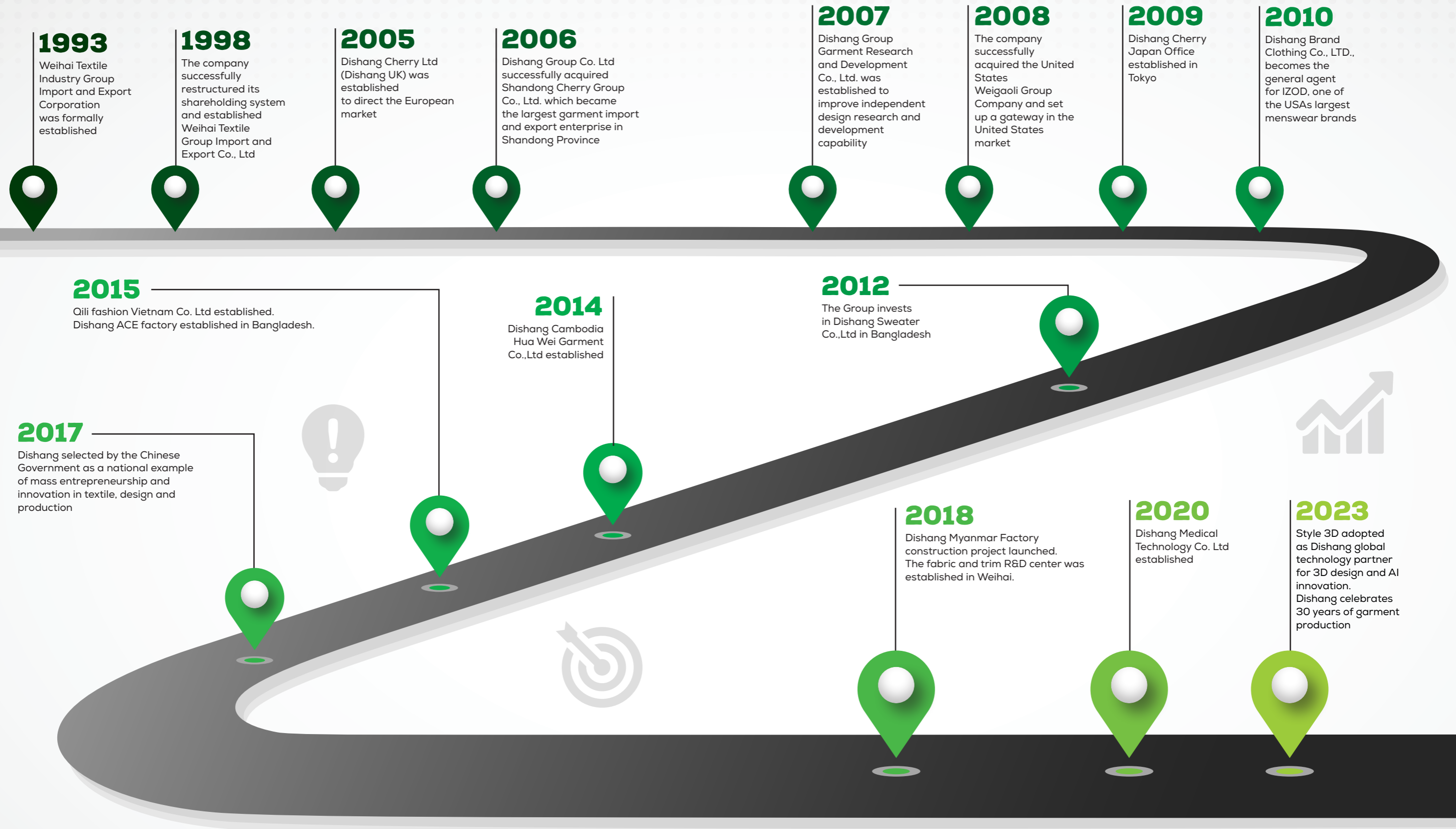
We have implemented a comprehensive quality control system, having dedicated teams responsible for monitoring every stage of the production process. We invest in advanced technologies and modern machinery, which not only ensure superior craftsmanship but also reduce the likelihood of defects, leading to higher customer satisfaction. Ethical business practice is ingrained in our corporate culture, and we strictly adhere to labour laws and regulations, ensuring fair wages, reasonable working hours, and a safe working environment for all employees. We actively collaborate with organisations who support workers' rights and focus on the empowerment of women, reflected within our workforce which is 68% female.

As a \$2.5bn+ business with a AAA credit rating and over 20 years of supplying this sector, Dishang has a strong financial backbone and understands the difficulties Small Medium Enterprises may face with factories that are making this product. Whilst our scale ensures we are a safe pair of hands, we also have a modular structure of dedicated production teams, meaning every customer is important to us.

We are able to offer open terms where helpful to our customers, and can also offer a variety of incoterms, tailoring the service to different ways of working. We work closely with our customers to structure repayment schedules that align with their business cycles, reducing financial burdens and ensuring a smoother cashflow management process.

Ethical business practice is engrained in our corporate culture, and we strictly adhere to labour laws and regulations, ensuring fair wages, reasonable working hours, and a safe working environment for all employees

DISHANG MILESTONES



30·60 PLAN



In 2020, China launched the 30·60 Dual Carbon Target, with the aim of reaching carbon neutrality by 2060, following a predicted peak in 2030.

As a proactive response to this national initiative, Dishang Group became one of the initial members of the 30·60 Neutrality Acceleration Plan. We are currently providing comprehensive support to our customers as they strive to achieve their sustainability goals.

SUSTAINABILITY VISION

As a leader in the 30·60 initiative, Dishang has set an ambitious goal to achieve carbon neutrality by 2050, 10 years ahead of the stated objective.

By 2050, Dishang Group aims to attain both carbon and climate neutrality, and a higher degree of corporate social responsibility by focusing on strategic actions across five key areas: climate, resources, water, chemical substances, and human rights.

.....
 **carbon and climate neutrality, and a higher degree of corporate social responsibility by 2050** 



Birdseye view of Weihai coastline

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The United Nations Sustainable Development Goals (SDGs) are a set of 17 global objectives designed to address various social, economic, and environmental challenges. These goals include eradicating poverty, ensuring clean water and sanitation, promoting gender equality, and combating climate change.

