



Bosideng International Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 3998

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT





## Company Profile


Bosideng International Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) is a renowned down apparel company in the People’s Republic of China (the “PRC”) with down apparel brands, namely *Bosideng*, *Snow Flying* and *Bengen*. The Group satisfies different customers and fosters its leading position in the PRC market through its brands.

Leveraging on its well-established down apparel business, the Group is actively propelling the strategy for developing an evergreen business for four seasons and proactively exploring opportunities to acquire non-down apparel brands with high development potential and good reputations, and striving towards the goal of becoming a world-renowned integrated apparel brand operator. Currently, the Group’s key non-down apparel brands include *Bosideng MAN* for menswear and *JESSIE*, *BUOU BUOU*, *KOREANO* and *KLOVA* for ladieswear.





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# Chairman's Statement

Clothing is one of the basic necessities of human. Bosideng, evolved from a down apparel company to a large-scale apparel group with diversified developments, nowadays, is always committed to meeting consumers' pursuit of high quality life, through its down and non-down apparel.

The Group's principal place of business is in mainland China. Over the past few years, high quality life has gradually become the pursuit of people, which is also what we have been focusing on. In addition to the pursuit of product quality, consumers also attach increasing importance to environmental protection, spirit and morality, etc. Therefore, taking into full account of market development trends and social development needs, we actively adjust our positioning and implement policies that are coordinated with the environment to our business management, environmental protection and social contribution with the sense of urgency and the sense of responsibility that we are determined to be innovative, so as to meet the expectations of all parties and better practice corporate responsibility.

We understand that, an enterprise has to meet the requirements of the government, and face the supervision of the public as well as the demand of its partners including its customers, suppliers and employees in respect of its operation and management. Bosideng attaches great importance to all of its stakeholders. We proactively internalize these external requirements, supervision and demand into our own development need and social responsibility, include the "environmental responsibility" and "social responsibility" into the Group's daily operation and management activities and make "caring for the environment" and "caring for people and the society" become the intrinsic motivation of the Group in pursuing economic benefits and explore sustainable development.

"Quality" and "warmth" are the keywords for the sustainable development of the Group.

In Bosideng, focusing on quality is not only a slogan, but also an interiorized pursuit. For products, we are meticulous, and strive to be exhaustive in terms of quality, safety, environmental protection, comfort and design. For services, we are considerate and emphasize consumer experiences in terms of logistics, interior decoration, display and personnel exchanges. We treat our employees with respect and equality, considering physical and spiritual needs of our employees, respecting their development willingness while cultivating and maintaining good working environment and corporate atmosphere. For the environment, we start from the sources, prioritizing environmentally-friendly materials during raw material sourcing, focusing on energy efficiency and energy consumption during equipment purchases and make prevention for potential problems. To our suppliers, we have strict selection process that focus on their performances in all respects, and stick to win-win partnership to enable our suppliers will grow with us.

Speaking of warmth, it can be said that it is Bosideng's strength and characteristic. Bosideng has established a unique brand image of warmth through the development of its down apparel business, it is a brand label that Bosideng cherishes much. We will also actively extend the definition of warmth on this basis and will not be only limited to the physical properties of down apparel. We integrate more humanized product design into our products, enabling our consumers to feel the internal and external warmth. In treating our employees, we think what our employees think and we are anxious about what our employees are anxious about, so that our employees feel the warmth of the big family of Bosideng. In treating our business partners, we achieve partner-alike warmth among our customers and suppliers through mutual help, mutual encouragement, and win-win partnership; in treating the community. We insist on returning back to the community and addressing the problems of people through understanding their needs. I hope that the warm image of Bosideng will be more deeply rooted through the unceasingly active efforts of Bosideng.

In the course of its development, the Group may be confronted with challenges or adjustment. However, we still uphold the development philosophy of quality first and warmth at top priority, and our determination of firmly taking the road of sustainable development is unwavering. We believe we will achieve our goals with endless efforts in spite of difficulties and obstacles.

Finally, on the occasion of the publication of this report, I would like to represent all the members of the Board of Directors to make a solemn promise on the issue of this report: the Board of Directors take responsibility for the truthfulness and accuracy of this report. At the same time, I also take this opportunity to express my sincere thanks to all friends with care, support and help to Bosideng over the years. Bosideng will take your expectations to continue its way becoming a creator of quality and warm lifestyle.

## Gao Dekang

*Chairman of the Board of Directors*

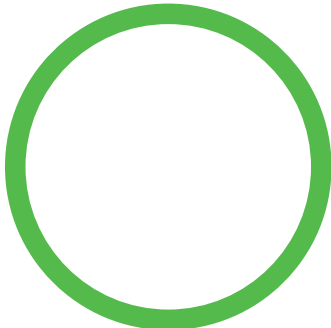
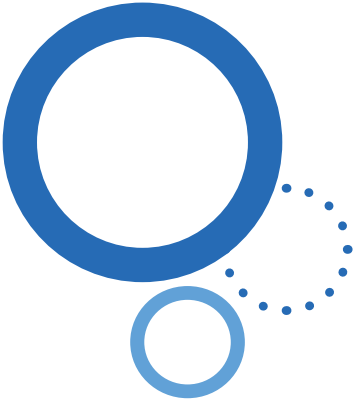
September 26, 2017



# Chairman's Statement



**Gao Dekang** Chairman of the Board of Directors



# About This Report

## BASIS OF PREPARATION

This is the first Environmental, Social and Governance (“ESG”) Report prepared by Bosideng International Holdings Limited (the “Company”, together with its subsidiaries, “Bosideng”, “we” or the “Group”) in accordance with the general disclosure requirements in the “Environmental, Social and Governance Reporting Guide” in Appendix 27 of the Listing Rules of the Stock Exchange of Hong Kong Limited and is the true reflection of the Company’s performance of environmental, social and governance responsibility in 2016/17.

## GROUP BUSINESS

Founded in 1976, the Group is a multi-brand integrated apparel group with down apparel design, sourcing and sales as its principal businesses, and was listed on the main board of The Stock Exchange of Hong Kong Limited (stock code: HK03998) in October 2007. The Group has down apparel brands namely Bosideng, Snow Flying and Bengen, with over 4,000 retail outlets across China. Through these brands, the Group provides a variety of down apparel products to various consumer groups with a view to strengthening its advantageous position in the Chinese down apparel industry.

Bosideng actively implements international standards. The Group has successively passed the ISO9001 quality management system, the ISO14001 environmental management system, the OHSAS18001 occupational health and safety management system certification and the SA8000 social responsibility standards certification. As the “Leading Brand of Textile and

Apparel Industry in China” identified by China National Textile and Apparel Council, the Group has been presenting the fashionable Fall/Winter apparel to the world at China’s International Fashion Week each year since 1997, making outstanding contributions to expand the social influence and international fashion power of Chinese indigenous brands.

Leveraging on its core down apparel businesses, the Group is actively propelling the strategy for developing an evergreen business for four seasons and exploring opportunities to acquire non-down apparel brands with high development potential and good reputations in order to continuously increase the proportion of the non-down apparel business in overall sales. Currently, the major non-down apparel brands operated by the Group include Bosideng MAN for menswear and JESSIE, BUOU BUOU, KOREANO and KLOVA for ladieswear. In addition, the Group’s businesses also include the OEM management business, and its customers are mainly famous brands in the United States.

In the future, Bosideng will mark a new beginning of “becoming the world’s renowned fashionable and lifestyle functional brand operator” to provide consumers with products to achieve fashionable and comfortable lifestyle to enable people to have a better life.

## READERS’ FEEDBACK

We welcome your feedbacks and suggestions on this report, please submit via email (email address: bosideng\_ir@bosideng.com). We promise not to disclose your feedback and personal information to any third parties without your permission.



