



2024

Sustainability Report

Shanghai Jiahwa United Co.,Ltd



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1. Message from Chairman

The year 2025 marks the Year of the Snake (Yisi), with the snake symbolizing wisdom and agility, injecting inspiration and momentum into Shanghai Jahwa's new development. Looking back on the past year, amid a complex and ever-changing market environment, the Company remained committed to the sustainable development philosophy, actively responded to the trend of green development, and achieved remarkable results in the ESG field: we were awarded AA in Wind ESG, A in MSCI ESG, and B in CDP Climate Change, further consolidating our leading position in the industry. In addition, we were honored as a "Green Pioneer Enterprise in the Yangtze River Delta Eco-Green Integrated Demonstration Zone" and selected as an exemplary public relations case by the Ministry of Ecology and Environment, becoming the first company in the beauty and personal care industry to receive such recognition, demonstrating our outstanding capabilities in the sector.

Promote the upgrading of ESG planning

In 2024, Shanghai Jahwa released the *ESG Mid-to-Long-Term Planning White Paper*, actively aligning with the United Nations 2030 Sustainable Development Goals (SDGs) and formulating a sustainable development blueprint to provide a clear path of action toward our long-term vision. With technological innovation as the core driving force, we relied on our national-level enterprise technology center to build technological barriers in areas such as open innovation, medical research co-creation, and AI-based customization. We also established the "Qinghao and Chinese Characteristic Plants Skin Health Joint Laboratory" in cooperation with the Institute of Chinese Materia Medica China Academy of Chinese Medical Sciences to drive breakthroughs in the research and application of botanical raw material technologies, leading innovation in the industry.

Sustainable Products Gaining Momentum

As consumers pay increasing attention to sustainable products, Shanghai Jahwa has continued to advance green innovation. In 2024, the Company obtained RSPO MB (Mass Balance) production certification and launched its first product using RSPO-certified sustainable palm oil—the GF Sports Shampoo and Body Wash. We also upgraded our sustainable packaging strategy to reduce plastic usage and promote material substitution and recycling. Additionally, we steadily promoted the realization of our carbon neutrality goals through green energy projects such as photovoltaic power generation.

Co-Creating a Green Industry with Value Chain Partners

Shanghai Jahwa has consistently been committed to working with stakeholders to jointly promote the sustainable development of low-carbon and green industries. In 2024, we achieved multiple results in the formulation of green standards: we led the development of China's first group standard for customized cosmetics, the *Guidelines for Personalized Cosmetic Services*, and participated in the drafting of industry standards such as the *Guidelines for Carbon Footprint Evaluation of Skincare Products* and the *Evaluation Specifications for Green Factories in the Cosmetics Industry*. Meanwhile, the Shanghai Jahwa Qingpu Factory was selected as one of Shanghai's first batch of "Zero-Waste Factories" and joined the first sustainable alliance in China's cosmetics industry—the Beauty Sustainability Coalition (BSC), taking concrete actions to lead the industry in green transformation.

Promoting Social Progress Through Diversity and Inclusion

Shanghai Jahwa upholds the sustainable philosophy of “Born for Beauty, Strive for Goodness,” focusing on social needs and conveying humanistic care through professionalism and compassion. Our brand Dr.Yu launched the “Dream Guardian Program,” addressing the outdoor skin health issues of female food delivery riders. In collaboration with medical experts, we initiated the “Silver Hair Protection Campaign” to popularize scientific skincare knowledge and offer free consultations to protect the skin health of the elderly. Our brand Herborist paid attention to individuals with autism, donating funds to support the rehabilitation and treatment of children with autism. In addition, through donations of supplies and support for women and children in need, we extended warmth to every corner of society.

As a global signatory to the United Nations *Women’s Empowerment Principles* (WEPs), the Company continues to foster a diverse, equitable, and inclusive corporate culture and supports female employees in expanding their possibilities. Moreover, we launched product bottle recycling initiatives across the workplace and under the brands Giving and Herborist, encouraging employees and consumers to explore new pathways of circular utilization and advocate for a green lifestyle together.

Looking ahead to 2025, Shanghai Jahwa will continue to deepen ESG management, strengthen brand building, and, through technological innovation and collaboration across the full value chain, keep moving toward becoming a sustainable and ecological enterprise. With our classic and professional brands and high-quality products, we aim to create a beautiful and healthy life for our consumers!

Lin Xiaohai

Chairman, Chief Executive Officer, and General Manager

2. About Shanghai Jahwa

2.1 Company Overview



Shanghai Jahwa United Co., Ltd. is one of the longstanding national enterprises in China’s daily cosmetics industry. Its predecessor was Kwong Sang Hong, founded in 1898 in Hong Kong. The Company was listed on the Shanghai Stock Exchange (“SSE”) in 2001, becoming the first listed company in China’s beauty and personal care industry.

Year of Establishment 1898	Company Name Shanghai Jahwa United Co., Ltd. (hereinafter referred to as “Shanghai Jahwa” or the “Company”)	Ownership and Legal Form The Company is listed on the SSE (Stock Code: 600315)
	Core Business Three major categories: Beauty and skincare, personal care, and home care	
	Primary Production Locations China: Shanghai, Hainan, and Guangdong; Africa: Morocco; Europe: United Kingdom	Headquarters Shanghai, China

Overview of Brands under Shanghai Jahwa

Personal Care Brands		
	<p>Rooted in traditional Chinese herbal culture and continuously innovating through modern technology, the brand focuses on “mosquito repelling and itch relief, cooling and refreshing,” and is committed to delivering a user experience that refreshes the body, mind, and spirit.</p>	
	<p>Founded in 1962, Maxam has a brand history of 63 years. It has consistently upheld a “natural” skincare philosophy, selecting distinctive botanicals native to China and extracting plant-based active ingredients. The brand is dedicated to offering every woman a natural, gentle, and effective healthy skincare experience, allowing her to radiate fresh, natural, tender, and approachable beauty.</p>	
Beauty Brands		
	<p>Dr.Yu, the skin barrier repair expert, is committed to addressing common skin concerns and providing every consumer with safe and effective skin health solutions. Since 2003, Dr.Yu has collaborated with the Department of Dermatology at Ruijin Hospital, Shanghai Jiao Tong University School of Medicine, on joint product development. Over the past 22 years, Dr.Yu has adhered to evidence-based medical research, conducting clinical research in partnership with more than 40 hospitals across China. Its products have been clinically validated in 4,846 cases and are professionally recommended by over 3,000 dermatologists nationwide.</p>	
	<p>Herborist is committed to inheriting the philosophy of skin nourishment through traditional Chinese herbal formulas. Drawing from more than 650 time-honored ancient formulas, the brand combines modern technology with classical prescriptions and promotes the</p>	

	concept of holistic internal-external skincare. Herborist empowers Chinese women to cultivate lasting vitality and beauty from the roots, nourishing Chinese beauty with Chinese formulas.	
	Shanghai VIVE is a century-old premium domestic brand that inherits beauty secrets from Eastern socialites. It selects rare botanical extracts from both East and West, enhanced with advanced modern technology. Targeting the field of emotional skincare, Shanghai VIVE features its exclusive “Black and White Diamond Truffle” anti-aging ingredients and consistently pursues excellence in efficacy, skin feel, and fragrance. The brand offers Chinese consumers an exclusive anti-aging solution inspired by Eastern socialites, delivering not only visible effects but also a pleasurable and soothing skincare experience.	
	Launched in 2013, this functional skincare brand, Herborist Derma, upholds the philosophy of “scientific evidence, precise skincare.” It specializes in high-efficacy botanical actives and cutting-edge scientific ingredients. Leveraging multiple patented technologies and Shanghai Jahwa’s high-quality manufacturing capabilities, the brand delivers efficient, precise, and safe skincare solutions to consumers.	
Innovative Brands		
	GF, launched in 1992, is the first men’s grooming brand in the market and a leading professional men’s care brand in China. It is dedicated to providing young Chinese men with optimal skincare solutions.	
	Giving, a Chinese medical research-based brand for infants and toddlers, was established in 2013. It adheres to the philosophy of “genuine care, dedicated research” and conducts in-depth research into the skin characteristics of Chinese infants aged zero to three, building a professional skincare solution system tailored for Chinese babies.	

		
	HomeAegis, founded in 2006, upholds a spirit of professionalism and adheres to the highest hygiene and safety standards, integrating cutting-edge scientific research. HomeAegis applies bio-enzymes and targeted sterilization technologies across product categories such as appliance sterilization, fabric cleaning, and dishware hygiene, offering consumers professional and safe sterilization solutions.	
	Tommee Tippee, established in 1965, is a British infant feeding brand. Its product range includes newborn baby bottles, diaper cleaning solutions, and pacifiers, meeting the feeding needs from prenatal care to toddlers up to three years old.	
Mass Market Brands		
		
Collaborative Brands		
		
Invested and Incubated Brands		
		

2.2 Sustainability Achievements

Corporate Governance

In 2024, the company achieved:

- **Financial Performance**

RMB 5.679 billion in operating revenue achieved

- **Shareholder Returns**

First-ever interim dividend distributed

- **Board Independence**

42.86% independent directors

- **ESG Roadmap**

Released *ESG Mid-to-Long-Term Planning White Paper* released and established *Sustainable Development Message House* established

Environment

In 2024, the company achieved:

- **Energy:**

4,261.39 tce total consumption, with 3,370.77 MWh self-generated renewable energy

- **Water:**

237,487 m³ consumed (-1.8% YoY), intensity of 0.418 m³/RMB 10k revenue

74,248 m³ circulating water consumption(31.26% of total water consumption)

- **GHG:**

11,655.31 tCO₂e total emissions (-19.95% YoY), intensity of 0.021 tCO₂e/RMB 10k revenue (-4.5% YoY)

- **Waste:**

Hazardous: 0.077 t/RMB 10M revenue (-30% YoY)

General: 0.208 t/RMB 10M revenue (-24.36% YoY)

Kuayue Factory certified as "Zero-Waste Factory" by Shanghai Municipal Bureau of Ecology and Environment

- **Supply Chain:**

RSPO MB (Mass Balance) certification secured; GF Sport Hair & Body Wash launched with RSPO-certified palm oil



Social

In 2024, the company achieved:

- **Intellectual Property & Standards**

455 active granted patents

138 standards developed/revised

15 external research papers published

- **New Cosmetic Ingredients**

3 new ingredients registered

- **R&D Investment**

RMB 179 million

4.66% of workforce in R&D (+0.95 % YoY)

- **Workforce & Inclusion**

70% female employees

100% employee training coverage

- **Customer Satisfaction**

94.2% satisfaction rate




- **Community Impact**

RMB 1.4 million invested in welfare projects

10,482 beneficiaries supported

2,734 volunteer hours contributed

ESG rating

CDP Climate Change Questionnaire	
MSCI ESG Rating	
Wind ESG Rating	
Shanghai Jahwa Awarded CDP Climate Change B Rating: Based on its exceptional advancements in climate strategy, governance, and risk management for carbon emission reduction, Shanghai Jahwa has secured a B rating in CDP Climate Change Questionnaire.	

Sustainable Development Associations and Organizations

Shanghai Jahwa Joined Beauty Sustainability Coalition

March 12, 2024, Chinese first beauty industry sustainability alliance, the Beauty Sustainability Coalition (BSC), was officially launched. Led by media platforms and uniting 85 domestic and international beauty giants, the BSC aims to become a pivotal force in driving sustainable development across Chinese cosmetics sector.






Certifications

Type	Company / Factory	Certification	Validity period
Energy Use	Kuayue Factory	ISO50001: 2018	2028.3.18
Enviroment Compliance	Kuayue actory	ISO14001: 2015	2028.1.23
	UK factory and Morocco Factory	ISO14001: 2015	Within the validity period
Quality Manangement	Shanghai Jahwa	ISO9001: 2015	2027.11.2
	Shanghai Jahwa	ISO22716: 2007	2027.9.12
	Shanghai Jahwa	CGMP-US	2027.9.12
Occupational Health and Safety	Kuayue Factory	ISO45001: 2018	2025.3.1




Awards and Honors







Corporate Comprehensive Evaluation




Awarding Organization	Award Name
China Association for Public Companies	Outstanding Practice Case in Corporate Governance and Internal Control
	Outstanding Practice Case in Corporate Culture Development of Listed Companies
	Outstanding Practice Case in Board Governance of Listed Companies 2024
China National Light Industry Enterprises Management Association	First Prize for Innovation Achievement in Modern Enterprise Management - Empowering Enterprise Digital and Intelligent Transformation through Integrated Platforms
	Second Prize for Innovation Achievement in Modern Enterprise Management - Upgrading Smart Finance Platform to Drive Innovation in Modern Enterprise Management
	AAAA-Rated Enterprise in Corporate Social Responsibility Evaluation 
CCPIT Light industry Sub-Council	2024 MEIYI BEAUTY Top Award for Maternity and Infant Sunscreen - Giving Aqua Moisturizing Sunscreen Lotion (SPF 40PA++) 
	2024 MEIYI BEAUTY China Top Skincare Product Award - Herborist Tai Chi Regenerating Repair Cream 

Awarding Organization	Award Name
China Association of Fragrance, Flavor and Cosmetic Industries	Leading Enterprise in the Cosmetics Industry – Fragrance and Cosmetics Sector 
Shanghai Federation of Enterprises Shanghai Entrepreneurs Association Shanghai Federation of Economic Organizations Jiefang Daily	Top 100 Shanghai Manufacturing Enterprises 2024 
	Top 100 Shanghai Private Enterprises 2024 
	Top 100 Shanghai Private Manufacturing Enterprises 2024 
Directors & Boards	19th Golden Round Table Award for Boards of Directors of Chinese Listed Companies – Special Contribution Award for Corporate Governance
JU Dongmi	2023 Best Investor Relations Company Award (Chemical Industry)
	Top 100 Investor Relations Companies


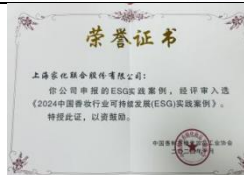



R&D and Intellectual Property

Awarding Organization	Honor and Award
China National Intellectual Property Administration	Included in the First Batch of the “Thousand Enterprises, Hundred Cities” Trademark and Brand Value Enhancement Initiative by the State 
Shanghai Intellectual Property Administration	2024 Shanghai Outstanding Intellectual Property Protection Project
Shanghai Intellectual Property Administration	2024 Shanghai Intellectual Property High-Value Patent Cultivation Project
Shanghai Trademark and Brand Association	Liu Shen and Herborist Recognized as Shanghai Excellent Trademarks 
Shanghai Consumer Council Shanghai Municipal Commission of Commerce	2024 Shanghai Souvenir – Liu Shen × The Palace Museum “Shiqu Baoji” Collaboration Floral Water 




Awarding Organization	Honor and Award
	2024 Shanghai Souvenir – Shanghai VIVE Jade Truffle Essence Oil 
Shanghai Municipal Commission of Economy and Informatization Shanghai Federation of Industrial Economics Shanghai Federation of Economic Organizations	2024 Shanghai Top 100+ Brands (Fashion Consumer Goods) – Liu Shen 
	2024 Shanghai Top 100+ Brands (Fashion Consumer Goods) – Dr.Yu 
Shanghai Municipal Commission of Economy and Informatization	2024 “Shanghai Design 100+” Global Competition TOP 100 – Shanghai VIVE Jade Truffle Essence Oil
CPC Shanghai Municipal Committee Publicity Department – Party History Research Office Shanghai Municipal Commission of Commerce	Cultural Creativity × Shanghai VIVE Limited Edition Gift Box – Creative Design Award 
Academician and Expert Workstation Guidance Office of Shanghai People’s Government of Hongkou District, Shanghai	Academician and Expert Workstation 
Publicity Department of the CPC Hongkou District Committee	Top Ten Hongkou Brands 2023 – Liu Shen
	Top Ten Influential Brands in Hongkou 2023 – Herborist
Guangdong Chamber of Daily-Used Chemicals	Enterprise Standard “Forerunner” Certificate  
China Management Science Society	First Prize in the Practice Category of the 9th Management Science Award by the China Management Science Society 

Awarding Organization	Honor and Award	
Shanghai Morning Post	Annual Cross-Cultural Marketing Award – Shanghai VIVE of Shanghai Jahwa	
CBME – International Trade Fair for Maternity, Baby & Child	2024 CBME AWARDS – Maternity, Baby & Child Industry Awards – Best Design Finalist – Giving Soothing Icy Gel Cream	
	2024 CBME AWARDS – Maternity, Baby & Child Industry Awards – Green Star – Giving Baby Aqua Rich Moisturizing Cream (3rd Generation Rice Cream)	

ESG Development

Awarding Organization	Honor and Award	
Ministry of Ecology and Environment	Outstanding Environmental Public Relations Case – Promoting Green and Low-Carbon Environmental Development through Stakeholder Collaboration to Support the Building of a Beautiful China	
China Enterprise Confederation China Enterprise Directors Association	Outstanding Practice Case in Corporate Integrity Development Nationwide 2024 – Continuously Advancing ESG with a People-Centered Approach to Integrity	
China Association of Fragrance, Flavor and Cosmetic Industries	2024 ESG Practice Case in China's Fragrance and Cosmetics Industry	
China National Light Industry Enterprise Management Association	Outstanding Corporate Social Responsibility Achievement – Fully Practicing CSR and Unwaveringly Advancing on the Path of Sustainable Development	
China Women's Development Foundation	2023 Women's Public Welfare Contribution Unit	
Shanghai Municipal Commission of Commerce	Outstanding Case in Shanghai's 2024 "Integrity in Business" Initiative	

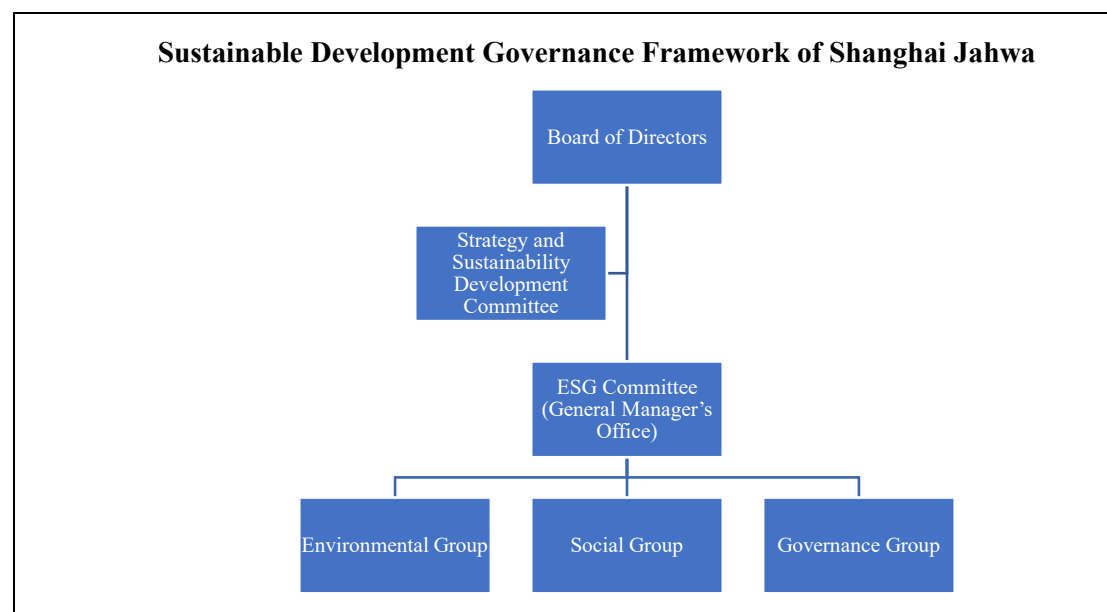
Awarding Organization	Honor and Award	
CCTV Finance (China Media Group Finance Program Center)	2024 Yangtze River Delta Top 50 ESG Pioneer Listed Companies in China	
Fortune China	2024 Fortune China ESG Impact List	
China Securities Journal	Guoxin Cup - Golden Bull ESG Top 100 Award	
Operators Finance	2023 ESG Innovation Pioneer Enterprise	
Shanghai Consumer Council National Business Daily	Outstanding Case in 2023 China Consumer Market Green and Low-Carbon Sustainability Trends Survey - Advancing Green Development Across the Entire ESG Value Chain	
CCM CSR Promotion Center	Outstanding Case on May 20, 2024 Social Responsibility Day - Reducing Plastic without Slowing Down, Leading Sustainable Development	
	Value Co-Creation - Carbon Peaking and Carbon Neutrality Goals and Climate Change Contribution Award	
Stockstar	Most Socially Responsible Listed Company Award	
Responsibility Cloud	2024 Outstanding Enterprise Representative in Social Responsibility Development Index for Key Industries - Daily Chemical Industry	

Awarding Organization	Honor and Award	
Wind ESG Rating	2023 ESG Best Practice Award for Chinese Listed Companies	
Hozon	Outstanding Corporate Volunteer Service Project – “Home • Public Welfare” Project	
The Paper	2024 Consumer Innovation Case – Annual Green Case	

3. Sustainable Development Governance

3.1 Sustainable Development Governance System

Shanghai Jahwa builds the tertiary management system consisting of the Strategy and Sustainability Development Committee, the ESG Committee, and executing groups to fully enhance the management and performance of the Company in environmental, social, and corporate governance.



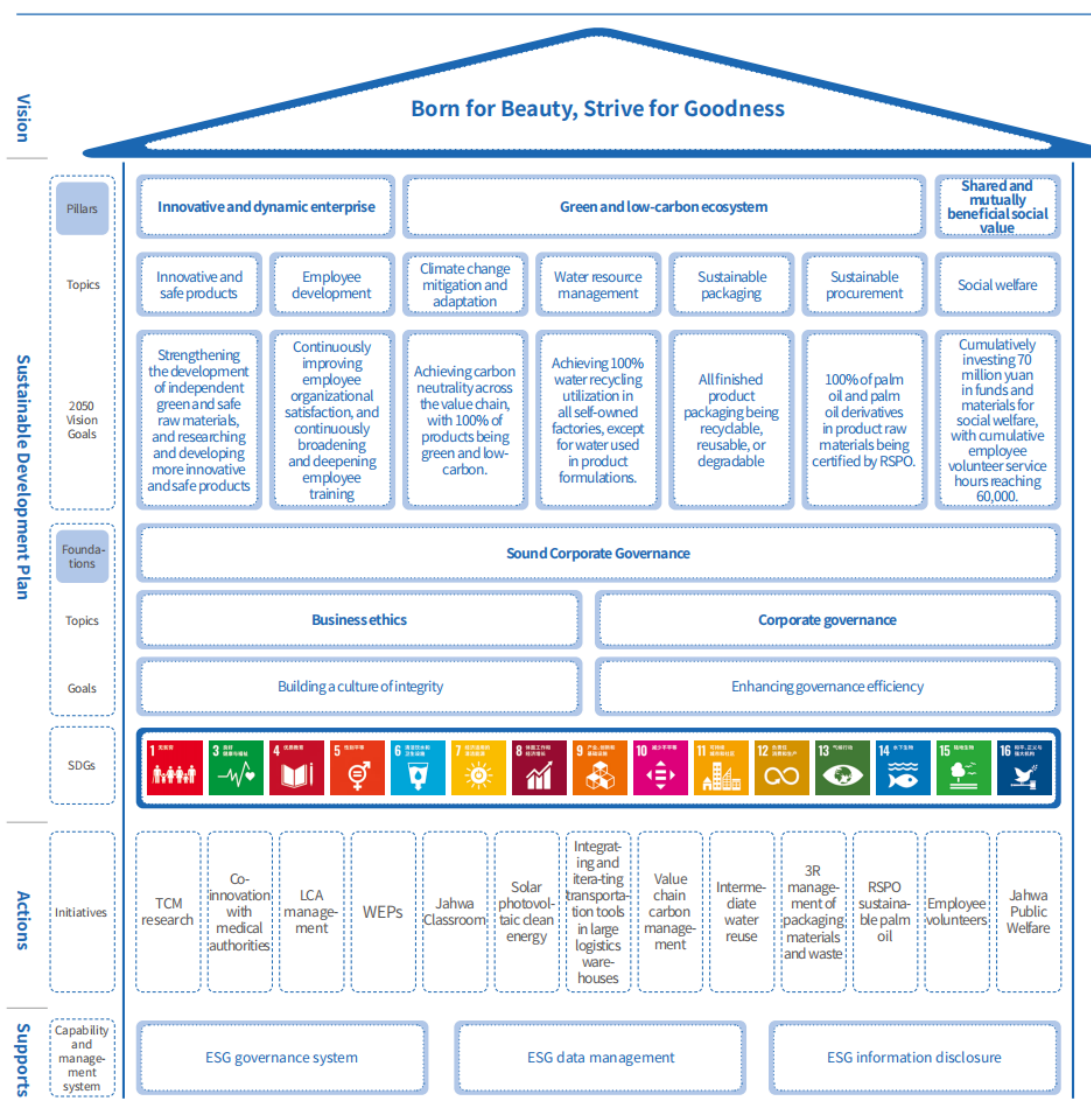
Division	Responsibility
Board of Directors	The highest authority of ESG governance. It is responsible for developing the Company's ESG management policy and strategy. It authorizes the ESG Committee to assist the Board of Directors in managing and making decisions on related matters.
Strategy and Sustainability Development Committee	It develops the Company's long-term development strategy (including environmental, social, and governance dimensions), and enhances the sustainability in environment, society, and governance. It studies and evaluates the main ESG trend and the risks and opportunities faced by the Company, and guides and supervises the formulation and implementation of the Company's ESG goals, lending vigorous support to the Company's ESG development. (For the specific working rules of the Strategy and Sustainability Development Committee, please refer to the <i>Working Rules of the Strategy and Sustainability Development Committee under the Board of Directors of Shanghai Jahwa United Co., Ltd.</i>)
ESG Committee	It sets the Company's ESG goals, identifies important ESG topics, develops management measures, and evaluates the Company's ESG performance. It communicates with the Strategy and Sustainability Development Committee on ESG implementation on a monthly basis, tracks the progress of ESG strategy completion, and regularly reports the progress of ESG efforts and management results to the Board of Directors.
Executing Groups	The Environmental (E), Social (S), and Governance (G) groups are respectively in charge of the implementation of specific goals and operation and development strategies in the three ESG areas. They are responsible for preparing work plans and action programs, supervising and managing the progress of ESG goals and operation and development strategies, and reporting the work progress and management results to the ESG Committee on a regular basis.

