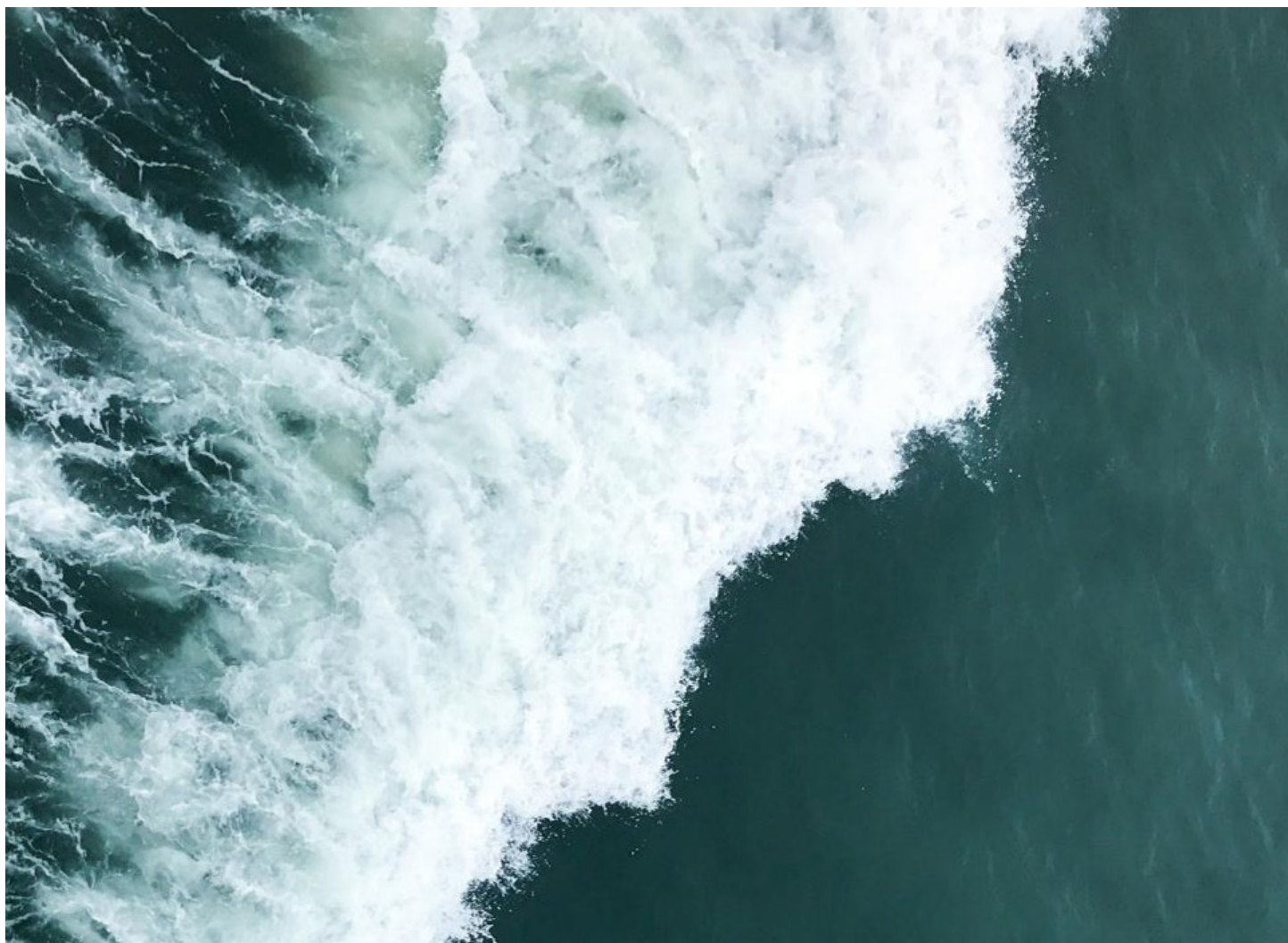


Building Nature-Positive Resilience in Manufacturing: Huali Group Supported by S&P Global



Interested in learning more? [Speak to a sales specialist!](#)

About Huali Group

Zhongshan Huali Industrial Group (Huali Group) is a leading global athletic footwear manufacturer and strategic partner to top brands like Nike, Adidas, HOKA, and New Balance. Headquartered in China, Huali operates a vast global production network with facilities across China, Vietnam, Indonesia, Myanmar, and the Dominican Republic.

With over 50 years of industry expertise, Huali has deeply embedded sustainability into its corporate DNA. Recognizing its manufacturing footprint's reliance on natural capital, the Group strongly emphasizes resource conservation and eco-efficiency.