# About This Report

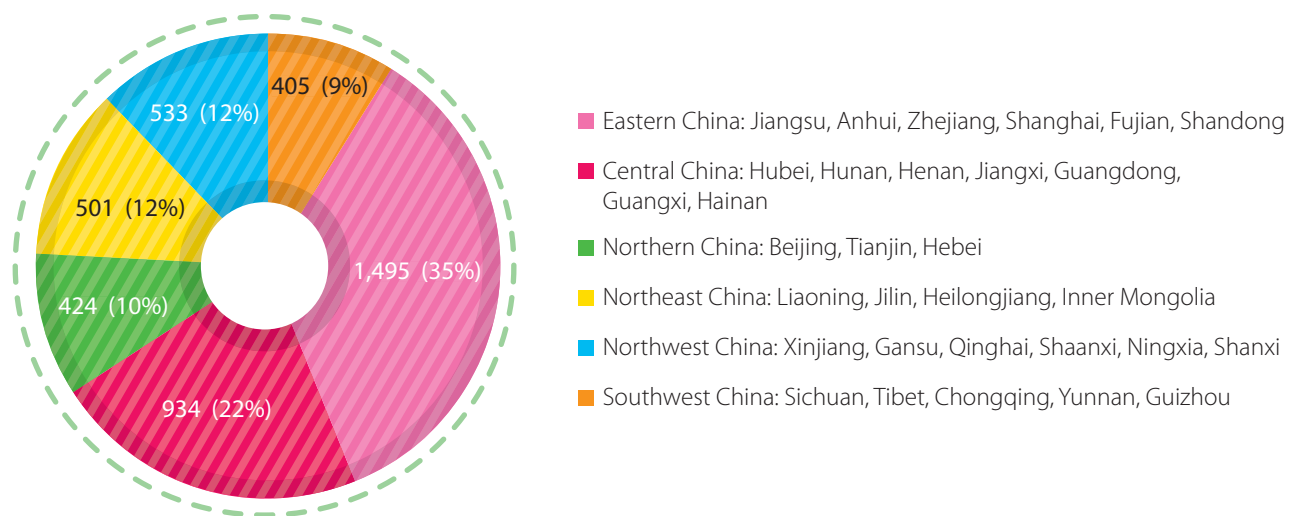
## REPORTING PERIOD AND SCOPE

The reporting period of this report covers the financial year of 2016/17 (from April 1, 2016 to March 31, 2017). The principal business scope of this report is garment sourcing and sales, while the geographical coverage of its principal businesses is the headquarters in Changshu and the retail stores all over China.

The sales network of branded down apparel of the Group is as follows:

As at March 31, 2017	Bosideng	Snow Flying	Bengen	Total
<b>Specialty stores</b>				
Operated by the Group	452	42	–	494
Operated by the third party distributors	1,761	60	311	2,132
Subtotal	2,213	102	311	2,626
<b>Concessionary retail outlets</b>				
Operated by the Group	718	162	–	880
Operated by the third party distributors	461	67	258	786
Subtotal	1,179	229	258	1,666
<b>Total</b>	<b>3,392</b>	<b>331</b>	<b>569</b>	<b>4,292</b>

**Number of retail stores by region**  
As at March 31, 2017



# About This Report

The major subsidiaries of the Company:

Name of company	Place of incorporation/ establishment and business	Group's effective interest	Principal activity
<b>1) Enterprises established outside the PRC</b>			
Bosideng International Fashion Ltd. 波司登國際服飾有限公司	British Virgin Islands	100%	Investment holding
Bosideng UK Limited 波司登（英國）有限公司	United Kingdom	100%	Sourcing and distribution of non-down apparels
<b>2) Wholly foreign owned enterprises established in the PRC</b>			
Bosideng International Fashion (China) Limited 波司登國際服飾（中國）有限公司	PRC	100%	Sourcing and distribution of down apparels
Jiangsu Bosideng Garment Development Co., Ltd. 江蘇波司登服裝發展有限公司	PRC	100%	Sourcing and distribution of non-down apparels
Shanghai Bosideng Trade Development Co. Ltd. 上海波司登商貿發展有限公司	PRC	100%	Distribution of down apparels
<b>3) Sino-foreign equity joint venture enterprises established in the PRC</b>			
Bingjie Fashion Limited 冰潔服飾有限公司	PRC	100%	Sourcing and distribution of down apparels
Bosideng Down Wear Limited 波司登羽絨服裝有限公司	PRC	100%	Sourcing and distribution of down apparels
Kangbo Fashion Limited 康博服飾有限公司	PRC	100%	Sourcing and distribution of down apparels
Shanghai Shuangyu Fashion Limited 上海雙羽服飾有限公司	PRC	100%	Sourcing and distribution of down apparels
<b>4) Domestic companies established in the PRC</b>			
Changshu Bosideng Advertising Co., Ltd. 常熟市波司登廣告有限責任公司	PRC	100%	Advertisement agency
Shenzhen Jessie Fashion Co., Ltd. 深圳市杰西服裝有限責任公司	PRC	70%	Sourcing and distribution of non-down apparels
Changshu Bosideng Import and Export Co., Ltd. 常熟市波司登進出口有限公司	PRC	100%	Sourcing and distribution of OEM products
Jiangsu Bosideng Marketing Co., Ltd. 江蘇波司登營銷有限公司	PRC	100%	Distribution of down apparels
Shanghai Bosideng Clothing Trading Co., Ltd. 上海波司登服飾貿易有限公司	PRC	100%	Distribution of down apparels
Shenzhen Buoubou Fashion Co., Ltd. 深圳邦寶時尚服飾有限公司	PRC	91%	Sourcing and distribution of non-down apparels
Shanghai Bosideng Information Technology Co., Ltd. 上海波司登信息科技有限公司	PRC	100%	Network consulting and e-business of down and non-down apparels
Xuezhongfei Enterprise Co., Ltd. 雪中飛實業有限公司	PRC	100%	Distribution of down apparels
Shanghai Bosideng Electronic commerce Co., Ltd. 上海波司登電子商務有限公司	PRC	100%	E-commerce of down and non-down apparels

i) The English translation of the names of the companies registered in the PRC above is for reference only. The official names of these companies are in Chinese.



# Stakeholders' Engagement

Materiality assessment is essential in identifying the focus of our ESG management strategies. Engaging our stakeholders provides important input for our decision making, which helps us to continuously improve and make progress toward our ESG commitments.

For the first year in preparing the ESG report, we have primarily conducted engagement with our senior management, who has hands-on knowledge of our operations as well as close relationships with key investors and business partners, in collecting views and identifying materiality for the Group. With the facilitation of a third party consultant, engagement surveys and interviews were conducted and assessed. Findings were subsequently transcribed into the materiality results as described in the section below.

The Group's success relies on the support of its major stakeholders including its customers and consumers, employees, partners, government and shareholders. The Group maintains communications with many stakeholders (namely the bodies and individuals with significant influence on or under the significant influence of the businesses of the Group). Through various channels, the Group can identify the latest requirements of its stakeholders in a timely manner and actively respond to them in order to promote the Group's capability of fulfilling its environmental and social responsibility and realizing the objectives of sustainable development.

Stakeholders	Concerns	Communications
Customers and consumers	Product quality, service level and customers' feedback	Customer visits, exhibitions and customer surveys
Employees	Employees' interests, development and occupational health and safety	Employees' congress, labor union and various seminars
Suppliers	Win-win cooperation and integrity and honesty	Visits of supplier factories and industry meetings
Government	Status and compliance of corporate development	Regular communications with local officials, regular reporting and visits of leaders
Shareholders	Corporate results of operation	Shareholders' meetings and Board meetings

