2025

Sustainability Report

Shanghai Jahwa United Co.,Ltd

Contents

1. Message from the Chairman

At present, the global daily chemical industry is undergoing a profound green transformation. As a century-old national enterprise, Shanghai Jahwa has deeply embedded the concept of sustainable development into our corporate strategy and daily operations. Closely aligned with the "dual carbon" goals, we drive green production and consumption through innovation, providing consumers with healthy, safe, and sustainable personal and household care solutions. In 2025, Shanghai Jahwa's ESG performance received multiple authoritative recognitions. Our Wind ESG rating remained at AA, ranking among the top three in the industry; the CDP Climate Change Questionnaire was rated B; and the SynTao Green Finance ESG rating was awarded A, demonstrating the Company's outstanding achievements in the field of sustainable development.

Deepening environmental-friendly practices and building a green and low-carbon closed loop.

Shanghai Jahwa has centred on green production and consumption, and continued to reduce the environmental footprint of our products. The Second-generation Intensive Repair Cream of Dr.Yu obtained the first carbon-neutral product certification of Shanghai Jahwa, establishing a green and low-carbon milestone. Across the factory, energy and resource conservation were promoted through the installation of photovoltaic power generation facilities, the implementation of technological upgrades for energy saving and water conservation, and the resource utilisation of waste, thereby demonstrating the exemplary role of green manufacturing. The Company applied the 4R strategy to advance the development of sustainable packaging. The packaging of Dr.Yu Moisturising Cream reduced plastic use by approximately 80%, and the Valentine's Day gift box of Herborist adopted biodegradable mycelium material and won the WorldStar Packaging Awards, thereby supporting the development of the circular economy.

Drawing on the charm of Chinese ingredients, competing on new tracks for future renewal.

Shanghai Jahwa drives development through innovation and empowers the future through talent. The Company completed the filing of three independently developed new raw materials, including Cyclodipeptide-1, and the Shanghai Jahwa Innovation Centre - Synthetic Biology was officially inaugurated, leading innovative breakthroughs in domestic products with profound scientific research expertise. The Company promoted the development of high-calibre R&D talent, and the "Doctoral Young Talent Training Camp" brought together outstanding talent from the world's top academic institutions. The Company also improved the training system and career development mechanisms, promoted the optimisation of the talent structure and the enhancement of organisational effectiveness, and built an organisational ecosystem of "value symbiosis, with incentives advancing together".

Bringing together the glimmers of public welfare, and conveying the warmth and goodwill of the brand.

Shanghai Jahwa has actively fulfilled its corporate citizenship responsibilities. The Home Public Welfare project focused on groups such as women in hardship, young people, and elderly people. The Company donated supplies worth more than RMB1 million to the earthquake-stricken areas in Xizang, provided warm care packages to disadvantaged groups in the community, and extended care to volunteers during the China International Import Expo. Across the year, the Dr.Yu brand carried out a number of public welfare initiatives on skin health, including free medical consultations in collaboration with hospitals in 26 cities nationwide, travelling deep into Kashgar, Xinjiang to conduct health awareness sessions, and entering elderly care institutions to provide skin health education. Liu Shen donated supplies worth more than RMB1 million to the earthquake-stricken areas in Xizang, the flood-affected areas in North China, and the chikungunya epidemic area in Foshan, Guangzhou, conveying the warmth and goodwill of a domestic brand through practical action.

Consolidating the cornerstone of corporate governance and strengthening the defence line for sound operations.

Shanghai Jahwa has continued to improve its governance structure and enhance its governance standards. The Company attaches great importance to the protection of investor rights, has implemented interim dividends to actively reward shareholders, and strengthened effective communication with investors through various channels. The Company has practised the philosophy of responsible marketing, truthfully and accurately presented product information, and protected consumers' lawful rights and interests. Brand building has continued to advance, and Maxam and Dr.Yu were awarded the "Shanghai Excellent Trademarks" certification. During the reporting period, the Company's risk management and internal control systems operated effectively. No major risk events occurred, and no incidents of commercial bribery or corruption took place. All businesses achieved steady development.

Upholding the spirit of craftsmanship to create classic products and jointly compose a splendid chapter for a better future.

Shanghai Jahwa will continue to uphold the sustainable development philosophy of "Born for Beauty, Strive for Goodness", and continue to deepen ESG management. With firmer steps, we will forge ahead on the path of sustainable development, and through classic brands and high-quality products, create a beautiful and healthy life for consumers, create greater value for society, and contribute to the high-quality development of China's daily chemical industry.

