ABOUT THIS REPORT

This report is the sixth Environmental, Social and Governance ("ESG") report ("ESG Report" or "this Report") released by Bosideng International Holdings Limited (the "Company"). The previous report was released in August 2021. 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 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 engaged two independent professional institutions who have gotten in touch with our major stakeholders and considered adopting their opinions to identify material issues and formulate the specific contents of this Report. We will continue collecting information 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" 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 reporting principles of materiality, quantitativeness, balance and consistency. The contents disclosed comply with the mandatory disclosure requirements and "comply or explain" requirements under the ESG Reporting 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, 2021 to March 31, 2022 (the "FY2021/22" 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 FY2022/23 already known as at the date of this Report are also included.

The business scope of the Group mainly includes research, raw materials procurement, design and development, outsourced manufacturing and sales of garment of branded down apparel products, original equipment manufacturing ("OEM") products, ladieswear and other products. This Report focuses on disclosing the Group’s most important business segment (accounting for approximately 81.6% 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 center 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 FY2021/22.

REPORT AVAILABILITY

You may log on to the official website of the Company at http://company.bosideng.com and the Stock Exchange website 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.
Endeavoring efforts to move towards global leadership in brand complexity

FY2021/22 was an extraordinary year. Changes unseen in a century, coupled with the challenging situations arising from the global pandemic, expose the global textile value chain to more instability and uncertainty. Especially since this Year, with the profound changes in the international situation and the economic and trade environment as well as the frequent and spasmatic pandemic in China, domestic market consumption has been significantly affected. However, we must reinforce our confidence and seek opportunities amid uncertainty and crisis to promote sustainable and high-quality corporate development, despite the tough times.

Marching forward unswervingly and assuming leadership

"Bosideng warms the world" is not only an original intention and mission, but more a responsibility. For the past 46 years, Bosideng has been adhering to long-termism and value creation, exploring the path of sustainable development in such fields as environment protection, social responsibility and corporate governance and has attained the recognition from all generations of consumers from all walks of life. Bosideng brand was listed in "Brand Finance Apparel 50" by Brand Finance twice; the scale of down apparels ranked first in the world; both the Group’s revenue/profit recorded increases for 5 consecutive years, hitting record highs; Bosideng was granted a BBB rating appraised by MSCI ESG, the leading rating in the textile apparel industry of China, and received a double investment grade credit rating by Moody’s and S&P Global Ratings, the international authoritative credit rating institutions, which not only made it the first company in the branded apparel industry in the Asia-Pacific region to obtain an investment grade, but it was also the best international credit rating result achieved in the Chinese branded apparel industry so far. These results make us believe that the corporation, under the guidance of its original intention and mission, may achieve steady and sound development and achieve long-term success through the continuous creation and enhancement of social value.

Sticking to compliant management with a focus on policy-guidance and ESG governance

Transparency is an important principle for corporate governance. We focus on principal businesses, practice social responsibility, incorporate the concept of sustainable development into the entire process of corporate strategy and operation, continuously optimize corporate governance mechanisms, emphasize ethical behavior and building a compliant culture and operating in an honest and compliant manner. In light of the implementation of the Sustainable Development Goals (SDGs) of the United Nations, we conducted ESG materiality issue investigations, responded to material issues of concern to stakeholders and continuously acted on optimizing system management, and attained measurable, certifiable and traceable performance and results. We were honored as the "2022 China Sustainable Fashion High Impact Leading Company", becoming a practitioner and role model for sustainable development in the industry.

Building leading products to promote efficiency improvement and supply chain governance

Innovation is the engine for high-quality development. Focusing on users, we promoted research and innovation, while highlighting the safety, sustainability and traceability of raw materials. We established a quality quick response supply chain and brand upgrading access, applying for 140 patents throughout the Year. Our products received the ISPO Award and Red Dot Award whilst 241 suppliers accepted supplier reviews. Through refined management empowered by digital operation, 100% of down apparel obtained Responsible Down Standard (RDS) certificates, 65% of down apparel obtained ecological textile OEKO-TEX certificates, and 45% of down apparel obtained Bluesign® certificates. We promoted new retail business and data center construction, established a quality quick response supply chain and brand upgrading access, applying for 140 patents throughout the Year. Our products received the ISPO Award and Red Dot Award whilst 241 suppliers accepted supplier reviews. Through refined management empowered by digital operation, 100% of down apparel obtained Responsible Down Standard (RDS) certificates, 65% of down apparel obtained ecological textile OEKO-TEX certificates, and 45% of down apparel obtained Bluesign® certificates. We promoted new retail business and data center construction, cleared customer communication barriers to enhance user loyalty. Over 71% customers gave priority to Bosideng down apparel products and the top-of-mind awareness rate was in leading position in the apparel industry in China.

Adhering to people positive and coordinating economic growth and sustainable development

We value the development of employees, community well-being and the social environment and were awarded the honorary title of "Best Employer" several times. During the Year, we invested more than RMB8.6 million for employee training and development and granted an aggregate of 119.2 million award shares and share options to 54 employees. As of March 31, 2022, Bosideng granted six tranches of equity incentives, including 954.7 million share options and 364.5 million award shares, 1,319.2 million shares in total. We promoted common wealth by sharing the development benefits. In FY2021/22, we donated approximately RMB50 million worth of...
materials and cash to help Shanxi with flood relief efforts and post disaster reconstruction. Over the years, we have donated more than RMB1.2 billion to the society and was a three-time winner of the China Charity Awards, “the highest government award in China’s charity field”. We also closely combined our own business capability with a “dual-carbon” strategy and practiced the economy of naturally looking forward to excellence to promote harmonious coexistence between mankind and nature by promoting the use of novel environmentally-friendly fabric, advancing the entire coverage of green management, guiding supply chain partners to join in emission reduction and efficiency creation and exploring the application of carbon reduction into Phase II Carbon Neutrality Forest and “Near Zero Carbon” plant.

One staying true to his/her original intention and bravely acting will achieve success. Only with the spirit of “overcoming difficulties, keeping abreast with the times, fighting cooperatively, striving for the best” will we achieve the everlasting brand foundation spanning the cycle of an era. We operate business without distractions, innovate unswervingly and continuously enhance independent innovation in focusing on industry and expanding principal businesses, connect mainstream consumers in the era with new industrial technology, new processes, new functions and new formats, have firm possession of core competitiveness of branded products with a view to becoming a pioneer for the self-improvement of domestic products in the global textile value chain.

Rousing ourselves on our way towards global leadership
A promising future lies ahead with outstanding results. In recent years, the emerging state tide and the rise of domestic products have become a general trend, and the attention of business operations and capital markets towards the environment has significantly increased. Brand is the supreme leadership of corporate development, and the core of innovation is to return value to customers and keep satisfying people’s need for a better life. Given the strong resilience and vitality of the Chinese economy, we believe there will be great potential and achievements in the development line of “fashionable functional apparel”.

We should take the chance from the current general trend and seize opportunities. In light of the hard-won development trend of improvement while maintaining stability at the present, we will rouse ourselves on our way towards global leadership.

Looking forward, we will keep exploring on the way of seeking sustainable, stable and high-quality growth, and will make continuous efforts in environmental, social and governance aspects.

Resolutely playing the leading role of the brand and building sustainable fashion capabilities
Combining firmness with the flexibility of strategy, we will shift from resources-driven extensive growth to innovation-driven value-based growth with a focus on principal businesses to achieve specialization, refinement and strength, and march towards global leadership in terms of brand complexity and offer quality, healthy, safe and green Chinese products and warm services to global consumers.

Resolutely practicing new development concepts and encouraging global ESG development
We will enhance our capability to actively respond to climate change, take multiple measures to promote the in-depth development of corporate social responsibility, “dual carbon” action and sustainable fashion in the new era, and assume responsibility for sustainable development in technology, fashion and the environment to form new value of brand evolution and new advantages of industrial ecology, and achieve a win-win situation of corporate business value and social responsibility.

Resolutely maintaining the strategy of global leadership and driving the coordinated and common development of the industrial chain
We will open and innovate the value symbiosis, co-creation and sharing mechanism, accelerate the construction of a green manufacturing and supply system, plan for definite connotative growth in the external changes that span uncertainty, create a new future of “World Down Apparel, China Bosideng”, and create greater value for customers, employees, shareholders and society.

Staying true to the original intention, keeping abreast with the times, being open and innovative and adapting to the circumstances, we will surely gain a better future!

Gao Dekang
Chairman and President
July 22, 2022
PERFORMANCE REVIEW

GROUP FINANCIAL PERFORMANCE

**Revenue of the Group**

RMB16.21 billion, YoY +20%

**Profit Attributable to Equity Shareholders**

RMB2.06 billion, YoY +20.6%

CAPITAL MARKET RECOGNITION

Moody’s, S&P
Double Investment Grade

MSCI
Upgraded to BBB

Note: Neither Bosideng’s use of any MSCI ESG Research LLC or its related companies (MSCI) data nor any use of the MSCI logos, trademarks, service label or index names herein constitutes any form of sponsorship, endorsement, recommendation or promotion of Bosideng by MSCI. The services and data provided by MSCI are the property of MSCI or its information providers, and are provided in strict accordance with the standard of “no modification, no tampering”, thus the authenticity of such information is not guaranteed. The name and logo of MSCI are its trademarks or service label.

BOSIDENG BRANDS DOWN APPAREL PERFORMANCE

**Revenue of Bosideng Brand**

RMB11.62 billion, YoY +16.3%

**Gross Profit Margin of Bosideng Brand**

ONLINE PERFORMANCE

Double 11
Bosideng continued to rank 2nd in the apparel industry and 1st among the domestic apparel brands in Tmall’s apparel brand sales ranking

The proportion of the down apparel products under the Bosideng brand over RMB1,800 per unit price increased from 31.8% to 46.9%

OFFLINE PERFORMANCE

Channel structural layout
Targeted “2+13” cities

Focused on shopping malls
Layout of core areas of cities

Open high-quality stores

Note: Neither Bosideng’s use of any MSCI ESG Research LLC or its related companies (MSCI) data nor any use of the MSCI logos, trademarks, service label or index names herein constitutes any form of sponsorship, endorsement, recommendation or promotion of Bosideng by MSCI. The services and data provided by MSCI are the property of MSCI or its information providers, and are provided in strict accordance with the standard of “no modification, no tampering”, thus the authenticity of such information is not guaranteed. The name and logo of MSCI are its trademarks or service label.
Over 1,500 stakeholders participated in the research on ESG material issues.

6 management policies on anti-corruption, whistle-blowing, independent opinion of the Board, supply chain management, human resources management and environmental management were formulated.

Business ethics training targeted towards all employees at the high and middle levels of the Group was conducted.

Approximately 46% of the management (including senior management and general management) are female.

Over RMB5.6 million was invested in employee training and development.

54 employees were granted an aggregate of 119.2 million award shares and share options during the Year.

Total value of materials and cash for helping Shanxi with flood relief efforts and post disaster reconstruction amounted to approximately RMB50.0 million.
A number of products won the ISPO and the Red Dot Award.

