波司登
BOSIDENG

**Bosideng International Holdings Limited**
Incorporated in the Cayman Islands with limited liability
Stock Code: 3998

# LEADING SUSTAINABLE FASHION

## Climate Responsibility Report 2024/25

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# About this Report

This Report is the first Climate Responsibility Report ("this Report") published by Bosideng International Holdings Limited ("the Company"). It aims to systematically present the strategic vision, implementation pathways, and phased achievements of the Company and its subsidiaries (collectively referred to as "Bosideng", "we", "the Company" or "the Group" ) in addressing climate change issues. The Report seeks to respond to external concerns in a clear and transparent manner and to enhance stakeholders' understanding of and trust in the Company's climate governance capabilities. At the same time, it also reflects the Company's long-term commitment and ongoing actions to strengthen climate resilience and improve its sustainability performance.

## Basis of Preparation

The preparation of this Report is primarily based on the *TCFD Recommendation, the Implementation Guidance for Climate Disclosures under HKEX ESG Reporting Framework* and *IFRS S2 Climate-related Disclosures*.

## Period and Scope

This is an annual report covering the period from 1 April 2024 to 31 March 2025 (the "FY 2024/25" or "this year"). Some content has been extended appropriately in terms of time scope to meet disclosure needs.

Given that the branded down apparel business constitutes the core component of the Group's operations (accounting for approximately 83.7% of the Group's total revenue for this year), this Report will focus on analyzing and disclosing information related to the branded down apparel business. Unless otherwise specified, the environmental key performance indicators disclosed in this Report only cover the Group's headquarters, self-operated branded down apparel retail stores (including exclusive brand stores and consignment outlets) located within the People's Republic of China ("PRC" or "China"), as well as logistics centers and warehouses. This disclosure scope is consistent with that of the Bosideng FY 2024/25 Environmental, Social and Governance Report. We will expand our scope of disclosure to the non-down apparel businesses when feasible in the future.

## Forward-Looking Statements

Except for historical facts, certain content in this Report consists of forward-looking statements based on current information and judgments, aiming to reflect the Company's reasonable expectations regarding possible future developments. Such statements include, but are not limited to: key assumptions, implementation prerequisites, policy and market changes, greenhouse gas emission targets, identification and assessment results of climate-related risks, as well as future response strategies and action pathways.

It should be specifically noted that forward-looking statements are inevitably subject to various external uncertainties, such as changes in regulations, technological advancements, macroeconomic fluctuations, natural disasters, and other uncontrollable circumstances. The actual progress or outcomes of related matters may differ from the forecasts contained in this Report.

The forward-looking statements in this Report are based on information available as of September 2025. Bosideng has no obligation or liability to revise the forward-looking statements contained herein, nor does it accept responsibility for any deviations in forecasts resulting from new information, future events, or other circumstances.

# Chairman's Statement

Dear shareholders, partners, industry colleagues, and friends from all sectors of society:

Against the backdrop of the evolving global landscape in climate response, China's "Dual Carbon" strategy is advancing into deeper and broader dimensions. The textile and apparel industry, once a labor-intensive sector, is now integrating closely with intelligentization, digitalization, modernization, and sustainable development concepts, gradually entering a pivotal transformation phase driven by new quality productive forces. On this occasion, Bosideng solemnly releases its Climate Responsibility Report for the FY2024/25. This release not only represents our timely response to the national strategic deployment as a mission of our era but also serves as our resolute commitment to deeply engaging in the global sustainable fashion transformation.

Climate change has emerged as a global challenge, exerting profound impacts on the global economy, society, and environment. According to the World Meteorological Organization, 2024 has become the first year with temperatures exceeding 1.5℃ above pre-industrial levels, making the climate crisis an imminent threat. The apparel industry, as a key carbon-emitting industry, has the obligation and responsibility to jointly address global climate challenges. As an industry leader, Bosideng is acutely aware of its responsibilities. We have proactively embedded climate governance into our corporate DNA, with the goal of "achieving net-zero emissions in its operations by 2038" as our guiding direction. We are systematically building climate resilience and exploring new pathways for transformational development.

**In practice**, we are guided by strategy to strengthen our governance foundation. At the Group level, the Board of Directors has incorporated climate issues into its standing agenda, with the Board directly overseeing decision-making on sustainability and environmental matters to drive the implementation of climate targets. ESG performance is fully integrated with executive compensation, ensuring transparent and efficient accountability. The Group advances synergistic progress in product innovation, environmental governance, and social responsibility through its "1+3+X" ESG strategic framework. Meanwhile, by conducting in-depth analysis of diverse climate scenarios, business models, and value chains, we identify precise climate risk points to enable targeted responses.

We are enhancing climate resilience to address transformation challenges. Given the seasonal nature of the down apparel industry and its high dependence on climate conditions, Bosideng has innovatively established three resilience models—"flexible financial budgeting and planning", "resilient supply chain", and "omnichannel integrated merchandise operations"—to effectively manage risks arising from climate fluctuations:

- Flexible Financial Budgeting and Planning: We have developed flexible and adaptive financial planning scenarios for normal winter, cold winter, and warm winter, ensuring comprehensive preparedness for diverse climatic conditions;
- Resilient Supply Chain: It enhances inventory turnover efficiency and effectively responds to market volatility driven by climate factors by regulating the proportion of initial orders, implementing demand-pull replenishment, and adopting a small-order quick-response mechanism to accurately match demand across different regions nationwide;

Omnichannel Integrated Merchandise Operations: It enabled real-time coordination of more than 3,000 stores nationwide through an omni-channel digital platform, achieving a 99% replenishment availability rate and efficiently addressing regional market demand variations caused by differing climatic conditions.

We are driving green transformation and fulfilling our zero-carbon commitment. **On the production front**, we independently developed the intelligent manufacturing GiMS system to achieve full coverage of online energy consumption monitoring, ensuring continuous optimization of key metrics such as energy efficiency and energy consumption throughout the production process. In the supply chain, we have incorporated environmental performance into the core evaluation system, collaborating with suppliers at all levels on climate initiatives, assisting them in planning decarbonization pathways, and promoting energy-saving and carbon-reduction measures.

**At the raw material level**, Bosideng adheres to responsible sourcing: 100% of our down is RDS-certified, 75% holds OEKO-TEX® certification, and 58% meets bluesign® standards. Additionally, we have joined the ZDHC platform to rigorously monitor chemical usage compliance across our supply chain and set an ambitious 2030 target for "Zero Discharge of Hazardous Chemicals in the Supply Chain". Currently, 159 chemicals used by Bosideng have successfully obtained OEKO-TEX® ECO PASSPORT certification.

**At the product level**, we innovatively developed the "All-Weather Collection" products, lightweight down jackets and functional outerwear by adopting modular and lightweight designs. These enhance product adaptability across diverse climates, scenarios, and seasons, reduce seasonal dependency, and strengthen climate resilience and market competitiveness. Multiple products have already obtained China Quality Certification Centre (CQC) carbon footprint certification, and zcarbon neutrality products have been successfully developed. We maintain ongoing in-depth collaboration with the China National Textile and Apparel Council, participating in the formulation of the *Carbon Footprint Management System for the Textile and Apparel Industry*. Our goal is to establish a corporate product carbon footprint assessment and management system covering the entire lifecycle from raw material extraction to product.

In advancing circular fashion, as a pilot enterprise, we collaborated with the Office for Social Responsibility of China National Textile and Apparel Council and the World Business Council for Sustainable Development (WBCSD) to contribute case studies for the *Circular Transition Indicators (CTI): Sector guidance- Fashion and Textile*, comprehensively integrating CTI metrics across the entire down apparel value chain. Meanwhile, Bosideng, in collaboration with the China Fashion & Colour Association, is leading the development of the group standard Specifications for Recyclable Fashion Design to explore sustainable practices and circular fashion design guidelines for the apparel industry. Additionally, we have pioneered the design and development of CIRCULAR 3.0 products, achieving a closed-loop "Garment-to-Garment" (G2G) goal, and won the ISPO Global Design Awards and the Silver IDEA (International Design Excellence Awards).

**Regarding digital and intelligent transformation**, in the FY 2024/25, Bosideng fully deployed its digital operations system, covering four core domains: intelligent design, intelligent manufacturing, intelligent logistics, and intelligent merchandise operations. In partnership with Zhejiang University, we established the Suzhou Artificial Intelligence Innovation Application Laboratory, achieving breakthroughs in four key technologies—AI large-model technology, big data technology, cloud computing technology, and 3D clothing digitalization technology. This year, multiple AI-designed patterns and finished garments have successfully entered the market. Leveraging our independently developed GiMS system as the core platform, we integrated cutting-edge technologies such as 5G + industrial internet to reshape the intelligent manufacturing system. The intelligent logistics system, supported by the ICC (Inventory Calculation Center) and OPC (Order Processing Center), enables dynamic optimization of transportation routes, reducing the risk of logistics disruptions caused by extreme weather. On the merchandise operations front, we advanced a retail model combining "smart stores + online shops" to build a multi-scenario integrated customer engagement system.

A long journey lies ahead, but our steps never cease. We deeply understand that while the road to sustainable development is long, perseverance will lead us there; though the task of green transformation is arduous, commitment will ensure its success. "China Bosideng, Warming the people of the World " is not only our solemn commitment to the market but also a profound responsibility to our era and civilization. Looking ahead to 2025, we will continue to uphold the philosophy of "sustainable fashion", comprehensively advancing the implementation of our "1+3+X" ESG strategy. Through end-to-end digital control, we aim to achieve full-cycle carbon management spanning product design, raw material procurement, intelligent manufacturing, smart logistics, and green retail. With absolute transparency and extraordinary resilience, we will confront climate challenges head-on. We will always stay true to our original aspiration of serving the nation through industry, using a world-leading sustainability strategy as our compass and leveraging new-quality productive forces to comprehensively enhance climate governance and climate resilience, so that the green innovation of Chinese brands will illuminate the path of sustainable development for the global fashion industry.

Mr. Gao Dekang
Chairman of the Board & President
September 2025

# Executive Summary

## Governance

- Established a systematic climate governance framework that fully integrates climate change considerations into the Group's overall strategic planning and long-term development objectives.
- Incorporated sustainability topics (including climate issues) into the standing agenda of the Board of Directors, with regular reporting and analysis to ensure continuous oversight and improvement of related management targets and progress.
- An incentive component linked to climate action performance is embedded in the remuneration structure of the Chairman of the Board and Chief Executive Officer. This component, based on the achievement of quantitative and qualitative indicators, accounts for **5%** of total compensation.

## Strategy

- Leveraged three key models-**flexible financial budgeting and planning**, **resilient supply chain**, and **omnichannel integrated merchandise operations**-to effectively manage climate volatility risks and achieve operational resilience and sustainable business growth. In the FY 2024/25, by implementing a "controlling the proportion of initial orders + small-order quick-response" model, Bosideng achieved a **27.2%** year-on-year reduction in inventory impairment losses.
- Independently developed the GiMS intelligent production platform, shortening the product delivery cycle to **7 – 14** days, making Bosideng **the only apparel company** selected for inclusion in the Typical Cases of Digital Transformation in Manufacturing released by China's Ministry of Industry and Information Technology.

## Impact, Risk and Opportunity Management

- Reached **100%** coverage of first-tier suppliers with climate-related collaboration, measured by procurement spending.
- In the FY 2024/25, Bosideng continued to drive upstream factories to systematically expand renewable energy adoption, achieving an annual photovoltaic power generation of **1,329** MWh, strongly supporting supply chain decarbonization.
- Incorporated ESG-specific training into the annual capability-building plan, integrating internal energy-efficiency and carbon-focused modules and ensuring participation of **all employees**.
- Embedded chemical control standards systematically into the formal product development and design process. Currently, **159** chemicals used by Bosideng have successfully obtained OEKO-TEX® ECO PASSPORT certification.

## Metrics and Targets

- Based on the Science Based Targets initiative (SBTi) framework, Bosideng conducted in-depth analysis of climate trends, industry dynamics, and the Group's technological strengths to set a clear goal of "**achieving net-zero emissions in its operations by 2038**", and successfully submitted the SBTi target commitment.
- As of September 2025, the proportion of sustainably certified cotton procured by the Company has exceeded **35%**. Bosideng has set the following goal: by 2030, the proportion of sustainable cotton certified by Textile Exchange will reach **80%** or more.
- In the FY 2024/25, Global Recycled Standard (GRS)-certified fabric accounted for **50%** of our fabric procurement, with a goal to reach **60%** by 2028.
- In the FY 2024/25, Textile Exchange-certified zippers accounted for **50%** of our zipper procurement, with a goal to reach **60%** by 2028.

# 1 Bosideng's Climate Commitment

Climate change is exerting profound impacts on the global economy, society, and environment. According to the *State of the Global Climate Report 2024* released by the World Meteorological Organization (WMO), climate change caused by human activities reached a new peak in 2024, marking the first year in which global temperatures exceeded pre-industrial levels by more than 1.5℃ . As a critical sector in achieving the goals of the *Paris Agreement*, the fashion industry has come under scrutiny due to its high carbon emissions across the entire value chain. According to the 2023 report *Higher Ground: Climate Resilience and Fashion's Costs of Adaptation* published by the Global Labor Institute at Cornell University, the apparel sector is facing severe physical risks of climate change, including the impact of extreme heat and flooding on the supply chain—underscoring the urgent need for industry transformation.

As a company in the textile industry, Bosideng recognizes both the opportunities and challenges brought by climate change. With the goal of achieving a green transformation, we are committed to adapting to climate change by managing the risks it poses to our operations, while also striving to mitigate climate change by minimizing carbon emissions throughout our business activities. We actively engage in local sustainability practices, participate deeply in industry associations, and conduct multiple external advocacy and outreach activities to lead and encourage industry peers to join climate action alongside Bosideng. At the same time, the Group has established review and oversight procedures, including authorization by the Chairman of the Board, to ensure that all of Bosideng's external advocacy efforts remain aligned with the *Paris Agreement* and China's carbon peaking and carbon neutrality goals. The Group discloses its climate-related efforts from the four dimensions of "Governance - Strategy - Impacts, Risk and Opportunity Management - Metrics and Targets", embedding climate governance into the Group's daily operations.

## Promote the climate-related United Nations Sustainable Development Goals

### Affordable Clean Energy


**Clean Energy Deployment:**
Installed rooftop photovoltaic systems in logistics parks, generating a total of 917.2 MWh of solar power throughout the year.

**Green Electricity Procurement:**
Purchased a total of 5,284 MWh of green electricity and Green Electricity Certificates (GECs) sourced from solar and wind energy over the year.

**Green Logistics:**
Actively collaborate with logistics providers on green logistics initiatives, optimize fleet routes through smart technologies, and expand the use of new energy vehicles.

### Industry, Innovation and Infrastructure


**Lead the Standard-Setting:**
Participated in the development of several key industry standards, including the Carbon Neutrality Quantification and Reporting Requirements of Textile Products (T/CSTE 0295-2022), and jointly released the industry white paper *Towards Net Zero Emissions: A Study on the High-quality of Low-carbon Transformation Path of the Down Apparel Industry* in collaboration with the China Feather and Down Industrial Association.

**Technological Breakthroughs:**
Co-developed PA510 and PA11 materials, which are made from 100% bio-based sources, and applied them to down apparel products; additionally, launched a fully bio-based closed-loop nylon product presented to the market as part of our "Capsule Collection".

**Intelligent Management:**
Independently developed the GiMS system to enable the energy consumption monitoring of full-process, thereby improving production energy efficiency.

## Sustainable Cities and Communities


**Green Retail:**
100% of direct-operated stores have adopted energy-saving lighting, and are equipped with variable-frequency air conditioning units and intelligent temperature control systems.

**Low-Carbon Practices:**
Defined emission-reduction plans for every operational stage and cut energy use and carbon emissions through digital, smart, and circular solutions. Offset only the unavoidable residual emissions with certified Verified Carbon Units (VCUs), thereby successfully delivered the Company's first carbon-neutral performance release event.

## Responsible Consumption and Production


**Material Traceability:**
100% of our down is certified under the Responsible Down Standard (RDS), with 75% also certified by OEKO-TEX®.

**Chemical Management:**
Targeting zero discharge of hazardous chemicals across the supply chain by 2030.

**Circular Design:**
Adopted modular structures for detachable down jackets to facilitate product repair, upgrade, or material separation and recycling.

## Climate Action


**Carbon Targets:**
Committed to achieving net-zero operational emissions by 2038; Scope 3 emissions recorded a 5.5% year-on-year reduction in the FY 2024/25.

**Carbon Footprint Management:**
Multiple products certified for carbon footprint assessment by the China Quality Certification Centre (CQC).

## Life Below Water


**Ecological Procurement:**
Prioritized procurement of RDS-certified down.

**Water Stewardship:**
Required 100% compliance of wastewater discharge from both our own operations and suppliers.

## Life on Land


**Ecological Conservation:**
Established the Bosideng Carbon Ecological Public Welfare Forest, covering an area of 460 mu, with a planned planting of 23,000 trees to support desertification control, soil and water conservation, and ecological restoration efforts in Alxa.

## Join the United Nations Sustainable Development Initiative

### United Nations Global Compact (UNGC)

As a signatory to the United Nations Global Compact (UNGC), Bosideng committed to fully support the Ten Principles across the four key areas of human rights, labor, environment, and anti-corruption, and integrating them into the Company's governance and operational systems. Guided by the United Nations Sustainable Development Goals (SDGs), the Group embeds sustainability into its long-term development strategy, formulates clear action plans and performance indicators, and promotes synergies between environmental responsibility, social value creation, and ethical governance. With a complete governance structure in place, the Board of Directors oversees and supervises the management and implementation of major sustainability issues, ensuring that related goals are effectively embedded into business operations, supply chain management, and stakeholder engagement. The Group continues to enhance its overall sustainability performance through optimized resource allocation, green innovation, and strengthened compliance management. Progress and outcomes are disclosed in a transparent and verifiable manner, as Bosideng actively shares experiences and best practices with global partners to promote sustainable prosperity across both the industry and society.