Lin Xiaohai

Chairman, Chief Executive Officer, and General Manager

2. About Shanghai Jahwa

2.1 Company Overview

Shanghai Jahwa United Co., Ltd., 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.

<table>
<tr><td>Year of Establishment
1898</td><td>Company Name
Shanghai Jahwa United Co., Ltd. (hereinafter referred to as “Shanghai Jahwa” or the “Company”)</td><td>Ownership and Legal Form
The Company is listed on the SSE (Stock Code: 600315)</td></tr>
<tr><td colspan="3">Core Business
Three major categories: Beauty and skincare, personal care, and home care</td></tr>
<tr><td colspan="2">Primary Production Locations
China: Shanghai, Hainan, Guangdong;
Africa: Morocco;
Europe: United Kingdom</td><td>Headquarters
Shanghai, China</td></tr>
</table>

Overview of Brands under Shanghai Jahwa

Personal Care Brands		
六神®	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.	
美加净 maxam	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.	
Beauty Brands		
玉泽 Dr.Yu	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.	

佰草集 HERBORIST	Herborist is committed to inheriting the philosophy of skin nourishment through traditional Chinese herbal formulas. Drawing from more than 650 time-honoured ancient formulas, the brand combines modern technology with classical prescriptions and promotes the 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.	
雙妹 VIVE	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.	
佰草集 HERBORIST HERBORIST DERMA 典萃	Launched in 2013, this functional skincare brand, Herborist Derma, upholds the philosophy of "scientific evidence, precise skincare." It specialises 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高夫	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.	
启初™ Giving	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, building a professional skincare solution system tailored for Chinese babies.	
HomeAegis 家安	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 sterilisation technologies across product categories such as appliance sterilisation, fabric cleaning, and dishware hygiene, offering consumers professional and safe sterilisation solutions.	
tommee tippee 汤美星	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
雅霜® 始于1912 · 友谊 友谊® · BAISEN 百爱神 · SEAGULL 海鸥® · 春蕾 Chun Lei

2.2 Sustainability Achievements in 2025

Performance Highlights

Corporate Governance

- ✓ RMB **6,317** million in operating revenue achieved
- ✓ **37.50%** independent directors

Environmental

- ✓ The Second-generation Intensive Repair Cream of Dr.Yu successfully obtained the first carbon-neutral product certification of Shanghai Jahwa

- ✓ Comprehensive energy consumption of **4,310.14** tonnes of coal equivalent
- ✓ The amount of self-generated renewable energy used was **3,760.27** MWh
- ✓ Total water consumption was **234,769** cubic metres, and water consumption intensity was **0.372** m^3/RMB 10k revenue
- ✓ Recycled water consumption was **79,443** cubic metres, accounting for **33.84%** of total water consumption
- ✓ Total greenhouse gas emissions were **11,387.39** tCO_2e, a decrease of **2.3%** compared with last year. Greenhouse gas emissions were **0.018** tonnes of carbon dioxide equivalent per RMB 10,000 of revenue
- ✓ The intensity of hazardous waste generated was **0.055**t/RMB 1 million revenue; the intensity of non-hazardous waste generated was **0.222**t/RMB 1 million revenue

Social

- ✓ A cumulative total of **483** valid authorised patents were obtained, a cumulative total of **158** standards were participated in for formulation and revision, **15** articles were published in external journals, and the filing of **three** new cosmetic ingredients was completed
- ✓ R&D investment amounted to RMB **232** million, representing a year-on-year increase of **29.14%**
- ✓ R&D personnel accounted for **6.56%**, up by **1.9** percentage points year on year
- ✓ **60.98%** female employees
- ✓ **98.72%** employee training coverage
- ✓ **94.8%** customer satisfaction rate
- ✓ RMB **2.9928** million was invested in welfare projects, **111,726** beneficiaries were supported, and **2,842** volunteer hours were contributed

ESG Ratings

CDP Climate Change Questionnaire	CDP B
MSCI ESG Rating	MSCI A
Wind ESG Rating	Win.d AA
SynTao Green Finance ESG Rating	商道融绿 A

Certifications

Type	Company / Factory	Certification	Certification validity
Energy Usage	Kuayue Factory	ISO 50001:2018	18 March 2028
Environmental Compliance	Kuayue Factory	ISO 14001:2015	23 January 2028
	UK Factory and Morocco Factory	ISO 14001:2015	Within the validity period
Quality Management	Shanghai Jahwa	ISO 9001:2015	2 November 2027
	Shanghai Jahwa	ISO 22716:2007	12 September 2027
	Shanghai Jahwa	CGMP-US	12 September 2027
Occupational Health and Safety	Kuayue Factory	ISO 45001:2018	1 March 2028