ESG planning

Shanghai Jahwa is propelling its sustainable development and transformation through a clear, comprehensive, and scientifically structured ESG strategy. In March 2024, the Company unveiled its *ESG Medium-to-Long-Term Strategic Blueprint White Paper*, anchoring its sustainable development framework on three pillars: "an innovative and dynamic enterprise," "a green, low-carbon ecosystem," and "social value creation through shared success." These pillars are underpinned by "robust corporate governance", building a cornerstone of "robust corporate governance" and constructing a Sustainable Development Message House.

Furthermore, the Company has refined and disaggregated its quantitative ESG targets for 2025 and 2035, aligning them with its 2050 long-term vision. This strategic roadmap delineates clear milestones and pathways to systematically realize its medium-to-long-term aspirations.

ESG Sustainable Development Message House



3.2 Assessment of Topics' Material

Dual Material Analysis

In order to better identify our own impact on the economy, society and environment, the Company, in accordance with the requirements of the guidelines for self-discipline supervision of listed companies on the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)* issued by the Shanghai Stock Exchange (hereinafter referred to as the "Shanghai Stock Exchange"), invites experts and stakeholders to participate based on its own business background, and identifies, screens and analyzes important topics from the two directions of impact importance and financial importance according to the following process.

Dual Material Analysis Process for Topics

Process	Details
Step 1 Background identification and understanding	Understand the internal and external objective background and sustainable development background of the company; Identify and understand key stakeholders.
Step 2 Preliminary identification of topics	Preliminary identification and screening of sustainable development topic related to the company, and preliminary definition of topic, combined with standard benchmarking, policy analysis and interbank benchmarking.
Step 3 Issue importance assessment	Carry out due diligence to identify and respond to negative impacts or risks related to sustainable development. Set up appropriate evaluation methods to evaluate the dual materiality of the topic.
Step 4 Issue confirmation and approval	Identify whether each topic has "materiality" and form an materiality topic matrix. Carry out inspection, approval and reporting of topics.

Due Diligence

The company invites third-party institutions and experts to conduct impact, risk, and opportunity analysis on Shanghai Jahwa's performance in addressing climate change, research and development innovation, products and services, supply chain management, corporate governance, business behavior, and other aspects. The aim is to investigate and evaluate the potential adverse effects that the company's business operations may bring to society and the environment. The company will embed due diligence into governance, strategy, risk management, and business models, establish interactive mechanisms with affected stakeholders, and take corresponding actions to track effectiveness.

Details of the Impact, Risks, and Opportunities Analysis of Material Topics

Dimension	Topic	Impact description	Impact type	Risk/opportunity type	Time range ¹	Measures to address risks/opportunities
Environmental	Environmental Compliance Management	In the process of production and operation, the company shall strictly abide by relevant local laws and regulations to avoid penalties for improper situations such as excessive pollutants or illegal emissions.	Negative potential	Compliance risk: The company's violation of environmental laws and regulations may lead to regulatory penalties, resulting in economic losses and brand image damage.	Long-term	Please refer to the "Environmental Compliance Management" section of the report for details

¹ The time range is defined as short-term (within 1 year [inclusive]), medium-term (1 year to 5 years [inclusive])

Dimension	Topic	Impact description	Impact type	Risk/opportunity type	Time range ¹	Measures to address risks/opportunities
	Emissions and Wastes	Beauty daily chemical enterprises involve wastewater, waste gas discharge and solid waste disposal in the production process, and need to ensure that the relevant emissions in the production process meet the standards of laws and regulations through corresponding technical and management measures to reduce the impact of production on the environment.	Negative potential	Compliance risk: With the continuous tightening of environmental policies, such as the introduction of new emission standards or waste management regulations, the company may need to invest more resources in equipment upgrading or management optimization to meet new compliance requirements.	Short-term	Please refer to the "Emissions and Waste" section of the report for details
	Usage of Water Resources	Excessive water use can exacerbate water shortages, which in turn have a negative impact on local communities and ecosystems.	Positive potential	Resource efficiency opportunities: The company's water conservation projects can not only have a positive impact on the environment, but also save water and sewage disposal costs, thus reducing production costs.	Medium-term, and long-term	Please refer to the "Emissions and Waste" section of the report for details
	Climate Change Tackling	Cosmetics and daily chemical products have carbon emissions at all stages of their life cycle, including raw materials, packaging, product production and transportation, product waste and so on. These effects are also becoming more pronounced as climate change intensifies and natural ecosystems become more vulnerable.	Negative -actual	Policy risk: With the global climate change situation becoming more and more severe, regional governments have issued corresponding carbon neutrality action plans and policy documents. In order to meet the regulatory requirements of the place where the operation is located, the company needs to constantly adjust and improve its management to meet compliance requirements, which will increase the company's management and operating costs.	Long-term	Please refer to the "Climate Change Tackling" section of the report for details
				Reputation risk: With the proposal of the goal of "30.60" Carbon peak and carbon neutralization and the popularization of the concept of sustainable consumption, the stakeholders of Shanghai Jahwa also pay more and more attention to the impact of climate change, and expect the company to take active management actions in response to climate change. If the company fails to respond well to these demands, it may affect the company's reputation.	Long-term	
	Energy Usage	The use of fossil energy has led to emissions of exhaust gases and large amounts of greenhouse gases, exacerbating air pollution and climate change.	Positive potential	Opportunities for resource use efficiency: The company promotes energy-saving technological transformation projects and reduces its own energy consumption level, which	Medium-term, and long-term	Please refer to the "Energy Usage" section of the report for details

Dimension	Topic	Impact description	Impact type	Risk/opportunity type	Time range ¹	Measures to address risks/opportunities
				is conducive to better coping with the impact of rising energy prices in the future.		
	Green Packaging	Plastic materials have always been an indispensable material in the packaging of cosmetics and daily chemical products because of their superior preservation and easy transportation. But nondegradable/nondegradable substances in plastic packaging can also cause environmental pollution and ecological damage.	Positive potential	Market opportunities: Consumers' attention to recycling and the use of degradable packaging materials is gradually increasing. Promoting green packaging and gradually broadening the product scope covered by green packaging will help to enhance the company's brand image and market competitiveness.	Medium-term, and long-term	Please refer to the "Green Packaging" section of the report for details
	Ecosystem and Biodiversity Protection	Protecting ecosystems and biodiversity will help maintain the ecological balance of the earth, enhance the resilience of ecosystems, and reduce the negative impact of climate change on human society.	Positive potential	Market opportunities: Develop eco-friendly products that can attract more consumers and create a responsible brand image.	Medium-term, and long-term	Please refer to the "Ecosystem and Biodiversity Protection" section of the report for details
Social	Innovation-Driven	With the increasing diversification and personalization of consumer demand for cosmetics, enterprises need to constantly introduce new products in line with market demand to meet the different needs of consumers.	Positive potential	Market opportunities: Digital transformation has become an important trend in the cosmetics industry. By introducing advanced technologies such as big data and artificial intelligence, innovative service modes such as precision marketing and personalized customization can be realized to improve user experience and satisfaction.	Medium-term, and long-term	Please refer to the "Innovation-Driven" section of the report for details
	Ethics of Science and Technology	The breakthrough and application of emerging technologies have an increasingly profound impact on economic and social development. Strengthening the governance of scientific and technological ethics is of great significance for effectively preventing and controlling scientific and technological ethical risks and realizing the benign interaction between high-quality development of scientific and technological innovation and high-level security.	Negative potential	Policy risk: With the increasingly stringent supervision and review of scientific and technological ethics, the company needs to improve the governance level of scientific and technological ethics, abide by animal ethics and respect the welfare of experimental animals, which may lead to an increase in operating costs.	Long-term	Please refer to the "Ethics of Science and Technology" section of the report for details
	Product Quality Management	As daily necessities that directly contact the human body, the quality and safety of cosmetics and daily chemical products are very important to the health of consumers, and directly affect consumers' trust in the brand.	Negative -actual	Market risk: Products with unstable quality or potential safety hazards may damage consumer health, trigger negative public opinion, and then affect brand image and market position.	Short-term	Please refer to the "Product Quality Management" section of the report for details

Dimension	Topic	Impact description	Impact type	Risk/opportunity type	Time range ¹	Measures to address risks/opportunities
	Chemical Safety and Ingredient Information Transparency	Cosmetics production involves a variety of chemicals, such as dyes, spices, preservatives and so on. The safety and component transparency of product chemicals have always been the core topics of common concern for enterprises and consumers.	Negative -actual	Compliance risk: With increasingly stringent regulatory requirements for chemical safety and ingredient transparency, companies need to ensure that their products meet relevant regulatory standards, which helps to avoid legal risks and fines, while improving corporate compliance.	Short-term	Please refer to the "Chemical Safety and Ingredient Information Transparency" section of the report for details
	Data Security and Customer Privacy Protection	In order to ensure the normal development of product sales and after-sales service, the company collects and stores customer information in accordance with the principle of minimum necessity, and improper data transmission and storage may lead to damage to customer privacy.	Negative potential	Reputation risk: Customer privacy disclosure events may lead to regulatory penalties and damage to the company's reputation, shaking consumers' confidence and trust in the company.	Short-term	Please refer to the "Service Quality Management" section of the report for details
	Sustainable Procurement	The raw materials of cosmetics and daily chemical products are complex and diverse. Sustainable management of suppliers is not only related to corporate profitability, product quality, inventory status, supply stability, but also to ESG topics such as environmental protection, labor, business ethics and so on.	Negative -actual	Single procurement risk: The single procurement of key materials has the risk of opaque transaction process and price, and lacks effective constraints on suppliers.	Short-term	Please refer to the "Sustainable Procurement" section of the report for details
				Cost risk: Supply chain costs may increase due to uncertainties in the external environment (fluctuations in raw material prices, rising labor costs, etc.).	Short-term	
				Reputation risk: Suppliers violate regulations in terms of environment, labor management and business ethics, which may have a negative impact on the company's brand and reputation.	Medium-term, and long-term	
	Employee Rights and Benefits	Protecting the rights and interests and welfare of employees is not only an inevitable requirement of laws and regulations, but also an external manifestation of social fairness and progress.	Positive potential	Organizational efficiency opportunities: A sound employee rights and interests and welfare system helps to stimulate organizational vitality and innovation, and provides sufficient human resources support for the company's long-term development.	Short-term, medium-term, and long-term	Please refer to the "Employee Rights and Benefits" section of the report for details
	Human Capital Development	The improvement of staff skills, knowledge and experience can significantly improve the production efficiency of the cosmetics daily chemical industry, adapt to new technologies and processes faster, and thus improve the operation efficiency of the production line.	Negative -actual	Talent retention risk: If the company fails to provide sufficient incentives and promotion opportunities, it may lead to the loss of outstanding talents, which will affect the stable development of the enterprise.	Short-term, medium-term, and long-term	Please refer to the "Human Capital Development" section of the report for details

Dimension	Topic	Impact description	Impact type	Risk/opportunity type	Time range ¹	Measures to address risks/opportunities
	Occupational Health and Safety	As a part of society, beauty and daily chemical companies assume the social responsibility of protecting the health and safety of employees. Strengthening the management of occupational health and safety of employees will help the company fulfill its social responsibility and enhance the company's social image and reputation.	Negative -actual	Safety risk: Chemicals used in the production process may be flammable, explosive, toxic and other characteristics. If the company fails to provide sufficient safety protection measures or employees have weak safety awareness, it may lead to safety accidents, casualties and property losses.	Short-term, medium-term, and long-term	Please refer to the "Occupational Health and Safety" section of the report for details
	Contributions to The Society	Participating in public welfare activities and charitable donations can show the concept of sustainable development of "Born for Beauty, Strive for Goodness" with actions, and meet consumers' expectations for century old national brands.	Positive potential	Market opportunities: The company carries out charitable activities for vulnerable groups and women, which helps to attract potential consumers and enhance the company's market appeal and influence.	Long-term	Please refer to the "Contributions to The Society" section of the report for details
	Rural Revitalization	The company participates in rural revitalization through various forms, which helps to stimulate the endogenous vitality of rural areas and promote the high-quality development of agriculture and rural areas.	Positive potential	Market opportunities: Actively participate in rural revitalization, which can establish a good social image for the company and enhance the company's brand reputation.	Long-term	Please refer to the "Rural Revitalization" section of the report for details
Corporate Governance	Corporate Governance	The level of corporate governance is not only related to the rights and interests of shareholders and investors, but also of great significance to the long-term steady development of the company itself.	Negative -actual	Compliance risk: With the increasingly strict supervision of listed companies by the state, improper acts such as illegal information disclosure may lead to regulatory penalties and shake stock prices and investor confidence.	Short-term	Please refer to the "Corporate Governance" section of the report for details
				Market opportunities: The diversification of the board of directors, including gender, skills and professional knowledge, can provide more ideas and choices for the company's decision-making, improve the quality of the board's decision-making, and enhance the company's adaptability and innovation ability in a complex market environment.	Medium-term, and long-term	
	Risk Management and Internal Control	Risk management and internal control are of great significance to ensure the steady operation of the company, achieve economic performance objectives, and effectively fulfill environmental and social responsibilities.	Negative -actual	Compliance risk: The risk of incomplete and inaccurate identification, approval and disclosure of related parties and related transactions. Business risk: The risk of incomplete implementation of relevant regulations in the operation of new businesses and channels,	Short-term, medium-term Short-term	Please refer to the "Risk Management and Internal Control" section of the report for details

Dimension	Topic	Impact description	Impact type	Risk/opportunity type	Time range ¹	Measures to address risks/opportunities
				which may have an impact on the company's operations.		
				Financial risk: The company's decision-making errors in investment and financing, accounting processing, and other aspects may pose risks to the company's fund management.	Short-term, medium-term	
				Management risk: Improper management of strategic planning, human resources, information systems, and other aspects by the company may have a negative impact on its operations.	Short-term	
	Anti-commercial bribery and anti-corruption	Anti commercial bribery and anti graft help to maintain fair competition in the market and promote the healthy development of the market economy.	Negative -actual	Reputation risk: Fraudulent and unethical behavior may result in the company facing compliance fines, litigation, and regulatory sanctions, damaging brand reputation and stakeholder relationships.	Short-term, medium-term	Please refer to the "Anti-commercial bribery and anti-corruption" section of the report for details
	Anti-unfair Competition	Anti unfair competition is very important to maintain a fair competition environment and protect the legitimate rights and interests of consumers.	Negative potential	Reputation risk: Implementing monopolistic behavior, infringing on others' trade secrets, and other situations may lead to regulatory penalties and legal proceedings, resulting in damage to the company's reputation.	Long-term	Please refer to the "Anti-unfair Competition" section of the report for details
	Responsible Marketing	Resisting false propaganda and adhering to the concept of responsible marketing will help to maintain a good industry ecology and enhance consumers' confidence in the industry and local brands.	Negative potential	Reputation risk: False advertising and other situations may damage the company's brand image and trigger consumer resistance.	Short-term	Please refer to the "Anti-unfair Competition" section of the report for details
	Intellectual Property Management	Intellectual property protection is of great significance to stimulate innovation, promote economic growth and maintain market order.	Negative -actual	Reputation risk: If a company infringes on the intellectual property rights of others, it may lead to legal proceedings and damage to the company's reputation.	Short-term, medium-term	Please refer to the "Intellectual Property Management" section of the report for details
	Fair Treatment of SMEs	Equal treatment of small and medium-sized enterprises helps to create a good market environment and better stimulate social and economic vitality.	Negative potential	Credit risk: If the information of overdue payments to small and medium-sized enterprises is publicly disclosed through the national enterprise credit information disclosure system, it may have a negative impact on the company's credit and reputation.	Short-term	Please refer to the "Fair Treatment of SMEs" section of the report for details

Communications with Stakeholders

Our sustainable development is inseparable from the support of our stakeholders. Therefore, communication with stakeholders is always highly valued. We identify important stakeholders, develop a regular two-way communication mechanism with stakeholders to deeply understand their opinions, and actively respond to their needs in order to foster long-term relationships of mutual trust and support.

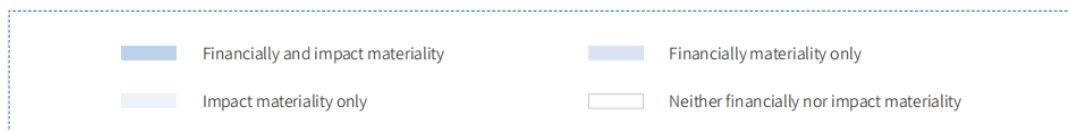
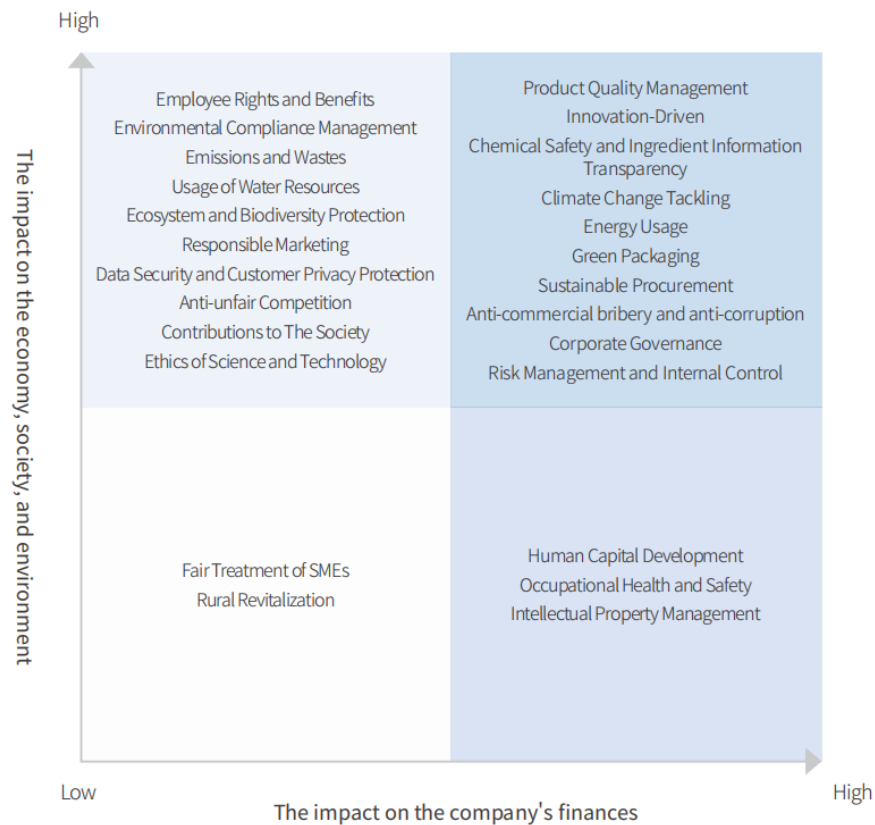
Main Stakeholders	Topics of Concerns	Communication Methods/ Channels
Government and regulatory authorities	<ul style="list-style-type: none"> Corporate governance Risk management and internal control Climate Change Tackling Energy Usage Emissions and Wastes Usage of Water Resources Ecosystem and Biodiversity Protection Environmental Compliance Management Intellectual Property Management 	<ul style="list-style-type: none"> Inspection by leaders and competent departments Regular work summaries and official correspondences Routine implementation of policies Participation in meetings and activities
Shareholders and investors	<ul style="list-style-type: none"> Corporate governance Risk management and internal control Innovation-Driven Product Quality Management 	<ul style="list-style-type: none"> Shareholders' meeting Regular reports and information disclosure on the official website Investor hotline "SSE e-interaction" platform of Shanghai Stock Exchange Investor-dedicated mailbox
Customers/consumers	<ul style="list-style-type: none"> Innovation-Driven Product Quality Management Chemical Safety and Ingredient Information Transparency Responsible Marketing Chemical Safety and Ingredient Information Transparency Risk Management and Internal Control 	<ul style="list-style-type: none"> Official website and new media platforms of the Company Offline sales counters Online sales platforms Customer services and complaints Customer satisfaction surveys
Partners (suppliers and dealers)	<ul style="list-style-type: none"> Anti-commercial bribery and anti-corruption Risk Management and Internal Control Anti-unfair Competition Sustainable Procurement Fair Treatment of SMEs 	<ul style="list-style-type: none"> Dealer conferences Daily emails and phone calls for communication Trainings Business visits
Employees	<ul style="list-style-type: none"> Employee rights and benefits Occupational health and safety Human capital development 	<ul style="list-style-type: none"> Internal e-mails In-house publications

Main Stakeholders	Topics of Concerns	Communication Methods/ Channels
	<ul style="list-style-type: none"> Risk management and internal control 	
Community and the public	<ul style="list-style-type: none"> Contributions to The Society Rural Revitalization Climate Change Tackling 	<ul style="list-style-type: none"> Official website and new media platforms of the Company Community activities for public welfare

Analysis of Material Topics

Based on the actual business situation and long-term development strategy of the company, combined with stakeholder communication results, Shanghai Jahwa confirmed 25 material topics in 2024, of which 10 topics have dual materiality, 3 topics only have financial materiality, 10 topics only have impact materiality, and 2 topics neither have impact materiality nor financial materiality.

Shanghai Jahwa's 2024 Materiality Matrix



Adjustments to Material Topics

Material topics for 2024	Material topics for 2023	Adjustment	Explanation
Climate Change Tackling	Climate change mitigation and adaptation	Rename the topic	Consistent with the latest <i>Guidelines</i> and topics of the Shanghai Stock Exchange
Usage of Water Resources	Water resource management	Rename the topic	Consistent with the latest <i>Guidelines</i> and topics of the Shanghai Stock Exchange
Ecosystem and Biodiversity Protection	Biodiversity and Land Use	Rename the topic	Consistent with the latest <i>Guidelines</i> and topics of the Shanghai Stock Exchange
Environmental Compliance Management	Environmental management	Rename the topic	Consistent with the latest <i>Guidelines</i> and topics of the Shanghai Stock Exchange
Rural Revitalization	—	Add new topics	Consistent with the latest <i>Guidelines</i> and topics of the Shanghai Stock Exchange
Contributions to The Society	Community Communication and Public Welfare Charity	Rename the topic	Consistent with the latest <i>Guidelines</i> and topics of the Shanghai Stock Exchange
Innovation-Driven	Product R&D and innovation	Rename the topic	Consistent with the latest <i>Guidelines</i> and topics of the Shanghai Stock Exchange
Ethics of Science and Technology	—	Add new topics	Consistent with the latest <i>Guidelines</i> and topics of the Shanghai Stock Exchange
Product Quality Management	Product and Service Quality	Rename the topic	Consistent with the latest <i>Guidelines</i> and topics of the Shanghai Stock Exchange
Data Security and Customer Privacy Protection		Add new topics	The topic of data security and customer privacy protection is a key focus in the latest guidelines issued by the Shanghai Stock Exchange, and this issue will be presented separately
Responsible Marketing	Responsible Marketing and Consumer Education	Rename the topic	Simplify the names of discussion topics to focus on "Responsible Marketing".
Fair Treatment of SMEs	—	Add new topics	Consistent with the latest <i>Guidelines</i> and topics of the Shanghai Stock Exchange
Anti-commercial bribery and anti-corruption	Business ethics	Rename the topic	Consistent with the latest <i>Guidelines</i> and topics of the Shanghai Stock Exchange
—	Responsible Investment	Delete the topic	Make adjustments based on the company's actual situation in 2024.
—	Protection of investors' rights and interests	Delete the topic	Make adjustments based on the company's actual situation in 2024.

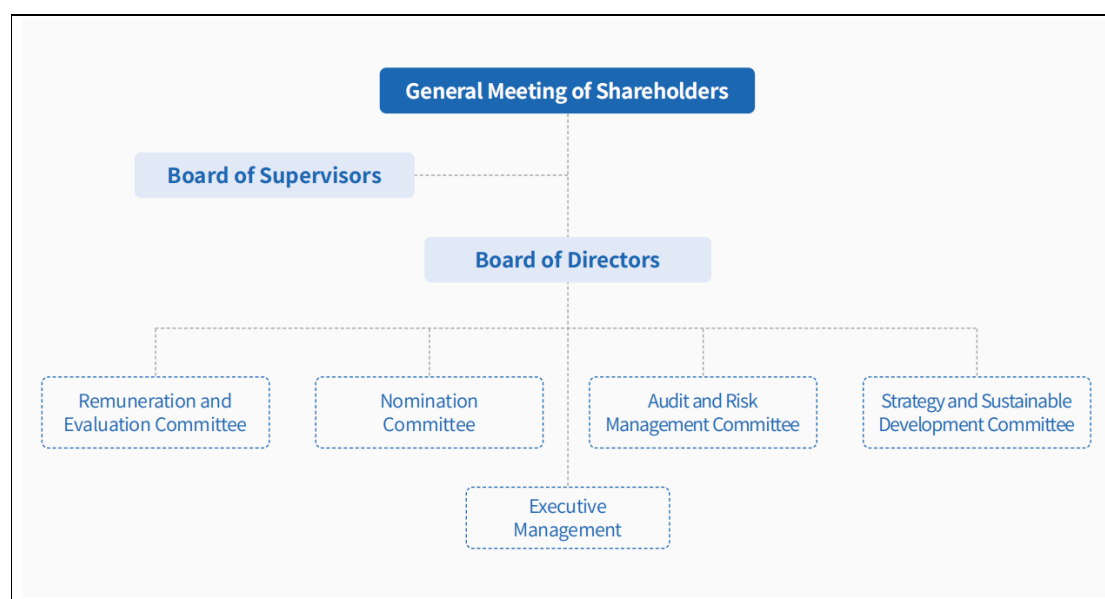
4. Responsibility of Corporate Governance

4.1 Corporate Governance

Shanghai Jahwa strictly complies with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies*, the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange*, and other relevant laws, regulations, and stock exchange requirements. We continuously improve our corporate governance structure, enhance internal control systems, and raise the level of standardized operations to provide strong assurance for the Company's sound development.