140 patents, including inventions, utility and appearance patents, were declared throughout the Year and 20 patents were granted.

Over 71% of consumers gave priority to Bosideng down apparel products and the top-of-mind awareness rate was in the leading position in the apparel industry in China.

65% of down apparel obtained ecological textile OEKO-TEX certificates.

100% of down apparel obtained Responsible Down Standard (RDS) certificates.

45% of down apparel obtained Bluesign® certificates.
1. ABOUT BOSIDENG

1.1. GROUP PROFILE

Bosideng is a well-known multi-brand integrated apparel business group in the PRC. It was founded in 1976 and focuses on the development and management of down apparel brand portfolios, 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.HK).

With a focus on our 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 “Benjen”. 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

MISSION
Bosideng Warms the World

CORE VALUES
Customer Foremost, Integrity, Motivation, Innovation, Cooperation, Responsibility

VISION
Be the most respected fashionable and multifunctional apparel group around the world

ENTERPRISE SPIRIT
Overcoming difficulties, Keeping abreast with the Times, Fighting cooperatively, Striving for the best
1. ABOUT BOSIDENG

1.3. MAJOR BRANDS OF BRANDED DOWN APPAREL BUSINESS

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 and endeavor to create products to lead the future with our values.

Bosideng

Bosideng has been dedicating to the research and development, design and production of down apparel for 46 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 27 consecutive years (1995 – 2021).

Snow Flying

The Snow Flying urban leisure down apparel brand is a rising star in the down apparel industry in China. Over the years, it has been deeply loved by consumers for its brand characteristics of vitality, enjoyment and joyfulness. On top of maintaining a youthful style, Snow Flying keeps enriching the brand connotation by creating a brand image with passion and vitality, and has become one of the most popular brands in the down apparel market among the youth.

Bengen

Taking the value-for-money fashion experience as its brand position, Bengen advocates a fashionable life. In order to satisfy fashion youth’s pursuit of a new life, the products, taking “fashion, good quality and preferentiality” as its core values, provide a dressing experience with both fashionable and life functions, so that every new fashionable youth can feel all the beautiful things and improve life their quality of life.
1. ABOUT BOSIDENG

1.4. REWARDS AND RECOGNITION

ESG RATINGS OR AWARDS

1. BBB rating appraised by MSCI ESG (Environmental, Social and Governance)

2. China Fashion Transparency Innovation Center awarded Bosideng “2022 China’s Leading Enterprise of Sustainable Fashion Influence”

BRAND HONORS

3. Bosideng was ranked 48th in the “Brand Finance Apparel 50 2022” by Brand Finance

4. Euromonitor International published in August 2021 that the scale (revenue and sales volume) of Bosideng down apparel ranked first worldwide

5. Bosideng brand was awarded “My Favorite Chinese Brand 2021” by China National Brand Network

R&D INNOVATIONS

6. The urban multifunctional jacket of Bosideng won the “ISPO Award”

7. Bosideng’s degradable fabric products won the “ISPO Textrends Top 10 Awards”

8. Bosideng Ultra Eco-friendly down jacket was awarded the “Red Dot Award”

9. The original Trench-style Down Jacket Collection of Bosideng won the “2021 Top 10 Innovative Products for National Consumption” issued by people.cn (人民网)

10. Bosideng Mountaineering Collection won the “Outstanding Innovation Award of China Down Industry Innovation Competition” issued by the China Feather and Down Industrial Association

SOCIAL RESPONSIBILITY

11. “The 11th China Charity Award” issued by the Ministry of Civil Affairs of the People’s Republic of China

12. Awarded the “Advanced Private Enterprise in Fighting COVID-19” by the All-China Federation of Industry and Commerce

13. Awarded the “Outstanding Innovation Award of China Down Industry Innovation Competition” issued by the China Feather and Down Industrial Association

BEST EMPLOYER

14. Awarded the “2021 Best Employer in China” issued by CHIRC (中企聯合)

15. Awarded the “Top 100 employers in China in 2021” issued by Zhaopin

16. Awarded the “China Undergraduate’s Favourite Employer Award 2022” issued by 51job

17. Awarded the “Best Employer of Golden Doumi in 2021” issued by Doumi

INVESTOR RELATIONS

18. Won the “2021 Golden Stock Award” in the 6th Golden Hong Kong Stock Award co-hosted by Zhitongcaijing.com (資通財經) and Hithink RoyalFlush Information Network Co., Ltd. (永信財經) in 2021

19. “Most Investment Value Award for Listed Companies” of 2021 Sina Finance Golden Unicorn Best Hong Kong and US Listed Companies

20. “Best Investment Value Award” awarded by the Gelonghui Best Listed Companies Awards in Greater China in 2021
2. ESG MANAGEMENT

2.1. GOVERNANCE STRUCTURE

2.1.1. 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 day-to-day operations of the Group.

The Board holds ultimate and full responsibility for the Group’s sustainability direction, strategy, objectives, performance and reporting. The Board holds regular meetings to review the progress of the implementation of short- and long-term ESG goals. In order to promote the effective implementation of the sustainability agenda, the Sustainability Steering Group was established and is led by senior management working together across departments. 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 responsible for setting the Group’s sustainability vision, overall direction, objectives and strategies; identifying, monitoring and evaluating key ESG issues that may affect 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 the Business Division, Supply Chain Management, Logistics, Financial Management, Human Resources, Digital Operations, Product Research and Development, Strategic Investment and Development, Internal Audit, Legal, Administration, Party Affairs and Public Relations, and Investor Relations.

The Sustainability Steering Group holds regular meetings to review its work, implements and adjusts, if necessary, 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.

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 and seminars.

- **Decision-Making**
  - Board of Directors
    - Approve the Group's overall ESG strategy and report, take ultimate and full responsibility for the overall direction, strategy, objectives, performance and reporting of the Group’s sustainable development
    - Formulate the Group’s ESG objectives, strategy, work plans etc. for the Board’s approval
    - Identify, monitor and examine important ESG issues, risks and opportunities that may affect business operations and performance for the Board’s approval
    - During the identification process, relevant issues, risks and opportunities will be prioritized to sort out the important issues, risks and opportunities that are more likely to affect the Group’s business operations and performance
    - Supervise and review the Group’s ESG policies, practices, framework and management and propose improvements to the Board
    - Review the Group’s annual ESG report and other ESG-related disclosures.
    - Perform other related functions attached to the above responsibilities as the Sustainability Steering Group deems appropriate

- **Management**
  - Sustainability Steering Group
    - Collect data required for the annual ESG report
    - Improve ESG awareness of department staff
    - Promote effective implementation of the Group’s sustainable development strategy and action plan within the department
    - Integrate and evaluate ESG risks or opportunities identified by employees in the course of their work

- **Implementation**
  - All Departments
    - Collect data required for the annual ESG report
    - Improve ESG awareness of department staff
    - Promote effective implementation of the Group’s sustainable development strategy and action plan within the department
    - Integrate and evaluate ESG risks or opportunities identified by employees in the course of their work
2. ESG MANAGEMENT

2.1.2 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 fulfill 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 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 account for 25%. During the Year, the Board approved 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.

2.2. 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 withmajor stakeholder groups in various forms to ensure effective communication on issues of concern to stakeholders.

STAKEHOLDERS

Employees

Customers and consumers

Suppliers and partners

Shareholders and investors

The government and regulators

Communities and the public

COMMUNICATION CHANNELS

Employees

• Company intranet
• Training and workshops
• Employee satisfaction surveys
• Labor Union and employee representative congress
• Various seminars

Customers and consumers

• Customer visits
• Exhibitions
• Customer surveys
• Customer service and hotlines
• Customer reviews on official WeChat account and Tmall’s flagship stores

Suppliers and partners

• Site inspection
• Industry conferences
• Suppliers’ conferences
• E-mail, telephone and WeChat

Shareholders and investors

• Shareholders’ meetings
• Results releases
• Announcements
• Site inspections
• Roadshows and reverse roadshows
• Strategy conferences
• E-mail, telephone, WeChat and the Company’s website

The government and regulators

• Regular communication with regulatory authorities
• Regular reporting
• Guidance and scrutiny
• Special research
• On-site inspections

Communities and the public

• Carrying out volunteering activities
• Community investment through Bosideng Charity Foundation
• Anti-epidemic and disaster relief

CONTINUOUS FOCUSES

Employees’ remunerations and benefits
Vocational empowerment and fair promotion
Employees’ rights assurance
Building a diversified workplace

Product quality and customers’ rights protection
Customer experience and communication
Privacy protection and information safety
Customers’ relationship management

Operating results
Stable operation to prevent and control risks
Transparent information and promotion of disclosure quality

Operation compliance
Payment of taxes according to law
Employment promotion
Focus on carbon neutrality, achieving green development

Community relations maintenance
Participating in big community/charity events
Supporting local economic development
Devoting to charity, building a harmonious society
2. ESG MANAGEMENT

2.3. 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 materiality assessment on ESG issues, identified material issues which have a great impact on the enterprise and stakeholders, and we collected over 1,500 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.

**ISSUE IDENTIFICATION**

After carefully studying the hot issues, national policies, industry developments, etc. for the Year, and clarifying the business characteristics and operating status of the Group, and in combination with local and international sustainability standards, including the materiality table of the Environmental, Social and Governance Reporting Guide, industry issues prepared by the Sustainability Accounting Standards Board (SASB), industry issues prepared by the Global Reporting Initiative (GRI) and ESG-related rating criteria, we had identified 21 material issues in connection with Bosideng.

**RESEARCH AND ASSESSMENT**

Through online and offline questionnaires, different stakeholders including governments and regulatory authorities, shareholders and investors, suppliers and business partners, employees, community representatives and consumers were invited to give their feedbacks on the importance of different issues for them, and over 1,500 feedback results were collected.

**MATRIX ANALYSIS**

According to the statistical results of the questionnaires, we have prepared a materiality assessment matrix and identified 10 issues of high materiality. The materiality assessment results shall be reviewed and confirmed by management, who will develop corresponding measure plans.