As a company committed to sustainability, we actively align our business practices with the UN SDGs. We recognise the importance of contributing to a more sustainable and equitable world. Our initiatives focus on several key areas, including water resources, collaboration with customers, social responsibility, supply chain innovations and product sustainability:



Donating to local charities



Water

The availability of water resources is a critical factor for our continued existence and sustainable progress. Consequently, as part of our efforts to promote sustainability, we prioritise actions to reduce water resource consumption, reduce water pollution, and safeguard water quality. Significantly, the reduction of greenhouse gas emissions, including carbon dioxide, is pivotal in preserving the environment and combating global warming. We undertake initiatives to minimize carbon emissions in both office and production settings, implementing a variety of concurrent measures to foster sustainable development.



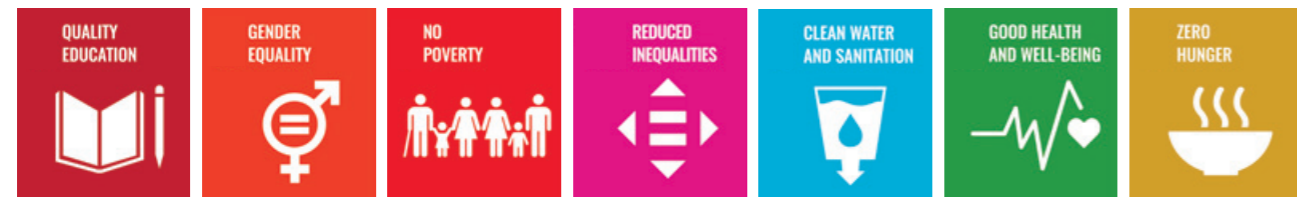
Collaboration

We align our vision of sustainable development with both our upstream brand partners and downstream suppliers. By engaging in collaborative brand-building and establishing a tightly integrated supply chain system, Dishang is committed to crafting a sustainable development strategy by fostering mutually advantageous and win-win cooperative relationships and driving the collective growth of the industry.



Social Responsibility

Dishang remains steadfast in its mission, actively giving back to society and fostering community collaboration to advance eco-friendly, low-carbon initiatives. We offer our employees a structured training and advancement framework, a comfortable work environment, open communication, and people-centric management. Within the Dishang Industry supply chain system, we champion values such as humanity, the respect for human rights, and a strong commitment to social responsibility. We have an obligation to demonstrate an understanding of society's hardships, striving to diminish social inequality, and actively contributing to the progress of society.



Supply Chain

We understand the importance of establishing an efficient and robust supply chain network. We employ a comprehensive approach to supplier collaboration and risk management, building strong relationships with suppliers and conducting thorough risk assessments.



Product

By incorporating eco-friendly recycled and sustainable materials, we enhance the reusability of clothing products to eliminate waste and improve their overall durability, aligning with customers' sustainable needs.



DISHANG GROUP POLICIES

In fostering a culture of transparency, responsibility, and sustainability, our company is committed to adhering to a comprehensive set of policies that govern our operations and interactions. These policies encompass various aspects of our business, ranging from internal guidelines to external engagements with suppliers and stakeholders.

Our commitment to ethical practices and environmental stewardship is evident in the stringent policies we have put in place.

Below, we outline our key company policies, supplier policies, and material advocacy policies, which collectively reflect our dedication to upholding the highest standards across all facets of our organisation.

Company Policies:

- Employee code of ethics
- Anti-corruption and integrity regulations
- No discrimination and non-harassment policy
- Diversity inclusiveness and equality
- Health and safety policy
- Remuneration and welfare

Supplier Policies:

- Anti-corruption guidelines for supply chains

- Commitment to sustainable development
- Child labour policy
- Strategic Cooperation Policy
- Social Responsibility Advocacy