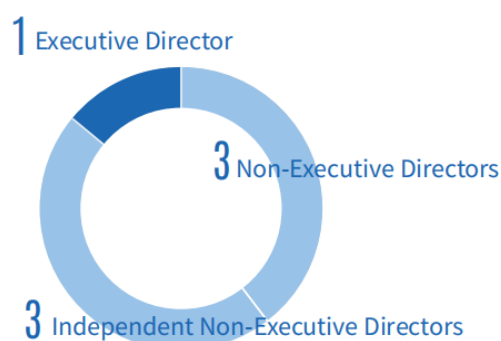
The Company has established a standardized and orderly corporate governance structure consisting of the General Meeting of Shareholders, the Board of Directors and its specialized committees (including the Remuneration and Evaluation Committee, the Nomination Committee, the Audit and Risk Management Committee, and the Strategy and Sustainable Development Committee), the Board of Supervisors, and senior management. This governance framework defines clear responsibilities and mutual checks and balances among the authority body, decision-making body, supervisory body, and executive body, thereby effectively safeguarding the legitimate rights and interests of the Company and shareholders.

Shanghai Jahwa Corporate Governance Structure



Shanghai Jahwa is committed to enhancing the diversity of its Board of Directors, with particular attention to the proportion of female directors and independent directors. In appointing directors, we consider both professional qualifications and diversity. All directors are seasoned professionals with extensive experience in fields such as investment, finance, consumer goods, digital transformation, accounting, and risk management, ensuring the Company's needs are met in areas including corporate development, risk response, and compliance management.

Composition of the Board of Directors



Protection of Investor Rights

Shanghai Jahwa adheres to regulatory requirements such as the *Administrative Measures for Information Disclosure of Listed Companies*, the *Code of Corporate Governance for Listed Companies*, and the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange*. We have formulated management systems including the *Articles of Association*, the *Accountability System for Major Errors in Annual Report Information Disclosure*, the *Shanghai Jahwa Administrative System for Information Disclosure*, the *Shanghai Jahwa Administrative System for Investor Relations*, and the *Management System for External Information Users*. These policies continuously improve our information disclosure framework and workflows, ensure standardized fulfillment of disclosure obligations, and effectively safeguard the rights and interests of investors and other stakeholders.

The Company places high importance on information disclosure. We strictly fulfill disclosure obligations in accordance with the latest rules and requirements of the SSE, while continuously innovating in the content and format of disclosures. We refine and optimize disclosure procedures in a comprehensive manner, striving to enhance the overall quality of information disclosure.

The chairpersons of the Board's Audit and Risk Management Committee, Nomination Committee, and Remuneration and Evaluation Committee are all held by independent directors. Each independent director performs their duties with integrity and diligence, acting in the best interests of all shareholders. They help safeguard the legitimate rights and interests of the Company and minority shareholders and play an active role in supporting sound and informed decision-making by the Board.

In terms of external communication, the Company adopts different strategies tailored to the features of various investor engagement platforms. We strengthen effective communication with investors through multiple channels, including investor hotlines, the SSE e-Interaction platform, and the annual strategic release conference.

Investor Communication Progress in 2024

Communication Channel	Communication Action
Investor hotline and email	Provided over one hundred phone consultation services, addressing investor concerns and listening to reasonable opinions and suggestions.
SSE e-Interaction platform	Answered over one hundred investor questions.
“Investor Relations” section	The “Investor Relations” section on the Company’s official website continuously publishes the latest updates on business operations.
General Meeting of Shareholders	Held one general meeting of shareholders, which included an investor interaction session to fully ensure shareholder participation rights.
On-site or online communication activities	Held five performance briefings and actively participated in broker strategy meetings, media interviews, and other events.
WeChat official account	Published 138 posts in 2024 to promote corporate culture and brand image and help investors stay informed of Company developments. As of the end of the reporting period, the number of subscribers to the Company’s WeChat official account exceeded 117,000, with a total readership of over 510,000.

[Case] Shanghai Jahwa Participates in the Collective Performance Briefing for Main Board Beauty Companies on the SSE

On December 3, 2024, Shanghai Jahwa participated in the 2024 Q3 collective performance briefing session for beauty companies listed on the main board of the SSE. The briefing was conducted through on-site communication, live video streaming, and online text interaction. Mr. Lin Xiaohai, Chairman and Chief Executive Officer; Mr. Xia Haitong, Independent Director; and Mr. Luo Yongtao, Chief Financial Officer, attended the session. They interacted and communicated with investors regarding the Company’s operational results and financial indicators for 2024 Q3, enhancing investors’ understanding of the Company.



2024 Q3 Collective Performance Briefing – Beauty Industry Session

[Case] Shanghai Jahwa Holds 2023 Annual General Meeting, Steadily Advancing Reform Implementation

On June 26, 2024, Shanghai Jahwa convened its 2023 Annual General Meeting. Mr. Lin Xiaohai, Chief Executive Officer and General Manager, engaged in in-depth discussions with attending shareholders, responded to investor concerns, and actively listened to their opinions and suggestions. This ensured shareholders’ rights to be informed, to participate,

and to vote on major Company matters, safeguarding equal status and full rights for all shareholders.



Shanghai Jahwa 2023 Annual General Meeting

Key Performance Indicators



During the reporting period, the Company held one general meeting of shareholders; 16 proposals were reviewed. The Board of Directors convened eight times and deliberated on 37 proposals. The Board of Supervisors met four times and reviewed 15 proposals.

While maintaining timely, fair, and effective communication with investors, the Company reasonably rewarded investors through a prudent dividend distribution policy to protect and enhance long-term investment value. During the reporting period, the Company implemented its first interim dividend payout.

In 2024, the Company released the *Action Plan for Quality and Efficiency Enhancement with Shareholder Returns* to further focus on core business, drive development through innovation, improve operational quality, regulate corporate governance, uphold the investor-centric philosophy, and actively reward shareholders—effectively fulfilling its responsibilities and obligations as a listed company.

4.2 Risk Management and Internal Control

Shanghai Jahwa complies with relevant laws and regulations such as the *Guidelines for Internal Control of Listed Companies on the Shanghai Stock Exchange*, the *Guidelines for Internal Control Evaluation of Enterprises*, and the *Guidelines for Internal Control Auditing of Enterprises*. We have formulated and strictly implemented internal regulations including the *Internal Audit Regulations of Shanghai Jahwa United Co., Ltd.*, the *Internal Control Self-assessment Measures of Shanghai Jahwa United Co., Ltd.*, the *Management Regulations on Related Party Transactions of Shanghai Jahwa United Co., Ltd.* to ensure lawful, compliant, and sound business operations.

The objective of the Company's internal control is to reasonably ensure the legality and compliance of operations and management, asset security, the authenticity and integrity of financial reports and related information, as well as to improve operational efficiency and effectiveness, and promote the realization of development strategies. The Company has established a sound internal control management system, strengthened internal supervision and inspection, optimized control procedures, and continuously enhanced the level of internal control management.

Shanghai Jahwa Internal Control Management System

Department	Specific Responsibilities
Board of Directors	Establishes, improves, and effectively implements internal control in accordance with the enterprise internal control regulatory framework, and evaluates its effectiveness.
Audit and Risk Management Committee	Supervises the establishment and implementation of internal control by the Board of Directors.
Executive Management	Responsible for organizing and leading the day-to-day operations of the Company's internal control.

During the reporting period, the Company's internal control system fully covered all relevant operations and matters within the scope of internal control evaluation. The internal control policies were effectively implemented, business activities were lawful and compliant, and the objectives of the Company's internal control were achieved.

Risk Prevention

The Company has established a standardized and effective risk control system, continuously enhancing its capabilities in risk monitoring, early warning, prevention, and response, thereby safeguarding the security of operations and assets.

Shanghai Jahwa Risk Management System



The Company has built a risk control matrix to identify potential risks across four dimensions: compliance, operations, finance, and management. Based on this framework, secondary and tertiary risks have been further defined. These risk points cover all aspects of the Company's operations, providing a clear framework for the implementation of comprehensive risk management.

Shanghai Jahwa Risk Control Matrix



The Company conducts at least one risk assessment annually. By assessing various aspects of business management and key business processes, risks are analyzed and prioritized. The Company identifies the most critical risks requiring attention and control and formulates feasible response measures accordingly.

Countermeasures for Key Identified Risks

Potential Risks	Countermeasures
Incomplete or inaccurate identification, approval, and disclosure of related parties and related-party transactions	<ul style="list-style-type: none"> Determine whether new suppliers or customers are related parties during their onboarding and compile a list of all related parties within the Group, which is published on the Company's internal platform and regularly updated. Implement a dedicated approval process for contracts signed with related parties to strengthen the supervision and management of related-party transactions. The Audit Department conducts two special audits on related-party transaction management each year. Disclose all related-party transaction information in the annual report to enhance information transparency and enable public supervision.
Insufficient enforcement of relevant policies in the operation of new businesses or new channels, potentially affecting the Company's operations	<ul style="list-style-type: none"> Conduct regular compliance training and communication for the operation of new businesses and new channels. Monitor and manage new risk points arising from new businesses or new channels through routine audits, self-inspections and corrections, and external audits.

Risk Management and Internal Control Indicators and Targets

Indicator	Unit	Management Target	Progress in 2024	Status
Number of major risk incidents	Case	Reasonably ensure legality and compliance in operations and management, asset security, authenticity and integrity of financial reporting and related information; improve operational efficiency and effectiveness; promote the realization of development strategies.	0	Achieved

4.3 Anti-commercial bribery and anti-corruption

Shanghai Jahwa places great importance on anti-commercial bribery and anti-corruption efforts, upholding a zero-tolerance stance and fully promoting the development and enforcement of relevant systems. The Company is committed to building a clean, transparent, and fair business operating environment.

To ensure efficient operations, mitigate risks, and enhance brand reputation and credibility, Shanghai Jahwa has set a management target of zero incidents of commercial bribery and corruption.

The Company conducts regular anti-corruption audits to strengthen its ability to detect and monitor risks related to fraud and misconduct. The Audit Department organizes multiple special audits each year, including audits on sales, e-commerce, procurement, suppliers, and major expenditures, reinforcing the audit function as the “last line of defense” within the Company.

Code of Conduct

The Company has established internal regulations including the *Code of Conducts for Employees of Shanghai Jahwa United Co., Ltd.* and the *Code of Business Ethics and Anti-Corruption in Shanghai Jahwa*. These documents provide clear guidelines on fair trade and competition, conflict of interest, prohibition of insider trading, enforcement and disciplinary actions, and whistleblower procedures.

In 2024, the Internal Control and Compliance Department and the Human Resources Department jointly revised the *Guidelines for the Operation and Management of the Shanghai Jahwa Disciplinary Accountability Panel*, to further reinforce discipline, promote lawful behavior among employees at all levels, standardize conduct, maintain normal business operations, and ensure the Company’s sustainable and steady development.

In addition, to enhance anti-corruption awareness and ensure that suppliers fully understand and adhere to relevant principles, the Company embedded anti-corruption principles and the whistleblower hotline information in a pop-up window on the homepage of the Supplier Relationship Management (SRM) system. Suppliers are required to read and acknowledge the anti-corruption content upon logging into the SRM system, demonstrating the Company’s firm stance on maintaining a fair and transparent business environment.

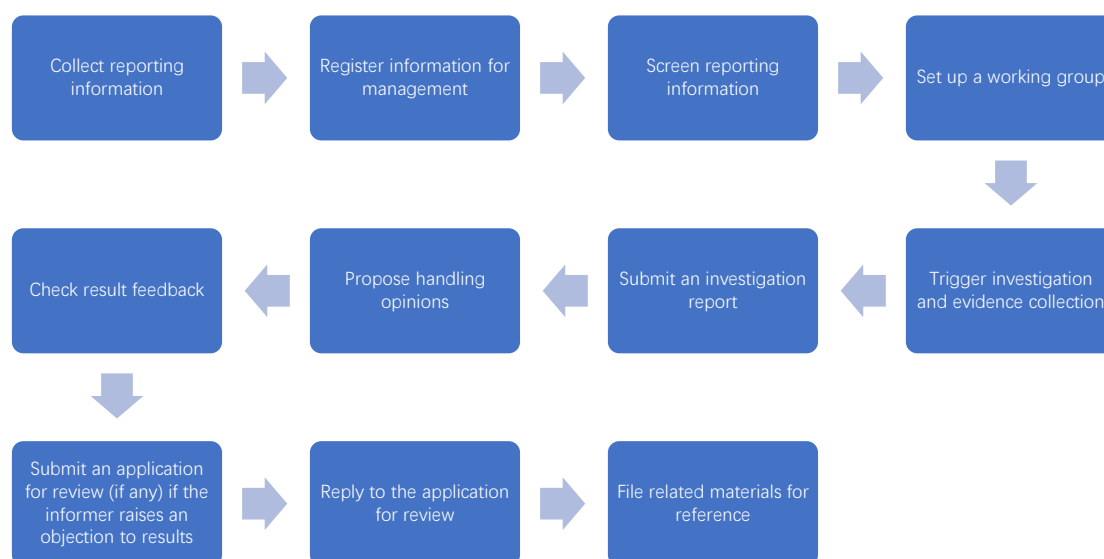
Robust Whistleblowing Channels

The Company has specified in its *Report Handling Procedures* that employees may report issues by sending emails to the dedicated whistleblowing mailbox or by contacting the Human Resources, Legal, or Audit departments. Furthermore, the Company has established an open and transparent whistleblower handling process to ensure that reports are addressed promptly and appropriately.

Shanghai Jahwa Whistleblower Channels

- Email: jubao@jahwa.com.cn
- Phone: 021-35908477

Shanghai Jahwa Whistleblower Handling Procedure

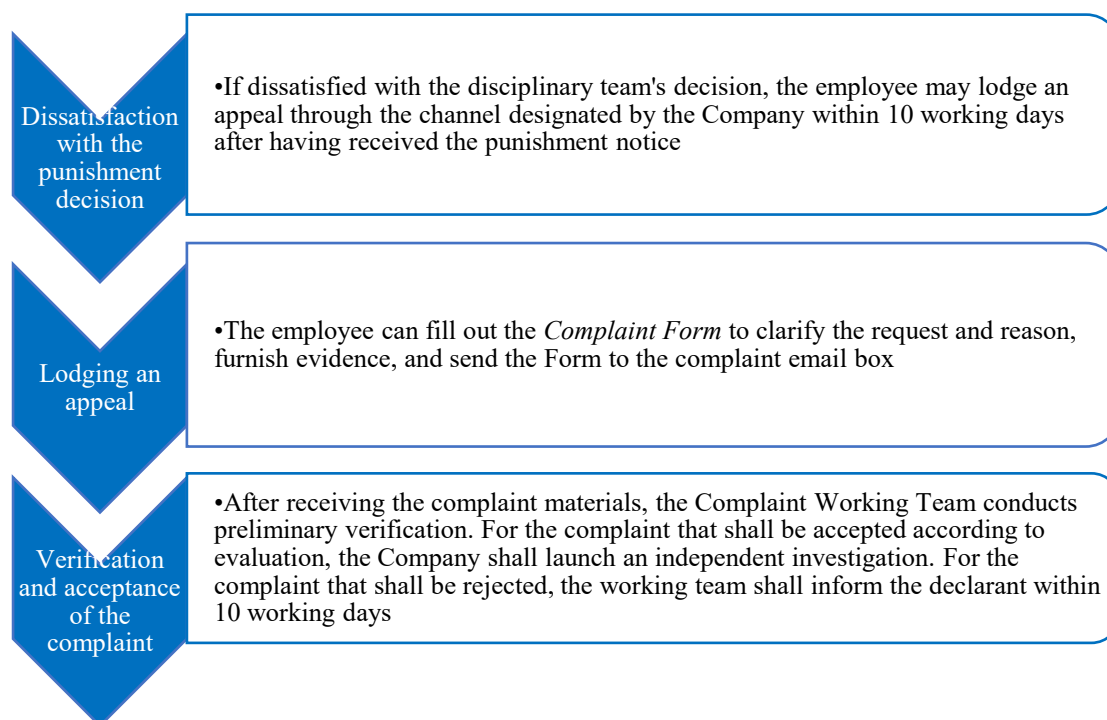


The Company has established a whistleblower protection policy to safeguard the legitimate rights and interests of informants. Individuals who violate confidentiality rules or fail to protect whistleblowers will be held accountable.

Dimension	Measures
Confidentiality of whistleblower information	<ul style="list-style-type: none"> No individual shall disclose the identity of the whistleblower to the subject of the report or any unrelated party. The content, methods, and direction of the investigation must not be disclosed to unrelated individuals or the subject under investigation. Individuals who violate confidentiality rules will be subject to disciplinary action.
Protection of whistleblower safety	<ul style="list-style-type: none"> Any act of retaliation against whistleblowers or related witnesses will be dealt with based on severity, including but not limited to dismissal, termination of labor contracts, or referral to judicial authorities.

In addition, the Company has adopted a scientifically robust review and appeal process in the *Complaint System of Shanghai Jahwa* to further enhance the ability to uncover the truth in corruption cases and to strengthen the internal and external fairness of corporate governance.

Shanghai Jahwa Appeal Procedure



Business Ethics Culture Development

The Company continuously promotes the development of a business ethics culture. In 2024, Shanghai Jahwa conducted a themed video training program on “Business Ethics and Anti-Corruption” through its internal training platform, Jahwa Academy. The course covered topics such as business ethics, anti-bribery, and conflict of interest. Assessments were integrated into the training to ensure effectiveness and further strengthen employees’ awareness of integrity and self-discipline.

[Case] Promoting Integrity Culture through Multi-Dimensional Measures

In May 2024, Shanghai Jahwa launched the “Zero Tolerance for Corruption” campaign. By focusing on learning discipline, establishing mechanisms, strengthening culture, and clarifying bottom lines, the Company advanced efforts to ensure that corruption is deterred, prevented, and disincentivized, thereby providing strong political assurance for high-quality development.

In addition, Shanghai Jahwa collaborated with the Hongkou District Commission of Commerce and Helian Village of Baihe Town in Qingpu District to carry out joint study and co-construction initiatives. Through paired assistance, joint Party branch activities, and disciplinary learning exchanges, the Company expanded the depth and breadth of education, achieving resource sharing and complementary strengths.



Employees Were Organized to Study Key Documents such as the <i>Regulations on the Study and Education of Party History</i>	Employees Visited the Memorial Hall of the Fourth National Congress of the Communist Party of China
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Anti-Commercial Bribery and Anti-Corruption Indicators and Targets

Indicator	Unit	Management Target	Progress in 2024	Status
Number of commercial bribery and corruption incidents	Case	0	0	Achieved

4.4 Anti-unfair Competition

Shanghai Jahwa strictly complies with the *Anti-monopoly Law of the People's Republic of China*, the *Anti-unfair Competition Law of the People's Republic of China*, the *Interim Regulations on Prohibition of Monopoly Agreements*, and the *Guidelines for Anti-monopoly Compliance of Operators*. The Company regularly conducts internal training sessions on anti-unfair competition to guide employees in maintaining proper business conduct and ethics, ensuring compliance in competition, resisting vicious competition and price wars, and safeguarding fair competition in the industry.

In 2024, the Company did not experience any lawsuits or major administrative penalties due to unfair competition practices.

Responsible Marketing

Shanghai Jahwa strictly complies with laws and regulations including the *Advertising Law of the People's Republic of China*, the *Regulations on Supervision and Administration of Cosmetics*, the *Measures for the Administration of Cosmetic Labels*, the *Evaluation Criteria for Efficacy Claims of Cosmetics*, and the *Code of Conduct for Live Streaming Marketing*. We have also developed internal management policies such as the *Process for Review of Labels on Cosmetics Sales Packages* to regulate the development and review of cosmetic packaging and labeling.

For cosmetic labeling—such as content on packaging boxes, containers, and product manuals—the Company requires multi-departmental review and confirmation within the Product Lifecycle Management (PLM²) system. This includes review by the Brand Department, R&D Department, and Legal Department to ensure that all product labeling is truthful, accurate, and compliant with promotional and listing requirements.

Shanghai Jahwa Cosmetic Sales Packaging and Labeling Review Process

1. Brand personnel review	<ul style="list-style-type: none"> The brand copywriting process initiator creates the process in the PLM system and fills in the <i>Product Advertising Copy Information</i> form. The Brand Supervisor and Brand Director review the <i>Product Advertising Copy Information</i>.
2. Product R&D center personnel review	<ul style="list-style-type: none"> The formulation development engineer creates the <i>Inside Copywriting Information</i>, which includes product ingredients and trace elements, claim-to-ingredient mapping, raw material and product precautions, and execution standards. The engineer reviews whether the efficacy claims of the raw materials are substantiated. The Supervisor of the Product R&D Center reviews whether the <i>Inside Copywriting Information</i> meets the required standards.
3. Legal department review	<ul style="list-style-type: none"> Legal reviewers examine the <i>Product Regulations and Advertising Copy Information</i> during the product copywriting stage to ensure legal compliance.

² The PLM system is the Company's full lifecycle management platform for product R&D. It encompasses product requirement management, R&D document and image management, regulatory management of restricted and prohibited ingredients, BOM (Bill of Materials) management, material specification management, and R&D project management. The system is also integrated with OA, SAP, and other platforms to support data transmission and the release of technical documentation.

	<ul style="list-style-type: none"> During the product labeling review stage, legal personnel evaluate the compliance of trademarks, patents, and copy expressions in the product label.
4. Evaluation department and technical regulatory department review	<ul style="list-style-type: none"> Personnel from the Product Evaluation Section of the Basic Research Center verify whether the claimed product efficacy has supporting evidence. Personnel from the Technical Regulatory Department ensure the completeness of mandatory regulatory labeling items and the compliance of the label copy and claims.
5. Packaging designer review	<ul style="list-style-type: none"> The packaging designer is responsible for designing the label copy to ensure that all printed information is visible and not obscured, and that the character height and positioning of label text meet compliance requirements. The Design Supervisor reviews whether the above criteria are fulfilled.

In 2024, the Company introduced the *Review Process for Non-Cosmetic Sales Packaging and Labeling* to regulate the creation and review procedures of labels for non-cosmetic products. This ensures the efficiency and accuracy of label reviews and supports product compliance and market launch requirements.

The Company also conducted advertising compliance training to familiarize employees with relevant laws and regulations and to highlight key compliance risks in advertising practices. In 2024, an advertising compliance sharing session was held, attracting participation from 114 colleagues across the brand, e-commerce, and sales departments.

In addition, the Company requires that agents, distributors, contractors, and other partners operate in accordance with the *Code of Business Ethics*, encouraging integrity and self-discipline, and emphasizing responsible promotion and marketing. Partners are encouraged to conduct business honestly and are strictly prohibited from engaging in misconduct such as falsifying data, manipulating accounts, or fabricating performance. The Company always complies with laws and regulations related to responsible marketing and requires its partners to adhere to principles of accuracy, clarity, and transparency to ensure responsible marketing.

In 2024, the Company did not incur any penalties from relevant authorities due to violations of advertising laws or related regulations in the course of its operations.

4.5 Intellectual Property Management

Shanghai Jahwa consistently upholds the philosophy of respecting and protecting intellectual property rights. We are committed to maintaining the lawful rights and interests of both the Company and our partners through standardized and effective IP management, thereby promoting the healthy development of the industry.

Referring to laws and regulations such as the *Copyright Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, the *Patent Law of the People's Republic of China*, and the *Enterprise Intellectual Property Compliance Management System*, the Company has developed a series of intellectual property management policies, including the *Management Measures of Technical Secrets*, the *Management Measures of Trademarks*, the *Management Measures of Patents*, and the *Management Measures of Copyrights*. We protect our intellectual property through the improvement of IP databases, employee training, and legal channels.

The Legal Department is responsible for the management of intellectual property matters, including handling legal affairs related to IP such as trademark registration, patent applications, and resolution of IP disputes, with a structured reporting mechanism to higher levels.

In 2024, the Company initiated the certification process for the ISO 56005 Innovation and Intellectual Property Management System. As of the end of the reporting period, three employees had passed the Innovation Manager qualification exam and were awarded the Innovation Manager title.

During the reporting period, all Company operations complied with intellectual property laws and regulations. No incidents of IP infringement occurred that resulted in penalties from regulatory authorities or legal liability through court rulings.

Risk Management

While actively taking measures to protect its own intellectual property rights, the Company also emphasizes the identification and prevention of infringement risks and raises employee awareness of IP protection through ongoing intellectual property education.

Shanghai Jahwa Intellectual Property Management Measures

Category	Measures
Protection of the Company's own intellectual property	<ul style="list-style-type: none"> During the development of R&D projects, promptly protect intellectual property generated throughout the process. Actively carry out IP-related procedures such as registration, filing, application, and certification.
Avoidance of infringement on others' intellectual property	<ul style="list-style-type: none"> Prior to initiating R&D projects, developing new products, or introducing/exporting new technologies or products, conduct novelty searches and investigations to ensure no infringement of third-party intellectual property. Standardize the use of software, fonts, and images across all business units to eliminate potential IP infringement risks.
Intellectual property awareness and education	<ul style="list-style-type: none"> Promote IP knowledge through training sessions and internal digital displays such as screen scrolls within the Company.

To further enhance the tracking and documentation of intellectual property certificate

acquisition, the Company officially launched the Legal Department’s Certificate Application Process in 2024. This process standardizes the documentation of intellectual property certificate acquisition by all employees, ensuring transparency and standardization of relevant procedures, and improving the efficiency and quality of intellectual property management.