<table>
<thead>
<tr>
<th>MATERIALITY ISSUES</th>
<th>Ch.</th>
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<td>1. Operating results</td>
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<td>2. Building up new business formats and new experiences</td>
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<td>3. Improving product innovation</td>
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<tr>
<td>4. Enhancing national brands and improving cultural confidence</td>
<td>Ch.4</td>
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<tr>
<td>5. Product quality and customers’ rights protection</td>
<td>Ch.4</td>
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<tr>
<td>6. Building a steady and green supply chain</td>
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<td>7. Responsible procurement</td>
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<td>8. Efficient logistics response</td>
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<td>9. Anti-corruption and anti-unfair competition</td>
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<td>10. Robust operation, risk control and prevention</td>
<td>All Ch.</td>
</tr>
<tr>
<td>11. Privacy protection and information security</td>
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</tbody>
</table>

12. Marketing compliance | Ch.4 |
13. Focusing on carbon neutrality, continuing the reduction of carbon footprint of products | Ch.5 |
14. Strengthening green management of the whole life cycle | Ch.5 |
15. Water resources management | Ch.5 |
16. Waste Management | Ch.5 |
17. Employees’ rights assurance | Ch.3 |
18. High quality employment | Ch.3 |
19. Devoting to charity and advancing towards common wealth | Ch.3 |
20. Rural revitalization and employment improvement | Ch.3 |
21. Communication with stakeholders | Ch.2 |
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:

<table>
<thead>
<tr>
<th>FY2021/22</th>
<th>FY2020/21</th>
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<tr>
<td>Product quality and customers’ rights protection</td>
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<td>Enhancing national brands and improving cultural confidence</td>
<td>Employees’ rights protection</td>
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<td>Improving product innovation</td>
<td>Employees’ remuneration and benefits</td>
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<tr>
<td>Operating results</td>
<td>National initiative on building up brand-empowered strength, upgrade in fashion</td>
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<td>Employees’ rights assurance</td>
<td>Channel upgrades, innovation in service</td>
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<tr>
<td>Focusing on carbon neutrality, continuing the reduction of carbon footprint of products</td>
<td>Operating results</td>
</tr>
<tr>
<td>High quality employment</td>
<td>Accelerated implementation of digital transformation</td>
</tr>
<tr>
<td>Building up new business formats and new experiences</td>
<td>Building up steady supply chain</td>
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We identified the following features in the ranking of materiality issues in FY2021/22 as compared with that in FY2020/21:

1. Issues that are important to both stakeholders and Bosideng are highly overlapped, but the ranking has changed;
2. During the Year, “keeping reduction of carbon footprint of products” and “high quality employment” are added to the issues that are important to both stakeholders and Bosideng, which reflects the increasing attention of stakeholders to environmental protection and employee development under the background of “dual carbon” goals and common prosperity; and
3. “Product quality”, “customer rights protection” and “innovation in product and service” are always the most concerned issues for stakeholders.

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

- Consumers: 5, 4, 13
- Management: 5, 1, 4
- Employees: 17, 1, 5
- Shareholders and investors: 1, 3, 4
- Suppliers and partners: 1, 4, 5
- Community: 17, 18, 4
- Government and regulatory authorities: 13, 4, 5

2.4. BOSIDENG AND THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

As a part of the sustainability agenda in 2030, all members of the United Nations unanimously passed 17 SDGs in 2015, which clarified the global vision and priority to sustainable development. The SDGs call on the world to take common actions to eliminate poverty, protect the earth and improve the lives and future of humankind.

As global goals, all of the 17 SDGs are relevant to our operations to various degrees. Bosideng practices its initial intention and mission to warm the world and endeavors to respond to the challenge of sustainable development through the use of creativity and innovation, promoting a prosperous, equitable and high-quality of life for stakeholders through business operations. To demonstrate Bosideng’s commitment to social responsibilities, in recent years, we incorporate the concept of sustainable development into our mid- and long-term development strategies, proactively benchmark each ESG management and operation with SDGs and focus on 7 targets so as to form four action segments and formulate specific actions and performance indicators. This Report will disclose in detail and illustrate value created from Bosideng businesses for the society in different aspects. To show our contributions to SDGs for all stakeholders in a simple and clear manner, we will continue to illustrate them related to SDGs in diagram form in each chapter.

17 SDGs relating to our operations are summarized as below:

- **NO POVERTY**
  - Bosideng Charity Foundation continued carrying out targeted poverty alleviation and industry-based poverty alleviation projects in poverty-stricken areas

- **DECENT WORK AND ECONOMIC GROWTH**
  - Ensure employees’ remuneration and benefits; examine labor performance throughout supply chains

- **REDUCE INEQUALITY**
  - Advocate equal opportunities; oppose any form of discrimination

- **RESPONSIBLE CONSUMPTION AND PRODUCTION**
  - Cooperate with suppliers to improve environmental performance

- **CLIMATE ACTION**
  - First calculate the carbon emissions of the value chain; widely carry out energy conservation and emission reduction actions

- **LIFE BELOW WATER**
  - Prioritize the purchase of down apparel with RDS certification

- **LIFE ON LAND**
  - Foster the Bosideng Phase II charitable ecological forest plantation in Tonggy Naor Gacha, Aka Left Banner, Inner Mongolia

- **GOOD HEALTH AND WELL-BEING**
  - Support impoverished students through the "Xinai Fund (新爱基金)"

- **QUALITY EDUCATION**
  - Implement an occupational health and safety management system which has obtained ISO 45001 and OHSAS 18001 certification; assist suppliers to ensure safe production

- **GENDER EQUALITY**
  - Ensure gender equality in recruitment and employment

- **CLEAN WATER AND SANITATION**
  - Use water-saving sanitary wares and sanitary equipment

- **AFFORDABLE AND CLEAN ENERGY**
  - Photovoltaic power generation in logistics park

- **PARTNERSHIPS FOR THE GOALS**
  - Communicate with stakeholders and publish annual ESG report
Seven corresponding SDGs for four action areas are as follows:

<table>
<thead>
<tr>
<th>Action areas</th>
<th>Our Actions</th>
<th>Related SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESG management</td>
<td>Communicating with stakeholders and publishing the ESG report</td>
<td></td>
</tr>
<tr>
<td>People positive</td>
<td>Promoting decent work in our own operations and supply chains</td>
<td></td>
</tr>
<tr>
<td>Product positive</td>
<td>Providing consumers with safe and high-quality fashion products</td>
<td></td>
</tr>
<tr>
<td>Nature positive</td>
<td>Understanding, evaluating and improving the environmental performance of manufacturing suppliers by using more preferred materials in our products</td>
<td></td>
</tr>
</tbody>
</table>

2.5. RESPONSIBLE BUSINESS PRACTICES

2.5.1. 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. To strengthen the internal control and supervision mechanism of the Group, we established the audit supervision centre, and formulated an internal audit system which specified that the audit supervision centre would be responsible for auditing, supervising and assessing the reality, compliance and efficiency for all operating management and financial receipts and disbursements in the Group.

Our policy on anti-corruption (http://company.bosideng.com) provides guidelines on business conduct. All Bosideng staff, the Board and third parties operating business on our behalf have a responsibility 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 operate. 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.

We provide guidance to our employees on the ethical and compliance responsibilities relevant to their roles internally. We provide mandatory induction training on anti-corruption for new employees to improve their awareness of corruption risks and applicable anti-corruption laws and avoid unintentional violations. All managers and staff at the director level and above must sign the Work Atmosphere Commitment, and undertake that they will not take any form of bribery and use company resources for personal gain while taking advantage of their positions, assume job responsibilities, obey laws and regulations, and work with honesty and integrity. In February 2022, we conducted training on business ethics and anti-corruption for all mid-level and senior staff at the Democratic Life Conference to ensure they continue to act with integrity.

We regulate our partners with high standards to promote the integrity and social responsibility of the entire supply chain externally. 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.

We encourage 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 misconduct made in good faith.

The informant can make a report in the following forms:

Letter: clearly marked “open only for the addressee” 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: shenji@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).

2.5.2. 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 uses, means and scope of individual customer information collected, the customers’ rights to their individual information, and illustrate our safety protection measures to protect customer information. 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.

The audit committee of the Company has assigned the audit supervision centre to supervise and implement the daily operations of the whistle-blowing 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. PEOPLE POSITIVE

We adhere to a people-oriented policy in Bosideng. Our businesses are blooming due to energetic staff. We care about the well-being of our employees, workers along the supply chain and the communities in which we operate, and support and promote healthy lifestyles by providing decent jobs, promoting diversity and operating our business in an inclusive manner.

3.1. OUR EMPLOYEES

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 such 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.

3.1.1. 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. In terms of campus recruitment, we have chosen domestic apparel campuses with high influence, where 81% of our new employees were from. In terms of social recruitment, we follow enterprises with high potential, optimize employee welfare and long-term incentive measures, introduce professional testing and third-party background investigation tools to ensure more scientific talent selection.

Our commitment to diversification requires us to treat all employee without unequal treatment based on gender, marital status, family status, age, disability, sexual orientation, race, religion, etc. The human resources management system specifies in detail the provisions on recruitment and hiring, remuneration and benefits, promotion system and attendance management, among others.

As of March 31, 2022, the Group had a total of 10,118 fulltime employees, up by 12.1% 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 79.6% of the total workforce, and the percentage of female management (including senior management and general management) exceeded 45.8%. The composition of employees is set out below:

<table>
<thead>
<tr>
<th></th>
<th>Senior management</th>
<th>General management</th>
<th>Non-management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>66.2%</td>
<td>47.9%</td>
<td>83.2%</td>
</tr>
<tr>
<td>Female</td>
<td>33.8%</td>
<td>52.1%</td>
<td>16.8%</td>
</tr>
</tbody>
</table>

Bosideng International Holdings Limited   Environmental, Social And Governance Report 2021/22
During the Year, the Group was not aware of any major violations related to equal opportunity, diversity and antidiscrimination.

In addition, in order to protect employees’ rights to terminate their labor contracts freely, the Group has established procedures for terminating labor contracts in accordance with applicable laws and regulations. We respect the willingness of employment of every employee, but at the same time, we will also seek to understand the reasons for any employee’s resignation through the relevant department to which the employee belongs and strive 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.

3.1.2. Compliant labor use

Bosideng’s internal regulations clearly forbid the employment of child labor and forced labor. All formal employees recruited must be at 18 years old and above. We strictly verify the identity of applicants during the recruitment process and sign contracts only after their ages are in compliance with local regulations and correct identification. Meanwhile, we also regularly investigate 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.

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 to clarify standard clauses corresponding to the rights and interests of employees. During the Year, the collective contracts cover all contractual and female employees.

We pay social insurance for all on-the-job contract employees. As pension is the core of social insurance, the Company provides employees’ salary while paying pension insurance. For internal employees who attain retirement age, the Company will handle their retirement procedures and help them enjoy pension in accordance with laws upon the verification of the local human resources and social security departments. In 2021, 26 employees have retired and enjoy 100% pension benefits.

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 received any employee complaints about harassment (including sexual harassment), corporal punishment, abuse and inappropriate punishment measures, nor was there any dispute over salary payment.

3.1.3. 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.

We promoted the implementation of an employee equity incentive scheme, which covers the Group’s directors and core management personnel in operations, and determine 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, 2022, Bosideng granted six tranches of equity incentives, including 954.7 million share options and 364.5 million award shares, 1.3192 billion share options and award shares in total, of which 119.2 million award shares and share options were granted to 54 employees during the Year.

In terms of welfare allowances, Bosideng strictly abides by the requirements of the country/region where it operates and provides 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 attaining 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.
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 has invested over RMB5.60 million in employee training. Four major training projects have been established, including TMT (Top Management Team) cultivation project, Eagle talent development projects, strategic reserve talents development projects and leadership development projects targeted for director back-up talents and manager back-up talents as well as fresh graduates.

Combing 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.

Managerial staff cultivation includes primarily “on-the-job managerial staff cultivation” and “echelon talent cultivation”. The training effect of “on-the-job managerial staff cultivation” is implemented 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 managerial staff through the talent inventory. “Echelon talent cultivation” is 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 for retail companies; and the “Eagle” program which aims to develop manager-level management staff.