Huali is committed to balancing business growth with environmental harmony. Participating in this TNFD case study highlights its proactive approach to managing nature-related risks and advancing sustainable development, as it strives to set the global benchmark for green footwear manufacturing.

About S&P Global Energy

At S&P Global Energy, our comprehensive view of global energy and commodities markets enables our customers to make superior decisions and create long-term, sustainable value. Our four core capabilities are: Platts for pricing and news; CERA for research and advisory; Horizons for energy expansion and sustainability solutions; and Events for industry collaboration.

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Huali Group Impact at a Glance: Stronger, More Resilient Business Performance





Building Resilience For Better Business

How Huali Group Improved Performance, Protected Value, and Unlocked Growth.

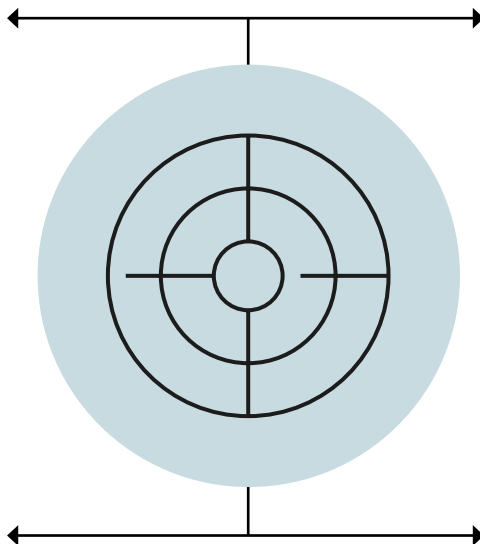
Business Impact Snapshot

Costs reduced through smarter, faster decisions

Huali streamlined nature-related risk assessments across 40 assets, reducing manual data collection and enabling targeted action on high-priority sites, minimizing inefficiency and rework.

New business opportunities identified and pursued

Structured analysis revealed high-dependency and high-impact locations, enabling Huali to proactively strengthen environmental management, especially around water and waste, and position itself as a preferred supplier for sustainability-focused clients.



Revenue protected against volatility and emerging risks

By aligning with TNFD and strengthening nature-related disclosure, Huali reduced the likelihood of operational disruptions and reinforced credibility with global brand customers and capital markets.

Management confidence and decision speed increased

Integrated, portfolio-level insights empowered leadership to make faster, more informed decisions on risk prioritization, resource allocation, and future target setting.



What Improved For Huali Group

- Greater ability to **anticipate and manage** nature-related risks and regulatory change
- **Reduced exposure** to downside risk from unmanaged environmental impacts
- **Increased confidence** in capital planning, growth initiatives, and stakeholder engagement



