

波司登
BOSIDENG

Bosideng International Holdings Limited

Incorporated in the Cayman Islands with limited liability
Stock Code: 3998

LEADING

THE SUSTAINABLE

FASHION

2022/23

ENVIRONMENTAL SOCIAL AND
GOVERNANCE REPORT



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ABOUT THIS REPORT

This report is the seventh Environmental, Social and Governance ("ESG") report (the "ESG Report" or "this Report") released by Bosideng International Holdings Limited (the "Company"). The previous report was released in July 2022. This Report discloses in detail the concepts, practices and performance of the Company and its subsidiaries (collectively referred to as "Bosideng", "we" or the "Group") with respect to ESG issues. On the one hand, we hope to improve various aspects of ESG performance based on relevant rules and on the other hand, we also hope to facilitate the continuous progress of the Group in ESG development through internal innovations and reforms.

For the purpose of preparing this Report, we have engaged two independent professional institutions who have been in touch with our major stakeholders in a comprehensive manner and considered adopting their opinions to identify material issues and formulate the specific contents of this Report. We will continue promoting information collection to improve our reporting performance and disclosure capacity in the area of sustainable development.

BASIS OF PREPARATION

This Report is prepared in accordance with the "Environmental, Social and Governance Reporting Guide" (the "ESG Guide") in Appendix 27 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), adhering to the principles of materiality, quantitiveness, balance and consistency. The contents disclosed comply with the mandatory disclosure requirements and "comply or explain" requirements under the ESG Guide. This Report also makes reference to the Global Reporting Initiative (GRI) Sustainability Reporting Standards and United Nations 2030 Agenda for Sustainable Development.

PERIOD AND SCOPE

This Report is issued on an annual basis, covering the period from April 1, 2022 to March 31, 2023 (the "FY2022/23" or the "Year"). To enhance comparability, parts of the content can be appropriately traced back to past financial years. Particularly significant initiatives and events in FY2023/24 already known as at the date of this Report are also included. To maintain the continuity and integrity of information, some contents of this Report have been reviewed and extended.

This Report focuses on disclosing the Group's management policies on ESG material issues. Considering that the branded down apparel business is the Group's most important business segment (accounting for approximately 80.9% of the Group's total revenue for the Year), this Report will focus on conducting analysis and disclosure on the branded down apparel business. Unless otherwise indicated, the key environmental performance indicators disclosed in this Report cover only the Group's headquarters and self-operated branded down apparel retail stores (including specialty stores and concessionary retail outlets), logistics centers and warehouses in the People's Republic of China (the "PRC"). The economic and social key performance indicators disclosed in this Report cover all members of the Group. We will expand our scope of disclosure to the non-down apparel businesses when feasible in the future.

For more details on the major subsidiaries of the Group, please refer to the Annual Report FY2022/23.

REPORT AVAILABILITY

You may go to the official website of the Company at <http://company.bosideng.com> and the website of the Stock Exchange at <http://www.hkexnews.hk> for the electronic version of this ESG Report. To better understand your needs, improve the quality of the ESG report and provide more valuable information to all stakeholders, you are welcome to contact the Investor Relations Department at bosideng_ir@bosideng.com to submit any comments or suggestions on this Report or the ESG performance of the Group. We promise not to disclose any of your information to third parties without your consent.



EMBRACING DREAMS, TOWARDS A BETTER FUTURE OF SUSTAINABLE DEVELOPMENT

FY2022/23 was an extraordinary year full of challenges. Due to the repeated delays of the COVID-19, the profound impact of geopolitics, sluggish world economic growth as well as the intensifying challenge of climate change, the external environment for business operations was filled with complexities and uncertainties.

Forge ahead with braveness and perseverance against all odds, and a willing heart will make a hopeful and promising future. The Group responded to China's goals of high-quality development, common prosperity and "dual carbon" and other significant strategies in an active manner, calmly coped with various uncertain and unpredictable factors and changes in market pattern and fully integrated the ESG concept into business management to promote the sustainable high-quality development of enterprises. Thus, the Group harvested glory and growth despite a tough journey. This ESG report comprehensively presents the Group's dynamic practices and phased achievements in sustainable development over the past year.

Guided by brand, taking the responsibility of development in the era full of great changes

The primary task of building a modern socialist country in all respects is to promote high-quality development. Under the strategic plan of Chinese path to modernization in the new era, the economy in China has been transforming into a high-quality development model that values both environmental and social welfare. Along with the accelerating construction of the ESG system featuring Chinese characteristics, ESG has become an innovative path for restructuring value growth.

"Only with deep roots can a tree yield rich fruit; only filled with oil can a lamp burn brightly". Bosideng stayed true to its original mission of "Warming the World", and has been pursuing long-termism and social value creation while focusing on the down apparel business for 47 years, only to deliver love and warmth to global consumers and the public and build a community of life for human and nature. We deeply recognize that ESG is a key option and action guide to measure the quality of business development. In this regard, we adhered to the development model guided by brand. Also, as a responsible down apparel expert, we explored the path of high-quality development in areas such as environmental protection, social responsibility, and corporate governance as always. This year, we put forward Bosideng's concept of "sustainable fashion" for the first time, and we believe that enterprises

should take environmental, social and economic values into overall consideration, minimize the negative impact on the environment and society during the whole life cycle of products and extend the concept of sustainability to the value chain, promoting the fashion industry to create a sustainable and magnificent future as a whole.

By actively practicing new development concepts and sustainable fashion, we have continuously improved the certainty of value growth, and are at the forefront of high-quality sustainable development in the textile and apparel industry: the Group's revenue and net profit hit record highs for five consecutive years, and the brand of Bosideng also continued to improve. During the Year, MSCI's ESG rating upgraded to the industry-leading "A" level, and it was the first time to report and obtain the "B-" rating of climate change from the Carbon Disclosure Project (CDP), which is the best rating for Chinese textile and apparel enterprises.

The construction of industry-leading ESG system achieved substantial progress

In order to maintain and ensure a high level of corporate governance, the Group has established a comprehensive and rigorous ESG governance structure to assist the Board in monitoring ESG-related matters, incorporated ESG rating criteria into its development strategies and daily operations, formulated and revised six sustainable development policies, and continued to

improve and standardize its corporate governance mechanism. We conducted a survey on the ESG material issues for nearly 1,000 stakeholders, proactively benchmarked our ESG management and operation work with the 17 Sustainable Development Goals (SDGs) of the United Nations, and formed four action sections, namely, ESG management, people positive, product positive, and nature positive, so as to continually optimize our system management and implementation of our promises with creativity and innovation.

Adhering to people positive to achieve decent work and mutual achievement

The Group focused on the well-being of employees, workers in the supply chain and communities, supported and promoted healthy lifestyles, and promoted the win-win development of employees, enterprises and society from within the Group to the supply chain and to the social level by providing decent work, promoting diversity and operating in an inclusive way, with employee satisfaction reaching more than 90%. The Group established a result-oriented appraisal mechanism and continued to implement the employee equity incentive scheme, under which a total of six tranches of equity incentives have been granted to employees, with a total of 1,319.2 million share options and award shares granted, covering 178 key employees. We have built Bosideng characteristics of endogenous talent development system, core management team, Eagle

CHAIRMAN'S STATEMENT



reserve cadres and retail talent projects, the structure of talents showed a trend of rejuvenation, specialization and modernization. At the same time, we have demonstrated our role as a leading enterprise in promoting common prosperity, adhered to the brand's warm mission, and devoted ourselves to supporting the fight against the pandemic, warming up the community and giving back to the society, benefiting a total of 1,192,000 people.

Product positive promoting innovation, efficiency and synergy

Innovation is the engine for high-quality development and the driving force to strengthening the core competitiveness of products. We are committed to performing our responsibility as an industry leader by focusing on preferred materials, R&D and innovation, quality assurance, customer services and chemicals management of the product chain. We also provide consumers with high-quality, healthy, green and safe products and services through deepening responsible procurement, R&D and application of low-carbon fabric, supply chain management, intelligent logistics, building of low-carbon stores and responsible business practices, as well as improving the quality and efficiency of single store operation and carrying out operation according to their different store models. With its accurate insight on the fashionable and diverse consumer demands, Bosideng has developed four matrixes with 10 categories of market segments, including the

new-generation light down apparel collection, outdoor collection, fashion collection and causal collection. In addition, its self-developed thermal-humid balanced technology improves the applicability of down apparel in multiple scenarios, while its recyclable light down apparel of Puff collection contributes to the recycling economy and green consumption. Currently, the Group cumulatively has a total of 606 authorized patents (including inventions, utility and appearance patents). Meanwhile, the supply chains of the Group underwent systematic planning and upgrading in terms of adopting flexible and quick response times, quality operations, scientific research technology, resource integration and cost management, to establish a model of immediately supplying Top Sellers, as the results of which, the satisfaction of high-end users reaches 96%.

Nature positive originating from the new practice of green and low-carbon development

Addressing global climate changes requires action in all-round way. The Group can tap into the huge potential of such a sustainable and renewable resource, i.e. down, for reducing carbon handprint. We promoting our journey to net zero in three directions, being improving energy efficiency in our operation and supply chain, expanding the use of renewable electricity in our operations, and using more environmentally friendly fabrics in our products, to minimize the negative impact on the environment

and society in the whole life cycle of products and extend the concept of sustainability to the value chain, so as to facilitate the whole industry to improve its sustainability. During the Year, 100% of our down apparel obtained Responsible Down Standard (RDS) certificates, while 70% of down apparel obtained the ecological textile OEKO-TEX® certificates and 48% of down apparel obtained the bluesign® certificates. Meanwhile, we are actively exploring a natural way towards carbon neutrality. Bosideng continuously fosters its carbon neutral forest project in Tonggu Naoer Gacha, Alxa Left Banner, Inner Mongolia, and also cooperates with the China Feather and Down Industrial Association to launch a key project of Towards Net Zero Emissions: A Study on the Path of High-quality and Low-carbon Transformation of the Down Apparel Industry, which explores innovative ways for the high-quality development of the down apparel industry in the context of "dual carbon", to promote the coordination of economic development and ecological conservation, as well as the harmonious coexistence of human beings and nature.

Guided by value, creating a leading example of sustainable development

The apparel industry makes life better and is one of the key driving forces behind China's rapid modernization. With the rapid recovery of China's economy and society, apparel consumption is being reshaped, and Bosideng entered a stage of robust

growth of the apparel industry in its new cycle. On the other hand, the global energy pattern and internal and external environment have undergone profound changes, and "Chinese-style carbon reduction" requires collective energy to act together, and the sustainable development of the textile and garment industry has long term implication.

"The east wind is blowing with numerous sails, and the heavy task is to be undertaken." Driven by the targets of "carbon peak and carbon neutrality" and guided by the desire to create value for users and society, we focus on the core main business from a long-term perspective, dare to do and strive for the lead in the new journey of Chinese-style modernization, accelerate the development towards the mid-to-high end of the industrial chain and value chain to better meet the needs of the people for a better life. We will vigorously promote entrepreneurship, paying attention to the materiality issues such as product quality and customers' rights protection, strengthening national brands, improving cultural confidence, privacy protection and information security, improving product innovation, employees' rights assurance, high quality employment, building up new business formats and new experiences, marketing compliance, and create long-term sustainable growth for our customers, employees, shareholders and society through our integrated leadership in ESG capabilities and the construction of sustainable fashion

capabilities as well as open innovation ecology for our brands.

Dreams come true, just because the struggle and the pursuit of dreams never stops. People's need for a better life is increasing day by day, cultural confidence, independent innovation and consumption upgrading have become a general trend, and Chinese brands have a bright future and great prospects. Bosideng will uphold the original mission of "warming the world", firmly adhere to the strategic vision of "Be the most respected fashionable and functional apparel group around the world", maintain the strategic development direction of "focusing on principal business and key brands", strengthen brand confidence, take effort to drive its growth with professionalism, move forward from a single sales scale leading to global leadership in terms of brand complexity, and strive to start a new chapter of "World Down Apparel, China Bosideng, New trend leadership"!

Strive hard and lead the world, let's look forward to the future together!

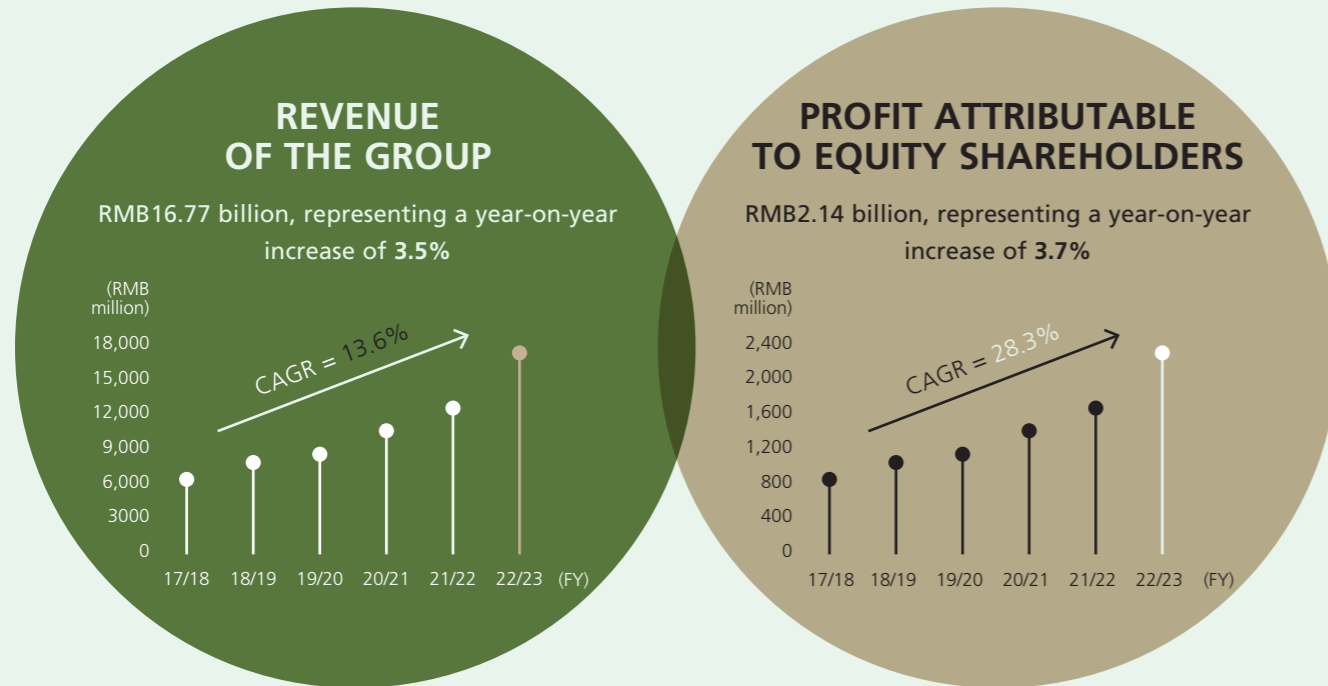
Gao Dekang

Chairman and President

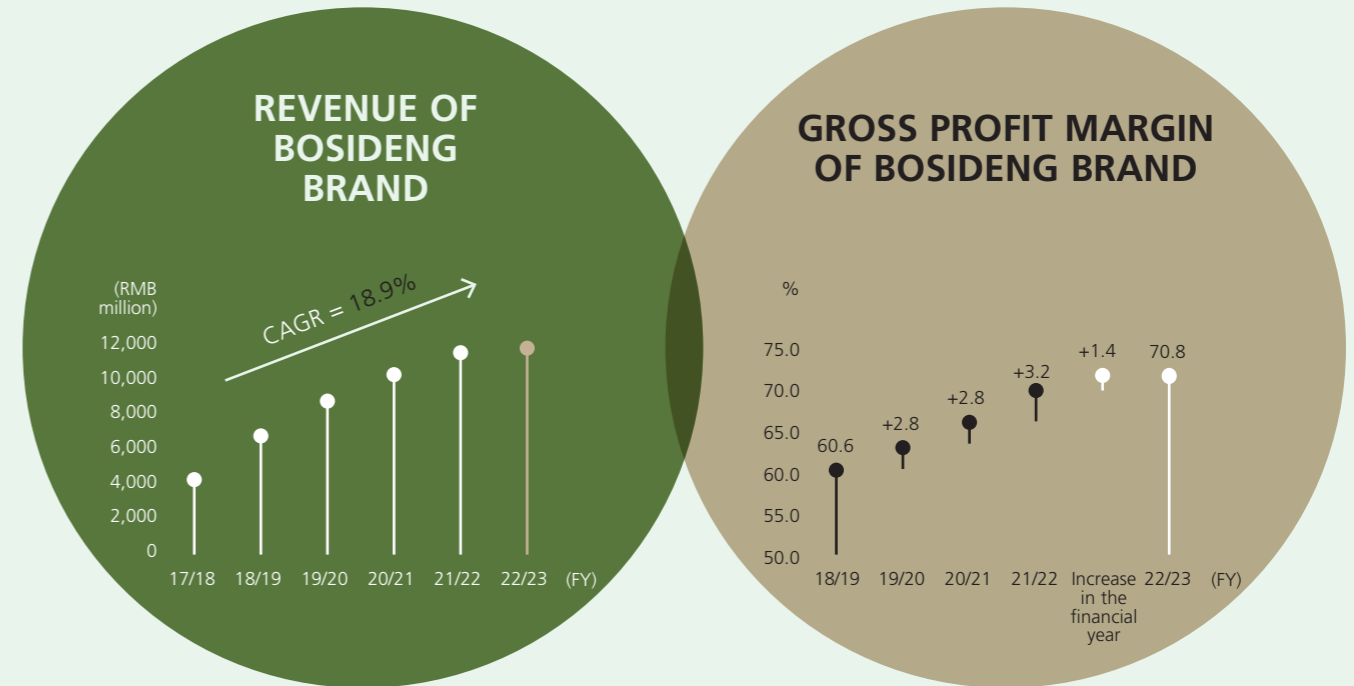
July 26, 2023

PERFORMANCE REVIEW

FINANCIAL PERFORMANCE OF THE GROUP



PERFORMANCE OF BOSIDENG BRANDED DOWN APPARELS



CAPITAL MARKET RECOGNITION



The Group continued to be crowned the **"double investment grade"** by Moody's and S&P during the Year