Our training channels are rich and diversified, including offline classrooms, online cloud schools, WeChat and Ding Talk learning platform “Learning Club” and others, creating convenient conditions for employees to expand their expertise. During the Year, with the impact of the pandemic, the Group has transferred a lot of offline trainings into online trainings, and adopted a combination of offline and online trainings. In particular, the online trainings were conducted by primarily relying on the study platform of “Ding Talk –Cloud University”, and the offline trainings focused on cultural trainings and the study and discussion of actual cases. We 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 69,787 hours and average training hours were 7.8 hours/person, increasing by 73.3% year-on-year.
3.1.5. 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), and organized the head of each department to conduct regular reviews on the implementation progress of policies and goals, as well as the operation of the management system. Meanwhile, to ensure that every employee gets knowledge and skills in relation to occupational health and safety, we organize, on a regular basis, occupational health and safety training, emergency drills training and others. In terms of pandemic prevention and control, online systematic training on pandemic prevention and control knowledge and policies was organized for all employees on a regular basis within the Group.

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 or above was 80%, and the average age is 32. As of March 31, 2022, the ratio of employees of post-90s generation of the Group was 43.3%, 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.
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 OHSAS 18001 occupational health and safety management system certification and ISO 45001 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 July 2021, we organized department heads to carry out the management review of the occupational health and safety management system for 2021. The reviewed issues included change of internal and external problems related to the occupational health and safety management system, satisfaction degree of occupational health and safety policies and occupational health and safety goals, occupational health and safety performance, communications with stakeholders, room for continuous improvement and sufficiency of resources necessary to maintain the effective occupational health and safety management system.

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 36 occupational health and safety laws and Regulations (167 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 each objective in respect of prevention and control of the pandemic, introduction and establishment of occupational health and safety, occupational disease checkups and emergency drills by a series of specific measures:

• We prevented and controlled the pandemic strictly according to the development thereof to ensure the safe resumption of work
• We conducted ISO 45001 training for the department system heads, auditors and employees
• We arranged occupational disease checkups for employees exposed to occupational hazards based on pre-employment, on the job, job transfer and resignation. During the Year, 37 occupational disease checkups were provided
• We organized 2 emergency drills to prevent and reduce risks and losses

3.1.6 Communication and Care
Bosideng attaches great importance to the construction and inheritance of corporate culture, advocates the practice of corporate culture, condenses the team with excellent corporate culture, and works together to make the team’s ideas and goals highly consistent, so as to ensure the efficient achievement of strategic goals. This Year, the Group carried out a variety of corporate culture building activities: in order to clarify the strategic direction, commend excellent benchmarks, replicate benchmarks with benchmarks, the Group held annual corporate culture conferences, hero lectures and other meetings; in order to carry forward the cultural spirit of never fearing difficulties and always striving for first place. The Group also deeply practices the cultural spirit of Bosideng by organizing outdoor hiking competitions and other activities. In addition, Bosideng also attaches great importance to warming employees and effectively improving employees’ happiness by holding employee birthday parties and other activities.

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 cafeteria and shuttle buses to and from Shanghai, Suzhou and Changshu to facilitate their life;
• We launched an internal charity fund, calling on employees to voluntarily donate RMB1 per person every month to help those colleagues in need at any time and solve their various problems in life; and
• We view the cultivation of corporate culture as a part of workforce establishment, enriching employees’ spare time and enhancing their sense of belonging and enthusiasm for work through various employee activities. During the Year, we invested approximately RMB84.193 million of funds (FY2020/21: approximately RMB2.744 million) and held various special activities, such as Yan’an Hiking Challenge (延安徒步挑战赛), the Annual Conference on Corporate Culture and Talent Cultivation, Open Day for Employee’s Family, etc.
3.1.7 Response to the COVID-19 Pandemic

In the face of the significant test of battling the pandemic, Bosideng swiftly took actions in response to the pandemic in a positive manner, organized carefully and implemented targeted policies, achieving a staged victory of scientific prevention and control, and resumption of work and production.

During the COVID-19 pandemic, we considered protecting the health and safety of our employees as a top priority in our pandemic prevention efforts, thus we promptly united anti-pandemic forces to establish an anti-pandemic leading team, health management team, anti-pandemic inspection team, logistics assurance team and anti-pandemic sterilization team to specify emergency procedures, specific personnel and their job responsibilities regarding pandemic prevention.

- Based on the dynamics of the pandemic as well as industrial and regional factors of the enterprise, the anti-pandemic leading team efficiently established a sound prevention and control mechanism and developed corresponding plans for pandemic prevention and control; carried out publicity and education in an active manner and conducted comprehensive pandemic prevention training for employees, to lay a solid foundation for the resumption of work and production.

- The health management team conducted targeted screening and control of personnel entering and exiting the park area, and strictly implemented the visitor health review system.

- The anti-pandemic inspection team strictly performed its jobs including checking ID cards and employee cards, body temperature measurements, full-process monitoring on the entrance and exit of guards and reporting any abnormalities promptly.

- The logistics assurance team fully ensured sufficient medical supplies, formulated a system for staggered meal times, strictly implemented a disinfection management system in dormitory areas and executed the pandemic prevention system of mass prevention and control.

- The anti-pandemic sterilization team strictly implemented the management of workplace disinfection, and disinfected crowded areas including public places twice a day.

During the resumption of work and production, the Group strictly complied with pandemic prevention guidelines to ensure the health and safety of employees. We made every effort to ensure enough disinfectants for employees' pandemic prevention, 75% disinfection alcohol, temperature guns, surgical masks, sterilizing hand sanitizers and other materials in urgent need. We also flexibly applied technical means including cloud office, and adopted various methods, such as telecommuting at home, staggered working times for different posts, work in different times, taking turns to work, and a flexible attendance management, to make scientific plans for the resumption of work and production in a safe and orderly manner. In addition, the Group issued the Traffic Reception Plan for Employees Returning to Work and organized 16 Bosideng "Warm" shuttles to pick up employees in a "point-to-point" method from Chongqing, Henan, Anhui and other places, respectively, to ensure their safety in the course of work resumption.

During the Year, the Group also made a special arrangement for the Company’s general meetings amid the epidemic to the maximum extent to ensure the health and welfare of the shareholders. The Company adopted a combination of online and offline general meetings, and highly recommended shareholders to attend the meeting through online ways. For those who attended the meeting in person, the Company took strict prevention measures, including temperature checks, providing health codes, travel codes, documentary evidence of nucleic acid tests within 48 hours and/or other certifications as required by the Company, required all participants to wear surgical masks and set appropriate distance for queuing and seats at the meeting venue, etc.

3.2 OUR SUPPLY CHAIN

3.2.2 Suppliers performance evaluation

We manage suppliers labor performance through two procedures, namely supplier admittance and supplier review.

During supplier admittance, we formulate and implement policies, requirements and standards based on labor performance and supplier evaluation indicators, such as Supplier Cooperation Manual, Supplier Evaluation Standards, and Supplier Review Report, including but not limited to child use, non-execution of Bosideng’s requirements on management of health and safety, and suppliers who have been subject to penalties due to OHS accidents are not admissible; for violations of national laws and regulations on work time, remuneration standards and overtime work salary, suppliers who force overtime work may be admitted upon rectification; and suppliers conducting regular training on occupational health and safety for employees and with occupational health and safety management systems may be awarded. For other details in selecting suppliers, please refer to the section headed “5.3 ENVIRONMENTAL PROTECTION REQUIREMENTS FOR SUPPLIERS” in this Report.

During supplier reviews, we review suppliers based on the same standards, formulate and implement policies, requirements and standards, such as Key Performance Evaluation Standards for Suppliers, the Measures for the Management of Supplier’s Key Performance Assessment, etc. to ensure that suppliers meet our requirements in follow-up cooperations. We determine the risk level of suppliers according to the review results, and pay strong attention to high-risk suppliers. During the Year, we incorporated relevant labor management into the review system, and set up a one-vote veto and refused to cooperate with non-compliant suppliers, so as to continue to exert influence on suppliers’ compliance.
During the Year, we reviewed 241 suppliers in total with a review coverage rate of 100% and a pass rate of 95% and identified 57 suppliers as non-compliant. In particular, we put forward improvement requirements and standards for 35 suppliers with non-compliance items, and tracked the improvement results to ensure that the suppliers ultimately meet our requirements, and chose to terminate cooperation with 22 suppliers without capacity or failure to improve their issues. During the Year, we mainly held one strategic supplier cooperation conference with approximately 370 attendees and two practical trainings for quality requirements in the plant with approximately 370 participants.

City, Jiangsu Province has invested approximately RMB36.902 million (FY2020/21: RMB17.296 million) in occupational health and safety, with 100% of workers' protective equipment intact, 100% of worker 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 of Outsourcing Manufacturers in Changshu during the Year (Unit: RMB0'000)

| Environmental Safety Improvement Program of the Workplace | 2,208.1 |
| Purchase, Repairs and Maintenance of Safety Equipment | 884.2 |
| Medical Fees | 362.8 |
| Occupational Development Training | 167.5 |
| System Certifications Investment | 52.4 |
| Others | 15.2 |
| **Total** | **3,690.2** |

### 3.3. OUR COMMUNITY

Corporate citizenship actions help us build mutually beneficial relationships with our communities. At Bosideng, we are committed to cultivating a healthy, prosperous and vibrant community and being part of it to enable our greater potential.

Our community investment actions are mainly carried out through the Bosideng Charity Foundation. The Bosideng Charity Foundation was established in 2011 by Mr. Gao Dekang, Chairman of the Board of Directors of Bosideng Group. It adheres to the public welfare purpose of “inheriting culture, spreading public welfare, and conveying warmth”, and promotes the sustainable development of society through various public welfare activities. During the Year, the Group’s total charitable donations amounted to RMB28 million, among which, approximately RMB23 million were donated to Bosideng Charity Foundation.

#### 3.3.1. “Xinai Fund (新爱基金)” to warm students

“Xinai Fund (新爱基金)” is an education facilitation program established by Bosideng Charity Foundation for supporting poor students from all over the country to fund their tuition fees and living expenses and support the completion of their studies and to help them achieve their dreams of going to university. In 2021, “Xinai Fund (新爱基金)”, the charity project of Bosideng Foundation, has been successively carried out in Jiangnan University and Changshu Institute of Technology respectively to help poor students with the warmest wishes in the winter by providing financial support for tuition. During the Year, Bosideng Charity Foundation supported 126 students of Jiangnan University and 90 students of Changshu Institute of Technology.

#### 3.3.2. Anti-flood and disaster relief to warm Shanxi

In October 2021, Shanxi Province suffered the strongest autumn flood since the meteorological record, and the rescue and disaster relief and post-disaster reconstruction drew concern from people of the whole country, while the cold snap that arrived earlier also made the disaster relief and post-disaster reconstruction harder. After getting the information of this disaster, Bosideng joined hands with China Charity Federation to launch the "Bosideng Warm Action" to help Shanxi, quickly mobilising the nine depots across the country to meet the demand for down apparels in the disaster areas with a combination of resources, and donating high-quality cold-resistant down apparels with a value of approximately RMB50 million and monetary funds to Shanxi Province for post-disaster reconstruction and disaster relief personnel, disaster victims and people to keep warm, to help Shanxi’s flood relief and post-disaster reconstruction.