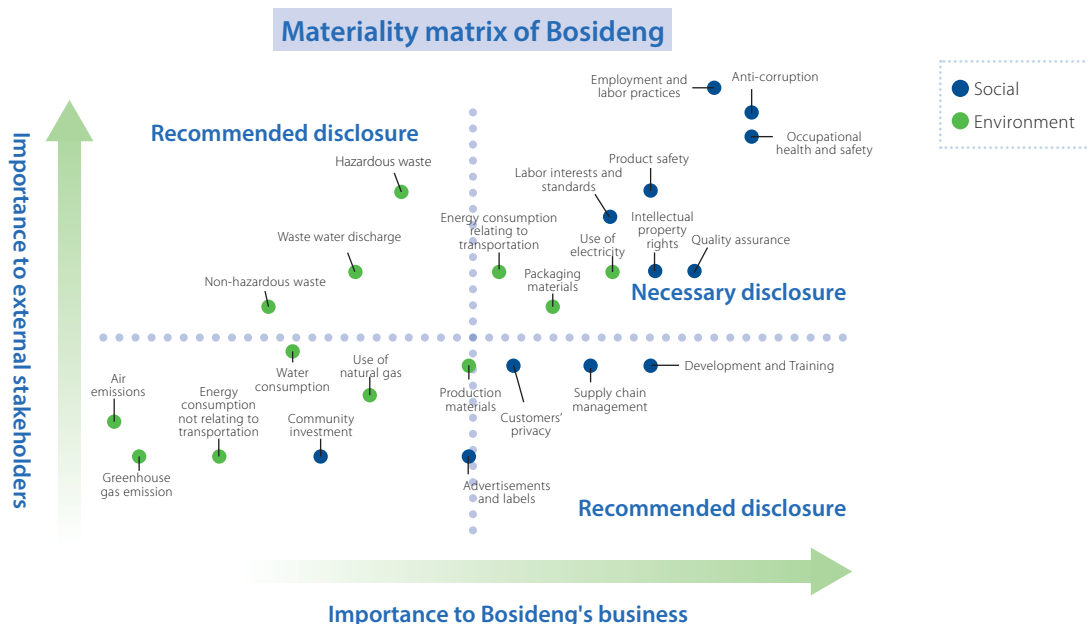


# Materiality Analysis

Views and opinions collected during the stakeholder engagement were assessed and summarized in the materiality matrix below. Each material ESG issue and its relevance to the business operations are listed in descending order categorized by environmental and social aspects in the table below:

Scope	Significant topics	Relationship with business
Environment	Packaging materials	To ensure products of best quality to be delivered to customers, clothing transported from factories to retail stores are required to be protected by different types of packaging materials. Viewed from the perspective of environmental protection, efficiency and cost, packaging materials are commonly sold by marketing outlets to local individual collector or garbage collection points for classified processing and recycling.
	Use of electricity	The Group's headquarter office and retail outlets are required to use electricity. Although the Group can not directly control the electricity management of third-party suppliers during production, we have been cooperating closely with them to influence them and make suggestions for improvement.
	Energy consumption relating to transportation	The transportation fleets need a lot of fuel which will produce a certain amount of exhaust and noise, impacting the environment to some extent as the Group has to transport goods from its headquarters to more than 4,000 retail outlets across the country. Although we do not directly control the transportation fleet, we require outsourced fleets to strengthen day-to-day maintenance and regular vehicle inspection to ensure that the vehicles are in sound conditions. Moreover, we also work closely with the fleets to continuously improve the logistics system.
Social	Anti-corruption	The Group firmly believes that "honesty, integrity and law compliance" is the source of power of corporate development. We require our employees to remain honest and upright, and not to use the Group's resources for their own benefits.
	Occupational health and safety	"Compliance with regulations, safety as the first priority, life as the core value and precaution as the major measure" is the consistent principle of the Group. We are committed to providing a safe and comfortable working environment for employees through the establishment and operation of safety systems and occupational safety trainings.
	Employment and labor practices	The Group attaches great importance to labor exploitation and child labor, and we strictly abide by all local labor laws and regulations.
	Product safety	"Quality", "considerateness" and "warmth" are the core values of Bosideng, and we are committed to providing customers with high quality and safe products. The Group has built an excellent quality assurance system to ensure that suppliers adhere to the zero quality deficiency standards throughout the production process.

The result of the materiality analysis is presented by a matrix as follows:



# Environment

## ENVIRONMENT RELATED POLICIES

In addition to its emphasis on brand values including quality, research and innovation as well as taste and thoughtfulness, the Board also acknowledges well the importance of performing the responsibilities of a responsible corporate citizen as a renowned domestic down apparel company. The Group has been effectively carrying forward the environmentally-friendly, energy-saving and pollution reduction measures and improving the efficiency of energy utilization. The energy and environment office of the Group formulates the environmental management objectives and management measures of the Group annually in accordance with the requirements of national regulations and distributes to each department. Each department is supervised through trainings, regular internal inspections and management evaluations in order to ensure the compliance with the standards and requirements of environmental regulations.

The Group is principally engaged in sourcing and distribution of down apparels. Its main places of business are the headquarters located at Changshu and the retail stores across the country with indoor offices and stores as major working environments. The down apparel business of the Group neither involves self-production, nor has any industrial plants. All of its production has been entrusted to the plants of third party suppliers. Therefore, the Group does not generate any hazardous waste, air emission and waste water directly. Although we do not directly control the environment-related performance of the third party suppliers, we are aware of their potential impact on the environment during production. As such, we have been strictly monitoring the suppliers, imposing influences on them and giving suggestions for improvement. Moreover, the Group joined the "Textile Supply Chain and Green Manufacturing Industry Innovation Alliance" and obtained the reward of the "Advanced Enterprise in respect of Corporate Social Responsibilities Building among Textile and Apparel Industry in China" to promote information disclosure of supply chains, management of hazardous chemicals and sustainable technology innovation. The Group hopes to play a leading role in the implementation of corporate social responsibilities and considers responsible sourcing and production as a part of corporate sustainable development. For further details of supply chain management, please refer to the section Society 2.2 headed "Supply Chain Management".

According to Bosideng's brand strategy, company positioning and planning, we further improved the environmental policies of the Group during the year and obtained the approval from the Chairman in this regard. The Group reviews the operational process and the enforcement of relative measures from time to time so as to ensure the thorough implementation of relevant policies.

**Compliance with regulations** – means compliance with the requirements of domestic environmental regulations, international environmental conventions signed by China and the environmental and environmental safety requirements for products of the countries and regions where the products of the Group are exported to;

**Pollution prevention** – means active advocacy and enforcement of green and environmental manufacturing and products as well as prevention and control of the generation and emission of pollutants during operating activities and production process;

**Energy saving and emission reduction** – means reinforcement of energy resources management, maintaining low consumption of energy resources among peers continuously as well as pollutants emission controls and reduction;

**Continuous improvement** – means continuous improvement of environmental issues during operations and development with an aim to raise the management level.

## A1. EMISSIONS

### Waste management

The Group formulated the Management Rule for Waste Disposal for the purpose of enhancing the waste management and promoting the recycling of items so as to reduce the impact of wastes on the environment. This rule applies to the control and management of packaging waste, domestic waste, store interior decoration waste and other hazardous waste.



# Environment

## Hazardous waste

The Group adopts different disposal methods for different types of hazardous waste, the details of which are set out in the following table:

No.	Type of the hazardous waste	Disposal method	Recording process
1	Used batteries and accumulators (excluding the environmental type)	Replace the old ones with new ones and deliver the old ones to the waste warehouse of the logistic department for collection and unified disposal*	The relevant department shall fill out the handover list for hazardous waste and the waste warehouse shall sign a receipt and keep the relevant record
2	Old fluorescent tubes (excluding the environmental type)	Replace the old ones with new ones and the electrician team shall collect the old ones and deliver them to waste warehouse for unified disposal*	The electrician team shall fill out the handover list for hazardous waste and the waste warehouse shall sign a receipt and keep the relevant record
3	Ink boxes, ribbons and toner cartridges of copiers and printers	Replace the old ones with new ones and deliver the old ones to waste warehouse for unified disposal*	The relevant department shall fill out the handover list for hazardous waste and the waste warehouse shall sign a receipt and keep the relevant record
4	Used cotton wool and gauze and medical wastewater from infirmaries	Deliver to waste warehouse or medical waste collection and disposal unit for unified disposal. Combustible waste may also be disposed by incineration in the boiler room.	The relevant department shall fill out the handover list for hazardous waste and the waste warehouse or medical waste collection and disposal unit shall sign a receipt while relevant record shall be kept by the waste warehouse
5	Used syringes, waste medical appliances and outdated medicines from infirmaries		
6	Bottles for pesticides, reagent bottles, bottles for insecticide against mosquitoes and flies and tins for pigments and paints	Deliver to waste warehouse for unified disposal*	The relevant department shall fill out the handover list for hazardous waste and the waste warehouse shall sign a receipt and keep the relevant record
7	Chemical reagents residuals	Deliver to waste warehouse for unified disposal*	
8	Other hazardous waste	Deliver to waste warehouse for unified disposal*	

\* The unified disposal mentioned above means that the relevant hazardous waste shall be delivered to qualified organizations recognized by environmental institutions for harmless treatment. If no treatment organization is available or the amount of waste is small, the relevant hazardous waste shall be stored at the waste warehouse temporarily.