[Case] “Jahwa” Trademark Selected for the First Batch of the National “Thousand Enterprises, Hundred Cities” Trademark and Brand Value Enhancement Initiative

In January 2024, the China National Intellectual Property Administration (CNIPA) announced the first batch of companies selected for the “Thousand Enterprises, Hundred Cities” Trademark and Brand Value Enhancement Initiative. The “Jahwa” trademark was successfully included, marking official recognition by the CNIPA and Shanghai Intellectual Property Administration of the high value of the Jahwa trademark.

Intellectual Property Management Indicators and Targets

Indicator	Unit	Management Target	Progress in 2024	Status
Number of incidents involving infringement of others’ IP	Case	0	0	Achieved

4.6 Fair Treatment of SMEs

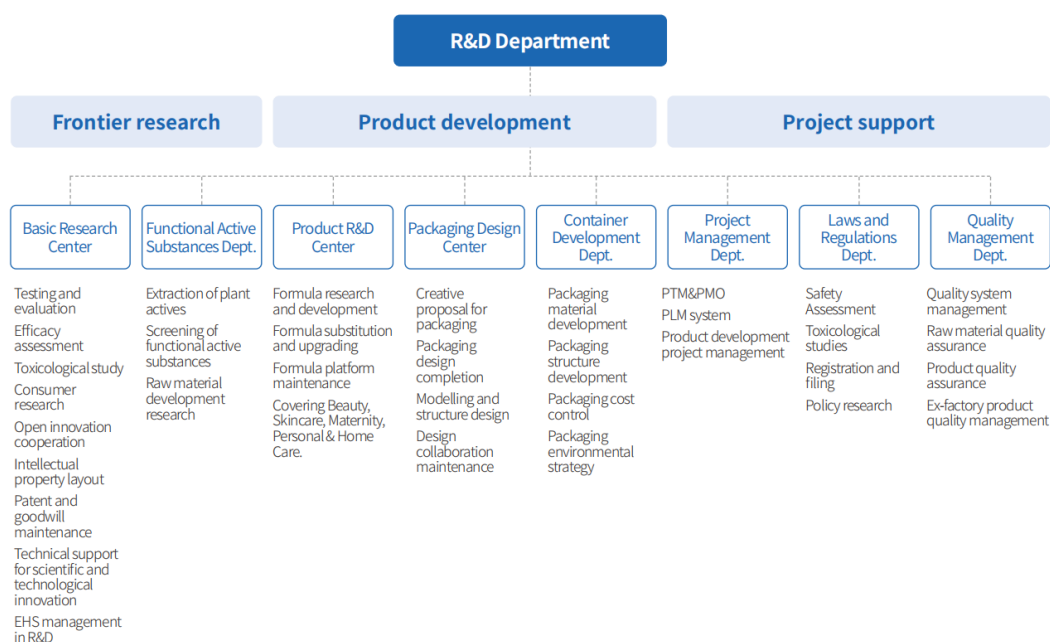
Shanghai Jahwa strictly complies with the *Law of the People's Republic of China on the Promotion of Small and Medium-sized Enterprises* and the *Regulations on Ensuring Payments to Small and Medium-sized Enterprises*. The Company implements refined management of financial ledgers, sets and monitors each payment milestone to ensure transparency and timeliness in capital flows, effectively preventing payment delays and fully safeguarding the legitimate rights and sound operating environment of small and medium-sized enterprises.

5. Product Responsibility

5.1 Innovation-Driven

Shanghai Jahwa has established a comprehensive organizational structure for R&D and innovation management, covering three key dimensions: forward-looking research, product development, and project support. This structure ensures the smooth progress of end-to-end independent R&D.

Shanghai Jahwa R&D and Innovation Management Structure



Focusing on scientific and technological innovation, Shanghai Jahwa has set related management targets to strengthen both fundamental and applied research, promote the independent development of green raw materials, and continuously drive product quality enhancement through innovation.

In addition, to incentivize employee innovation, the Company has formulated the *Management Measures of Patents of Shanghai Jahwa United Co., Ltd.* and the *Management Measures of Technical Secrets of Shanghai Jahwa United Co., Ltd.* These are complemented by internal mechanisms such as technical title evaluation, job appointments, promotions, and other rewards to encourage and support employees' engagement in innovative R&D.

Key Performance Indicators



During the reporting period, the Company participated in the formulation/revision or release of **20** standards, including **six** national/industry standards and **14** group standards, covering areas such as efficacy testing, safety assessment, raw material/product testing, and green sustainability.



As of the end of the reporting period, the Company had cumulatively participated in the formulation/revision of **138** standards, including **45** national/industry standards and **93** local/group standards.

Multi-Dimensional R&D Layout

Guided by a consumer-centric philosophy, Shanghai Jahwa leverages comprehensive, multi-dimensional consumer insights and a fully visualized end-to-end project management and R&D model. Through the three dimensions of fundamental research, applied innovation, and product value development, the Company empowers its operations with science and technology.

Shanghai Jahwa Dimensions of R&D Innovation Application and Development

Fundamental research	<ul style="list-style-type: none"> Based on the foundation of “Chinese characteristics + international concepts + digital intelligence empowerment,” the Company continuously strengthens its eight fundamental platforms: medical research co-creation, traditional Chinese medicine and herbal science, cell biology, safety and efficacy assessment equipment, efficacy screening, packaging design, AI-based customization, and beauty devices. These platforms reinforce our technological barriers and ensure value realization. Through an open collaborative model that integrates industry, academia, research, and healthcare, we accelerate the establishment and transformation of core technological advantages.
Applied innovation	<ul style="list-style-type: none"> Technology empowers new product development. Leveraging the advantages of upstream and downstream links in the industrial chain and combining them with modern scientific and technological approaches, the Company pursues a series of innovations in raw materials, formulations, processes, and packaging.
Product value development	<ul style="list-style-type: none"> With a consistent consumer-centric approach, we continuously explore user needs and product pain points. By practicing ESG principles, leading with innovation to establish standards, and seeking authoritative certifications, we provide consumers with innovative, effective, and sustainable products and services.

In 2024, Shanghai Jahwa continued to uphold its R&D strategy of “Chinese characteristics + international concepts + digital intelligence empowerment.” The Company focused on areas such as open innovation, medical research co-creation, and AI-based customization to build solid technological barriers, ensuring that every technological advancement translates into core product competitiveness.

Innovation-Driven Initiatives and Achievements of Shanghai Jahwa in 2024

Research Project	Research Content	Research Achievement
Open innovation	<ul style="list-style-type: none"> An expert workstation was established in collaboration with Professor Xu Lin as the chief expert. Shanghai Jahwa will continue to explore the universality, industrialization, and customization of micro-nano fluidic technology. In partnership with leading domestic traditional Chinese medicine research institutes, the Company signed an agreement to establish the “Shanghai Jahwa & Institute of Chinese Materia Medica China Academy of Chinese Medical Sciences (Qinghao and Chinese Characteristic Plants) Skin Health Joint Laboratory” to deeply explore the potential 	<ul style="list-style-type: none"> Submitted six new ingredients for regulatory filing during the year, with three of them publicly registered. Provided innovative active ingredients to support the development and application of raw materials for multiple products.

Research Project	Research Content	Research Achievement
	of Qinghao and other Chinese characteristic botanicals.	
Medical research co-creation	<ul style="list-style-type: none"> Collaborated with Professor Zheng Jie's dermatology team at Ruijin Hospital, Shanghai Jiao Tong University School of Medicine, to carry out China's first clinical trial on human systemic exposure to sunscreen agents. Conducted adjunctive treatment research on reparative facial masks for individuals with mild to moderate rosacea in cooperation with Shanghai Skin Disease Hospital, advancing from general moisturizing care to a new phase of scientific and efficacious skincare. Presented and shared academic research results from medical research co-creation at the 29th Annual Meeting of Chinese Society of Dermatology in Qingdao and the 19th Annual Meeting of China Dermatologist Association (CDA) of Chinese Medical Doctor Association in Wuhan. Continued to deepen collaborations with Class A tertiary hospitals including Huashan Hospital, Shanghai Skin Disease Hospital, and the team of Director Ma Lin from Beijing Children's Hospital, Capital Medical University, on various product projects. 	<ul style="list-style-type: none"> Announced clinical trial results on human systemic exposure to sunscreen agents at the 19th Annual Meeting of China Dermatologist Association & National Congress of Cosmetic Dermatology (CDA 2024). Research findings were published in the international SCI journal <i>Journal of Cosmetic Dermatology</i>.
AI-based customization	<ul style="list-style-type: none"> Applied cutting-edge AI facial recognition imaging technology and algorithms, combined with a large-scale Chinese skin database, to build a proprietary multidimensional skin condition analysis model tailored to Chinese consumers. 	<ul style="list-style-type: none"> Deeply integrated "AI + digitalization" technologies into the R&D system for Chinese characteristic botanicals. Gradually established an innovative research strategy centered on AI-based network pharmacology and supported by multi-omics technologies.

Innovation-Driven Indicators and Targets

Indicator	Unit	Management Target	Progress in 2024	Status
R&D investment	RMB 100 million	Strengthen basic and applied research, enhance the independent development of green raw materials, and continuously pursue innovations to improve product quality	1.51	On track
Proportion of R&D personnel to total employees	%		4.66	
Number of granted and valid patents	Item(s)		455	

5.2 Ethics of Science and Technology

Shanghai Jahwa is committed to animal welfare and continuously explores and develops alternative non-animal testing methods during the R&D process. As of the end of the reporting period, the Company had successfully established a diversified testing methodology system, including skin irritation testing, eye irritation testing, skin sensitization testing, and skin stinging testing. This system provides robust technical support for the safety assessment of raw materials and products during the R&D stage.

Shanghai Jahwa's Non-Animal Testing Initiative

Initiative	Description
System development	<ul style="list-style-type: none"> Participated in the development of technical guidelines led by the National Institutes for Food and Drug Control (NIFDC), including strategies for integrated testing and assessment of skin sensitization, read-across methods, and the threshold of toxicological concern (TTC). These guidelines have been scientifically implemented and applied within the Company.
Innovative experimentation	<ul style="list-style-type: none"> Research on efficacy targets of active ingredients: Developed new methods for studying innovative active ingredients, forming a research model that combines network pharmacology, omics, DARTS, and wet-lab efficacy experiments. Conducted in-depth studies on key components such as traditional Chinese herbal compound formulas, <i>Artemisia annua</i> family extracts, and black truffle oil to understand their mechanisms of action and molecular targets. This supports a full-chain body of evidence from basic research to clinical efficacy, offering high-quality validation for product marketing.
Innovative platforms	<ul style="list-style-type: none"> In vitro efficacy research: Established five innovative in vitro platforms, including combined evaluation platform for anti-aging effects of various collagen types, mitochondrial anti-aging platform, dynamic imaging visualization for scratch assay repair, gene-based rapid screening platform for keratinocyte moisturizing and barrier repair, and in vitro research on novel targets for inflammaging. Screened and evaluated over 50 active compounds or raw materials, including in-depth research on proprietary <i>Artemisia annua</i> family actives, cyclic dipeptide compounds, fermented actives, and expanded studies on Chinese characteristic botanicals such as dendrobium.

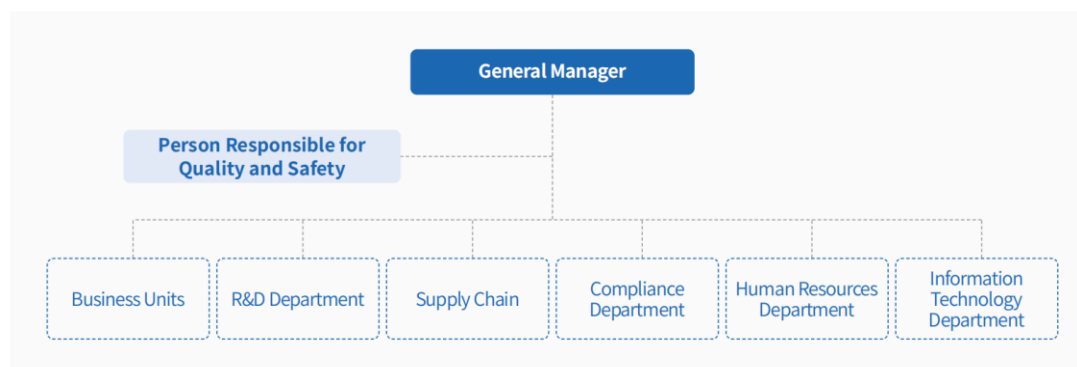
5.3 Product Quality Management

Shanghai Jahwa strictly complies with the *Regulations on tSupervision and Administration of Cosmetics*, the *Measures for the Supervision and Administration of Production and Operation of Cosmetics*, the *Administrative Measures on Cosmetics Registration*, the *Quality Management Standards for Cosmetics Production*, as well as platform-specific requirements for online sales. The Company has established a quality management accountability system and built a comprehensive product quality assurance system that covers the entire process—from raw materials to finished products, from design and development to consumer use—to ensure that product quality and production processes meet national laws, regulations, and standards.

In 2024, the Company adjusted its quality management system structure. During the reporting period, ten new quality system documents were issued and 48 existing documents were revised. The Company further clarified the system of quality and safety

responsibility, improved the organizational structure of the quality management system, and clearly defined the quality responsibilities of the legal representative, the person responsible for quality and safety, and all departments involved in product quality and safety. These measures have strengthened the Company's overall quality and safety management capabilities.

Shanghai Jahwa Quality Management System Structure



General Manager	<ul style="list-style-type: none"> Fully responsible for the Company's product quality and safety management; organizes and approves the Company's quality policies and objectives. Responsible for providing necessary resources, monitoring progress, and driving the achievement of quality objectives.
Person responsible for quality and safety	<ul style="list-style-type: none"> Responsible for the review, decision-making, and approval of matters related to product quality and safety; ensures that cosmetic safety assessment reports, formulations, manufacturing processes, material suppliers, product labels, and registration/filing documents are reviewed in accordance with regulatory requirements. Oversees the release of materials and products, as well as the management of adverse reaction monitoring.
All departments	<ul style="list-style-type: none"> Participate in the planning and implementation of the Company's quality management system to ensure compliance with relevant laws, regulations, and standards. Strictly fulfill quality and safety responsibilities; implement processes such as product design and development, procurement, production, inspection, delivery, and after-sales service in a standardized manner to ensure final products meet standards and customer needs. Organize training and assessments on job-related skills and regulatory quality knowledge to ensure employees meet their position requirements.

Key Performance Indicators



During the reporting period, a total of 11 product quality-related training sessions were conducted, covering topics such as laws and regulations, quality management systems, and operational procedures, with more than 1,400 participants in attendance.

Product Quality Risk Management

The Company has established a comprehensive product quality risk control process to ensure quality and safety throughout the entire product lifecycle—from development and production to post-market stages—ensuring compliance, safety, and efficacy of all

products.

Product Development Stage

In the development stage, the Company has formulated a general product development process and established specific quality control requirements for different product categories. Key quality control checkpoints include formulation development, product safety testing, and raw material management, ensuring stable and safe product development.

Quality Control During Product Development Process

Formulation development	<ul style="list-style-type: none"> From laboratory design and small-scale trials to pilot experiments and scale-up testing, all stages strictly follow internal development standards and procedures to ensure the stability and consistency of internal materials. Internal quality standards are established at a level stricter than national or industry standards.
Product safety testing	<ul style="list-style-type: none"> A rigorous closed-loop safety evaluation system is in place, covering raw material quality control, formulation design and assessment, in vivo/in vitro testing, human trials, consumer testing, and clinical trials. Each stage is carefully reviewed to ensure that products are safe and non-hazardous before they leave the factory.
Raw material control	<ul style="list-style-type: none"> Clear requirements are in place stating that the use of any new raw material, any change in formulation, or any change in raw material source must undergo inspection, verification, and evaluation by relevant personnel to ensure the highest level of product safety.

For skincare and cosmetic products requiring stricter regulatory standards, such as those for children, Shanghai Jahwa has established targeted and more rigorous development control requirements to ensure product quality and compliance.

Development Control Requirements for Children's Skincare Products

Children's skincare products	<ul style="list-style-type: none"> For the children's skincare brand Giving under Shanghai Jahwa, the Company has specifically formulated the <i>Product Development and Production Quality Requirements for Giving</i>. This specification addresses the particular needs of children and imposes stricter requirements on every aspect of product development for Giving, including raw material safety evaluation, design and development verification, procurement and supplier management, production process, product inspection, and release. These measures ensure product safety and quality while minimizing product quality and safety risks.
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Product Manufacturing Stage

During the manufacturing stage, the Company has established a comprehensive set of production management standards and systems. Strict quality control is applied to raw materials, the production process, and final product release. Non-conforming products are handled in accordance with established procedures.

Product Manufacturing Control System

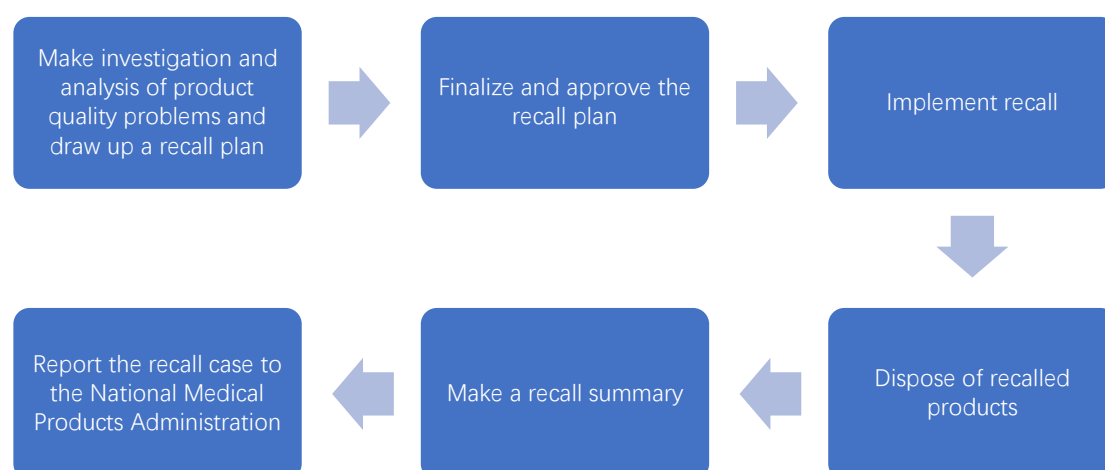
Establishing comprehensive production management standards	<ul style="list-style-type: none"> • In accordance with regulatory requirements, the Company reasonably establishes organizational structures, assigns production and quality technical personnel at all levels, and ensures that they meet job requirements through training. • Maintenance, cleaning, and disinfection protocols are established and implemented for production facilities and equipment. • Contract manufacturing agreements and quality agreements are signed with all entrusted manufacturers, and internal systems are in place to supervise and manage entrusted parties on a daily basis, ensuring the quality and safety of outsourced products meet regulatory requirements.
Production inspection	<ul style="list-style-type: none"> • Each batch of raw materials undergoes incoming inspection in accordance with standards and inspection procedures, and suppliers are subject to audit and evaluation management. • Regular monitoring of the production environment and process water is conducted. • Every batch of products is produced and inspected strictly in accordance with the technical requirements stated in the registration or filing documents, and products are released only after approval of batch records.
Non-conforming product management	<ul style="list-style-type: none"> • Handling procedures are in place for the management of non-conforming products and expired materials.

Post-Market Product Management

The Company has formulated a cosmetic adverse reaction monitoring system. Through multiple channels—such as in-store complaints, customer service hotlines, online platforms, and public opinion monitoring—the Company proactively and comprehensively collects feedback on consumer adverse reactions. These are reported to the national regulatory system as required, evaluated and analyzed, and appropriate risk control measures are taken to protect consumer health.

For products already in circulation that may pose a risk to human health or violate laws and regulations due to quality defects or other reasons, the Company will immediately suspend sales of the affected batches and initiate recalls in accordance with the *Product Recall Process*. The recalled products are handled appropriately to protect the interests of customers and consumers and to comply with legal and regulatory requirements. If no actual recall occurs during the year, the Company conducts one mock recall annually in accordance with procedure requirements.

Product Recall Procedure



In addition, to further ensure product quality and safety, the Company actively undergoes inspections and audits by regulatory authorities such as the National Medical Products Administration (NMPA) and professional institutions like SGS. The Company also proactively invites third-party evaluation organizations to conduct product assessments and testing. By accepting multi-party professional audits and reviews, the Company comprehensively promotes product compliance and quality enhancement. For any non-conformities identified during testing, the quality management lead convenes relevant departments to discuss resolution plans, ensures timely follow-up, and resolves the issues effectively.

Product Quality Management Indicators and Targets

Indicator	Unit	Management Target	Progress in 2024	Status
Number of violations related to product and service health and safety	起 Case	0	0	Achieved
Number of products sold or delivered that were recalled for health and safety reasons	件 Item	0	0	Achieved

5.4 Chemical Safety and Ingredient Information Transparency

Shanghai Jahwa complies with China's *Regulations on the Safety Management of Dangerous Chemicals* and the *Safety and Technical Standards for Cosmetics 2015*, while also referencing international standards such as the U.S. *Cosmetic Ingredient Review (CIR)*, EU Regulation 1223/2009, and guidelines from the EU Scientific Committee on Consumer Safety (SCCS). Based on these references, the Company has established a comprehensive chemical safety management system, aiming to enhance product safety by applying the most complete and advanced domestic and international standards.

The Raw Materials R&D Department serves as the core function for chemical safety management. It is responsible for overall planning and implementation, defining principles for the safety of product formulations, and maintaining prohibited ingredient lists and related regulatory standards.

To effectively address chemical safety risks, the Company has set a clear chemical safety management goal: continuously improve the safety of chemical substances used, regularly update the list of prohibited and phased-out ingredients, and ensure 100% safety management coverage from raw material production to activation.

In 2024, the Company updated the *Shanghai Jahwa Policy of Chemical Safety Management*, which further clarified the principles of product formulation safety, improved the criteria and regulatory basis for prohibited substances, and strengthened toxicological oversight and institutional controls for cosmetic safety. In addition, the inspection system for finished products was enhanced.

Risk Identification and Control

Chemical safety is a fundamental prerequisite for cosmetic product safety. Risk assessment includes both the chemical substance itself and any potential contaminants. For every chemical used, the Company conducts comprehensive evaluations of cosmetic raw materials and/or potentially present risk substances. This is achieved through collaboration with suppliers and the application of Shanghai Jahwa's proprietary chemical identification and risk assessment procedures, ensuring safe use of all ingredients.

Shanghai Jahwa Chemical Identification and Risk Assessment Procedure

1. Hazard identification	In accordance with the <i>Safety and Technical Standards for Cosmetics</i> and internationally recognized toxicological evaluation principles, the acute toxicity, skin irritation/corrosion, eye irritation/corrosion, sensitization, phototoxicity, photoallergy, genotoxicity, repeated-dose toxicity, reproductive and developmental toxicity, and chronic toxicity/carcinogenicity of cosmetic raw materials and/or risk substances are evaluated to determine their primary toxicological characteristics and severity.
2. Dose response relationship	Determines the relationship between toxicological responses and exposure levels of cosmetic raw materials and/or risk substances.
3. Exposure assessment	Evaluates the site of exposure, concentration, frequency, and duration of cosmetic raw materials and/or risk substances on the human body to determine overall exposure levels.
4. Risk characterization	Describes the likelihood and severity of harm to human health caused by cosmetic raw materials and/or risk substances.

The Company strictly adheres to regulatory baselines for product ingredients and does not use any prohibited substances. These include, but are not limited to, the more than 1,000 banned ingredients and prohibited plant (or animal) components listed in Tables 1 and 2 of the *Safety and Technical Standards for Cosmetics 2015*, such as benzene, bisphenol A, hydroquinone, antibiotics, estrogenic substances, asbestos, dioxane, methanol, lead, arsenic, mercury, and cadmium.

Shanghai Jahwa Chemical Compliance Management Measures

Product R&D	<ul style="list-style-type: none"> Established the <i>List of Prohibited and Concerned Cosmetics Ingredients</i> continuously optimizing formulation structures during new product development. Controversial chemical ingredients are prohibited, restricted, or even phased out, with a gradual increase in the use of “green” ingredients.
Raw material procurement	<ul style="list-style-type: none"> In accordance with the <i>Guidelines for Raw Material Supplier Audits in Cosmetic Manufacturing Companies</i>, each supplier is required to complete the <i>Raw Material Information Survey Feedback Form</i>, detailing information across various sections, including basic raw material information, ingredient data, impurity content, and potential risk substances. Suppliers’ qualifications and raw material test reports are regularly reviewed, and incoming raw materials are strictly inspected upon delivery. Through a multi-dimensional audit and evaluation mechanism, the Company identifies and forms long-term strategic partnerships with the most suitable and outstanding suppliers.
Product launch	<ul style="list-style-type: none"> Continuously monitors the latest information on product ingredients to identify high-risk substances of concern. Reformulation studies are actively conducted for high-risk ingredients, with the goal of phasing out all substances of concern over time.

Chemical Safety and Ingredient Transparency Indicators and Targets

Indicator	Unit	Management Target	Progress in 2024	Status
Number of violations related to chemical safety management	Case	Continuously improve the Company’s chemical safety, regularly update the prohibited and phased-out ingredient list, and ensure 100% safety management from raw material production to use	0	Achieved

5.5 Service Quality Management

Shanghai Jahwa complies with the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests* and the *Advertising Law of the People's Republic of China*. The Company places great importance on safeguarding consumer rights and delivering quality after-sales service.

Upholding a “consumer-centric” philosophy and aiming for “customer satisfaction” and “efficient resolution of customer issues,” the Company has established a two-line service implementation and three-level service quality supervision system. This consumer service framework includes a well-developed after-sales support system and dedicated service center. Multiple task forces collaborate to ensure multi-channel and multi-dimensional engagement with consumers.