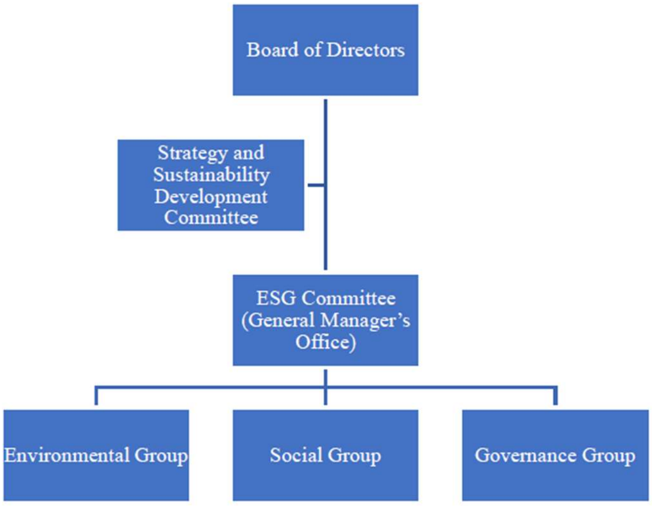
3. Sustainable Development Governance

3.1 Sustainable Development Governance System

Governance Framework

Shanghai Jahwa, upholding the sustainable development strategy of "Born for Beauty, Strive for Goodness", builds the tertiary management system consisting of the Strategy and Sustainability Development Committee, the ESG Committee, and executing groups to continuously enhance the management and performance of the Company in environmental, social, and corporate governance.

Sustainable Development Governance Framework of Shanghai Jahwa



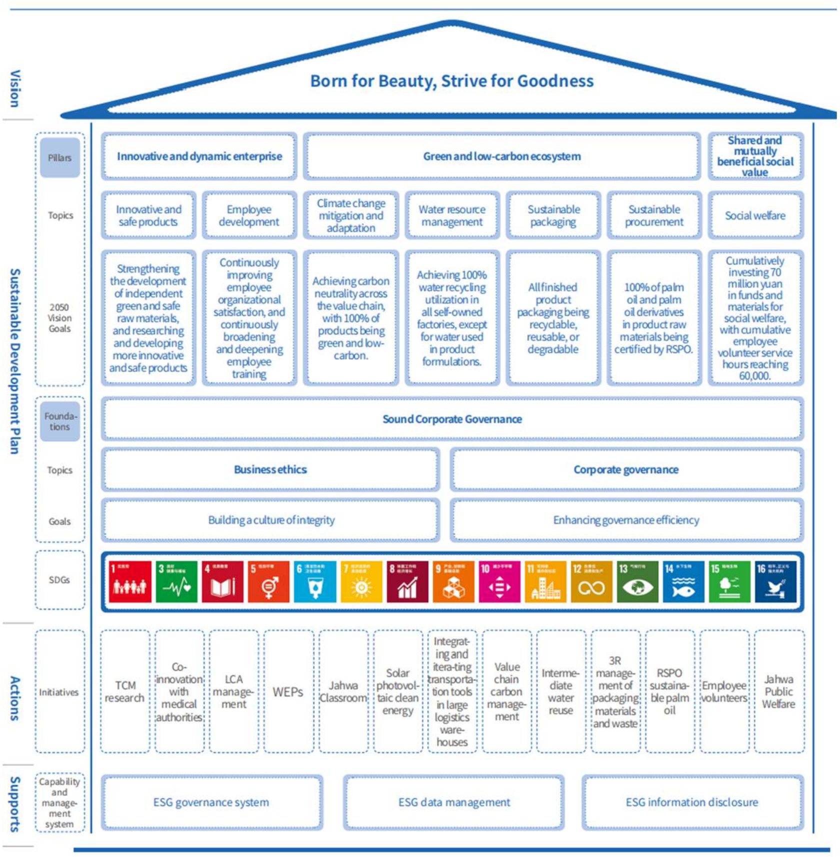
Division	Responsibility
Board of Directors	The highest authority of ESG governance. It is responsible for developing the Company's ESG management policy and strategy. It authorises the ESG Committee to assist the Board of Directors in managing and making decisions on related matters.
Strategy and Sustainability 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 *Working Rules of the Strategy and Sustainability Development Committee under the Board of Directors of Shanghai Jahwa United Co., Ltd.*)
ESG Committee	It sets the Company's ESG goals, identifies important ESG topics, develops management measures, and evaluates the

