

## FAQs – Supply Chain Management

5. Does Bosideng aim to advance the assurance of a "living wage" in the supply chain and collaborate with supply chain partners on related action plans?

In line with the International Labor Organization (ILO) definition, the Group regards ‘decent work and living wages’ as a material topic within its supply chain sustainability management. To ensure all formal employees in the supply chain receive fair wages, Bosideng strictly requires suppliers to fully comply with local regulations, providing employees with wages no less than the minimum wage standard. This requirement is incorporated as one of the criteria for supplier onboarding. Should non-compliance be identified, we will immediately demand rectification, suspending cooperation until comprehensive corrective measures are implemented and verified through our re-evaluation. Concurrently, the Group requires suppliers to sign a Supplier Code of Conduct, which explicitly states: Suppliers must strictly adhere to wage and welfare legislation, ensuring workers receive timely wages at a level no less than the local minimum wage or prevailing industry standards (whichever is higher). Overtime pay shall be strictly calculated and paid in accordance with the labor laws and regulations of the country of operation, thereby safeguarding workers' legitimate rights to their earnings. Currently, over 99% of suppliers have signed this Code of Conduct. For those yet to sign, we have confirmed their own policies contain equivalent requirements.

Bosideng combines internal and external audits for supplier reviews. We include labor condition risks in supplier on-site assessments, focusing on work hours and salaries. Through strict evaluation and monitoring mechanisms, we ensure suppliers comply with applicable laws and regulations, as well as the Group's specific requirements.

We require suppliers to provide proof of local minimum wage standards, employee attendance records and payroll. Through these documents, combined with employee interviews, we assess whether suppliers comply with standards regarding salary levels, overtime pay, and payment methods and timeliness. Additionally, we refer to the Amfori Business Social Compliance Initiative (amfori BSCI) living wage calculation requirements to strive for safeguarding the legitimate rights and basic living needs of employees.

We also engage third-party agencies to conduct social responsibility audits, benchmarking against international standards such as the Workplace Conditions Assessment (WCA) to comprehensively evaluate suppliers' labor management practices (covering wages and benefits, occupational safety, etc.). For suppliers that do not meet the requirements during evaluation, we will grant a rectification period of 15 to 30 working days and closely monitor their rectification progress and results. To date, 46% of our key suppliers have undergone third-party social responsibility audits, including the analysis and evaluation of living wages.

*(Updated on December 5<sup>th</sup>, 2025)*