The Group was granted an **A rating** appraised by MSCI^(Note) ESG




The Group received an **B- grade** for "Climate Change" from Carbon Disclosure Project ("CDP")

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OFFLINE PERFORMANCE

- Focused on the **operating quality** of existing stores, and **implemented single store operation**
- Focused on **core cities** and **business districts**, and attached great importance to channel **structural deployment**
- Focused on the **operational capability** of stores and **refined management** of retail stores according to their different store models



ONLINE PERFORMANCE

- Vigorously expanding the customer base of **new generation**
- Bosideng brand had **13.99 million** new fans on the Tmall platform, **3.57 million** new members on the JD.com platform, and **7.82 million** fans on the Douyin platform
- During the "Double 11" event, **ranked first** for ladieswear apparels and **second** for menswear on the Tmall platform; during the "Double 12" event, **ranked first** in the market for ladieswear apparel and menswear on the Tmall platform
- Flagship store on Douyin's online platform became the **No.1 single store** in terms of sales of down apparel for three consecutive years

PERFORMANCE REVIEW



- Dedicating to ESG management and operation in line with **17** Sustainable Development Goals of the United Nations
- Nearly **1,000 stakeholders** participated in the research on ESG material issues
- Business ethics and anti-corruption trainings targeted towards **all employees at the high and middle levels** of the Group were conducted



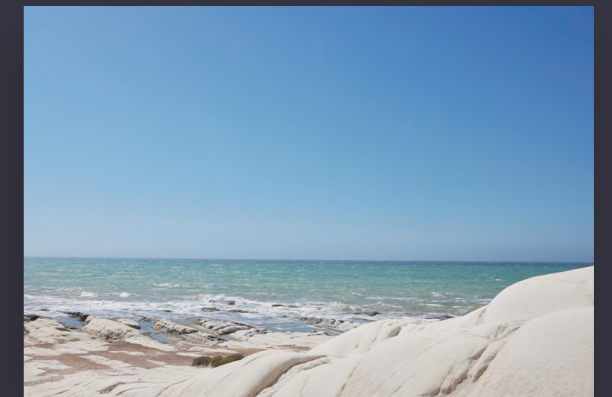
- **Over 49.0%** of the management are female, **increasing by approximately 3.2 percentage points** as compared to the corresponding period of last year
- Total hours of training received by employees **exceeded 260,000 hours**
- Employees' career dreams are supported by a fair employee career development system and **management and professional routes**
- Accumulative value of cash and materials donated by the Bosideng Foundation exceeded **RMB1.2 billion**, benefiting approximately **1.192 million people** by FY2022/23



- Participated in the drafting and revision of **23** international standards, **13** national standards and **5** industry standards
- A number of products won international awards, including **the ISPO, the Red Dot** and **the Golden Novum Design Award**
- We achieved **100%** closed-loop resolution of complaints from all channels and the satisfaction rate for handling complaints reached **98.1%**
- We have reduced the market disability rate standard to below **0.08%** (in particular, the market disability rate standard of high-end products reduced to below **0.035%**)



- **100%** of down apparel obtained Responsible Down Standard (RDS) certificates
- **70%** of down apparel obtained ecological textile OEKO-TEX® certificates
- **48%** of down apparel obtained bluesign® certificates
- The photovoltaic power generation of the logistics park in East China was **960MWh**



1 ABOUT BOSIDENG

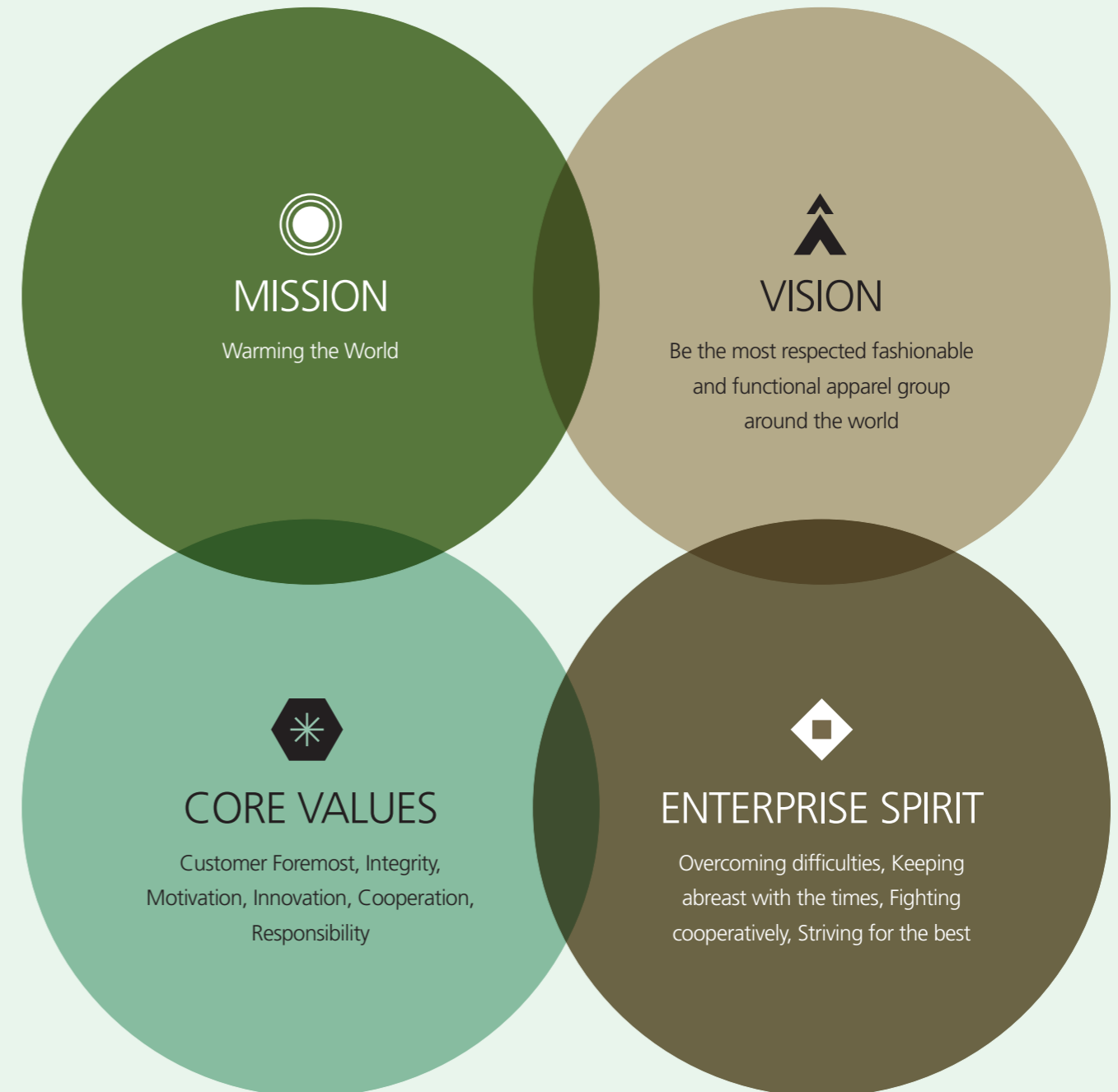
1.1 GROUP PROFILE

Bosideng is a renowned operator with down apparel brands in the PRC. It was founded in 1976 and focuses on the development and management of down apparel brand portfolio, including mainly the research, design and development, raw material procurement, outsourcing production and marketing and distribution of branded down apparel products, OEM products, ladieswear and other products. The Company has been listed on the Main Board of the Stock Exchange since October 2007 (stock code: 3998).

With a focus on its down apparel business, the Group is dedicated to becoming a down apparel expert widely recognized by consumers and leading the development of the industry. Currently, the Group's down apparel brands include Bosideng, Snow Flying and Bengen. Non-core businesses include the OEM management business, ladieswear business and diversified apparel business. The customers of the OEM management business are mainly famous European and American brands. The Group's ladieswear brands include JESSIE, BUOU BUOU, KOREANO and KLOVA, and the diversified apparel business mainly includes its school uniform business, with Sameite as the uniform brand.



1.2 OUR CULTURE



1 ABOUT BOSIDENG



1.3 MAJOR BRANDS

In Bosideng, our brands connect people in a warm manner, which has a positive impact on our community and the planet in various ways. We always adhere to the mission of warming the world with ingenuity and quality, sincere service, technological innovation as well as value symbiosis to establish customers' love and trust for a better life.

Bosideng

Bosideng has been dedicating to the research and development, design and production of down apparel for 47 years. Each piece of down apparel goes through at least 150 processes. Over the years, Bosideng has continued to innovate in down, fabrics, craftsmanship and patterns, and its down apparel is widely praised at home and abroad for its quality, warmth and style. According to the statistics jointly released by the China General Chamber of Commerce and the China National Commercial Information

Center, Bosideng has maintained a significant lead in the industry in terms of sales in the PRC for the past 28 consecutive years (1995 – 2022).

Snow Flying

Adhering to the brand concept of "inclusive and beautiful life", Snow Flying always insists on taking user needs as the basis and is committed to creating user value. With its brand positioning of "vitality, fashion and sport" and its brand personality leading the lifestyle of young consumers in the new era, Snow Flying has become a highly popular down apparel brand.

Bengen

Taking the value-for-money fashion experience as its brand positioning and taking "fashion, good quality and preferentiality" as its core values, Bengen advocates a fashionable lifestyle; It is favored by women of the new era who pursue high cost-effectiveness, love life, and are enthusiastic about fashion.



1 ABOUT BOSIDENG

1.4 REWARDS AND RECOGNITION

ESG RATING OR AWARDS

- 1 A rating appraised by MSCI ESG (Environmental, Social and Governance)
- 2 CDP 2022 Climate Change Score B-
- 3 Awarded the "Outstanding Leadership Case (傑出領導力案例)" at 2022 ESG Development Forum for Entrepreneurs
- 4 Awarded the "China's Leading Enterprise of Sustainable Fashion Influence" issued by the China Fashion Transparency Innovation Center
- 5 Awarded the Annual Social Responsibility Excellence Award in the selection of "2022 ESG Pioneers 60" ("2022 ESG先鋒60"年度社會責任優秀獎) initiated by Shanghai United Media Group and Jiemiao News

BRAND HONORS

- 6 Bosideng was ranked 48th in the "Brand Finance Apparel 50 2022" by Brand Finance
- 7 Bosideng brand was awarded "My Favorite Chinese Brand 2023" by China National Brand Network
- 8 The new generation of ultralight down jackets of Bosideng won the Golden Novum Design Award in France
- 9 The comfortable outdoor series down apparel of Bosideng won the "2022 ISPO Award – Global Design Award"

R&D INNOVATIONS

- 10 Awarded the "2022 National Supply Chain Innovation and Application Demonstration Enterprise" (2022年全國供應鏈創新與應用示範企業) jointly by the Ministry of Commerce and other ministries and commissions
- 11 Awarded the title of "China Industrial Design Association Innovative Design Institute – Textile and Garment Field" by the China Industrial Association
- 12 Awarded the "Excellence Innovation Design Award" and "Design Pioneer Award (設計先鋒獎)" by China Feather and Down Industrial Association
- 13 "Top 10 Innovative Textile Products 2022" (2022年度十大類紡織創新產品)

STANDARDIZATION OR CERTIFICATION

- 14 Awarded the Special Contribution Award of the National Technical Committee on Garment Standardization for Standardization Work 2021-2022
- 15 Quality Down Apparels (《高品質羽絨服裝》) was evaluated and awarded the 2022 Enterprise Standard Forerunner
- 16 High-end Extreme Cold Down Jacket was awarded "Jiangsu Premium Brand Certification"
- 17 GORE-TEX series high down jacket was awarded "Jiangsu Premium Brand Certification"
- 18 GORE-TEX series high down jacket was awarded the "Made in Suzhou" brand certification

SOCIAL RESPONSIBILITY

- 19 Awarded the 6th "Jiangsu Charity Award – Most Influential Charitable Organization" by People's Government of Jiangsu Province
- 20 Awarded the "2022 Corporate Social Responsibility Model in Jiangsu (2022江蘇企業社會責任典範)" by the Jiangsu Finance and Economics Annual Conference
- 21 Awarded the "2022 Public Responsibility Company Golden Battle-ax Award (2022年度公眾責任公司金鉞獎)" by NetEase News

BEST EMPLOYER

- 22 Awarded the "2022 Jiangsu Extraordinary Employer of the Year" by Liepin
- 23 Awarded the "2023 King's Ark Award for Employer Cherishing Talents the Most" by BOSS Zhipin
- 24 Awarded the "2023 Top Human Resources Management Awards – Excellence Employer" by 51Job

INVESTOR RELATIONS

- 25 Awarded the "Best Investor Relations" in the 2022 Wind Best Roadshow (2022年度Wind最佳路演榜)
- 26 Awarded the Xueqiu (雪球) Annual Gold List "2022 Top 100 Influential Listed Companies" (Consumer Manufacturing)
- 27 Awarded the "Annual Investment Value Award" in the 2022 Gelonghui Golden Award (金格獎) for "Outstanding Listed Companies in Greater China"
- 28 Awarded the "Most Valuable Large Consumer Company" in the 7th Zhitongcaijing (智通財經) Selection in 2022
- 29 Awarded the "Best IR Company (Mid Cap)" by HKIRA 9th Investor Relations Awards 2023
- 30 Awarded the "Securities Star ESG New Benchmark Enterprise Award" (證券之星ESG新標桿企業獎) at the ESG Trend Forum for Listed Companies in the Era of Digital Economy (數字經濟時代上市公司ESG趨勢論壇)



2 BOSIDENG'S CONCEPT OF "SUSTAINABLE FASHION"



Leading the Sustainable Fashion

Minimize the negative impact on the environment and society in the whole life cycle of products and **extend** the concept of "sustainability" to the value chain

As the value chain of the fashion industry is all over the world, the sustainable development of the fashion industry is particularly important in the context of increasingly severe climate change, the urgent need to protect biodiversity and the imbalance of global development. In recent years, with the implementation of national environmental protection policies and the establishment of the "dual-carbon" goal, all walks of life have begun to put the concept of sustainability into practice. At the same time, leading enterprises in the textile apparel industry have also paid attention to the impact of industry development on the environment and society, and have joined the ranks of promoting sustainable fashion.

Sustainable fashion is a broad concept that not only focuses on corporate behavior, but also on the industry and the value chain, as well as the support and practice of "sustainable fashion" by consumers. In our view, sustainable fashion aims to minimize the negative impact on the environment and society in the whole life cycle of products by taking into account the environmental, social and economic values in the process of creating and using fashion products, and to extend the concept of "sustainability" to the value chain, so as to promote the sustainability of the entire fashion industry.

As a world's leading expert in down apparel, we were keenly aware that enterprises were also responsible for self-transformation, consumer guidance, supply chain upgrading and other important tasks in the process of promoting "sustainable fashion". From the perspective of "sustainable fashion", we will continue to examine the issues involved in the whole life cycle of products, such as advocating the concept of sustainable fashion through the implementation of "sustainable design", driving the implementation of sustainable fashion through innovative products, and promoting the practice of sustainable fashion through the promotion of "green consumption". When obtaining raw materials, we should cherish animal protection and protect natural resources. In the process of production and manufacturing as well as logistics and transportation, we should treat every worker with fairness and justice, and reduce carbon footprint through process innovation and technological innovation. In the process of product sales and publicity, we should convey the concept of sustainable fashion to our consumers and partners, encouraging all parties to jointly promote green consumption and make the best use of everything. In the future, we will continue to uphold the concept of sustainable fashion and work together with all stakeholders to build a better future for the industry.

3 ESG MANAGEMENT

3.1 GOVERNANCE STRUCTURE

3.1.1 ESG governance

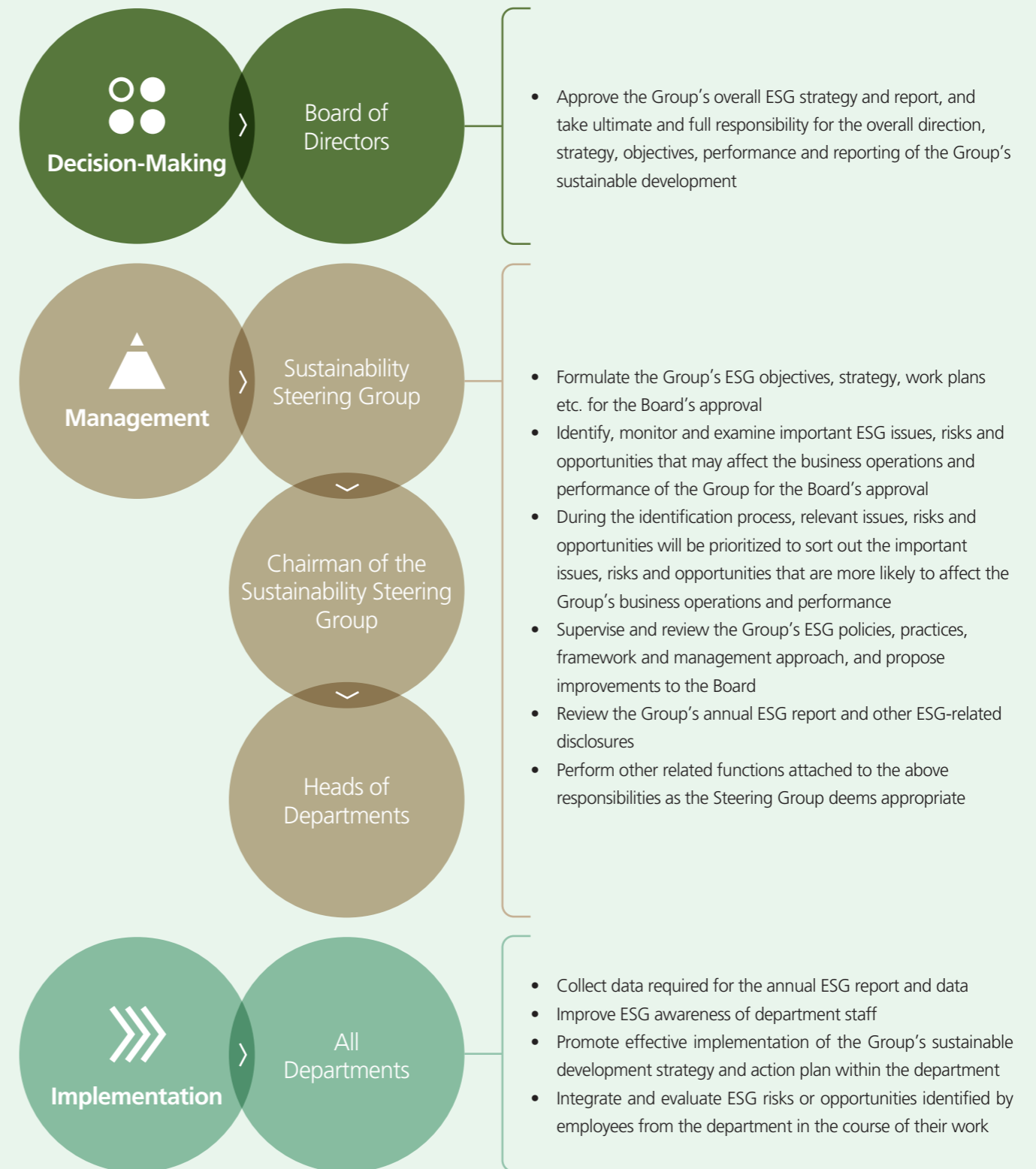
Sound ESG governance is essential to enhancing the Group's sustainable development performance, while also ensuring the effective assessment and management of ESG-related risks (including climate change) and opportunities. ESG-related matters are supervised by the board of directors of the Company (the "Board"). The Group has established a sound and rigorous ESG governance structure to assist the Board in supervising ESG-related matters and to incorporate ESG considerations into the day-to-day operations of the Group.