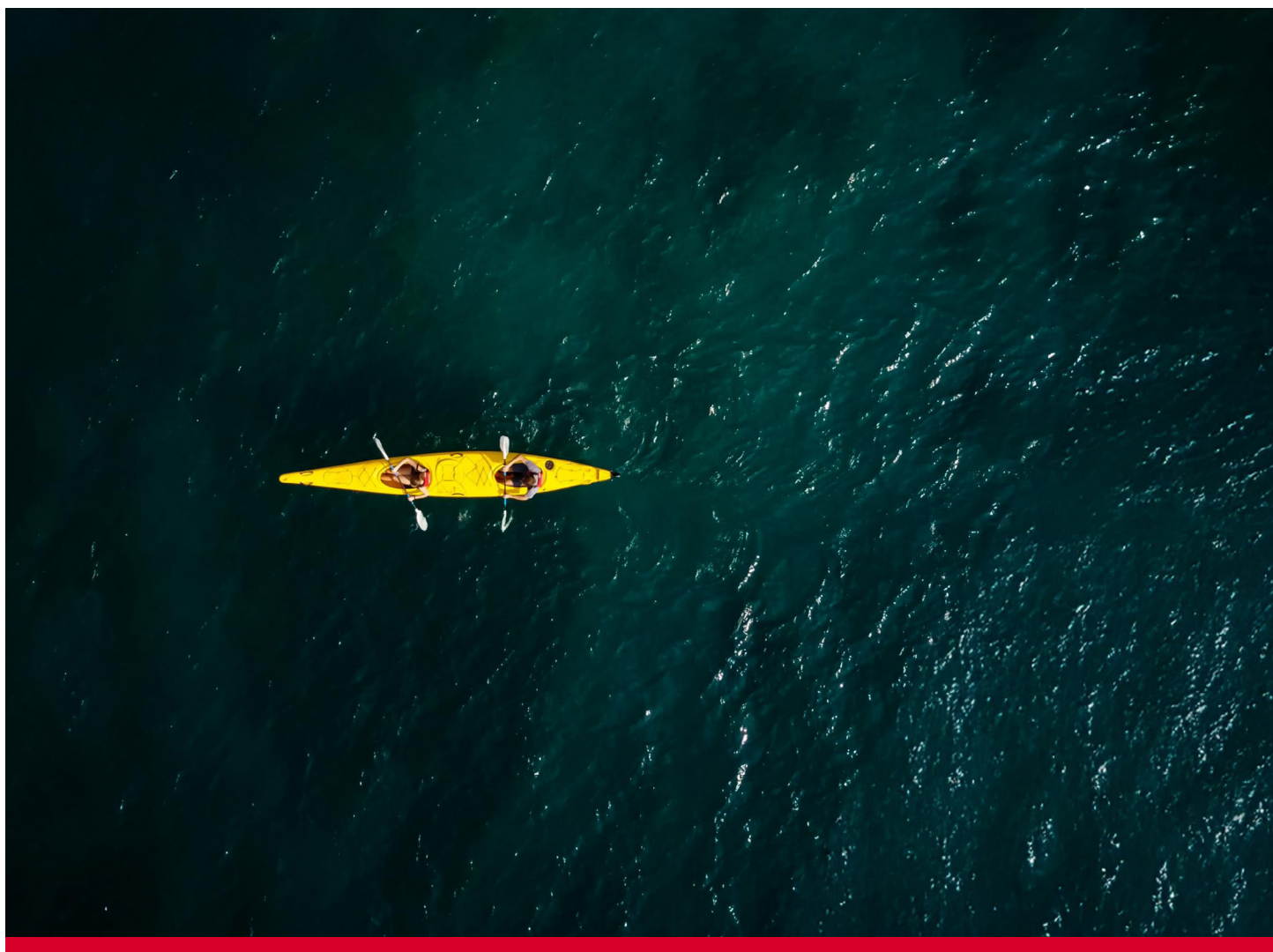
Huali Group Perspective

“Our SBTi journey made one thing clear: sustainability is about more than just carbon. By evolving from standalone climate action to a comprehensive natural capital strategy, covering water, land, and biodiversity, we are building true nature-positive resilience into our operations.”

— Huali Group Executive Team



Why Resilience Became a Competitive Advantage





The Business Environment

- Huali Group operates amid **heightened global uncertainty**—from tariff and trade friction to fluctuating consumer demand and rising expectations on sustainability performance.
- Huali faces **increasing scrutiny from global brand customers**, investors, and other stakeholders on the quality and comparability of its environmental disclosures.
- Nature-related factors are becoming **a practical business issue** for manufacturing networks, particularly around water availability, pollution controls, and ecosystem degradation near operating sites.



Huali's Starting Point

- Huali already had momentum in ESG governance and disclosure, including the release of its standalone TCFD report alongside its ESG report in 2025 and strong performance in third-party ESG ratings.
- However, on nature and biodiversity, information was **dispersed** across locations and functions, making it hard to consolidate into a portfolio-level view that could guide **prioritization and management actions**.
- TNFD guidance was helpful but not **“plug-and-play”** for practical risk quantification at the asset level.



The Risk To Huali's Business

- Without a structured, decision-grade approach to nature-related risk, Huali faced **potential value leakage through slower responses to emerging constraints** (e.g., water stress or stricter local environmental management requirements), inconsistent risk controls across its asset portfolio, and escalating compliance and remediation costs.
- There was also a **commercial and credibility risk**. As a strategic partner to global brands such as Nike and Adidas, Huali needed to demonstrate internationally aligned, investor-grade and customer-ready disclosures to maintain market credibility and meet stringent stakeholder expectation.



The Strategic Objective

“Build business resilience to safeguard value, optimize performance, and stay competitive.”

For Huali, this meant creating an integrated and repeatable framework to systematically assess its nature impacts and dependencies, by translating ecological factors into quantifiable business risks and opportunities, Huali aimed to deliver transparent, TNFD-aligned disclosures that meet the rigorous demands of its global stakeholders and reinforce market credibility.



How Resilience Was Built: Turning Information Into Actionable Intelligence





What Changed For Huali Group

- Huali **transitioned from fragmented, site-by-site nature narratives to a structured portfolio-wide perspectives**, linking location-based nature context with business dependencies, impacts, and priority areas for action.
- This drove **internal alignment, transforming biodiversity from a board, abstract sustainability topic into a targeted operational priority**. It provided leadership with clear, data-driven visibility on exactly “where to look first” and “what to manage first”.
- Beyond delivering a single TNFD-aligned report, the engagement established a scalable, **repeatable approach**. It **empowers** leadership to continuously identify, escalate, and mitigate nature-related risks across their entire asset base year over year.