### Retail4Impact Initiative

In active response to the United Nations Environment Programme (UNEP)'s call for sustainable consumption, and to better convey the green and low-carbon attributes of our products, Bosideng has joined the Retail4Impact initiative. Drawing on UNEP's Guidelines for Providing Product Sustainability Information (the Guidelines), we reshape consumer perceptions of the fashion industry by integrating green design, eco-friendly materials, and low-carbon supply chains—transforming sustainable fashion from a concept into a new consumption norm. Bosideng commits to formulating and assessing our product green claims strictly in accordance with the ten principles outlined in the Guidelines, and discloses relevant information in a transparent and accessible manner through product labels, packaging, and e-commerce platform listings to guide sustainable consumer behavior. Committed to openness, transparency, and standardization in information disclosure, Bosideng firmly avoids "greenwashing" and similar misleading practices, contributing through concrete actions to the realization of the UN SDGs and strengthening China's role in the development of a global sustainable consumption system.

The Group collaborates with various international initiative organizations and industry associations to actively carry out diverse sustainability initiatives, jointly advancing social and industry-wide sustainable development. However, it has not made any political donations to political activities, political organizations, lobbying groups or entities, industry associations, or other tax-exempt organizations.

# 2 Governance

Bosideng has established a comprehensive climate governance framework, laying a solid foundation for effectively managing the risks and opportunities brought by climate change. We have built a systematic climate governance system that fully integrates climate change issues into the Group's overall strategic planning and aligns them closely with our long-term development goals. At the same time, the Group has developed a comprehensive climate risk assessment mechanism covering long, medium, and short-term. Through scientific analysis of various climate-related risks and opportunities, targeted measures are formulated to address potential impacts arising from both physical risks and transition risks. In terms of organizational structure, the Board of Directors has established a Sustainability Steering Group, responsible for overseeing the implementation of the Group's climate action plans and emission reduction targets. To enhance transparency in climate governance, we have put in place a regular disclosure mechanism covering key information such as greenhouse gas emissions, emission reduction targets, and progress toward their implementation. In addition, Bosideng encourages board members and senior management to participate in external professional seminars and training sessions to continuously improve their awareness and capacity to address climate change issues.

Bosideng has embedded climate risk culture into its group-wide enterprise risk management framework and has systematically carried out training programs across the organization with a focus on risk management principles. These programs ensure that employees at all levels understand and master the fundamental methods and processes of risk identification, assessment, and response. The training spans from senior leadership to functional experts, delivered in diverse formats with comprehensive content:

- At the Group' s annual conference, senior management communicates industry trends, opportunities, and challenges to all employees, with a strong emphasis on the fundamental principles of risk management and the Group' s risk culture.
- In financial training sessions for the financial heads of the Group and its business divisions, systemic risk analysis is highlighted as a core component, reinforcing the critical role of the finance function in risk prevention.
- Specialized departments such as Internal Audit actively participate in authoritative external training programs, including the Certified Internal Auditor (CIA) program and ISO 31000 Risk Management certification, continuously enhancing the professionalism and standardization of the Group' s risk management practices.
- The Group' s internal learning platform has launched multiple risk-related courses, including but not limited to Principles of Risk Management, Risk Management Modeling Practice, and Introduction to Financial Risk Management, as well as advanced courses on market, credit, and legal risks, providing employees with sustained access to learning resources.

Through these multi-level and multi-format training arrangements, the Group has effectively promoted the internalization and application of risk management principles among all employees, progressively building a systematic risk prevention and control capability.

At present, climate-related issues have been incorporated into the Board of Directors' standing agenda and are discussed at least once annually. The Board, through the Audit Committee, regularly receives and reviews climate-related risks and opportunities-including market volatility and supply chain management risks-on a semi-annual basis via reports from the Audit Center and the Sustainability Steering Group. It also evaluates the effectiveness and adequacy of the internal control and risk management systems. If any significant internal control deficiencies are identified during the review process, the Audit Committee will initiate a special review and supervise the formulation and implementation of a corrective action plan. The related remediation plans and recommendations will be submitted to the Board for further review, thereby ensuring the ongoing oversight and continuous improvement of the management objectives and progress related to climate risks and opportunities.

The remuneration of the Board of Directors is determined by the Remuneration Committee based on the Company's operating performance, individual contributions, and comparable market statistics. The Group links its remuneration policy to ESG performance. The Chairman of the Board and Chief Executive Officer bears responsibility for environmental issues, and his remuneration package includes an incentive component tied to climate action performance. This component, accounting for 5% of total remuneration, is evaluated based on both quantitative and qualitative indicators. Quantitative indicators include the progress and achievement of climate and emission reduction targets. For example, Bosideng has set targets such as increasing the use of low-carbon materials to 40% by 2030, achieving over 60% green electricity usage in operations by 2035, and reaching net-zero operational emissions by 2038. Qualitative indicators include the implementation of climate transition initiatives and the promotion of climate-friendly business models. Based on the implementation results of these initiatives, such as market recognition and financial returns, the Group conducts internal assessments to determine whether the incentive conditions are met. The incentive measures are both long-term and short-term. They are linked not only to key staged targets such as the 2030 and 2038 goals but also to annual performance assessments, thereby driving scientific, effective, and sustained climate actions across the Group. Performance indicators related to climate action are also included in the remuneration policies of other senior executives, department managers, and employees. Incentive mechanisms include, but are not limited to, performance bonuses and priority consideration for promotion—ensuring climate goals and sustainability strategies are actively implemented from management to execution levels.

**5%** of the Chairman & CEO' s remuneration is directly tied to climate action performance

| | | |
|---|---|---|
| Decision-Making Level | Board of Directors | • Consider and approve overall ESG strategies and reporting of the Group, and bear ultimate and full responsibility for overall direction, strategies, targets, performance and report of the Group. |
| Management Level | Sustainability Steering Group | • Led by the Chairman of the Board, with members comprising heads of relevant departments responsible for ESG governance.<br>• Responsible for formulating the Group's ESG objectives, strategies, and work plans, which include those related to climate change and for identifying, monitoring, and reviewing material ESG issues, risks, and opportunities that may affect the Group's business operations and performance, and reports regularly to the Board of Directors.<br>• Oversees and reviews the Group's ESG policies, practices, frameworks, and management approaches, including those related to climate change, and propose improvements to the Board. |
| Execution Level | All Departments | • Promote the effective implementation of the Group's sustainable development strategy and action plan within their respective departments. Integrate and evaluate ESG risks or opportunities identified by employees from the department in their work. |

Bosideng Climate Governance Framework

In response to the increasingly urgent challenges posed by climate change, we adhere to a sustainability-oriented strategic direction and systematically advance the low-carbon transition and green development pathways. We continuously enhance our internal management systems and execution mechanisms across multiple key dimensions, including green value chain construction and environmental & energy management to ecological conservation and chemical safety management, promoting the establishment of a comprehensive, end-to-end climate governance system. Through institutionalized and systematized approaches, we are not only committed to improving the green performance of our own operations, but also actively guides upstream and downstream partners in jointly building a low-carbon value chain. It helps effectively integrate climate action into all aspects of production and operation, and comprehensively enhance the positive influence and leadership of the Company on climate issues.

| Dimensions | Policies | |
|---|---|---|
| Ecological Protection | *Waste Disposal Management Regulations* | *Biodiversity Conservation Policy* |
| Environment and Energy Management | *Environmental Management Policy*<br>*Environmental, Safety and Hygiene Operation Control Procedure* | *Energy Saving and Consumption Reduction Management Regulations* |
| Green Supply Chain | *Supply Chain Management Policy*<br>*Responsible Sourcing Policy* | *Supplier Manual*<br>*Supplier Evaluation Standard* |
| Chemical Management | *Chemicals Control Manual* | *Bosideng Restricted Chemical Substance List* |

# 3 Strategy

Bosideng integrates climate change trends deeply into its strategic decision-making, taking full account of sustainability and climate-related factors. The Group conducts in-depth analysis of each stage of the value chain to identify key challenges and opportunities, and accordingly promotes targeted improvements—such as optimizing water resource management, developing green products, sourcing certified raw materials, enhancing energy efficiency, and utilizing renewable energy. Through concrete actions, Bosideng actively responds to climate challenges while driving the sustainable development of its business.

## Our Business Model and Value Chain

### Business Model

Guided by the vision of "leading sustainable fashion," Bosideng is committed to becoming a world-leading fashion-oriented functional apparel technology group. We have joined the United Nations Global Compact (UNGC) and are actively advancing the implementation of our "1+3+X" ESG strategy to integrate environmental responsibility with purpose-driven business practices. Bosideng maintains a core focus on the down apparel segment while expanding into the broader category of fashion-oriented functional and technological apparel. Through a multi-brand matrix—including Bosideng, Snow Flying, and BINJORA—we aim to meet the diverse needs of different consumer groups and consolidate our market leadership through differentiated positioning.

Amid natural climate fluctuations, tightening regulatory requirements, and evolving market demand, the Company faces both opportunities—such as expanding domestic demand and the rise of Chinese brands—and challenges, including warm winter sales pressure caused by climate variability and rising expectations for sustainability. Bosideng has developed "Intelligent Warehousing and IoT-based Resilient Supply Chain Solution for Apparel," enabling rapid order fulfillment, intelligent restocking, and efficient distribution. This improves production and warehousing efficiency while shortening delivery cycles. We have also invested in the development of bio-based and eco-friendly materials such as plant fibers and algae fibers, to reduce the reliance on petroleum-based materials and mitigate environmental risks. In addition, Bosideng has launched innovative product lines including the All-Weather Collection, lightweight down jackets, and functional outerwear. Through modular and lightweight design, we have enhanced product adaptability across diverse weather, scenarios, and seasons—reducing seasonal dependence and strengthening both climate resilience and market competitiveness.

#### Climate-Oriented Product Innovation

**All-Weather Collection**

Built on the "one garment, three styles" core design concept, this collection integrates the functions of a shell jacket, mid-layer, and down jacket. It features dual waterproofing technologies and modular thermal design, enabling effective protection against sudden rainstorms, cold waves, and temperature fluctuations.

**Lightweight Down Jackets**

Leveraging thermo-hygro balance systems, cloud-like elastic fabrics, and thermal feedback technologies, these products achieve an optimal balance between reduced weight and improved thermal performance. The lightweight design is ideal for spring, autumn, and mild winters, while still providing protection during unexpected cold snaps—thus reducing consumers' need to purchase multiple garments in response to shifting weather conditions.

**Functional Outerwear**

Bosideng has designed a diverse range of functional outerwear to meet consumer needs across different climate scenarios, including shell jackets and sun-protection clothing. The sun-protection clothing are made from lightweight, cooling fabrics with UPF 100+ and breathable structural design, meeting the protective needs of extreme heat, high humidity, and a variety of outdoor scenarios. The cooling index reaches 153% of the national standard. The sun-protection clothing allow the product line to expand seasonal coverage beyond down jackets.

## Value Chain

| Sections of Value Chain | Content of Sections |
| --- | --- |
| Product R&D | Remain committed to long-term investment in research and technological innovation, having established a Product Innovation Institute focused on the advancement of new categories, new materials, and proprietary technologies. |
| Raw Material Procurement | Build a green and transparent responsible supply chain system by prioritizing sustainably certified raw materials, upgrading chemical management standards, and ensuring both animal welfare and raw material traceability. |
| Product Manufacturing | Promote digitalization and intelligent manufacturing by implementing a three-level quality control system—covering raw material inspection upon entry, in-process sampling, and full inspection of finished products—to ensure zero-defect quality. |
| Logistics & Transportation | Apply intelligent technologies to optimize delivery process, with tools such as RFID to enable product traceability, and reduce carbon emissions through green logistics cooperation. |
| Product Delivery | Create omni-channel sustainable consumption scenarios to engage consumers in green interactions. |
| After Sales Service | Continuously improve the customer feedback and complaint handling mechanism, and provide maintenance services to extend the product life cycle. |

## Climate Resilience

As a leading enterprise in the apparel and textile industry, Bosideng remains committed to its "dual-focus" strategy of concentrating on the main sector of down jackets and the core track of fashion-functional and technologically advanced apparel. We fully recognize the profound and complex impacts that climate factors have on product positioning and business operations. The Group has incorporated climate risks into its strategic planning and formulated a systematic set of response measures. Given the strong seasonality and high climate dependence of the down apparel industry, we have established three core mechanisms to effectively manage climate-related fluctuations and ensure business resilience: Flexible financial budgeting and planning, Resilient supply chain, Omnichannel integrated merchandise operations. These approaches help safeguard the sustainable development of our business amid increasingly volatile climate conditions.

### Flexible Financial Budgeting and Planning

In modern enterprise management, financial budgeting is a key component for maintaining financial health and supporting sustainable development. To address global environmental uncertainties, Bosideng conducts in-depth analysis of market dynamics under different climate scenarios, mapping out a precise financial roadmap for its business operations. The Group has developed flexible and adaptive financial planning strategies to ensure preparedness for various climate conditions.

The Group's financial budgeting plans are tailored to three weather scenarios: "normal winter", "cold winter" and "warm winter":

**Normal winter**

Under normal winter scenarios, the Group adheres to a prudent growth strategy, allocating budgets to balance new product development with channel optimization. Investments in R&D, design, and fabric innovation remain stable and continuous, while sufficient cash reserves and capital expenditures are maintained to support production equipment upgrades and retail network enhancement—thereby strengthening long-term competitiveness.

**Cold winter**

Under cold winter weather scenarios, the Group shifts its budget focus toward product lines with stronger thermal performance, increasing investments in inventory and production. Bosideng strengthens long-term, stable partnerships with upstream suppliers and leverages resilient supply chain management through small-order, quick-response manufacturing and demand-pull replenishment. Combined with an omnichannel integrated merchandise operations system, these measures enable rapid response to market demand. Additionally, the Group sets aside dedicated funds to address potential operational risks such as increased logistics costs and raw material price volatility—ensuring smooth supply during peak seasons.

**Warm winter**

Under warm winter weather scenarios, where demand for winter apparel may decline, Bosideng adopts a flexible and prudent financial strategy. Leveraging its resilient supply chain and omnichannel integrated merchandise operations system, the Group maintains strict inventory control and adjusts its production structure accordingly. Capital is prioritized for the R&D and production of lightweight, trans-seasonal products, and items suitable for spring and autumn transitional periods. By accelerating new product launches and implementing agile promotional strategies, Bosideng aims to enhance market performance despite seasonal fluctuations.

Note: In the absence of a universally accepted standard for defining winter climate temperatures, Bosideng adopts the following definitions: Normal weather refers to winter seasons where the average temperature deviates no more than ±0.5℃ from the historical long-term average; Cold winter is defined as a winter where the average temperature is at least 0.5℃ below the historical long-term average; Warm winter refers to a winter where the average temperature is at least 0.5℃ above the historical long-term average.

### Resilient Supply Chain

The down apparel industry is characterized by pronounced seasonality, with consumer demand concentrated in the winter and highly sensitive to weather fluctuations. In addition, significant differences in climate conditions and consumer preferences across regions in China further contribute to market complexity and uncertainty. To address these challenges, Bosideng employs a resilient supply chain strategy by controlling the proportion of initial orders, implementing demand-pull replenishment, and adopting a small-order, quick-response mechanism. These measures enable precise demand matching across different regions, improve inventory turnover efficiency, and effectively mitigate market volatility caused by climate factors.

In the down apparel industry, complex production processes—such as down filling and quilting—and the futures-based procurement model for down raw materials make the traditional "large pre-order" model highly prone to inventory build-up under abnormal climate conditions.

To address this challenge, Bosideng adopts a combined "futures + spot" approach and strictly controls the proportion of futures orders at its annual initial winter down apparel ordering conference, setting a cap of no more than 40%. This strategy reduces the risk of inventory backlog caused by climate uncertainty while ensuring flexibility in market supply. Relying on its resilient supply chain and small-order, quick-response capabilities, Bosideng implements a demand-pull replenishment system and a "Sales-Driven Production" model. This enables rapid market response through small-lot orders and allows the Group to quickly adjust production plans in response to demand fluctuations—achieving close alignment between production and sales. In FY2024/25, by implementing the strategy of "controlling the proportion of initial orders + small-order quick response," Bosideng flexibly adapted to market changes under complex climate conditions. As a result, the Group achieved a 27.2% year-on-year reduction in inventory impairment losses, significantly improving operational efficiency and risk resilience.

In addition, the Group independently developed the GiMS intelligent manufacturing platform, which connects upstream and downstream suppliers, processing factories, and franchisees to achieve end-to-end digital collaboration across R&D, production, supply, sales, and services—centered on the consumer. This system has shortened the product production and delivery cycle to 7–14 days, making Bosideng the only apparel company selected for inclusion in the *Typical Cases of Digital Transformation in Manufacturing released by China's Ministry of Industry and Information Technology*, setting a benchmark for efficient operations in the industry. Despite the impact of a warm winter in FY2024/25, the Group's inventory turnover days increased only slightly by 3 days year-on-year (from 115 days to 118 days), significantly outperforming the industry average. Revenue from the branded down apparel segment still achieved 11% growth—demonstrating the strong climate resilience of Bosideng's business model.

**27.2%** year-on-year decrease in impairment loss on inventories. ↓

| Indicator | Bosideng FY 2023/24 | Bosideng FY 2024/25 | Industry average FY 2024/25 |
|---|---|---|---|
| Inventory Turnover Days (Days) | 115 | 118 | 135 |
| Brand Down Jacket Revenue Growth Rate (%) | 43.8 | 11 | 5 |

Note: The above industry average data is sourced from the Wind Financial Terminal database.

## Omnichannel Integrated Merchandise Operations

Built upon the solid foundation of a resilient supply chain, the omnichannel integrated merchandise operations mechanism is another key component of Bosideng's climate resilience strategy. This mechanism enables the efficient integration of online and offline resources. In response to regional climate variations, Bosideng can quickly reallocate merchandise, achieve precise replenishment, and ensure efficient inventory turnover—thereby increasing replenishment sales volume while significantly reducing operational costs.

