

FAQs - Responsible Artificial Intelligence

1. How does Bosideng govern and manage risks related to responsible artificial intelligence (AI)?

Bosideng has incorporated responsible artificial intelligence (AI) into its enterprise risk management and sustainability governance. The Group has established a management framework covering policy requirements, roles and responsibilities, risk assessment, operational oversight, incident handling, and continuous improvement.

Under the current AI-specific framework, the Group Strategy Committee is the most senior approval body for relevant policies and management arrangements. Relevant functions coordinate implementation, while teams responsible for information security, data privacy, legal and compliance, and business operations work together to identify, assess, and monitor AI-related risks.

Relevant business and functional departments collaborate according to their respective responsibilities to apply risk-based management and appropriate oversight to material matters, and continuously improve the governance system in line with business development and external requirements. Responsible AI requirements apply throughout the AI lifecycle, from development and deployment to day-to-day use and management. The framework sets clear boundaries for AI use, assigns responsibilities, and establishes risk controls. In the development and use of AI, the Group places strong emphasis on data privacy and system cybersecurity, while identifying and mitigating potential risks of bias or discrimination arising from AI models and application outcomes. The Group also incorporates data security, compliance requirements, and energy and resource efficiency into the assessment and management of both proprietary and third-party AI services. Bosideng manages AI applications according to their level of risk. Controls apply from planning, development or procurement, testing, launch, operation, change management, and retirement. Key areas of focus include data and information security, content and intellectual property, third-party services, and human oversight. Higher-impact applications are subject to more rigorous review and validation. Any incident or unusual outcome is handled through internal escalation and remediation processes.

In safeguarding stakeholder rights, Bosideng upholds the principles of human oversight and clear accountability. AI is used primarily to support analysis, content generation, identification, and recommendations. Decisions that may materially affect rights, interests, or responsibilities remain subject to the judgment of authorized personnel with the appropriate expertise. The Company uses human review, feedback and correction mechanisms, and escalation to human personnel to protect employees, consumers, and other stakeholders. It also restricts high-risk uses of AI. For decisions involving significant judgment or stakeholder interests, Bosideng retains human review, intervention, and final decision-making. Individuals responsible for adopting or publishing AI-generated or AI-assisted outputs must carry out appropriate checks and remain accountable for those outputs. Depending on the use case, Bosideng also seeks to improve the transparency and explainability of AI-assisted results.

The Company has identified permitted, restricted, and prohibited uses of AI. It does not use or deploy AI systems designed to manipulate behavior, exploit the vulnerabilities of particular groups, conduct social scoring, or carry out unauthorized biometric surveillance.

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