The Board holds ultimate and full responsibility for the Group's overall sustainability direction, strategy, objectives, performance and reporting. The Board has set up a Sustainability Steering Group, which is led by the senior management with cross-departmental collaboration, and is responsible for assisting the Board in assessing and formulating sustainable development objectives and pathways, and promoting the effective implementation of the Group's sustainable development efforts. The Sustainability Steering Group is chaired by Mr. Gao Dekang, the Chairman of the Board and the CEO of the Company. The Chairman of the Sustainability Steering Group is mainly responsible for setting the Group's sustainability vision, overall direction, objectives and strategies; identifying, monitoring and evaluating key ESG issues that may affect the business operations and performance of the Group; as well as reviewing the sustainability progress of respective departments. Members of the Sustainability Steering Group are comprised of various heads of departments involved with the Group's ESG governance, including each of

the Business Division, Supply Chain Management, Logistics, Financial Management, Human Resources, Digital Operations, Product Research and Development, Internal Audit, Legal, Administration, Party Affairs and Public Relations, and Investor Relations.

The Sustainability Steering Group regularly reviews and communicates its work, implements and adjust, if necessary, the strategies and specific ESG measures across the Group, and regularly reports to the Board on the progress of implementation and takes into consideration their advice and suggestions. The Board will also further adjust the Group's other strategic planning, business model and other decision-making processes based on the work progress and review results. Through formulating ESG-related policies, inviting stakeholders to participate in the communication, evaluation and feedback of important issues, establishing a risk management monitoring system, improving the quality and richness of ESG information disclosure, improving various aspects of the implementation of the Group's sustainability efforts, and reviewing the effectiveness of the improvements, the Group has formed a closed loop of ESG governance to promote its sustainable and high-quality development.

In addition, the Sustainability Steering Group also maintains close communication with external consultants to continuously promote capacity-building in sustainable development, as well as deepen the understanding of industry development trends, regulatory requirements and the demands of capital markets. The Board and the Group's management are also encouraged to participate in external training sessions or seminars.



3 ESG MANAGEMENT

3.1.2 Corporate governance

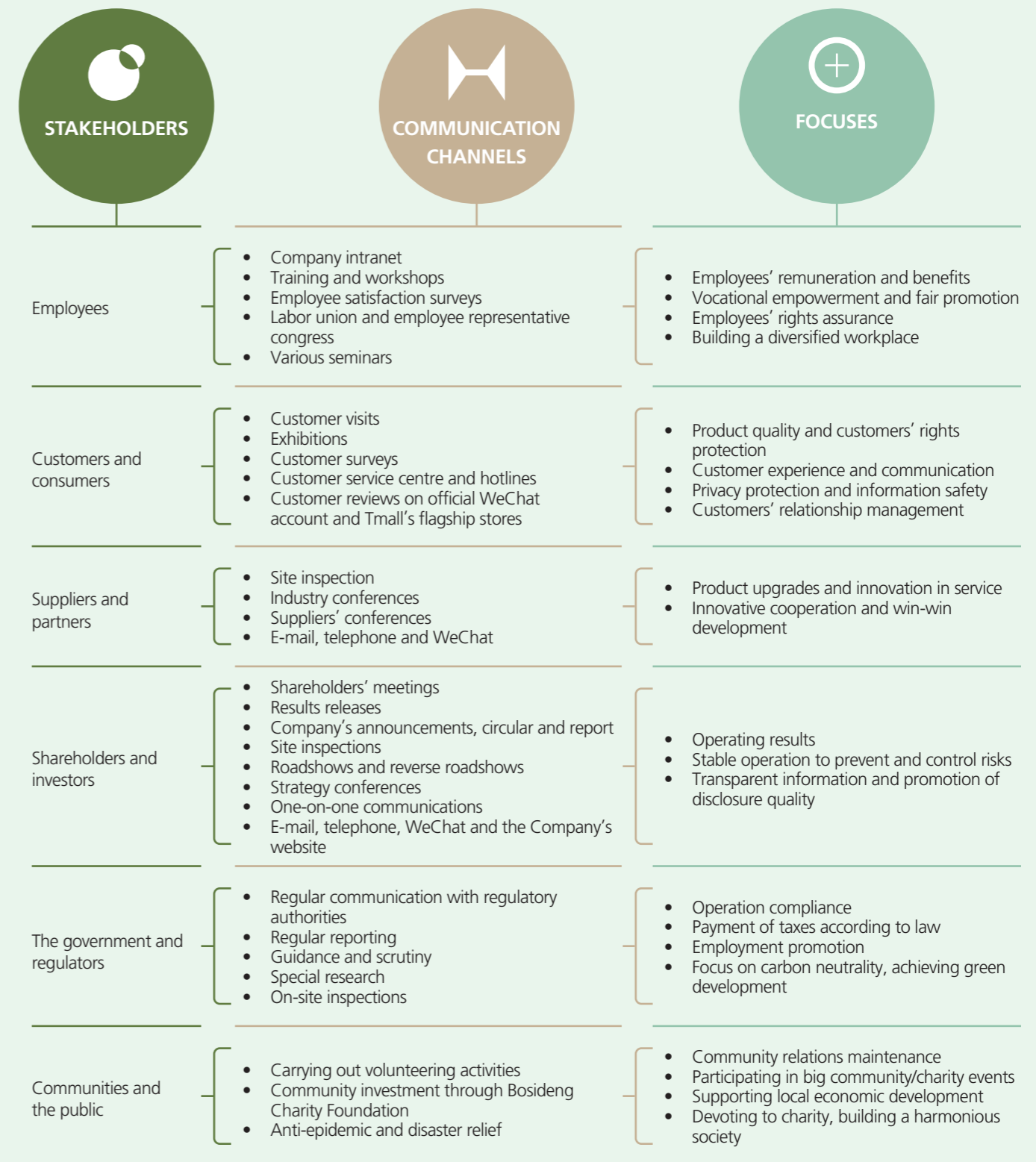
The Company is dedicated to maintaining and ensuring high standards of corporate governance practices. The corporate governance principles of the Company emphasize accountability and transparency and are adopted in the best interests of the Company and its shareholders. The Board reviews its corporate governance practices from time to time in order to meet the rising expectations of its shareholders and to fulfil its commitment to excellence in corporate governance. The Board consists of the Audit Committee, the Remuneration Committee and the Nomination Committee. The Board adopts the Board Diversity Policy and strives to improve transparency in the selection process of the members of the Board. It endeavors to ensure that the Board has a balance of skills, experience and diversity of perspectives that are appropriate to the requirements of the Company's business. The Board comprises eight Directors, including five executive Directors and three independent non-executive Directors, among which, the proportion of females accounts for 25%. The Board built the "Mechanisms to Ensure Independent Views and Input are Available to the Board of Directors". These mechanisms are to ensure that the Board has a strong independent element, is capable of effectively making independent judgments, and has access to independent views and input.

The Group focuses on creating long-term and sustainable growth for its shareholders. It actively maintains dialogue with shareholders through various means such as shareholders' meetings, results releases, roadshows and reverse roadshows, site inspections, strategy conferences and one-on-one

communications to ensure that shareholders are updated on the Group's business and development as well as its business strategies and prospects, and incorporates shareholders' feedback into the Company's long-term strategy process. To enable shareholders to share in the Company's profits and protect their interests, the Group maintains a stable dividend payout ratio every year.

3.2 STAKEHOLDER ENGAGEMENT

We value and respect different views of internal and external stakeholders to accelerate our progress towards achieving the Sustainable Development Goals ("SDGs"). We define stakeholders as persons, groups or organisations that affect and/or are affected by our business operations, which mainly include employees, customers and consumers, suppliers and partners, shareholders and investors, the government and regulators, communities and the public, etc. We conduct sustainable, open and transparent communication with stakeholders through various ways of communication to understand their changing expectations towards the Group's business and enable opportunities to refine our sustainability approach. During the Year, we continued to regularly contact with major stakeholder groups in various forms to ensure effective communication on issues of concern to stakeholders.

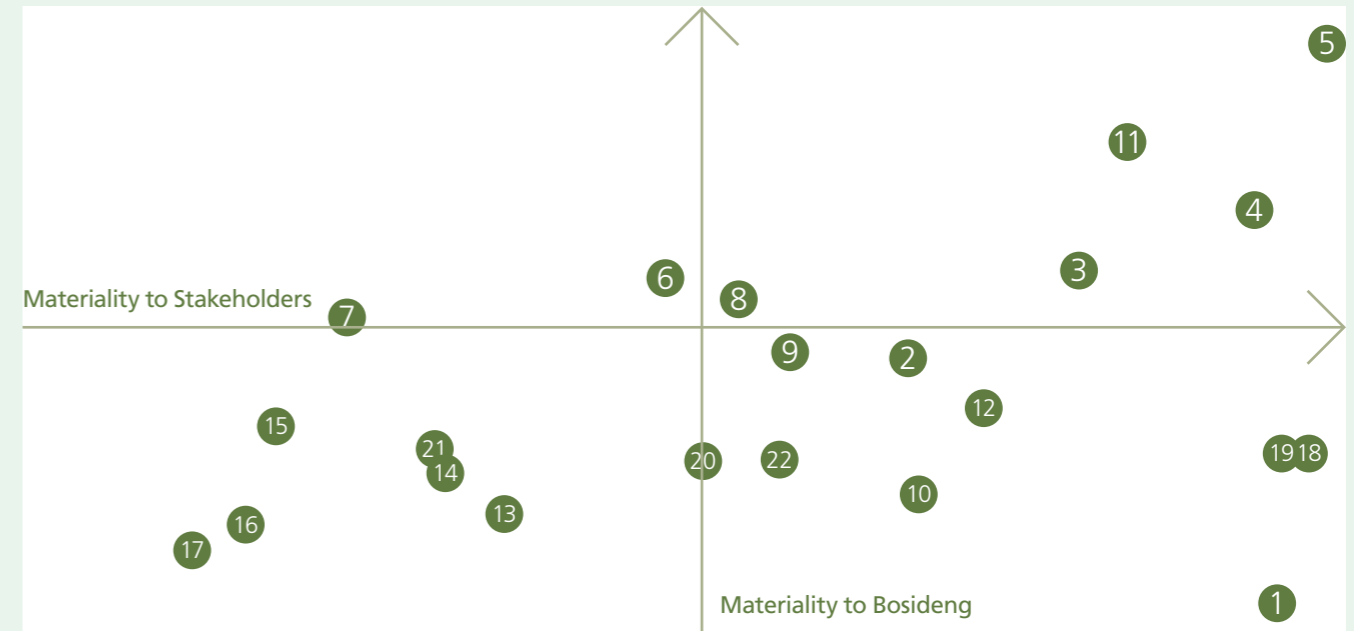


3 ESG MANAGEMENT

3.3 MATERIALITY ASSESSMENT

As part of the stakeholders' engagement policy, we carry out materiality assessments of ESG issues on a regular and comprehensive basis. During the Year, with the assistance of independent third-party institutions, we conducted analysis of materiality issues with reference to the guidance provided in the GRI Standards (2021 Revision) issued by the Global Reporting Initiative (GRI) with regard to the identification of materiality issues, and identified material issues which have a great impact on both the enterprise and stakeholders. We collected 933 feedbacks from internal and external stakeholders through online questionnaires to identify issues that are most important to our business and stakeholders, and provide information on the ESG report and strategy of the Group.

Working steps:



MATERIALITY ISSUES OF BOSIDENG

1	Operating results	p.6-7	12	Marketing compliance	Ch.5
2	Building up new business formats and new experiences	Ch.6	13	Focusing on carbon neutrality, continuing the reduction of carbon footprint of products	Ch.6
3	Improving product innovation	Ch.5	14	Strengthening green management of the whole life cycle	Ch.6
4	Enhancing national brands and improving cultural confidence	Ch.5	15	Chemicals safety management	Ch.5
5	Product quality and customers' rights protection	Ch.5	16	Water resources management	Ch.6
6	Building up a steady and green supply chain	Ch.6	17	Waste Management	Ch.6
7	Responsible procurement	Ch.4, 6	18	Employees' rights assurance	Ch.4
8	Efficient logistics response	Ch.5	19	High quality employment	Ch.4
9	Anti-corruption and anti-unfair competition	Ch.3	20	Devoting to charity and advancing towards common wealth	Ch.4
10	Robust operation, risk control and prevention	All chapters	21	Rural revitalization and employment improvement	Ch.4
11	Privacy protection and information security	Ch.5	22	Communication with stakeholders	Ch.3

3 ESG MANAGEMENT

According to the above materiality matrix analysis, the top eight issues during the Year (from high to low) have undergone the following changes compared with those of last year:

FY2022/23	FY2021/22
Product quality and customers' rights protection	Product quality and customers' rights protection
Enhancing national brands and improving cultural confidence	Enhancing national brands and improving cultural confidence
Privacy protection and information security	Improving product innovation
Improving product innovation	Operating results
Employees' rights assurance	Employees' rights assurance
High quality employment	Focusing on carbon neutrality, continuing the reduction of carbon footprint of products
Building up new business formats and new experiences	High quality employment
Marketing compliance	Building up new business formats and new experiences

We identified the following features in the ranking of materiality issues in FY2022/23 as compared with that in FY2021/22:

1. Issues that are important to both stakeholders and Bosideng are highly overlapped, and "Product quality and customers' rights protection" and "Enhancing national brands and improving cultural confidence" are always the most concerning issues for both stakeholders and Bosideng;
2. During the Year, "Privacy protection and information security" ranked to the third important issue to the stakeholders, which reflects the increasing public attention to privacy protection and information security;
3. During the Year, "Marketing compliance" was added to the issues that are important to both stakeholders and Bosideng, which reflects the increasing public demand for business ethics and data transparency.

The top three issues of the Year are as follows in the view of major stakeholders:

- The Company's board members: 18, 8, 12/13 (Issues No. 12 and No. 13 with the same score, tied for the third most important)
- Management: 1, 5, 4
- Internal employees: 18, 5, 19
- Consumers: 5, 11, 4
- Suppliers and partners: 6, 3, 15
- Shareholders and investors: 1, 10, 3
- Government and regulatory authorities: 9, 2, 5
- Communities (Universities, medias and industrial organizations): 2, 3, 4

3.4 BOSIDENG AND THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

In 2015, all members of the United Nations unanimously passed 17 SDGs, calling on the world to take actions together to eliminate poverty, protect the earth and improve the lives and future of humankind. As a part of the sustainability agenda in 2030, the 17 SDGs widely cover the global challenges faced by today's societies, including challenges relating to poverty, inequality, climate, environmental degradation, prosperity as well as peace and justice, and clarify the global vision and priority to sustainable development.

Bosideng practices its initial intention and mission to warm the world and endeavors to respond to each challenge in the sustainable development area through the use of creativity and innovation, promoting a prosperous, equitable and high-quality of life for stakeholders through business operations. As global goals, all of the 17 SDGs are relevant to our operations to various degrees. To demonstrate Bosideng's commitment to social responsibilities, in recent years, we incorporated the concept of sustainable development into our long-term development strategies, proactively benchmarked each ESG management and operation work with SDGs and focused on 8 targets so as to form 4 action segments and formulate specific actions and performance indicators. To show our contributions to SDGs for all stakeholders in a simple and clear manner, we will continue to illustrate the expected relevant SDGs in diagram form in each chapter.

The 17 SDGs relating to our operations are summarized as below:



NO POVERTY

Help vulnerable groups and continue to support rural revitalization through the Bosideng Charity Foundation



GOOD HEALTH AND WELL-BEING

Obtain ISO 45001 occupational health and safety management system standards certification

Obtain the qualification for Class II production safety standardization

Assist suppliers to ensure safe production



QUALITY EDUCATION

Support impoverished students through the Bosideng Charity Foundation "Xin'ai Fund (莘愛基金)"



GENDER EQUALITY

Ensure gender equality in recruitment and employment



CLEAN WATER AND SANITATION

Use water-saving sanitary wares and sanitary equipment

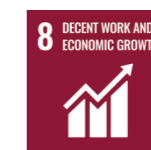
Cultivate good water-saving habits among employees through water-saving promotion and education



AFFORDABLE AND CLEAN ENERGY

Photovoltaic power generation in logistics park

Promote the use of new energy for shuttle buses



DECENT WORK AND ECONOMIC GROWTH

Ensure employees' remuneration and benefits

Examine labor performance throughout supply chains



INDUSTRY, INNOVATION AND INFRASTRUCTURE

Build a low-carbon logistics park

Strengthen technological innovation



REDUCED INEQUALITY

Advocate equal opportunities, oppose any form of discrimination



SUSTAINABLE CITIES AND COMMUNITIES

Assist disadvantaged groups and provide community volunteer services



RESPONSIBLE CONSUMPTION AND PRODUCTION

Prioritize the purchase of certified raw materials

Cooperate with suppliers to improve environmental performance

3 ESG MANAGEMENT



CLIMATE ACTION

Calculate the carbon emissions of the value chain
Widely carry out energy conservation and emission reduction actions
Promote the green transformation of the industry



LIFE BELOW WATER

Prioritize the purchase of down apparel with RDS certification



LIFE ON LAND

Foster the Bosideng charitable ecological forest plantation



PEACE, JUSTICE AND STRONG INSTITUTIONS

Information transparency
Prohibit all forms of corruption



PARTNERSHIPS FOR THE GOALS

Communicate with stakeholders and publish annual ESG report

The 8 corresponding SDGs for the 4 action areas are as follows:

Action Areas	Our Actions	Related SDGs
ESG management	Communicating with stakeholders and publishing the ESG report, with responsible business practices	
People positive	Promoting decent work in our own operations and supply chains, and promoting community development	
Product positive	Providing consumers with safe and high-quality apparel products	
Nature positive	Using more preferred materials in our products while understanding, evaluating and improving the environmental performance of manufacturing suppliers	

3.5 RESPONSIBLE BUSINESS PRACTICES

3.5.1 Ethics and compliance

Bosideng endeavors to develop an ethical and compliance culture. Honesty, integrity and compliance are the core values of Bosideng's business operations. We never tolerate any corruption behaviour which harms our fair competitive environment. In order to strengthen the Company's internal control and supervision mechanism and prevent business management risks, Bosideng has formulated an internal audit system and established the audit supervision centre. The internal auditors independently audit, supervise and assess the truthfulness, compliance and efficiency of all internal operating management and financial incomes and expenses of the companies within the Group.