Bosideng has built a digital omnichannel integrated merchandise platform that enables real-time tracking of sales data across more than 3,000 stores nationwide—including all self-operated and distributor-run stores—allowing for precise identification of regional climate variations and market demand. Through a unified inventory management platform, we manage stock across eight major regional warehouses for directly operated stores and twelve satellite warehouses for distributors. This includes processes such as supplier inbound shelving, return handling, sorting, and restocking. Based on sales performance, inventory is strategically positioned and stored, with enhanced pre-positioning of top-performing SKUs to continuously improve replenishment availability. Leveraging this omnichannel operations mechanism, inventory is dynamically reallocated from regions with lower demand to those with higher demand. This means that when a region experiences climate anomalies, such as early-onset winter or warm winter conditions, Bosideng can respond swiftly. For instance, when northern regions such as North China and Northeast China enter winter earlier and see a surge in demand, the platform enables rapid transfer of inventory from lower-demand southern regions. In FY2024/25, Bosideng achieved a replenishment availability rate of 99%.

In addition, the establishment of a centralized omnichannel information-sharing platform has made Bosideng's replenishment strategies more precise, effective, and comprehensive. Real-time sales data is fed back to the production and warehousing processes, ensuring that replenishment items are highly aligned with market demand in terms of style, size, and quantity. Leveraging omnichannel data, Bosideng is able to flexibly adjust its product mix in response to varying climate conditions. For example, under warm winter scenarios, the Company can swiftly shift its production focus toward lightweight down jackets and functional products to effectively address the challenges posed by climate uncertainty. Currently, lightweight down jackets account for 15–20% of Bosideng-branded down jacket sales, and this share has shown a steady upward trend in recent years—demonstrating the success of the Company's product transformation and sales strategy. This flexible mechanism for product allocation and replenishment not only reduces warehousing and logistics costs but also enhances overall operational efficiency. It enables Bosideng to effectively respond to climate-related uncertainties and lays a solid foundation for the Company's long-term and stable development.

## Climate Scenario Analysis

Climate scenario analysis is a forward-looking assessment approach that helps companies identify potential climate risks and opportunities by simulating future pathways under different economic development models and energy use scenarios. This method provides a scientific basis for strategic decision-making, supporting the development of effective climate response strategies and enhancing the Group's resilience to climate impacts.

### Physical Risks

In the physical risks evaluation, we adopted Representative Concentration Pathway (RCP) 2.6 and 8.5 as baseline scenarios.

**RCP 2.6**

In this scenario, governments, industries, and institutions take measures such as legislation and global carbon pricing to drive fundamental changes in production and consumption patterns, achieving significant reductions in greenhouse gas emissions. This will ultimately limit global warming to within 1.5℃ .

**RCP 8.5**

In this scenario, governments, industries, and institutions fail to implement sufficient and effective policies and measures to curb the continuous increase in greenhouse gas emissions. This will result in a global average temperature increase of 4℃ or more by 2100.

#### Identification, Assessment, and Prioritization of Physical Risks

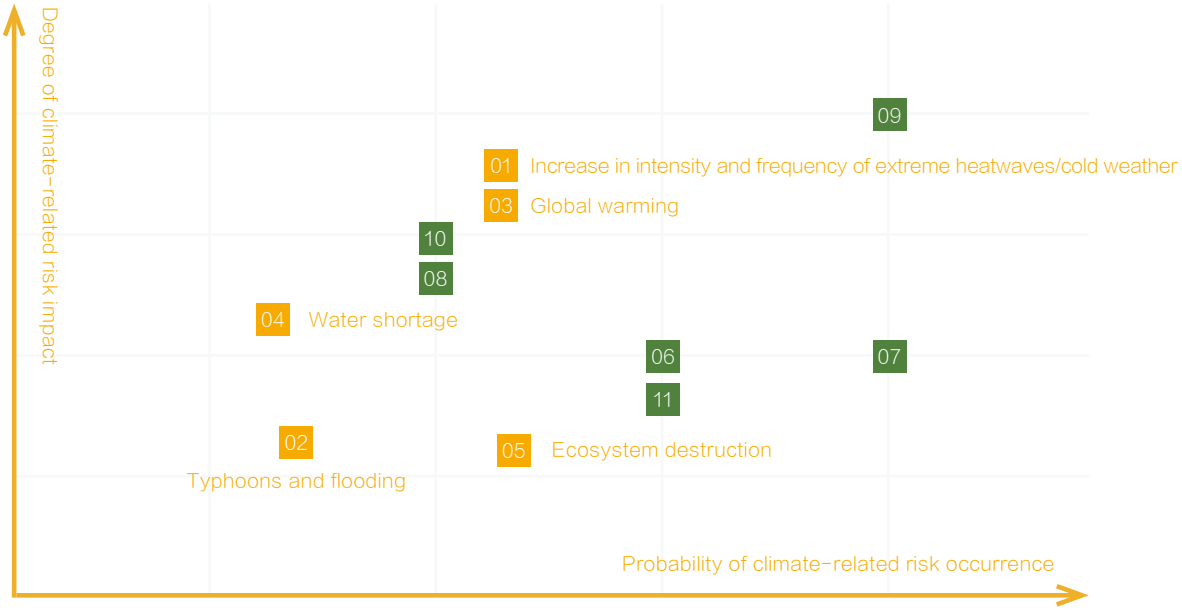
**Physical Risks**

| | |
|---|---|
| 01 | Increase in intensity and frequency of extreme heatwaves/cold weather |
| 02 | Typhoons and flooding |
| 03 | Global warming |
| 04 | Water shortage |
| 05 | Ecosystem destruction |

**Transition Risk**

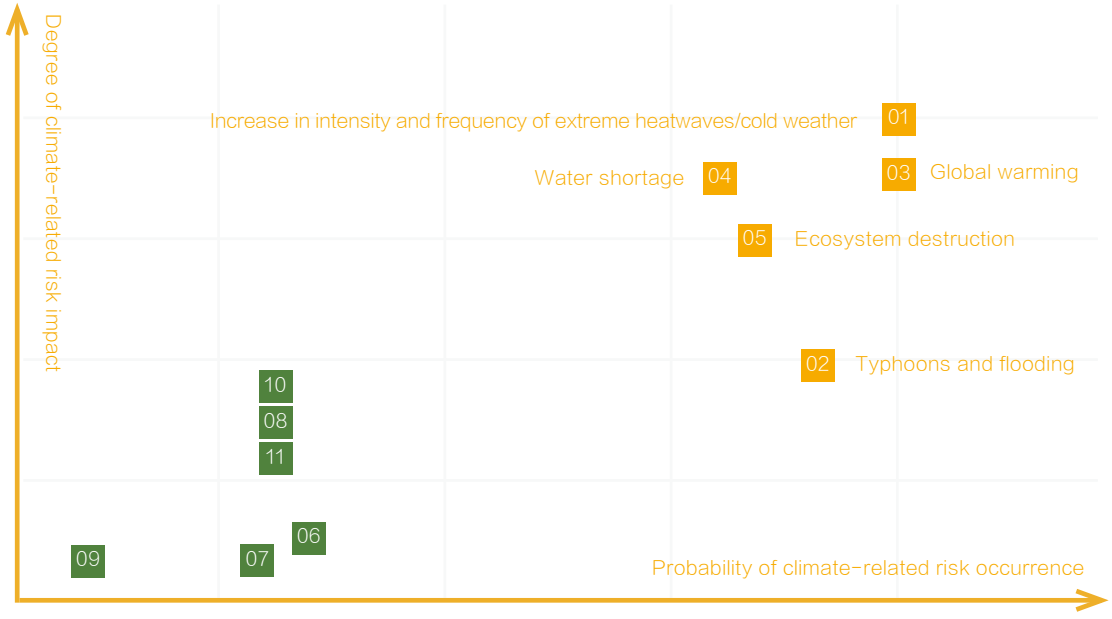
| | |
|---|---|
| 06 | Increasing regulatory pressure |
| 07 | Higher information disclosure requirements |
| 08 | Difficulty in development of green technologies |
| 09 | Transition to low emissions |
| 10 | Shifting consumer preferences |
| 11 | High public expectations for corporate social responsibility |

Under the RCP 2.6 climate scenario, in which global greenhouse gas emissions are substantially reduced, the physical risks faced by Bosideng are relatively moderate. While acute risks such as extreme heatwaves and heavy rainfall or flooding may still occur, their likelihood and impact are comparatively limited. In this scenario, governments around the world implement mandatory legislation to enforce comprehensive protection and restrictions on natural resources, leading to a concurrent decline in the probability of nature-related ecological risks.




Low-emission scenario (physical risk referencing RCP 2.6)

Under the RCP 8.5 climate scenario, where no effective mitigation measures are taken and global greenhouse gas emissions continue to rise, the physical risks faced by Bosideng are significantly amplified. High temperatures and heatwaves, extreme cold weather, typhoons and flooding, as well as water shortages and ecosystem degradation, all exhibit high probabilities of occurrence and high levels of impact—spanning short-, medium-, and long-term time frames. Such a scenario may lead to increased disaster frequency at Bosideng's production facilities and constraints in raw material supply, posing serious challenges to the stability of the value chain and the Group's long-term sustainability.




High-emission scenario (physical risk referencing RCP 8.5)

## Physical Risk Analysis

| Risk Classification | Climate Risk | Climate Scenario | Probability of Occurrence | Impact Severity | Impact Duration* |
|---|---|---|---|---|---|
| Acute Physical Risk | Increase in intensity and frequency of high temperatures and heat waves/extreme cold | RCP 2.6 | Above-average | High | S M L |
| | | RCP 8.5 | High | High | S M L |
| | Typhoons and flooding | RCP 2.6 | Average | Average | S M L |
| | | RCP 8.5 | High | Average | S M L |
| Chronic Physical Risk | Global warming | RCP 2.6 | Above-average | High | L |
| | | RCP 8.5 | High | High | L |
| | Water shortage | RCP 2.6 | Average | Above-average | L |
| | | RCP 8.5 | High | High | L |
| | Ecosystem destruction | RCP 2.6 | Above-average | Average | L |
| | | RCP 8.5 | High | Above-average | L |

S Short term M Medium term L Long term

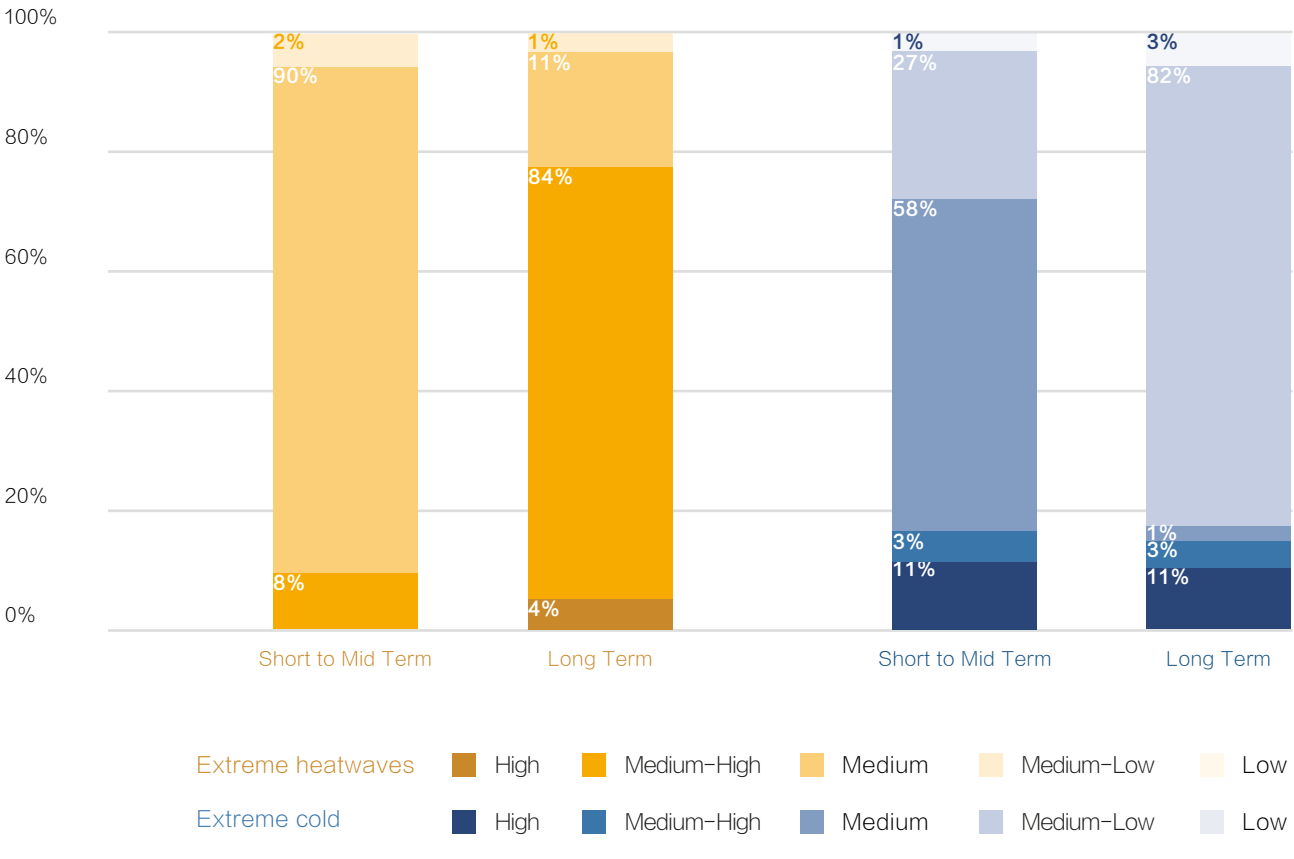
## Exposure to Physical Risks

To better assess the impact of climate change on the Company, Bosideng has further conducted climate scenario analyses focusing on two types of physical risks—heatwaves and extreme cold—which pose a highly material impact on its operations. Such physical risks may directly affect store operations, warehousing and logistics, and employee health and safety, thereby disrupting peak-season sales rhythms and undermining the stability of service delivery across the Group.

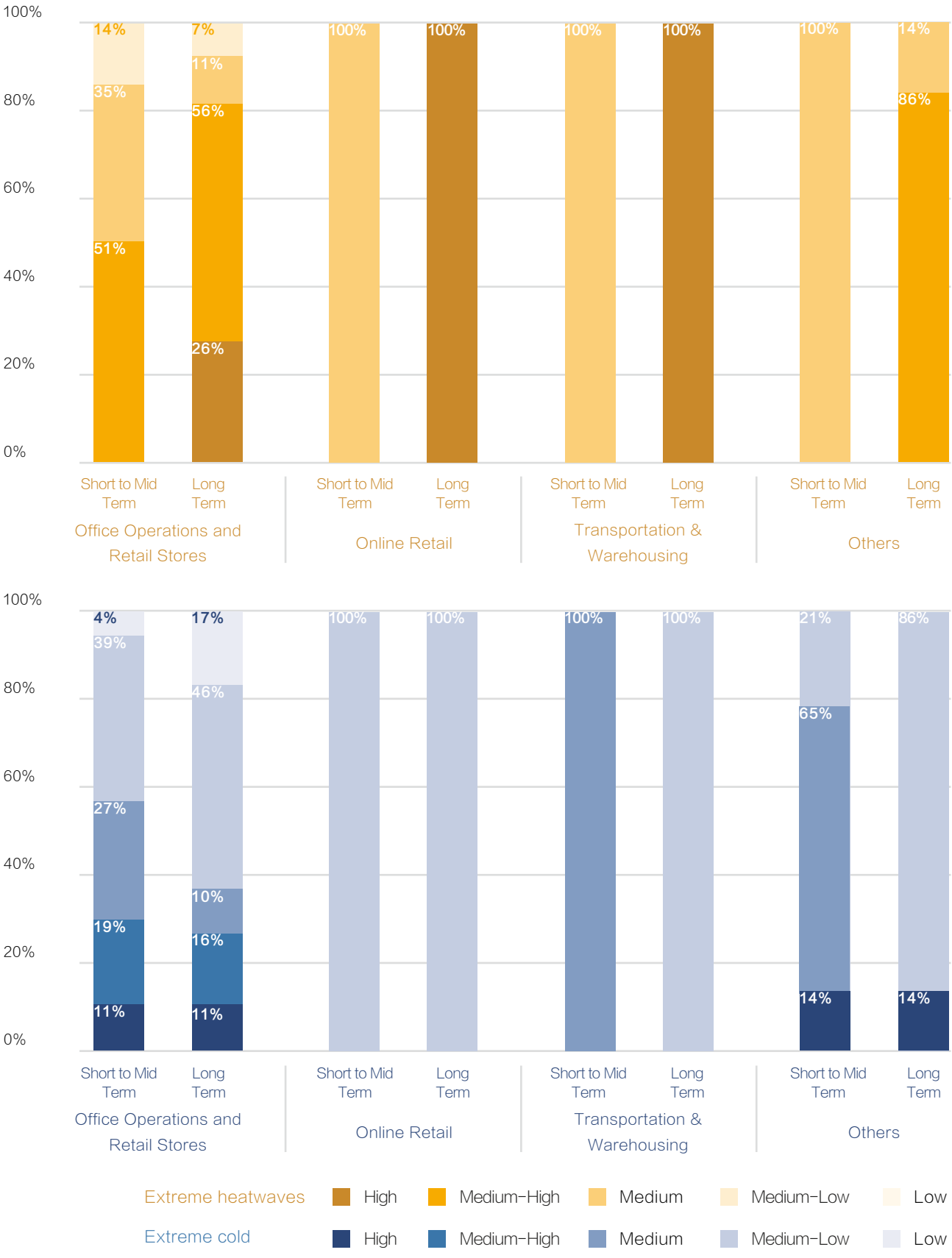
The physical risk exposure analysis covered 32 assets across 23 provinces and municipalities in China, including office buildings, logistics parks, warehouses, and offices. It assessed the inherent physical risks at each asset location and produced a physical risk exposure heat map to illustrate the level of exposure under different categories of physical risk.