Role Of S&P Global

- S&P Global enabled Huali with a practical **methodology, analytics, and reporting** structure that bridged the gap between TNFD guidance and implementation.
- Rather than simply drafting a report, we helped **convert dispersed inputs into consistent intelligence** that could be used for governance discussions, risk prioritization, and stakeholder communication.
- **Capability building** was embedded throughout, from workshops and training to an applied assessment across 40 assets, so Huali could carry forward a clearer internal operating model for nature-related risk management and disclosure.



Why This Mattered

- With a consolidated view of nature-related dependencies and impacts, Huali could **prioritize assets and issues faster, clarify trade-offs, and reduce uncertainty in decision-making**.
- Nature-related considerations became more **actionable**, supporting earlier interventions and more focused management attention where risks or dependencies were highest.
- This also strengthened **external credibility**. A TNFD-aligned report signals to customers, investors, and other stakeholders that Huali is managing nature-related topics with increasing **rigor, transparency, and comparability**.

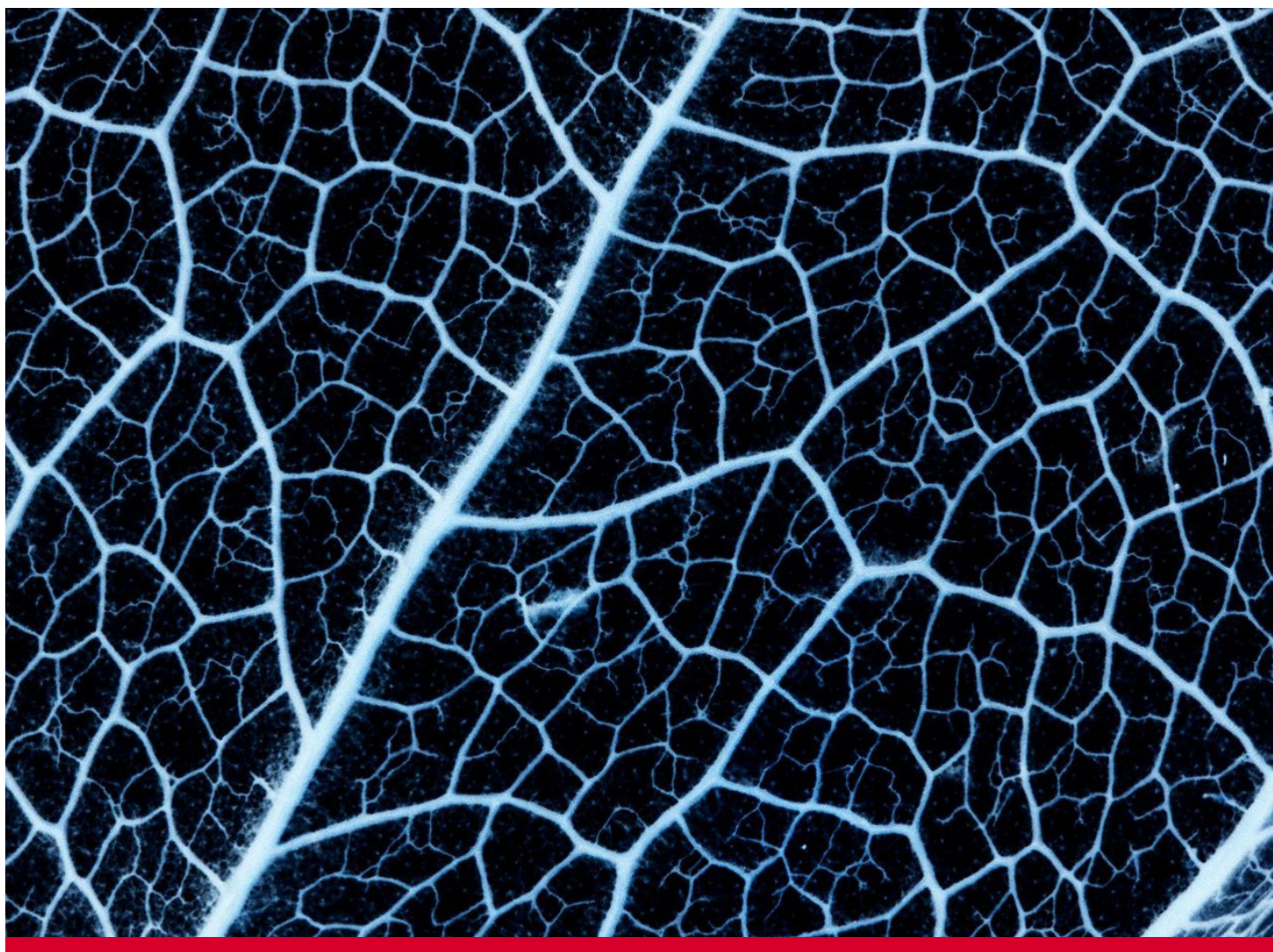


Key Takeaway

Enhanced Decision Quality Drives Enterprise Resilience: By translating the complexities of nature-related dependencies into decision-grade, integrated intelligence, Huali has fundamentally strengthened its operational resilience. The company is now equipped to proactively mitigate emerging risks, protect long-term enterprise value, and solidify its standing as a trusted, forward-looking partner to global stakeholders.



Where ROI Was Created: Cost Reduction, Revenue Protection, Growth





Cost Resilience

A standardized, portfolio-level approach:

- **Reduced reliance** on ad-hoc, manual interpretation of scattered site information.
- **Focus deeper analysis** and management resources on the highest-priority assets, improving efficiency in how environmental risks are assessed and addressed.



Revenue Resilience

TNFD-aligned disclosure and a clearer evidence base:

- **Strengthened credibility** with global brand customers and the broader market.
- **Better visibility** into nature-related exposures also lowers the likelihood of revenue disruption caused by unmanaged environmental constraints.



Growth And Competitiveness

By identifying higher-dependency and higher-impact assets, Huali is better positioned to:

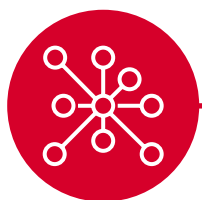
- Embed nature considerations into operational planning, customer engagement, and continuous improvement programs.
- Support competitiveness in a market where supplier selection increasingly values resilience, transparency, and robust environmental management.



Huali Group Perspective

“Nature risk is ultimately financial risk. As frameworks like TNFD, ISSB, and CSRD set a new global baseline, our brand partners and investors expect measurable action. By quantifying our natural capital, we aren't just ticking compliance boxes, we are actively safeguarding our supply chain, operations, and bottom line against the hidden costs of ecological degradation.”