We have established an internal policy on anti-corruption (<http://company.bosideng.com>) to provide our directors and all employees of the Group with guidelines on business conduct, and require employees to sign the Employee Integrity Commitment (《員工廉潔承諾書》), pledging to comply with the law and uphold integrity. In addition, the Group conducts an audit related to business ethics on a yearly basis, and arranges auditors to supervise major issues throughout the process to accurately identify and manage internal business ethics risks. All Bosideng staff, the Board and third parties operating business on our behalf have responsibilities to understand and comply with our policy on anti-corruption to support our commitment to high ethical standards.

Bosideng forbids any form of corruption and we strictly comply with all laws on anti-corruption of the countries and the regions where our businesses are operated. We established an oversight process, whereby the Internal Audit Department shall audit, supervise and evaluate the authenticity, compliance and effectiveness of business management activities and fiscal revenue and expenditure of the Group based on the internal audit system on a regular basis.

In terms of raising internal anti-corruption awareness, Bosideng regularly conducts integrity education programs within the Group, and provides guidance on ethics and compliance responsibilities. We provide mandatory induction training on anti-corruption for new employees to improve their awareness of corruption risks and applicable anti-corruption laws and to avoid unintentional violations. All employees above the level of managers and directors must sign the Work Atmosphere Commitment, and undertake that they will not abuse their positions to accept any form of bribery, or use corporate resources for personal gains, and that they will assume job responsibilities, obey laws and regulations, and work with honesty and integrity. In order to raise awareness among the Company's directors and employees of the risks of corruption and applicable anti-corruption laws, Bosideng regularly conducts integrity education within the Group, and provides guidance on ethics and compliance responsibilities. In 2022, we held business ethics and anti-corruption training for middle and senior employees of the Group to continuously strengthen compliance and integrity awareness.

3 ESG MANAGEMENT

In terms of external supervision, as a member unit of the "Anti-Fraud Alliance" and the "Trust and Integrity Enterprise Alliance", we require all suppliers to sign the Integrity Commitment to the maximum extent to ensure no potential illegal behaviors such as bribery, extortion, fraud or money laundering exist during the process of procurement. Also, Bosideng encourages its employees or third parties to express doubts or put forward questions through a variety of channels, including letters, email and phone calls to help us identify, process and solve problems in a timely manner, and establish trust with our customers, suppliers and business partners. We take a zero tolerance attitude towards retaliation for any kind of reporting of actual or potential misconducts in good faith.

The informant can make a report in the following forms:

Letter: clearly marked "opened by the addressee only" in a sealed envelope and sent to: Bosideng headquarters building, Bosideng Industrial Park, Baimao, Changshu, Jiangsu Province, China, and received by the director of the audit supervision center of Bosideng International Holdings Limited

Email: shenjijiancha@bosideng.com
Tel: (86)512 5253 8888 ext. 806517

For more information on how to make reports, please refer to our reporting policy (<http://company.bosideng.com>).

The audit committee of the Company has assigned the audit supervision centre to supervise and implement the daily operations of the whistleblowing policy; whereas the audit committee retains the responsibility for monitoring and reviewing the effectiveness of the said policy.

During the Year, the Group was not aware of any major violations relating to anti-corruption.

3.5.2 Privacy

Our relationship with customers is based on trust. Customers choose our products and believe that we will treat their shared personal data in a prudent and respectful manner. If properly handled, such information may help us to handle transactions, answer questions raised by customers, identify fraud and improve our services. Bosideng strictly abides by the strictest legal requirements in the regions where it operates. Our privacy policies specify the purposes, means and scope of individual customer information collected and used, the customers' rights to their individual information, and illustrate our safety protection measures to protect customer information to our customers. Meanwhile, we formulate special customer information management systems and operating regulations, protect the safety of personal data of our customers through data encryption and data desensitization, and strive to meet the strictest legal requirements in the regions where we operate. We attach great importance to protecting customers' privacy, so we have systematic management on formulating policies and systems and monitoring management.

In addition, the Company explains the reason for information collection to its customers through the privacy agreement and asks for their consent and they have the right to reject the information collection. In order to effectively mitigate the risk of abusing customer information, we encrypt users' information in our customer relationship management system through technologies to ensure the absolute confidentiality of user information such as member accounts and contacts in the system.

4 PEOPLE POSITIVE



4.1 OUR EMPLOYEES

Bosideng cherishes the value of people. We believe that, only if an enterprise cares about human's well-being, can such enterprise achieve success and sustainable development. Therefore, we adhere to a people-oriented policy, care about the mental and physical health as well as individual development of our employees, and advocate a culture of diversity and inclusiveness, in an effort to create a people-centered environment and make positive contribution to the prosperity and development of employees, workers in the supply chain and the whole corporate ecosystem.

We endeavor to establish a workplace that is equitable, open, inclusive, encourages learning and growth and inspires passion, and where we fully respect employees' value and create an inclusive and harmonious workplace through initiatives as providing competitive remuneration and diverse benefits, building on comprehensive training and development mechanisms and a safe working environment. We hope our employees feel appreciated and are willing to devote themselves to work.

4.1.1 Employment and dismissal

Our actions as an employer start from attracting and retaining outstanding talents. Bosideng adheres to the talent introduction strategy of "selecting the right person for the proper position" with a focus on improving the quality of new and existing employees. Our recruitment adheres to the principle of "merit-based recruitment with priority given to morality" and takes the applicant's ability and suitability for the post as the main consideration factor, and will not be affected by factors such as race, gender, age and marital status.

The continual introduction of high-quality talents is one of the core initiatives which help achieve the Company's strategic objectives. During the Year, we implemented diversified measures to achieve the goal of introducing high-quality talents. The Company has developed a talent supply chain that is efficient, professional and responsive and has been put into systematic operation, which enabled us to introduce director-level core staff with extensive practical experience in the industry, as well as back-up talents catering to the development of each management field, thereby effectively guaranteeing the achievement of the Company's strategic objectives.

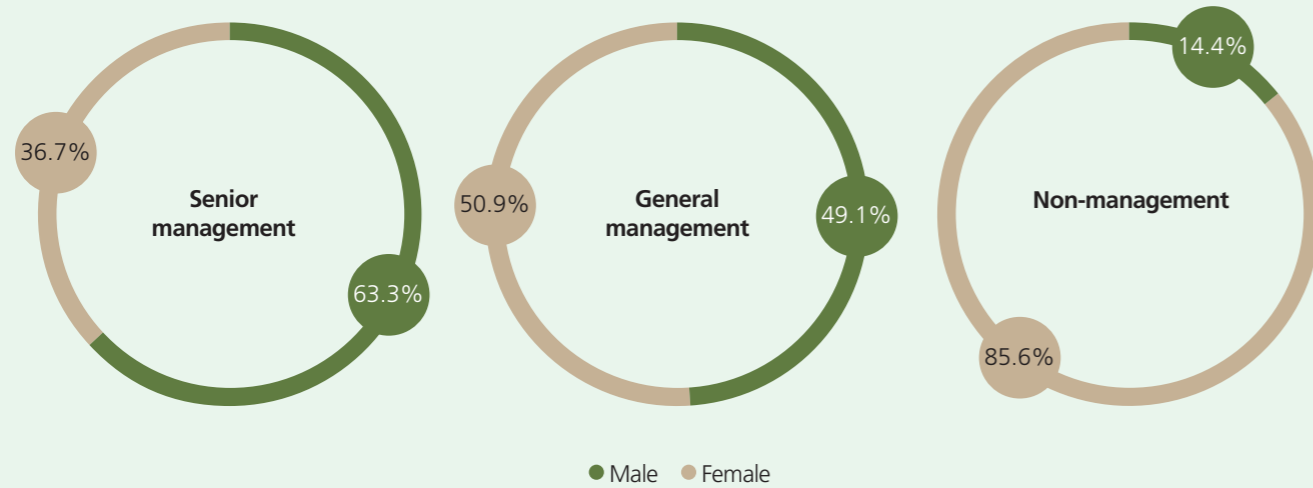
For core positions, we have set up key capabilities and standards, and made portraits of talents to provide an evaluation basis for the targeted selection of high-quality talents. For recruitment channels, we have set up channels for selecting and recruiting high-quality talents in a systematic way, by utilizing multiple channels such as talent market, job-hunting websites and internal referrals, to efficiently attract talents with excellent expertise and managerial capabilities to join us. Based on its talent development planning, the Company conducts annual campus recruitment with a focus on well-known textile and clothing colleges in China. In particular, we introduced outstanding graduates from key universities and colleges including Beijing Institute of Fashion Technology and Donghua University as our reserved talents. Leveraging our internal systematized talent development, we have built an internal stronghold for high-quality talent development so as to continuously facilitate the development of an internal talent structure which meets the needs for our strategic development. The Company also continues to build a business platform with distinct market competitiveness, to continuously attract high-quality talents to join us.

4 PEOPLE POSITIVE

Bosideng stays committed to creating a diversified and inclusive working environment, and promises to treat all employee without unequal treatment based on gender, marital status, family status, age, disability, sexual orientation, race, religion, etc. We strictly comply with human resource policies relating to recruitment and hiring, remuneration and benefits, promotion system and attendance management, as detailed in the human resources management system, in order to safeguard the rights and interests of our staff.

The Company has established a systematic position system that classifies positions into

Gender ratio of employees – by rank



During the Year, the Group was not aware of any major violations related to fair opportunities, diversification and anti-discrimination.

Bosideng insists on safeguarding its employees' right to terminate their labor contracts at their free will. The Group has developed procedures relating to termination of labor contracts pursuant to applicable laws and regulations. On the basis of respecting the employment willingness of each staff,

design, procurement, finance, quality, retail and administration based on work attributes. As of March 31, 2023, the Group had a total of 12,183 full-time employees, up by approximately 20.4% as compared to the corresponding period of last year. We are proud to see women's important role in the management and business operations of Bosideng. Female employees accounted for approximately 81.8% of the total workforce, and the percentage of female management (including senior management and general management) exceeded 49.0%, up by approximately 3.2 percentage points as compared to the corresponding period of last year.

the Company seeks to understand the reasons for any employee's resignation through the relevant department to which the employee belongs, and strives to provide a reasonable and fair working environment for employees. As for the situation of the Group voluntarily terminating the labor contracts with its employees, the Group will also proceed in accordance with applicable laws and regulations and the above-mentioned procedures.

4.1.2 Compliant labor use

The Group strictly abides by the requirements of compliant labor use and firmly protects the rights and interests of our employees. We comply with the related laws and regulations, implement a transparent and fair recruitment system and oppose any form of discrimination.

Bosideng's internal regulations clearly forbid the employment of child labor and forced labor. All formal employees recruited must be at least 18 years old and above. We strictly verify the identity of applicants during the recruitment process and will hire them only after their ages are in compliance with local regulations and their identities are verified. We regularly investigate the recruitment process of our agencies and regard the verification of staff's age as a criterion for the selection of agencies. Meanwhile, the Company also regularly investigates the existence of child labor and forced labor by establishing a systematic position management system. If child labor or forced labor is identified, we will pursue the administrative responsibility of the head of human resources department and the legal representative of the employer, and legal liability for serious cases.

To avoid forced labor, the attendance system, including the employee manual of the Group, clarified the commute time of employees and requirements for overtime. Employees may, at their will, choose to apply to work overtime or leave on time. The Group will not force any employee to work overtime. If

overtime work is required, notification shall be made in advance, and overtime work may be implemented only after approval by the departmental manager and the human resources department. Employees who work overtime will be allocated time off to ensure they get enough time for rest.

Furthermore, the Company gives employees full rights to collective bargaining. The Group has established a labor union according to law and signs collective contracts for special wages, protection of female workers, and occupational safety and health for every year to clarify standard clauses corresponding to the rights and interests of employees. During the Year, the terms of collective bargaining agreement cover all contractual employees.

We pay 100% of the social insurance for all on-the-job employees, with pension being the core of social insurance. The Company provides employees' salary while paying pension insurance. For all employees who retire from the Company, the Company handles retirement procedures for them and helps them calculate retirement benefits based on the approval of the local human resources and social security department.

During the Year, the Group was not aware of any major violations related to compensation and dismissal, recruitment and promotion, working hours, rest periods, child labor or forced labor, or did not receive any employee complaints about harassment (including sexual harassment), corporal punishment, abuse and inappropriate punishment measures, nor was there any dispute over salary payment.

4 PEOPLE POSITIVE

4.1.3 Remuneration, promotion and welfare

We have a remuneration system established based on position system, among which, employee remuneration comprises basic fixed salary, performance bonus and allowances.

In terms of basic fixed salary, the Group reviews and adjusts, as appropriate, the salary of its employees on a yearly basis to ensure that the compensation level is competitive.

In terms of performance bonus, it comprises process bonus, annual bonus and long-term incentives covering partial employees. To evaluate employee performance in a fair and equal manner, we established a result-based appraisal mechanism. Departmental leaders fulfill performance communication with employees at all levels annually based on their annual performance goals and process performance planning, and the Group provides promotion, salary increase and/or annual bonus and other incentives to employees based on the actual appraisal results. In terms of the design and R&D position, the Company has set up a performance remuneration system with development performance incentives and special process incentives in majority, and established the market-competitive salary criteria, so as to match and recruit high-quality talents in product planning, design and R&D.

Furthermore, we promoted the implementation of an employee equity incentive scheme, which covers the Group's directors and core management personnel in operations, and determines qualification for incentives based on group performance and individual performance, to recognize employees for their contribution to the growth of the Group, as well

as motivating and retaining outstanding talents. As of March 31, 2023, Bosideng granted six tranches of equity incentives in total, including a total of 1,319.2 million share options and award shares, comprising 954.7 million share options and 364.5 million award shares, covering a total of 178 core employees.

In terms of welfare allowances, Bosideng strictly abides by the requirements of the country/region where it operates and provides 100% of all formal employees in mainland China with "five social insurances and one housing fund" as well as annual leave, marriage leave, maternity leave, medical leave for work-related injuries, bereavement leave and other statutory leaves. For employees reaching the statutory retirement age, the Group handles retirement procedures for them on time and helps them calculate retirement benefits based on the approval of the local human resources and social security department. The employees of the Group in Hong Kong, the PRC, participate in the MPF Scheme. Under the MPF Scheme, each member of the Group in Hong Kong (the employer) and its employees make monthly contributions to the scheme generally at 5% of the employees' earnings pursuant to the relevant laws. The monthly contributions of each of the employer and the employees are subject to a maximum contribution of HKD1,500 per month (for periods from June 1, 2014) and thereafter contributions are voluntary. The Group has arranged for its employees in the United Kingdom to join the National Insurance Scheme and the relevant pension scheme, respectively (collectively, the "UK Schemes"). Under the UK Schemes, each member of the Group in the United Kingdom (the employer) and its employees make monthly contributions to the UK Schemes pursuant to the relevant laws. The Group's subsidiaries in the United Kingdom contribute funds to the UK Schemes, which are calculated on a stipulated percentage of the average employee salary provided by the government

of the United Kingdom. We also provide, depending on the position or circumstances of individual employees, additional welfare allowances, such as attendance bonus, length of service allowance, high temperature fee, meal allowance, communication allowance and accident insurance, etc.

During the Year, the Group was not aware of any major violations related to the benefits and welfare of its employees.

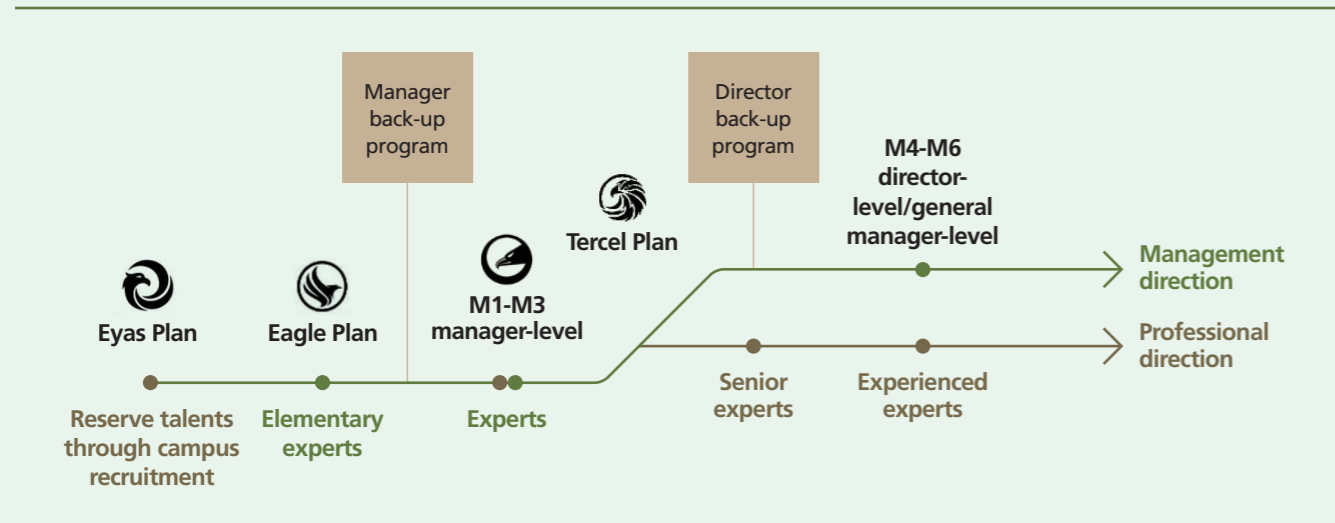
4.1.4 Training and development

Bosideng attaches importance to the cultivation and development of talents to adapt to the changing market and industry needs, and meet the development needs of employees. We promote the continuous learning and development of our employees based on core values, system requirements, training management, performance management, promotion methods and other concepts and systems. The Company has formulated the "Talent Development Management System" to regulate the talent development management within the Group, and established a talent development and training management system and mechanism that is in line with the Group's strategic planning and meets the Group's business operations. We have also established a variety of training channels, adopting a combination of online and offline trainings, including offline classrooms, WeChat, Ding Talk online learning platform, retail classrooms, etc., creating convenient conditions for employees to expand their expertise. The Company extended business trainings to front-line employees, leadership trainings to management and reserved employees, and general trainings such as safety and comprehensive skills and trainings on corporate culture to all employees.