## General waste

The Group has also adopted corresponding disposal methods for general waste:

### Store interior decoration waste

The Group conducts strict supervision of the renovation process of retail stores. The engineering department has formulated the Construction Manual for Bosideng's Stores that explains the disposal of store interior decoration waste in detail. The followings are the requirements for the process.

- For outsourced construction and interior decoration project, it can be provided by way of contract that the contractor shall be responsible for the harmless treatment of construction and interior decoration waste;
- For construction and interior decoration waste generated from the outsourced projects, of which the waste treatment is not provided by way of contract or projects carried out by the Group, the logistic department shall arrange with personnel about sorting them out and informing the assigned recycling unit to recycle the recyclable parts, while the unrecyclable parts shall be collected by the office of environment and sanitation of the town for harmless treatment.

## Packaging waste

The Group uses different kinds of packaging materials when delivering goods to ensure that the consumers can obtain the products of best quality. The followings are the principles in respect of the recycling and reuse of packaging waste.

- The cartons, plastics, paper bags and straps used for packaging shall be delivered to waste warehouse and sorted out by full-time cleaners. Then the logistic department shall instructed the assigned recycling units to recycle and reuse the collected waste regularly, while the unrecyclable parts shall be collected by the office of environment and sanitation of the town for harmless treatment;
- The wood from unpacked packaging cases shall be sorted and used by the carpenters of logistic department, while the unrecyclable parts shall be collected by the office of environment and sanitation of the town for harmless treatment.

# Environment

## Domestic waste

The Group's domestic wastes are mainly the kitchen waste from the canteens of the head office of the Group.

- The leftovers in canteens and restaurants shall be poured into designated dustbins for kitchen waste which will be collected by the assigned farmers and used as feeding stuff after high-temperature treatment, for which, we have entered into environmental safety agreements with the collecting farmers;
- The kitchen waste from canteens and restaurants shall be dumped into designated garbage trucks and delivered to the domestic waste station. Then the office of environment and sanitation of the town will deliver the waste to waste transfer station for harmless treatment daily;
- The domestic waste from each department shall be collected by full-time cleaners and dumped into dustbins for domestic waste on a daily basis. Then the office of environment and sanitation of the town will deliver the waste to waste transfer station for harmless treatment at regular time every day;

## Greenhouse gas emissions

The parent company of the Group has been submitting reports about its greenhouse gas emissions to the Development and Reform Commission of Jiangsu Province since 2016. The report covers the parent company of the Group. The purpose of the report is to meet the reporting requirements regarding greenhouse gas emissions by provincial and municipal authorities (the Development and Reform Commission). The reporting results have met the relevant authorities' requirements.

## Air emissions

One of the major source of the Group's air emissions is from the exhaust of its fleet of transport vehicles. The Group has engaged external transportation fleet for its delivery service and has no direct control over them. However, the Group has closely cooperated with third-party transportation fleet and improved its central logistic system continuously. The goods are first delivered to the warehouses at each area from the head office and then distributed to each retail locations. This logistic system is conducive to enhancing delivery efficiency, reducing usage of fuels and exhaust emission. In addition, we also require the outsourcing fleet to conduct vehicle inspection regularly to ensure good vehicle condition. Under our influence, our largest supplier in Changshu adopted natural gas-fired boilers to obsolete coal-fired boilers in 2016, in return, it has recorded a decrease of over 80% in both emission concentration and quantity of PM, sulfur dioxide, etc.



# Environment

## Waste water discharge

The operation of the Group mainly generates domestic sewage and no industrial wastewater. The domestic sewage generated from the head office in Changshu, which meets the discharge standards, has been discharged into the municipal sewage pipe network for centralized treatment since 2014.

## A2. UTILIZATION OF RESOURCES

The Group is committed to utilize resources properly and effectively. Since 2015, the Group has established the energy-saving and environmental leading team lead by Vice President, and the energy and environment office, which are responsible for the promotion of the environmental and energy-saving works of the Group. The energy management guidelines of Bosideng are compliance with regulations, energy conservation, pollution reduction and continuous improvement.

The Group has formulated "Electricity and Water Saving Management Rules", which aims at strengthening the management of electricity and water utilization and reducing energy waste.

## Energy management

The Group has installed meters in every office, canteen and dormitory of the headquarters for the purpose of collecting energy consumption data. Each department discloses summary tables regularly and conducts careful self-inspection to find out the reasons for over usage of electricity and carry out corresponding measures. The Group updates the energy management objectives annually and determines the specific target values according to the five-year plan or annual objectives for energy saving and emission reduction issued by the competent environmental and energy-saving authorities of the government.

The followings are the internal measures adopted by the Group:

- Ensure that lights, air conditioners and electric fans are not turned on when nobody is in the office;
- Turn off electrical appliances which are not in use or switch them to the power-saving mode;
- Use the central air conditioning system in summer in accordance with the provisions of the Group and keep the room temperature below 25 degrees Celsius (the recommended temperature is 26 to 27 degrees Celsius), and the air conditioning team under the logistics department shall keep an operation record of the central air conditioning;
- In principle, do not use air conditioners in winter;
- The lights along the windows shall be switched off during sunny days by letting in adequate sunlight;
- Use LED lights instead of fluorescent lights;
- Use natural gas as fuels for all the air conditioners inside the head office in Changshu; and
- Use solar water heaters instead of power system to provide hot waters in apartments and so on.

Apart from internal management, we also cooperate with third-party producers closely and urge them to improve their environmental and energy-saving performances consistently. For example, our largest third-party supplier located in Changshu has invested more than RMB6 million in the optimization of electromechanical system of plants for the purpose of saving energy and reducing emissions during the year.

The third-party supplier's investment in environmental and energy-saving facilities in Changshu in 2016

No.	Name of project	Investment amount (RMB'0000)
1	Replacing coal-fired boilers with natural gas fueled boilers	382.3
2	Replacing bituminous coal with clean energy such as natural gas	197.7
3	Variable frequency transformation of motors	18.2
4	Utilization of energy-saving LED lights	25.7
5	Building an environmental and energy-saving management system	38.4
	<b>Total</b>	<b>662.3</b>

## Water usage management

The Group has installed water meters in every office, canteen and dormitory of the head office for the purpose of collecting water consumption data. Each department discloses summary tables regularly and conducts careful self-inspection to find out the reasons for over usage of water and carry out corresponding measures.

- The logistic department arranges with personnel about shutting the main inlet valves and toilet flushing system of each department after the end of every day;
- The breakdown of faucets and toilet flushing systems shall be reported for repair in a timely manner to ensure no leakage.



# Environment

## A3. ENVIRONMENT AND NATURAL RESOURCES

The Group is committed to reducing the environmental impact of its business and the consumption of natural resources. There are no material pollution and damage to the air, land, water and ecosystem in the neighborhood during the reporting period. The details of the Group's policies and measures in respect of resources utilization and emissions are explained in the above sections.

## COMPLIANCE WITH ENVIRONMENTAL REGULATIONS

The Group did not breach any environmental laws and regulations during the year. The Group has been accredited as a green enterprise (of the highest rating) by the environmental bureau of Changshu for many years.

## ENVIRONMENTAL DATA OF THE GROUP DURING THE LATEST THREE YEARS

Environmental data of the Group during the latest three financial years			
	2016/17	2015/16	2014/15
Total water consumption (10,000 tons)	7.3479	7.0071	8.6369
Energy consumption (tons of standard coal equivalent)	256.8	238.57	212.11
Total electricity consumption(10,000 kwh)	208.95	194.12	172.59
Packaging materials (ton)	2,081.39	1,981.01	1,717.41

\* The data include those at the head office in Changshu



## EMPLOYMENT AND LABOR PRACTICES

In Bosideng, we all recognize that the success of the Group relies on contributions from our employees. Thus, it's our primary task to attract and retain the best qualified talents and ensure employees' safety during working hours. Upholding the principle of putting people first and respecting human rights, we implement a transparent and fair recruiting system. The Group offers competitive remuneration packages and provides employees with on-the-job training and opportunities for long-term career development.