| Physical Risk Type | Extreme heatwaves | Extreme cold |
|---|---|---|
| Main Model Factors | Annual Maximum Temperature (℃ ),Number of Days with Persistent High Temperatures (days), etc. | Annual Minimum Temperature (℃ ), Number of Days with Cold Waves (days), Number of Ice Freeze Days (days), etc. |

Impact of Extreme heatwaves and Extreme cold on Company Assets under RCP 8.5 Scenario ( by Asset Scale )



Impact of Extreme heatwaves and Extreme cold on Company Assets under RCP 8.5 Scenario ( by Asset Type )



## Impact of Extreme heatwaves and Extreme cold on Company Assets under RCP 8.5 Scenario

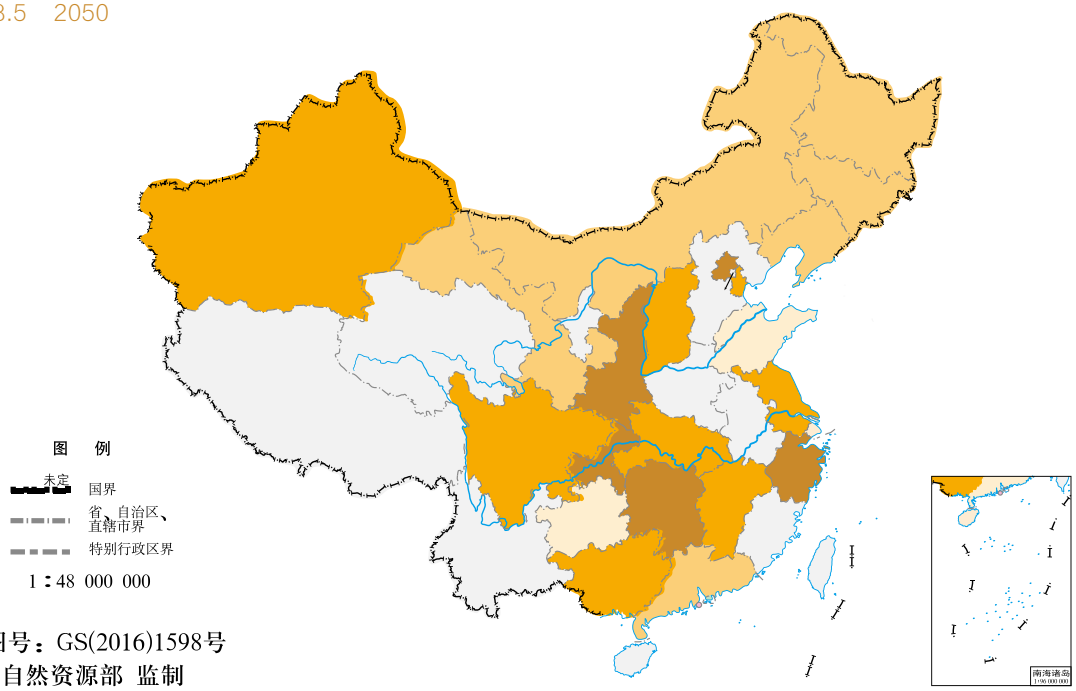
( by Region - Provincial Level )

### Extreme heatwaves

SSP5-8.5 2030


审图号：GS(2016)1598号
自然资源部 监制

SSP5-8.5 2050

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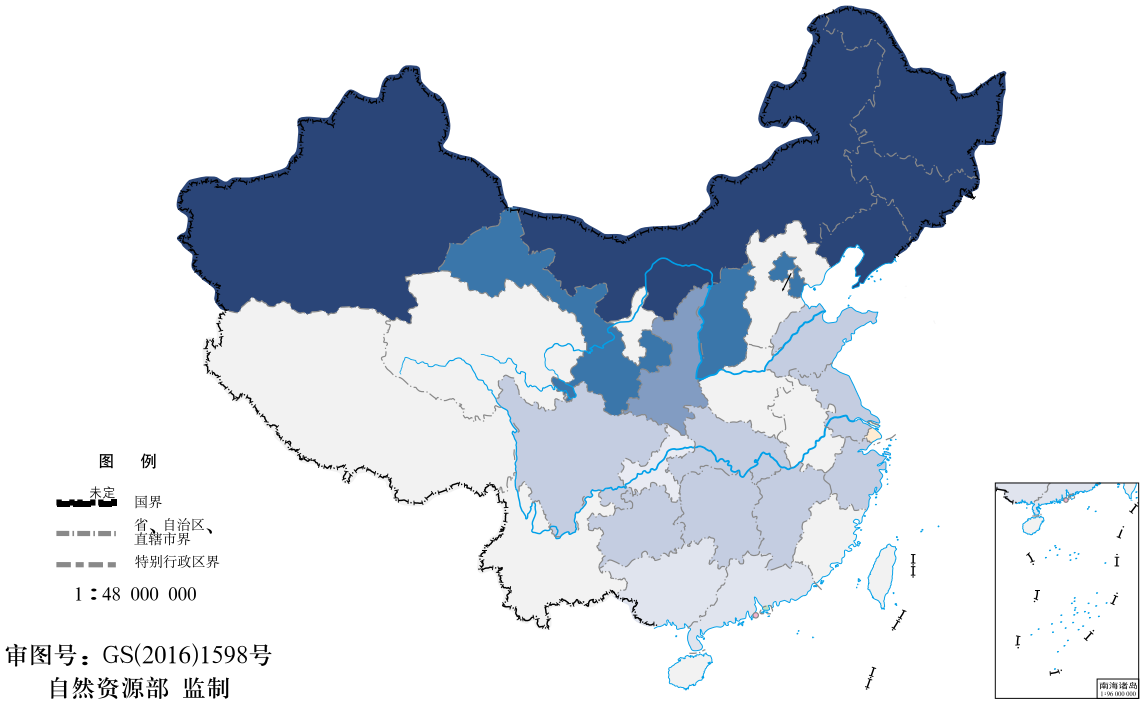
自然资源部 监制

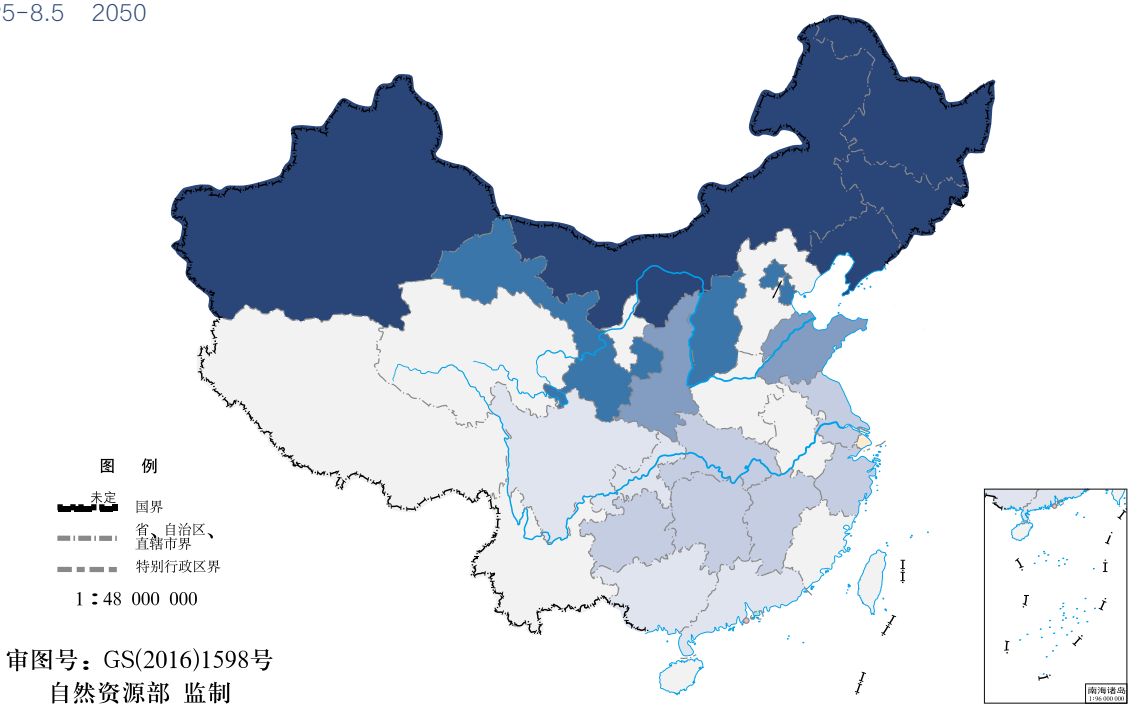
High Medium-High Medium Medium-Low Low

Extreme cold

SSP5-8.5 2030




SSP5-8.5 2050




High | Medium-High | Medium | Medium-Low | Low

## Physical Risk Mitigation

<table>
<tr><th>Risk Classification</th><th>Impact Factor</th><th colspan="6">Impact on Value Chain</th></tr>
<tr><td rowspan="4">Acute risks</td><td rowspan="4">Increase in intensity and frequency of extreme heatwaves/ cold weather</td><td>Product R&D</td><td>Raw Material Procurement</td><td>Product Manufacturing</td><td>Logistics Transportation</td><td>Product Delivery</td><td>After Sales Service</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="6">Impact on Business, Strategy and Finance<br>• Extreme weather may lead to changes in consumer demand for purchases. Consequently, sales forecasting will become more difficult due to the impact of extreme weather;<br>• Extreme weather affects the supply of raw materials, such as down sourcing. It also affects production and sales cycles, resulting in higher requirements on the supply chain and inventory management;<br>• Extreme weather may lead to an increase in Bosideng's costs in the areas of raw materials procurement, storage, logistics and transportation, thereby increasing the Company's operating risks;<br>• Extremely cold weather triggers the closure of roads and ports, which may lead to disruptions in logistics and transportation, affecting the supply of raw materials and the distribution of products;<br>• Extreme weather events pose significant threats to Bosideng employees' health and safety, impairing workforce productivity and driving up labor costs.</td></tr>
<tr><td colspan="6">Mitigation Measures<br>• Enhance the quick response capacity of the supply chain to meet sudden localized demand during extreme weather events through expedited replenishment; reinforce existing protective infrastructure (wind-proofing, waterproofing, cold resistance) at stores and warehouses for short-term resilience;<br>• Strengthen the resilience of the down supply chain by increasing the proportion of RDS-certified down and optimizing the transfer network to prioritize inventory management support for high-risk regions;<br>• Address safety risks caused by extreme weather by enhancing employee health and safety training, providing emergency supplies, and enforcing personal protection measures;<br>• Upgrade warehouse and production facility structures in high-risk regions through mid-term improvements such as insulation layers, storm-proof windows, and rainwater drainage systems;<br>• Advance the development of multi-season adaptable products (e.g., lightweight down jackets, functional outerwear) to reduce reliance on single-season sales;<br>• In terms of production and warehouse network layout, progressively relocate core facilities to regions with lower climate risk; newly built facilities are designed to meet long-term extreme climate adaptation standards.</td></tr>
</table>

| Risk Classification | Impact Factor | Impact on Value Chain | | | | | |
|---|---|---|---|---|---|---|---|
| | | Product R&D | Raw Material Procurement | Product Manufacturing | Logistics Transportation | Product Delivery | After Sales Service |
| | | ■ | ■ | ■ | ■ | ■ | ■ |
| | | ■ | ■ | ■ | ■ | ■ | ■ |

**Impact on Business, Strategy and Finance**

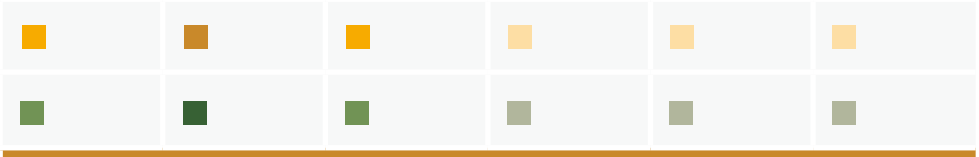
- Typhoons and floods may cause damage to Bosideng's offices, operating sites and equipment, resulting in the loss of assets and inventory, and reduced operational capabilities;
- Typhoons and floods may lead to water pollution and freshwater scarcity, resulting in insufficient water supply for textile production, ultimately disrupting upstream manufacturing operations and increasing water-related expenditures;
- Typhoons and floods may result in disruptions of transportation routes, and affecting the production and distribution of products;
- Typhoons and floods may threaten the health and safety of employees, reducing operational efficiency and increasing labor costs.

| Risk Classification | Impact Factor |
|---|---|
| Acute risks | Typhoons and flooding |

**Mitigation Measures**

- Develop emergency response plans and provide employees with flood and storm preparedness training; install temporary protective infrastructure such as flood barriers and water pumps;
- Strengthen structural elements at existing disaster-prone stores and warehouses to reduce damage risk in the near term;
- Purchase insurance coverage to mitigate the direct economic losses caused by sudden natural disasters;
- Implement structural upgrades for stores and warehouses in high-risk areas (e.g., raised foundations, reinforced walls, and roof enhancements), and establish backup regional warehousing and distribution networks;
- Establish cooperation mechanisms with local governments and emergency departments to participate in regional flood control projects and evacuation drills;
- Participate in the long-term construction of watershed flood control and drainage systems to fundamentally reduce systemic disaster risks;
- Gradually relocate critical production and logistics nodes out of regions frequently affected by flooding and typhoons, forming a multi-hub operational layout.

| Risk Classification | Impact Factor | Impact on Value Chain | | | | | |
|---|---|---|---|---|---|---|---|
| | | Product R&D | Raw Material Procurement | Product Manufacturing | Logistics Transportation | Product Delivery | After Sales Service |
| Chronic risks | Global warming | | | | | | |
| | | Impact on Business, Strategy and Finance | | | | | |
| | | • Our main product, down apparel, is greatly affected by climate. Global warming will reduce consumers' demand for down apparel (especially thick down apparel), which will directly affect sales performance. | | | | | |
| | | Mitigation Measures | | | | | |
| | | • Continue launching down jacket collections suited for varying temperature zones (e.g., lightweight down jackets) to mitigate the impact of warm winters on winter apparel sales;<br>• Strengthen quick-replenishment and inventory turnover capabilities to avoid stockpiling caused by warm winter conditions;<br>• Increase the proportion of high-temperature and high-humidity resistant fabrics and accessories in R&D to enhance product comfort and durability under diverse climate conditions;<br>• Optimize global market distribution by expanding the share of business in spring-autumn and warmer regions to balance seasonal sales fluctuations;<br>• Develop a comprehensive "all-climate" product portfolio, covering a wide range of apparel suitable for year-round sales, thereby reducing dependence on the winter sales peak;<br>• Establish a circular fashion production system that integrates climate-adaptive design principles across the entire value chain. | | | | | |
| | Water shortage | | | | | | |
| | | Impact on Business, Strategy and Finance | | | | | |
| | | • Raw materials for down apparel come from geese and ducks, and their breeding cannot be separated from sufficient and clean water resources. Water shortage will affect the supply of down and increase costs;<br>• The operation process is inseparable from the use of water resources. Water shortage may lead to increased operating costs and affect the stability of the supply chain and operations. | | | | | |

| Risk Classification | Impact Factor | Impact on Value Chain | | | | | |
|---|---|---|---|---|---|---|---|
| | | Product R&D | Raw Material Procurement | Product Manufacturing | Logistics Transportation | Product Delivery | After Sales Service |
| Chronic risks | Water shortage | **Mitigation Measures**<br>• Collaborate with upstream raw material suppliers to explore innovative solutions—such as new processing techniques or farming practices—to reduce reliance on water resources during raw material sourcing and product manufacturing;<br>• Establish water monitoring systems in key production stages and set annual water-saving targets;<br>• Promote new technologies such as low-water dyeing and waterless or near-waterless dyeing;<br>• Mitigate the impact of water shortages on the supply chain by diversifying both suppliers and raw material sources;<br>• Incorporate water resource management into the Group's overarching environmental management policies and continue advancing long-term water-saving initiatives;<br>• Participate in watershed water governance and ecological restoration projects to address water scarcity at its source;<br>• Relocate water-intensive production processes to regions with lower water risk. | | | | | |
| | Ecosystem destruction |  | | | | | |
| | | **Impact on Business, Strategy and Finance**<br>• Ecosystem destruction will cause the breeding of animal-based raw materials and the cultivation of plant-based raw materials to face higher threats from pests and diseases. Species invasions and the reduction of natural enemies of agricultural pests will increase the difficulty of pest control and prevention for raw materials and increase the instability of Bosideng's supply chain. | | | | | |
| | | **Mitigation Measures**<br>• Increase the proportion of certified raw materials (e.g., RDS-certified down, recycled fabrics) to reduce the ecological pressure associated with natural material production;<br>• Conduct ecological impact assessments for raw materials to ensure environmental compliance in short-term procurement decisions;<br>• Promote collaboration with suppliers to develop eco-friendly raw materials and alternative solutions, reducing reliance on single-ecosystem resources;<br>• Partner with third-party organizations to pilot ecological compensation and biodiversity conservation projects;<br>• Establish group-level biodiversity protection targets and standards, and develop a replicable industry model that balances raw material sourcing with ecosystem conservation;<br>• Use eco-friendly fabrics made from materials such as recycled nylon or polyester, and continue to increase their share in overall fabric use. | | | | | |

Impact on value chain segments: High level of impact | Medium level of impact | Low level of impact

Related potential financial implications: High level of impact | Medium level of impact | Low level of impact

## Transition Risk

In the transition risk assessment, we selected the International Energy Agency (IEA)'s "Net Zero Emissions by 2050 scenario" (NZE 2050) and "Stated Policies Scenario" (IEA SPS) as the benchmark analysis framework.

