

FAQs - Operation Management

7. How does Bosideng carry out an assessment to prioritize raw materials?

The Group identifies down, fabrics and accessories as priority raw materials based on product composition, procurement volume and potential environmental and social impacts. It assesses their implications for supply stability, procurement costs, product compliance and brand reputation.

Down can be subjected to the influence of environmental or social factors, such as epidemic risk, environmental protection policies, social initiatives. Epidemic, extreme weather and changing farming conditions may affect down supply, leading to shortages, price volatility or unstable delivery. Non-compliance with animal welfare, safety or traceability requirements may create compliance and reputational risks. Meanwhile, certified down with consistent quality and traceability helps address consumer concerns about safety, quality and responsible sourcing, enhancing supply stability and product trust.

In response, Bosideng is committed to building a responsible supply chain system and procures down certified to the Responsible Down Standard (RDS). The standard covers poultry farming through down collection, prohibits live-plucking and requires responsible farming practices. Its traceability mechanism improves supply chain transparency and reduces reputational risks from upstream non-compliance. In FY2025/26, the Group achieved 100% RDS-certified down procurement and 100% RDS certification coverage among relevant suppliers.

Fabric (mainly composed of polyester fibers and polyamide) can be subjected to the influence of environmental or social factors, such as climate and raw material price volatility, environmental and chemicals policies, resource consumption and circularity, Consumer trends. Volatility in petroleum-based materials and commodity prices may increase procurement costs. Stricter carbon, chemicals and wastewater requirements may increase compliance and technology-upgrade investment. Meanwhile, Recycled, bio-based and other low-carbon materials can reduce reliance on fossil

resources, lower the life-cycle environmental impact of products, and respond to consumer demand for low-carbon and circular products, supporting product innovation.

In response, Bosideng continues to explore bio-based materials and recycling technologies across the value chain. Its targets are to achieve a 40% utilization rate of low-carbon fabrics in all product lines by 2030 and 80% by 2038, while working to raise terminal product recycling rate to more than 30%. The Group has introduced Global Recycled Standard (GRS)-certified fabrics in response to circular economy policies and demand for plastic reduction. GRS sets requirements for recycled fibre content and traceability. In FY2025/26, Bosideng achieved a 55% GRS-certified fabric procurement ratio, with a target of 60% by 2028, while 90% of fabrics produced by the Group's associated factories obtained GRS certification for recycled materials.

In FY2025/26, Bosideng used 9,427 kg of wool, and 100% of fabrics containing wool have obtained the Responsible Wool Standard (RWS) certification.

Accessories (primarily zippers and related components) can be subjected to the influence of reliance on commodity goods, environmental compliance, labor and geopolitical factors. Changes in metal, petroleum-based material and energy prices may increase costs. Floods, typhoons and other disasters may disrupt production or logistics, affecting quality and delivery. Meanwhile, Adopting recycled, recyclable or certified materials and improving the durability and traceability of accessories helps reduce compliance risks, lower resource consumption and strengthen supply chain resilience.

In response, Bosideng prioritises zippers certified by Textile Exchange. The certification supports compliance with environmental standards, promotes recycled plastic content and reduces exposure to petroleum-based commodity price volatility. In FY2025/26, the Group's procurement proportion of Textile Exchange-certified zippers reached 55%, and it has committed to driving the certification ratio of its core suppliers to 60% by 2028, working hand in hand with upstream and downstream partners to build a green ecosystem.

(Updated: September 2026)