### B1. Employees and their remunerations and benefits

The Group believes that talent is the core strength for business development. Bosideng respects, cares for and endeavors to help every employee, and thus has established, according to the principle of "respect, development, restraint and incentive", a people-oriented human resource development and administration system with development of competencies required for positions as the core. This is aimed at facilitating employees' learning and development and at constantly improving employee satisfaction. We attract and retain talents with our generous remunerations and benefits, a people-oriented approach to administration and fair and comprehensive appraisal of performance and training programs.

We support diversity in our staff members, and adhere to the principle of "counting on moral and talent in employment" when it comes to staff recruitment. Our head office and various project companies unified the standards for talent employment and remuneration packages, so as to ensure that employees are not discriminated against on grounds of race, gender, age and marital status or otherwise. The Group's human resource administration system specifically sets forth details on recruitment and employment, remuneration and benefits, the promotion system, attendance management and so on, and establishes unified standards for the selection, employment, education and retention of talents.

In order to give its employees a clearer picture of their own development path, the Group has set up a "six-grade and three-class" job performance grading system for each of the administrative and technical categories according to the organizational structure of the head office and the staffing of various departments. The Group has developed a set of fair and impartial and results-oriented appraisal methods, pursuant to which, department heads at all levels conduct annual appraisal interviews with employees in accordance with the "Job Responsibilities and Performance Agreement". Under

the agreement, the employee agrees with the appraiser on the evaluation, and then both of them sign the staff appraisal sheet to confirm the evaluation and submit it to the human resource department for filing. According to the actual appraisal results, employees may be awarded with promotion, salary increase, year-end bonus or other incentives.

According to our internal "Remunerations and Benefits Management Measures", staff remuneration is comprised of basic fixed salary, fringe benefits and annual performance bonus. Every year, the Group carries out manpower cost budgeting and staff remuneration adjustment, to make sure that our remunerations and benefits are internally fair, externally competitive and able to incentivize employees to perform well. Fringe benefits are provided according to the positions or conditions of individual employees, and they include perfect attendance awards, seniority allowance, allowance granted to staff working under high temperatures, food subsidies, communication subsidies and accident insurance, etc. In order to help fellow workers from disadvantaged families to meet their urgent needs, each month, every full-time employee voluntarily donates RMB2 to the Group's charity fund out of their salary, so that funds are always available to the needy. In respect of leave, the Group implements the national system of statutory holidays, and all the employees are entitled to, among other things, annual leave, marriage leave, maternity leave, medical leave for work-related injury and funeral leave. In addition, employees working overtime as arranged and approved by relevant departments are entitled to compensatory leave.

The Group attaches great importance to feedback from staff, and has been perfecting and building multi-directional communication platforms. Senior management collects comments and questions from staff through all kinds of meetings, performance interview, project discussion workshops, online real-time discussion (via mobile phone) and other means. Each year, the Group conducts staff satisfaction survey to identify the core areas to be improved, and such issues will be jointly addressed by administrative, human resource and other departments. Apart from the job-related issues, the Group's human resource department is also committed to solving all kinds of problems encountered by employees in life. For instance, the Group recommends economical housing for field staff working at our head office in Changshu, finds quality schools for the children of the employees and purchases insurance schemes for non-local employees through third-party intermediaries. There are family rooms in the Group's dormitory, which provides in-house accommodation for the needy employees and their families. The Group provides free meals in-house for employees, as well as daily transportation between Shanghai and Changshu.





As of March 31, 2017, there were 4,246 employees in the Group's headquarters in Changshu. For the sake of its full-time employees, the Company achieved a labor contract signing rate of 100% and an insurance coverage rate of 100% (specifically, a pension insurance coverage rate of 100%, a medical insurance coverage rate of 100%, an unemployment insurance coverage rate of 100%, a work-related injury insurance coverage rate of 100% and a maternity insurance coverage rate of 100%).

Staff profile chart			
	Total number of employees	Number of employees who resigned	Turnover rate
Male employees	788	61	7.2%
Female employees	3,458	97	2.7%
Those Aged under 16	0	0	0
Those aged 17-30	1,313	49	3.6%
Those aged 31-50	2,697	73	2.6%
Those aged above 51	236	36	13.2%
Full-time employees	3,992	143	3.5%
Contracted/Non-full-time employees	254	15	5.6%
Domestic employees	4,237	158	3.6%
Foreign employees	9	0	0
Total	4,246	158	3.6%

During the reporting period, the Group received no complaints from employees about harassment (including sexual harassment), corporal punishment, ill-treatment and inappropriate penalties, and there were no disputes arising from remuneration payments or arbitration.



## B2. Health and safety

"Compliance with regulations, safety as the first priority, protection of life as the core value and precaution as the major measure" is the consistent principle of the Group. We are committed to providing a safe and comfortable working environment for employees. As a company mainly engaged in down apparel procurement and distribution of branded down apparel, our working environment mainly refers to indoor offices and other indoor sales outlets. We do not carry out any production operations and all the down apparel we sell are purchased from third-party suppliers. Thus, our work is of low-risk nature. However, we do not regard low risk with less seriousness. The Group's efforts to protect employees' occupational health are widely recognized. As a result, we have achieved the OHSAS18001 certification.

Pursuant to the local health and safety regulations, the Group has established and operated an occupational safety management system. Every year, we carry out regular safety risk monitoring of the work environment, analyze the results of risk assessment and then make improvements following the requirements of the system. In order to cope with industrial accidents by organizing and carrying out rescue quickly and effectively, the Group has formulated the "Control Procedures of Preparation for and Reaction to Emergency", preparing and perfecting contingency plans for potential pitfalls involving, among others, electrical fires, elevators, natural disasters and drinking water safety, so that it can take prompt measures to cope with emergencies.

In regard to indoor office fire safety, we have installed smoke detectors in accordance with the relevant structural fire protection requirements, conduct regular maintenance for fire equipment and post escape routes at conspicuous positions. We formulate fire safety evacuation drill plans on a regular basis and organize fire safety evacuation drills twice every year, with a view to boosting our staff's ability to prevent industrial accidents and to rescue themselves. We review the Group's safety system regularly and take follow-up actions to create a safer and healthier working environment for our staff.

To ensure that the Group complies with the constantly updated safety regulations, the legal department regularly talks with and learns from relevant government officials to obtain first-hand information. In addition, relevant laws and cases of its peers will also be collected through such channels as networks and newspapers. Furthermore, the Group assesses its compliance with laws, regulations and rules annually, and also engages third parties to review its compliance regularly. The legal department deals with and investigates any violations of laws and regulations, and takes measures to reduce the impact on the Group. Employees may report any irregularities they found to the management and relevant management personnel through face-to-face report, telephone, email, meeting or other means.

In addition to managing the Group's own safety, we also work closely with major suppliers to try to improve their production safety system by providing advice and improvement measures in a role as a major customer of them. Taking three factories of our suppliers in Changshu for example, the Group help them improve the safety management manuals, procedural documents and workflows during the year. We optimize the organizational structure and job responsibilities of their occupational health and safety management system, help them establish sound safety production systems, and continuously regulate their management work concerning staff health and safety. During the year, our main suppliers made following achievements in the factories in Changshu:

- (1) Monitoring and managing all harmful factors (mainly dust and noise) within workshops, and strictly conducting maintenance of fire safety facilities. During the year, water quality was also monitored to ensure the safety of the staff's drinking water;
- (2) Cooperating with Zhitang Fire Squadron in carrying out two fire safety evacuation drills in the year to improve the staff's emergency response capability and safety awareness, recording a total of 7,471 participants;
- (3) Strengthening training in safety production and occupational safety, including systematic training, on-the-job training, first aid skills, mental illness and health knowledge, to boost staff's self-education and emergency response abilities, recording a total of 6,215 participants throughout the year;
- (4) Arranging regular medical check-up for middle and senior managers of the factories and personnel whose posts involve risk of occupational diseases; and establishing and filing health records for them. The medical check-up regarding occupational diseases are conducted for employees who are about to take up their posts, change their posts, or are about to resign. The employees are also required to wear proper protective equipment. This year, a total of 531 employees participated in the medical check-ups;
- (5) The capital investment made by the factories in Changshu this year in occupational safety amounted to RMB1,009,000, with 100% of the protective equipment for the staff in good condition, a per capita staff protective equipment provision ratio reaching 100% based on the posts requiring such equipment, and an environmental compliance rate of 100% achieved for the workplace.