“Two-Line Service Implementation and Three-Level Service Quality Supervision”

Two-line service implementation	Online services	<ul style="list-style-type: none"> Assign professional after-sales personnel to handle service on e-commerce platforms. Develop standardized service guidelines to regulate service staff behavior across different scenarios. Establish a professional skincare consultant customer service team to provide expert skincare advice to consumers.
	Online and offline service integration and closure	<ul style="list-style-type: none"> Leverage strong offline distribution and counter models; achieve full-channel service integration through cross-channel training, system connectivity, and centralized service management, completing the two-line service loop.
Three-level service quality supervision	After-sales service center	<ul style="list-style-type: none"> Conduct service quality inspections. Perform consumer follow-ups.
	Intelligent AI software	<ul style="list-style-type: none"> Apply Voice of the Customer (VOC) systems and AI technologies in online customer service scenarios.
	Corporate public opinion monitoring system	<ul style="list-style-type: none"> Selectively trace public domain complaints and assign manual follow-up to ensure a seamless consumer shopping experience.

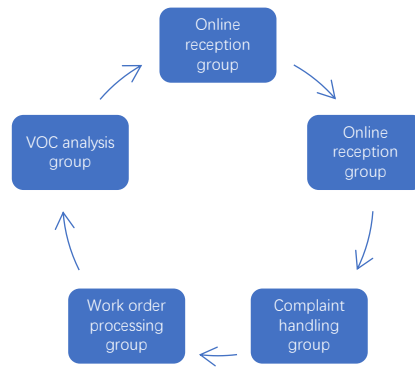
The Company has developed standardized service guidelines for consumer services, which regulate customer service behavior across various scenarios to ensure consistent, high-quality service delivery. In addition, AI technologies are employed to monitor and respond to consumer issues, improving customer service efficiency and enhancing the overall consumer experience.

In 2024, the Company further enhanced its AI applications to enable real-time monitoring of all online customer service conversations across channels. AI automatically identifies key content in interactions between customer service agents and consumers, issuing real-time alerts for risk-related conversations and escalating them for higher-level handling. Furthermore, AI aggregates and analyzes customer feedback, deconstructing frontline consumer insights and conducting multi-dimensional data analysis covering products, services, logistics, and marketing, thereby generating improvement recommendations across operational touch points. These measures have significantly increased customer service response speed and issue resolution efficiency, while continuously enhancing the consumer experience and boosting satisfaction levels.

Customer Complaint Handling

For various types of consumer complaints, the Customer Service Center has established a dedicated complaint handling task force covering all online and offline channels. This includes comprehensive procedures for handling complaints related to product quality, safety, and regulatory compliance. The system ensures that all consumer complaints are addressed within 24 hours and resolved within three working days.

Shanghai Jahwa After-Sales Service Assurance System



Shanghai Jahwa Consumer Complaint Handling Methods

Complaint Type	Handling Method
General issues	Authorized frontline personnel are empowered to handle issues quickly.
Serious issues or complaints involving legal/regulatory matters	Specialized departments conduct prompt and effective analysis and resolution, while also investigating root causes and implementing preventive measures.
Batch issues with major impact	Immediately reported to Company leadership for appropriate resolution; product recalls are initiated if necessary.

In addition, the Company conducts widespread consumer satisfaction surveys across all sales channels to gather customer feedback and continuously evaluate and improve the service system.

Key Performance Indicators



During the reporting period, overall consumer satisfaction reached 94.2%.
Year-over-year growth in satisfaction: Tmall: +4%. JD.com: +1%. Douyin: +2.5%.
Partner Channels: +1.5%



During the reporting period, the average customer service response time was 21 seconds.

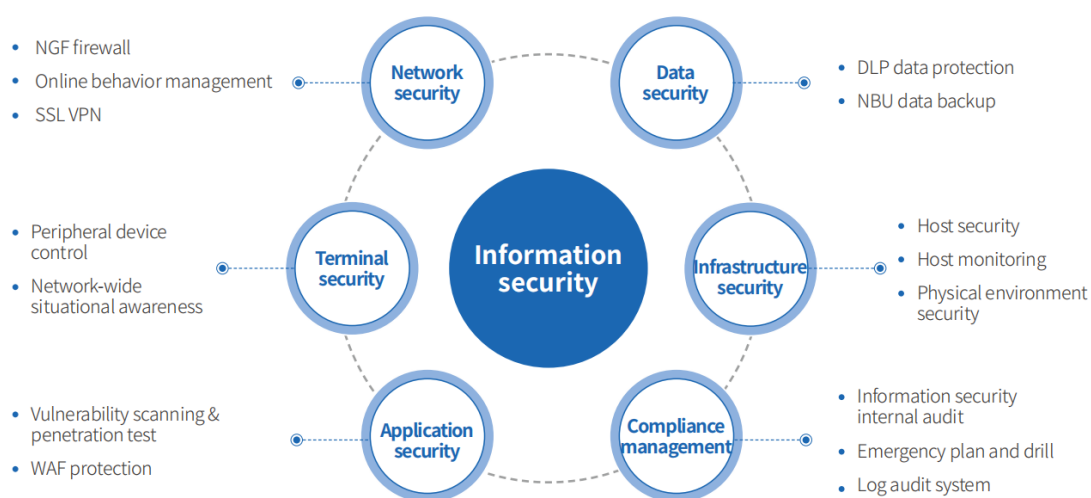
Data Security and Customer Privacy Protection

The key stages of data security and customer privacy protection at Shanghai Jahwa include data collection, storage, transmission, and usage. The Company places high importance on data security and customer privacy protection, strictly adhering to the *Cybersecurity Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, and other relevant regulations. The Company has built its

information security management system based on national classified protection requirements and the international ISO/IEC 27001 Information Security Management System framework.

In 2024, the Company introduced the *Information System Security and Confidentiality Policy*, optimized the data security approval process, and continuously improved its data protection framework. These efforts aim to provide stricter protection for the Company's information assets while further strengthening respect for and protection of customer privacy rights.

Shanghai Jahwa Data Security and Customer Privacy Protection Management System



Additionally, Shanghai Jahwa identifies data security and privacy-related risks through internal audits, industry case analyses, and expert consultations. Targeted strategies are then developed, including technical upgrades to guard against external threats, employee training, and the signing of confidentiality agreements with third parties, to ensure effective risk mitigation. In 2024, the Company launched three new data security training courses: *How to Prevent Ransomware*, *Protecting Core Business Information*, and *Upholding the AI Safety Bottom Line*. A total of 3,328 employees participated in the learning, and their awareness and capabilities in data security were enhanced.

During the reporting period, the Company experienced no violations or legal cases related to data security or privacy protection.

Data Security and Customer Privacy Protection Management Measures

Organizational safeguards	<ul style="list-style-type: none"> The Legal Department, Information Security Department, and Internal Control Management Department jointly oversee the Company's information security management.
Institutional safeguards	<ul style="list-style-type: none"> The Company has established multiple policies to ensure data and consumer privacy security, including: <i>Personal Information and Privacy Protection Policy</i>, <i>Information Security Regulations (Individual Edition)</i>, <i>Database Management Rules of Shanghai Jahwa</i>, <i>Measures for Management of Account Authorization in the Information System</i>, <i>Database Management Rules of Shanghai Jahwa</i>.
Integrated platform development	<ul style="list-style-type: none"> Systems such as the Supplier Relationship Management (SRM) system, visualization system, and operations security audit system are integrated into the One Jahwa platform, reinforcing the Company's overall information security framework through unified platform construction.
Hierarchical authorization management	<ul style="list-style-type: none"> The Company's information systems enforce strict access control based on the principles of "whoever manages the business, authorizes the functions," with hierarchical authorization. Access to consumer information systems is strictly role-based; employees are not allowed to access or download data beyond their job responsibilities.
Employee awareness enhancement training	<ul style="list-style-type: none"> The Company organized a series of themed training sessions, including <i>How to Prevent Ransomware</i>, <i>Protecting Core Business Information</i>, and <i>Upholding the AI Safety Bottom Line</i>, to enhance overall employee awareness of information security.

Information Security Management System Certifications

System	Certification Type
Shanghai Jahwa CRM Membership System	National Classified Protection Level 3 Certification
Shanghai Jahwa E-Commerce System	National Classified Protection Level 3 Certification
Jahwa OFS System	International ISO/IEC 27001 Information Security Certification

5.6 Sustainable Procurement

Practicing sustainable procurement is a fundamental component of improving the sustainability of both products and Company operations. It is also a key approach through which the Company supports its partners in enhancing their sustainability performance and in building a sustainable value chain.

As the core department responsible for supply chain management, the Procurement Department oversees the planning and execution of all supply chain operations, ensuring that the entire process—from supplier selection, evaluation, and collaboration to performance assessment—aligns with the Company’s strategic objectives and quality standards.

The Company has established supplier management and assessment systems such as the *Regulations on Dynamic Management of Suppliers* and the *Supplier Performance Evaluation Management Policy*. These are implemented through the Supplier Relationship Management (SRM) system to manage the full supplier lifecycle—including onboarding, evaluation, rewards, and elimination—ensuring all suppliers meet Company requirements.

Supply Chain Security and Compliance Management

Shanghai Jahwa classifies its suppliers into raw material suppliers and indirect suppliers. For raw material suppliers, an annual performance assessment is conducted, with evaluations jointly scored by the Quality Management, Procurement, R&D, and Planning Departments. Suppliers are graded based on the results. Identified issues must be addressed by the supplier through root cause analysis and submission of a corrective action plan. The following post-assessment strategies apply:

Shanghai Jahwa Supplier Performance Ratings

Grade A	<ul style="list-style-type: none"> Suppliers are given priority in bidding opportunities and enjoy preferential treatment in winning bids and being selected for purchases under equal conditions.
Grade B	<ul style="list-style-type: none"> Suppliers have regular access to participate in bidding and procurement collaborations.
Grade C	<ul style="list-style-type: none"> Suppliers face certain restrictions in bidding and procurement participation.
Grade D	<ul style="list-style-type: none"> Suppliers are disqualified from bidding and are strictly restricted from engaging in any procurement activities.

To strengthen supply chain security and stability and to build a high-quality supply network, the Quality Management, Procurement, and Information Departments work closely to develop a manufacturer directory, critical raw materials directory, and corresponding maintenance management functions within the SAP¹ system. This enables efficient production and raw material supply management while ensuring strict compliance with applicable regulations. Additionally, the Company regularly organizes multi-level training for suppliers—covering anti-corruption, system operation, and quality standards—to raise supplier awareness of quality, compliance, and system operation capabilities.

Note 1: SAP (System Applications and Products) refers to SAP SE’s enterprise management software suite.

Sustainable Procurement Management

Shanghai Jahwa adheres to a green procurement philosophy and has established specific sustainable procurement management goals, including: 1) Reducing risks associated with multiple layers in the supply chain (e.g., reputational and supply risks); 2) minimizing the Company's environmental impact at the raw material level through sustainable procurement practices; 3) enhancing environmental and social performance across the supply chain through collaboration, thereby becoming a leader in promoting positive environmental and social outcomes.

To ensure the effective implementation of sustainable procurement goals, the Company has formulated relevant management systems, including the *New Raw Material Supplier Application Evaluation and Approval Process*, the *Material Supplier Performance Assessment Management System*, the *Raw Material Supplier Performance Assessment Management System*, the *Dynamic Management System for Raw Material Suppliers*, and the *Sustainable Procurement Policy of Shanghai Jahwa*, integrating the principles of sustainable development into supplier management.

Focus Areas of Shanghai Jahwa Sustainable Procurement

Focus Area	Details
Environmental protection	<ul style="list-style-type: none"> • Give priority to procuring packaging materials made from recycled materials and raw materials sourced from green origins; • Give priority to procuring sustainably certified raw materials and gradually increase the procurement volume, such as palm oil certified by the Roundtable on Sustainable Palm Oil (RSPO); • Give priority to selecting suppliers of raw and auxiliary materials that adopt internationally recognized environmental management systems, such as the ISO 14001 Environmental Management System; • Use the use of environmentally friendly materials in suppliers' products and processes as one of the criteria for evaluating new suppliers; • Use the possession of environmental qualification certificates, pollutant treatment processes, and equipment by suppliers as one of the criteria for evaluating new suppliers; • Include greenhouse gas emissions as a consideration in the selection of new raw and auxiliary material suppliers; • Encourage suppliers to continuously improve their environmental management standards, enhance transparency of their environmental performance, and disclose their sustainability commitments externally.
Labor management	<ul style="list-style-type: none"> • Require suppliers to provide equal opportunities for employees, uphold fair employment practices throughout recruitment, promotion, dismissal, and other stages, and prohibit discrimination or differential treatment based on age, gender, place of origin, religious belief, marital status, etc.; • Require suppliers to respect and protect human rights, and to eliminate human rights violations such as forced labor, child labor, and excessive overtime; • Require suppliers to provide a healthy and safe working environment for their employees. We give priority to suppliers that adopt internationally recognized management systems, such as the OHSAS 18001 Occupational Health and Safety Management System; • Seek opportunities to cooperate with suppliers that support local economies and/or disadvantaged communities.

Focus Area	Details
Business ethics	<ul style="list-style-type: none"> Establish anti-corruption policies for suppliers, provide education and awareness-raising on anti-corruption and anti-commercial bribery, and eliminate any acts that violate business ethics; Open reporting channels to suppliers, encourage the reporting of violations of business ethics and anti-corruption practices, and include suppliers in the <i>Whistle-blower Protection System</i>, ensuring strict confidentiality of the whistleblower's personal information and all materials provided.

In 2024, Shanghai Jahwa has continued to implement a series of sustainable procurement initiatives in an effort to reduce the environmental and social impacts arising from procurement activities.

Shanghai Jahwa Sustainable Procurement Initiatives

Initiative	Details
Supplier assessment	<ul style="list-style-type: none"> In the annual supplier assessment, we evaluate whether the process materials are environmentally friendly and whether the suppliers possess environmental qualification certificates. Additional points are awarded to suppliers who have obtained RSPO certification or carbon management certificates. Suppliers are subject to online performance assessment and evaluation. For those who fail to meet performance standards, we initiate performance improvement communication or eliminate them from the supplier pool.
Localization of raw materials	<ul style="list-style-type: none"> While ensuring compliance with quality standards, we have increased the proportion of domestically sourced raw materials to enhance the stability of our supply chain.

Sustainable Procurement Indicators and Targets

Indicator	Unit	Management Target	Progress in 2024	Status
Proportion of suppliers assessed in terms of environmental, labor, and ethical aspects during the reporting period	%	1) Reduce risks arising from multilayered supply chain structures 2) Reduce the Company's environmental impact from the raw material end through sustainable procurement practices 3) Improve environmental and social performance in the supply chain through cooperation and become a leader in promoting positive environmental and social outcomes	100	Achieved

Note: The above data excludes Tommee Tippee.

6. Environmental Responsibility

6.1 Environmental Compliance Management

Shanghai Jahwa strictly complies with environmental laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, the *Regulations on the Safety Management of Dangerous Chemicals*, and the *Technical Specification for Setting Identification Signs of Hazardous Waste*. The Company has established a comprehensive environmental management system, with the EHS departments of each production site responsible for implementing and supervising environmental management work at their respective locations.

We conduct environmental impact analysis to gain a comprehensive understanding of the environmental impact factors across various stages of our operations, identify potential areas for improvement, and promote green and low-carbon economic and social development.

Major Environmental Impact Analysis

Stage	Environmental Factor Inputs	Environmental Factor Outputs
Procurement	<ul style="list-style-type: none"> Raw materials, energy, and water resources consumed during suppliers' production and operation processes 	<ul style="list-style-type: none"> Wastewater, exhaust gas, waste, and greenhouse gases generated during suppliers' production and operation processes
R&D and production	<ul style="list-style-type: none"> Energy: purchased electricity, natural gas, steam Water resources: municipal water supply Packaging materials 	<ul style="list-style-type: none"> Greenhouse gases Exhaust gas: volatile organic compounds (VOCs), nitrogen oxides (NO_x) Wastewater: chemical oxygen demand (COD_{cr}), suspended solids General waste: expired products, domestic waste, packaging waste Hazardous waste: sludge, hazardous reagents, waste engine oil
Logistics and warehousing	<ul style="list-style-type: none"> Energy: diesel consumed by freight vehicles, electricity consumed by electric vehicles, energy consumed in warehousing Packaging materials 	<ul style="list-style-type: none"> Greenhouse gases General waste: packaging waste
Office operations	<ul style="list-style-type: none"> Energy: purchased electricity, electricity and gasoline consumed by Company-owned vehicles Water resources: municipal water supply 	<ul style="list-style-type: none"> Greenhouse gases Wastewater: domestic sewage General waste: domestic waste
Product use and disposal	<ul style="list-style-type: none"> Energy and water resources consumed by consumers during product use Energy and water resources consumed during the waste disposal process 	<ul style="list-style-type: none"> Waste generated after product use by consumers Wastewater, exhaust gas, and greenhouse gases generated during the waste disposal process

To effectively manage environmental risks, the Company engages qualified

environmental testing and technology firms to regularly monitor its wastewater and exhaust gas. We also conduct regular monitoring of environmental noise at the Factory boundary to protect the living environment and health of nearby residents. At the same time, we fulfill our legal and social responsibilities by establishing environmental emergency response plans and organizing relevant emergency drills.

6.2 Emissions and Wastes

Wastewater and Exhaust Gas Emissions

The main categories of wastewater generated by the Company are domestic sewage and industrial wastewater. After being treated at the Company's on-site wastewater treatment stations, the effluent is discharged into the municipal pipeline network. The Company has established management documents such as the *Wastewater Discharge Management Procedures* and conducts regular monitoring of the effluent to ensure that the treated wastewater complies with discharge standards.

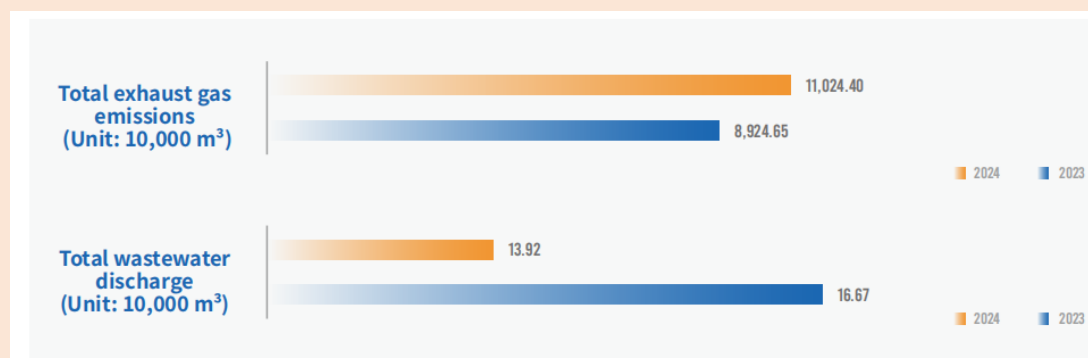
The main categories of air pollutants generated by the Company include non-methane total hydrocarbons, particulate matter, and odors. These are treated by the Company's on-site exhaust gas treatment system before being discharged into the pipeline network. The Company has developed regulatory documents such as the *Exhaust Gas Emission Management Procedures* to manage exhaust gas emissions and regularly monitors emissions from production to ensure compliance with emission standards.

Shanghai Jahwa Wastewater and Exhaust Gas Emission Standards and Requirements

Category	Main Types	Emission Standards	Management System	Treatment Method	Treatment Requirements
Wastewater	Process wastewater, workshop cleaning wastewater	<i>Integrated Wastewater Discharge Standard</i>	<i>Wastewater Discharge Management Procedures</i>	Third-party monitoring	Discharge in compliance with standards
Exhaust gas	Non-methane total hydrocarbons, particulate matter, odors	<i>Integrated Emission Standard of Air Pollutants DB31/1025-2016 Emission Standards for Odorous Pollutants</i>	<i>EHS-P-032A Exhaust Gas Emission Management Procedures</i>	Third-party monitoring	Discharge in compliance with standards

To prevent on-site wastewater from having negative environmental impacts, the Kua Yue Factory has installed blocking bags at rainwater inlets within the Factory premises. In the event of chemical accidents, fires, or explosions, the rainwater inlets can be promptly sealed to prevent leaked chemicals and firefighting wastewater from entering the rainwater collection system. Additionally, shut-off valves are installed at the rainwater pipeline outlets to prevent accident-related wastewater from polluting the external environment.

Key Performance Indicators



Note: The above data excludes Tommee Tippee. The increase in exhaust gas emissions in 2024 compared with the previous year is due to the higher production volume and number of inspection batches in the Traditional Chinese Medicine Workshop of the Kua Yue Factory.

Solid Waste

The Company refers to relevant laws and regulations such as the *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste*, the *Regulations on the Safety Management of Hazardous Chemicals*, and the *Regulations of Shanghai Municipality on the Management of Domestic Garbage* to formulate internal policies including the *Waste Management Regulations* and the *Regulations on Hazardous Waste Management*.

In 2024, the Company updated the *General Guidelines for the Informatized Management of Solid Waste*, reclassifying and re-labeling solid waste generated during factory production processes to strengthen waste management at the source.


Shanghai Jahwa Solid Waste Disposal Standards and Requirements

Category	Main Type	Emission Standard	Management System	Disposal Method
General waste	Cartons, paper boxes, used raw material barrels (clean)	<i>Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste</i>	EHS-I-002 B <i>Waste Management Regulations</i>	Partial recycling treatment
Hazardous waste	Sludge, laboratory waste, organic waste liquids, spent activated carbon, used raw material barrels, waste mineral oil	<i>Standard for Pollution Control on Hazardous Waste Storage</i>	EHS-I-018 B <i>Regulations on Hazardous Waste Management</i>	Handled by qualified institutions

The solid waste generated by the Company includes general waste and hazardous waste, with the main categories being sludge, waste chemical reagents, and packaging waste. Hazardous waste is centrally collected and handed over to qualified institutions for regular treatment, while recyclable portions of general waste are reused.

In 2024, the Company launched resource utilization projects for both general solid waste and hazardous waste, effectively improving the reuse rate of waste at its factories.

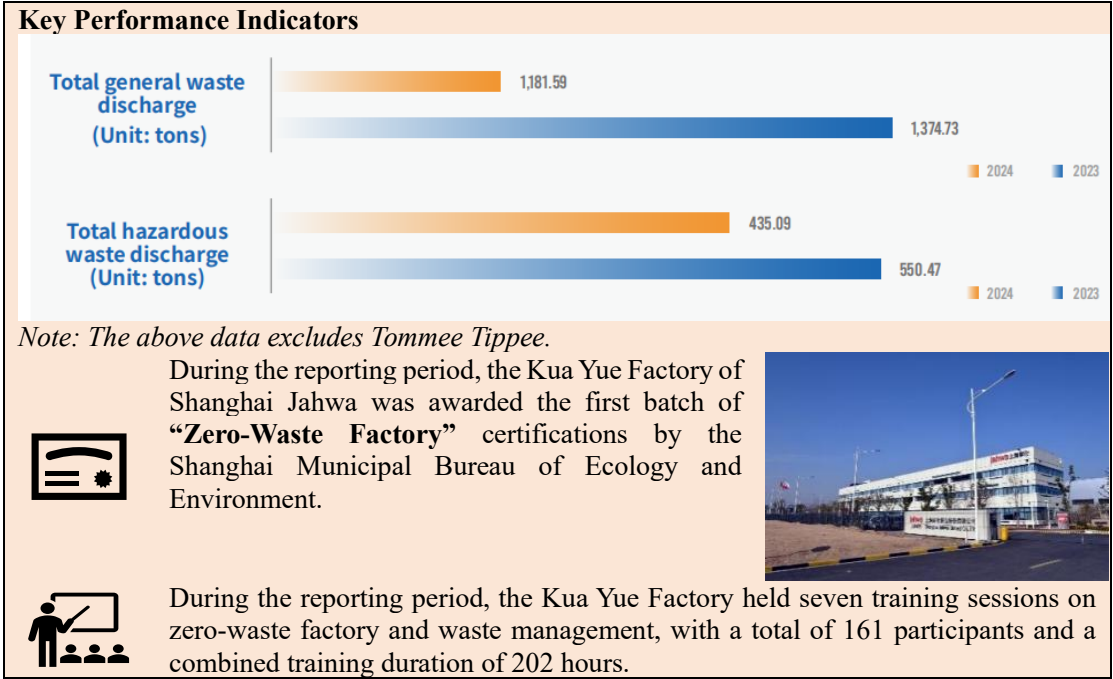
Waste Resource Utilization Projects

Measure	Description
Reuse of high-calorific-value solid waste	Sort out high-calorific-value, plastic general industrial solid waste from miscellaneous waste and process it into RDF fuel.
Resource-based disposal of waste plastic bottles	Collect plastic bottles contaminated with finished product material, and deliver them to a resource recovery unit for solid-liquid separation and recycling. The recovered plastic is then made into finished products such as plastic pallets, crates, and trash bins, which are reused in the factory.
Sludge brick-making	<p>After multiple assessments and expert reviews, the Kua Yue Factory has, since April 2024, treated sludge as general solid waste. The sludge brick-making project can save the factory RMB 300,000 annually and enables the recycling of 300 tons of resources each year.</p> <p>Specific resource utilization measures for sludge: use sludge bricks to raise dike walls in tank areas to prevent raw material leakage and soil contamination; use sludge bricks for painting to create environmentally themed artworks.</p> 

[Case] “Empty Bottle Recycling” Gives New Life to Discarded Plastic

Shanghai Jahwa advocates for a green lifestyle and encourages employees and consumers to practice green living concepts. In 2024, the Company launched an empty bottle recycling campaign covering Jahwa Workplace, Giving Baby (Qichu), and Herborist brands, actively promoting joint participation by employees and consumers to explore new approaches for the circular reuse of empty bottles.