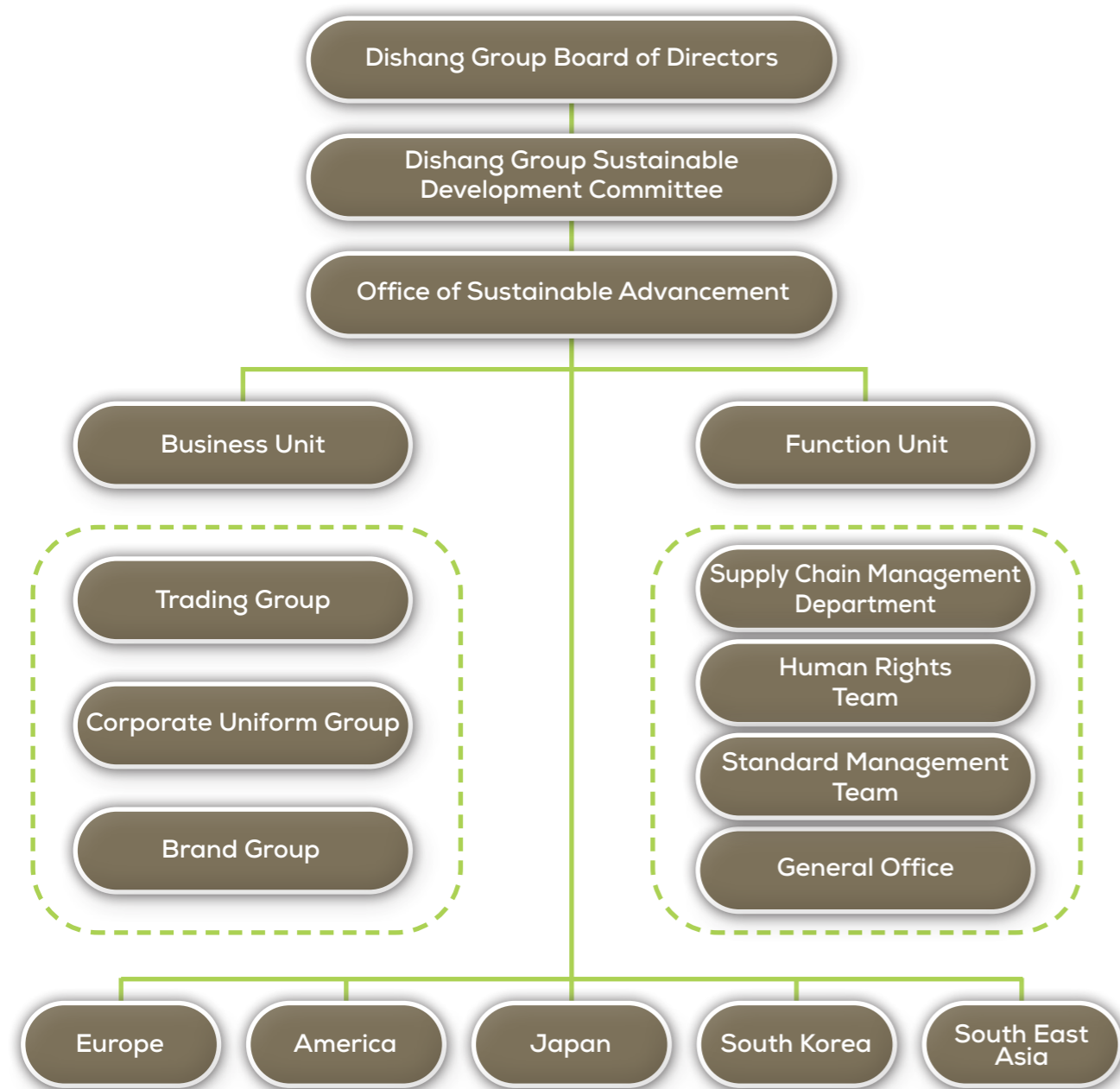
Material Advocacy

- Animal Protection Policy
- Recyclable raw material applications
- Chemical use restrictions
- Exploring Opportunities to achieve Product Circularity



SUSTAINABLE DEVELOPMENT COMMITTEE

We have established a Sustainable Development Committee (SDC) under the direction of our Chairman Mr. Lihua Zhu and the Group Board. The SDC is driving and implementing our sustainable goals through all functional departments and monitoring ongoing progress against key measurements.



INTELLIGENT MANUFACTURING

We have upgraded our production line to become an intelligent industrial chain, with the aim of reducing carbon emissions and labour costs and improving overall efficiency. The integration of manufacturing and cloud-based technology has greatly enhanced our supply chain.

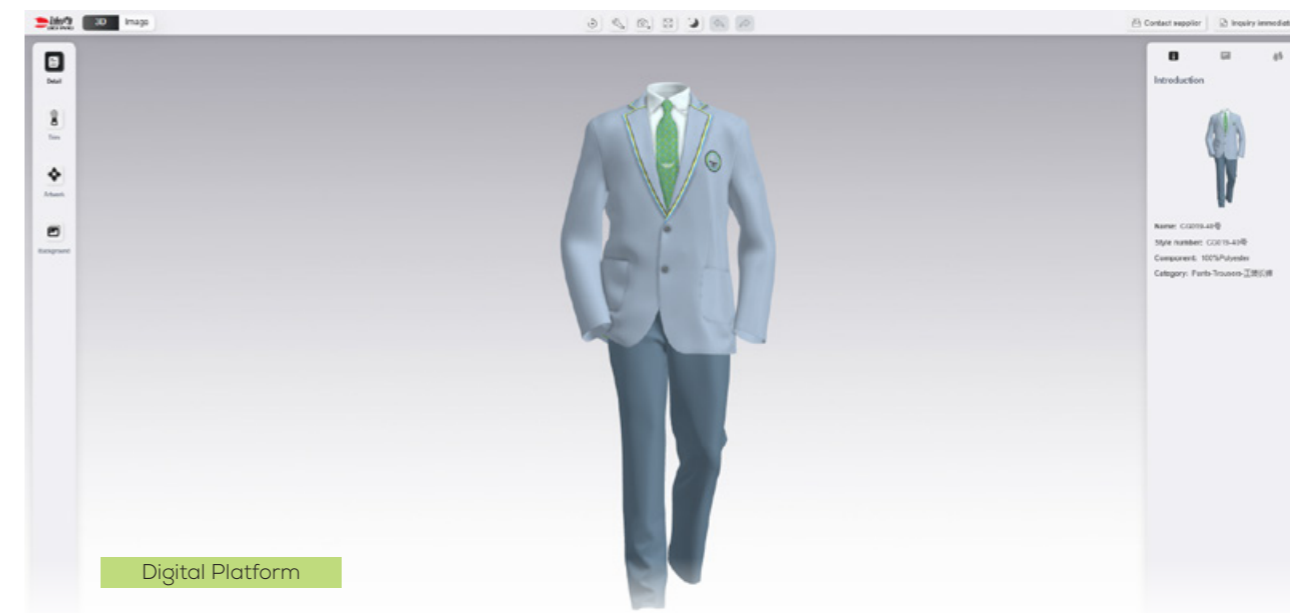
We utilise the cloud-based platform to monitor every aspect of fabric procurement and garment processing, gaining real-time insights into order dynamics. This approach reduces business travel and manufacturing time. The intelligent factory management system allows us to monitor production in both our domestic and overseas factories in real time from head office. With dynamic real-time monitoring, we can assess order volumes and factory production capacity, enabling us to allocate orders in the most efficient way.

Utilising the most advanced machinery, Dishang factories operate according to stringent control measures to deliver the highest quality and rapid production. For example, cutting-edge laser technology is now used to replace traditional stone washing methods in our denim factories. This shift minimises water wastage, as well as reducing energy consumption and carbon emissions. This substantial decrease in environmental impact contributes to a healthier and safer working environment for employees while significantly mitigating environmental pollution.



Dishang, Weihai, Technology floor

DIGITAL TRANSFORMATION



Digital Platform

Dishang has taken the proactive step of building its own online digital platform, dedicated to advancing the digital transformation of the garment industry. This platform is now used by more than 500 global brands, helping to transform the design process. Specifically tailored for fabric and accessories, this online platform empowers designers by providing them with the capability to view and choose samples online. This not only streamlines the design process but also reduces the need for physical samples, resulting in a significant reduction in carbon emissions.

Our digital team now comprises 45 3D modellers and provides an essential service to over 100 global customers. Our industry-leading 3D fabric library seamlessly connects Dishang production with hundreds of 3D fabric suppliers, offering a collection of over 50,000 3D fabrics. Simultaneously, our 3D clothing library boasts over 20,000 3D sample options. This interconnected system indirectly reduces resource and energy consumption, leading to a substantial decrease in carbon emissions.

