

FAQs - Responsible Artificial Intelligence

3. How does Bosideng assess the value, environmental impact, and outcomes of responsible AI applications?

Bosideng is exploring responsible AI applications across merchandise innovation, supply chain collaboration, quality management, employee enablement, and brand operations. In assessing each initiative, the Company considers potential gains in efficiency, quality, risk management, and innovation value. Business value and potential impacts are assessed as projects progress, while maintaining appropriate human oversight. Any external disclosure is based on verified case studies and validated data. Where results are quantified, Bosideng applies consistent methodologies and obtains confirmation from the relevant accountable functions.

The Company is gradually assessing how key AI applications affect operational efficiency, resource use, risk management, and other sustainability outcomes. Quantitative results will be disclosed once reporting boundaries, baselines, and review procedures have been clearly established.

Bosideng also considers the energy and resource impacts associated with AI operations. These impacts are assessed separately from any environmental benefits resulting from AI-enabled improvements in business processes. The Company will continue to strengthen the data available for environmental assessment by drawing on internal management information and supplier data. It also aims to use AI to improve resource efficiency in research and development, operations, and supply chain management.

Over the next three years, Bosideng will advance responsible AI development in phases. Priorities will include governance, application management, employee capability building, stakeholder protection, third-party management, and environmental data. Progress will be assessed using principles of risk proportionality, verifiability, and continuous improvement. Relevant indicators may cover governance coverage, employee capability, feedback handling, supplier accountability, and resource impacts, with specific targets determined in light of available baselines and implementation progress.

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