During the Year, 100% of regular employees received trainings. Total training hours completed by employees were 261,137 hours and the average training hours undertaken per employee were 21 hours, increasing by 169.2% year-on-year. The average training hours for senior management were approximately 59 hours per person, the average training hours for general management were approximately 50 hours per person, and the average training hours for non-management employees were approximately 18 hours per person.

As a major platform for undertaking staff training, Bosideng Business School, with "integration, accommodation, inheritance and innovation" as its core values, develops differentiated trainings for different types of talents, and continuously promotes the growth and development of employees. During the Year, Bosideng Business School invested a total of about RMB1.187 million to implement the leadership development projects for core operation management team, director back-up talents and manager back-up talents, the strategic reserve talent development projects, the on-the-job cadre and professional talent empowerment training, and new employee training plan. Combining the Group's strategic development needs with the characteristics of employees, we designed a clear, explicit and fair employee career development system, which comprises two paths for development: management direction and professional direction, supplemented by professional training programs to help employees complete career development programs more efficiently.

4 PEOPLE POSITIVE



Managerial cadre cultivation includes primarily “on-the-job cadre cultivation” and “echelon talent cultivation”. The training effect of “on-the-job cadre cultivation” is implemented mainly through the formulation of personal development plans, online courses, symbiotic learning and other methods, and the evaluation of the value achievements and training results of the annual efforts of the on-the-job cadre via talent inventory. “Echelon talent cultivation” is mainly implemented through the reserve talent training project, including the “Tercel” program which aims to develop director-level talents; the “Elite” program which aims to develop general managers/business chief for retail companies; and the “Eagle” program which aims to develop manager-level cadre.



Professional talent cultivation mainly regards professional qualification certification as a talent development mechanism. Evaluation is conducted based on cultural values, professional capability and performance. Proposed promotion to a target rank requires passing of the professional competency certification for such rank. The professional route talent development committee is responsible for reviewing the professional abilities of employees, including skill certification and knowledge assessment. Skill certification mainly confirms whether the standards are met by referring to the skill standards; and the knowledge assessment mainly tests the mastery of knowledge covered in the training courses.

The cultivation of reserve students is one of the important measures to upgrade the talent structure. It aims to select and cultivate a group of young forces who agree with Bosideng’s corporate culture, have front-line experience, business knowledge and potential for the Company. Each responsible department is responsible for promoting the cultural integration, front-line training, post practice and other training stages for reserve students based on the plan, setting learning requirements and work objectives for each stage in combination with the training plan,

and organizing the evaluation of reserve students. Reserve students are evaluated in combination with the achievement of work goals, business experience, instructor evaluation and individual debriefing.

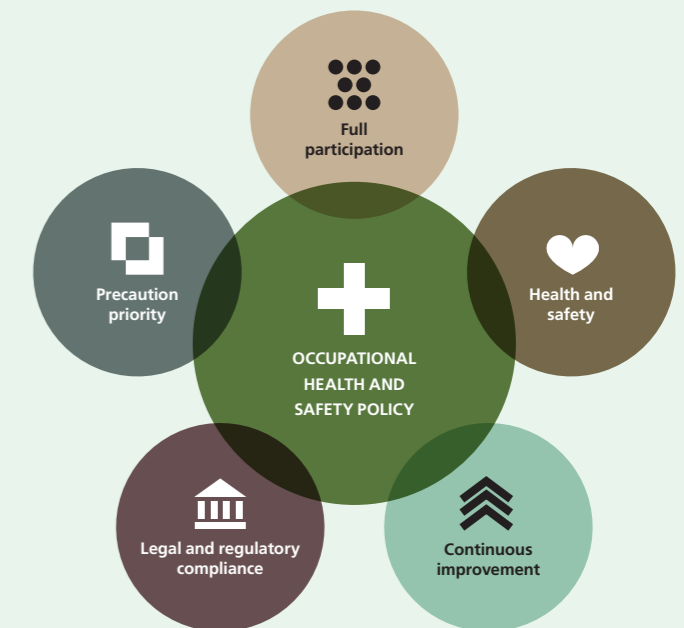


During the Year, the Group has struggled to forge an upgraded talent structure, including the introduction of excellent strategic talents, the development of a talent pool for core position echelons and the empowerment and replacement of on-the-job cadres, thus building an internal talent development system. During the Year, the retention rate of outstanding employees was up to 95%; among newly recruited talents, the ratio of employees with a bachelor degree and above was 81%, and the average age is 29.5. As of March 31, 2023, the ratio of employees of post-90s generation of the Group was approximately 46%, roughly the same as the same period last year.

In addition to internal trainings, the Group also encourages employees to participate in overseas trainings to learn new technologies, management systems and internal trainings so as to acquire professional knowledge and skills so that they could further contribute to the development of the Group. Relevant training expenses can be reimbursed upon approval.

4.1.5 Health and safety

To ensure the effective implementation of the Group’s health and safety efforts, we have established an occupational health and safety policy (including measures to protect employees from occupational hazards). The Company has established an internal occupational health and safety inspection team, and each department regularly implements the system control standards and accepts regular audits by professional institutions. Meanwhile, to ensure that every employee gets related knowledge and skills, the Company regularly carries out training on environment, safety and health and energy system, and organizes all employees to undergo emergency drill training.



4 PEOPLE POSITIVE

Due to the nature of our business, the working environment of the Group's employees mainly consists of indoor offices and sales outlets, and thus there is no significant occupational health and safety risk. We have obtained ISO 45001 occupational health and safety management system certification and occupational health and safety management system standards certification with continuous and effective operation, which covers the design and development of down products and relevant management activities of the Group.

To ensure whether the Group's Environment, Health and Safety ("EHS") management system is suitable and to meet the requirements of ISO 45001 in a sufficient and effective manner, we regularly review the implementation of EHS policies and goals and operation of the EHS management system of the Group to facilitate continuous improvement.

In order to ensure compliance with continuously updated and developed safety laws and regulations, we regularly analyze and evaluate the applicability of relevant laws, regulations and rules to the Group. During the Year, we collected and evaluated occupational health and safety regulations and standards. We also revised and issued the 2023 List of Occupational Health and Safety Laws and Regulations (168 articles) for all departments of the Group to study and implement.

During the Year, the Group was not aware of any major violations relating to occupational health and safety, achieving the general objective that there were no occupational health and safety accidents throughout the Year. Also, we achieved the introduction and establishment of occupational health and safety, safety standardization training, emergency drills and other sub-objectives by a series of specific measures. During the Year, we conducted ISO 45001 training for the department system heads, auditors and employees with 295 participants, conducted safety standardization training with 330 participants, and organized two emergency drills.



Emergency Drills

4.1.6 Communication and care

Bosideng has been adhering to shaping and promoting the corporate culture of innovation and progression, positivity and honesty, not afraid of difficulties, and focusing on teamwork. We view the cultivation of corporate culture as a part of workforce establishment, motivating employees through recognition of cultural benchmarks, and enriching employees' spare time and enhancing their sense of



Annual Conference on Corporate Culture and Talent Cultivation



Summer Food Concert

belonging and enthusiasm for work through various employee activities. During the Year, we invested approximately RMB2.515 million of funds (FY2021/22: approximately RMB4.193 million) and held various special activities, such as the Annual Conference on Corporate Culture and Talent Cultivation, Collective Birthday Parties for Employees, Club Activities for Employees, etc.



Collective Birthday Party for Employees



Summer Food Concert

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In addition, the Group is committed to establishing a multi-dimensional communication platform to listen to employees' voice through diverse forms of communication. The internal communication platform of the Company includes online communication methods such as Ding Talk System Office Platform, WeChat, email, and group president's mailbox, as well as offline communication activities such as various levels of meetings, performance coaching communication meetings, special seminar meetings, and training meetings within the Company and departments. Employees participate in communication activities at least 2-3 times a month. The Company listens to employees' opinions and suggestions through various types of communication, establishes a smooth internal communication mechanism, achieves efficient communication and effectively improves organizational operational efficiency. The Group conducts employee satisfaction surveys annually through online questionnaires, consultations and other measures to identify areas for improvement. During the Year, our employee satisfaction rate reached over 90%, which remained stable as compared to that in FY2020/21 and FY2021/22.

The Group is also very concerned about the daily life of employees and creates a safe and comfortable living and residential environment for them through a series of measures:

- Our dormitory has family rooms to provide accommodation for employees and their families in need;
- We provide employees with diverse cafeteria dishes and a good dining environment;
- We provide employees with shuttle buses to and from Shanghai, Suzhou and Changshu to facilitate their life; and
- We launched an internal charity fund, calling on employees to voluntarily donate RMB2 per person every month to help those colleagues in need at any time and solve their various problems in life.

4.2 OUR SUPPLY CHAIN

A stable and resilient supply chain is highly important to Bosideng's business. We are obligated to protect and improve the human rights of the employees of suppliers and achieve the meaningful incorporation of the people-oriented concept into our operations through accountability, cooperation and continuous improvement.

4.2.1 Suppliers' labor principle

We promote decent work actions along the supply chain, which are guided by our sound policy and procedures. We follow the United Nations Guiding Principles (UNGPs) and have regulated our expectations on acts of our production suppliers in the "Supplier Cooperation Manual" and the "Supplier Evaluation Standards".

- **Child and forced labor:** Any form of illegal labor should not be tolerated. It is vital to eliminate child labor, forced labor, labor trafficking or other involuntary labor in the supply chain.
- **Work time:** Enjoying life at work is very important, and suppliers should ensure that working hours of employees are in compliance with national laws and industry standards.

- **Remuneration and over-time work salary:** Everyone should be paid fairly and suppliers should ensure that employees are paid in accordance with national laws and that all overtime work is done on a voluntary basis and compensated in accordance with applicable laws.
- **Health and safety:** Everyone is entitled to a healthy and safe working environment. Suppliers should work hard to provide employees with healthy and safe working conditions, and comply with applicable regulations on health and safety.

4.2.2 Suppliers' labor performance evaluation

Bosideng has established a full set of standardized supplier access and management procedures from target sourcing to performance evaluation, developed 10 management systems including resource management, evaluation methods, key performance evaluation, settlement management, and cooperation manual, and stipulated management requirements on supplier labor performance.

During supplier admittance, we have developed the "Supplier Cooperation Manual", the "Supplier Evaluation Standards", Supplier Review Report and other policies, requirements and standards, which incorporate supplier labor management requirements on matters such as child labor, health and safety assurance, special job protection, working hours, salary, environmental, safety and health laws and regulations, environmental, safety and health employee training, product safety, and health and

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safety management requirements into the evaluation system. For use of child labor, punishment of occupational health and safety accidents, potential health and safety hazards of products to the Company's employees, and failure to implement Bosideng's occupational health and safety policies, we have set up a one-vote veto to deny access to violators; those who are not qualified in terms of special job protection, working hours, and salary must rectify the situation in order to be qualified for admission; suppliers who regularly provide occupational health and safety training to their employees and have an occupational health and safety management system will receive additional points. During the reporting period, we continued to improve the Supplier Cooperation Manual by including the legal compliance in terms of anti-discrimination and over-time work salary into the evaluation. In addition, Bosideng incorporated labor management into the contract, required suppliers to strictly abide by labor employment laws and regulations, fulfill corporate responsibilities for safety production and protection of workers' rights and interests, and continue to exert influence on suppliers. For other details regarding selection of suppliers, please see the section headed "6.6 Environmental Requirements for Suppliers" in this Report.

At the stage of post-admission management, we developed supplier review, supplier supervision and performance evaluation. During the evaluation process, we comprehensively evaluate suppliers based on their performance and on-site evaluation criteria, and classify them into five levels: S/A/B/C/D. S/A/B are high-quality suppliers for key cooperation, C suppliers are general suppliers for small volume cooperation based on product needs, and D suppliers are unqualified suppliers for no cooperation. In the supervision process, we set up supplier supervision standards, and conducted irregular and random inspections of a total of 36 items, including supplier labor management requirements. In addition, we have formulated the "Key Performance Evaluation Standards for Suppliers" and the "Measures for the Management of Supplier's Key Performance Assessment" to conduct regular supplier performance assessment to promote and encourage suppliers to continuously improve their labor management standards.

During the Year, we reviewed 245 suppliers in total with the suppliers' average score of 84.5 points and a review coverage rate of 100%; we identified 19 suppliers as non-compliant with a passing rate of 92%. Currently, we have terminated cooperation with the said non-compliant 19 suppliers.

During the Year, there were 7 supplier trainings in total, covering 148 suppliers, including strategic supplier cooperation conference, capability extension training, factory inspector competency comparison, feather testing skills competition and other related training activities.



Bosideng's Supplier Symbiosis Conference

4.2.3 Safety management of outsourced manufacturers

During the Year, we also continued to assist outsourced manufacturers in improving their safety production management systems, standardizing their employee health and safety management and enhancing the working environment and accommodation conditions of their employees. During the Year, the largest outsourced manufacturer located in Changshu City, Jiangsu Province has invested approximately RMB36.171 million (FY2021/22: approximately RMB36.902 million) in occupational health and safety, with 100% of workers' protective equipment intact rate, 100% of workers protective equipment equipped per capita (based on the positions required) and a 100% workplace environmental compliance rate.

Statistics on Investment in Occupational Health and Safety Made by the Outsourced Manufacturer in Changshu during the Year (Unit: RMB0'000)

Environmental Safety Improvement Program of the Workplace	2,382.6
Purchase, Repairs and Maintenance of Safety Equipment	279.3
Medical Fees	121.7
Occupational Development Training	664.3
System Certifications Investment	69.0
Others	100.2
Total	3,617.1

4.3 OUR COMMUNITY

Bosideng insists on the public welfare concept of "warming people with products and warming hearts with charity", and continues to give back to the society through community investment actions. In 2011, Bosideng Charity Foundation was established under the personal funding of Mr. Gao Dekang, the Chairman of the Board of Directors of Bosideng Group, to carry out public welfare and philanthropy with the purpose of "inheriting culture, spreading public welfare, and conveying warmth". It has been awarded the "China Charity Award" by the government in the PRC charity field for four times. As of March 31, 2023, the Bosideng Charity Foundation has donated more than RMB1.2 billion to the society, and its charity footprint has covered 558 counties in 108 prefecture-level cities of 29 provinces across the country, benefiting 1,192,000 people.



Bosideng's Social Welfare Map

In addition, Bosideng encourages its employees to participate in public charity activities and established the Bosideng Volunteer Service Team in 2012. With over 600 long-term volunteers, the

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Bosideng Volunteer Service Team provides volunteer services based on community needs while actively getting involved in the projects of Bosideng Charity Foundation.



Youth Volunteer Caring Activities for the Elderly



Volunteer Activities on Promoting Environmental Awareness

4.3.1 Warm actions to warm China

Bosideng Charity Foundation has been conducting the “Warmth in China” charity project since 2015, donating warm materials to the elderly living alone, poor students and other underprivileged groups. During the Year, Bosideng successively promoted the “Warmth in China” charity project in various areas, which provided local impoverished groups with warmth protection.

- Joined hands with the China Charity Federation, Association for the Advancement of China Guangcai Program (中國光彩事業基金會) and other foundations to donate 120,000 pieces of thermal underwear to underprivileged groups in many places across the country;
- Jointly launched the “Warmth to Numerous Families” project with the China Charity Federation, donating 20,000 pieces of cold-resistant down apparels to underdeveloped areas in Xinjiang, Tibet, Sichuan, etc.;
- Donated cold-resistant down apparels with a value of RMB2,516,000 to low-income households in Suzhou through the Suzhou Charity Foundation;
- Donated cold-resistant down apparels with a value of RMB1,078,000 to special social groups in Zhangbei County, Hebei Province, benefiting the elderly living in 13 Huzhu Happiness Institutes in Zhangbei County and low-income households in Zhangbei County; and
- Donated cold-resistant down apparels with an aggregate value of RMB609,000 to students in need from Peking University.

4.3.2 “Xin’ai Fund (幸愛基金)” to warm students

To help students who come from underdeveloped areas to achieve their dreams of going to university, the Bosideng Charity Foundation established the “Xin’ai Fund (幸愛基金)”, a charity project for supporting impoverished students to fund their tuition fees and living expenses and supporting the completion of their studies. From October to November 2022, the “Xin’ai Fund (幸愛基金)” has been successively carried out in Jiangnan University and Changshu Institute of Technology to help poor students from such two schools by providing financial support for tuition with a directional donation of RMB200,000.



Sponsoring Students from Jiangnan University

4.3.3 Self-driven support to warm the community

In 2022, during the crucial period of pandemic prevention and control in Suzhou, joining hands with the Changshu Charity Federation, Bosideng donated cold-resistant down apparels with a value of RMB3 million to front-line anti-pandemic volunteers in Changshu, contributing to the pandemic prevention and control. The Bosideng Volunteer Service Team took action at the first time, giving full play to the advantages of the enterprise supply chain, and delivered supporting materials to front-line anti-pandemic volunteers in Changshu within a short time to make contribution to the pandemic prevention and control work in Changshu.