In a quest to transform sampling efficiency, Dishang has embraced this new concept. This approach allows for flexible colour and part adjustments. This innovative strategy not only contributes to environmental sustainability but also reduces labour costs.

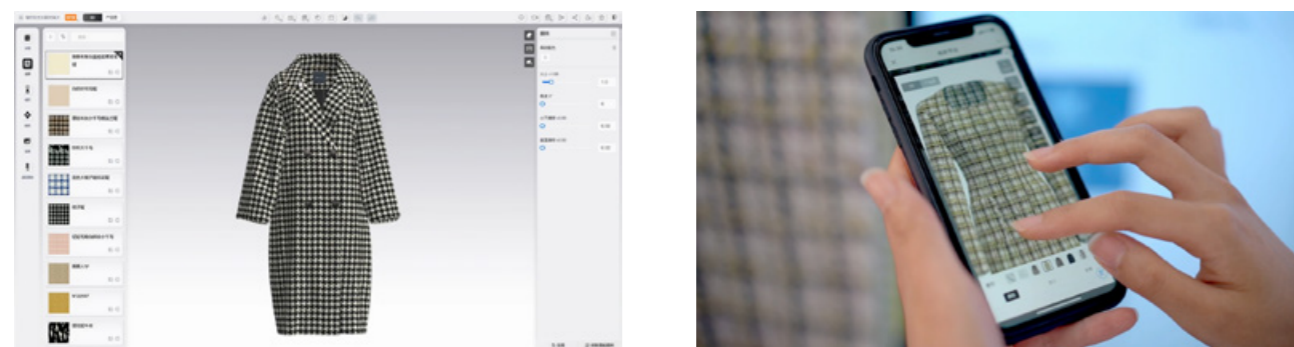
By employing CAD and 3D design, Dishang has successfully achieved a 10% reduction in fabric usage and a 5% improvement in material utilisation. This not only streamlines the customer's sample approval process, but also shortens the entire clothing development and production cycle. The overall impact extends to energy and emission reduction in the initial R&D phase, ultimately reducing costs in the entire mass production process. This comprehensive approach enhances resource utilisation rates, minimises waste emissions, and results in a 3.2% reduction in carbon emissions.

By employing CAD and 3D design, the company achieves a 10% reduction in fabric usage and a 5% improvement in material utilisation

We continue to advance digital transformation and establish an industry-focused online platform, by collaborating with Donghua University, Beijing Institute of Fashion Technology, the Shandong Province Textile and Garment Association, and industry enterprises to establish a national clothing research centre. This initiative involves an increased focus on researching and developing functional materials, environmentally friendly low-carbon materials, and clothing innovation, aiming for significant technological breakthroughs.

Aligning with the United Nations Sustainable Development Goals, our approach to designing and developing clothing styles involves close collaboration with our customers.

Adhering to the Cradle to Cradle philosophy, Dishang prioritises sustainable materials in design, including bio-degradable and recyclable options. We are committed to promoting these choices to our customers, emphasising the importance of sustainability in the fashion industry.



Digital Platform

CIRCULAR PRODUCT PROCESSES

Enabling the continuous circulation of materials, the circular product process embodies the design concept of a circular economy for sustainable development. The ultimate goal is to achieve a circular life cycle for garments.



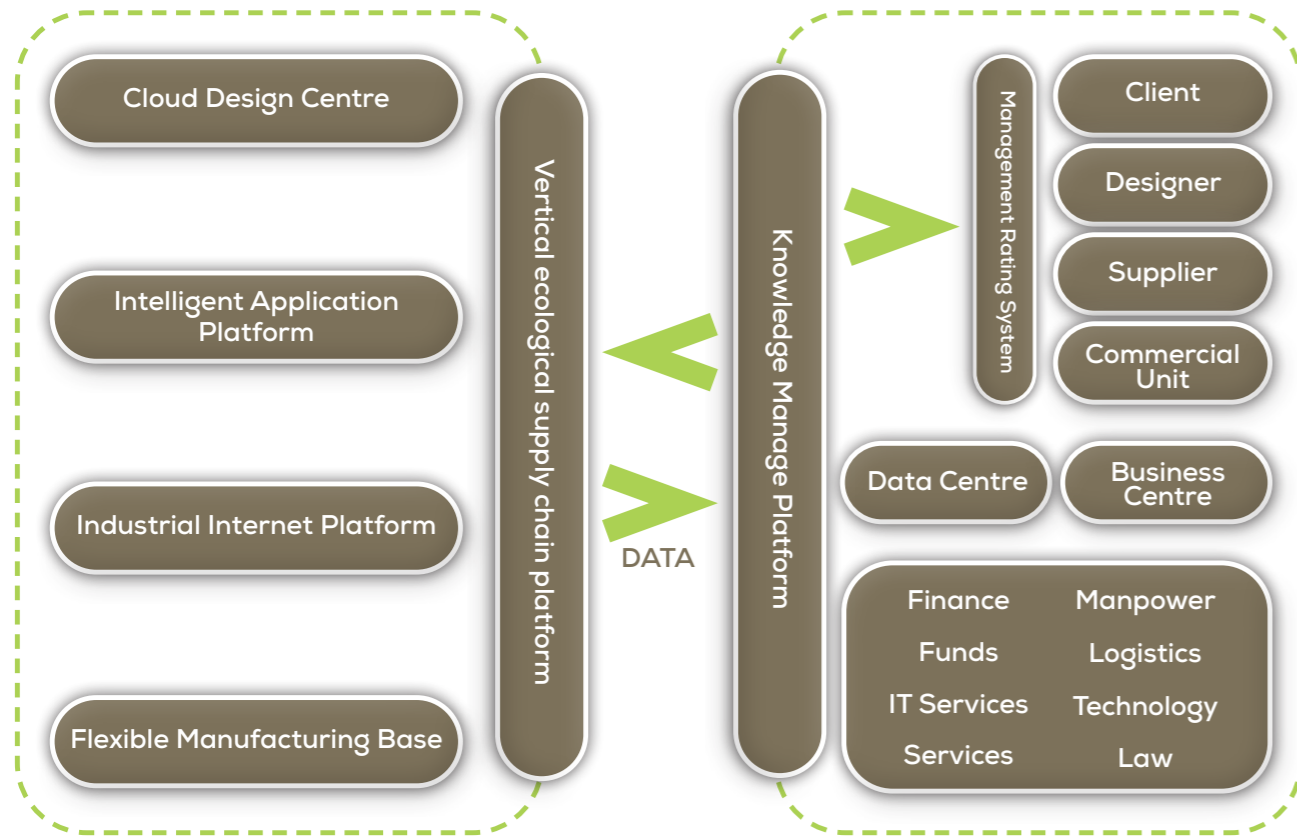
Dishang's commitment to product sustainability primarily centres around the Cradle to Cradle (C2C) concept. In accordance with C2C principles, the belief is that "everything can be biodegradable and returned to nature." This perspective highlights the importance of considering the garment's ultimate destiny from its early design stages through to end of life. From selecting raw materials, designing production processes with a focus on minimising environmental impact, to the recycling and reuse of products post-use through green recycling, every stage of material and resource management is subject to comprehensive supervision and monitoring.