Six Steps to Rebirth for Empty Bottles



6.3 Usage of Water Resources

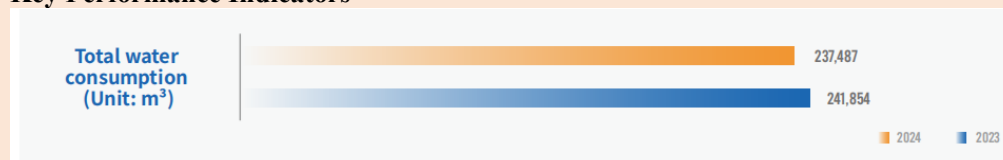
Shanghai Jahwa primarily uses water for production, domestic use, outdoor landscaping and road sprinkling, as well as utility water replenishment. The water source is municipal tap water.

In 2024, the Company fulfilled its statutory water-saving obligations and actively carried out water-saving initiatives. In addition, to better address risks related to usage of water resources, our production departments have entered into agreements with local water supply companies for fixed tiered pricing, and adopted water-saving technologies and recycling systems to improve water use efficiency.

Water-Saving Measures and Results in 2024

Department	Measures	Water-Saving Results in 2024
Kua Yue Factory	Use final effluent from the wastewater treatment station to replace tap water for DAF chemical preparation	Annual water consumption reduced by 2,000 tons
	Adjust the water treatment system process to achieve water savings by switching to standby flushing of purified water at reduced frequency	Annual water consumption reduced by 1,800 tons
	Adjust the minimum amount of cooling water for the lift pump at the wastewater collection tank	Annual water consumption reduced by 1,700 tons
Hainan Factory	Use concentrated water from the deionization process for vacuum machine cooling (originally cooled with tap water)	Water consumption in 2024 decreased by 3.80% compared with 2023
	Install water meters on each branch line to detect leaks promptly	
	Collect bottle-washing water from production for landscaping irrigation	

Key Performance Indicators



Note: The above data excludes Tommee Tippee.

6.4 Climate Change Tackling

Shanghai Jahwa strictly complies with domestic and international laws and regulations related to climate change and greenhouse gas emissions, and continuously implements the sustainable development philosophy to support the national “dual carbon” goals and green transformation strategy. To effectively address climate change and promote a green and low-carbon transition, the Company has formulated management policies including the *Shanghai Jahwa Carbon Management Plan for the Whole Value Chain*.

The Company has established a top-down management mechanism. The Strategy and Sustainable Development Committee under the Board of Directors is responsible for formulating the Company’s long-term development strategy, including ESG strategies and implementation actions related to “Climate Change Tackling”

To effectively address risks and opportunities associated with climate change, Shanghai Jahwa has established a carbon neutrality planning target, setting 2020 as the baseline year. Through carbon reduction at its own operational facilities and increasing the share of renewable energy, the Company aims to achieve full value chain carbon neutrality before 2050, with 100% of products classified as green and low-carbon.

Shanghai Jahwa Full Value Chain Carbon Neutrality Path



In addition, our subsidiary Tommee Tippee is committed to becoming a net-zero carbon emissions enterprise by 2030 (excluding Scope 3 freight emissions), and to reducing its global carbon footprint.

Promoting Carbon Reduction Across the Value Chain

The Company integrates product life cycle environmental impact assessment into the R&D process to ensure that environmental factors are fully considered during product development and to continuously enhance the environmental attributes of our products. Through such assessments, the Company gains a comprehensive understanding of the environmental impact of its products, identifies potential areas for improvement in a timely manner, and thereby reduces environmental impact while providing customers with more sustainable product solutions.

Shanghai Jahwa Product Life Cycle Carbon Reduction Actions

Stage	Measures
Raw material procurement	<ul style="list-style-type: none"> Include greenhouse gas emissions as a consideration in the selection of new raw and auxiliary material suppliers. During supplier onboarding, collect and evaluate their greenhouse gas emissions or energy management levels as one of the evaluation criteria.
Product R&D and production	<ul style="list-style-type: none"> Optimize production processes and adjust power-consuming facilities such as lighting and air conditioning to reduce unnecessary energy consumption. Increase the proportion of clean energy by utilizing self-owned photovoltaic power generation. Upgrade equipment by replacing high-energy-consuming machinery with low-energy-consuming alternatives.
Logistics, transportation, and warehousing	<ul style="list-style-type: none"> Establish a regional logistics network to improve transportation efficiency. Promote green transportation by replacing fuel-powered vehicles with new energy vehicles to reduce fuel consumption and greenhouse gas emissions.
Product use and disposal	<ul style="list-style-type: none"> Print recycling prompts on product packaging to guide consumers toward sustainable consumption.

In 2024, the Company continued to advance its value chain carbon reduction plan, collecting energy consumption and carbon emissions data, as well as carbon management case studies, from 15 outsourced factories. Highlights include:

- Seven outsourced factories installed solar photovoltaic panels, generating a total of 1,370,895 MWh of clean electricity annually.
- Five outsourced factories reduced purchased electricity by 2,603 MWh and natural gas usage by 1,016,886 cubic meters through equipment upgrades and refined energy management, resulting in carbon emissions reduction equivalent to 3,697 tCO₂e¹.
- Two outsourced factories established carbon data management platforms to enable accurate and real-time tracking of carbon emissions.

Note 1: The electricity carbon emission factor is based on the Ministry of Ecology and Environment's "Notice on the Management of Greenhouse Gas Emission Reports for Power Generation Enterprises (2023 - 2025)," at 0.5703 tCO₂e/MWh. The natural gas emission factor is sourced from the China Energy Statistical Yearbook (2022), at 0.002176 tCO₂e/m³.

During the reporting period, to reduce emissions in logistics and warehousing, the Company increased the use frequency and load capacity of new energy vehicles in shuttle transportation between the Kua Yue Factory and warehouses, transporting 2,155 tons of goods using natural gas vehicles. The Company continued to implement the "Fly Guangdong Plan," reducing electricity consumption by 35 MWh through warehouse integration and replacing diesel vehicles with new energy vehicles, resulting in a reduction of 4,278 liters of gasoline.

In addition, the Company participated in the development of various industry and group standards, including the *Guidelines for Carbon Footprint Evaluation of Skincare Products* (T/CIET 543-2024) and the *Green Factory Evaluation Standard for the Cosmetics Industry* (T/CIET 544-2024).

Climate Change Indicators and Targets

Indicator	Unit	Management Target	2020 (Baseline Year)	Progress in 2024	Status
Total carbon emissions	tCO ₂ e	By 2035, reduce carbon emissions across all self-owned operational facilities by 50%; reduce carbon emissions per unit product at self-owned factories by 50%	16,211.31	12,204.83	On track
Greenhouse Gas Emission Intensity	tCO ₂ e / 10,000 units of product	By 2050, achieve full value chain carbon neutrality with 100% of products being green and low-carbon.	0.260	0.249	

6.5 Energy Usage

Energy conservation and consumption reduction are key components of the Company's green transformation efforts. Shanghai Jahwa strictly complies with relevant laws and regulations such as the *Law of the People's Republic of China on Energy Conservation*, and has established energy management systems including the *Management Procedures of Energy Benchmarks and Energy Performance Parameters*, the *Energy and Resource Management System*, and the *Management Regulations on Energy Measuring Instruments (Kua Yue Factory)*. In 2024, the Company updated the *Energy Planning and Review Operation Control Procedure*, which elaborates on energy benchmarking and review processes to further promote systematic and refined energy management.

Aligned with Shanghai Jahwa's long-term goal of achieving full value chain carbon neutrality by 2050, the Company attaches great importance to the clean and low-carbon transformation of energy and continuously increases the proportion of clean electricity usage.

Reducing Operational Energy Consumption

The main types of energy used in the Company's production and operations are natural gas, electricity, and steam. To better address risks and opportunities related to energy usage, the Company has adopted a range of measures in its production and operations to promote energy conservation and efficiency, ultimately achieving systematic and refined energy management.

Energy-Saving Measures at Operational Factories

Energy Type	Measures	2024 Work Results
Electricity	<ul style="list-style-type: none"> Upgrade to improve the cooling COP of the air conditioning system. 	Electricity saved: 190 MWh
	<ul style="list-style-type: none"> Retrofit of lift pumps at the wastewater station, replacing large pumps with smaller ones in the intermediate tank. 	Electricity saved: 30 MWh
	<ul style="list-style-type: none"> Retrofit of blowers at the wastewater station with variable frequency drives; add frequency converters to the Roots blowers in the regulating tank. 	Electricity saved: 20 MWh
	<ul style="list-style-type: none"> Adjust regeneration frequency of compressed air dryers, changing the mode from one hour drying/one hour regeneration to 1.5 hours drying/1.5 hours regeneration. 	Electricity saved: 20 MWh
	<ul style="list-style-type: none"> Optimize air conditioning operation control: turn off air conditioning during transitional seasons; configure workshop systems based on demand. 	Electricity saved: 280 MWh
	<ul style="list-style-type: none"> Adjust operating parameters of the walk-in drying room and optimize settings to improve energy efficiency. 	Electricity saved: 150 MWh
	<ul style="list-style-type: none"> Shut down process chilled water pumps at night when production is not running. 	Electricity saved: 140 MWh
	<ul style="list-style-type: none"> Install rooftop solar photovoltaic panels at the Kua Yue Factory workshop building, with an installed capacity of 4 MW; connected to the grid by the end of the reporting period. 	Annual photovoltaic power generation: 3,371 MWh

Energy Type	Measures	2024 Work Results
Steam	<ul style="list-style-type: none"> Optimize HVAC steam control: change steam proportional valve logic from 0 – 100% to 0 – 10%; open steam valve at night (baseline steam) to generate hot water for daytime dehumidification. 	Steam saved: 500 tons
	<ul style="list-style-type: none"> Schedule gas use for production reasonably to avoid peak demand from simultaneous usage. 	Steam saved: 80 tons
	<ul style="list-style-type: none"> Adjust insulation temperature for glycerin storage from 55° C to 50° C. 	Steam saved: 20 tons

In addition, the Company's operational Factories also enhance employees' energy-saving awareness and capabilities through awareness campaigns and training sessions. In 2024, the Kua Yue Factory held a total of seven ESG and energy management training sessions, with 196 total participants and a combined training duration of 272 hours.

Office Energy-Saving Measures

Office Location	Measures
Company headquarters	<ul style="list-style-type: none"> Save electricity by implementing intelligent control over air conditioning, lighting, office appliances, and other equipment. Promote green office practices to raise employee awareness and cultivate energy-saving habits. Enforce inspection routines to ensure that lights and various devices are turned off after work. Optimize operational management by reducing the runtime of certain large equipment in the workplace, minimizing unnecessary energy use, and improving efficiency.

Energy Usage Indicators and Targets

Indicator	Unit	Management Target	Progress in 2024	Status
Purchased electricity consumption	MWh	The Company attaches great importance to the clean and low-carbon transformation of energy and continuously increases the proportion of clean electricity usage.	9,542.12	On track
Self-generated renewable energy consumption ^[1]	MWh		3,371	
Proportion of clean electricity usage ^[2]	%		26%	

Note:

[1]Self-generated renewable energy consumption refers to electricity generated by rooftop photovoltaic panels at the Kua Yue Factory.

[2][Calculation Formula]Proportion of clean electricity usage = self-generated renewable energy consumption / (purchased electricity consumption + self-generated renewable energy consumption) × 100%

6.6 Green Packaging

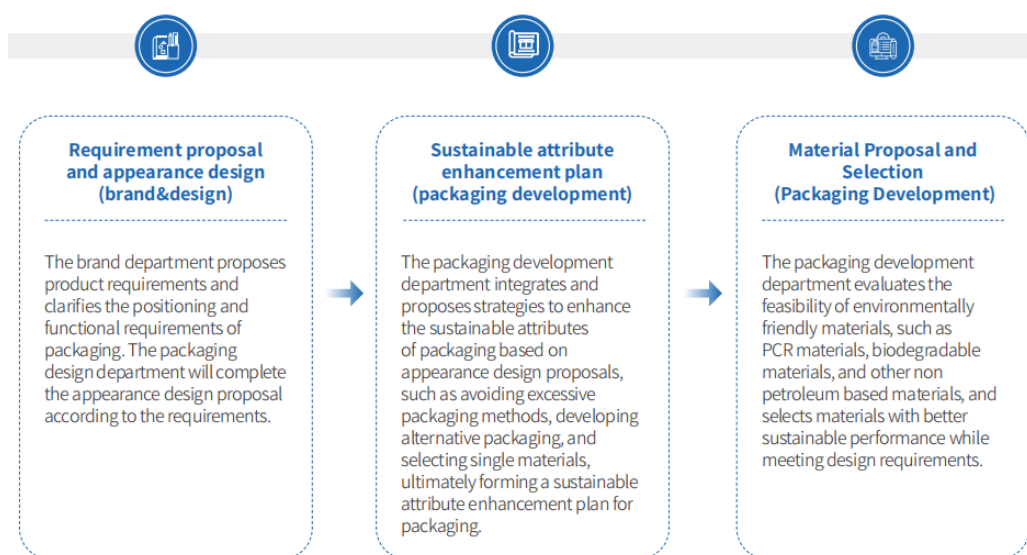
Shanghai Jahwa regards the enhancement of sustainable packaging attributes as an essential component of all new or updated product development and launch processes, and is committed to continuously improving packaging sustainability through innovative design. The Company's packaging material management covers all categories of consumer packaging (i.e., all packaging received by consumers, including product containers, gift boxes, and express packaging), as well as packaging used in production and logistics. Consumer packaging is managed by the Packaging Development Department, while production and logistics packaging is managed by the Supply Chain Department.

To reduce the environmental impact caused by product packaging, the Company has set sustainable packaging management targets and is committed to gradually improving the reuse rate of packaging used within factories and in logistics by 2035, as well as exploring recyclability upgrades of packaging materials.

In 2024, the Company formulated the *Shanghai Jahwa Sustainable Packaging Management Measures*, upgrading its sustainable packaging management strategy from 3R (Reduce, Reuse, Recycle) to 4R (Reduce, Reuse, Recycle, Replace), further clarifying and refining the path and strategy for sustainable packaging management.

Promoting Sustainable Product Packaging

The Company follows the process below to comprehensively evaluate packaging design solutions, assessing and optimizing them from four perspectives—Reduce, Reuse, Recycle, and Replace—to progressively enhance the sustainability attributes of packaging throughout product upgrades and iterations.



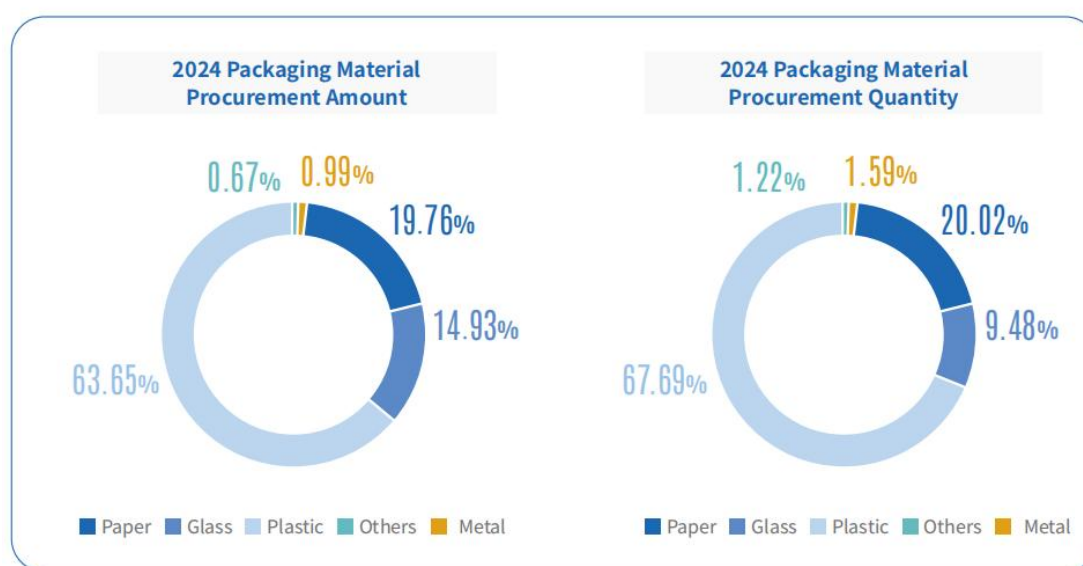
4R Packaging Optimization Measures and Application Results

Strategy	Case	Image	Measures and Results
Reduce	Maxam Packaging Upgrade		Structural and material upgrades reduced the use of petroleum-based plastics; approximately 18 tons of plastic were reduced during the reporting period.
	Dr.Yu Oil-sensitive and Dry-sensitive Trial Pack Removal of Gift Box		Packaging optimization reduced paper usage by approximately 12 tons during the reporting period.
	Liu Shen Body Wash Label Reduction		Label size was reduced, lowering label weight by approximately 20%, saving about 7 tons of plastic labels during the reporting period.
	Corrugated Box Weight Reduction and Box Removal		By optimizing the strength of cartons and inserts, the use of additional boxes and inserts was reduced and carton volume was minimized; approximately 22 tons of paper were saved during the reporting period.

Strategy	Case	Image	Measures and Results
Reuse	Dr.Yu Barrier Repair Expert Lightweight Moisturizing Cream Refill		During the reporting period, each refill pack of Dr.Yu Barrier Repair Expert Lightweight Moisturizing Cream reduced packaging usage by 80 – 90%; approximately 47 tons of packaging were reduced.
	Herborist Rejuvenating Face Cream Refill		During the reporting period, each refill pack of Herborist Rejuvenating Face Cream reduced packaging usage by 80 – 90%; approximately 13 tons of packaging were reduced.
	Herborist Tai Chi Cream Refill		During the reporting period, each refill pack of Herborist Tai Chi Cream reduced packaging usage by 80 – 90%; approximately 18 tons of packaging were reduced.
Recycle	Qichu Children's Shampoo and Facial Cleansing Mousse – Application of Ocean-recycled Plastic		By incorporating ocean-recycled plastic into the outer layer of bottle packaging materials, approximately 200 kilograms of virgin plastic were reduced during the reporting period.
	GF Gift Boxes Use Paper Instead of Plastic		Packaging optimization involved replacing the original plastic blister tray in gift boxes with more environmentally friendly raffia paper shreds, reducing plastic use by approximately three tons during the reporting period.

Strategy	Case	Image	Measures and Results
Replace	Gift Box Packaging Made of Natural Materials		A fully biodegradable, plastic-free mycelium gift box was developed during the reporting period and received the international Red Dot Award.

In 2024, the procurement amount and quantity proportions of various materials used in packaging across all products of Shanghai Jahwa are shown in the image below:



The Company has also extended the 4R principles to packaging management in logistics and transportation. In 2024, our warehouses adopted lightweighting and substitution strategies to enhance the sustainability of packaging.

Green Packaging Initiatives and Application Results in Logistics Warehousing

Strategy	Measures	Results
Reduce	Reduction in packaging material weight	<ul style="list-style-type: none"> In the B2B warehouse, the Company used thermoplastic film for packaging instead of PE bags, saving approximately 530,000 PE bags and reducing plastic usage by 4,240 kg.
Replace	Replacing plastic with paper	<ul style="list-style-type: none"> In the B2C warehouse, the Company used tear-open cartons instead of adhesive tape, applying 98,894 tear-open cartons and reducing adhesive tape usage by 2,080 rolls, effectively decreasing plastic consumption.

Shanghai Jahwa's subsidiary Tommee Tippee is committed to ensuring that packaging materials are sustainably sourced and 100% recyclable. In addition, Tommee Tippee uses FSC-certified paperboard packaging for all products manufactured in the United Kingdom and Morocco. The Forest Stewardship Council (FSC) is dedicated to improving global forest management and incentivizing forest owners and managers to follow social and environmental best practices through certification.

In addition to promoting green packaging for products, the Company participated in the drafting of several national and group packaging-related standards in 2024, including the *General Rules for Restricting Excessive Packaging of Commodities* (GB/T 31268-2024), the *All-Plastic Pump* (T/GDBZ 021-2024), and the *Guidelines for Testing Medium-Sized Express Transport Packages* (T/CPF 0088-2024).

We are also committed to the advocacy and promotion of green packaging, encouraging consumer participation in packaging recycling. For example, we printed recycling instructions on the packaging of the Maxam repairing hand cream series to help consumers sort waste more conveniently and promote efficient recycling of packaging materials. Furthermore, through our official website, WeChat public account, and other new media platforms, we actively promote the concept of sustainable packaging and green consumption, continuously raising consumer awareness of green packaging and encouraging more active engagement in related initiatives.



[Case] Giving and Maxam Product Packaging Won the “China Packaging Lion Award” for Packaging Innovation and Sustainable Development

The packaging bottles of the Giving children’s series adopt a dual-layer extrusion blow molding process, with the outer layer incorporating eco-friendly ocean-recycled plastic and the inner layer made of virgin plastic. This design helps reduce marine plastic pollution while ensuring the safety of the product-contact surface. In addition, shrink sleeves are used instead of traditional silk-screen printing or adhesive labels, avoiding contamination of recycled materials by printing inks and facilitating the recycling and reuse of discarded packaging.

The Maxam Fermented Rice Revitalizing Moisturizing series features a unique rice-grain-shaped design that achieves a minimalist appearance with smooth lines to enhance user affinity. The set packaging uses a single recyclable material, making it easier to recycle after consumption.

In 2024, the packaging of the Maxam Fermented Rice Revitalizing Moisturizing series and the Giving children’s series respectively won the “Design Innovation Award” and “Technology Innovation Award” at the 14th China Packaging Lion Award for Packaging Innovation and Sustainable Development, showcasing Shanghai Jahwa’s outstanding achievements in sustainable packaging innovation.



Green Packaging Indicators and Targets

Indicator	Unit	Management Target	Progress in 2024	Status
Recyclable packaging material upgrade	/	By 2035, gradually improve the recycling rate of packaging used in factory operations and logistics, and explore recyclable material upgrades	Through projects such as the packaging upgrade of Maxam and the addition of ocean-recycled plastic to the outer layer of Giving packaging, plastic usage was effectively reduced	On track

6.7 Ecosystem and Biodiversity Protection

Some key ingredients in beauty and personal care products, such as palm oil and wood pulp, are directly linked to deforestation or forest degradation. Overharvesting or improper extraction may lead to ecological damage and a reduction in biodiversity.

Shanghai Jahwa has joined the Roundtable on Sustainable Palm Oil (RSPO) and set a long-term goal to achieve 100% RSPO certification for all palm oil and palm oil derivatives used in our product ingredients by 2050.

In 2024, our supply chain obtained RSPO MB (Mass Balance) production certification, and we launched our first product using sustainable palm oil—the GF Sports Shampoo & Body Wash. In addition, we have begun collaboration with selected direct suppliers of palm oil and its derivatives to better understand upstream social and environmental practices, jointly building an ecologically friendly supply chain with our partners.



GF Sports Shampoo & Body Wash



The Roundtable on Sustainable Palm Oil (RSPO) is a non-profit, multi-stakeholder organization. RSPO certification requires that palm oil plantations do not involve illegal deforestation, and that measures are taken to protect natural habitats, avoid ecosystem damage, and safeguard wildlife habitats.

In addition, Tommee Tippee's UK Factory has established a wildlife-friendly environment by planting wildflowers to attract bees and butterflies, and installing bird nest boxes to support bird conservation and enhance biodiversity.

At our Shanghai Jahwa Kua Yue Factory, we have created a 28,000-square-meter green space on the premises, planting nearly 60 types of vegetation, including 807 trees and 690 shrubs. These plants not only enhance the factory environment but also provide habitats for certain species, effectively protecting and promoting local biodiversity.

[Case] Ocean-Friendly Green Sunscreen Products Safeguarding Biodiversity

Shanghai Jahwa launched a globally leading ocean-friendly green sunscreen product—Dr. Yu Sunscreen Lotion. The product avoids sunscreen ingredients harmful to marine life and adopts the MM3 macromolecular sun protection system, selecting three environmentally and ocean-friendly macromolecular UV filters. This demonstrates our responsibility and commitment to biodiversity protection. In 2024, Dr. Yu Sunscreen Lotion was awarded the “Green Case of the Year” under the 2024 Annual Consumption Innovation Excellent Cases by The Paper.



7. Social Responsibility

7.1 Employee Rights and Benefits

Shanghai Jahwa strictly complies with the *Labor Law of the People's Republic of China* and other relevant laws and regulations. We have established policies such as the *Employee Handbook* to build a comprehensive and standardized human resources management system. This system covers recruitment and termination, working hours and leave, compensation and promotion, and fully safeguards employees' legal rights and benefits.

Upholding the people-oriented philosophy, the Company explicitly prohibits child labor, forced labor, and other improper employment practices. We ensure strict screening and daily supervision to prevent the use of child or forced labor, and safeguard against discrimination based on race, religion, gender, age, marital status, disability, nationality, or other factors. We also respect employees' political rights, including freedom of association, collective bargaining, and democratic election.

During the reporting period, the Company reported no incidents of labor violations.