Contributing to pandemic prevention and control in Changshu

5 PRODUCT POSITIVE



Bosideng is a world leading expert in down apparel that has been focusing on down apparel business for 47 years. We firmly upheld the strategic direction of “focusing on principal business and key brands” and the brand positioning of becoming the “world’s leading expert in down apparel”. In the context of general tendency towards new development landscape and green development of “internal and external dual circulation”, Bosideng continues to consolidate the four core competencies of “leading brand, innovating products, upgrading channel and adhering to high product quality and quick response” and has taken a lead in sustainable fashion in down industry so as to provide consumers with excellent, healthy, green and safe products and services as well as the satisfaction of their diversified wearing demands and experience. Since 2020, Bosideng has continued to be selected as “Brand Finance Apparel 50”, ranking the 48th in the apparel brands list.

5.1 PRODUCT MANAGEMENT

Bosideng has a scientific technology center with a usable area of more than 10,000 sq.m., in which we built a national leading polar environment simulation testing laboratory and a raw material expert laboratory with strong soft and hardware capability in research, development and testing. We value product and service management and focus on full-chain product and service quality from product design and development, to raw material selection and procurement, product process management, product quality control, product shipping and sales as well as consumer services and communication. We have developed complete standards for quality control at each link and key point, and require our employees and partners to execute the same strictly.

5.1.1 R&D and innovation

As a pioneer in the down apparel industry, we are convinced that innovation is the engine of high-quality development and the driver to enhance the core competitiveness of products. We always focus on the research and development, design and innovation

of down apparel, maintain effective investment in research and development and stimulate the leading and supporting role of scientific and technological innovation to continuously enhance our independent innovation capability.

- **Technological innovation**

Bosideng has been in a leading position in the industry in terms of both technological innovation and high-end raw material procurement. We focus on investment in scientific research and technology, embark on cultivating leading capabilities in scientific research and technology and improving the elements of independent innovation. We work together with international high-end functional raw material suppliers and co-develop new products and new materials to reinforce the competitiveness of our supply chain.

The Group has established a China National Accreditation Service for Conformity Assessment (CNAS) certification laboratory, a laboratory recognized by the International Down and Feather Bureau (IDFB), a provincial-level enterprise technology center and an engineering technology research center. The Group also assumes the work as a PRC council member of the IDFB, and at the International Organization for Standardization/ Garment Size Series and Coding Technology Committee Secretariat, and the National Technical Committee on Garment Standardization Down Apparel Sub-committee Secretariat, making contributions to the development of the sub-segment of down apparel.



During the Year, Bosideng applied for 246 patents, and was granted 254 new patents with 606 patents registered in total (including inventions, utility models and appearance patents).

- **Product innovation**

We make product innovation based on user needs and integrate users’ perception and preference and current trends into product design through an end-to-end integrated design process. We conduct new product development based on more segmented scenes to accelerate the consolidation of the core competitiveness of products with leading functions, leading fashion and leading technology.

Yearly New Product Matrix and Serial Product Example

- **New-generation light down apparel:** Hoodies down apparel | Sherpa fleece down apparel | Knitted down apparel
- **Outdoor collection:** Lightweight technology and cold-extreme (retaining the attribute of extreme cold-resistance, lightweight, more comfortable and suitable for wearing) | High-end outdoor collection with Maserati IP
- **Fashion collection:** Aerospace collection | Master Vincent Van Gogh collection | Co-branding of artists born in the year of rabbit
- **Leisure collection:** Tech camping | Zero-pressure collection



New-generation light down apparel

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In 2022, Bosideng increased investment in aspects such as material of lightweight down apparel, product research and development, cooperation with designers, with a focus on expanding investment in the development of lightweight down apparel, which subverted customers' perceptions of the traditional lightweight "portable" down apparel, established a

diverse and fashionable product image of lightweight down apparel and enhanced its overall influence in the industry. Additionally, Bosideng also developed new fabrics applicable to multiple scenes and responsive to environmental trend to improve product performance.

CASE

Improving multi-scene applicability of down apparel with heat-moisture balancing technology

Wearers of the down apparel sweats easily on the chest and back during his or her exercise. Conventional down apparel is poor in breathability, giving rise to difficulties in sweat discharge after exercise and affecting the warming effect of the down apparel, thus causing discomfort to the wearer with the down apparel becoming stuck to his or her body. Bosideng has developed a heat-moisture balancing technology that combines warmth and breathability to address this issue.

The heat-moisture balanced down apparels of Bosideng not only possess cold-proof and warming functions that are common to general down apparels, but also achieve the effect of zoning warmth and breathability by being equipped with down-filling strips and shoulder flaps at outer and inner clothing. The shoulder flaps, set on the outer clothing body, increase the ventilation performance of the cloth; the down-filling strips, set on the inner clothing body, form a still air layer between the human body and the inner clothing body, which can better retain the heat from the human body and the inner down-filling, thereby achieving the effect of good warmth. Multiple down-filling strips, set along the chest position of the garment longitudinally and alternately, can satisfy the



warmth and ventilation needs of the human body during the wearing process and achieve moisture-heat balance of the human body.

Such technology was granted a patent certificate issued by the China National Intellectual Property Administration.

CASE

Recyclable light down jacket won the product design award

Currently, most down apparels in the market utilize huge human resources and material resources when being dismantled for classified disposal during the recycling process, due to their complex structure, use of various materials and other factors, which not only increases the cost of dismantling, but also generates more carbon footprint, and is therefore unfavorable to environmental protection.

Bosideng has developed recyclable lightweight down apparels under the puff collection to address this problem and facilitate circular economy and green consumption.

This collection uses only environmentally - friendly recycled nylon or polyester materials to make fabrics, linings and zippers, which simplifies, to the maximum extent, the process of sorting different materials for recycled down apparels. Furthermore, the collection discontinued the use of side seams at both sides, and instead printed two printing lines, A and B, at specific positions to design it so to function as a dismantling indicator for recycling. The recycling of down apparels can be easily achieved upon going through four processes only, namely "down

apparel delivery, ultrasonic cutting, separation of the feather from the surface cloth with wind power, and collection of each of the feather and the surface cloth", which greatly reduces cost for recycling, as well as resource consumption and carbon emission generated from the dismantling and recycling process.

In addition, the collection also adopts the GORE-TEX fluorine-free waterproof fabrics, which avoids the impact of the fabric coating on the environment while improving resilience and wearing experience in rainy days. The design was granted the 2021 Red Dot Award.



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- **Protection of intellectual property rights**

The protection of intellectual property rights represents the protection of innovation. We focus on protecting technological innovation achievements and intangible brand assets such as trademarks, patents and copyrights. On one hand, we established clear reporting and use procedures through a regulated intellectual property rights management system to make the management, protection and utilization of intellectual property rights rules being followed, law-based and well-documented. On the other hand, we actively apply for patents to enhance patent early warning and evasion ability and avoid potential infringement risks. The legal affairs centre of Bosideng is responsible for the registration and record of trademarks, patents and copyrights, reviewing the use of materials involving intellectual property rights and handling IP infringement cases. We have developed the Measures for Management of Trademarks, the Measures for Management of Patents, the IP Infringement Platform Complaint Guide and relevant management systems, and established digital and process-based review and management system to regulate IP rights protection in all aspects.

To reinforce interest protection in terms of IP rights, Bosideng takes rights protection actions with joint efforts from partners and external institutions. We joined the anti-counterfeiting alliance of Alibaba, JD and other e-commerce platforms, and actively maintained communication in respect of special actions on IP rights with the public security departments in the place where we operate. During the Year, Bosideng carried out anti-counterfeiting activities in cooperation with law enforcement departments and inspected 1,571 pieces of IP infringement products. In October 2022, Bosideng attended the annual conference for the China National Garment Association, and delivered a speech themed with "garment-related IP rights protection" in the conference.

In addition, the Company convened 3 patent investment seminars in the Year to provide employees with relevant training and improve their awareness of IP rights protection, covering basic knowledge on patents, patent research and development, patent application and so on, with over 50 trained employees.

- **Cooperation with stakeholders**

Leveraging our expertise as an enterprise, we cooperated with policymakers to address sustained challenges in the society and contribute to positive reformation of the down apparel industry. In recent years, we drafted and revised the "Technical Specification for Green-design Product Assessment-Down Apparel", "Down Apparel Graded Quality Standard" and "Down Apparel Woven Garment Standard" and other standards for the down apparel industry jointly with China National Garment Association, China Quality Certification Centre and other units. As of March 31, 2023, we participated in the drafting and revision of 23 international standards, 13 national standards and 5 industry standards.

In the meantime, we are also proactively involved in industry activities and university-enterprise collaborations, to expand the influence of national brands and contribute to talent development. We carried out the intelligent R&D projects in cooperation with Zhejiang University, and developed the Campus Talent Cultivation Project with the Changshu Institute of Technology, transmitting talents of relevant fields to the society on an ongoing basis. We undertook co-authored projects with China Aerospace Science and Technology Corporation, Maserati and other brands, and cooperated with Jin Zhongjing, ANNAKIKI, PRONONUCE, Sun Dawei and other designers, in a hope to bring more creative products to the market.

Between March 17 and 19, 2022, Bosideng attended the 23rd Annual Conference of Chinese Entrepreneurs Forum in Yabuli, which enabled the most influential Chinese entrepreneurs to feel the influence of national trendy brands through product gifts.



5.1.2 Quality assurance

Consumer satisfaction is key to our sustainable development. We actively assume the responsibility of protecting consumers by providing them with high quality products and services with the product innovative mentality of "Quality+", and integrate color, innovation and excellent quality into the DNA of our brand.

- **Quality inspection**

We implement a strict three-level inspection system for product quality to ensure that all inbound finished products comply with applicable quality regulations in the countries/regions where we operate and sell. The three-level inspection system refers to self-inspection by finished apparel factory (Level-1 inspection), ex-factory inspection (Level-2 inspection) and inbound inspection by the product inspection department (Level-3 inspection). Each inspection will be accompanied by an inspection report to ensure 100% execution of the three-level inspection on each batch. Level-1 and Level-2 inspections are accepted according to Ex-factory Inspection Regulation, and Level-3 inspection is accepted according to the Regulation on Inspection of Internally Sold Products.



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In 2022, we further optimized and renewed our product inspection system, and introduced scenario-based, model trial fitting, display matching and other comprehensive inspection methods to improve product quality through inspection optimization. We arrange inspectors monthly for competence comparison to maintain defect discovery rate of above 98% at all times.

Bosideng classifies general products into four categories based on scenarios, and has reduced the market disability rate standard of each scenario to below 0.08%, and the market disability rate standard of high-end products to below 0.035%. The satisfaction of high-end users reached 96%.

- **Product traceability**

We continue to improve the full-process traceability mechanism for production suppliers, with a focus on the implementation of a single-piece accountability traceability mechanism for high-end product lines. To this end, we developed a unified standard, and through common-frequency and landing meetings with processing factory, signed a target responsibility letter with the factory and the person in charge of inspection during the production and inspection process of finished products, and implemented a high-end group production licensing mechanism (high-end products can only be produced by authorized assembly lines) to ensure consistent quality. We also carried out quality adaptation and locking based on scene categories, upgraded the functions of high-end special groups, and supported directional ability enhancement of high-quality resources.

- **Product recall**

We have formulated sound policies and procedures relating to product recalls, to detect defective products as early as possible and avoid the flow of such defective products into the market as much as possible. For products with a high defect rate identified during the sales process, we require stores to send the defective samples of the same type of products to the supply chain management department for verification. Upon verification, the supply chain management department shall issue a recall notice and repair or dispose of the product recalled in a pollution-free way. During the Year, we did not have any product recalls arising from product recall events due to health, quality and safety reasons.

5.1.3 Customer services

“Consumer-orientation” is our initial mission in continuing to optimize services. We establish diverse interaction channels centered on consumers, continue to optimize service standards based on their needs and provide them with excellent shopping experience.

- **New retail channel innovation**

In 2022, we continued efforts on developing offline retail channel and established an integrated online and offline omni-channel landscape. Also, we established closer communication with consumers by interacting with customers through content platforms. In 2022, we had 130,879 new fans at our channels. In 2023, we planned to open stores in Beijing, Shanghai, Wuhan, Hangzhou, Tianjin, Shenyang, Chengdu, Harbin, Suzhou and other cities and commence live stream business at these stores.

During the Year, we also launched innovative activities to attract members at mainstream shopping malls to add new streams of customers in combination with brand events, and collaborated with cross-industry platforms online. We newly acquired over 5 million customers through such innovative activities.

In FY2022/23, Bosideng brand attracted 13.99 million new fans and 3.57 million new members at Tmall and JD platforms. As of March 31, 2023, Bosideng brand had 34.55 million fans and 13.63 million members in total at Tmall and JD platforms, and 7.82 million fans in total at Douyin platform.

- **Efficient logistics**

We rely on the self-developed ICC (Inventory Computation Centre) and OPC System (Order Processing Centre) to capture, match, locate, calculate and sort the distance between the geographic location of the product and the geographic location of the consumer in real time, generate job task instructions based on their proximity, and dispatch the same to each warehouse while sending the same to the express company to ensure that the latter can pick it up immediately and deliver it to consumers at the fastest speed.

- **Service optimization**

Our brand management centre gathers consumers’ comments on Bosideng products and shopping experience through regular telephone interviews and online surveys every year, and identifies and improves upon the

causes of customer dissatisfaction. We have established a service feedback mechanism to understand consumers’ needs and painpoints, collaborated with the supply chain to address product after-sales accessory distribution standards and processes during the Year, and extended after-sale maintenance period of product accessories to improve their after-sale experience. The after-sale satisfaction increased by 16.9% on a year-on-year basis.

With the enrichment of online service channel functions, we have also established the Bosideng self-service repair function through the WeChat mini program. Consumers may complete repairs, inquiries, payments, FAQs and other operations independently through the mini program. In 2022, we upgraded the function of our self-service repair mini program, and achieved automatic obtainment of sold failed products by synchronously enabling the image upload function on the self-service repair front or back end. The self-service repair application efficiency increased by 63.9%.

The Group always carefully treats consumers’ opinions, which is reflected in our well-established complaint handling mechanism and a special customer complaint fund established in this regard. We provided regular and targeted counseling and training for customer service staff to continuously improve their professional level and ensure they are able to handle any customer complaint in a most professional way. During the Year, we launched the “Warm Service Octuplet” course to standardize and visualize customer reception in selling, optimize service process of our stores and enhance consumer experience.

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We continued to improve our tracking feedback mechanism, set goals in handling consumer complaints, and enhanced the service quality of outlets and maintenance. During the Year, the Group received 485 consumer complaints through all channels, and satisfaction rate for handling complaints reached to 98.1%. We strengthened the complaint response mechanism by setting up pre-warning of complaint keywords, setting up a hierarchical reporting mechanism for complaints, and adding a special task force for public opinion maintenance. Upon receipt of a complaint, we will register the details of the complaint, identify the reasons behind it and arrange the department and person in charge of handling the complaint. In FY2022/23, we achieved 100% closed-loop resolution of complaints from all channels with an average resolution time of 5.43 hours. All information relevant to the complaint will be kept strictly confidential and will only be used for our internal evaluation to prevent re-occurrence of similar complaint cases.

According to the health tracking report of Bosideng brand conducted by Ipsos, a third-party research agency, the brand recognition rate and top-of-mind awareness rate of Bosideng are both in the leading position in the entire apparel industry currently. Among them, the top-of-mind awareness rate reached 71%, the net promoter score (i.e. NPS) was as high as 56, and brand reputation was as high as 9.17. These indicators of brand health have all improved as compared to those of the previous year, and the Bosideng brand recognition in the minds of consumers has become more positive.

- **Responsible marketing**

The Group strictly abides by the laws and regulations and the down apparel standards of the countries and regions where our businesses are operated, and faithfully lists the product information in the product logo and advertising information to eliminate any false information and to avoid misleading consumers. We protect consumer privacy and information security in accordance with the law, collect, process and use consumer personal information in strict accordance with relevant laws and regulations, strictly prohibit divulging consumer personal information, and prohibit sharing consumer information with third parties. During the Year, the Group was not aware of any major violations in the health and safety, advertising, labelling and privacy issues relating to its products and services.

In FY2022/23, we further regulated the application of brand identify and showed the way to spread online and offline use of these regulations with abundant cases, which is conducive to maintaining consistency of brand communication and creating differentiated and successful brand image that is relevant to customers in a specific environment.

5.2 CHEMICALS MANAGEMENT

We are committed to providing consumers with safe, environmentally friendly, and responsibly manufactured products. We take chemicals management as an important part of our sustainability strategy and repay the trust consumers place in us by responsibly managing chemical use.

The Group has developed standard operating procedures for chemical testing as part of material selection and approval. We strictly abide by the China National Standards GB18401-2010, National General Safety Technical Code for Textile Products, and GB31701, Technical Specification for Textile Products for Infants and Children, and other mandatory standards and more than 100 product standards, as well as applicable regulations on product safety in the countries/regions where we operate and sell.

During the Year, under the management requirements of China National Accreditation Service for Conformity Assessment ("CNAS") for chemicals, Bosideng organized a variety of activities in chemical management, to control different activities such as chemical classification, procurement, labeling, storage, warehousing, use, emergency treatment, supervision and inspection. We focus on the limitation and detection, in the inspection standards for raw materials, of the restricted substances such as APEO (alkylphenol ethoxylates, one of the most commonly used additives in detergents for the down industry), aromatic amines, carcinogenic dyes, heavy metals, flame retardants in the Manufacturing Restricted Substances List (MRSL). We have also developed a management list of consumable materials, defined the hazard level of designated chemicals in the input stage, and improved the management accordingly.

Bosideng has its own testing centre to test each batch of raw materials. We also entrust a third-party authoritative testing agency on an irregular basis to test raw materials, and the proportion of entrusted third-party inspection was approximately 10%. Restricted substance testing will be conducted at the garment stage. During the Year, our external inspection expense was approximately RMB550,000 (excluding inspections of raw materials sent by suppliers). In addition, we also require our suppliers to regularly test the raw materials supplied to us and submit the test results to us to ensure that they meet our standards over the long term.

In FY2022/23, we updated and procured more raw material laboratory equipment, at a purchase cost of approximately RMB2.77 million. The newly purchased liquid chromatogram mass spectrometry instrument enables self-testing of APEO project. After the purchase, the test centre can undertake up to 40 material physicochemical testing programs, including 17 down apparel testing programs.