"Xinai Fund (新爱基金)" is an education facilitation program established by Bosideng Charity Foundation for supporting poor students from all over the country to fund their tuition fees and living expenses and support the completion of their studies and to help them achieve their dreams of going to university. In 2021, “Xinai Fund (新爱基金)”, the charity project of Bosideng Foundation, has been successively carried out in Jiangnan University and Changshu Institute of Technology respectively to help poor students with the warmest wishes in the winter by providing financial support for tuition. During the Year, Bosideng Charity Foundation supported 126 students of Jiangnan University and 90 students of Changshu Institute of Technology.

“Bosideng Warm Action” to help Shanxi, quickly mobilising the nine depots across the country to meet the demand for down apparels in the disaster areas with a combination of resources, and donating high-quality cold-resistant down apparels with a value of approximately RMB50 million and monetary funds to Shanxi Province for post-disaster reconstruction and disaster relief personnel, disaster victims and people to keep warm, to help Shanxi’s flood relief and post-disaster reconstruction.
3.3.3. Helping the pandemic war effort and sending warmth to Xi’an
In December 2021, the situation of the COVID-19 pandemic in Xi’an had been worsening continuously. After learning about the need for winter clothes of front-line staff, Bosideng Charity Foundation immediately launched the “Bosideng Warm Action to Help Xi’an” in conjunction with Suzhou Charity Federation, donating 2,000 pieces of down apparel to medical staff and anti-pandemic volunteers in Xi’an to help front-line staff solve the cold-resistance issue. To implement the original mission with action, Bosideng helped Xi’an to win the fight against the COVID-19 pandemic.

3.3.4. Developing skills for giving back to the society
We have established tailoring training schools for those who are unemployed, underemployed, and the members of the newly immigrant communities to obtain urgently needed skills, with the aim of narrowing the gap between the rich and the poor. Each program for a period of six weeks not only allows the participants to prepare for production line positions but also enables them to become assistant supervisors, supervisors, engineers, managers and enter other positions. The trainees will gradually learn more challenging tailoring techniques, and also can choose to obtain a second language course certification in English or French to increase their employment opportunities. Since 2015, over 4,900 participants have completed the tailoring training in school.
Bosideng has been dedicated to the down apparel business for 46 years for the purpose of becoming the world’s leading expert in down apparel. The Group firmly upheld the strategic direction of “focusing on principal business and key brands” and defined the Bosideng’s brand positioning of being the “world’s leading expert in down apparel”. In the context of 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 quality”. The Group has always valued the competition and the satisfaction of their diversified wearing demands in the business 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. Bosideng continues to be selected as "Brand Finance Apparel 50", ranking the 48th in apparel brands list, which demonstrates the strength of our Chinese brands.

4.1. PRODUCT MANAGEMENT

The use area of the Group’s scientific technology center increased to 10,000+ sq.m., in which the Group built a leading polar environment simulation testing laboratory, upgraded the software and hardware capabilities of the raw material expert laboratory in all aspects. We value product and service management 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 each link and require our employees and partners to execute strictly.

4.1.1. R&D and innovation

Innovation is the engine of high-quality development and is also the core driver to maintain the leading position of products. As a pioneer in the down apparel industry, we always focus on the research and development, design and innovation of down apparel, keep effective investment in research and development and stimulate the leadership and supporting role of science and technology innovation to continuously enhance independent innovation capability.

In 2021, Bosideng applied for 140 patents (inventions, utility and appearance patents) in total, and was granted 20 patents. As of March 31, 2022, Bosideng was granted 369 patents in total (including inventions, utility and appearance patents).

Technology innovation

We have been in a leading position in the industry in terms of technology innovation. On one hand, we focus on investment in scientific research and technology, embark on cultivating and developing leading capabilities in scientific research and technology and improving the elements of independent innovation. On the other hand, we master the international high-end functional raw material supplier resources, incorporate scientific research and technological innovation into important core strategies of the corporation such as new material development, new product research and development, supply chain management, and continue to increase investment.

Product innovation

We always value product innovation. Sticking to the concept of consumer-centrism and starting from user thinking, we take the preference of consumers as the key to product innovation, and design best-seller products through an end-to-end integrated design process and take into account current trends. We conduct new product development based on different scenes to accelerate the formation of the core competitiveness of products with leading functions, leading fashion and leading technology.

During the Year, the “composite structure camping down jacket” and “Ultra Eco-friendly down jacket” of Bosideng won the ISPO Award and the Red Dot Award, respectively; the original Trench-style Down Jacket Collection of Bosideng won the “2021 Top 10 Innovative Products for National Consumption” issued by people.cn; the Bosideng Mountaineering Collection won the “Outstanding Innovation Award of the China Down Industry Innovation Competition” issued by the China Feather and Down Industrial Association, which has revealed the core competitiveness of expert innovation in down apparel.

Protection of intellectual property rights

We focus on protecting technological innovation achievements and intangible brand assets such as trademarks, patents and copyrights. On one hand, we establish 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 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.
4. PRODUCT POSITIVE

4.1.2. Quality assurance
Ensuring that every consumer is provided with high-quality products and services is not only our most basic responsibility to consumers, but also the key to ensuring our sustainable development. Starting from quality, we advocate the product innovation thinking of "Quality +", aiming to integrate color, innovation and excellent quality into our brand DNA.

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. In 2021, we continued to optimize the system, reducing the market disability rate standard of the general product to less than 0.08%, the market disability rate standard of high-end products to less than 0.035%, and the satisfaction of high-end user should reach 96%.

Cooperation with policymakers
We cooperate with policymakers in respect of issues that are the most relevant to our sustainable development efforts to contribute to positive change in our industry. In recent years, we drafted and revised “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 the China National Garment Association, China Quality Certification and other units. As of March 31, 2022, we participated in draft and revision of 23 international standards, 13 national standards and 4 industry standards.

4.1.3 Customer services
We have always been consumer-centric and interacting with customers through diversified channels to listen to their needs, continuously optimizing service levels, and committed to providing consumers with an excellent shopping experience.

New retail innovation
In 2021, we continued to optimize the online and offline new retail innovation landscape in line with the new retail trends in the post-epidemic era. On the offline side, we started to optimize the channel structure and channel quality, and focused on the expansion and transformation of "2+13" key cities (i.e. Beijing, Shanghai and other 13 first-tier and new first-tier cities). On the online side, we endeavored to establish closer communication channels with consumers. During the Year, we had 6.10 million new corporate WeChat members, and the Bosideng brand had 2.50 million new corporate WeChat friends. The total number of WeChat official account followers and the Douyin official account fans of Bosideng brand exceeded 6.30 million and more than 4.90 million, respectively.

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 to each warehouse while sending 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.
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, make inquiries, payments, FAQs and other operations independently through the mini program. The annual customer promoter score of the service function is 8.8.

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 a customer complaint in a most expert way. During the Year, we carried out training programs for after-sales staff, such as online learning platform, training camp for elite staff, as online learning platform, training camp for elite staff, etc., and implemented a rotation mechanism for online and offline staff. 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 544 consumer complaints through all channels, and satisfaction rate for handling complaints reached to 97.5%, increasing by 2.5 percentage points as compared to those of the previous year, and the Bosideng brand recognition in the minds of consumers has become more positive. In 2021, the satisfaction rate of product research that Bosideng initiated towards high-end users was as high as 96%.

**Responsible Marketing**

The Group strictly abides by the laws and regulations of the product exporting countries and the down apparel standards, 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.

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. Among them, the net promoter score (i.e. NPS) was as high as 56, and brand reputation was as high as 9.11. It has become the preferred down apparel expert brand among over 71% of Chinese consumers. 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.

We have developed standard operating procedures for chemical testing as part of material selection and approval. We strictly abide by the China National Standard GB18401-2010, National General Safety Technical Code for Textile Products, and GB31701, Technical Specification for Textile Products for Infants and Children, 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. 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.

**4. CHEMICALS MANAGEMENT**

Chemicals management is an important part of our sustainability strategy. Our vision has always been to provide consumers with safe, environmentally friendly, responsibly manufactured products, and repaying the trust consumers place in us by responsibly managing chemical use.

We have our own testing centre to test each batch of raw materials. We also entrust a third-party authoritative testing agency on irregular basis to test raw materials, such as test on down apparel APEO (one of the most common raw materials of detergent in down industry), and the proportion of entrusting third-party inspection by the Group was approximately 6%. Restricted substance testing will be conducted at the garment stage. During the Year, our external inspection expense was approximately RMB330,000. 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 2021, we invested RMB400 million to upgrade the test centre. After the renovation, the materials in the test centre can undertake up to 30 programs, including 15 down apparel testing programs.
Our economy depends on and integrates with nature. The world urgently needs change to stop and reverse this decline and accelerate the transition to an ecological and carbon-neutral future. As an apparel enterprise, undoubtedly, our business is facing both risks and opportunities resulted from climate change. Taking green transformation as our goal, we adapt to the climate change through managing the risks brought by climate change to our operation, and also make every effort to mitigate climate change by reducing carbon emissions in our business while sticking to the concept of sustainable fashion, thereby providing more green choices for our consumers.

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: the Company’s environmental management expanded 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

5.1. CLIMATE RESPONSIBILITY

Climate and natural crises are interconnected, and addressing environmental challenges requires action in all-round way. We proactively address climate change while focusing on other climate-related impact areas and responsibly manage our impact on the environment.

5.1.1. Carbon footprint

At Bosideng, we are committed to doing our part to combat climate change. Efforts to support this commitment require us to understand where our emissions come from in order to make better decisions about our carbon strategy. Realizing that our responsibility is not limited to direct operations, but extends to the entire life cycle of a product, for the first time in the past year, we have calculated our value chain emissions and will continue to improve the data collection of Scope 3 emission.

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

<table>
<thead>
<tr>
<th>Scope 1</th>
<th>Scope 2 emission (Location-based)</th>
</tr>
</thead>
<tbody>
<tr>
<td>99.6%</td>
<td>0.4%</td>
</tr>
</tbody>
</table>

1. Including emissions from down production, fabric processing and garment processing
2. Including emissions generated from logistics services from our warehouse to external and agent warehouses before products are sold, and emissions from courier services paid for by us after products are sold
3. Including emissions from courier services paid for by third parties after the products are sold
4. Including emissions from our franchise operations

The composition of Bosideng Scope 3 greenhouse gas emissions

- Purchased goods and services
- Fuel - and energy - related activities
- Upstream transportation and distribution
- Business travel
- Employee commuting
- Downstream transportation and distribution
- Use of sold products
- Franchises
5. NATURE POSITIVE

5.1.2. Climate actions
Climate responsibility means taking action immediately to curb our emissions. At Bosideng, we are committed to fulfilling the Chinese government’s dual carbon goal of “realizing carbon emission peak by 2030 and carbon neutrality by 2060”, and promoting our journey to curb in three directions, 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 a core component of our climate change mitigation. We identify the most cost-effective ways to reduce emissions throughout our operations based on our emissions hotspots. We will also work to expand to our production suppliers, through cooperation with suppliers, suppliers with environmental management systems or energy management systems will be given extra points, and an open letter on environmental and energy health management will be issued to interested parties, to drive and demand cleaner production practices.