Employee Rights Protection Measures and Related Systems

Type	Rights Protection Measures	Relevant Policies and Systems
Recruitment	<ul style="list-style-type: none"> Adhere to the principles of legality, compliance, equality, fairness, and non-discrimination in employee recruitment, and strictly prohibit all forms of discrimination, child labor, and forced labor 	<i>Employee Handbook</i>
Termination	<ul style="list-style-type: none"> Termination of labor contracts is conducted in accordance with the relevant policies outlined in the <i>Employee Handbook</i> and through mutual agreement 	<i>Employee Handbook</i>
Working Hours and Leave	<ul style="list-style-type: none"> Working hours: standard working hours are 40 hours per week; employees under irregular or comprehensive working hour systems may adjust their schedules as appropriate Leave: paid annual leave, marriage leave, bereavement leave, maternity leave, and other statutory leaves as prescribed by national regulations 	<i>Employee Handbook</i>
Compensation	<ul style="list-style-type: none"> Employee compensation is determined based on job responsibilities, position level, work performance, and individual potential The Company formulates annual salary adjustment policies based on in-depth research of market and industry salary data and in consideration of internal employee contributions. Resources are primarily allocated to front-line employees with strong performance, lower compensation, and those eligible for promotion, striving for fairness and equity across multiple dimensions 	<i>Employee Handbook</i> <i>Management Regulations on Occupational Health and Safety</i>

Promotion	<ul style="list-style-type: none"> At the beginning of each year, individualized annual performance assessment plans are set for employees. At year-end, performance is reviewed, and employees who pass the assessment are eligible for promotion opportunities 	<i>Employee Handbook</i>
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Shanghai Jahwa places great emphasis on the workplace and life challenges faced by female employees, ensuring that they receive all statutory benefits as well as additional benefits provided under internal Company policies. Female employees are granted equal opportunities for promotion and career development. In addition to statutory leave entitlements such as marriage leave, maternity leave, breastfeeding leave, prenatal check-up leave, and parental leave, the Company also provides extra leave days for all female employees. Furthermore, dedicated “Mommy Rooms” have been established to facilitate the return of female employees to the workplace after childbirth.

Employee Benefits and Initiatives at Shanghai Jahwa

Category	Initiatives
Care for female employees	<ul style="list-style-type: none"> “Mommy Rooms” are available at all office locations for the convenience of nursing mothers. On International Women’s Day (March 8), female employees are entitled to a half-day leave, and the Company organizes celebratory events.
Union activities	<ul style="list-style-type: none"> The Company fosters a sense of belonging and well-being among employees by establishing recreational and sports clubs and organizing regular fun activities.
Employee support	<ul style="list-style-type: none"> During traditional festivals, the Company organizes care activities, distributing gift packages and daily necessities to employees. Birthday celebrations are held regularly to send birthday wishes to employees.
Employee recognition	<ul style="list-style-type: none"> Outstanding employees and project teams are regularly recognized and awarded.
Workplace facilities	<ul style="list-style-type: none"> Refrigerators, microwave ovens, and coffee machines are available on each office floor. The Qingpu Factory is equipped with a canteen to meet employees’ dining needs.
Holiday leave	<ul style="list-style-type: none"> The Company respects the traditional cultures of all ethnic groups and provides ethnic holiday leave for employees of different backgrounds.

Shanghai Jahwa is committed to creating a joyful, healthy, and harmonious work and living environment for its employees. Through the establishment of various recreational and sports clubs and regular organization of engaging activities, the Company enhances employees’ sense of belonging and happiness while enriching their daily lives.

Employee Care Initiatives

Category	Initiatives	2024 Work Results
Assistance for employees in need	<ul style="list-style-type: none"> Around the Chinese New Year each year, the Company organizes support and care activities for employees facing financial difficulties or suffering from long-term serious illnesses. 	<ul style="list-style-type: none"> Provided assistance to six employees in need.
Care and support	<ul style="list-style-type: none"> The Company provides care and 	<ul style="list-style-type: none"> Delivered care and support

Category	Initiatives	2024 Work Results
	<ul style="list-style-type: none"> visits to employees who are hospitalized, have given birth, or have donated blood. During high-temperature seasons, the labor union provides care packages to employees working under high-heat conditions. 	<ul style="list-style-type: none"> to over 200 employees for hospitalization, childbirth, etc.; 80 blood donors were recognized; six employees with serious illnesses received special support. Over 400 employees received high-temperature season care packages.
Holiday season care	<ul style="list-style-type: none"> On traditional festivals such as the Spring Festival, Dragon Boat Festival, and Mid-Autumn Festival, the labor union distributes holiday care packages to union members, including essentials such as Spring Festival gift sets, zongzi, and mooncakes. 	<ul style="list-style-type: none"> Holiday care activities reached more than 6,600 employee engagements.
Parent-child activities	<ul style="list-style-type: none"> On Children's Day (June 1), the Company organizes parent-child activities for employees and their children. 	<ul style="list-style-type: none"> More than 300 employees and their children participated in parent-child activities.
Supplementary insurance enrollment	<ul style="list-style-type: none"> The labor union arranges supplementary hospitalization insurance and commercial insurance for employees through the city federation of trade unions. 	<ul style="list-style-type: none"> The total number of beneficiaries exceeded 3,700.
Health activities	<ul style="list-style-type: none"> Community hospitals are invited to provide on-site consultations at the Company, offering medical registration and prescriptions for employees. Physical therapy and massage activities are organized to help relieve employees' neck and shoulder fatigue. Health lectures are held in line with seasonal health themes, with traditional Chinese medicine experts invited to answer employees' health-related questions. 	<ul style="list-style-type: none"> Over 20 on-site medical consultation sessions were organized throughout the year. Five rounds of physical therapy and massage sessions were held, with a total of ten sessions conducted.

To enhance employee communication, the Company provides open and efficient communication mechanisms to ensure that all employees have full rights to participate and express themselves, fostering a harmonious and stable labor relationship.

Employee Communication Measures

Channel	Measures
Online communication channels via enterprise WeChat and OA platform	<ul style="list-style-type: none"> Through internal information platforms such as the Jahwa communication system, the Company promptly shares corporate development updates with employees; Listens to employee feedback and encourages them to actively contribute ideas for the Company's development.

Channel	Measures
Holding employee representative meetings	<ul style="list-style-type: none"> Organizes employee representative assemblies and joint meetings to gather employee opinions and suggestions.
Accessible employee grievance channels	<ul style="list-style-type: none"> Dedicated email addresses and hotlines are established to facilitate employee complaints. The <i>Employee Handbook</i> outlines the procedures for grievance filing. If employees are dissatisfied or subjected to unfair treatment, they may file complaints through a step-by-step escalation process. Additionally, the Company has a whistleblower protection mechanism to safeguard employees' privacy and personal information.

[Case] Shanghai Jahwa Organizes Health Care Activities

In 2024, to help relieve employees' neck and shoulder fatigue, Shanghai Jahwa partnered with external professional organizations to plan and successfully host five rounds of physical therapy and massage sessions, totaling ten sessions.

In addition, the Company arranged a series of wellness lectures aligned with China's traditional solar terms. Senior experts in traditional Chinese medicine were invited to deliver lectures, sharing health knowledge and providing one-on-one consultations to address employees' health concerns.

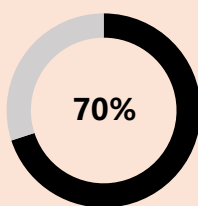


Health Care Activities

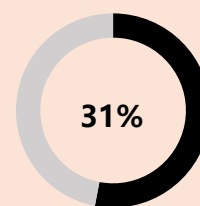
Key Performance Indicators



4,311
Total number of employees



Proportion of female employees



Proportion of female managers

7.2 Human Capital Development

Shanghai Jahwa places great importance on employee development. We strictly comply with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and other relevant policies and regulations, and have established policies such as the *Training Management Policy* to provide employees with a clear and accessible career development path.

Focusing on employee development topics, Shanghai Jahwa has formulated the following objectives: 1) Expand diversified training methods covering professional skills, management capabilities, and industry information; 2) continuously improve employee satisfaction with the organization.

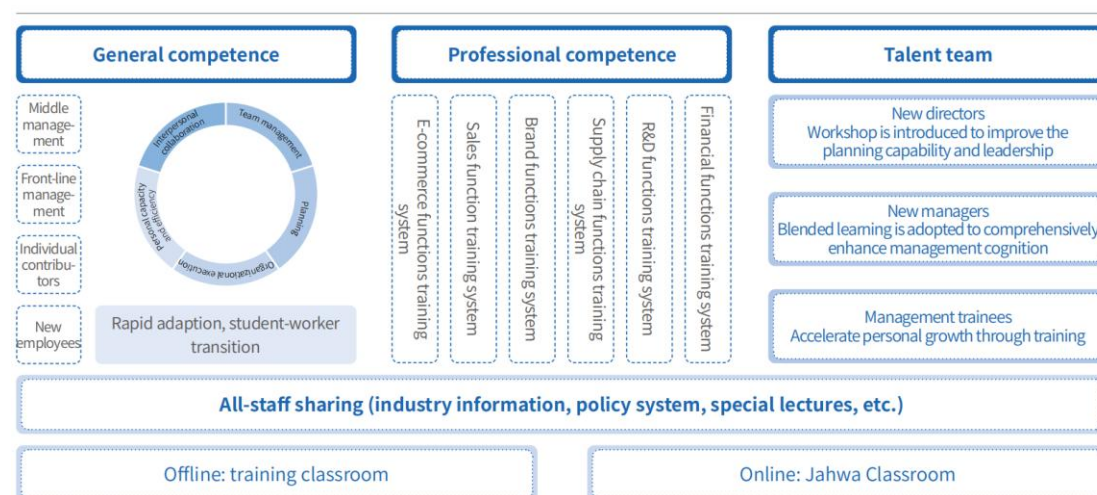
The Company has established a comprehensive assessment and promotion mechanism. At the beginning of each year, individual annual performance assessment plans are developed for employees. At year-end, a review of overall performance is conducted for the annual appraisal. Employees who pass the assessment are eligible for promotion opportunities.

Mechanism	Description
Assessment mechanism	<ul style="list-style-type: none"> Horizontal ranking: The Company conducts peer-level performance comparisons to generate performance ranking results. Incentive measures: Employees with excellent performance appraisal results receive targeted incentives.
Promotion mechanism	<ul style="list-style-type: none"> Based on tenure, individual performance, and record of compliance, employees go through a strict review process including promotion nomination, 360-degree evaluation, work reporting, topic-based presentations, interactive panel reviews, and executive interviews.

Talent Development and Training

In the *Talent Development and Training Plan*, Shanghai Jahwa has defined a framework for talent cultivation across three dimensions: “professional competencies,” “general competencies,” and “talent pipelines,” supporting individual development and creating better learning and development opportunities for employees to promote mutual growth between individuals and the Company.

Shanghai Jahwa Employee Training System



Employee Capability Development Measures

Capability Dimension	Specific Measures
Professional competencies	<ul style="list-style-type: none"> In 2024, the Company continued to focus on enhancing professional skills and accelerating business enablement by implementing professional training plans. A four-step methodology was applied: identifying business needs, selecting quality resources, designing tailored learning solutions, and tracking implementation. In 2024, efforts were concentrated on front-end marketing enablement, with specialized training conducted on key capabilities such as brand building and Douyin operations.
General management	<ul style="list-style-type: none"> In 2024, the Company offered training topics aligned with employee needs at different levels, based on feedback from training needs assessments. In addition to regular general competency training, the Company also launched a series of general lectures introducing cutting-edge industry knowledge, trending topics, and case studies. These were delivered through both live streaming and in-person sessions to reach a broader employee base.

Under the guidance of the Company's ESG strategy, we have continued to deepen the digital transformation in the field of talent development by building a hybrid learning ecosystem and implementing targeted empowerment strategies for emerging business sectors. The specific actions are as follows:

Types of Employee Training and Specific Actions

Training Type	Specific Action
Management training	The Company conducted targeted training programs for management. In 2024, management training achieved 100% coverage, with a total of over 101 participants. Topics included business-related themes such as growth models and brand strategies, as well as compliance, anti-corruption, and information security requirements.
Internal training	<p>Digital Enablement with Full Coverage By building an online learning platform, the Company adopted diversified knowledge delivery formats such as micro-courses and live-streamed lectures. Multimedia formats enhanced the engagement of non-headquarter employees and enabled efficient use of fragmented time.</p> <p>Community-Based Learning Ecosystem Through the enterprise WeChat platform, community-based learning was established, integrating knowledge quizzes, check-in tasks, and interactive Q&A. A leaderboard and point-based incentives encouraged active participation, peer sharing, and collective growth.</p> <p>Vertical Course System Development In 2024, the Company focused on enhancing professional capabilities in the Douyin channel. Six core themes were developed, covering advanced topics such as "Platform Algorithm Analysis," "Hot Content Creation," and "Intelligent Advertising Strategies." An innovative three-dimensional teaching method—"theory deep dive + case studies + practical review"—was applied, with total training coverage reaching 260 participants.</p>
External training	The Company supports employee participation in external learning opportunities. In 2024, a total of 35 participants were supported in external training programs, including CNS internal auditor training, Certified Management Accountant (CMA) training, and marketing science digital

Training Type	Specific Action
	marketer programs.

Human Capital Development Indicators and Targets

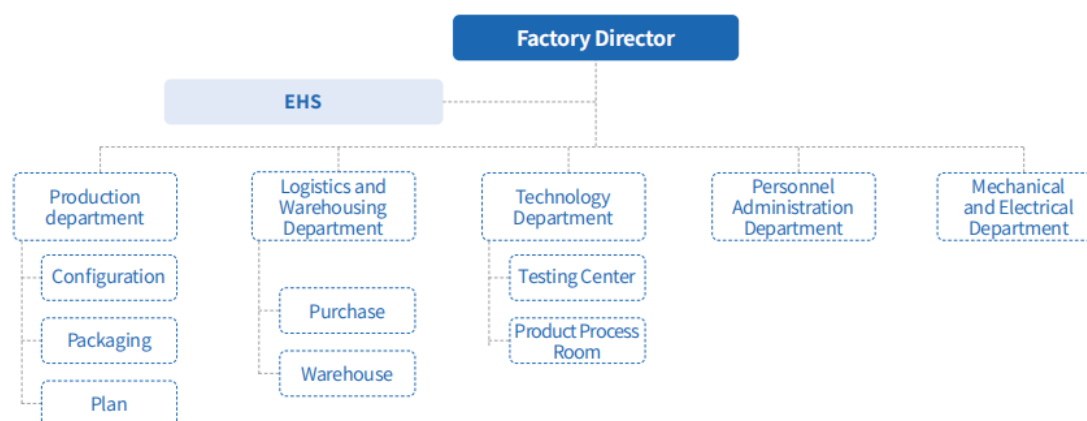
Indicator	Unit	Management Target	Progress in 2024	Status
Employee training coverage rate	%	1) Expand diversified training approaches covering professional skills, management capabilities, and industry information 2) Continuously improve employee satisfaction with the organization	100	In Progress
Average training hours per employee	Hours		15.3	
Average training sessions per employee	Time		16.1	

7.3 Occupational Health and Safety

Shanghai Jahwa strictly complies with the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, the *Work Safety Law of the People's Republic of China*, the *Measures for the Administration of the Declaration of Occupational Hazard Items*, the *Standards for Determining the Potential Risks of Major Accidents of Industry and Trade Enterprises*, and the *Regulations on the Supervision and Administration of Institutional Special Equipment Users in Fulfillment of Principal Responsibility of Safe Use*, among other occupational health and safety laws and regulations. The Company has formulated the *Management Regulations on Occupational Health and Safety*, adhering to the management principle of “prevention first, combining prevention with control.”

The Company has established an occupational health and safety management structure led by the Factory Director, who serves as the head of the system and takes full leadership over occupational health and safety efforts. Under the Factory Director, a dedicated occupational health management team and personnel have been appointed. The Safety Production Committee (EHS) is responsible for the factory's occupational health work. Department managers serve as committee members, and each department designates an EHS coordinator to represent employees and facilitate communication between the factory and departments.

Shanghai Jahwa Occupational Health and Safety Management Structure



Responsibilities of the Shanghai Jahwa Safety Production Committee

1. Establish annual safety targets and regularly review progress on key indicators;
2. Hold monthly EHS meetings to track the progress of EHS-related tasks;
3. Organize EHS-related inspections and monitor the resolution of identified issues;
4. Identify high-risk Serious Injuries and Fatalities (SIF) across departments and formulate control measures to mitigate such risks;
5. Organize factory-wide fire evacuation drills;
6. Develop an annual EHS training plan, implement training sessions regularly, and verify their effectiveness.

Work Safety

The Company has established an emergency response command center and an emergency rescue organization. A comprehensive emergency response system has been put in place, and the *Production Safety Accident Emergency Response Plan* has been developed. This plan covers accident risk identification and analysis, emergency

organizational structure and responsibilities, and response procedures. It clearly defines the characteristics of various potential accidents, rescue objectives, and on-site handling principles. In line with the Company's operational realities, integrated emergency drills have been conducted to enhance emergency response capabilities.

Work Safety Management Measures and Progress

Type	Measures	Progress
Improve management system	<ul style="list-style-type: none"> Identify risks in EHS management processes and develop corresponding contingency plans; Establish a comprehensive inspection mechanism to regularly detect and rectify safety hazards; Eliminate high-risk hazards through technical means; 	<ul style="list-style-type: none"> A qualified third-party agency was commissioned to conduct occupational hazard factor testing.
Strict process management	<ul style="list-style-type: none"> Conduct annual compliance evaluations to ensure factory production safety; 	<ul style="list-style-type: none"> Implemented in accordance with standards.
Provide protective equipment	<ul style="list-style-type: none"> Provide protective equipment such as dust masks, protective gloves, goggles/face shields, chemical-resistant suits, and safety shoes for positions exposed to occupational disease risks; 	<ul style="list-style-type: none"> Implemented in accordance with standards.
Enhance safety education	<ul style="list-style-type: none"> Promote a mutual-assistance-based "zero accident" EHS culture. The <i>Employee Handbook</i> outlines relevant requirements for EHS training and assessment systems. Through regular communication and training, employees' EHS awareness and capabilities are enhanced; Regularly conduct training such as first aid and fire drills. 	<p>During the reporting period:</p> <ul style="list-style-type: none"> Conducted 18 plant-level EHS training sessions, covering topics such as occupational health, AED first aid, and ergonomics, achieving 100% EHS training coverage at the factory level; Organized two fire evacuation drills with a total of 1,033 participants.

Occupational Health

At Shanghai Jahwa, positions exposed to occupational health risks primarily include the compounding workshop, packaging workshop, utilities positions, and laboratories. The Company identifies occupational health hazard factors in employee working environments and has developed a matrix of occupational health hazard factors by position, along with corresponding preventive measures.

Occupational Health Hazard Factors at Shanghai Jahwa

Production Area		Hazard Factor
Kuayue Factory	Filling and packaging workshop	Methyl ethyl ketone, acetone
	Compounding workshop and weighing center	Other dusts, titanium dioxide dust, potassium hydroxide
	Processing	Other dusts, titanium dioxide dust, potassium hydroxide, sodium hydroxide, ethanol
	Raw material	Ethanol, n-hexane, sulfuric acid, hydrochloric acid,

Production Area		Hazard Factor
	inspection	chloroform, potassium hydroxide, sodium hydroxide, acetone, acetic acid
	Semi-finished and finished products	Ethanol, potassium hydroxide, sodium hydroxide, hydrochloric acid
	Instrumental analysis	Methanol, acetonitrile, tetrahydrofuran, chloroform, potassium hydroxide, acetone, sulfuric acid, acetic acid
	Utilities	Power-frequency electric field, noise, sodium hydroxide, sodium hypochlorite, sodium bisulfite, other dusts, hydrogen sulfide, ammonia
Traditional Chinese Medicine Workshop	Extraction	Hydrochloric acid, sodium hydroxide
	Quality analysis	Methanol, hydrochloric acid, formic acid, sulfuric acid, potassium hydroxide, sodium hydroxide, acetic acid, acetonitrile
	Compounding	Other dusts, ethanol

The Company commissions qualified third-party agencies to conduct occupational hazard factor testing on a regular annual basis, and performs an occupational hazard status assessment every three years to comprehensively understand and evaluate workplace occupational health risks. For employees in positions involving occupational hazards, the Company arranges pre-employment, on-the-job, and post-employment physical examinations, and tracks employees' health status annually to ensure their occupational health.

The Company encourages employees to submit suggestions on ergonomics. In 2024, a total of 68 such suggestions were received. The Company continuously optimizes work processes to reduce occupational health risks.

Occupational Health and Safety Indicators and Targets

At the beginning of each year, Shanghai Jahwa sets clear occupational health and safety management targets. The Company also systematically reviews and summarizes the actual achievement of these targets annually to ensure effective implementation and continuous improvement of occupational health and safety management practices.

Indicator	Unit	Management Target	Progress in 2024	Status
Occupational hazard notification	%	100	100%	Achieved
Annual occupational health examinations	%	100	100%	
Annual occupational health training sessions	Times	≥ 1	7	

7.4 Contributions to The Society

Shanghai Jahwa has always upheld the sustainable development philosophy of “Born for Beauty, Strive for Goodness”, and continues to strengthen its efforts in community development and public welfare volunteering, mobilizing employees to actively participate in community building.

The Company has set management targets for public welfare, aiming to invest a cumulative total of RMB 70 million in donations and materials for social welfare from 2020 to 2050, and to accumulate 60,000 hours of employee volunteer service.

In 2024, Shanghai Jahwa continued to advance its “Jahwa·Public Welfare” program, launching themed public welfare initiatives across three dimensions: “Jahwa·Care” (Company level), “Jahwa·Protection” (Brand level), and “Jahwa·Connection” (Employee level). These actions focused on supporting and caring for underprivileged women, youth, and children with autism, uniting collective efforts to create a better future.

“Jahwa·Care” Public Welfare Initiative

Conducted New Year care visits to disadvantaged women and children at Xianghuaqiao Subdistrict in Qingpu District, donating winter products valued at over RMB 60,000 to 236 individuals.



Donated nearly RMB 20,000 worth of products to the “Angel Mama” Autism Care Initiative and Women’s Federation of the Industry, supporting special education institutions and community women’s programs.



Donated 20 computers to the Shanghai Zhanyi Developmental Service Center for use in autism education. During a summer volunteer activity for children with autism, provided gift sets of personal care products.



Through the Shanghai Charity Foundation, donated care products to the “Love Corner” program at East China Normal University, supporting higher education and improving the living conditions of underprivileged college students.



“Jahwa·Protection” Public Welfare Initiative

On International Women’s Day, the Dr.Yu brand launched the “Dream Guardian Program,” setting up self-healing care stations in five cities—Beijing, Shanghai, Guangzhou, Shenzhen, and Hangzhou—to care for the skin health of female food delivery riders.



On International Nurses Day and China’s Medical Doctor’s Day, Dr.Yu donated a total of 7,500 products to medical professionals, with a donation value of RMB 1.13 million.



The Herborist brand participated in the “Shanghai International Beauty Festival” charity gala and donated proceeds to support rehabilitation and treatment for children with autism.



“Jahwa·Connection” Public Welfare Initiative

At Qingpu Factory, under the theme “Everything Recycles, Go Green Together,” employees participated in environmental practices through creative workshops, resource regeneration projects, and eco-awareness competitions to promote green and low-carbon lifestyle



Invited employees and their children to join children with autism in a summer environmental welfare event themed “Recreate from the Old, Revive with Green.”



[Case] Dr.Yu Brand Cares for the Elderly and Promotes Senior Skin Health

Ahead of the Double Ninth Festival in October 2024, Dr.Yu brand invited dermatologists from Shanghai Ruijin Hospital to the Putuo Elderly Care Center to share knowledge on skin health for seniors and distribute festival gifts. These efforts helped elderly individuals relieve skin discomfort caused by dryness and other conditions. Each gift set prepared by Dr.Yu carried the brand's commitment to over 20 years of joint research and development in medical skincare.



Elderly Skin Health Awareness Event Site

Key Performance Indicators

Total community public welfare investment during the reporting period: RMB 1.4million



Total number of beneficiaries from public welfare projects during the reporting period: 10,482 people

7.5 Rural Revitalization

Shanghai Jahwa is committed to the development of rural areas and actively collaborates with local governments and social organizations to help improve the living standards of rural residents, promoting holistic and sustainable rural revitalization.

[Case] Shanghai Jahwa Continues to Implement the “Project Hope Rural Teacher Training” Program

In partnership with the Shanghai Youth Development Foundation, Shanghai Jahwa has continued to enhance the “Project Hope Rural Teacher Training” initiative. As an important corporate effort to support rural revitalization and promote educational equity, the project added a mental health education module in 2024. This module builds a professional knowledge system for rural teachers through structured psychology courses, with a focus on strengthening practical skills in campus psychological counseling. The program empowers rural teachers to adopt a dual approach of “academic instruction + psychological support,” promoting the evolution of rural education from knowledge transmission to holistic development.



Project Hope Rural Teacher Psychological Training Class

ESG Data Table and Notes

Corporate Governance Performance Table

Indicator	Unit	2024	2023	2022
Number of board members	Person	7	7	7
Among them, the number of female directors	Person	1	1	1
The percentage of directors covered by anti-bribery and anti-corruption training ^[1]	%	100	/	/
The percentage of management employees covered by anti-bribery and anti-corruption training ^[1]	%	100	/	/
Proportion of employees covered by anti-commercial bribery and anti-corruption training	%	100	100	95
Total duration of anti-commercial bribery and anti-corruption training received by directors	Hour	17.23	/	/
Total duration of anti-commercial bribery and anti-corruption training received by staff	Hour	530.88	467.41	/
Number of corruption cases filed against the company or its employees during the reporting period and concluded	/	0	0	0

[1] The percentage of directors and management personnel who have received training on anti-commercial bribery and anti-corruption is a new indicator added according to Article 55 of the Shanghai Stock Exchange *Guidelines* in 2024, so the relevant statistics were not disclosed in 2022 and 2023.