With a view to promoting the longevity of our garments, we have established a dedicated China National Accreditation Service (CNAS) certified testing lab to formulate and assess product quality and durability standards across the entire organisation. Simultaneously, we are broadening our range of tools, processes, and services to optimise the utilisation and lifespan of our garments. Additionally, many Dishang customers are now benefitting from circular solutions which we are achieving through a focus on developing secondary and recyclable pathways.

These circular initiatives are further enhanced by solutions featuring the latest technologies utilising RFID, QR codes and product passports to enable customers and consumers to have full transparency of the supply chain.

VERTICALLY INTEGRATED SUPPLY CHAIN

Dishang is dedicated to constructing a sustainable vertically-integrated supply chain, prioritising research and development and ensuring the stable expansion of production.



SUSTAINABLE FABRIC

The fabric and accessory processing stage in garment production is known for its environmental impact. To promote garment longevity, we advise our customers to opt for durable fabrics and accessories. We actively align with the “dual carbon” strategy, encouraging customers to embrace recycled fabrics and accessories. Our product range includes numerous surface accessories crafted from eco-friendly raw materials. Additionally, Dishang has achieved important certifications such as GRS (Global Recycling Standard), GOTS (Global Organic Textile Standard), BCI (Better Cotton Initiative), RWS (Responsible Wool Standard) and RDS (Responsible Down Standard).



Dishang has established a fabric and accessories platform that connects over 4,000 global suppliers, facilitating one-click global purchasing and ordering for swift supply capabilities. Additionally, we have one of the industry’s most comprehensive fabric libraries, housing a diverse range of over 50,000 fabrics and 20,000 accessories. This department provides a vital resource to both customers and our production teams.



Fabric Library located in Weihai Head Office

Our extensive library of sustainable fabrics now includes numerous innovative materials such as Corn Fibre (PLA), and Coffee Ground Fibre—leading biodegradable materials.

We also insist on the use of animal friendly feathers and down (responsible down standard) and encourage customers to opt for these when crafting down jackets. In encouraging our fabric suppliers with initiatives to disassemble waste materials and end of life garments we are helping to promote a circular lifecycle for clothing, transitioning from new to old and then back to new.

We prioritise the utilisation of renewable and recyclable materials to minimise environmental impact, promote resource recycling, and support sustainable development. We have also distributed advocacy letters promoting water conservation and utilisation to our suppliers. In fabric production, we have eliminated the incorporation and usage of harmful chemical raw materials, in keeping with the OEKO-TEX principles. We have also upgraded our equipment in order to maximise waste water recovery in the production process.

CIRCULAR TEXTILES

Dishang is proud of its initiatives to create fabric made from bio-based nylon fibers sourced from renewable plant-based raw materials. The bio-based content of such materials is independently tested by third-party laboratories, using the ASTM 6866 method.

We have also produced bio-degradable polyester fibers and fully bio-degradable cationic fabrics, through the introduction of additives to polyester chips that attract degrading bacteria. Clothing crafted from these fabrics can undergo natural bio-degradation.



A proprietary bio-degradable synthetic material with additives is mixed into a master batch to create yarn and produce clothing



A proprietary additive can attract micro-organisms in landfill under the premise of composting to assist with accelerating degradation



The fibers begin to break and decompose, producing water and carbon dioxide and returning to nature



The remaining methane can be collected and can be reused to create energy

Several Dishang partner fabric suppliers are developing castor seeds for the production of clothing fabrics, linings, buttons, and zippers. Castor beans, grown in arid regions are not considered agricultural crops. They therefore require minimal water for cultivation and do not impact food supply. Compared to other raw materials, castor seed materials can reduce carbon dioxide emissions by 30%.

Collaborating with suppliers, we are currently developing a range of functional fabrics. This involves processing plant fiber raw materials in a process of cleaning and crushing to create plant fiber powder. This powder is then mixed with viscose fiber, incorporating elements extracted from plants such as mugwort, mint, and isatis root. This process imparts functional attributes to native plants, resulting in functional fabrics that minimise the use of chemical additives, thereby reducing environmental pollution.

Our collection includes vegan cashmere crafted from soy fibers. This vegan cashmere offers a luxurious, stylish, and effortless feel, similar to traditional cashmere. Not only is it sustainable, biodegradable, and washable, but it also aligns with natural and animal-friendly practices.



Women's outerwear shoot

FABRIC DYEING

Dishang has pioneered two innovative fabric dyeing methods which provide effective solutions to reduce water pollution in the conventional dyeing process and significantly minimise carbon emissions.

Masterbatch Dyeing:

In this process, treated pigment and carrier resin are combined at the melting temperature.

Radial and axial mixing occurs through the extruder, ensuring even dispersion of pigment particles in the carrier.

The coloured resin is melted to spin fibers, resulting in an eco-friendly dyeing method.

This method effectively controls pollution during the dyeing process, with over 600 tons of masterbatch utilized to meet customer orders.

Waterless Dyeing:

Waterless dyeing provides a superior dyeing medium compared to traditional processes.

The medium enhances dye adsorption to fibers and eliminates the need for salt in reactive dyes.

Active fillers do not dissolve in the dyeing medium, reducing the need for post-dyeing washes and conserving water and energy.

Waterless dyeing has the potential to save over 90% of dyeing water, making it an environmentally sustainable alternative.



Fabric dyeing process

TRIMS

When requested by customers, we can apply the FSC (Forest Stewardship Council) label, indicating that the wood in the product originates solely from FSC certified well-managed forests.