6 NATURE POSITIVE



As a renowned PRC down apparel enterprise, Bosideng deeply recognizes that its economy depends on and blends in with nature. To this end, we keep promoting green transformation, actively assume climate responsibility and practically conduct raw material management, packing material control, pollutant reduction, waste management and other work to reduce carbon footprint of our own and the entire value chain.

Environment Policy

- **Compliance with regulations:** To comply with the requirements of domestic laws and regulations on environmental protection and the international environmental protection conventions to which China is a party, and the environmental protection and safety requirements of the exporting countries or regions of the Group's products.
- **Pollution prevention:** To actively advocate and implement green processes and products, and prevent and control the generation and discharge of pollutants in production and business activities and products.
- **Energy conservation and emission reduction:** To strengthen energy resource management, keep the energy resource consumption low in the same industry; control and reduce pollutant emissions.
- **Environmental protection:** To expand the Company's environmental management from the pollution prevention and control stage to the environmental protection stage.
- **Continuous improvement:** Continuous improvement of environmental protection issues in process operation and development, and continuous improvement of management level.

6.1 CLIMATE RESPONSIBILITY

In March 2023, the United Nations Intergovernmental Panel on Climate Change (IPCC) released Climate Change 2023, the sixth comprehensive assessment report, indicating that the nature and the human society is facing increasingly urgent climate crisis and more complicated climate change risk. However, we also have a variety of feasible, effective and systematic proposals to reduce greenhouse gas emissions and respond and adapt to climate change. According to the report, to achieve the goal of temperature raise control, all industries and sectors should make in-depth, rapid and sustained transformation to significantly reduce greenhouse gas emissions.

As a garment enterprise, Bosideng has long been aware that our business is suffering from the risks and opportunities brought by climate change. Taking green transformation as our goal, on one hand, we adapt to climate change by managing the operational risks from climate change, and on the other hand, we make our best efforts to mitigate climate change by reducing carbon emission of our business. During the Year, we engaged external consultants to carry out the assurance readiness assessment of the relevant environmental performance data, to assess our current readiness for ESG assurance.

6.1.1 Carbon footprint

All-round actions are required to respond to climate crisis. We actively respond to climate change while concerning other affected climate-relevant areas to manage our impact on the environment in a responsible manner.

At Bosideng, we are committed to doing our part to combat climate change, and the efforts to support that commitment require that we understand where our emissions come from. We recognize that our responsibility is not only limited to direct operations, but extends to the full life cycle of our products. Therefore, we further clarified the emissions of the value chain during the Year.

6.1.2 Climate actions

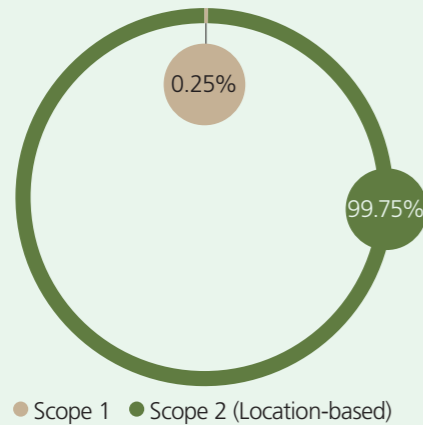
Guided by climate strategy, we go all out to reduce our greenhouse gas emissions through all-round climate actions and promote our journey to net-zero emission mainly in three aspects, being improving energy efficiency in our own operations and supply chain, expanding the use of renewable electricity in our own operations, and using more environmentally friendly fabrics in our products.

- **Energy efficiency**

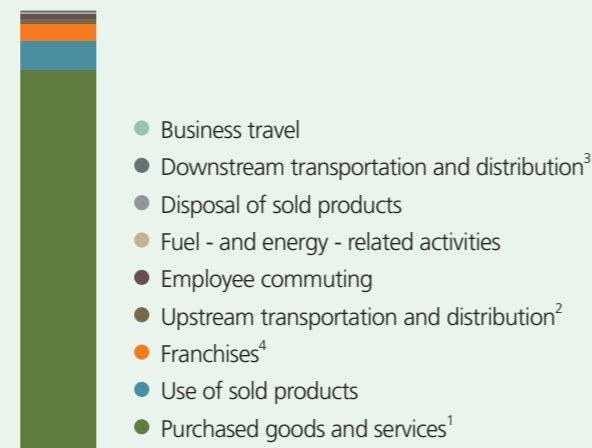
We see improving energy efficiency as an important initiative to reduce the impact of climate change. We identify the most cost-effective links and ways to reduce emissions throughout our operations based on our emissions hotspots.

Administration	<ul style="list-style-type: none"> - Advocating green paper use and paperless office, improving paper use efficiency, promoting more use of recycled paper and enhancing paper recycling - Practicing energy and electricity conservation, scientifically setting elevator operation during peak hours and turning off power supply of unneeded equipment in time - Active promotion of the use of new energy for shuttle buses
Logistics park	<ul style="list-style-type: none"> - Replacement of the halogen lamps in the warehouse covering 18,000 square meters with LED lamps
Retail stores	<ul style="list-style-type: none"> - In 2022, the global experience store in Nanjing West Road in Shanghai applied an intelligent lighting system which had reduced energy consumption to 28% - We intend to apply the intelligent lighting system to our key stores in China
Suppliers	<ul style="list-style-type: none"> - Facilitation of fuel decarbonization and energy electrification in upstream plants, and provision of strategic guidance and technical support for suppliers to gradually phase out coal-fired equipment - Plan for the construction of a comprehensive management system to improve suppliers' energy consumption and carbon emissions, promoting the construction of suppliers' environmental and energy management system certification and green supplier list, and driving suppliers' low-carbon and green development

The composition of Bosideng Scope 1 and Scope 2 greenhouse gas emissions



Scope 3 emission



1. Including emissions from down and fabric production and garment processing
 2. Including emissions generated from inbound logistics before products are sold, outbound logistics, transportations between company-owned equipments, operation of outsourced warehouse area, and express delivery after products are sold
 3. Including emissions from the operation of agent warehouse area
 4. Including emissions from our franchise operations



6 NATURE POSITIVE

CASE

Opening up low-carbon stores

In 2022, Bosideng's world's first brand experience store was opened up at Nanjing West Road, Jing'an District, Shanghai. A down technology experience center, a scenario experience centre and a member experience centre were built, respectively, with multi-dimensional, upgraded and huge three-storey space, bringing new immersive down technology experience for consumers.

While innovating consumer experience, the global experience store at Nanjing West Road also comprehensively adopts an intelligent store service system; in particular, the intelligent light control system, the intelligent voice control system and the eco-friendly recycling services may effectively reduce energy consumption and achieve energy conservation and emission reduction during the operations of the store. In particular, the intelligent light control system sets energy conservation schedule for adjustment of lighting by time period and area at the time of low customer traffic and without affecting the lighting of products to achieve more effective use of energy. The energy conservation schedule is executed automatically and requires no labour intervention. The actual energy consumption saved reached 28% upon the implementation of the proposal. Additionally, the experience store at Nanjing West Road also adopts an air conditioning system with comprehensive application of energy-saving and eco-friendly technology, for example, the fins adopt hydrophilic aluminium foil that can



improve the heat exchange rate and brushless DC motor fan coil that can effectively save energy and reduce consumption, and others.

Bosideng has been adhering to high standards for the construction of retail stores. At present, the terminal stores have comprehensively adopted LED cold light source lamps, with an average power of 33W each, which is about 50% lower than the average energy consumption of metallic halogen lamps used before the renovation. In the process of renovation, Bosideng also always requires to prefer the use of eco-friendly materials, such as paint products that meet the national environmental mark certification, plates with formaldehyde release of no more than 0.03mg/m³, low-smoke and halogen-free electric wires that are characterized by, among others, zero halogen, high flame retardance, low toxin, non-corrosive gas, providing consumers with a relieved shopping experience.

- **Renewable electricity**

We have installed photovoltaic power generation equipment on the roof of warehouses in the logistics park in East China where conditions are met. In FY2022/23, the photovoltaic power generation of the logistics park was 960MWh, representing approximately 22% of the total power consumption of the logistics park. We will continue to enhance investment in the construction of photovoltaic power equipment and expand the use of renewable electricity, to make photovoltaic power generation account for 50% of the total power consumption of the logistics park.



- **Low carbon fabric**

We continue to research, develop and promote the use of new environmental fabrics and provide our products with low-carbon property from the stage of raw material procurement.

GORE-TEX polyethylene (ePE) film-based eco-friendly technology fabric

The down apparels Bosideng launched with GORE-TEX brand are equipped with GORE-TEX polyethylene (ePE) film-based eco-friendly technology fabric. Such products are light in weight, thin and tough, and durable. The film is PFC (Full-chlorinated Compound) free and reduces carbon footprint through lighter material quality while adopting novel material combinations. Adopting new expanded polyethylene (ePE) film, the brand-new GORE-TEX products also provide long-lasting protection against water and wind with breathability, have a long life cycle and can effectively respond to weather and temperature changes.

- **Promoting green transformation of the industry**

Under the global consensus of carbon neutrality, Bosideng regards promoting the green transformation of the industry as its responsibility. In March 2023, Bosideng launched the key project of the "Marching Toward Net-zero Emission: Research on High-quality Low-carbon Transformation Path of the Down Apparel Industry" with China Feather and Down Industrial Association at the 26th China International Down & Feather Exposition, with an aim to explore, based on the specific practices of model energy-efficient enterprises, innovative path for high-quality development of the down industry under the "dual carbon" background, driving the provision of more green products and creating a sustainable industry ecology.

- **Carbon neutral forest of Bosideng**

By fostering an ecological shrub public welfare forest, Bosideng brought green to Tonggu Zhuoer Gacha, Alxa Left Banner, a land covered by the Tengger Desert, which laid a sound foundation for achieving carbon neutrality on a natural basis in the future. In 2023, the phase III carbon neutral forest occupied an area of 60 mu.

6 NATURE POSITIVE

6.2 PREFERRED MATERIALS

We uphold the principle of responsible procurement and strive to ensure our raw materials comply with the requirements of high-quality standard, sustainability and social responsibility, which is an important step for us to become a sustainable fashion practitioner and also an important commitment to fulfilling our responsibilities to the consumers and the society.

6.2.1 Important raw materials

Understanding and tracing sources and usage of raw materials are important to ensure a sustainable supply chain. We identify the major raw materials for Bosideng products and constantly monitor their input and consumption, assess their environmental and social impact through comprehensive knowledge of raw materials and take more responsible actions based on such information.

Our major raw materials include fabrics, linings, galls and filler. Fabric is the external material of our products and is made primarily from polyester fiber and polyamide. These materials provide the durability and appearance characteristics of our products. Lining and gall are inner materials of our products and comprise mainly polyester fiber. Down is the major filling of our products, and comprises primarily goose and duck feather with a 90% content.

The adoption of these key raw materials enables our products to possess high-quality, comfortable and environmentally-friendly properties while satisfying customer demands and expectations. We will also continuously work hard to seek for alternative eco-friendly and sustainable materials to promote more sustained product manufacturing.



Main raw materials	Relevant certifications	Proportion
Down	RDS	100%
	bluesign®	48%
	OEKO-TEX®	70%
Other main raw materials other than down ^①	Major components	The proportion of materials consumption by length
Fabric	Polyester fiber, polyamide, etc.	52%
Lining	Polyester fiber, etc.	19%
Gall material	Polyester fiber, etc.	29%

① Other main raw materials other than down exclude back lining, edge and other materials used for apparel.

6.2.2 Responsible sourcing of critical raw materials

Down, as one of our most important raw materials, is mainly purchased by the Group, providing lightness and warmth to our products and is a key focus of our responsible sourcing. We want to reduce any form of animal cruelty by increasing responsible down sourcing, and provide consumers with safe and reliable down products.

We deeply recognize that protecting animal welfare is an important part of our responsible procurement of raw materials. Bosideng keeps strengthening its focus and efforts on animal welfare issues and the improvement of the sustainability and ethics of its down products. We give priority to down suppliers certified by RDS, and require the raw down must come from the ducks with a feeding cycle of more than 40 days or geese with a feeding cycle of more than 70 days. During the Year, we achieved our set goal as we had 100% of our down certified to the Responsible Down Standard (RDS). As a part of our commitment, we will keep proactive working with down suppliers to establish a more sustainable and responsible down industry.

RDS (Responsible Down Standard) takes the humanitarian protection of animals as its starting point, encourages humanitarian treatment of ducks and geese in the supply chain by providing the best standards in the industry, ensures that down comes from non-essentially harmed animals, and establishes a traceability system, to verify that the source of down meets the RDS requirements.

Important principles for RDS certification:

- Down farms should not sell force-fed waterfowl (especially the tube feeding method often used in the production of foie gras);
- Down farms should not remove feathers from waterfowl in a live-plucking manner;
- Down farms should abide by local laws on animal welfare;
- Down farms should always provide clean, fresh and safe drinking water for waterfowl;
- Down farms should provide sufficient space and a comfortable environment for waterfowl;
- Waterfowl residence should be cleaned and disinfected regularly and thoroughly;
- Down farms are required to ensure that all waterfowl over 3 days of age are certified and the source of waterfowl is traceable.

To further improve the health and safety performance of our products from the source, we have set down quality standards that are stricter than the national standards, including 3 categories which are customer-oriented key guidelines, national standard requirements and safety indicators, and give priority to purchasing OEKO-TEX® and bluesign® certified raw materials. During the reporting period, 70% of the down raw materials procured by the Group obtained the OEKO-TEX® certification and 48% were procured from the suppliers with the bluesign® certification.

We have an expert-level laboratory accredited by CNAS, and every batch of down will go through the SAP system for inspection. After being sampled by laboratory personnel, it will then be tested in accordance with the standards, and the down that passes the test can be put into storage. In addition, we keep focusing on and renewing down inspection standards to further reduce the content of hazardous substances in down and its impact on the environment. In last year, APEO content was reduced from below 1000mg/kg to below 100mg/kg, and further to below 80mg/kg during the Year. The reduction of APEO content in down products enables us to provide safer down products to consumers, while reducing adverse impact on the environment and the ecology, demonstrating Bosideng's commitment to product quality and environmental protection.

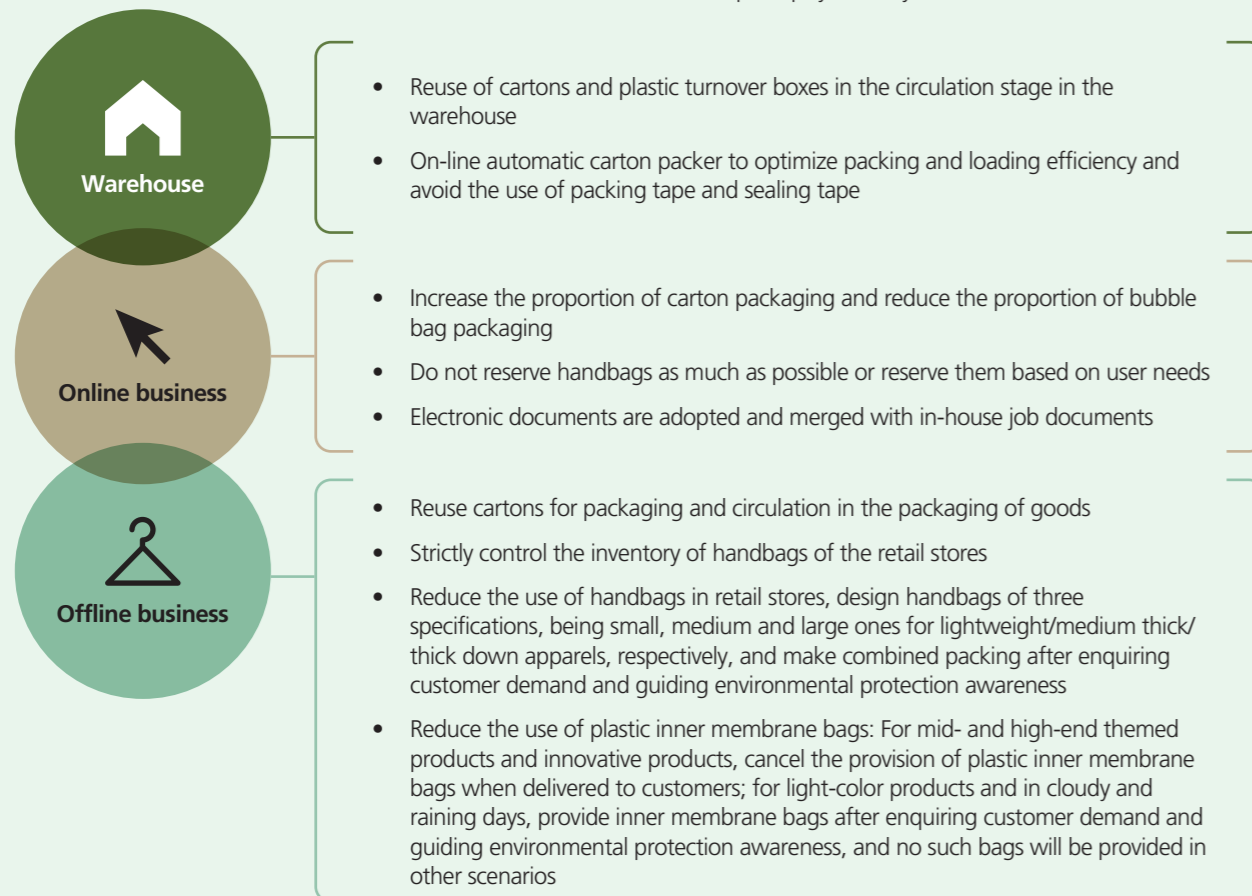


Bosideng APEO Inspection Equipment

6 NATURE POSITIVE

6.3 PACKAGING

Packaging materials are widely used in product protection during transportation. We consume many types of packaging materials in shipping of our products, including cartons, handbags and bubble bags. To reduce the negative impact of packaging materials, we have taken a series of measures to gradually phase out packaging materials that have a greater impact on the environment and promote the reuse of packaging materials in more scenarios. In FY2022/23, we replaced a total of 1.3 million pieces of plastic packaging with paper out-fillers.