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

ESG Sustainable Development Message House



3.2 Assessment of Topics' Materiality

Dual Material Analysis

In accordance with the requirements of the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)*, and *Guide No. 4 for Self-Regulatory Supervision on Listed Companies of the Shanghai Stock Exchange—Compilation of Sustainable Development Reports* issued by the Shanghai Stock Exchange (hereinafter referred to as the "Shanghai Stock Exchange"), the Company invites experts and stakeholders to participate based on its own business background, and identifies, screens and analyses important topics from the two directions of impact materiality and financial materiality 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 Identification of topics	Identification and screening of sustainable development topics related to the Company, and definition of the topic, combined with standard benchmarking, policy analysis and interbank benchmarking.
Step 3 Topic 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 Topic confirmation and approval	Identify whether each topic has "impact and financial materiality" and form a materiality topic matrix. Carry out inspection, approval and reporting of topics.

Due Diligence

Shanghai Jahwa invites third-party institutions and experts to conduct investigations and assessments on the Company's performance in relation to each topic, and comprehensively analyses the impacts, risks, and opportunities arising under each topic. 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.

Impact, Risks, and Opportunities Analysis of Material Topics

Dimension	Topics	Impact description	Impact type	Risk/opportunity type	Value chain process	Time range
Environment	**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.	Company operations Downstream of the value chain	Long-term
	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 optimisation to meet new compliance requirements.	Company operations Downstream of the value chain	Short-term
	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.	Company operations Downstream of the value chain	Medium-term, and long-term
	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 product 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	Upstream of the value chain Company operations Downstream of the value chain	Long-term

Dimension	Topics	Impact description	Impact type	Risk/opportunity type	Value chain process	Time range
				will increase the company's management and operating costs.		
				Reputation risk: With the proposal of the goal of "30.60" carbon peak and carbon neutralisation and the popularisation 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 is conducive to better coping with the impact of rising energy prices in the future.	Company operations	Medium-term, and long-term
	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 substances or those hard to degrade 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.	Upstream of the value chain Company operations Downstream of the value chain	Medium-term, and long-term

Dimension	Topics	Impact description	Impact type	Risk/opportunity type	Value chain process	Time range
	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.	Company operations Downstream of the value chain	Medium-term, and long-term
Social	**Innovation-Driven**	With the increasing diversification and personalisation 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 personalised customisation can be realised to improve user experience and satisfaction.	Company operations Downstream of the value chain	Medium-term, and long-term
	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 realising 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.	Company operations	Long-term
	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.	Company operations Downstream of the value chain	Short-term

Dimension	Topics	Impact description	Impact type	Risk/opportunity type	Value chain process	Time range
	Service Quality Management	High-quality service quality can improve consumer satisfaction, enhance market reputation, and attract more new consumers.	Negative-actual	**Market risk:** Poor service quality may lead to consumer dissatisfaction, increase consumer complaints and return rates, and affect sales revenue and brand image.	Company operations Downstream of the value chain	Short-term
	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.	Company operations	Short-term
	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.	Company operations Downstream of the value chain	Short-term
	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, labour, 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.	Upstream of the value chain Company operations	Short-term
				Cost risk: Supply chain costs may increase due to uncertainties in the external environment (fluctuations in raw material prices, rising labour costs, etc.).		Short-term

Dimension	Topics	Impact description	Impact type	Risk/opportunity type	Value chain process	Time range
				Reputation risk: Suppliers violate laws and regulations in terms of environment, labour 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	**Organisational efficiency opportunities:** A sound employee rights and interests and welfare system helps to stimulate organisational vitality and innovation, and provides sufficient human resources support for the company's long-term development.	Company operations	Short-term, medium-term, and long-term
	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.	Company operations	Short-term, medium-term, and long-term
	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 fulfil 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.	Company operations	Short-term, medium-term, and long-term
	Contributions to the Society	Participating in public welfare activities and charitable donations can show the concept of	Positive potential	**Market opportunities**: The company carries out charitable activities for vulnerable groups	Company operations Downstream of the value	Long-term