With plastic packaging, we recommend the use of biodegradable PLA environmentally friendly bags as an alternative to help minimise so called 'white pollution'. Additionally, we encourage the adoption of GRS environmentally friendly recycled plastic bags.

Furthermore, we recommend the use of recycled polyester zippers and buttons along with recycled copper and zinc alloy materials.



Dishang stand at CHIC2023

Under our Recyclable Packaging Strategy, we have provided direction to all affiliated companies, factories, and suppliers. Our packaging team adheres to these guidelines and our sourcing and product development functions strictly follow internal material procedures. Our total packaging volume has seen a year-on-year decrease of -14%, with plastic packaging witnessing a notable reduction of -24%. We are also working towards the elimination of non-recyclable plastic hangers. We are currently collaborating with suppliers to develop degradable and recyclable hangers, with a resulting upgrade of 59% of our hangers to recyclable alternatives.

SUSTAINABLE SUPPLY CHAIN

We leverage extensive upstream and downstream supply resources. In line with development requirements, we have introduced the "Dishang Group Supplier Life Cycle Management Measures," defining access standards for suppliers and implementing a supplier rating management system. This ensures the continuous inclusion of excellent suppliers who promote the highest possible standards. We actively forge strategic partnerships with our chosen suppliers, fostering the development of an agile and efficient green supply chain system.



Workwear showroom located at Weihai Head Office

1. **Supplier Access:** We consistently enhance our supplier management system, through our dedicated supply chain management department. Rigorous evaluations are conducted for first-time suppliers, including a thorough examination of their corporate credit and risk information through third-party verification, before they are integrated into the supplier resource pool. Dishang collaborates with over 4,000 accessory suppliers and more than 800 garment processing factories, cultivating ongoing partnerships with only the highest quality suppliers.
2. **Supplier Rating:** We have implemented a comprehensive supplier rating system. Suppliers undergo an annual evaluation covering aspects such as business scale, product quality, historical credit and supply chain safety management. With over 300 A-level suppliers, the company engages in strategic cooperation, fostering joint research and development initiatives to advance circular and sustainable enterprise development.

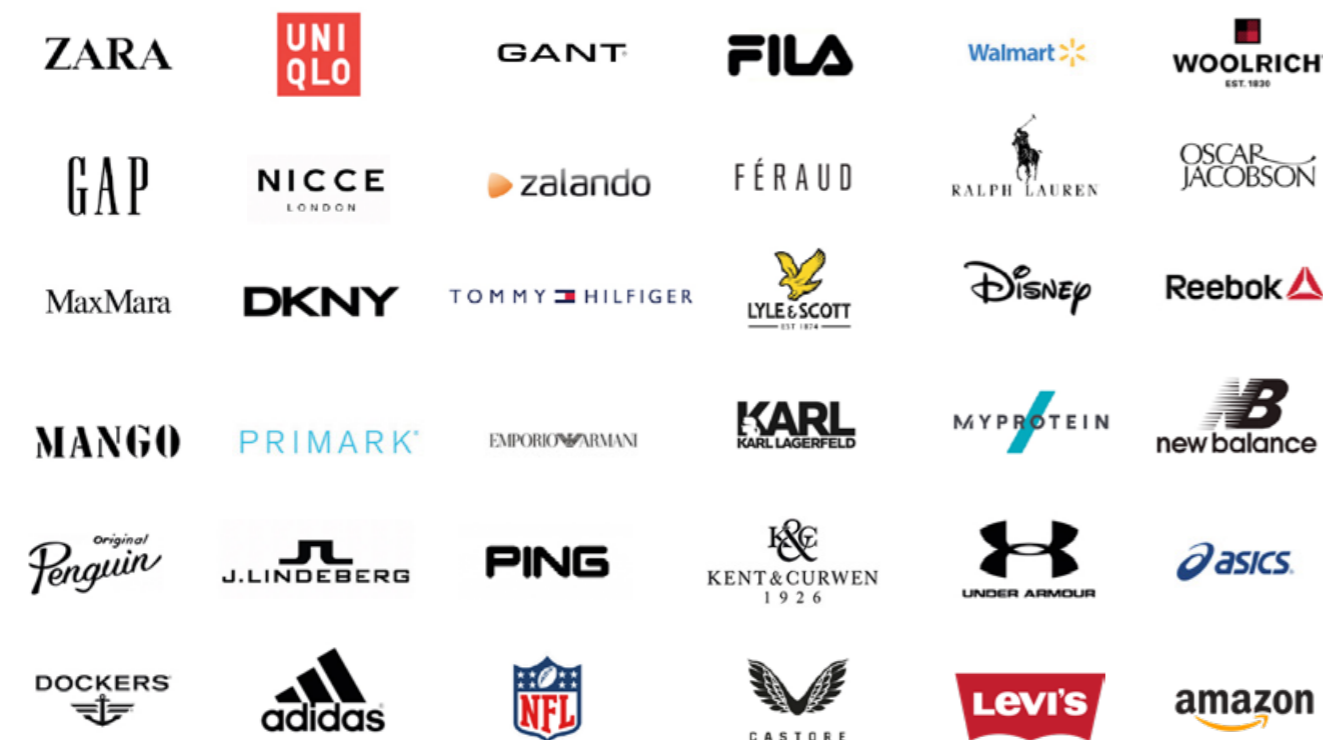
COLLABORATIVE SUCCESS

Dishang consistently seeks exceptional suppliers of sustainable products. To do this, we host an annual supplier conference to recognise and commend outstanding suppliers, communicate the latest company policies and foster close connections. All Dishang fabric and trim suppliers are invited to our six-monthly fabric and trim shows at our Weihai head office, bringing together the company's exceptional suppliers to facilitate mutual cooperation, discuss ongoing requirements, and explore opportunities for more integrated collaboration.



Dishang fabric and trim show, Weihai

Collaborative Sustainable Development with Customers



INNOVATION

Innovation stands as a pivotal strategy for Dishang to navigate our dynamic market and meet the ever-evolving demands of our customers. Our shared long-term vision with customers is to evolve into a fully circular enterprise, where our products are reusable and recyclable. To realise sustainable development, we collaborate with our customers in the following areas:

New Business Models: Working closely with our customers, we delve deep into product offerings, providing diverse services and introduce the full resources of the Dishang R&D center. This collaboration extends to partnering with major laboratories to explore and test innovative business models.