- **Retail stores**
  - The exterior facade adopts Low-E glass to reduce the impact of the outdoor environment on the interior of the store and reduce the utilization rate of air conditioners
  - The distribution box system adopts a separate loop control mode, and the screen device is turned on by the timer sub-time node
  - Promotion of LED lighting retrofits in retail stores

- **Logistics park**
  - 220 high bay lamps covering 12,000 square meters were replaced with LED lamps, which save energy by 54%
  - 4 lead-acid battery forklifts were replaced with lithium battery forklifts
  - Frequency conversion motor was selected for power equipment, and automatic start and stop of equipment is achieved through sensors
  - 220 street lamps in the headquarters park were upgraded to LED lamps, which accumulate save more than 4,300 kWh of energy consumption during the Year.

- **Suppliers**
  - Promotion of LED lighting retrofits in production suppliers
  - Drive the retirement of coal-fired boilers and electric motors for production suppliers. Since 2014, the project has accumulatively saved more than 4,500 MWh of energy consumption

- **Administration**
  - 200 street lamps in the headquarters park were upgraded to LED lamps, which accumulate save more than 4,300 kWh of energy consumption during the Year.

Renewable electricity
We have installed photovoltaic power generation equipment on the roof of Eastern China warehouses where conditions are met. In 2021 when the photovoltaic power generation capacity of the Eastern China warehouses was 934 MWh, it accounted for 23% of the electricity consumption of the Eastern China warehouses. We expect to evaluate the feasibility of installing photovoltaic power generation equipment in other parks to expand the use of renewable electricity and create low-carbon logistics parks.

Low carbon design
In recent years, we have constantly promoted the use of new environmental fabrics based on their environmental and low-carbon properties.

**3D down fabrics**
The 3D down fabrics promoted for use are made from recycled polyamide re-melted and spun. The recycling of polyamide helps to reduce our reliance on fossil-based raw materials and reduce waste. Such sustainable and elastic fabrics can keep dry even in tough conditions and cold weather.

**Dupont™SORONA® fabric**
We promote the use of Dupont™SORONA® fabric, which breaks the situation where the traditional fiber industry relies heavily on petroleum and petrochemical products. It innovatively extracts sugar or glucose components from plant raw materials for fiber manufacturing, effectively reducing the consumption of petroleum resources and carbon emissions in the production process. It is easy to care, low in carbon, and can be recycled and has other environmental protection properties.

- **Suppliers**
  - Drive the retirement of coal-fired boilers and electric motors for production suppliers. Since 2014, the project has accumulatively saved more than 4,500 MWh of energy consumption
Green corporate action

During the Year, Bosideng has applied for the industrial energy conservation and green standard research projects approved by the Ministry of Industry and Information Technology of the PRC. Bosideng also took the lead in drafting the Technical Specification for Eco-design Product Assessment – Down Apparel (the National Technical Committee on Garment Standardization Down Apparel) and the General Technical Requirements for Digital Workshops of Down Apparel (China Association for Machinery Standardization), which were completed and publicized in 2021. In addition, Bosideng has carried out cooperation projects with China Quality Certification Centre on carbon peak and carbon neutrality, and completed the 2020 greenhouse gas verification and product carbon footprint report.

Carbon neutral forest of Bosideng

On the basis of the first attempt to carbon neutral forest last year, during the Year, we continued to bring green to Tonggu Naoer Gacha, Alxa Left Banner, Inner Mongolia, a land covered by Tengger Desert, and continued to carry out the second phase of 1,000 ecological shrub public welfare forest with an area of 20 mu. This has laid a solid foundation for realizing carbon neutrality on a natural basis in the future.

5.2. PREFERRED MATERIALS

We rely on materials to make our products. Our choice of product materials reflects our ambition to be a practitioner of sustainable fashion. We are committed to responsibly sourcing our materials to minimize the negative environmental and social impacts associated with them.

5.2.1. Important raw materials

Our responsible sourcing actions begin with understanding and tracking our raw material inputs and consumption so that we can prioritize materials that are used the most or have the greatest potential environmental or social impact.

Our down products are made of four major components: fabric, lining, gall and filling. The major components of the fabric are polyester fiber and polyamide. Both the major component of the lining and the gall is polyester fiber. The major component of the filling is down. Cotton (the proportion of weight used and the proportion of the total amount used are both less than 1%), as a non-primary raw material, was only used to fill the placket, bag cover, collar, and hat that are prone to friction and rubbing, so as to effectively keep the clothes upright and straight.
5. NATURE POSITIVE

<table>
<thead>
<tr>
<th>Main raw materials</th>
<th>Relevant certifications</th>
<th>Proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Down</td>
<td>RDS</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>Bluesign®</td>
<td>45%</td>
</tr>
<tr>
<td></td>
<td>OEKO-TEX</td>
<td>65%</td>
</tr>
<tr>
<td>Other main raw materials other than down</td>
<td>Major components</td>
<td>The proportion of materials consumption by length</td>
</tr>
<tr>
<td>Fabric</td>
<td>polyester fiber, polyamide, etc.</td>
<td>47%</td>
</tr>
<tr>
<td>Lining</td>
<td>polyester fiber, etc.</td>
<td>15%</td>
</tr>
<tr>
<td>Gall material</td>
<td>polyester fiber, etc.</td>
<td>38%</td>
</tr>
</tbody>
</table>

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

5.2.2. 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.

We have set down quality standards that exceed the national standards, including 3 categories which are customer-oriented key indicators, national standard requirements and safety indicators. 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 terms of the sustainability and traceability of down raw materials, our priority selection is the down suppliers certified by RDS, provided that 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 have 100% of our down certified to the Responsible Down Standard (RDS), which had exceeded our target. We will keep working with down suppliers to facilitate the transition to a responsible down industry for the whole society. To further improve the health and safety performance of products from the source, we give priority to purchasing raw materials certified by OEKO-TEX and Bluesign®. During the Year, 65% of the down raw materials purchased by the Group obtained the OEKO-TEX certification and 45% obtained the Bluesign® certification.

RDS 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; and
- Down farms are required to ensure that all waterfowl over 3 days of age are certified and the source of waterfowl is traceable.

During the Year, we focused on updating the down testing standards to further reduce the harmful substances in down and further reduce the content of substances in down that have an impact on the environment. The details are set out below:

- Reduce oxygen consumption from ≤5.6mg/100g to ≤3.2mg/100g;
- Added the requirement to prohibit glue down;
- Reduce APEO content from <1,000mg/kg to <100mg/kg; and
- Increase the pH 4.5-7.5 requirements of down, and meet the basic technical safety requirements of China’s textiles Category A (products for infants and children).
5. NATURE POSITIVE

5.3. ENVIRONMENTAL PROTECTION REQUIREMENTS FOR SUPPLIERS

The Group puts forward strict environmental protection requirements in the process of selecting suppliers, such as prohibiting the use of azo dyes and other carcinogenic dyes during the production of various types of raw materials and the discharge of waste gas, waste water and industrial residue requires to be qualified upon inspection by the local environmental protection department. In the production process, priority is given to the manufacturing technique which meets environmental protection standards and energy conservation and is characterized by low energy consumption and pollution, no toxicant and high resource usage. We continue to focus on the implementation of relevant environmental systems and certifications of raw material suppliers and make a list of relevant parties who establish the systems. During the FY2021/22, the system coverage rage of supplier such as ISO14001/ISO50001/OEKO-TEX/GRS was approximately 35%. 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 selecting suppliers, please refer to the section headed “3.2.2 Suppliers labor performance evaluation” in this Report.

5.4. PACKAGING

We use packaging to protect our products from damage during shipping. 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, we have taken a series of measures to phase out packaging materials that have a greater impact on the environment and, where feasible, to promote the reuse of packaging materials.

**Warehouse**
- Reuse of cartons and plastic turnover boxes in the circulation stage in the warehouse
- On-line automatic carton packer to optimize packing and loading efficiency and avoid the use of packing tape and sealing tape

**Online business**
- Increase the proportion of carton packaging and reduce the proportion of bubble bag packaging
- Do not reserve handbags as much as possible or reserve them based on user needs
- Electronic documents are adopted and merged with in-house job documents

**Offline business**
- Reuse cartons for packaging and circulation in the packaging of goods
- Strictly control the inventory of handbags of the retail stores

5.5. WATER

Water resource management is an important part of our environmental management approach. We continuously monitor the water consumption of the group 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, to continuously improve our water performance.

We widely use water-saving sanitary ware and sanitary equipment within the group, regularly check the status of water outlet facilities, and arrange the logistics department to close the water inlet valve and toilet system of each department after getting off work. We also vigorously promote water conservation practices in our retail stores.

The wastewater discharged from our operations is mainly domestic sewage, which is discharged into the municipal sewage pipeline for unified treatment after reaching the standard.
5. NATURE POSITIVE

5.6. WASTE

The waste we generate mainly includes operational waste, kitchen waste, decoration waste and a small amount of hazardous waste from headquarters, retail stores, logistics parks, and warehouses. Our Management Regulations on Waste Disposal provide clear guidelines for our waste management approach. We strictly abide by this regulation in our business operations, and strive to avoid the unnecessary generation of waste and properly dispose of essential waste.

General waste

Kitchen waste: We have a staff canteen in our headquarters. We have designated trash cans for food collection, and entrust sanitation service corporations for post-processing. For the kitchen waste generated during kitchen processing, we set up designated garbage trucks in conjunction with the local sanitation department, which is responsible for regularly transferring the garbage to the garbage transfer station for harmless treatment.

Operational waste: We have collection points for recyclable waste such as paper and cloth in various office areas of our headquarters. We have also implemented a paper control mechanism, requiring departmental approval for matters that require a large amount of copies or printing, and controlled by the printing room to prevent the misuse of paper. We arrange full-time cleaners to collect the domestic waste generated during a daily basis, and transfer it to the waste transfer station for harmless treatment by the local sanitation office.

Decoration waste: Our retail stores generate a certain amount of decoration waste during the renovation and decoration process. Our Construction Manual has clear requirements for decoration design, material use, construction technology, etc. We minimize the potential risks of decoration waste on the environment through the extensive use of non-polluting, low-polluting decoration materials. We strictly deal with the decoration waste, including the outsourced decoration project, which stipulates that the contractor is responsible for the harmless treatment of decoration waste in the form of a contract. The decoration waste that is not stipulated in the contract shall be cleared and shipped by the personnel organized 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.

Hazardous waste

The hazardous wastes we generate are mainly waste acids from the operations of our headquarters and retail stores. We have an environmental operation management system and assign the logistics department to manage hazardous waste. The logistics department is responsible for gathering waste and determining qualified hazardous waste treatment units, signing entrusted treatment and disposal contracts with such units, handing over hazardous waste to such units for treatment and disposal in accordance with specifications, and obtaining disposal information. Meanwhile, our system office regularly collects hazardous waste disposal information and reports to government agencies through Suzhou Municipal Hazardous Waste Management System.

