

FAQs - ESG Strategy

2. More specifically, what is Bosideng' s three-tier ESG governance structure, and how does it manage key sustainability issues?

At the governance level, Bosideng operates a three-tier ESG governance structure comprising the Board, the Sustainability Steering Group, and executive departments.

The Board serves as the highest decision-making body and holds ultimate responsibility for the Group' s overall sustainability direction, strategy, objectives, performance, and reporting. The implementation of ESG initiatives is incorporated into the Board' s annual review agenda. The Sustainability Steering Group plays a coordinating role at the senior management level. It assists the Board in evaluating and formulating sustainability objectives and implementation pathways, coordinates cross-functional resources, holds regular and ad hoc discussions, and reports ESG matters to the Board on a quarterly basis. Executive departments are responsible for implementing routine and special ESG initiatives within their respective functions. They work with the Sustainability Steering Group to translate the ESG strategy into day-to-day management actions.

To ensure that this governance structure is effective at the issue level, the Group has defined responsibilities, information sources, and reporting processes for key sustainability matters, as set out below.

Priority issue	Key Roles and Responsibilities of Various Bodies			Information sources and reporting processes
	Board	Sustainability Steering Group	Executive departments	
Responsible raw materials and packaging	Approves sustainable sourcing and packaging policies and targets; reviews annual performance and material risks.	Coordinates sustainable procurement and packaging policies, targets, and implementation; tracks progress and reports to the Board.	Supply Chain Management Center and Centralized Procurement Center: implement sustainable procurement and packaging targets; obtain relevant sustainability certifications and collect relevant data.	Supplier digital platform submissions, procurement records, bills of materials, and packaging specification data.
Chemicals safety management	Reviews material chemical-compliance and reputational	Drives the management of chemical lists, ManufacturingRestricted	Supply Chain Management Center: reviews suppliers' chemical use, storage,	Chemical management system records, on-site inspections,

	risks; approves chemical safety targets and related resource allocation.	Substances List (MRSL), and end-to-end chemical controls; coordinates cross-functional efforts among merchandise operations, supplier management, and procurement to collaboratively achieve chemical management objectives.	disposal, and emergency management practices; develops chemical phase-out plans.	environmental monitoring reports, and immediate reporting of material incidents.
Climate action and energy management	Approves carbon-neutrality and emissions-reduction targets, TCFD risk and opportunity response strategies, oversees climate-related disclosure; approves energy efficiency targets, renewable energy targets, and major investments.	Organizes GHG inventories, energy-consumption analysis, and scenario analysis; develops emissions-reduction pathways; allocates departmental targets; and reports progress regularly.	Sustainability Department and Administration: support factories and business units in implementing energy-efficiency measures, fuel substitution, process optimization, energy measurement, renewable-energy procurement, and technical upgrades.	GHG and energy accounting systems, annual third-party verification, and monthly or quarterly data on emissions-reduction projects.
Supply chain management	Approves supplier management policies and oversees supply chain risk management.	Develops supplier management policies and plans for risk assessment, ESG audits, and supplier capability building.	Supply Chain Management Center: manages supplier onboarding, assessment, corrective actions, and exit processes; conducts supplier on-site audits.	Supplier digital platform submissions, supplier questionnaires, and internal and third-party on-site audit reports.
Product quality	Reviews material quality incidents, recalls, and product safety risks; approves the product quality strategy.	Coordinates the quality management system and oversees complaint-handling and product recall mechanisms.	Supply Chain Management Center: The Quality Department is responsible for product inspection, release, traceability, and recalls, maintaining strict control over the production processes.	Product quality management data, product testing reports, and customer complaint and recall records.
Occupational health and safety	Reviews relevant policies, material safety incidents, fatalities or serious injuries, and EHS performance;	Establishes occupational health and safety policies, a risk-control and hazard-identification mechanism, and a safety culture; coordinates	Administration and Human Resources Department: conduct EHS risk inspections, training, provision of personal protective equipment, incident reporting, and	Incident reporting systems, inspection and hazard registers, and occupational health examinations.

	approves improvement plans.	EHS, human resources, and production functions.	emergency response; complete and maintain ISO 45001 certification.	
Customer management	Reviews relevant policies, material customer privacy incidents, major complaints, and responsible marketing risks.	Develops responsible marketing and customer data security policies; coordinates responsible marketing training, internal communication, and ESG-themed customer engagement activities.	Brand Public Relations Management Center and Dedicated User Management Center: implement customer management targets, conduct brand research, and carry out customer satisfaction surveys.	Customer research questionnaires and reports, the Voice of Customer (VOC) platform, and other customer feedback channels.
Anti-corruption	Approves anti-corruption policies, whistleblowing mechanisms, and decisions on material investigations; reviews compliance risks.	Drives integrity-risk identification, training, whistleblowing investigations, and internal audits; reports regularly to the Board.	Internal Audit: supports the implementation of integrity commitments by departments and business partners and coordinates internal audit and investigation activities.	Multiple whistleblowing channels, internal inspection and audit reports, and third-party due diligence.
Anti-monopoly and fair competition	Approves competition compliance policies, principles for reviewing material transactions, and disciplinary actions for violations.	Coordinates legal and compliance functions in transaction reviews, risk assessments, and anti-monopoly training.	Legal and Compliance: implements competition compliance policies and provides legal advice on contracts and other business documents.	Legal system approvals, training records, etc.

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