6.4 WATER RESOURCES

Bosideng values efficient use of water and regards water management as a part of its environmental management policy. We continue to promote normalized water-saving action by developing water-saving goals and management proposals, such as using water-saving sanitary equipment and sanitary appliances and inspecting water pipe on a regular basis to avoid water dripping and leakage. We also promote water conservation practices in our retail stores. We continuously monitor the water consumption of the Group's headquarters office, canteen, dormitory and other places in daily operations, require all departments to regularly report water consumption and conduct self-evaluation, and promptly identify the reasons for abnormalities and

implement measures for improvement. In addition, Bosideng endeavors to enhance its employees' water-saving awareness and cultivate good water-saving habits through water-saving publicity and education.

In terms of waste water disposal, Bosideng primarily generates domestic wastewater in its operations. Such domestic wastewater will be discharged to the municipal pipeline for central treatment and will only be discharged after standards are met.

6.5 WASTE

Bosideng has developed the Management Regulations on Waste Disposal to regulate the classification, collection and management of solid waste generated within the Group. Wastes generated within the Group are mainly general waste such as kitchen waste, operational waste and decoration waste, and a small amount of hazardous waste. We strictly abide by relevant regulations on waste management to ensure all wastes are properly handled.

6.5.1 General waste

- **Kitchen waste:** It comes mainly from headquarter employee canteen, which is collected by designated garbage cans in the canteen, and transferred by the garbage trucks designated by the local sanitation department to garbage transfer stations on a regular basis for harmless treatment.
- **Operational waste:** Designated cleaner is arranged to collect domestic waste generated by each department on a daily basis, which is transferred by the local sanitation department to garbage transfer stations for harmless treatment. For paper, cloth and

other recyclable wastes, we have set up recycling points in various office areas of our headquarters for recycling. We also actively advocate green office, implement a paper control mechanism to prevent the misuse of paper, and encourage employees to use renewable paper as much as possible to reduce environmental pollution.

- **Decoration waste:** It is generated from the renovation and reformation process of our retail stores. For outsourced renovation works, the contractor is contractually responsible for harmless treatment of renovation waste; renovation waste not provided in the contract will be cleared and shipped by personnel designated by the logistics department. In particular, the recyclable part is delivered to the recycling unit for recycling, and the non-recyclable part is entrusted to the local sanitation department for harmless treatment.

6.5.2 Hazardous waste

The hazardous waste produced by Bosideng is mainly waste acid generated in the operations of our headquarters and retail stores. We manage hazardous waste through the environmental operation management system, and assign the logistics department to be responsible for collecting hazardous waste and hand over such hazardous waste to qualified hazardous waste disposal units for disposal according to the specifications. At the same time, our system office regularly collects the information on disposal of hazardous waste, and reports the same to government agencies through Suzhou Hazardous Waste Management System.

6 NATURE POSITIVE

6.6 ENVIRONMENTAL REQUIREMENTS FOR SUPPLIERS

Bosideng attaches great importance to the environmental responsibility of the supply chain, clearly states that green development is a key factor in the cooperation with suppliers, and requires suppliers to actively take relevant measures during their operations.

We include environmental liability clauses in supplier contracts and clarify to suppliers our requirements for environmental protection by issuing open letters on environmental and social responsibilities. We require suppliers to comply with national, local and industry laws and regulations on environmental protection in the production process of products, and discharge pollutants (wastewater, waste gas, solid waste, noise, etc.) upon meeting national or local discharge standards. We advocate technological innovation and recyclable technology, continuously encourage suppliers to use environmentally friendly dyes and fluorine-free processes, and require them to give priority to the production process that meets environmental protection standards and energy-saving requirements, with low energy consumption, low pollution, non-toxicity and high resource utilization rate. In order to monitor the certification and implementation of suppliers' environment-related systems, we have established a supplier list, and the coverage rate of ISO 14001, ISO 50001, ISO 45001, GRS, RDS, OEKO-TEX® and ISO 9001 during the Year was approximately 28%.

On this basis, we issued an open letter on environmental and social responsibility to suppliers, which clearly requires that low-carbon, green and sustainable development is a key factor in cooperation between the parties, requires suppliers to actively take measures to achieve low-carbon emission reduction and green development in the operation, and incorporate relevant requirements into the contract, suppliers with environmental management system or energy management system will be given extra points. We will also distribute the Environmental and Energy Health Management System Requirements Survey (《環境能源安管理體系需求調查表》) to suppliers to understand their capacity building needs in terms of environmental and social performance, and recommend professional institutions to provide guidance based on their needs, so as to better promote suppliers to develop cleaner production methods.

In order to improve the ability of the entire supply chain to fulfill environmental responsibility, we provide environment-related capacity building support to suppliers, and make investigation into our suppliers through the Environmental and Energy Health Management System Requirements Survey (《環境能源安管理體系需求調查表》) to understand suppliers' needs for environmental performance capacity building, and recommend professional agencies for guidance based on their demands. During the Year, Jiangsu Xuezhongfei Garment Co., Ltd., a company incubated by the Group, was granted a Jiangsu Green Factory Certification. The Supply Chain Management Center put forward improvement requirements and standards for the suppliers without satisfying environmental protection requirements, and tracked the improvement results to ensure that the suppliers ultimately meet our requirements. For other details regarding selection of suppliers, please refer to the section headed "4.2.2 Suppliers labor performance evaluation" in this Report.

7 OUTLOOK

With the rising influence of practical issues such as climate change and labor rights, society's expectations for the fashion industry are reshaping. Being the sustainable fashion that pays attention to environmental impact and reduces inequality has become the only way for the long-term development of the fashion industry. We need to integrate the awareness of sustainable development into the whole life cycle of the product and demand ourselves with a stronger sense of mission and responsibility, so as to give full play to the positive impact of fashion on the society.

In the past year, we engraved the original mission of "Bosideng warms the world" in our heart, and have been committed to providing consumers with better products and services, creating a safe and secure working environment with ample opportunities for the Company and supply chain employees, implementing more environmentally friendly raw material procurement and production activities, and making unremitting efforts to build a better community.

In the future, Bosideng will further focus on ESG responsibilities and assume the role of a leading brand in the industry. Meanwhile, it will constantly improve the management level of ESG, maintain communication with stakeholders, and timely disclose the progress of our sustainable development to the public with reference to the ESG Reporting Guide issued by the Stock Exchange and excellent sustainable practices in the fashion industry.



8 SUMMARY OF ESG PERFORMANCE DATA

ENVIRONMENTAL PERFORMANCE DATA

Greenhouse gas emission				
Indicators	Unit	FY2022/23	FY2021/22	FY2020/21
Scope 1 and 2 emission	tonnes	36,267.9	31,346.2	39,094.2
Scope 1 and 2 emission density	tonnes/RMB million revenue	2.9	2.7	4.0
Scope 1 emission	tonnes	89.1	117.7	139.9
Scope 2 emission (based on location)	tonnes	36,178.8	31,228.5	38,954.3
Scope 3 emission*	tonnes	758,418.5	–	–

We cooperated with external certification authorities to verify Scope 1, Scope 2 and Scope 3 greenhouse gas emissions of our branded down apparel business in mainland China based on office operations of operational control, logistics parks and retail outlets, covering April 1, 2022 to March 31, 2023 and obtained ISO 14064-1:2018 certification.

* For FY2021/22 and preceding years, the Group did not cooperate with external certification bodies and examine for Scope 3 emissions.

Energy				
Indicators	Unit	FY2022/23	FY2021/22	FY2020/21
Comprehensive energy consumption	MWh	64,782.3	55,209.8	64,571.2
Energy consumption density	MWh/RMB million revenue	5.1	4.7	6.6
Gasoline*	tonnes	15.3	21.3	14.7
Diesel fuel*	tonnes	0.2	1.5	12.6
Natural gas	ten thousand cubic meters	1.9	2.3	3.4
Purchased electricity	MWh	63,438.1	53,788.5	63,849.1
Photovoltaic power generation	MWh	960.3	934.0	N/A
Power transmission	MWh	18.5	38.9	N/A
Self-consumed electricity	MWh	941.8	895.1	N/A

Exhaust				
Indicators	Unit	FY2022/23	FY2021/22	FY2020/21
SOx	kg	0.3	0.4	0.5
NOx	kg	20.5	85.0	124.6
PM	kg	1.5	7.6	12.1

* In FY2022/23, the Group's consumption of gasoline and diesel fuel decreased as a result of reducing the use of vehicles in its own fleet and continuing to promote the electrification of shuttle buses

8 SUMMARY OF ESG PERFORMANCE DATA

Raw material				
Indicators	Unit	FY2022/23	FY2021/22	FY2020/21
Down (raw materials certified)				
RDS	%	100	100	95
bluesign®	%	48	45	49
OEKO-TEX®	%	70	65	N/A
Main raw materials other than down (materials consumption by length)				
Fabric	%	47	47	44
Lining	%	16	15	19
Gall material	%	37	38	37

Waste				
Indicators	Unit	FY2022/23	FY2021/22	FY2020/21
Non-hazardous waste	tonnes	10,872.9	13,087.4	11,452.0
Hazardous waste*	kg	0.0	45.0	1.3
Non-hazardous waste density	kg/RMB million revenue	858.7	1,122.4	1,172.7
Hazardous waste density*	kg/RMB 100 million revenue	0.0	0.386	0.013

Water resources				
Indicators	Unit	FY2022/23	FY2021/22	FY2020/21
Water consumption	ten thousand cubic meters	30.1	30.0	26.8
Water drainage	ten thousand cubic meters	10.0	15.5	13.2
Water consumption density	cubic meter/RMB million revenue	23.8	25.7	27.5
Water drainage density	cubic meter/RMB million revenue	7.9	13.3	13.5

Packaging				
Indicators	Unit	FY2022/23	FY2021/22	FY2020/21
Packaging material consumption	tonnes	6,738.7	6,300.4	7,831.4
Packaging material consumption density	kg/RMB million revenue	532.2	540.3	801.9

* The hazardous waste generated in FY2021/22 is mainly due to waste mineral oil generated during routine equipment maintenance in that year

SOCIAL PERFORMANCE DATA

Employment				
Indicators	Unit	FY2022/23	FY2021/22	FY2020/21
Number of employees	person	12,183	10,118	9,028
Employee diversity: gender				
Male	person	2,218	2,063	1,961
Female	person	9,965	8,055	7,067
Employee diversity: age				
Aged between 18 and 30	person	4,121	3,007	3,242
Aged between 31 and 50	person	7,946	6,949	5,689
Aged 51 and above	person	116	162	97
Employee diversity: grade				
Non-management	person	10,924	9,156	9,028
General management	person	1,090	820	459
Senior management	person	169	142	136
Employee diversity: employment type				
Formal employees	person	12,183	10,118	9,020
Informal employees	person	0	0	8
Employee diversity: geographical region				
Mainland China	person	12,136	10,077	9,016
Outside mainland China	person	47	41	12
Employee turnover rate: gender				
Male	%	5.7	6.0	3.8
Female	%	1.9	2.3	3.7
Employee turnover rate: age				
Aged between 18 and 30	%	4.6	5.7	1.5
Aged between 31 and 50	%	1.5	1.8	3.6
Aged 51 and above	%	3.3	0.6	91.0
Employee turnover rate: grade				
Non-management	%	2.4	2.6	3.6
General management	%	4.6	6.7	8.7
Senior management	%	4.5	4.0	2.2
Employee turnover rate: geographical region				
Mainland China	%	2.6	3.1	3.8
Outside mainland China	%/x	4.6	0	2.5x
Employee turnover rate: employment type				
Formal employees	%	2.7	4.6	3.8
Informal employees	%/x	0	1.0x	1.1x

8 SUMMARY OF ESG PERFORMANCE DATA

Training and development				
Indicators	Unit	FY2022/23	FY2021/22	FY2020/21
Total training hours	hour	261,137	69,787	40,353
Average training hours:	hour/person	21.4	7.8	4.5
Average training hours: gender				
Male*	hour/person	21.4	–	–
Female*	hour/person	21.4	–	–
Average training hours: grade				
Average training hours for senior management*	hour/person	59.2	–	–
Average training hours for general management*	hour/person	50.0	–	–
Average training hours for non-management*	hour/person	18.0	–	–
Training coverage ratio	%	100	100	100

* In FY2020/21 and FY2021/22, due to the hardware conditions of the online training system, statistics of average training hours by gender and level type are not available currently.

Health and safety				
Indicators	Unit	FY2022/23	FY2021/22	FY2020/21
Work-related injuries	person	2	2	1
Work-related fatalities	person	0	0	0
Percentage of work-related injuries	%	0.02	0.02	0.01
Percentage of work-related fatalities	%	0	0	0
Days lost due to work	day	35	54	261

Supplier management				
Indicators	Unit	FY2022/23	FY2021/22	FY2020/21
Number of suppliers	/	289	281	319
Suppliers by type				
Suppliers of raw material	/	130	119	113
Production suppliers	/	115	122	158
Other suppliers	/	44	40	48
Suppliers by region				
Mainland China	/	288	280	318
Hong Kong, Macau and Taiwan area	/	1	1	1
Oversea region	/	0	0	0
Supplier review				
Number of suppliers subject to review	/	245	241	271
Number of suppliers with non-compliance	/	19	57	63
Number of suppliers rectified	/	0	35	40
Number of suppliers with whom cooperation is terminated	/	19	22	23

Community investment				
Indicators	Unit	FY2022/23	FY2021/22	FY2020/21
Charitable donation	RMB ten thousand	1,237	2,797	2,387

9 HKEX ESG REPORTING GUIDE INDEX

General disclosure and key performance indicator			
Indicator	Description	Section	Remark
Environment			
Aspect A1: Emission			
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 greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Nature Positive	During the reporting period, there were no material non-compliant events involving gas emissions, sewage discharge into water and land, and waste generation
Key performance indicator A1.1	The types of emissions and respective emissions data	N/A	During the reporting period, gas emissions were immaterial to the operation of the Group
Key performance indicator A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity	Summary of ESG Performance Data	
Key performance indicator A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity	Summary of ESG Performance Data	
Key performance indicator A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity	Summary of ESG Performance Data	
Key performance indicator A1.5	Description of emissions target(s) set and steps taken to achieve them	N/A	No emission reduction target was set during the reporting period
Key performance indicator A1.6	Description of how hazardous and non-hazardous wastes are handled and a description of reduction target(s) set and steps taken to achieve them.	Waste	No waste reduction target was set during the reporting period

General disclosure and key performance indicator			
Indicator	Description	Section	Remark
Environment			
Aspect A2: Use of resources			
General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Nature Positive	
Key performance indicator A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity	Summary of ESG Performance Data	
Key performance indicator A2.2	Water consumption in total and intensity	Summary of ESG Performance Data	
Key performance indicator A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	Climate Responsibility	
Key performance indicator 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.	Water Resources	During the reporting period, the Group did not have any issue in sourcing suitable water
Key performance indicator A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	Summary of ESG Performance Data	
Aspect A3: Environment and natural resources			
General disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Nature Positive	
Key performance indicator A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Nature Positive	

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General disclosure and key performance indicator			
Indicator	Description	Section	Remark
Environment			
Aspect 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.	Climate Responsibility	
Key performance indicator 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	Climate Responsibility	
Social			
Employment and labor practice			
Aspect B1: Employment			
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Our Employees	During the reporting period, there were no material non-compliant events involving employment and labor practice
Key performance indicator B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region	Summary of ESG Performance Data	
Key performance indicator B1.2	Employee turnover rate by gender, age group and geographical region	Summary of ESG Performance Data	

General disclosure and key performance indicator			
Indicator	Description	Section	Remark
Environment			
Employment and labor practice			
Aspect B2: Health and safety			
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Our Employees	During the reporting period, there were no material non-compliant events involving occupational health and safety
Key performance indicator B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	Summary of ESG Performance Data	
Key performance indicator B2.2	Lost days due to work injury	Summary of ESG Performance Data	
Key performance indicator B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	Our Employees	
Aspect B3: Development and training			
General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Our Employees	
Key performance indicator B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	Summary of ESG Performance Data	
Key performance indicator B3.2	The average training hours completed per employee by gender and employee category	Summary of ESG Performance Data	

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General disclosure and key performance indicator			
Indicator	Description	Section	Remark
Environment			
Aspect B4: Labor standard			
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.	Our Employees	During the reporting period, there were no material non-compliant events involving child or forced labor
Key performance indicator B4.1	Description of measures to review employment practices to avoid child and forced labor	Our Employees	
Key performance indicator B4.2	Description of steps taken to eliminate such practices when discovered	Our Employees	
Operating practice			
Aspect B5: Supply chain management			
General disclosure	Policies on managing environmental and social risks of the supply chain.	Our Supply Chain	
Key performance indicator B5.1	Number of suppliers by geographical region	Summary of ESG Performance Data	
Key performance indicator 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	Our Supply Chain	
Key performance indicator B5.3	Description of practices used to identify environmental and social risks along the supply chain and how they are implemented and monitored	Our Supply Chain	
Key performance indicator B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers and how they are implemented and monitored	Nature Positive	

General disclosure and key performance indicator			
Indicator	Description	Section	Remark
Environment			
Aspect B6: Product liability			
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Management	
Key performance indicator B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	N/A	During the reporting period, there were no recalls for safety and health reasons
Key performance indicator B6.2	Number of products and service-related complaints received and how they are dealt with	Product Management	
Key performance indicator B6.3	Description of practices relating to observing and protecting intellectual property rights	Product Management	
Key performance indicator B6.4	Description of quality assurance process and recall procedures	Product Management	
Key performance indicator B6.5	Description of consumer data protection and privacy policies and how they are implemented and monitored	Responsible Business Practices	

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General disclosure and key performance indicator			
Indicator	Description	Section	Remark
Environment			
Operating practice			
Aspect B7: Anti-corruption			
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Responsible Business Practices	
Key performance indicator 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	N/A	During the reporting period, there were no concluded legal cases regarding corrupt practices brought against the Group or employees
Key performance indicator B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Responsible Business Practices	
Key performance indicator B7.3	Description of anti-corruption training provided to directors and staff	Responsible Business Practices	

General disclosure and key performance indicator			
Indicator	Description	Section	Remark
Environment			
Community			
Aspect B8: Community investment			
General disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Our Community	
Key performance indicator B8.1	Focus areas of contribution	Our Community	
Key performance indicator B8.2	Resources contributed to the focus areas	Our Community	

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