— Executive Team, Huali Group



Why This Matters Beyond One Project





How Huali Group Is Better Positioned Today

On April 11, 2026, Huali officially released the English version of its report titled “**TNFD Report – Huali Group**”, published in the same month window as its ESG reporting cycle. Following publication (in both Chinese and English), Huali can apply to become a **TNFD Adopter** and disclose the report via the **TNFD website**—enhancing external transparency and comparability.

Beyond the report, S&P Global continues to support Huali by **analyzing the underlying drivers of higher-risk assets**, including how nature degradation pressures and external regulatory or stakeholder drivers may affect site environmental management (water, waste, chemicals) and future metrics setting.

In parallel, Huali is strengthening controls for factories identified as high-dependency/high-impact, especially around water resources, waste management, and chemical emissions, and plans to set more practical, explicit water targets aligned with SBTN expectations.



Why This Approach Works

This approach works because it is business-first while remaining aligned to TNFD. The assessment methodology provided **a scalable way to convert location-based nature signals into leadership-ready insights**, while the TNFD structure ensured those insights were anchored in governance, strategy, risk management, and measurable actions.

The result is not only improved disclosure, but **a stronger foundation for ongoing risk management, target setting, and decision-making** as nature-related expectations evolve.



Who This Is Relevant For

This case is relevant for **A-share and global-facing manufacturers with multi-country production footprints**, complex upstream networks, and high customer scrutiny, especially suppliers to international brands.

It is also relevant for **management teams seeking to move from descriptive ESG statements to decision-useful intelligence** that strengthens resilience and competitiveness.



Closing Statement

“True competitive advantage tomorrow belongs to those who protect nature today. Our comprehensive approach to natural capital ensures that as we deliver on our ecological promises, we are simultaneously driving resilient, long-term corporate growth.”

— Executive Team, Huali Group

Through the TNFD Project for Huali, the company translated nature-related complexity into actionable intelligence and a TNFD-aligned disclosure—strengthening stakeholder confidence and supporting more resilient decision-making in an increasingly nature-constrained operating environment.

Contact Us

Unlock tailored insights for your business—scan the QR code to leave your details, and our sales specialist will connect with you to explore how TNFD solutions can drive your sustainability goals.



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