The future of the fashion industry is doomed to be sustainable. Climate change, resource depletion, pollution, hazardous waste, and other challenges are driving the fashion industry to change to a sustainable model. We must fundamentally incorporate environmental and social factors into the future of fashion in order to create positive value with fashion.

As a brand, we always uphold the mission of “Bosideng warms the world”, focusing on letting our employees find their own value in Bosideng, caring for us and employees in the supply chain, choosing materials that have a positive impact on the environment and society, widely carrying out energy conservation and emission reduction measures in the value chain, participating in community work, and providing high-quality products and services to consumers as always.

This Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide under the Listing Rules of the Stock Exchange. In the future, we expect to improve in many areas and provide more comprehensive and in-depth ESG reports for stakeholders.
### Environment Performance Data

#### Greenhouse Gas Emission

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Unit</th>
<th>FY2021/22</th>
<th>FY2020/21</th>
<th>FY2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1 and 2 emission</td>
<td>tonnes</td>
<td>31,346.2</td>
<td>39,094.2</td>
<td>29,035.5</td>
</tr>
<tr>
<td>Scope 1 and 2 emission intensity</td>
<td>tonne/RMB million revenue</td>
<td>2.7</td>
<td>4.0</td>
<td>4.0</td>
</tr>
<tr>
<td>Scope 1 emission</td>
<td>tonnes</td>
<td>117.7</td>
<td>139.9</td>
<td>165.3</td>
</tr>
<tr>
<td>Scope 2 emission (based on location)</td>
<td>tonnes</td>
<td>31,228.5</td>
<td>38,954.3</td>
<td>28,870.2</td>
</tr>
</tbody>
</table>

The accounting method is mainly based on Guidance for Accounting and Reporting Corporate GHG Emissions, Guidance for Accounting and Reporting Corporate Value Chain GHG Emissions, the Guidelines for the Compilation of Provincial GHG Inventories, General Principles for Calculation of the Comprehensive Energy Consumption, DEFRA 2022 and other applicable relevant standards.

#### Energy

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Unit</th>
<th>FY2021/22</th>
<th>FY2020/21</th>
<th>FY2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comprehensive energy consumption</td>
<td>MWh</td>
<td>55,209.8</td>
<td>64,571.2</td>
<td>48,018.1</td>
</tr>
<tr>
<td>Consumption intensity</td>
<td>MWh/RMB million revenue</td>
<td>4.7</td>
<td>6.6</td>
<td>6.6</td>
</tr>
<tr>
<td>Gasoline¹</td>
<td>tonnes</td>
<td>21.3</td>
<td>14.7</td>
<td>24.9</td>
</tr>
<tr>
<td>Diesel fuel¹</td>
<td>tonnes</td>
<td>1.5</td>
<td>12.6</td>
<td>15.5</td>
</tr>
<tr>
<td>Natural gas</td>
<td>ten thousand cubic meters</td>
<td>2.3</td>
<td>3.4</td>
<td>8.1</td>
</tr>
<tr>
<td>Purchased electricity</td>
<td>MWh</td>
<td>53,788.5</td>
<td>63,849.1</td>
<td>47,320.4</td>
</tr>
<tr>
<td>Photovoltaic power generation</td>
<td>MWh</td>
<td>934.0</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Power transmission</td>
<td>MWh</td>
<td>38.9</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Self-consumed electricity</td>
<td>MWh</td>
<td>895.1</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

**Note:** 1. During the Year, the Group reduced using large diesels and increased the use of small and medium-sized gasoline-fueled cars.

#### Exhaust

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Unit</th>
<th>FY2021/22</th>
<th>FY2020/21</th>
<th>FY2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOx</td>
<td>kg</td>
<td>0.4</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>NOx</td>
<td>kg</td>
<td>85.0</td>
<td>124.6</td>
<td>136.3</td>
</tr>
<tr>
<td>PM</td>
<td>kg</td>
<td>7.6</td>
<td>12.1</td>
<td>13.2</td>
</tr>
</tbody>
</table>
### Raw material

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Unit</th>
<th>FY2021/22</th>
<th>FY2020/21</th>
<th>FY2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Down (raw materials certified)</td>
<td>RDS %</td>
<td>100</td>
<td>95</td>
<td>95</td>
</tr>
<tr>
<td></td>
<td>Bluesign® %</td>
<td>45</td>
<td>49</td>
<td>49</td>
</tr>
<tr>
<td></td>
<td>Oeko-TEX %</td>
<td>65</td>
<td>NA</td>
<td>NA</td>
</tr>
</tbody>
</table>

Main raw materials other than down (materials consumption by length):

| Fabric | %     | 47 | 44 | 43 |
| Lining | %     | 15 | 19 | 17 |
| Gall material | % | 38 | 37 | 40 |

### Waste

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Unit</th>
<th>FY2021/22</th>
<th>FY2020/21</th>
<th>FY2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-hazardous waste</td>
<td>tonnes</td>
<td>13,087.4</td>
<td>11,452.0</td>
<td>7,985.5</td>
</tr>
<tr>
<td>Hazardous waste</td>
<td>kg</td>
<td>45.0</td>
<td>1.3</td>
<td>48.0</td>
</tr>
<tr>
<td>Non-hazardous waste intensity</td>
<td>kg/RMB million revenue</td>
<td>1,122.4</td>
<td>1,172.7</td>
<td>1,103.0</td>
</tr>
<tr>
<td>Hazardous waste intensity</td>
<td>kg/RMB100 million revenue</td>
<td>0.386</td>
<td>0.013</td>
<td>0.663</td>
</tr>
</tbody>
</table>

### Water resources

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Unit</th>
<th>FY2021/22</th>
<th>FY2020/21</th>
<th>FY2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water consumption</td>
<td>ten thousand cubic meters</td>
<td>30.0</td>
<td>26.8</td>
<td>18.3</td>
</tr>
<tr>
<td>Water drainage</td>
<td>ten thousand cubic meters</td>
<td>15.5</td>
<td>13.2</td>
<td>12.3</td>
</tr>
<tr>
<td>Water consumption intensity</td>
<td>cubic meter/ RMB million revenue</td>
<td>25.7</td>
<td>27.5</td>
<td>25.3</td>
</tr>
<tr>
<td>Water drainage intensity</td>
<td>cubic meter/ RMB million revenue</td>
<td>13.3</td>
<td>13.5</td>
<td>12.3</td>
</tr>
</tbody>
</table>

### Packaging

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Unit</th>
<th>FY2021/22</th>
<th>FY2020/21</th>
<th>FY2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Packaging material consumption</td>
<td>tonnes</td>
<td>6,300.4</td>
<td>7,831.4</td>
<td>6,375.7</td>
</tr>
<tr>
<td>Packaging material consumption intensity</td>
<td>kg/RMB million revenue</td>
<td>540.3</td>
<td>801.9</td>
<td>880.7</td>
</tr>
</tbody>
</table>

Note: 1. Hazardous waste mainly includes wasted mineral oil generated from repairs and maintenance of conventional equipment during the Year.
### SOCIAL PERFORMANCE DATA

#### Employment

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Unit</th>
<th>FY2021/22</th>
<th>FY2020/21</th>
<th>FY2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees</td>
<td>person</td>
<td>10,118</td>
<td>9,028</td>
<td>7,801</td>
</tr>
<tr>
<td>Employee diversity: gender</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>person</td>
<td>2,063</td>
<td>1,961</td>
<td>2,053</td>
</tr>
<tr>
<td>Female</td>
<td>person</td>
<td>8,055</td>
<td>7,067</td>
<td>5,748</td>
</tr>
<tr>
<td>Employee diversity: age</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aged between 18 and 30</td>
<td>person</td>
<td>3,007</td>
<td>3,242</td>
<td>2,367</td>
</tr>
<tr>
<td>Aged between 31 and 50</td>
<td>person</td>
<td>6,949</td>
<td>5,689</td>
<td>5,247</td>
</tr>
<tr>
<td>Aged 51 and above</td>
<td>person</td>
<td>162</td>
<td>97</td>
<td>187</td>
</tr>
<tr>
<td>Employee diversity: grade</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-management</td>
<td>person</td>
<td>9,156</td>
<td>9,028</td>
<td>7,000</td>
</tr>
<tr>
<td>General management</td>
<td>person</td>
<td>820</td>
<td>459</td>
<td>627</td>
</tr>
<tr>
<td>Senior management</td>
<td>person</td>
<td>142</td>
<td>136</td>
<td>174</td>
</tr>
<tr>
<td>Employee diversity: employment type</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Formal employees</td>
<td>person</td>
<td>10,118</td>
<td>9,020</td>
<td>7,773</td>
</tr>
<tr>
<td>Informal employees</td>
<td>person</td>
<td>0</td>
<td>8</td>
<td>28</td>
</tr>
<tr>
<td>Employee diversity: geographical region</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mainland China</td>
<td>person</td>
<td>10,077</td>
<td>9,016</td>
<td>7,776</td>
</tr>
<tr>
<td>Outside mainland China</td>
<td>person</td>
<td>41</td>
<td>12</td>
<td>25</td>
</tr>
</tbody>
</table>

#### Employee turnover rate:

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Unit</th>
<th>FY2021/22</th>
<th>FY2020/21</th>
<th>FY2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee turnover rate: gender</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>%</td>
<td>6.0</td>
<td>3.8</td>
<td>2.5</td>
</tr>
<tr>
<td>Female</td>
<td>%</td>
<td>2.3</td>
<td>3.7</td>
<td>3.6</td>
</tr>
<tr>
<td>Employee turnover rate: age</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aged between 18 and 30</td>
<td>%</td>
<td>5.7</td>
<td>1.5</td>
<td>3.4</td>
</tr>
<tr>
<td>Aged between 31 and 50</td>
<td>%</td>
<td>1.8</td>
<td>3.6</td>
<td>3.3</td>
</tr>
<tr>
<td>Aged 51 and above</td>
<td>%</td>
<td>0.6</td>
<td>91.0</td>
<td>7.0</td>
</tr>
<tr>
<td>Employee turnover rate: grade</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-management</td>
<td>%</td>
<td>2.6</td>
<td>3.6</td>
<td>3.5</td>
</tr>
<tr>
<td>General management</td>
<td>%</td>
<td>6.7</td>
<td>8.7</td>
<td>3.2</td>
</tr>
<tr>
<td>Senior management</td>
<td>%</td>
<td>4.0</td>
<td>2.2</td>
<td>1.7</td>
</tr>
<tr>
<td>Employee turnover rate: geographical region</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mainland China</td>
<td>%</td>
<td>3.1</td>
<td>3.8</td>
<td>3.4</td>
</tr>
<tr>
<td>Outside mainland China</td>
<td>%/x</td>
<td>0</td>
<td>2.5x</td>
<td>0</td>
</tr>
<tr>
<td>Employee turnover rate: employment type</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Formal employees</td>
<td>%</td>
<td>4.6</td>
<td>3.8</td>
<td>3.4</td>
</tr>
<tr>
<td>Informal employees</td>
<td>%/x</td>
<td>1.0x</td>
<td>1.1x</td>
<td>0</td>
</tr>
</tbody>
</table>
### Training and development

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Unit</th>
<th>FY2021/22</th>
<th>FY2020/21</th>
<th>FY2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total training hours</td>
<td>hour</td>
<td>69,787</td>
<td>40,353</td>
<td>39,510</td>
</tr>
<tr>
<td>Average training hours</td>
<td>hour</td>
<td>7.8</td>
<td>4.5</td>
<td>18.0</td>
</tr>
<tr>
<td>Training coverage ratio</td>
<td>%</td>
<td>100</td>
<td>100</td>
<td>27.7</td>
</tr>
</tbody>
</table>

Note: 1. Due to the pandemic, most of the training was conducted online. Due to the hardware conditions of the online training system, statistics by gender/level/employment type are not available currently.