Dimension	Topics	Impact description	Impact type	Risk/opportunity type	Value chain process	Time range
		sustainable development of "Born for Beauty, Strive for Goodness" with actions, and meet consumers' expectations for century old national brands.		and women, which helps to attract potential consumers and enhance the company's market appeal and influence.	chain	
	Rural Revitalisation	The company participates in rural revitalisation 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 revitalisation, which can establish a good social image for the company and enhance the company's brand reputation.	Company operations Downstream of the value chain	Long-term
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.	Company operations	Short-term
				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	Negative-actual	**Compliance risk:** The risk of incomplete and inaccurate identification, approval and disclosure of related parties and related transactions.	Company operations	Short-term, and medium-term

Dimension	Topics	Impact description	Impact type	Risk/opportunity type	Value chain process	Time range
		objectives, and effectively fulfil environmental and social responsibilities.		**Business risk:** The risk of incomplete implementation of relevant regulations in the operation of new businesses and channels, which may have an impact on the company's operations.		Short-term
				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, and 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-corruption help to maintain fair competition in the market and promote the healthy development of the market economy.	Negative-actual	**Reputation risk:** Fraudulent and unethical behaviour may result in the company facing compliance fines, litigation, and regulatory sanctions, damaging brand reputation and stakeholder relationships.	Company operations	Short-term, and medium-term
	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 behaviour, infringing on others' trade secrets, and other situations may lead to regulatory penalties and legal proceedings, resulting in damage to the company's reputation.	Company operations	Long-term
	Responsible Marketing	Resisting false propaganda and adhering to the concept of responsible marketing will help to maintain a	Negative potential	**Reputation risk:** False advertising and other situations may damage the company's brand image and trigger	Company operations Downstream of the value	Short-term

Dimension	Topics	Impact description	Impact type	Risk/opportunity type	Value chain process	Time range
		good industry ecology and enhance consumers' confidence in the industry and local brands.		consumer resistance.	chain	
	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.	Company operations	Short-term, and medium-term
	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.	Company operations Downstream of the value chain	Short-term

Stakeholder Communication

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.

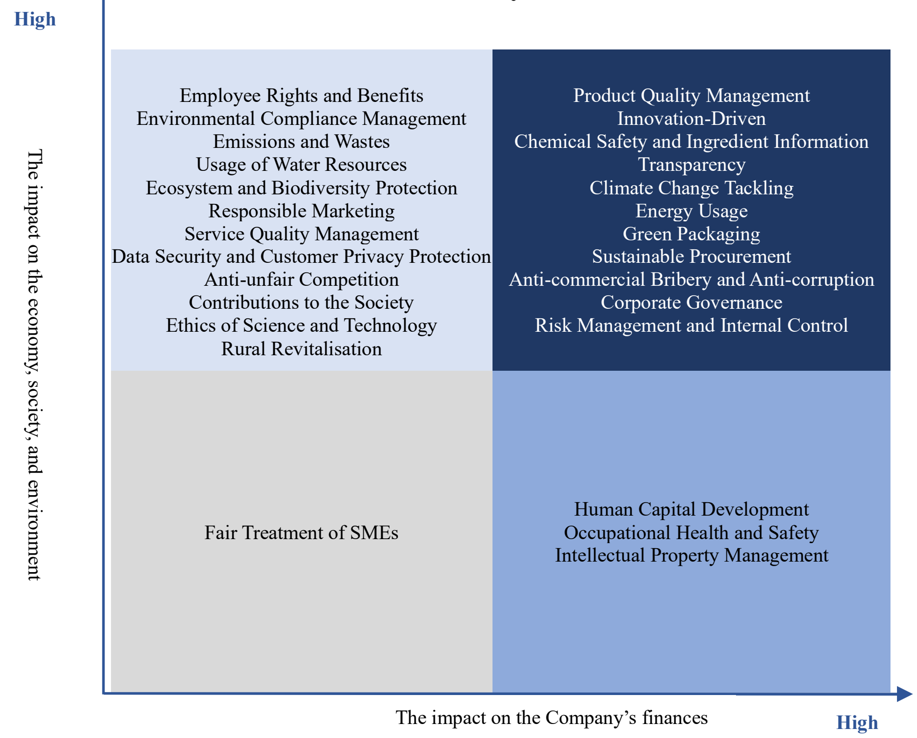
Main Stakeholders	Topics of Concern	Communication Methods/Channels
Government and regulatory authorities	● Corporate Governance ● Risk Management and Internal Control ● Climate Change Tackling ● Energy Usage ● Emissions and Wastes ● Usage of Water Resources ● Ecosystem and Biodiversity Protection	● Inspection by leaders and competent departments ● Regular work summary and official communication ● Routine implementation of policies ● Participation in