New Materials and Processes: Partnering with enterprises possessing R&D capabilities, enables us to focus on the development of new materials in the realm of science and technology. Collaborative research with universities is being used to enhance production efficiency. Additionally, investment in companies driving technology and software development is positioning Dishang at the forefront of sustainable advancement in the industry.

Digital Transformation: We have pioneered the establishment of smart factories, intelligent warehouses, and digital showrooms. Utilising algorithms and 3D tools powered by Artificial Intelligence (AI) and 3D technology, enables us to propel our sustainability agenda forward, embracing a digitally transformed landscape.



3D technology



Workwear stand at CHIC2023

Resource Collaboration:

Our existing supply chain platform has been progressively opened to selected customers. These brands have the opportunity to view disclosed AI and 3D designs through online selection. Additionally, they can access contact information for Dishang's core suppliers and explore our virtual 3D supplier exhibition hall.

Consumer Recycling Mechanism:

Investing in technology network companies, we actively promote the circulation and reuse of second-hand garments by end consumers. Simultaneously, collaborative efforts with certain companies are underway to introduce garment rental services, helping to maximise the efficiency of less frequently used clothing and minimising waste. We also regularly conduct mobile clothing repair shops within customer communities, extending the life of garments. This initiative has received positive feedback from both workwear customers and the community.

Innovation at Scale:

Dishang provides financial support to a wide variety of university research projects, often resulting in innovative patents and improvements to large scale production. Our supply chain platform is designed as a shared space, enabling us and the R&D teams of our partnering customers to access stock materials in inventory from first and second tier suppliers.



Aerial View of Buddhist Temple and the Pacific Ocean at Chengshantou Resort, Weihai, Shandong Province, China

RIGHTS PROTECTION

Dishang is dedicated to fostering meaningful and fair work environments, ensuring a safe and secure workplace for each employee. Our commitment is to offer various benefits, eradicate employment discrimination and uphold the right to freedom, ensuring the happiness of every individual.

Within Dishang's supply chain, we establish a comprehensive value chain system where every group member has the opportunity to actively engage and receive free training, growth guidance, and pathways for advancement. In this system, everyone is respected and acknowledged for the value they contribute. Our commitment is to make every employee of Dishang feel recognised and respected, guided by the principles of the International Labor Organisation for rights protection. Equal rights protection is implemented across all our affiliated enterprises and factories globally.

As a member of the China Textile and Apparel Association, Dishang actively advocates for equal employment and human rights within the industry. We collaborate with industry enterprises to promote circular business models, aiming to elevate work quality and create more job opportunities. Our aspiration is to champion a circular business and employment model for the entire textile industry.



Health and Safety:

Within both our fully-owned and partner factories, Dishang is devoted to establishing a secure workplace, conducting pre-job safety training and examinations, allowing only those who pass the assessment to commence operations. Our dedicated personnel identify health and safety risks and take proactive measures to prevent and address these risks. Regular training sessions and employee activities are organised to enhance health and safety awareness within the business.



SOCIAL PERFORMANCE

Professional Training and Personal Development:

Prior to joining the company, employees undergo corporate values training, guiding them toward healthy growth and making a meaningful contribution. We actively encourage career development, establish channels to listen to employees' cultural development and training suggestions, and have created an exclusive training platform, Liangjian Cloud Classroom, for internal vocational training. This platform provides professional training and guidance for both employee and management positions. Regular review meetings facilitate agreements between department managers and employees on personal growth, career development goals, and promotion objectives.



Company training day

People-Centric Approach:

As a multinational group company it is clearly important that we respect the diverse cultures and customs of each nation. We ensure that every individual feels valued by the company. Employees from all over the world frequently share their cultural practices, and cuisines, fostering a more comprehensive global perspective internally. This approach enables us to understand global customers, connect with diverse suppliers, and address challenges in different regions. We have adopted a people-oriented approach to facilitate the development of individuals and allow them to unleash their maximum capabilities.



UK staff visit head office, Weihai

We currently have a workforce of 50,000 employees globally, with over 68% being women. We staunchly resist illegal employment practices, including child labour, and actively avoid discrimination based on geography, race, or gender.

At head office, a staff gym equipped with strength, aerobic, and relaxation areas has been established. The company's employee restaurant collaborates with nutritionists to curate balanced and flavourful dishes. Leisure areas and libraries within the office space encourage employees to balance work and rest seamlessly, fostering a better work-life balance.

All employees enjoy exclusive discounts when shopping at the group's stores and specialty outlets. Employee benefits including housing purchase initiatives have also been launched.

To enhance the professional skills of our workforce, the company conducts multiple training sessions each year. These cover personnel at all levels, from senior and middle managers to factory directors, team leaders, account managers and factory workers. Training topics span strategic management, team building, business capabilities, management levels, production layout training, financial training, administrative skills training, position-specific professional skills training and mental health training. These comprehensive initiatives effectively enhance the overall capabilities of our employees, demonstrate care for them and their families and promote mental well-being, creating an ideal atmosphere for growth and improvement.



Factory store, Weihai, China



SUPPLY CHAIN RESPONSIBILITY

Promoting Eco-Friendly Offices:

The Group is actively decreasing its Scope1 and Scope2 emissions within all aspects of office operations. This includes implementing measures such as using sensor lights in conference rooms and promoting the use of electronic documents. The company also incorporates paper recycling initiatives and various energy-saving measures, alongside the procurement of office appliances with solar power capabilities, to align with its commitment to sustainable development.

Our supply chain spans various countries and regions, providing employment opportunities for more than 50,000 individuals. These jobs hold significant importance in numerous countries and regions. Consequently, we bear the responsibility and duty to safeguard the well-being of employees within our supply chain, regardless of whether they are directly employed by the Dishang. Our commitment extends to ensuring that all individuals associated with Dishang are informed about their entitlement to rights, the specified working conditions mandated by labour organisations, benefits, wage improvements, and avenues for career development and advancement.

Workers' Rights:

Our emphasis is on safeguarding the rights of all of our workers. The supply chain department of the group conducts regular visits and inspections of our collaborating suppliers and factories to verify the absence of child labour, ensure the protection of workers' legal rights, and uphold fairness for vulnerable groups.