Statistics on the 2016/17 capital investment made by the third-party factories in occupational health and safety in Changshu

No.	Usage of capital investment	Investment amount (RMB10,000)
1	Fire extinguishers	0.5
2	Fire safety rectification	30
3	Emergency drills	0.8
4	Updating safety protection articles and equipment (such as insulating shoes, insulating gloves and protective clothing, etc.)	1
5	Greening	22
6	Monitoring working environment	0.7
7	Inspecting special equipment	5
8	Medical check-ups (covering occupational diseases)	30
9	Occupational health and safety systems	5
10	Others	5.9
	Total investment amount	100.9

### B3. Development and training

The Group cultivates an innovative spirit among its staff. It offers material rewards to the employees to incentivize them to do creative thinking, and offers a wide range of training courses to foster innovation. The Group also vigorously promotes innovation benchmarks to imbue the staff with the Group's innovative spirit.

The Group considers its staff members as important assets and enhances their capabilities and skills through training courses to satisfy the needs of its development. The Group prepares training programs, performance management systems and promotion methods that cater for different positions, functions and titles so as to promote the staff's learning and development. The Group has founded a business school carrying out different types of training programs with the core spirit of "integration, connection, inheritance and innovation" to promote the staff's learning and development.

During the year, Bosideng Business School invested over RMB10.00 million in staff training. Learning in Business School is no longer confined to the classroom, but also takes advantage of a variety of emerging media tools. In particular, the introduction of Zhi-niao platform allows staff to learn through handsets in spare time. The commencement of construction of the WeChat-enabled learning platform "Learning Club" will create good conditions for the vast number of employees who love learning, in forms of WeChat live broadcast, knowledge-sharing workshop and Elearning, etc. The Group has also built a training system under the themes of corporate culture, leadership and production technology, thus offering different types of staff professional learning programs via offline classroom and online courses.





## B4. Labor standards

Labor exploitation and child labor are strongly prohibited by the Group. We strictly comply with all the local laws on labor, such as the Labor Law of the People's Republic of China (《中華人民共和國勞動法》), the Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》), the Social Security Law of the People's Republic of China (《中華人民共和國社會保障法》) and provisions on the prohibition of using child labor. We have developed internal rules and regulations that conform to national laws and have established clear policies to prevent forced labor and employment of child labor. The Group's personnel management system stipulates that all full-time employees recruited shall be aged 16 or above. We regularly search for possible signs of child labor and forced labor. For instance, our human resources department carries out the audit of the internal staff list and analysis of the information about the personnel of labor-intensive production suppliers and shops and compile the statistics on the age structure of their staff to prevent irregularities.

In respect of recruitment process, before setting on board, applicant is required to report to the human resources department to go through various procedures. Applicant should submit the photocopies of his or her resident identity card, residence booklet and health declaration. Before signing the labor contract or confidentiality agreement, the applicant should present the original identity cards for identity verification so as to ensure the Group's compliance with the local regulations on child labor. The Group has the right to immediately terminate its labor relations with individuals who are found to have provided false information or concealed information about their identity as such malpractices constitutes serious violations of the Group's rules and regulations. We not only monitor the Group's own recruitment, but also regularly investigate recruitment agencies' process, and take staff age verification as a criterion in the supplier selection process.

The Group does not force its staff members to work overtime, and all overtime work is done voluntarily. Staff members may choose to apply for overtime work or leave work on time. Normal work hours of our staff and compensation provisions for overtime work are specified under the attendance system of the staff handbook: all departments should inform their staff of overtime arrangement in advance, and overtime work can take place upon the consent by the department manager concerned and the approval by the human resources department. After their overtime work, staff members should provide their signature on the attendance record for confirmation and as a proof for their overtime work. The Group would arrange compensatory leave for such staff members to ensure that they have adequate rest time.



Staff development programme

In addition, the Group has also established procedures for the termination of labor contracts, which are carried out by management staff of the Group's human resources department, with a view to ensuring that the Group strictly complies with all applicable laws and regulations while terminating a labor contract. In accordance with laws, all employees shall have the right to freely terminate the labor contract. The Group respects the willingness of each employee regarding employment. Yet, it will in the meanwhile find out, through the relevant division heads, why an employee shall resign, and endeavor to provide staff with a reasonable and fair working environment.

## B5. Supply chain management

In order to enable customers to enjoy hearty and warm products in all seasons, the Group has established stringent policies on quality management of supply chain and source of goods.

Through formulating measures such as supplier selection criteria, supplier cooperation manuals, performance appraisal standards, strategic supplier development, supplier supervision, etc., the Group promotes sustainable development of suppliers. The Group shares the SAP information system with our suppliers; holds supplier meetings; conducts site visits and mutual visits between senior managements to communicate the sustainable development policy to our suppliers.

Pursuant to the supplier selection criteria, the Group conducts supplier site inspections annually. The inspection not only includes items relating to the usual course of business such as reputation, financial stability, availability of technical support, qualification, product quality, cost and services. We also review reports provided by our suppliers such as environmental monitoring report and environment, health and safety management system report, to verify suppliers' compliance with relevant regulations. With regard to social responsibility, we pay close attention to suppliers' policies on issues such as worker safety, child labor, work hour, and reasonable remuneration. For certain important suppliers, the Group dispatches delegates to inspect their implementation of SA8000 Corporate Social Responsibility Standards and monitors for improvement. Depending on inspection results, we will terminate the partnering relationship with suppliers of the lowest scores or those which have been performing poorly.

To encourage suppliers to continuously improve social responsibilities and environmental performance of their plants, the Group will waive inspection for any supplier who has been certified by a third party. The Group is willing to cooperate with manufacturers that have good track records, and offer them more orders and shorter repayment period. The Group also attaches relevant requirements of social and environmental responsibility into contract appendices when negotiating contracts with our suppliers.

# Social

The Group is actively innovating, researching and developing its warehouses with artificial intelligence to replace manual labors with logistics robots to manage warehouse storage and transportation, so as to improve the efficiency and accuracy of the goods management and reduce the cost of human resources. For this reason, the Group actively cooperates with colleges and universities and provides them with research sites and resources in order to jointly develop this artificial intelligence project, while fostering a mutual learning and reciprocating experience.

In the future, the Group will continue to expand the range of suppliers and other partners outside of Jiangsu Province to enhance and optimize our supplier network nationwide. We believe our cooperation with the suppliers shall not only be restricted to mere business interests. Instead, they should be relationships of mutual help and progress. For certain suppliers that have high potential but currently may be in smaller scale or have other difficulties, we will adopt corresponding measures to cultivate and protect. Subject to efficient risk control, we pledge to support these suppliers in terms of policies and orders to grow and progress with Bosideng. When evaluating suppliers or partners, we pay close attention to the sense of responsibility of an enterprise's senior management as well as one's attitude towards the enterprise, the team and even the society.

## OPERATION

### B6. Product responsibility

"Warm, elegant, caring" are the three core factors in Bosideng's brand positioning. We promote the "Quality +" product innovation thinking, and strive to make colorful designs, innovation and top quality into the genes of our brand. The Group wishes to make consumers aware of Bosideng's re-positioning in the future. With its lining that enables heat storage and keeps the wearer warm, outer materials that features tri-proof and functions of heat storage and down holding, Bosideng will be able to meet consumers' diverse needs for wear and experience and continuously enhance brand reputation and loyalty. The Group endeavors to carry out product research and development, design and production from the perspective of consumers and is committed to providing quality products of high performance-price ratio. Meanwhile, we will maintain the advantages and characters of Bosideng, emphasize such elements as "warmth", "elegance" and "care" in life, and develop Bosideng into a creator of the elegant and warm lifestyle so as to warm our consumers "from the inside out". The Group's product quality is widely recognized, and we are accredited with the ISO9001 quality management system certification.