### NZE 2050

This scenario simulates the rapid decarbonization pathway adopted by the international community to achieve the 1.5℃ temperature control goal, projecting that the global energy system will achieve the net-zero emissions goal by 2050.

### IEA SPS

This scenario considers only the impact of the specific policies that have been officially implemented or explicitly announced by governments of various countries at present.

### Identification, Assessment, and Prioritization of Transition Risks

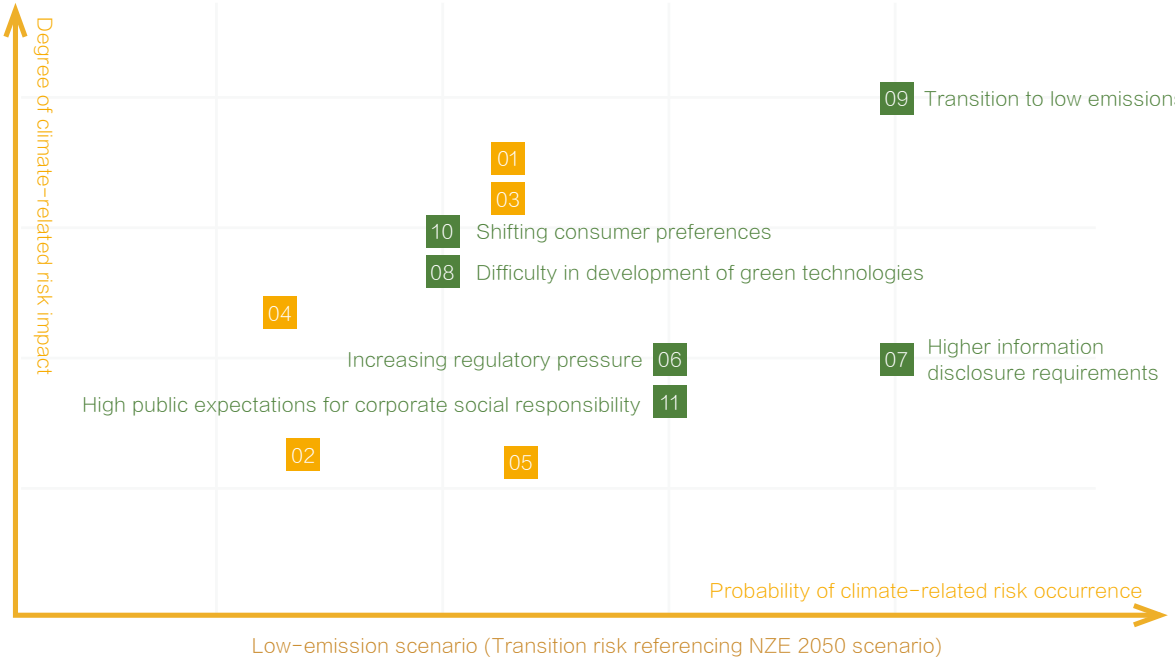
**Physical Risks**

| | |
|---|---|
| 01 | Increase in intensity and frequency of extreme heatwaves/cold weather |
| 02 | Typhoons and flooding |
| 03 | Global warming |
| 04 | Water shortage |
| 05 | Ecosystem destruction |

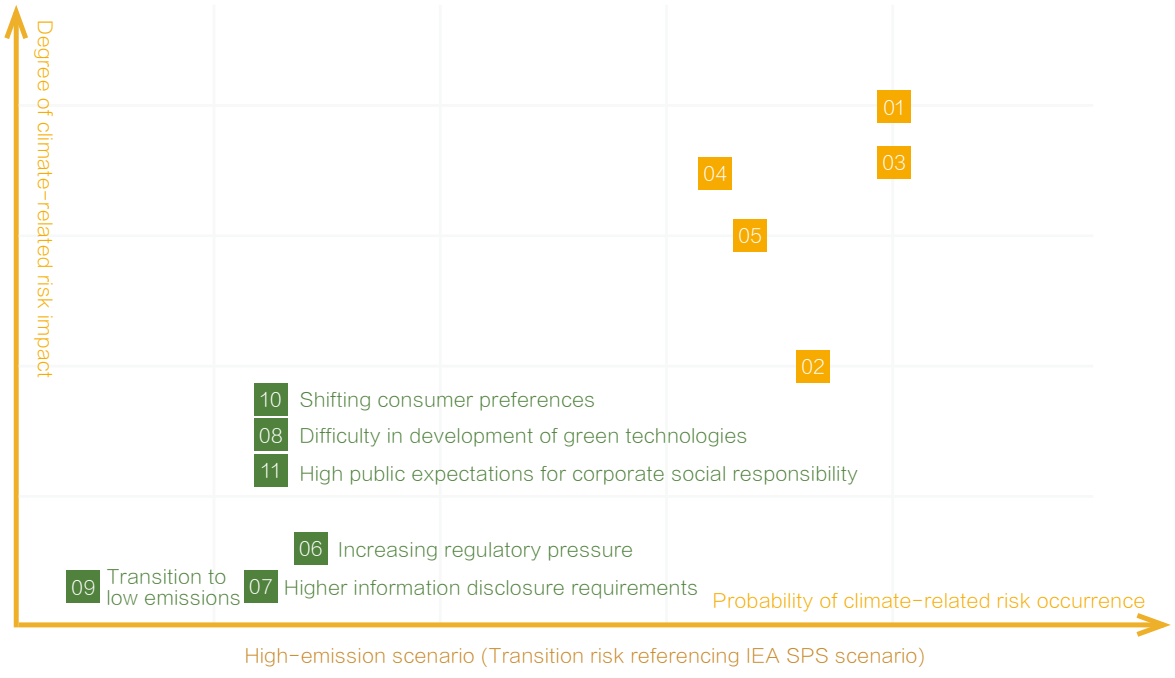
**Transition Risk**

| | |
|---|---|
| 06 | Increasing regulatory pressure |
| 07 | Higher information disclosure requirements |
| 08 | Difficulty in development of green technologies |
| 09 | Transition to low emissions |
| 10 | Shifting consumer preferences |
| 11 | High public expectations for corporate social responsibility |

Under the NZE 2050 scenario, where strong and accelerated climate policies are implemented globally to achieve climate transition goals, Bosideng is expected to face significantly heightened transition pressures. Stricter regulations, more demanding carbon emission standards, higher thresholds for green technologies, and rapidly evolving consumer preferences and societal expectations may all necessitate major adjustments to the Group's business model over the medium-to-long term. Frequent disclosure requirements, low emission transition, and increased investment in green R&D will become core challenges—exerting substantial impacts on the Company's compliance costs, technology pathways, and brand reputation.




Under the IEA SPS scenario—where global climate policy is based solely on currently announced and implemented measures—the decarbonization pathway progresses relatively slowly, and the transition risks faced by Bosideng are generally low to moderate. Risks related to stricter regulation, disclosure requirements, technological barriers, market changes, and reputational concerns are all relatively limited in both likelihood and impact. In this scenario, while the Company still needs to address a certain degree of policy pressure and social responsibility expectations, the overall pace of transition remains moderate, allowing for greater strategic flexibility and buffer space in business operations.



## Transition Risk Analysis

| Risk Classification | Climate Risk | Climate Scenario | Probability of Occurrence | Impact Severity | Impact Duration |
|---|---|---|---|---|---|
| Policy And Regulatory Risk | Increasing regulatory pressure | NZE 2050 | Above-average | Average | S M |
| | | IEA SPS | Average | Low | M L |
| | Higher information disclosure requirements | NZE 2050 | High | Average | S M |
| | | IEA SPS | Average | Low | S |
| Technology Risk | Difficulty in development of green technologies | NZE 2050 | Average | Above-average | M L |
| | | IEA SPS | Average | Average | M L |
| | Transition to low emissions | NZE 2050 | High | High | M L |
| | | IEA SPS | Low | Low | M L |
| Market Risk | Shifting consumer preferences | NZE 2050 | Average | Above-average | M L |
| | | IEA SPS | Average | Average | S |
| Reputational Risk | High public expectations for corporate social responsibility | NZE 2050 | Above-average | Average | M L |
| | | IEA SPS | Average | Average | S |

S Short term M Medium term L Long term

## Analysis of Carbon Value at Risk (CVaR)

To better assess the impact of climate change on the Company, Bosideng has further conducted climate scenario analysis on transition risks highly material to the Company, represented by carbon pricing. Carbon price refers to the shadow price of carbon, representing the cost of avoiding or releasing carbon dioxide ($CO_2$) emissions or their equivalents, reflecting the marginal abatement costs under various climate policies. This corporate Carbon Value at Risk (CVaR) analysis adopts the NGFS 2050 Net Zero Scenario to estimate the percentage of asset gains/losses caused by transition risks—primarily carbon pricing—relative to the Company's enterprise value.Within the NGFS scenario, carbon price settings incorporate various climate policies such as carbon taxes, subsidies, prices of $CO_2$ emission permits, and environmental standards. When evaluating the economic costs of climate change mitigation, carbon price serves as an indicator of the stringency of climate mitigation policies.

| | |
|---|---|
| **Scenario** | NGFS 2050 Net-Zero Scenario |
| **End-of-Century Temperature Rise** | 1.4℃ above pre-industrial levels |
| **Characteristics** | Orderly transition scenario, strong transition policies |
| **Scenario Assumptions** | The NGFS 2050 scenario assumes that the world introduces effective climate policies now, undergoes an orderly transition globally, achieves net-zero emissions by 2050, and reaches the Paris Agreement's 1.5℃ temperature control target by the end of the century. |
| **Analysis Time Points** | Short-to-medium term (2030), Long term (2050) |

This analysis simulates Bosideng's future carbon emission trajectory based on the Company's Scope 1 and 2 greenhouse gas (GHG) emissions over the past three years, over the past three years, their trends, GHG emission target, and the proportion of green electricity usage. Considering the Company's regional location and industry sector, as well as regional carbon reduction policies and mitigation pressures, the analysis identifies the carbon emission gap. Based on the carbon price under the NGFS China scenario, the Carbon Value at Risk (CVaR) is calculated to estimate the percentage of asset gains/losses caused by transition risks—primarily carbon pricing—relative to the Company's enterprise value.

| Climate Scenario | End-of-Century Temperature Increase | Carbon Value at Risk ( CVaR ) | |
|---|---|---|---|
| | | Short to Medium Term 2030 | Long Term 2050 |
| **NGFS 2050 Net Zero** | **1.4℃** | **0% ~ 0.01%** | **0.01% ~ 0.05%** |

Under the NGFS 2050 Net - Zero Scenario, climate transition policies are relatively strong, especially after 2040. Bosideng has already taken emission reduction measures and set an emission reduction path according to the framework of the Science Based Targets initiative (SBTi), aiming to achieve net-zero emissions in its operations by 2038. The Company's overall transition risk is low, and its CVaR remains below 0.05% in the short, medium, and long term.

## Transition Risk Mitigation

| Risk Classification | Impact Factor | Impact on Value Chain | | | | | |
|---|---|---|---|---|---|---|---|
| | | Product R&D | Raw Material Procurement | Product Manufacturing | Logistics Transportation | Product Delivery | After Sales Service |
| Policy and regulatory risk | Increasing regulatory pressure | | | | | | |
| | | Impact on Business, Strategy and Finance | | | | | |
| | | • With increasing attention on global climate change, governments and international organizations have issued stricter environmental regulations and standards. | | | | | |
| | Higher information disclosure requirements | | | | | | |
| | | Impact on Business, Strategy and Finance | | | | | |
| | | • The Hong Kong Stock Exchange has established requirements for listed companies to disclose climate-related information under its ESG framework, thereby increasing compliance obligations and urging listed companies to accelerate the pace and enhance the quality of their climate-related disclosures. | | | | | |
| | Mitigation Measures | | | | | | |
| | • Closely monitor domestic and international climate- and environment-related policies to ensure its operations comply with the latest legal requirements<br>• Actively communicate with industry associations and regulatory authorities, taking part in the formulation of industry standards to mitigate potential negative impacts from regulatory changes. | | | | | | |
| Technical risk | Difficulty in development of green technologies | | | | | | |
| | | Impact on Business, Strategy and Finance | | | | | |
| | | • It is essential to introduce and apply advanced green technologies for achieving carbon neutrality and reducing carbon emissions. Nonetheless, the R&D and promotion of these technologies require a large investment and carry the risk of failure. | | | | | |
| | Transition to low emissions | | | | | | |
| | | Impact on Business, Strategy and Finance | | | | | |
| | | • With the aim of achieving carbon goals, we need to invest in more environmentally friendly technologies and equipment, which increases our operating costs. When selecting low-emission technologies, we face risks of technical uncertainty that may lead to wasted upfront investments and delays in the transition process. | | | | | |

| Risk Classification | Impact Factor | Impact on Value Chain | | | | | |
|---|---|---|---|---|---|---|---|
| | | Product R&D | Raw Material Procurement | Product Manufacturing | Logistics Transportation | Product Delivery | After Sales Service |
| Technical risk | Mitigation Measures | | | | | | |
| | • Enhance investments in R&D and collaborate with universities and research institutes to develop new technologies.<br>• Adopt a product strategy of rapid iteration and continuous improvement to keep technical capabilities at the forefront of the industry.<br>• Manage the climate impact of products throughout their life cycle and develop green products by using environmentally friendly fabrics, strictly managing chemicals, investing in energy-saving and emission-reduction equipment, and advancing low-carbon manufacturing processes. | | | | | | |
| Market risk | Shifting consumer preferences | | | | | | |
| | Impact on Business, Strategy and Finance | | | | | | |
| | • With consumers' increasing attention on environmental protection and sustainable fashion, they are increasingly concerned about the environmental performance of products and the social responsibility performance of manufacturers, which requires Bosideng to ensure the quality and style of products while improving the environmental performance of products. | | | | | | |
| | Mitigation Measures | | | | | | |
| | • Increase investments in sustainable materials and green technologies to meet growing consumer demand for eco-friendly products.<br>• Create a "sustainable fashion" consumer community, provide green products and services, help consumers cultivate green consumption habits, and build a platform for interaction on green environment and sustainable fashion development. | | | | | | |
| Reputational risk | High public expectations for corporate social responsibility | | | | | | |
| | Impact on Business, Strategy and Finance | | | | | | |
| | • As society pays more attention to environmental issues such as climate change, it will have a negative impact on Bosideng's business reputation if the Company fails to meet the public's expectations on corporate social and environmental responsibility. | | | | | | |
| | Mitigation Measures | | | | | | |
| | • Conduct open and transparent communication with stakeholders in a diverse manner by formulating sustainable development directions in all aspects of the value chain<br>• Demonstrate actions and achievements in environmental protection and social responsibility to the public by regularly releasing detailed ESG reports, industry reports and communications, etc. | | | | | | |

Impact on value chain segments: High level of impact | Medium level of impact | Low level of impact

Related potential financial implications: High level of impact | Medium level of impact | Low level of impact

## Climate related Opportunity

| Opportunity Classification | Impact Factor | Impact on Value Chain | | | | | |
|---|---|---|---|---|---|---|---|
| | | Product R&D | Raw Material Procurement | Product Manufacturing | Logistics Transportation | Product Delivery | After Sales Service |
| Energy utilization | Improving energy efficiency | ■ | ■ | ■ | ■ | ■ | ■ |
| | | ■ | ■ | ■ | ■ | ■ | ■ |
| | | **Impact on Business, Strategy and Finance** | | | | | |
| | | • Improving energy efficiency can reduce corporate operating costs from multiple dimensions, including direct reduction in energy expenditure and indirect cost savings achieved through production process optimization, thereby significantly enhancing the corporate's operational resilience and market competitiveness. | | | | | |
| | | **Measures** | | | | | |
| | | **Energy conservation and emission reduction:**<br>With the global concern about climate change, improving energy efficiency has become an important task for enterprises. By developing emission reduction measures for all links in the value chain, Bosideng is committed to reducing energy consumption and lowering greenhouse gas emissions. | | | | | |
| | Clean energy utilization | ■ | ■ | ■ | ■ | ■ | ■ |
| | | ■ | ■ | ■ | ■ | ■ | ■ |
| | | **Impact on Business, Strategy and Finance** | | | | | |
| | | • Clean energy is expected to receive more policy support in the future, and early deployment of clean energy may avoid future carbon taxes or carbon trading costs. Clean energy can also increase brand value as consumers may be more willing to pay a premium for environmentally friendly brands. | | | | | |
| | | **Measures** | | | | | |
| | | **Renewable energy:**<br>As the climate change problem intensifies, an increasing number of enterprises and consumers tend to use renewable energy. We have considered increasing the use of clean energy sources such as solar power and wind power, so as to decrease the dependence on fossil fuels and help achieve the carbon goals. | | | | | |

| Opportunity Classification | Impact Factor | Impact on Value Chain | | | | | |
|---|---|---|---|---|---|---|---|
| | | Product R&D | Raw Material Procurement | Product Manufacturing | Logistics Transportation | Product Delivery | After Sales Service |
| Products and services | Innovation Products and services | ■ | ■ | ■ | ■ | ■ | ■ |
| | | ■ | ■ | ■ | ■ | ■ | ■ |

**Impact on Business, Strategy and Finance**

- Consumers are increasingly prioritizing corporate ESG performance, with eco-friendly products gaining significant market preference. Developing environmental-friendly products can attract more consumers and enhance market competitiveness.

**Measures**

**Innovative product development:**
Climate change has promoted the change in market demand for warm and cold-resistant products. We will develop products corresponding to different climate conditions, such as down apparel with better thermal insulation performance and light apparel fit for warm climates.

**Enhancing service quality:**
We emphasize sustainability and environmental protection in product design and services—for example, by using recyclable materials and providing product repair and reuse services—which will increase consumer loyalty to the brand and enhance market competitiveness.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | Expanding to new markets | ■ | ■ | ■ | ■ | ■ | ■ |
| | | ■ | ■ | ■ | ■ | ■ | ■ |

**Impact on Business, Strategy and Finance**

- Due to climate change, there is a strong demand for environmental-friendly cold-resistant clothing in high-latitude markets such as Northern Europe and Canada, which will bring new market opportunities for Bosideng.