Products and Services Performance Table

Indicator	Unit	2024	2023	2022
Proportion of products sold or shipped that must be recalled for safety and health reasons	%	0	0	0
Sales of products that have been sold or shipped that are subject to recall for safety and health reasons	RMB0,000	0	0	0
Total number of complaints received about products and services	/	512	597	663
Rate of complaints received about products and services	%	100	100	100
Number of incidents in violation of regulations and voluntary guidelines concerning product and service information and labeling	/	0	0	0
The number of violations of health and safety regulations that occur in the products and services provided	/	0	0	0

Employee Performance Table

Indicator		Unit	2024	2023	2022
Employee Hiring					
Total number of employees		Person	4,311	4,824	5,238
By sex	Male	Person	1,276	1,303	1,399
	Female	Person	3,035	3,521	3,839
By region	Chinese mainland	Person	3,903	4,375	4,767
	Hong Kong, Macao, Taiwan, and overseas	Person	408	449	471
By age	Under 30 years old	Person	524	558	606
	30-50 years old	Person	3,442	3,911	4,086
	Over 50 years old	Person	345	355	546
By employee type	Grassroots staff	Person	4,133	4,653	5,063
	Middle management staff	Person	159	153	156
	Senior management staff	Person	19	18	19
Total number of new employees		Person	834	896	843
By sex	Male	Person	296	205	346
	Female	Person	538	691	497
By region	Chinese mainland	Person	763	792	722
	Hong Kong, Macao, Taiwan, and overseas	Person	71	104	121
By age	Under 30 years old	Person	323	291	325
	30-50 years old	Person	489	588	501
	Over 50 years old	Person	22	17	17
Employee turnover rate ^[1]		%	31.92	28.54	16.78
By sex	Male	%	28.21	23.79	25.45
	Female	%	33.48	30.30	13.62
Total number of incidents resulting in penalties for violations of employee employment and labor laws and regulations		/	0	0	0
Number of labor disputes ^[2]		/	0	0	2
Occupational Health and Safety					
Number of employees who died as a result of work-related injuries		Person	0	0	0
Proportion of employees who died as a result of work-related injuries		%	0	0	0
Number of working days lost due to injury		Day	150	248	269
Average Working Days Lost per Employee Due to Occupational Injuries ^[3]		/	0.035	0.051	0.051
Number of incidents resulting in penalties for violations of occupational health and safety laws and regulations		/	0	0	0
Employee Training and Development ^[4]					
Number of training sessions per employee		/	16.1	14.9	7.93
Employee training coverage		%	100	98.85	97.65
Average length of time employees receive training		Hour	15.3	11.7	6.62

[1][Calculation formula] Employee turnover rate = the number of employees lost in this category within the year/the total number of employees in this category at the end of the period x 100%.

[2] In 2022, two labor disputes occurred in the company. The former employee of Tang Meixing requested compensation for dismissal. After the review by the administrative agency, all his requests were not valid and the company did not need to take further action or make any compensation.

[3] [Calculation formula] The number of working days lost per person due to work-related injury = the number of working days lost due to work-related injury/the total number of employees. The statistical scope of work-related injury data is employees of Shanghai Jiahua United Co., Ltd. excluding subsidiary data.

[4] The training data statistics are for employees of Shanghai Jiahua United Co., Ltd. and do not include the data of subsidiaries.

Supplier Management Performance Table ^[1]

Indicator	Unit	2024	2023	2022
Total number of vendors	/	233	223	309
Number of suppliers in mainland China	/	217	219	238
Number of suppliers in Hong Kong, Macao, Taiwan and overseas	/	16	4	71
The percentage of suppliers among all suppliers who accept environmental, labor, ethics and other assessments ^[2]	%	84	86	67
The proportion of suppliers that have passed the environmental, labor and ethics assessment and are qualified ^[3]	%	100	100	100

[1] The statistical scope of supplier data is raw material suppliers, excluding indirect suppliers. The data includes some parts of Tang Meixing.

[2] The proportion of suppliers that the company "accepts environmental, labor and ethical assessments" does not include Tang Meixing data of 100%, which is consistent with previous years.

[3] [Calculation Formula] The proportion of suppliers that have passed the assessment on environment, labor and ethics = (the number of suppliers that have passed the assessment on environment, labor and ethics / the number of suppliers that have passed the assessment on environment, labor and ethics) × 100%.

Social welfare performance table

Indicator	Unit	2024	2023	2022
Rural Revitalization ^[1]				
Investment in rural revitalization	RMB0,000	8.79	/	/
Rural revitalization benefits people	Person	464	/	/
Contributions to the Society				
Total volunteer service hours	Hour	2,734	2,628	/
Number of volunteers participating in service	Person-times	466	490	/
Total amount of community public welfare investment	RMB0,000	140.58	294.19	863.32
Among them, the amount of public welfare donations	RMB0,000	135.58	210.40	129.00
Number of people covered by public welfare programs	Person	10,482	43,993	72,082

[1] The investment situation related to rural revitalization was added in 2024 according to the 39th article of the Guidelines of the Shanghai Stock Exchange, so the relevant data were not counted in 2022 and 2023.

Innovation-Drive Performance Table

Indicator	Unit	2024	2023	2022
Number of R&D personnel	Person	201	179	190
Proportion of R&D personnel	%	4.66	3.71	3.63
Amount invested in R&D	RMB 100 Million	1.79	1.47	1.60
Number of valid patents obtained at the end of the reporting period	/	455	423	427

Data Security And Customer Privacy Protection Performance Table

Indicator	Unit	2024	2023	2022
Number of confirmed incidents of disclosure, theft or loss of customer information	/	0	0	0
The amount involved in the customer privacy breach	RMB0,000	0	0	0
The amount involved in the data security incident	RMB0,000	0	0	0

Environmental (Excluding Tommee Tippee) Performance Table

Indicator	Unit	2024	2023	2022
Energy Usage				
Total energy consumption ^[1]	tce	4,261.39	3,883.71	4,193.18
Direct energy consumption	tce	226.35	268.97	300.91
Indirect energy consumption	tce	4035.05	3614.74	3892.27
Solar energy consumption	MWh	3,370.77	0	0
Natural gas consumption	m ³	55,048.00	54,996.60	42,976.00
LNG consumption	t	2.10	0	0
Gasoline consumption of official vehicles ^[2]	L	129,193.00	169,108.00	176,159.00
Diesel consumption for official vehicles	L	7,058.82	9,411.76	41,900.00
External steam consumption	GJ	55,487.60	56,195.37	58,443.76
Electricity purchased from outside	MWh	9,542.12	13,781.33	15,413.35
Energy consumption ^[3]	MWh	3,996.10	594.73	464.74
Clean energy ratio ^[3]	%	24.47	/	/
Use of self-produced renewable energy	tce	965.86	/	/
Usage Of Water Resources				
Total water consumption	m ³	237,487	241,854	298,613
Total amount of water recycled	m ³	74,248	80,473	97,077
The total amount of water recycled as a proportion of the total water consumption	%	31.26	33.27	32.51
Water consumption density of own factory (per unit output)	m ³ / 10,000 units	4.45 ^[4]	9.50	8.43
Water consumption density (per revenue)	m ³ /RMB0,000	0.418	0.367 ^[5]	0.420 ^[5]

Pollutant Discharge				
Total exhaust emission ^[6]	m ³	110,244,000	89,246,500	96,959,500
Total non-methane hydrocarbon (NMHC) emissions ^[6]	Kg	1,314.38	419.00	46.87
Total wastewater discharge	m ³	139,234	166,723	227,976
Industrial wastewater discharge	m ³	131,221	/	/
Domestic wastewater discharge	m ³	6,213	/	/
Chemical oxygen demand (COD) emissions (in effluent)	ton	1.830	2.250	2.255
Ammonia nitrogen (NH ₃ -N) emissions (in effluent)	ton	0.010	0.010	0.015
Waste Disposal				
Total hazardous waste	ton	435.09	550.47	386.14
Density of hazardous waste generation	t/RMB 10 million	0.077	0.110	0.073
Total general waste	ton	1,181.59	1,374.73	1,643.80
Density of general waste generation	t/RMB 10 million	0.208	0.275	0.312
Climate Change Tackling ^[1]				
Scope 1 GHG emissions ^[7]	tCO ₂ e	431.26	519.23	594.91
Scope 2 GHG emissions ^[8]	tCO ₂ e	11,223.94	14,040.98	15,219.05
Total GHG emissions (Scope 1 + Scope 2)	tCO ₂ e	11,655.31	14,560.21	15,813.96
GHG emissions (Scope 1 + Scope 2) per unit revenue	tCO ₂ e /RMB0,000	0.021	0.022	0.022

[1] Due to the adjustment of gasoline consumption for official vehicles, the data of comprehensive energy consumption and greenhouse gas emissions are adjusted retrospectively. In 2024, the comprehensive energy consumption increased compared with previous years, because the amount of self-produced renewable energy increased.

[2] The gasoline consumption of official vehicles is adjusted retrospectively by estimating the data from previous years. In the calculation process, the 92-octane gasoline price in Shanghai on December 1, 2022, and December 31, 2023, are taken as the estimated oil prices for the current year. The oil price on December 31, 2022, is 7.55 yuan/liter, and the oil price on December 31, 2023, is 7.51 yuan/liter. The company's oil expenses were 1.33 million yuan in 2022 and 1.27 million yuan in 2023.

[3] The specific situation of clean energy use is an additional disclosure item according to Article 35 of the Shanghai Stock Exchange *Guidelines* in 2024, and the clean energy here includes solar energy, natural gas and liquefied natural gas.

[4] The self-owned factories include the Crossing Factory and Hainan Factory. The water consumption density of the self-owned factories (unit output) = the total water consumption of the self-owned factories (at the end of the period)/the total product output of the self-owned factories (at the end of the period). In 2024, the water consumption density of the self-owned factories (unit output) decreased compared with the previous year, because the product output increased significantly in 2024.

[5] Here, the water consumption density (per revenue) for 2022 and 2023 is adjusted.

[6] In 2024, the exhaust gas emissions increased compared with the previous year due to the increase in production and inspection batches across the herbal workshop of the factory.

[7] Scope 1 sources of greenhouse gases include: natural gas, liquefied natural gas, greenhouse gases from the combustion of gasoline and diesel in official vehicles. The relevant calorific values refer to the *China Energy Statistical Yearbook (2022)*. Among them, the greenhouse gas emission factor for fixed-source diesel is 3.100568 tCO₂/t, the greenhouse gas emission factor for natural gas is 0.002176 tCO₂/m³, the greenhouse gas emission factor for liquefied natural gas is 3.188475 tCO₂/t, the greenhouse gas emission factor for gasoline in official vehicles is 0.002215 tCO₂/L, and the greenhouse gas emission factor for diesel in official vehicles (in mainland China) is 0.002654 tCO₂/L.

[8] Scope 2 greenhouse gas sources include: purchased electricity, purchased steam. The calculation of greenhouse gas emissions from purchased electricity refers to the *Announcement on the Release of the 2022 Power CO₂ Emission Factor* by the Ministry of Ecology and Environment and the National Bureau of Statistics of China. The average greenhouse gas emission factor for the national power grid (December 2024) is 0.5366 tCO₂/kWh. The calculation factor for greenhouse gas emissions from purchased steam comes from the *Guidelines for the Calculation and Reporting of Greenhouse Gas Emissions from Industrial Enterprises in Other Sectors (Trial)*

(2015) issued by the National Development and Reform Commission, which is 0.11 tCO₂/GJ.

Environmental (Tommee Tippee) Performance Table

Indicator	Unit	2024	2023	2022
Environmental compliance management				
Number of incidents in which environmental protection laws and regulations were violated and punished	/	0	0	0
Energy Usage				
Total natural gas consumption	m ³	90,258.81	44,672.49	2,443.00
Electricity purchased	MWh	12,299.09	12,246.44	9,629.23
Usage of Water Resources				
Total water consumption (by source)	m ³	43,663.00	47,382.00	44,101.00
Pollutant Discharge				
Total exhaust emission [1]	kilogram	646.33	1,682.32	/
Total wastewater discharge	m ³	28,130.79	40,622.00	47,520.00
Chemical oxygen demand (COD) emissions (in effluent)	ton	2.25	16.96	/
Ammonia nitrogen (NH ₃ -N) emissions (in effluent)	ton	0.79	0.72	/
Waste Disposal				
Total amount of hazardous waste	ton	30.08	49.18	/
Total amount of harmless waste [2]	ton	390.21	168.95	412.43
Paper consumption	ton	2.53	/	/
Climate Change Tackling				
Scope 1 GHG emissions ^[3]	tCO ₂ e	288.99	/	/
Scope 2 GHG emissions ^[3]	tCO ₂ e	6,859.34	/	/
Total GHG emissions (Scope 1 + Scope 2) ^[3]	tCO ₂ e	7,142.76	5,794.30	/

[1] The total amount of exhaust emissions for 2023 has been retrospectively corrected in this report.

[2] In 2023, the statistical scope of harmless waste only includes the Dongguan factory and the Morocco factory, while in 2024, the statistical scope is the UK factory, the Dongguan factory and the Morocco factory, so there are differences in the data.

[3] Sources of greenhouse gases include: natural gas and emissions from purchased electricity consumption. The natural gas emissions come from the UK, with an emission factor of 2.02135 kgCO₂/m³ based on the UK Department for Environment, Food and Rural Affairs (EFDB) database in 2021; the emissions from purchased electricity come from Morocco, the UK, and Dongguan, China. The emission factor for Morocco is 0.4503 kgCO₂/kWh based on the Low Carbon Force (Low Carbon Power) database, the UK's is 0.2343 kgCO₂/kWh based on the *EMBER 2023 Global Power Review*, and Dongguan, China's is 0.5703 kgCO₂/kWh based on the National Grid Corporation of China's emission factor published in the *Notice on Strengthening the Management of Greenhouse Gas Emission Reporting for Power Generation Enterprises from 2023 to 2025* issued by the Ministry of Ecology and Environment.

Benchmarking Index Table

Index of the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)*

Topic	Corresponding Section in This Report
Climate change tackling	Climate change tackling
Pollutant discharge	Waste disposal
Waste disposal	
Ecosystem and biodiversity protection	Ecosystem and biodiversity protection
Environmental compliance management	Environmental compliance management
Energy usage	Energy usage
Usage of water resources	Usage of Water Resources
Circular economy	Green Packaging
Rural revitalization	Rural revitalization
Contributions to the society	Contributions to the society
Innovation-driven	Innovation-driven
Ethics of science and technology	Ethics of science and technology
Supply chain security	Sustainable Procurement
Equal treatment to small and medium-sized enterprises	Fair Treatment of SMEs
Safety and quality of products and services	Product Quality Management Chemical Safety and Ingredient Information Transparency Service Quality Management
Data security and customer privacy protection	Service Quality Management
Employees	Employee Rights and Benefits Human Capital Development Occupational Health and Safety
Due diligence	Assessment of Topics' Material
Communications with stakeholders	Assessment of Topics' Material
Anti-commercial bribery and anti-corruption	Anti-commercial bribery and anti-corruption
Anti- unfair competition	Anti- unfair competition
Topics Voluntarily Disclosed in Accordance with Article 5 of the <i>Guidelines</i>	
Corporate Governance	Corporate Governance
Risk Management and Internal Control	Risk Management and Internal Control
Intellectual Property Management	Intellectual Property Management
Responsible Marketing	Anti- unfair competition

Content Index of GRI

Statement of use	Shanghai Jahwa has reported the information for the period from 1 January to 31 December 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standards	Disclosure indicators	Chapters
General Disclosures		
GRI 2: General Disclosures 2021	2-1	About Shanghai Jahwa
	2-2	Instructions for Report Preparation About Shanghai Jahwa
	2-3	Instructions for Report Preparation
	2-6	About Shanghai Jahwa
	2-7	ESG Data Table and Notes
	2-9	Corporate Governance
	2-12	Sustainable Development Governance System
	2-13	
	2-14	
	2-16	
	2-17	
	2-22	Message from Chairman
2-29	Assessment of Topics' Material	
GRI 3: Material Topics 2021	3-1	Assessment of Topics' Material
	3-2	
	3-3	
Economy		
GRI 204: Procurement Practices 2016	204-1	ESG Data Table and Notes
GRI 205: Anti-corruption 2016	205-1	Anti-commercial bribery and anti-corruption
	205-2	
	205-3	
GRI 206: Anti-competitive Behavior 2016	206-1	Anti-commercial bribery and anti-corruption
Environment		
GRI 301: Materials 2016	301-1	Green Packaging
	301-2	
	301-3	
GRI 302: Energy 2016	302-1	Energy Usage
	302-2	
	302-3	
	302-4	
GRI 303: Water and Effluents 2018	303-1	Emissions and Wastes Usage of Water Resources
	303-2	
	303-3	
GRI 304: Biodiversity 2016	304-1	Ecosystem and Biodiversity Protection
	304-2	
	304-3	
	304-4	
GRI 305: Emissions 2016	305-1	Emissions and Wastes
	305-2	
	305-3	
	305-4	
	305-5	

GRI Standards	Disclosure indicators	Chapters
GRI 306: Waste 2020	306-1	Emissions and Wastes
	306-2	
GRI 308: Supplier Environmental Assessment 2016	308-1	Sustainable Procurement
	308-2	
Society		
GRI 401: Employment 2016	401-1	Employee Rights and Benefits
	401-2	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational Health and Safety
	403-2	
	403-3	
	403-4	
	403-5	
	403-6	
	403-7	
	403-8	
	403-9	
	403-10	
GRI 404: Training and Education 2016	404-1	Human Capital Development
	404-2	
	404-3	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Employee Rights and Benefits
GRI 406: Non-discrimination 2016	406-1	
GRI 408: Child Labor 2016	408-1	
GRI 409: Forced or Compulsory Labor 2016	409-1	
GRI 413: Local Communities 2016	413-1	Contributions to The Society Rural Revitalization
	413-2	
GRI 414: Supplier Social Assessment 2016	414-1	Sustainable Procurement
	414-2	
GRI 416: Customer Health and Safety 2016	416-1	Product Quality Management Chemical Safety and Ingredient Information Transparency Service Quality Management
	416-2	
GRI 418: Customer Privacy 2016	418-1	Service Quality Management

About Report Preparation

This report marks Shanghai Jahwa United Co., Ltd.'s ninth publication of its *Sustainability Report* (also known as the *Environmental, Social, and Governance (ESG) Report*). It discloses to stakeholders the company's ESG-related philosophies guiding its operations, the management approaches it has established, the initiatives it has implemented, and the outcomes it has achieved.

Report Scope and Boundary

The scope of this report encompasses Shanghai Jahwa United Co., Ltd. and its subsidiaries (hereinafter collectively referred to as "Shanghai Jahwa", "the Company" or "we"). Unless otherwise specified, the entities covered in this report align with those included in the consolidated financial statements of Shanghai Jahwa (Stock Code: 600315) for the corresponding period. For certain data, the statistical scope differs and has been clarified in the data annotation section.

The reporting entity (entities) and organizational scope are defined as follows:

Full Legal Name of the Entity
Shanghai Jahwa Sales Co., Ltd.
Shanghai GF Cosmetics Co., Ltd.
Shanghai Herborist Cosmetics Co., Ltd.
Shanghai Herborist Beauty Investment & Management Co., Ltd.
Shanghai Herborist Hanfang Beauty Services Co., Ltd.
Shanghai Jahwa International Trading Co., Ltd.
Shanghai Jahwa Commercial Sales Co., Ltd.
Chengdu Jahwa (Shanghai) Co., Ltd.
Shanghai Jahwa Hainan Daily Chemicals Co., Ltd.
HONG KONG HERBAL LABORATORY COMPANY LIMITED
Shanghai Guangsheng Synthetic Biotechnology Co., Ltd. (Formerly "Shanghai Hanli Paper Co., Ltd.")
Shanghai Jahwa Pharmaceutical Technology Co., Ltd.
Shanghai Jahwa Industrial Management Co., Ltd.
Shanghai Linbi Beverage Sales Co., Ltd.
Hainan Linbi Beverage Co., Ltd.
Dalian Jahwa Sales Co., Ltd.
Harbin Jahwa Sales Co., Ltd.
Zhengzhou Jahwa Sales Co., Ltd.
Suzhou Jahwa Sales Co., Ltd.
Tianjin Jahwa Sales Co., Ltd.
Chengdu Jahwa Sales Co., Ltd.
Beijing Jahwa Sales Co., Ltd.
Qingdao Jahwa Sales Co., Ltd.
Xiamen Jahwa Sales Co., Ltd.
Hangzhou Jahwa Sales Co., Ltd.
Nanchang Jahwa Sales Co., Ltd.
Wuhan Jahwa Sales Co., Ltd.

Hefei Jahwa Sales Co., Ltd.
Shaanxi Jahwa Sales Co., Ltd.
Jinan Jahwa Sales Co., Ltd.
Nanjing Jahwa Sales Co., Ltd.
Guangzhou Jahwa Sales Co., Ltd.
Xinjiang Jahwa Sales Co., Ltd.
Fuzhou Jahwa Sales Co., Ltd.
Shanghai Jahwa Huameijia Cosmetics Co., Ltd.
Shanghai Jahwa E-Commerce Co., Ltd.
JAHWA-HERBORIST EUROPE
Shanghai Jahwa Biotechnology Co., Ltd.
Beijing Herborist Cosmetics Co., Ltd.
Shanghai Jahwa Huamei Technology Co., Ltd.
JAHWA INTERNATIONAL INVESTMENT COMPANY LIMITED
Ningbo Economic & Technological Development Zone Jahwa Economic & Trade Co., Ltd.
Changsha (Shanghai) Jahwa Sales Co., Ltd.
Shanghai Jahwa Hongyuan Culture Communication Co., Ltd.
Shanghai Jahwa Cosmetics Sales Co., Ltd.
Shanghai Jahwa Trading Co., Ltd.
Abundant Merit Limited
Cayman A2, Ltd.
Financial Wisdom Global Limited
Glamour Time Limited
Success Bidco 2 Limited
Jake Holdings Limited
Jake Investment Limited
Jake Nominees Limited
Jake Acquisitions Limited
Mayborn Group Limited
Mayborn (UK) Limited
Sangenic International Limited
Product Marketing Mayborn Limited
Jackel China Limited
PMM China Limited
Jackel International China Limited
Mayborn USA Inc
Mayborn ANZ PTY Limited
Mayborn France SARL
Mayborn Morocco SARL
Mayborn Italy S.R.L
Steri-bottle UK Ltd

Kindertec Limited
Gro-Group Holdings Ltd
Gro-Group Ltd
Gro-Group International Ltd
Gro Company Australia Pty Ltd
Mebeglow (Shenzhen) Trading Co., Ltd.
Tommee Tippee Limited
Mayborn Canada Inc.
Baby Buddha Products LLC (Formerly“Tommee Tippee Americas LLC”)
Mayborn Deutschland GmbH

Abbreviations and Acronyms Used in This Report Are Defined as Follows:

Abbreviation	Interpretation
Shanghai Jahwa/the Company/we	Shanghai Jahwa United Co., Ltd.
Kuayue factory	Kuayue Manufacturing Base (located in Qingpu District, Shanghai, operated by Jahwa Group)
Hainan factory	Hainan Manufacturing Facility (Shanghai Jahwa Hainan Daily Chemicals Co., Ltd., a controlled subsidiary of Jahwa Group)
Tommee Tippee	MTommee Tippee (Mayborn Group Limited and its subsidiaries, a controlled subsidiary of Abundant Merit Limited)

Reporting Period

The reporting period covers January 1, 2024 to December 31, 2024. Unless otherwise specified, all data presented in this report pertain to this period.

Compilation Basis

This report is prepared in accordance with *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)*, and with reference to the *GRI Sustainability Reporting Standards 2021* (hereinafter referred to as “GRI Standards”) of the Global Sustainability Standards Board (GSSB).

Data Disclosure

All data and case studies in this report are sourced from the company's official operational records.

Financial data are denominated in RMB (Yuan). In case of discrepancies with the company's annual financial report, the latter shall prevail.

Access to Report

This report is published in electronic form on the information disclosure platform designated by the stock exchange, and can also be viewed or downloaded at the Company's official website (<https://www.jahwa.com.cn/>). The report is published in Simplified Chinese and English versions. In case of any discrepancy between the contents of the two languages, the Chinese version of the report shall prevail.

Contact Us

Contact us via the following methods if any opinion or suggestion on the report:

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Principles of Preparation

• Context of Sustainable Development

The company has identified key issues of concern to various stakeholders that are relevant to its business operations, which serve as the focal points of this report. In reporting on these key issues, the report also takes into account the characteristics of the company's industry and business operations. For detailed information on the process and results of the materiality analysis of these issues, please refer to the "Assessment of Topics' Material" section of this report.

• Accuracy

This report endeavors to ensure the accuracy of the information presented. For quantitative information, the data definitions, calculation bases, and assumptions are clearly stated to ensure that the margin of error in calculations does not mislead information users. Detailed quantitative information can be found in the "ESG Data Table and Notes" section of this report. The Board of Directors guarantees the content of the report, ensuring that there are no false records, misleading statements, or material omissions.

• Impartiality

The content of this report reflects objective facts, presenting both positive and negative information about the company in an unbiased manner. No negative events that should have been disclosed but were not identified during the reporting period.

• Clarity

This report is published in both Simplified Chinese and English versions. In the event of any discrepancies between the two language versions, the Chinese version shall prevail. The report includes tables, model diagrams, and other informational aids to facilitate stakeholders' understanding of the textual content. To enable stakeholders to access information more quickly, the report provides a table of contents and a benchmarking index table against ESG standards.

• Quantification

This report discloses key quantitative disclosure items and, to the extent possible, historical data.

• Comparability

This report maintains consistency in the statistical and disclosure methods for the same quantitative disclosure items across different reporting periods. If there are any changes in the data collection, measurement, or calculation methods, relevant data will be retrospectively adjusted, and the adjustments and their reasons will be explained in the notes to the report. This facilitates meaningful analysis by stakeholders to assess the company's ESG data levels and development trends.

• Completeness

The scope of entities covered in this report is consistent with the scope of the company's consolidated financial statements.

• Timeliness

This report is an annual report covering the period from January 1, 2024, to December 31, 2024. The company strives to publish the report as soon as possible after the end of the reporting year.

to provide timely information for stakeholders' decision-making.

- **Verifiability**

The cases and data in this report are sourced from the company's actual operational records or financial reports. The company utilizes the HiESG performance management system to manage ESG data over the years, ensuring that the sources and calculation processes of the disclosed data are traceable and can support external verification efforts.

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