To cater for the market's diverse needs, we advocate a same-type multi-product policy and actively develop seasonal products, so that consumers can choose the right products in all seasons. For example, in the field of down apparel, products are categorized

into extra-thick down apparel, thick down apparel and thin down apparel, to satisfy different needs for keeping warm in different areas. Recently, the Group has also launched a type of anti-bacterial down apparel. Since the down is treated with a special kind of liquid medicine, this type of down apparel can further ensure the health of users with their anti-bacterial feature.

In response to the Group's strategic direction of "Quality +", the Group has built an excellent quality assurance system. Specifically speaking, we have developed 41 quality-related systems, management methods and management processes, and established a quality control system which involves all of the staff and applies to the entire production process. In the meantime, the "three-level inspection system" and "market-simulated random inspection system" have been implemented to ensure product quality. We require suppliers to stick to the zero-defect quality standard during the whole production process, and in particular, to make sure no substandard raw materials are admitted into warehouses, no substandard semi-finished products are passed on to the next step of the processing, and no substandard products are delivered from the factories.

In the process of quality inspection, we require manufacturers to inspect all the raw materials and make sure only those that meet the standards are admitted into warehouses. Both the first finished products and the semi-finished products in the production process are inspected continuously. All finished products are sent to the quality assurance department for inspection and only those that meet the standards will be allowed to be delivered from the factories. As to the recall of products, we have set up a brief and clear recall procedure for defective products. Pursuant to the recall procedure, if an outlet recognizes in the sales process that the defect rate of any type of products is high, it may forward the defective products to the supply chain management department for verification. Upon investigation and confirmation, a recall notice will be issued and product repair or harmless treatment will be organized.

We attach great importance to the exchange with customers and their feedback. Therefore, in January every year, the commodity management department of the Group collects customers' feedback regarding their satisfaction with the products and their preferences through questionnaires, and then analyze the results and compare our products with the comparable products from the competition. Every year, the Group engages consulting firms to do field interviews with customers at the retail outlets in order to have an in-depth understanding of the customers' assessment of the Group's products and services.

The Group's garments use a large number of feathers during the production process. In order to allow consumers to fully understand the source of production and other production conditions, upon customers' request, the Group may require the



largest suppliers to use down certified to “Responsible Down Standard”, which undergoes independent third party assessment to make sure that animal welfare is adequately protected and provide consumers traceability from source till final products. The Standard has several important principles:

- (1) Down farms shall not sell force-fed waterfowls (especially those of gavage-based foie gras production-).
- (2) Down farms shall not gather feather through plucking live waterfowls.
- (3) Down farms shall comply with local laws on animal welfare.
- (4) Down farms shall always provide waterfowls with clean, fresh and safe drinking water.
- (5) Down farms shall provide waterfowls with adequate space in a comfortable environment.
- (6) Living area of waterfowls shall be thoroughly cleaned and disinfected on a regular basis.
- (7) Down farms are required to certify waterfowls three days after they were born to ensure the traceability of the source of waterfowls.

Bosideng lays emphasis on the protection of technological innovation achievements and trademarks, patents, copyrights and other brand-based intangible assets, and the establishment and maintenance of corporate reputation. The Group has set up a dedicated legal department responsible for protecting intellectual property rights. In recent years, the legal department has formulated the “Trademark Management System”, “Risk Guidelines in Relation to Intellectual Property Laws”, “Administration System for Out-licensing Projects” and other management systems and risk prevention plans for the promotion of intellectual property rights and anti-unfair competition, regulating procedures for declaration and use of intellectual property achievements, thus making the management, protection and use of intellectual property rights well documented and supported by rules and laws.

In accordance with the Guidelines for the Administration of Intellectual Property Rights of Industrial Enterprises and based on the registration of patents, patent applications, trademarks, copyrights, etc., the Group planned and carried out its value-added strategy for intellectual property rights in a comprehensive manner, conducted foreign technical cooperation (such as trademark licensing and transfer) and improved the intellectual property rights system. Also, the Group investigated the utilization of intellectual property rights by departments, in an effort to implement the Group’s intellectual property strategies.



In order to protect consumer interests as well as our brand reputation, the Group took action to protect intellectual property rights in a proactive manner by establishing an anti-counterfeiting taskforce and implemented stringent measures against infringement acts targeting the Group's trademarks, in cooperation with the Industrial & Commercial Administration Bureau, the Public Security Bureau and other authorities. Bosideng's patent management is based on research and

development and it services the Group's various business activities. Through strict implementation of the intellectual property system and increase intellectual property rights applications, the formation of a "patent protection circle" strengthens the abilities in patent warning and risk avoidance, thus mitigating the risk of infringement.

During the year, the Group cooperated with the parent company and obtained the following patents:

Intellectual Property Rights Obtained During The Year			
Patent Application Number	Name of Patent	Type of Patent	Date of Authorization
EP 13825054.3	A hydrophobic fire-resistant fiber and production method	Invention patent	19/02/2016
201310743016.7	A diamond lattice row line template and method of use	Invention patent	17/08/2016
201310736367.5	A template for one-off tailoring and collar-making and method of use	Invention patent	17/08/2016
201310743051.9	Manufacturing method of double-breasted down apparel with folds and special tools thereof	Invention patent	14/09/2016

## B7. ANTI-CORRUPTION

The chairman of the Group believes that "Credibility, Integrity and Lawfulness" drive corporate development. The Group focuses on system and regulation establishment and process control on main areas, important positions and key steps such as finished products procurement, advertising tenders, products marketing, warehouse management, financial management. The Group regularly amends and enhances the internal control system and keeps the operating workflow chart up-to-date. Through strengthening the management process control, capital control, investment control and corporate internal audit control, the Group is devoted to prevent corruption at its source.

We provide new employee training in respect of bribery, extortion, fraud and money laundering and an "Employee Letter of Undertaking" is presented and signed upon new hires joining the Group. We require our employees to keep "white-handed" and not to receive any form of bribery in the convenience of their position or the business, and not to seek personal benefit by taking advantage of the Group's resources. We also stated that any breach of rules will be subject to action by judiciary authorities in serious cases.

The internal audit department regularly conducts audits on every operation department of the Group and reports to the audit committee directly on any breaches. In the case of violation of the laws, judicial authorities will be involved. Our legal department assesses legal risks and compiles legal risk prevention guidelines on a regular basis. Related parties from the government communicate with the legal team of Bosideng regularly to explain the direction of legal development, respond to legal enquiries encountered by the Group and ensure that the Group is in compliance with the laws.

During the year, the Group was not involved in any litigation or proceedings.



## B8. COMMUNITY INVESTMENTS



The Chairman of the Group actively serves the society, and is committed to be the best employer, the best brand owner and the best corporate citizen. The Chairman also sets up the social responsibility system integrating public responsibility, social charity and ethical practice for the Group accordingly. The Group established a pilot task force for social responsibility in 2012, actively promoting the integration of social responsibility and corporate management. With the corporate mission “to make people’s life better”, the task force systematically promotes the fundamentals of social responsibility. During the year, the task force closely cooperated with “Bosideng Foundation” founded by the Chairman and unremittingly delivered love and warmth to people in need.

During the year, the Group and the Foundation proactively participated in various social and charitable activities. The achievements are reflected in the following five themes:

## Connecting and warming China

The Group continued to launch “Warming China” activities: “Warming the plateau”, “Warming Tibet” and “Warming the border areas” in Tibet, Qinghai Province, Changshu, the border areas of Yunnan Province and Shanxi Province. The Group donated over 10 thousand pieces of down apparel during the year to the medical team dispatched to Tibetan areas for hydatidosis survey, farmers and herdsmen in Qinghai and Tibet, the nursing homes in Changshu and poor primary and middle school students in Yunnan Province, among others.





# Social

## Cooperation for better life

In order to address the traffic demand of residents in surrounding areas and benefit people living on both sides of the river, Bosideng has constructed Bosideng Bridge as a cross-river transport corridor linking up Chengdu-Chongqing Ring Expressway and made additional investment of RMB80 million to build pedestrian sidewalks. Moreover, the medical charity project "Love Angel" allocated basic medical devices and equipment for 22 local clinics in Wushan village, Xingbin District, Laibin, Guangxi Autonomous Region and Houzhai village, Zhijin County, Bijie, Guizhou Province, directly benefiting over 60 thousand people from six ethnic minority groups (including Zhuang, Yao and Miao).