**Measures**

**New market development:**
Due to global climate change, the climatic zones of some regions have changed. For these emerging markets, Bosideng can design and promote products fit for the local climate, thereby expanding new market space;

**Brand influence:**
By actively responding to the challenge of climate change and taking effective measures to reduce our impact on the environment, we continue to enhance our brand image as a responsible enterprise to attract more environmentally conscious consumers.

| Opportunity Classification | Impact Factor | Impact on Value Chain | | | | | |
|---|---|---|---|---|---|---|---|
| | | Product R&D | Raw Material Procurement | Product Manufacturing | Logistics Transportation | Product Delivery | After Sales Service |
| Strategy | Enhancing corporate resilience | ■ | ■ | ■ | ■ | ■ | ■ |
| | | ■ | ■ | ■ | ■ | ■ | ■ |

**Impact on Business, Strategy and Finance**

- Enhancing climate resilience helps the Company mitigate operational risks from extreme weather events, such as ensuring the stable supply of raw materials (such as goose and duck down) and avoiding losses caused by climate disasters in a single region.

**Measures**

**Resilient supply chain:**

Facing the uncertainties caused by climate change, Bosideng will build a more flexible and resilient supply chain, in a bid to tackle the impact of extreme weather and natural disasters and ensure the stability of production and supply.

**Emergency management system:**

We will establish a comprehensive emergency management system, including an emergency production plan and logistics arrangement, to quickly respond to sudden climate events and minimize our loss.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | Innovation of digital intelligence | ■ | ■ | ■ | ■ | ■ | ■ |
| | | ■ | ■ | ■ | ■ | ■ | ■ |

**Impact on Business, Strategy and Finance**

- Big data and AI technologies can optimize production plans, reduce inventory backlogs and unsalable risk, and reduce warehousing costs; intelligent logistics systems can reduce transportation costs and improve supply chain efficiency.

**Measures**

**Digital and intelligent operations:**

Bosideng will continuously increase investment in smart manufacturing, smart logistics, smart merchandise management and other fields, aiming to improve the Company's operational efficiency and promote green development through digitalization and intelligentization.

| | | | | |
|---|---|---|---|---|
| Impact on value chain segments | High level of impact | Medium level of impact | Low level of impact |
| Related potential financial implications | High level of impact | Medium level of impact | Low level of impact |

# 4 Impact, Risk and Opportunity Management

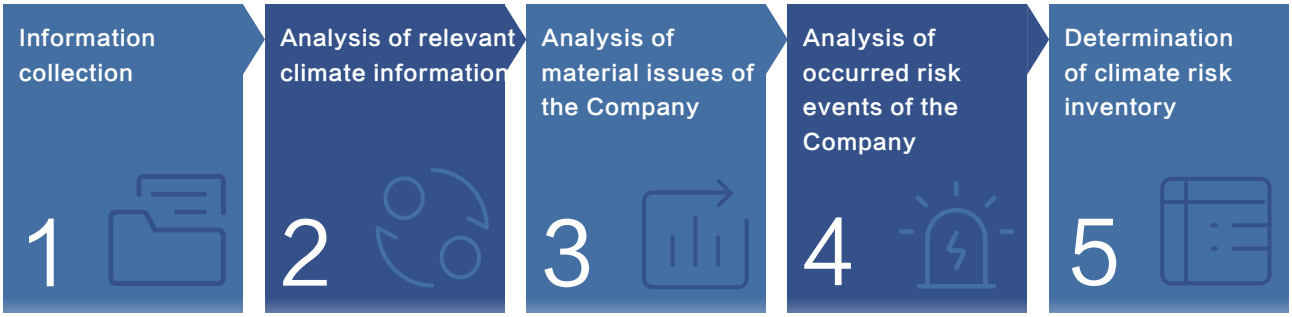
Against the backdrop of increasingly severe global climate change, climate-related risks and opportunities have become critical factors for the long-term development of enterprises. Bosideng is deeply aware of this trend and has actively integrated climate considerations into its overall risk assessment and management systems. Through robust risk management and governance mechanisms, Bosideng is able to timely identify and address climate risks, continuously conduct dynamic monitoring and evaluation, and flexibly adjust strategies. In doing so, it not only responds to challenges but also unlocks growth potential, thereby laying a solid foundation for the Company's sustainable development.

The Bosideng Sustainability Steering Group serves as the highest-level direct management body for climate-related issues within the Company. It is responsible for collaborating with relevant departments to carry out annual climate risk identification, impact assessment, and response capability analysis in accordance with the *TCFD Recommendations*. The Group reports its work and provides recommendations to the Chairman of the Board on an annual basis. The Chairman of the Board oversees the climate risk management plan, reviews its potential impacts on the Company's strategy, and ensures strategic-level risk control.

## Climate Risk Management Process

### Climate Risk Identification Process

Bosideng employs a dual approach to identify climate-related risks, integrating both top-down and bottom-up strategies. From a top-down perspective, the Sustainability Steering Group identifies short-, medium-, and long-term climate risks that the Group may face and assesses the relevance of such risks to the Company's business by reviewing industry reports, peer disclosures, and climate publications. For the bottom-up approach, the Sustainability Steering Group analyzes material issues and actual risk events encountered by Bosideng during the year to assess their climate relevance.

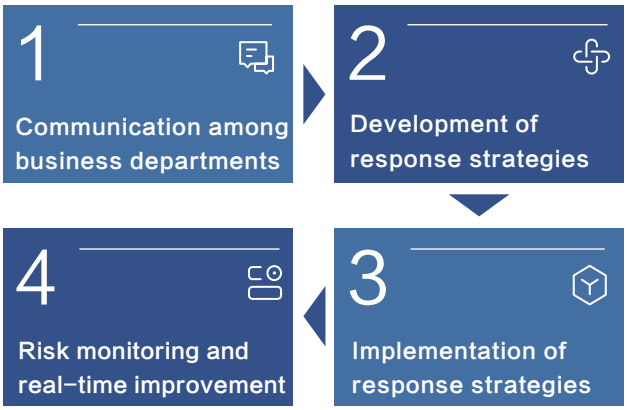



### Climate Risk Assessment and Prioritization Process

Bosideng employs a dual approach with both qualitative and quantitative methods to assess and prioritize the types of climate risks identified. The Sustainability Steering Group determines the methodology for quantifying the probability of risk occurrence and the potential impact based on different risk types and ensures the assessment process is supported by sufficient data. When necessary, the Sustainability Steering Group coordinates resources from other departments to conduct a thorough risk assessment, ensuring the comprehensiveness and accuracy of the assessment.

## Climate Risk Response Process

For the identified key climate risks, the Sustainability Steering Group will collaborate with relevant departments to evaluate the existing risk mitigation measures implemented. The group will also refer to industry reports, peer disclosures, and climate-related publications to identify the outstanding risk management practices in the industry. By comparing Bosideng's current measures with industry best practices, the Sustainability Steering Group can assess the completeness of the Company's climate risk response system, identify potential areas for improvement, and develop targeted improvement measures accordingly. During the implementation phase, Bosideng will continue to track the implementation effects of various response plans, regularly evaluate their actual results and make improvements.




## Climate Risk Assessment Framework

For the identified climate change risks, we have established an assessment framework to comprehensively evaluate the impacts of different risk categories on the Company's business strategy and financial condition, thereby helping to optimize risk management.

### 1 Occurrence Time & Impact Cycle

Based on the supply chain dependencies and seasonal production characteristics of the apparel industry, Bosideng categorizes risks by their likely occurrence into short-term, medium-term, and long-term risks.

### 2 Occurrence Probability

Determine the likelihood of risk occurrence based on the selected climate scenarios:

- In high-emission scenarios, the natural environment becomes more severe, and the probability of physical risks such as extreme weather, water scarcity, and ecosystem destruction increases significantly.
- In low-emission scenarios, significant policy and market changes raise the probability of transition risks, such as regulatory pressure and shifts in consumer preferences.

### 3 Degree of impact on strategy

Analyze the impacts on the Company's strategic dimensions:

- Impact from changes in key asset layout, relocation, damage, etc.
- Impact from changes in consumer purchasing needs and value orientation.
- Impact on supply chain and operations due to changes in raw material supply and production-sales cycles.
- Impact from changes in product production and delivery timeliness.
- Impact from changes in employee health and safety and labor force vulnerability.
- Impact from increased regulatory pressure and higher information disclosure requirements.

### 4 Degree of impact on Profitability

Analyze the impact on the Company's profitability:

- Impact on business model.
- Impact on company product supply-demand and pricing.
- Impact on company assets, operations, R&D, expenses, and overall cost structure and profitability.
- Impact on revenue stability and sustainability.
- Impact on company reputation and brand value.
- Impact on market competitive position and barriers to entry.

## Climate Opportunities Management Process

While climate change brings risks and challenges, it also presents opportunities. On the basis of identifying and responding to the aforementioned climate-related risks, the Company also pays close attention to the transformation opportunities arising from climate change. Each year, based on updates in its business layout, strategic planning, industry development, and policy trends, the Company actively conducts internal discussions and seeks expert advice to identify climate-related opportunities and strives to integrate these opportunities into its future development.

| | |
|---|---|
| **Resource Efficiency** | Enhancing resource use efficiency through energy-saving technological upgrades, including energy, water, and other resources. |
| | Applying the 3R principles of reduction, reuse, and recycling to raw materials, waste, and product packaging. |
| | Reducing carbon emissions in logistics and transportation through localized procurement and low-carbon transport. |
| | Supply chain environmental requirements drive carbon reduction and energy consumption cuts across the value chain. |
| **Policy Opportunities** | Evaluating and engaging with policy opportunities related to new energy and carbon emission reduction. |
| **Products and Services** | Increasing R&D investment in eco-friendly fabrics and products to attract more consumers and enhance market competitiveness. |
| | Ensuring product quality and extending service life. |
| | Building a product recycling network to enhance material circularity. |

Factors Influencing the Assessment of Climate Change Opportunities

## Climate Adaptation and Transition Practices

### Energy and Carbon Emission Management

Against the backdrop of China's national "3060" Dual Carbon Strategy, Bosideng has made energy management a core pathway to enhancing climate adaptability. Through systematic initiatives, the Company is reducing climate-related risks while strengthening its sustainable development capabilities in the low-carbon transition.

In production and operations, Bosideng leverages its independently developed GiMS platform, integrating cutting-edge technologies such as 5G + industrial internet, big data, and artificial intelligence. This enables full deployment of an online energy-consumption monitoring system across the Group's national-level intelligent manufacturing demonstration plants, ensuring continuous optimization of key indicators such as energy efficiency and energy consumption throughout the production process.In logistics, Bosideng continuously optimizes packaging and has signed green logistics agreements with its key logistics partners. By leveraging intelligent route planning systems, the deployment of new energy vehicle fleets, and digital fuel consumption management, the Group achieves energy savings, cost reductions, and carbon footprint reduction in transportation. Meanwhile, the Company adopts refined energy management practices in daily operations — including scientifically scheduling equipment operating hours and optimizing the use of lighting and air conditioning — to comprehensively improve resource utilization efficiency. At offline retail stores, Bosideng has adopted energy-efficient lighting and high-performance HVAC systems, optimized store site selection and construction in line with green building certification standards, and continued to increase the proportion of green retail stores, thereby reducing energy consumption and carbon emissions.

In the supply chain, Bosideng has incorporated environmental performance into its core evaluation system. Based on the "Model for Evaluation of Five Leading Resource Capabilities", the Company has established supplier profiles across dimensions such as environmental management, clean energy, and system certifications. In the FY 2024/25, the group upgraded the *Supplier Cooperation Manual*, explicitly identifying low-carbon, green, and sustainable development as key elements of collaboration, and requiring suppliers to optimize production processes and pursue green development. Bosideng will continue to support suppliers in 2025 to develop decarbonization roadmaps, gradually phasing out coal-fired power equipment across the supply chain, accelerating the deployment of clean energy, and promoting the adoption of sustainable processes such as low-energy and low-water dyeing and fluorine-free refrigeration, thereby enhancing supply chain energy efficiency and carbon reduction capacity at the source. In addition, the Group is extending energy-saving and carbon-reduction measures to Tier 2 and Tier 3 suppliers, covering multiple stages from raw material procurement to product manufacturing. These measures include streamlining the down jacket production process by eliminating unnecessary steps and combining processes to reduce production time, energy consumption, and material waste; upgrading equipment through intelligent automation—such as automated down-filling machines that minimize material waste and automated sewing machines that improve efficiency while lowering power use; promoting the use of recyclable polyester fabrics and high-quality down to reduce the energy burden of virgin resource extraction and lower material intensity; and offering regular supplier training programs on energy conservation and emissions reduction to improve operational practices and raise awareness.

In FY2024/25, 100% of Bosideng's Tier 1 suppliers by procurement spend were engaged in climate collaboration with the Group. The Group supported upstream factories in deploying photovoltaic power generation, producing 1,329 MWh annually and providing strong momentum for supply chain decarbonization.

At the product level, in addition to using bio-based materials and circular design to reduce product carbon footprints, Bosideng has collaborated with professional institutions to conduct carbon footprint certification in accordance with ISO 14067 and PAS 2050 standards. Multiple products have already obtained CQC carbon footprint certification, and zero-carbon products have been successfully developed. Furthermore, Bosideng continues to collaborate deeply with the China National Textile and Apparel Council, participating in the formulation of the Carbon Footprint Management System for the Textile and Apparel Industry. The Company plans to build an in-house, full lifecycle product carbon footprint assessment and management system. Moving forward, Bosideng will continue to expand the range of certified products and leverage platform-based management tools to enable centralized management of carbon footprint data across all product categories and analysis of emission reduction effectiveness.

To enhance the organization's overall carbon management capabilities, the Company has incorporated ESG-themed training programs – including internal energy efficiency training and specialized carbon training – into its annual capacity-building plan, ensuring comprehensive coverage for all employees (encompassing both part-time staff and contract workers). We employ a multi-channel approach, utilizing offline training sessions, dedicated DingTalk columns, and online courses through Bosideng Business School to systematically develop employees' ESG competencies. Furthermore, we have designed specialized training modules to deepen internal staff's understanding and practical application of sustainable materials, emphasizing their critical responsibilities in material selection decisions. Concurrently, through our self-developed ESG digital platform, we provide partners and suppliers with practical training on energy auditing, carbon data reporting, low-carbon technology implementation, and circular economy case studies, thereby fostering an organization-wide low-carbon mindset that permeates all levels of personnel and extends across the entire value chain. These integrated initiatives collectively strengthen the foundational capabilities essential for achieving our net-zero carbon objectives.

## Sustainable Fashion

Bosideng adheres to the ESG strategic vision of "leading sustainable fashion with a consumer-oriented approach". The Company deeply integrates the concepts of sustainable fashion and the circular economy into its value chain, continuously exploring innovative pathways with the goal of advancing green transformation in the industry and implementing the "Dual Carbon" strategy. As the lead drafting organization, Bosideng released T/CNGA 33-2021 Technical Specification for Green Design Product Evaluation-Down Clothing, which defines the aspects to be considered in the green design of down apparel products, including raw material selection, production, sales, use, recycling, and disposal. It also specifies the preparation standards and evaluation methods for lifecycle assessment reports, providing an industry-standard basis for green transformation.

While ensuring product comfort and high quality, Bosideng systematically promotes innovation in low-carbon materials. The Company conducts ongoing R&D focused on low-carbon fabrics and technical textiles, actively developing environmentally friendly alternative material solutions. By embedding low-carbon attributes at the raw material stage and establishing a low-carbon manufacturing system that spans the entire product lifecycle, Bosideng enhances both functional performance and the climate adaptability of its supply chain and end products. This approach delivers high-quality products that combine exceptional wearing experiences with sustainable value for consumers.

## SORONA® Bio-based Fiber Down Jacket

Upholding its commitment to balancing environmental responsibility with functionality, Bosideng has partnered with SORONA® to introduce a bio-based polymer solution derived from renewable plant resources, transforming it into fibers for large-scale application in down apparel. SORONA® uses annually renewable plant-based materials as its core raw ingredients, aligning not only with the themes of sustainable development and environmental protection but also offering a variety of superior properties. By utilizing SORONA® materials to produce fibers for down jackets, Bosideng has reduced the industry's reliance on petroleum-based resources in garment manufacturing. Compared to traditional nylon, the production process of this material consumes 37% less petroleum, requires 30% less energy, and reduces greenhouse gas emissions by 50%.

The SORONA® bio-based fiber material also provides unique performance advantages for Bosideng down jackets. It offers wrinkle resistance, shape retention, and memory molding properties, helping garments maintain a neat and structured appearance even after repeated wear — delivering an enhanced consumer experience. At the same time, Bosideng maintains strict standards for product safety, ensuring that the use of bio-based fiber materials poses no potential health risks to consumers.


SORONA® Bio-based Fiber Down Jacket

In advancing circular fashion, Bosideng, as a pilot enterprise, collaborated with the Office for Social Responsibility of China National Textile and Apparel Council and the World Business Council for Sustainable Development (WBCSD) to contribute case studies to the jointly released *Circular Transition Indicators (CTI): Fashion & Textile Sector Guide*. The Company has fully integrated the CTI circularity metrics across the entire down jacket value chain, establishing China's first quantifiable, replicable, and verifiable circular transformation model, thereby driving the industry chain toward a zero-carbon closed loop. In the FY 2024/25, the Company launched multiple "Bosideng Circular Fashion Initiatives" with established quantitative targets, including implementing circular design strategies, organizing creative workshops for used clothing recycling, providing laundry and product repair services, and enhancing product durability. During this Year, Bosideng provided repair services for 146,000 products. With an estimated average weight of 1,500g per item, this amounted to a total of 219 tonnes.