### Health and safety

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Unit</th>
<th>FY2021/22</th>
<th>FY2020/21</th>
<th>FY2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work-related injuries</td>
<td>person</td>
<td>2</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Work-related fatalities</td>
<td>person</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Percentage of work-related injuries</td>
<td>%</td>
<td>0.02</td>
<td>0.01</td>
<td>0.03</td>
</tr>
<tr>
<td>Percentage of work-related fatalities</td>
<td>%</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Days lost due to work</td>
<td>day</td>
<td>54</td>
<td>261</td>
<td>30</td>
</tr>
</tbody>
</table>

### Supplier management

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Unit</th>
<th>FY2021/22</th>
<th>FY2020/21</th>
<th>FY2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of suppliers</td>
<td>/</td>
<td>281</td>
<td>319</td>
<td>382</td>
</tr>
<tr>
<td>Suppliers by type</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Suppliers of raw material</td>
<td>/</td>
<td>119</td>
<td>113</td>
<td>121</td>
</tr>
<tr>
<td>Production suppliers</td>
<td>/</td>
<td>122</td>
<td>158</td>
<td>220</td>
</tr>
<tr>
<td>Other suppliers</td>
<td>/</td>
<td>40</td>
<td>48</td>
<td>41</td>
</tr>
<tr>
<td>Suppliers by region</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mainland China</td>
<td>/</td>
<td>280</td>
<td>318</td>
<td>376</td>
</tr>
<tr>
<td>Hong Kong, Macau and Taiwan area</td>
<td>/</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Oversea region</td>
<td>/</td>
<td>0</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Supplier review</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of suppliers subject to review</td>
<td>/</td>
<td>241</td>
<td>271</td>
<td>300</td>
</tr>
<tr>
<td>Number of suppliers with non-compliance</td>
<td>/</td>
<td>57</td>
<td>63</td>
<td>72</td>
</tr>
<tr>
<td>Number of suppliers who complete rectification</td>
<td>/</td>
<td>35</td>
<td>40</td>
<td>45</td>
</tr>
<tr>
<td>Number of suppliers with whom cooperation is terminated</td>
<td>/</td>
<td>22</td>
<td>23</td>
<td>27</td>
</tr>
</tbody>
</table>

### Community investment

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Unit</th>
<th>FY2021/22</th>
<th>FY2020/21</th>
<th>FY2019/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charitable donation</td>
<td>RMB ten thousand</td>
<td>2,797</td>
<td>2,387</td>
<td>6,922</td>
</tr>
<tr>
<td>General disclosure and key performance indicator</td>
<td>Description</td>
<td>Section</td>
<td>Remark</td>
<td></td>
</tr>
<tr>
<td>-------------------------------------------------</td>
<td>-------------</td>
<td>---------</td>
<td>--------</td>
<td></td>
</tr>
<tr>
<td>Environment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Aspect A1: Emission</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>General disclosure</strong></td>
<td>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.</td>
<td>Nature Positive</td>
<td>During the reporting period, there were no material non-compliant events involving gas emissions, sewage discharge into water and land, and waste generation</td>
<td></td>
</tr>
<tr>
<td><strong>Key performance indicator A1.1</strong></td>
<td>The types of emissions and respective emissions data.</td>
<td>Summary of ESG Performance Data</td>
<td>During the reporting period, gas emissions were immaterial to the operation of the Group</td>
<td></td>
</tr>
<tr>
<td><strong>Key performance indicator A1.2</strong></td>
<td>Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in tonnes and where appropriate intensity (e.g. per unit of production volume, per facility).</td>
<td>Summary of ESG Performance Data</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Key performance indicator A1.3</strong></td>
<td>Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</td>
<td>Summary of ESG Performance Data</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Key performance indicator A1.4</strong></td>
<td>Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</td>
<td>Summary of ESG Performance Data</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Key performance indicator A1.5</strong></td>
<td>Description of emissions target(s) set and steps taken to achieve them.</td>
<td>Climate responsibility</td>
<td>No emission reduction target was set during the reporting period</td>
<td></td>
</tr>
<tr>
<td><strong>Key performance indicator A1.6</strong></td>
<td>Description of how hazardous and non-hazardous wastes are handled and a description of reduction target(s) set and steps taken to achieve them.</td>
<td>Waste</td>
<td>No waste reduction target was set during the reporting period</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>General disclosure and key performance indicator</th>
<th>Description</th>
<th>Section</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Aspect A2: Use of resources</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>General disclosure</strong></td>
<td>Policies on the efficient use of resources, including energy, water and other raw materials.</td>
<td>Nature Positive</td>
<td></td>
</tr>
<tr>
<td><strong>Key performance indicator A2.1</strong></td>
<td>Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).</td>
<td>Summary of ESG Performance Data</td>
<td></td>
</tr>
<tr>
<td><strong>Key performance indicator A2.2</strong></td>
<td>Water consumption in total and intensity (e.g. per unit of production volume, per facility).</td>
<td>Summary of ESG Performance Data</td>
<td></td>
</tr>
<tr>
<td><strong>Key performance indicator A2.3</strong></td>
<td>Description of energy use efficiency target(s) set and steps taken to achieve them.</td>
<td>Climate Responsibility</td>
<td>During the reporting period, the Group did not have any difficulty in obtaining suitable water sources</td>
</tr>
<tr>
<td><strong>Key performance indicator A2.4</strong></td>
<td>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.</td>
<td>Water Resources</td>
<td></td>
</tr>
<tr>
<td><strong>Key performance indicator A2.5</strong></td>
<td>Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.</td>
<td>Summary of ESG Performance Data</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>General disclosure and key performance indicator</th>
<th>Description</th>
<th>Section</th>
<th>Remark</th>
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</thead>
<tbody>
<tr>
<td>Environment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Aspect A3: Environment and natural resources</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>General disclosure</strong></td>
<td>Policies on minimising the issuer’s significant impacts on the environment and natural resources.</td>
<td>Nature Positive</td>
<td></td>
</tr>
<tr>
<td><strong>Key performance indicator A3.1</strong></td>
<td>Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.</td>
<td>Nature Positive</td>
<td></td>
</tr>
</tbody>
</table>

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<td>Environment</td>
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</tr>
<tr>
<td><strong>Aspect A4: Climate change</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>General disclosure</strong></td>
<td>Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.</td>
<td>Climate Responsibility</td>
<td></td>
</tr>
<tr>
<td><strong>Key performance indicator A4.1</strong></td>
<td>Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.</td>
<td>Climate Responsibility</td>
<td></td>
</tr>
</tbody>
</table>
### General disclosure and key performance indicator

#### Description

- **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.
  
  - **Key performance indicator B1.1**
    - Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.

- **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.
  
  - **Key performance indicator B2.1**
    - Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.

- **Aspect B3: Development and training**
  - **General disclosure**
    - Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities.

#### Section Remark

- **Our Employees**
  - During the reporting period, there were no material non-compliant events involving employment and labor practice.

- **Summary of ESG Performance Data**
  - The group training system may only provide the percentage of employees trained covering all staff at present.
<table>
<thead>
<tr>
<th>General disclosure and key performance indicator</th>
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</tr>
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<tbody>
<tr>
<td>Employment and labor practice</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aspect B4: Labor standard</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General disclosure</td>
<td>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.</td>
<td>Our Employees</td>
<td>During the reporting period, there were no material non-compliant events involving child and forced labor.</td>
</tr>
<tr>
<td>Key performance indicator B4.1</td>
<td>Description of measures to review employment practices to avoid child and forced labor.</td>
<td>Our Employees</td>
<td></td>
</tr>
<tr>
<td>Key performance indicator B4.2</td>
<td>Description of steps taken to eliminate such practices when discovered.</td>
<td>Our Employees</td>
<td></td>
</tr>
<tr>
<td>Operating practice</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aspect B5: Supply chain management</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General disclosure</td>
<td>Policies on managing environmental and social risks of the supply chain.</td>
<td>Our Supply Chain</td>
<td></td>
</tr>
<tr>
<td>Key performance indicator B5.1</td>
<td>Number of suppliers by geographical region.</td>
<td>Summary of ESG Performance Data</td>
<td></td>
</tr>
<tr>
<td>Key performance indicator B5.2</td>
<td>Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented and how they are implemented and monitored.</td>
<td>Our Supply Chain</td>
<td></td>
</tr>
<tr>
<td>Key performance indicator B5.3</td>
<td>Description of practices used to identify environmental and social risks along the supply chain and how they are implemented and monitored.</td>
<td>Our Supply Chain</td>
<td></td>
</tr>
<tr>
<td>Key performance indicator B5.4</td>
<td>Description of practices used to promote environmentally preferable products and services when selecting suppliers and how they are implemented and monitored.</td>
<td>Nature Positive</td>
<td></td>
</tr>
</tbody>
</table>
### General disclosure and key performance indicator

<table>
<thead>
<tr>
<th>Section</th>
<th>Remark</th>
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</table>

#### Social Operating practice

**Aspect B6: Product liability**

<table>
<thead>
<tr>
<th>General disclosure</th>
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<th>Section</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information on:</td>
<td></td>
<td>Product</td>
<td></td>
</tr>
<tr>
<td>(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 issues relating to its products and services provided and methods of redress.</td>
<td>There were no major violations in the health and safety, advertising, labelling and privacy issues relating to its products and services during the reporting period</td>
<td>Product Management</td>
<td></td>
</tr>
</tbody>
</table>

| Key performance indicator B6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons. | Not applicable | 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 |        |

#### Responsible Business Practices

**Aspect B7: Anti-corruption**

<table>
<thead>
<tr>
<th>General disclosure</th>
<th>Description</th>
<th>Section</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information on:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(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.</td>
<td>Responsible Business Practices</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| 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. | Not applicable | 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 |        |

#### Community

**Aspect B8: Community investment**

<table>
<thead>
<tr>
<th>General disclosure</th>
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<th>Section</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>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.</td>
<td>Our Community</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Key performance indicator B8.1 | Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sport). | Our Community |        |

| Key performance indicator B8.2 | Resources contributed (e.g. money or time) to the focus area. | Our Community |        |