We ensure workers are aware of the rights and benefits they are entitled to, thereby mitigating employment risks. Targeted investigations are conducted in countries where there is a high risk of unfair employment practices to eradicate issues related to forced labor or excessively demanding work. To accomplish this, we have developed a dedicated department responsible for providing training to all employees and suppliers within the supply chain. Moreover, we have entered into the "Dishang Supply Chain Fairness Guarantee Agreement" with suppliers and partners in Southeast Asia, India, and other regions. This agreement promotes the fairness within Dishang's supply chain. Collaborating with suppliers, we actively implement salary and welfare policies, and acknowledge outstanding suppliers through awards.

Mitigating Environmental Social Governance Risks and Enhancing Supply Chain Sustainability:

Each business unit within the group proactively manages ESG risks, comprehensively assessing social and environmental risks associated with suppliers and investors in the supply chain and initiating necessary improvements. The selected suppliers undergo the following initiatives:

- Establishing effective communication channels to convey the group's fundamental sustainable development policy and collaborating with suppliers to construct a sustainable supply chain.
- Conducting surveys covering 21 items, such as the promotion of sustainable development systems, effective labour management practices and environmental policies and systems, to ensure alignment with sustainability goals.



ANTI-CORRUPTION

Anti-Corruption Initiatives at Dishang:

In 2020, Dishang initiated an anti-corruption campaign within the group, organising themed activities and arranging visits to education bases for procurement leaders across different units. Participants delved into the study of cases involving abuse of power and illegal activities in other companies, illustrating the severe consequences of corruption.

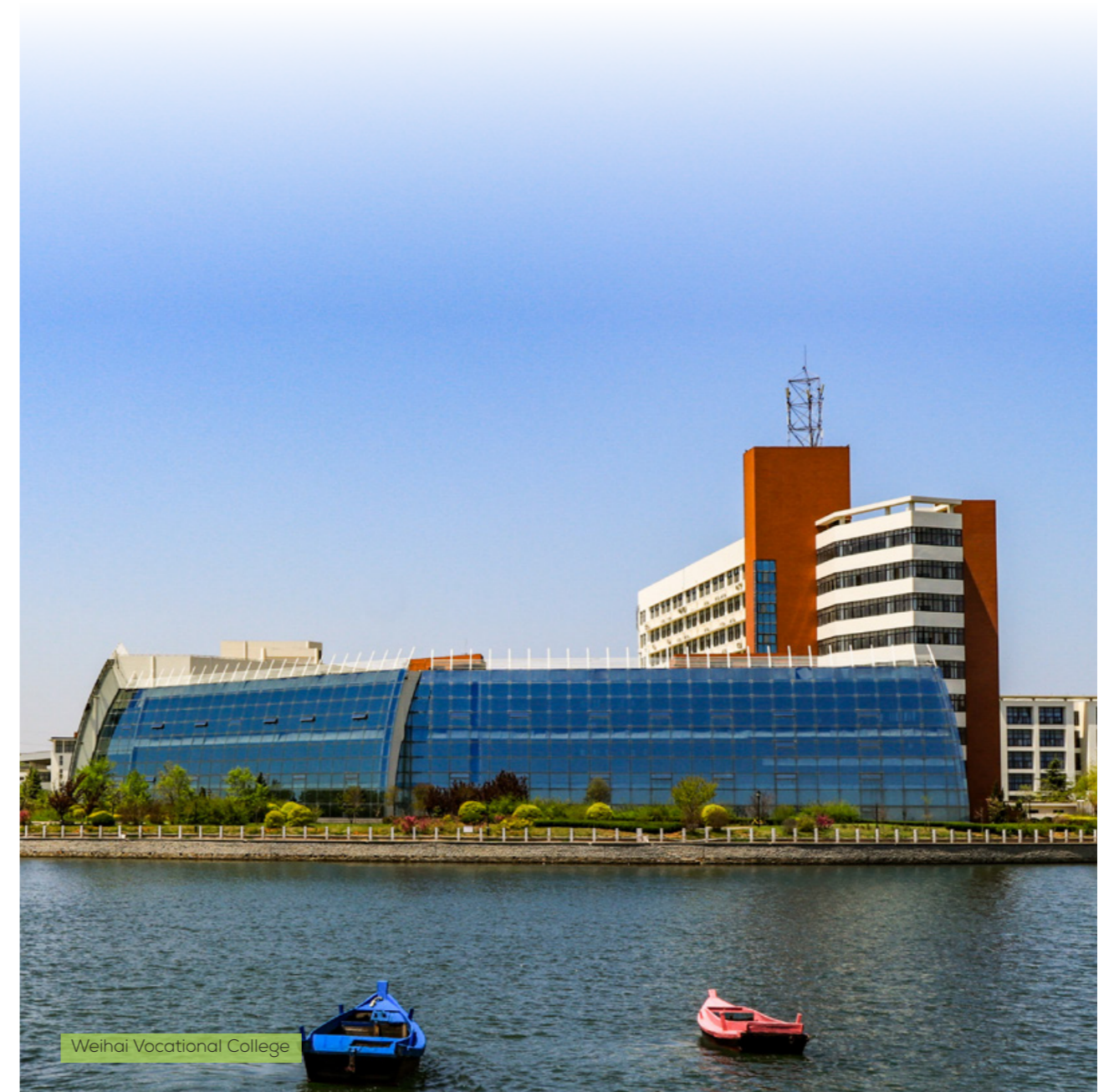
Dishang is continuing to extend similar activities throughout its supply chain. Leaders from each business department and partner suppliers have jointly endorsed an industry commitment letter, pledging to uphold healthy procurement practices and denounce kickbacks. This drive for transparency within the supply chain is helping Dishang to establish a virtuous cycle of cooperation.



Head Office, Weihai, China

CHARITABLE GIVING

Dishang Group has invested 50 million yuan to establish the Weihai Dishang Talent Development Foundation to help the local government carry out various activities. We have always focused on school-enterprise cooperation. In 2019, Weihai Vocational College and Dishang Group jointly built the "Dishang Weihai Vocational College" to cultivate professional talents in clothing and textiles; in 2020, Dishang and Beijing Institute of Fashion Technology signed a strategic R&D cooperation agreement. Dishang also regularly collaborates on joint initiatives with four other leading Chinese universities: Shandong University (Weihai), Harbin Institute of Technology (Weihai), Jilin University, and Zhejiang University.



Weihai Vocational College