In its online operations, Bosideng has increased the proportion of cardboard packaging and reduced the use of bubble bags, while minimizing resource waste through measures such as providing shopping bags only on demand and adopting electronic documentation. In its offline operations, the Company promotes the reuse of product packaging cartons, strictly controls shopping bag inventory, matches shopping bags with product specifications, encourages combined packaging of multiple items, and reduces the use of plastic inner bags. Through packaging reduction and circular utilization initiatives across all channels, Bosideng continues to lower the environmental footprint throughout the full product life cycle.

In engaging with consumers, Bosideng has positioned its offline green stores as "Consumer Green Interaction Centers" and "Low-Carbon Technology Practice Sites." Through three key initiatives—Energy Revolution, Operational Restructuring, and Spatial Renewal—the Company is advancing the implementation of green operations. On March 8, 2025, Bosideng launched the limited-edition "Old Clothes, New Life" DIY Workshop at its Dengfeng Concept Store in Beijing Sanlitun. Taking advantage of International Women's Day, the campaign integrated the brand's environmental commitment with female creativity. Using the up-cycling of down apparel as a starting point, the event promoted a low-carbon lifestyle centered on "making the most of resources" and helped spread the concepts of sustainable fashion and the circular economy. The activity attracted numerous female members, generated over 100,000 impressions on social media platforms, and achieved a 100% member satisfaction rate, realizing deep penetration of sustainable values within the consumer community.

Through comprehensive market research and brand perception survey, the Group gained in-depth insights into consumer perceptions regarding our sustainability initiatives, with one-third of the survey questions specifically designed to assess sustainability-related metrics - encompassing both qualitative indicators (such as consumer awareness channels for the Group's sustainability information, the positioning of Bosideng's sustainable development image within the industry) and quantitative measures (including the proportion of consumers familiar with the Group's sustainability practices), enabling a more accurate and holistic understanding of our customer base. The findings revealed that over 60% of consumers have established clear sustainability-related brand awareness of Bosideng, while demonstrating strong recognition of the Group's continuous efforts in advancing sustainable development. This enhanced brand perception has contributed to a sales growth of at least 1%-3% for the Group, underscoring the tangible business value of our sustainability initiatives.

## Digital Intelligence Transformation

In the FY 2024/25, Bosideng successfully launched its comprehensive digital operation system, encompassing four core domains - intelligent design, intelligent manufacturing, intelligent logistics, and intelligent merchandise operations - to drive business growth through digital technologies and empower decision-making with data analytics, thereby establishing a new digitally intelligent operation model that supports the Company's sustainable and high-quality development. Concurrently, the Company established a dedicated digital leadership team to accelerate capability building and implementation across the group's digital transformation initiatives. We enchance employee skills and competitiveness through digital training programs to reduce talent attrition rates and strengthen employee engagement, improving customer experience, satisfaction, and brand trust through process optimization and digital tools, as well as mitigating partnership risks through digital connectivity with upstream and downstream partners. The digital transformation program spans all departments from business to functional units, covering retail, supply chain, R&D, finance and other key functions.

### Intelligent Design

Bosideng, in collaboration with Zhejiang University, co-established and took the lead in building the Suzhou Artificial Intelligence Innovation Application Laboratory (Intelligent Design for Apparel), aiming to explore a new model of clothing design and R&D driven by artificial intelligence and big data. The laboratory has constructed the largest and most comprehensively categorized apparel database in the industry, and has established AI technological algorithm advantages and creative application demonstrations that are industry-leading in the field of down garment design. Through academic collaboration and exploratory research, Bosideng has achieved four major technological breakthroughs in AI large model technology, big data technology, cloud computing technology, and 3D digital clothing technology. It has also completed the optimization and upgrade of four key processes—AI planning, AI development, 3D pattern making and modeling, and virtual garment delivery—significantly improving sample development efficiency and reducing costs. This year, multiple AI-designed patterns and garments developed by Bosideng have been successfully launched on the market. Looking ahead, the Company will continue to iterate its vertical-domain AI large model' BSD. AI Aesthetic Brain' to achieve a fully digitized closed loop—from design conception to virtual garment delivery.

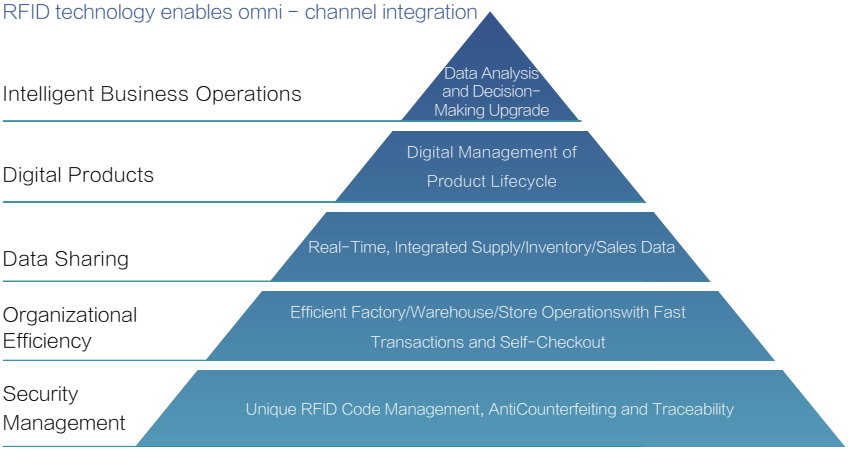
### Intelligent Manufacturing

Centered around its independently developed GiMS platform, the Company has integrated cutting-edge technologies such as 5G + industrial internet, big data cloud platforms, and artificial intelligence to reshape its intelligent manufacturing system. The group's national intelligent manufacturing demonstration factory has achieved full coverage of an online energy consumption monitoring system. Key technical equipment—including automated down filling and automated packaging—has been introduced into the production process. Working in tandem with the Company's leading group for the transformation of enterprise digital quality management, these advancements have driven simultaneous improvements in both production efficiency and product quality. In terms of supply chain collaboration, the Company has built an end-to-end digital collaboration ecosystem. This shift has transformed its manufacturing model from a passive, reactive approach to a proactive, responsive supply chain model, significantly enhancing production flexibility and resilience.

## Intelligent Logistics

Relying on its independently developed ICC (Inventory Calculation Center) and OPC (Order Processing Center), Bosideng has integrated digital warehousing and intelligent distribution systems to achieve dynamic optimization of transportation routes, thereby reducing the risk of logistics disruptions caused by extreme weather. The system generates operational instructions based on the proximity principle, synchronizing scheduling between warehouses and express delivery companies to shorten response times and improve delivery efficiency. Through end-to-end digital intelligence upgrades, the Company centrally analyzes data on order volumes, transportation resources, costs, and delivery timelines to automatically match optimal distribution solutions. It also implements full-process monitoring across key stages—including order collection, sorting, transit, and final delivery—to enhance both outbound and distribution efficiency. The logistics platform actively promotes the use of new-energy vehicles and hybrid transport models to reduce per-unit carbon emissions. Meanwhile, RFID technology has been deeply integrated across the entire chain—from production and distribution to retail—to enable real-time data collection and analysis at key nodes such as inventory counting, packaging and warehousing, and logistics transportation. These measures strengthen the climate resilience of the supply chain and enhance the scientific basis of operational decision-making.

RFID technology enables omni - channel integration




Intelligent logistics parks

## Intelligent Merchandise Operations

In the realm of merchandise operations, the Company has restructured its commercial logic through full - domain digitalization. It has advanced a retail model that combines "smart stores + online cloud stores" and built a multi - scenario integrated user engagement system. By leveraging the "AI Shopping Guide Assistant", the Company delivers personalized and scenario-based precision services. It also optimizes the product structure and provides customized recommendations based on consumer data analysis, thereby improving conversion efficiency and the customer experience. Meanwhile, relying on the digital platform, the Company has achieved full-lifecycle management of merchandise and closed-loop operation data. This promotes efficient collaboration among product planning, production, logistics, and sales, forming a consumer-centric digitally intelligent operating model.

## Bosideng & Harbin Smart Factory

In 2024, Bosideng partnered with its partners to jointly develop the Harbin Brand Project—the Bosideng & Harbin Intelligent Manufacturing Base—harnessing technological innovation to empower down garment manufacturing and spearhead the development of new quality productive forces.

The Bosideng & Harbin Intelligent Manufacturing Basehas significantly enhanced Bosideng's climate adaptability and agile response capabilities in cold-region environments through the establishment of a highly digitalized and intelligent factory system. The base integrates advanced technologies—including an intelligent 3D warehouse system, the Intelligent Hanging System, an intelligent sorting system, and automated cutting machines—to achieve end-to-end data tracking and automated collaborative operations from material warehousing to finished-product sorting and packaging. Faced with the unique low-temperature climate conditions in Harbin, this digitalized system effectively mitigates the potential impacts of severe cold on production processes. By leveraging automated operations and real-time data monitoring, it ensures precision and stability in sewing procedures and uninterrupted material flow even under extreme weather, substantially reducing the risks of production halts or defective products caused by environmental factors. Additionally, the intelligent sorting system rapidly categorizes items by color, size, and style based on order requirements. Coupled with efficient logistics coordination, it enables a 7-14 day lead time for delivery to market, significantly improving the brand's agility in responding to market fluctuations—including seasonal climate-driven demand—by accelerating product launches.

Intelligent sorting system


Bosideng Intelligent Manufacturing Science and Technology Innovation Workshop

## Responsible Sourcing

Bosideng regards responsible sourcing as a key pillar of its ESG strategy, committed to promoting environmental sustainability and social responsibility across raw material procurement and production processes, while building a transparent, compliant, and traceable supply chain. The Company implements a dual-policy framework through its Supply Chain Management Policy and Responsible Sourcing Policy, embedding environmental and social standards into supplier admission criteria and cooperation agreements to ensure effective implementation of sustainability requirements across the supply chain.

In raw material procurement, Bosideng applies risk mitigation at the source by enforcing rigorous external certification mechanisms. The Company gives preference to environmentally friendly materials certified by OEKO-TEX® and bluesign®, and has introduced high-standard certification requirements for key raw materials. For down—its core filling material—100% of supply is now RDS-certified, with 75% OEKO-TEX®-certified and 58% bluesign®-certified.Even for non-core materials that account for less than 1% of current usage, such as cotton, and in the absence of any leather usage, the Company equally requires suppliers to comply with environmental and social responsibility standards. It has also set specific targets: sourcing 100% of leather from tanneries certified Gold by the Leather Working Group (LWG), and ensuring that over 80% of its cotton procurement is certified by Textile Exchange by 2030. As of September 2025, the proportion of sustainably certified cotton procured by the Company has exceeded 35%.

The proportion of Textile Exchange-certified cotton procured by the Company has exceeded **35%**

In chemical management, Bosideng has established a comprehensive end-to-end control systembased on its Chemical Management Manual. The Company aligns its restricted substances list (RSL) with the AFIRM (Apparel and Footwear International RSL Management Group) standards and discloses chemical registration and usage data on the ZDHC Gateway platformto ensure transparency and traceability. The Company has systematically integrated chemical management standards into its formal product development process, establishing rigorous control mechanisms to ensure compliance and safety from the source. Currently, 159 chemicals used by the Company have obtained OEKO-TEX® ECO PASSPORT certification. Suppliers are required to submit monthly reports on chemical auxiliaries, and Bosideng verifies compliance through ZDHC Performance InCheck reports, monitoring chemical usage adherence. Based on monthly assessments, suppliers must develop clear elimination plans with specific timelines for phasing out all high-priority chemicals, including details such as substance name, chemical formula, application, reduction measures, and confirmation dates—ensuring hazardous substances are eliminated from the source. To address global PFAS regulation updates and the industry's green transition, Bosideng has implemented a full-chain PFAS control system covering all supply chain stages. This system defines prohibited substances and control standards, ensuring raw materials comply with per- and polyfluoroalkyl substances limits before entering factories. Additionally, ESG-specific audits drive suppliers to accelerate the transition to safer alternatives. The Company actively adopts the latest sustainable alternative materials in the industry.  This year, we sourced GORE-TEX's latest ePE membrane for three-proof fabrics, which delivers Water-,Wind- and Stain-resistant performance while being free of PFAS and featuring a lower carbon footprint. This showcases the Company's practical achievements in green innovation and material upgrading.

In raw material testing, Bosideng also maintains high - standard operations. This year, Bosideng invested RMB 738,500 to upgrade its raw material laboratory. The upgraded laboratory is now capable of conducting 42 types of physical and chemical tests on materials and 17 types of down tests. It also conducted sampling tests on approximately 44,395 batches of fabric and accessory materials throughout the year and issued separate test reports for each batch. The down testing standards have been further upgraded. For example, the oxygen consumption requirement has been reduced from ≤ 5.6 mg/100g to ≤ 3.2 mg/100g, the APEO content requirement has been strengthened from <1000 mg/kg to <80 mg/kg, and new requirements have been added, including the prohibition of glued down and a pH value range of 4.5 - 7.5 for down. The products are also required to comply with the highest Class A standard of GB 18401.
We plan to conduct safety testing on best-selling products and publish comprehensive test reports online, ensuring the authority and verifiability of the results while enabling consumers and partners to clearly understand the products' safety and compliance status.

InCheck ClearStream Supplier to Zero

# 5 Metrics and Targets

Climate change has emerged as the foremost systemic risk confronting the global economy, society, and ecosystems. As the leader in China's down apparel industry, Bosideng proactively aligns with the nation's "Dual Carbon" Goals, continuously deepening its sustainable transformation across all value chain segments—setting a benchmark for industry pioneers.

## Carbon Target

Bosideng actively responds to the challenges of climate change and takes the lead in guiding the industry's low-carbon transformation. Based on the framework of the Science Based Targets initiative (SBTi), the group has conducted in-depth analysis of climate change trends, industry development dynamics, and its own technological advantages, and formulated a clear goal of "achieving net-zero emissions in its operations by 2038". We will systematically promote emission reduction across the entire value chain through the application of innovative technologies and strategic investments, continuously improve the group's low-carbon development level, and are committed to building a sustainable fashion industry ecosystem. We will work hand in hand with partners to move towards a green and low-carbon future.

**2030**

- Low-carbon fabrics usage rate reaching 40%
- Enhancing the efficiency of "integrated operations of merchandise" to further reduce overproduction and increase the utilization of raw materials
- Optimizing transportation routes, improving transportation efficiency, and exploring new transportation methods constantly

**2035**

- Green electricity in operation accounting for over 60%
- Building energy efficiency improved by over 30%
- Actively supporting over 80% of core suppliers and upstream and downstream partners to improve energy efficiency by 30%

**2038**

- Achieve net - zero emissions in its operations
- Green electricity in operation accounting for 100%.
- Low-carbon fabrics usage rate reaching 80%.
- Continuously exploring methods for product recycling and reuse, reducing product landfilling, and aiming for product recycle rate by 2038 at 30%

## Greenhouse Gas Emission

Since the 2020/21 fiscal year, Bosideng has incorporated greenhouse gas (GHG) emission management into its routine governance framework, systematically conducting annual carbon inventories within its organizational and reporting boundaries, and disclosing climate performance through the CDP Climate Change Questionnaire. In the FY 2024/25, the Group engages third-party certification bodies to perform comprehensive GHG verifications (Scope 1, Scope 2, and Scope 3) across its mainland China brand apparel operations—including office premises, logistics parks, and retail outlets—based on the operational control principle, and obtained ISO 14064-1:2018 reasonable assurance certification. In terms of supply chain collaboration, the Group consistently promotes transparency in upstream and downstream carbon emission data. It annually collects and analyzes suppliers' energy consumption and emission data, guiding them toward green energy transitions. During the reporting period, the Group's primary GHG emission sources were: purchased goods and services, use of sold products, and purchased electricity.

| Indicator | FY 2024/25 | FY 2023/24 | FY 2022/23 |
|---|---|---|---|
| Scope1and2Emissions(Location-Based) metric tons of $CO_2$ equivalent | 51,605.2 | 45,714.9 | 36,267.8 |
| Scope 1 and 2 Emission Intensity metric tons of $CO_2$ equivalent/ RMB million revenue | 2.8 | 2.7 | 2.9 |
| Scope 1 Emissions metric tons of $CO_2$ equivalent | 244.0 | 140.9 | 89.1 |
| Scope 2 Emissions (Location-Based) metric tons of $CO_2$ equivalent | 51,361.2 | 45,574.0 | 36,178.8 |
| Scope 2 Emissions (Market-Based) metric tons of $CO_2$ equivalent | 48,673. 9 | 44, 616.1 | – |
| Scope 3 Emissions metric tons of $CO_2$ equivalent | 1,181,356.5 | 1,249,652.6 | 758,418.5 |

Note: The increase in Scope 1 and 2 emissions and emission intensity was mainly driven by the expansion of offline retail stores, which led to higher purchased electricity consumption. In the FY 2024/25, our number of offline stores increased by 4.3%.