## Care for disadvantaged students

To continue the disadvantaged student assistance program "Dreams Come True", the Group subsidized over RMB380 thousand in living expenses for poor students from Jiangnan University and Changshu Institute of Technology for the year. The Group also donated 65 thousand, RMB198 thousand worth of books to 19 schools in Hualong, Chengduo and Zhiduo in Yushu Tibetan Autonomous Prefecture, Qinghai Province, to build scholarly campus for students. These books encompassed a wide range of knowledge, which are beneficial to the broadening of students' horizons, diversified development of teenagers and the cultivation of their interest in reading.



## Care for the aged

The Group supports Bosideng Foundation to care for the nearby aged and poor families by donating down apparel to the villagers in Kangbo Village, Zixia Village and Zifu Community, and also donated over RMB60 thousand worth of newspaper to enrich the spiritual and cultural life of the seniors. During the year, we also started to implement the project "Xi Yang Hong" to distribute RMB680 thousand in pensions to seniors in Kangbo Village who are 60 years or older. The Group also organized volunteer visit to the charity house in Changshu.





## Care for people affected by disasters

To help Funing County, Yancheng City, Jiangsu Province which were affected by strong thunder and lightning, hail, thunderstorm and tornado to get through difficulties, the Group and the Foundation promptly responded to the call of the Jinagsu Provincial Party Committee to organize and allocate emergency supplies in a timely manner. We also donated 2,000 pieces, RMB300,000 worth of emergency thin coats for Spring and Summer and dispatched to the areas affected by disasters.



# List of Honors Received by the Group for the Year

During the year, Bosideng continued to strive for being the world's renowned fashionable lifestyle functional brand operator, and the achievements of the Group and the Parent Group in market competition, corporate development, operations management and social responsibility were widely recognized by the community. The Group will continue to assume the corporate social responsibilities and obligations to make people's life better.

No.	Honor	Issuing organization	Date of issue
1	Excellent Enterprise of Jiangsu Province	Jiangsu Province Committee of the Communist Party of China and People's Government of Jiangsu Province	April 2016
2	Excellent International Enterprise of Changshu	People's Government of Changshu	May 2016
3	Advanced Collective Title of the Country's Textile Industry	Division of Human Resources and Social Security and China National Textile And Apparel Council	June 2016
4	Industrial Enterprise with Operating Income Exceeding RMB10 billion in Jiangsu Province 2015 (2015年度江蘇省營業收入超百億元工業企業)	Jiangsu Economic and Information Technology Commission and Jiangsu Statistics Bureau	June 2016
5	Social Responsibility Report Release Certificate	China Federation of Industrial Economics	June 2016
6	The 28th of the Top 100 Enterprises 2015 of China National Light Industry Council	China National Light Industry Council	June 2016
7	Top 100 Enterprises of Chinese Apparel Industry 2015 (ranked 3rd in Profit and 5th in Sales Revenue)	China National Garment Association	June 2016
8	Bosideng's Autumn Down Apparel awarded as "Specialized, Delicate, Unique & Innovative" product in Changshu	Economic and Information Technology Commission of Changshu Municipal	July 2016
9	Bosideng rated as an enterprise with credit rating AAA (expires in 2017 July)	Jiangsu Branch of China Chengxin (an independent credit rating agency of the Nanjing Branch of the People's Bank of China)	July 2016
10	Bosideng Downwear Company Limited awarded as "The 3rd Jiangsu Charity Award"	People's Government of Jiangsu Province	August 2016
11	Top 500 Enterprises in China 2016 and Top 500 Enterprises in China's Manufacturing Industry 2016	China Enterprise Confederation and China Enterprise Directors Association	August 2016
12	Quality Alliance Qualification Certificate of China Feather and Down Industry (中國羽絨行業品質聯盟資格證書)	China Feather and Down Industrial Association	September 2016
13	The Fourth Standing Council Member of China National Textile And Apparel Council (中國紡織工業聯合會第四屆理事會常務理事單位)	China National Textile and Apparel Council	September 2016
14	Excellent Enterprise Award in Textile and Garment Industry of Jiangsu Province 2016 (2016江蘇省紡織服裝行業優秀企業大獎)	Jiangsu Textile Association	September 2016
15	"Top 10 Credible Procurers" of The 2nd "Chinese Dream Branding Dream" Garment Industry Users Preferred Brand	"Chinese Dream • Branding Dream" Garment Industry Brand Organization Committee	October 2016
16	Model Award of Social Responsibility & Public Governance 2016 in Chinese Textile and Apparel Industry	China National Textile and Apparel Council	November 2016

# List of Honors Received by the Group for the Year

No.	Honor	Issuing organization	Date of issue
17	Model Enterprise of China Textile Industry Talent Establishment 2016	China National Textile and Apparel Council	November 2016
18	Top 50 Enterprises 2015 in "Sales Revenue" (ranked 3rd) and Total Profit (ranked 2nd) in Jiangsu Garment Industry	Jiangsu Garment Association	November 2016
19	High-tech Enterprise – Jiangsu Bosideng Supply Chain Co., Ltd.	Science and Technology Department of Jiangsu Province, Department of Finance of Jiangsu Province, Jiangsu Municipal Office, Jiangsu State Administration of Taxation, Jiangsu Local Taxation Bureau	November 2016
20	High-tech Enterprise – Shanghai Bosideng Information Technology Co., Ltd.	Science and Technology Committee of Shanghai Municipality, Department of Finance of Shanghai Municipality, Shanghai State Administration of Taxation, Shanghai Local Taxation Bureau	November 2016
21	Jiangsu Top 50 Self-owned Brands 2016	Jiangsu News Bureau, Jiangsu Economic and Information Technology Commission, Jiangsu Administration for Industry and Commerce, and Jiangsu Technology Supervision Bureau	December 2016
22	Bosideng's Autumn Down Apparel awarded the "Gold Award of Jiangsu Industrial Designed Product"	Jiangsu Economic and Information Technology Commission	December 2016
23	Bosideng was acknowledged as "Key Garment and Home Textile Self-owned Brand for Tracking and Cultivation" (波司登被認定為"重點跟蹤培育服裝家紡自主品牌")	China National Textile and Apparel Council	December 2016
24	Decision on releasing renowned brands in Jiangsu Province 2016 (Five brands including Bosideng, Snow Flying, Combo, etc. awarded "Jiangsu Renowned Brand") by Jiangsu Commission for Renowned Brand Promotion Strategy (江蘇省名牌戰略推進委員會關於公佈2016年江蘇省名牌的決定(波司登、雪中飛、康博等5品牌榮獲"江蘇名牌"))	Jiangsu Commission for Renowned Brand Promotion Strategy	January 2017
25	Outstanding Contribution Enterprise of Guli Town 2016	Guli Town Communist Party Committee, the County Government	February 2017
26	Industrial Economic Advanced Enterprise of Changshu 2016 (常熟市2016年度工業經濟先進企業)	Changshu Municipal Communist Party Committee, the Municipal Government	February 2017
27	Awarded the "Province-enterprise Co-building Garment Design Sharing Service Platform in Jiangsu Province (2017-2019)" (授予"省企共建江蘇省服裝設計共享服務平台(2017-2019年度)")	Jiangsu Economic and Information Technology Commission	May 2017
28	Ranked 42th amongst Industrial Enterprises (Groups) with Operating Revenue Exceeding RMB10 billion in Jiangsu Province 2016	Jiangsu Economic and Information Technology Commission	June 2017
29	Outstanding Members in China Brand (中國品牌優秀會員單位)	China Association for Promotion of Brand Construction	June 2017
30	Top 100 Enterprises in China Textile and Apparel Association 2016 (ranked 5th in Sales and 3rd in Profit)	China National Garment Association	July 2017
31	Jiangsu Social Legal Person Credit Information Report (Enterprise with credit rating Grade A) (江蘇省社會法人信用信息查詢報告(A級信用企業))	Suzhou Public Credit Information Center (蘇州市公共信用信息中心)	July 2017

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