## Raw Material Procurement Indicators

| Indicator | FY 2024/25 | FY 2023/24 | FY 2022/23 |
|---|---|---|---|
| Number of Tier 1 Suppliers | 181 | 166 | 115 |
| Number of Suppliers Other Than Tier 1 | 168 | 178 | 174 |

| Priority Raw Materials and Environmental/Social Factors | Related Business Risks or Opportunities | Management Strategy |
|---|---|---|
| **Down**<br>—<br>**Epidemic Risk**<br>**Environmental Protection Policies**<br>**Social Initiatives** | **Risks:**<br>Epidemics lead to raw material shortages and price surges<br>Costs for environmental protection/ certification rise, squeezing profits<br>**Opportunities:**<br>Consumers' demand for "traceable, high-quality down" increases; high-quality raw materials may command a premium | • Sign long-term agreements with large-scale, compliant breeders/ suppliers to secure stable supplies<br>• Introduce a down traceability system to strengthen quality and ethical standards<br>• Develop down alternative materials to reduce reliance on supply fluctuations |

## Fabric (mainly composed of polyester fibers and polyamide)

Climate Fluctuations

Environmental Protection Policies

Consumption Trends

**Risks:**
Natural fiber production cuts lead to raw material price hikes

High compliance costs (in dyeing/finishing) due to environmental regulations

**Opportunities:**
Green fabrics (recycled, low-carbon) align with policies and consumption trends; premium market segments can be explored

- Adopt a diversified procurement strategy to mitigate raw material price volatility
- Increase R&D investment to develop green fabrics
- Optimize supply chain collaboration to enhance efficiency and responsiveness

## Accessories (primarily zippers and related components)

Reliance on Commodity Goods

Environmental Compliance

Labor and Geopolitical Factors

**Risks:**
Rising copper/petroleum prices drive zipper costs up

High investment in environmental technology upgrades may lead to the elimination of small and medium-sized enterprises in the supply chain due to non-compliance

**Opportunities:**
Recycled plastic zippers and biodegradable materials meet "sustainability" demands; intelligent zippers offer pricing upside

Domestic high-end zipper breakthroughs break import monopolies, capturing niche markets

- Implement cost control through centralized procurement and long-term contracts to ease commodity price fluctuations
- Encourage suppliers' green transformation; increase the share of biodegradable, recycled, and recyclable materials
- Strengthen supply chain resilience by establishing key accessory supply risk early-warning systems for alternative/contingency planning during emergencies

### Priority Raw Materials

## Down

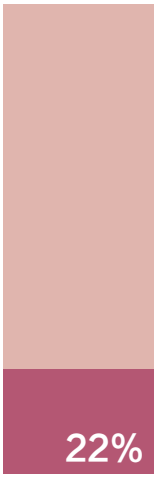
### Certification standards, targets, and the certification ratio for the FY 2024/25

Bosideng selects RDS (Responsible Down Standard) to certify down, covering the entire process from farming to collection to ensure that the down is free from live-plucking and compliant with animal-welfare farming practices, avoiding ethical controversies or cross-border disease transmission risks for brands. RDS-certified down can achieve traceability management, directly reducing the reputational risk of "supply chain non-compliance." In the FY 2024/25, Bosideng achieved 100% RDS-certified down procurement and required all core suppliers to complete RDS certification.

**100%**

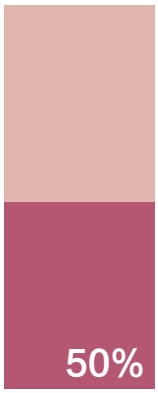
## Cotton

Although cotton accounts for only 1% of our raw material usage, we have still established responsible sourcing standards to regulate its procurement. Bosideng prioritizes cotton certified by Textile Exchange that meets the Global Organic Textile Standard (GOTS) for organic cotton, achieving consistency and transparency in raw materials, bringing reliable products to consumers. Textile Exchange certification covers the entire process of cotton planting and processing, ensuring the organic nature and traceability of cotton, while also ensuring that cotton comes from suppliers who strictly fulfill environmental and social responsibility commitments. We have set the following goals: by 2030, the proportion of sustainable cotton certified by Textile Exchange will reach 80% or more.



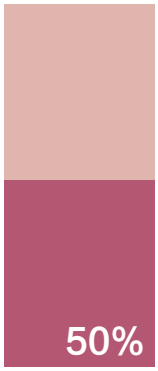

## Fabric

Bosideng selects GRS (Global Recycled Standard)-certified fabrics to respond to policies related to the circular economy and consumers' appeal for "plastic reduction", and to mitigate risks from price fluctuations in synthetic fibers and penalties for excessive dyeing and finishing wastewater. The GRS certification confirms the proportion and traceability requirements of recycled fibers, and proves the "low-carbon, circular" attributes of the fabrics, directly reducing the business risk of "customers canceling orders due to an ungreen supply chain". In the FY 2024/25, Bosideng achieved a GRS-certified fabric procurement proportion of 50%, and set a target to continuously drive its core suppliers to reach a 60% certification ratio by 2028.




## Zippers

Bosideng selects Textile Exchange-certified zippers, actively responding to policies related to plastic pollution control, and avoiding the risks of price increases of petroleum-based raw materials and rejection of zippers due to excessive heavy metals. The Textile Exchange certification confirms the proportion of recycled plastics, avoiding the compliance risk of products failing to meet environmental standards and being fined. In the FY 2024/25, Bosideng's procurement proportion of Textile Exchange-certified zippers was 50%, and it set a goal to continuously drive its core suppliers to reach a 60% certification ratio by 2028.



# Outlook

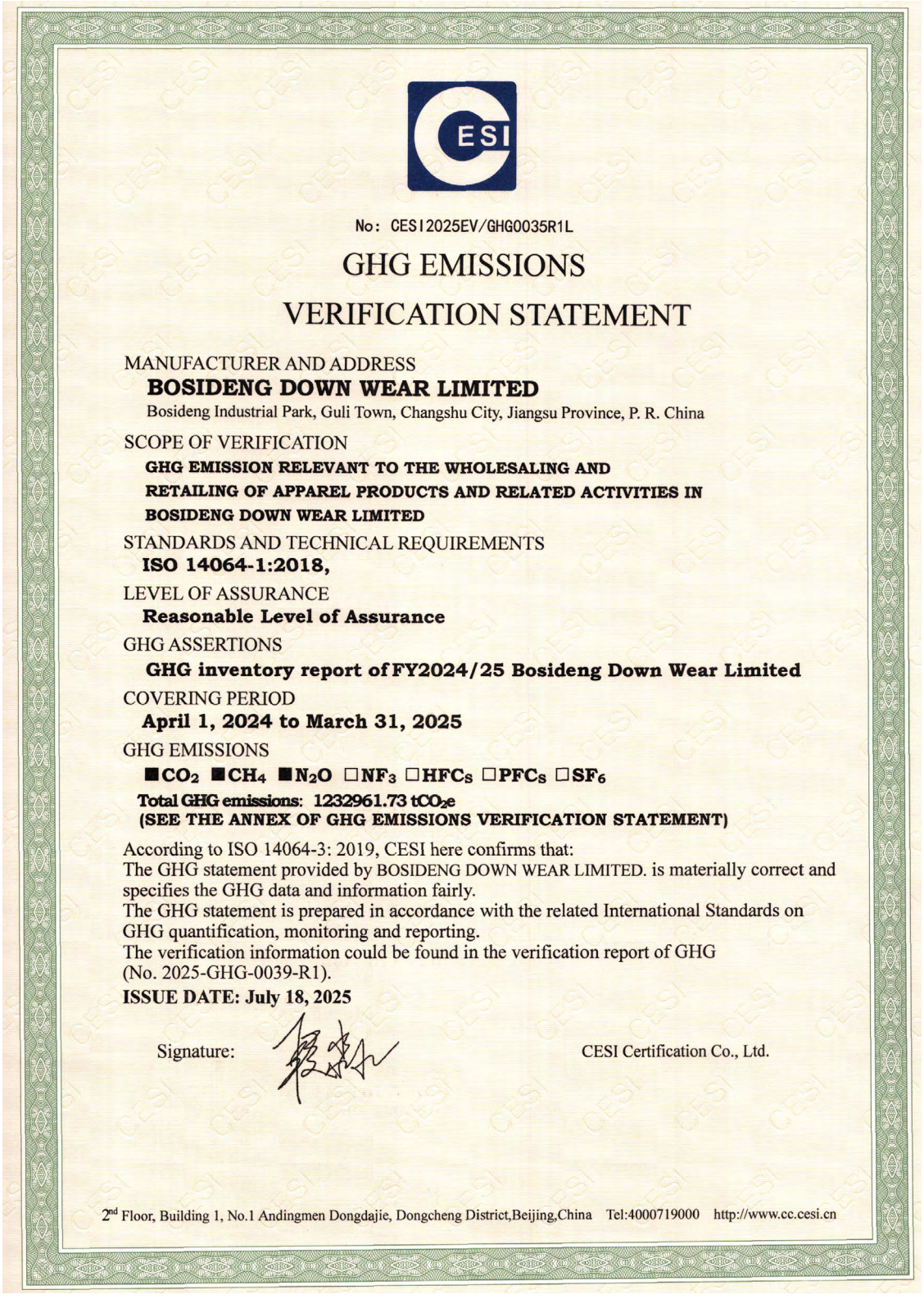
In the face of climate change, Bosideng is committed to providing consumers worldwide with warm and sustainable products while creating long-term value for investors.

In 2025, as the digital economy and climate action accelerate their convergence, global capital markets are placing increasing demands on climate-related disclosures. As a leading Chinese textile and apparel brand, Bosideng will continue to drive the application of low-carbon technologies. On one hand, it will accelerate the large-scale adoption of bio-based materials to reduce dependence on fossil fuels; on the other hand, it will leverage digital tools to integrate the entire value chain—from design and procurement to manufacturing, logistics, and retail—enabling dynamic tracking and optimization of greenhouse gas emissions, and exploring a path toward sustainable, high-quality development.

Looking ahead, Bosideng will remain steadfast in its "Sustainable Fashion" philosophy, deepening its "1+3+X" ESG strategy to extend sustainability across all supply chain segments. With greater transparency and resilience, the Company aims to tackle climate challenges while continuing to deliver long-term value to both consumers and investors.

# Appendix

## Verification Statement



No: CESI2025EV/GHG0035R1L

GHG EMISSIONS

VERIFICATION STATEMENT

MANUFACTURER AND ADDRESS

**BOSIDENG DOWN WEAR LIMITED**

Bosideng Industrial Park, Guli Town, Changshu City, Jiangsu Province, P. R. China

SCOPE OF VERIFICATION

**GHG EMISSION RELEVANT TO THE WHOLESALING AND RETAILING OF APPAREL PRODUCTS AND RELATED ACTIVITIES IN BOSIDENG DOWN WEAR LIMITED**

STANDARDS AND TECHNICAL REQUIREMENTS

**ISO 14064-1:2018,**

LEVEL OF ASSURANCE

**Reasonable Level of Assurance**

GHG ASSERTIONS

**GHG inventory report of FY2024/25 Bosideng Down Wear Limited**

COVERING PERIOD

**April 1, 2024 to March 31, 2025**

GHG EMISSIONS

■$CO_2$ ■$CH_4$ ■$N_2O$ □$NF_3$ □HFCs □PFCs □$SF_6$

**Total GHG emissions: 1232961.73 $tCO_2e$**

**(SEE THE ANNEX OF GHG EMISSIONS VERIFICATION STATEMENT)**

According to ISO 14064-3: 2019, CESI here confirms that:
The GHG statement provided by BOSIDENG DOWN WEAR LIMITED. is materially correct and specifies the GHG data and information fairly.
The GHG statement is prepared in accordance with the related International Standards on GHG quantification, monitoring and reporting.
The verification information could be found in the verification report of GHG (No. 2025-GHG-0039-R1).

**ISSUE DATE: July 18, 2025**

Signature:

CESI Certification Co., Ltd.

2nd Floor, Building 1, No.1 Andingmen Dongdajie, Dongcheng District,Beijing,China Tel:4000719000 http://www.cc.cesi.cn

## ISO 14001 Certificate

CCCI

# ENVIRONMENTAL MANAGEMENT SYSTEM CERTIFICATE

Registration No. U006625E0116R4M

## Bosideng Down Wear Limited

social credit code : 91320581785580067R
Registration/Office/Production Address:Bosideng Industrial Zone, Guli Town, Changshu City, Jiangsu Province

is in conformity with

ISO 14001:2015

This certificate is valid for the following scope:

**The design, production, and related management activities of down jackets, cold-proof clothing, windbreakers, jackets, cotton-padded garments, single-layer garments, and casual wear**

Initial certification date: July 11, 2013 This certificate is valid to July 8, 2028

The scope which needs administrative permission shall be in accordance with valid license.
In the case that the organization regularly receives surveillance assessments, the certificate shall be valid when used together with the Notice for Maintenance of Use of Certificates and Logos.
Information about the certificate can be queried on the official website of CNCA（www.cnca.gov.cn）.
Note:In case of any ambiguity in the expression of the English certificate，the Chinese version shall prevail.

China Certification Center, Inc.

At: Tair Commercial Building, No.211 Beisihuan Zhonglu, Haidian District, Beijing, P.R. China
http://www.ccci.com.cn

General Manager:

Date of Issue: June 23, 2025

MEMBER OF MULTILATERAL RECOGNITION ARRANGEMENT IAF

UKAS MANAGEMENT SYSTEMS
0066

## Indexes

| IFRS S2 Climate-related Disclosures | | |
|---|---|---|
| Dimension | Indicator | Page Number |
| Governance | The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. | 11 |
| | Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities. | 10-11 |
| Strategy | The climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects. | 17-18,28-29 |
| | The current and anticipated effects of those climate-related risks and opportunities on the entity's business model and value chain. | 24-27,32-36 |
| | The effects of those climate-related risks and opportunities on the entity's strategy and decision-making, including information about its climate-related transition plan. | 13-16 |
| | The effects of those climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and their anticipated effects on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how those climate-related risks and opportunities have been factored into the entity's financial planning. | 20-27,31-36 |
| | The climate resilience of the entity's strategy and its business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities. | 15-16 |
| Risk Management | The processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks. | 38 |
| | The processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities. | 40 |
| | The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process. | 38-40 |
| Metrics and Targets | Information relevant to the cross-industry metric categories. | 49-51 |
| | Industry-based metrics that are associated with particular business models, activities or other common features that characterise participation in an industry. | 49-51 |
| | Targets set by the entity, and any targets it is required to meet by law or regulation, to mitigate or adapt to climate-related risks or take advantage of climate-related opportunities, including metrics used by the governance body or management to measure progress towards these targets. | 48 |

| Implementation Guidance for Climate Disclosures under HKEX ESG reporting framework | | |
|---|---|---|
| Dimension | Indicator | Page Number |
| Governance | **Skills and Competencies**<br>How the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities. | 10 |
| | **Processes and frequency**<br>How and how often the body(s) or individual(s) is informed about climate-related risks and opportunities. | 10 |
| | **Roles and responsibilities of the board**<br>How the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities. | 11 |
| | **Progress monitoring**<br>How the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities , including whether and how related performance metrics are included in remuneration policies. | 10 |
| | **Roles and responsibilities of management**<br>Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate related risks and opportunities, including information about:<br>i. whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and<br>ii. whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions. | 11 |

| Implementation Guidance for Climate Disclosures under HKEX ESG reporting framework | | |
|---|---|---|
| Dimension | Indicator | Page Number |
| Strategy | **Climate-Related Risks and Opportunities**<br><br>(a) Describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;<br><br>(b) Explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;<br><br>(c) Specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons-short, medium or long term-the effects of each climatere-lated risk and opportunity could reasonably be expected to occur; and<br><br>(d) Explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making. | 24-27,32-36 |
| | **Business Model and Value Chain**<br><br>(a) A description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and<br><br>(b) A description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets). | 24-27,32-36 |
| | **Climate Resilience**<br><br>(a)The issuer's assessment of its climate resilience as at the reporting date;<br><br>(b)How and when the climate-related scenario analysis was carried out. | 15-23,28-31 |
| | **Financial Position, Financial Performance, and Cash Flows**<br><br>Climate-related risks and opportunities can affect several aspects of an issuer's financial situation. Examples include:<br><br>(a)Changes in financial position and impacts on cash flows;<br><br>(b)Changes in financial performance and impacts on cash flows. | 24-27,32-36 |
| | **Strategy and Decision-making**<br><br>(a)Information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation;<br><br>(b)Information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a). | 13-16 |

| Implementation Guidance for Climate Disclosures under HKEX ESG reporting framework | | |
|---|---|---|
| Dimension | Indicator | Page Number |
| Risk Management | **Risk Identification**<br>An issuer should first identify climate-related risks relevant to its business. For details related to the identification of climate-related risks. | 38，17-18 |
| | **Risk Assessment**<br>To facilitate an efficient use of resources to manage its most material risks, an issuer should set criteria to assess climate-related risks, such as the likelihood of occurrence, expected impact on the issuer, its adaptability to such risks and the resources and time required to recover from such risks. | 38-39 |
| | **Risk Prioritization**<br>After determining the risk assessment criteria, an issuer can conduct qualitative evaluation or quantitative scoring to prioritise the most relevant and material risks before deciding how to monitor and manage such risks. | 17-18，38 |
| | **Risk Management**<br>After assessing and prioritising climate-related risks, issuers should consider how to monitor and manage such risks. Depending on its risk appetite and ESG management approach, issuers' responses to the same climate-related risk may differ. | 39 |
| | **Risk Integration**<br>Disclosure about risk integration should summarise the issuer's process of assessing, prioritising and managing risks in a coordinated and holistic manner. The goal of integrating climate-related risk management into an issuer's existing overall risk management process is to ensure that the issuer is able to assess and prioritise climate-related risks in a timely manner in order to monitor and manage them.<br>• Climate governance<br>• Risk inventories alignment<br>• Risk appetite<br>• Tools and reporting | 38-40 |

| Implementation Guidance for Climate Disclosures under HKEX ESG reporting framework | | |
|---|---|---|
| Dimension | Indicator | Page Number |
| Indicators and Targets | **Greenhouse Gas Emissions**<br><br>An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of $CO_2$ equivalent, classified as:<br><br>(a) Scope 1 greenhouse gas emissions;<br><br>(b) Scope 2 greenhouse gas emissions; and<br><br>(c) Scope 3 greenhouse gas emissions. | 49 |
| | **Cross-Industry Metrics**<br><br>• Climate-related transition Risks<br><br>• Climate-related physical Risks<br><br>• Climate-related opportunities<br><br>• Capital deployment | 49-51 |
| | **Internal Carbon Pricing**<br><br>(a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and<br><br>(b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making. | / |
| | **Remuneration**<br><br>Whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. | 10 |
| | **Industry-based metrics**<br><br>Industry-based metrics that are associated with one or more particular business models, activities or other common features that characterize participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks. | 49-51 |
| | **Climate - related Targets**<br><br>(a) The qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals;<br><br>(b) Any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. | 48 |

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# BOSIDENG

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