Main Stakeholders	Topics of Concern	Communication Methods/Channels
	● Environmental Compliance Management ● Intellectual Property Management	meetings and activities
Shareholders and investors	● Corporate Governance ● Risk Management and Internal Control ● Innovation-Driven ● Product Quality Management	● 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	● Innovation-Driven ● Product Quality Management ● Service Quality Management ● Chemical Safety and Ingredient Information Transparency ● Responsible Marketing ● Data Security and Customer Privacy Protection ● Risk Management and Internal Control	● 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)	● Anti-commercial Bribery and Anti-corruption ● Risk Management and Internal Control ● Anti-unfair Competition	● Dealer conferences ● Daily emails and phone calls for communication ● Trainings

Main Stakeholders	Topics of Concern	Communication Methods/Channels
	● Sustainable procurement ● Fair Treatment of SMEs	● Business visits
Employees	● Employee Rights and Benefits ● Occupational Health and Safety ● Human Capital Development ● Risk Management and Internal Control	● Internal e-mails ● In-house publications
Communities and the public	● Contributions to the Society ● Rural Revitalisation ● Climate Change Tackling ● Green Packaging ● Emissions and Wastes ● Ethics of Science and Technology	● The Company’s official website ● New media platforms ● Community activities for public welfare

Analysis of Material Topics

Materiality Matrix



Legend:

Financial and impact materiality **Financial materiality only**

Impact materiality only **Neither financial nor impact materiality**

Adjustments to Material Topics

Material Topics for 2025	Material Topics for 2024	Adjustment	Explanation
Service Quality Management	———	Added topic	Added topic based on the Company’s actual circumstances

4. Governance: Operations with Integrity, and Steady, Sustainable Progress

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 standardised operations to provide strong assurance for the Company's sound development.

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

Shanghai Jahwa Corporate Governance Structure

Diversity of Board of Directors

Shanghai Jahwa is committed to enhancing the diversity of its Board of Directors. In appointing directors, we consider both professional qualifications and diversity. In 2025, the Company completed a new round of board elections. All directors are seasoned professionals with extensive experience in fields such as investment, finance, accounting, marketing, consumer goods, digital transformation, and risk management, ensuring the Company's needs are met in areas including corporate development, risk response, and compliance management.

Protection of Investor Rights

Shanghai Jahwa attaches great importance to information disclosure, and strictly 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 standardised fulfilment of disclosure obligations, and effectively safeguard the rights and interests of investors and other stakeholders.

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.

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 2025

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.
Shareholders' meeting	Held two shareholders' meetings, which included an investor interaction session to fully ensure shareholder participation rights.
On-site or online communication activities	Held six performance briefings and actively participated in media interviews, and other events.
WeChat official account	Published 115 posts in 2025 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 120,000, with a total readership of over 280,000.

[Case] Shanghai Jahwa Convenes the First Extraordinary Shareholders' Meeting in 2025 and the 2024 Annual Shareholders' Meeting

On 4 June 2024 and 25 June 2025, Shanghai Jahwa held the first Extraordinary Shareholders' Meeting in 2025 and the 2024 Annual Shareholders' Meeting. Senior Management, including the Company's Chairman and Chief Executive Officer, Mr. Lin Xiaohai, engaged in in-depth exchanges with attending shareholder representatives, investors and media representatives on a wide range of topics, including the Company's strategic direction, business philosophy, brand development and channel reform.

In addition, this shareholders' meeting also reviewed and approved the Management Measures for Employee Share Ownership Plan and the Management Measures for Long-term Incentive Fund, establishing and improving the benefit-sharing mechanism for employees and shareholders, mobilising employees' enthusiasm and creativity, and promoting the Company's long-term, sustainable, and healthy development.

Shanghai Jahwa 2024 Annual Shareholders' Meeting

Key Performance Indicators

During the reporting period, two shareholders' meetings were convened; the Board of Directors convened nine times.

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 continued to implement interim dividends, putting into practice the investor-oriented philosophy, actively rewarding shareholders, and earnestly fulfilling the responsibilities and obligations of 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.*, and the *Risk Management System to ensure lawful*, compliant, and sound business operations. During the reporting period, the Company did not incur any administrative penalties, regulatory penalties or major cases, nor were there any major internal control risks.

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 realisation of development strategies. The Company has established a sound internal control management system. In 2025, we optimised the approval procedures for the issuance/abolition of internal control documents, the conflict of interest declaration process, and initiated the return product application process, continuously strengthening internal control supervision and inspection, optimising internal control processes, and continuously enhancing 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 organising 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.

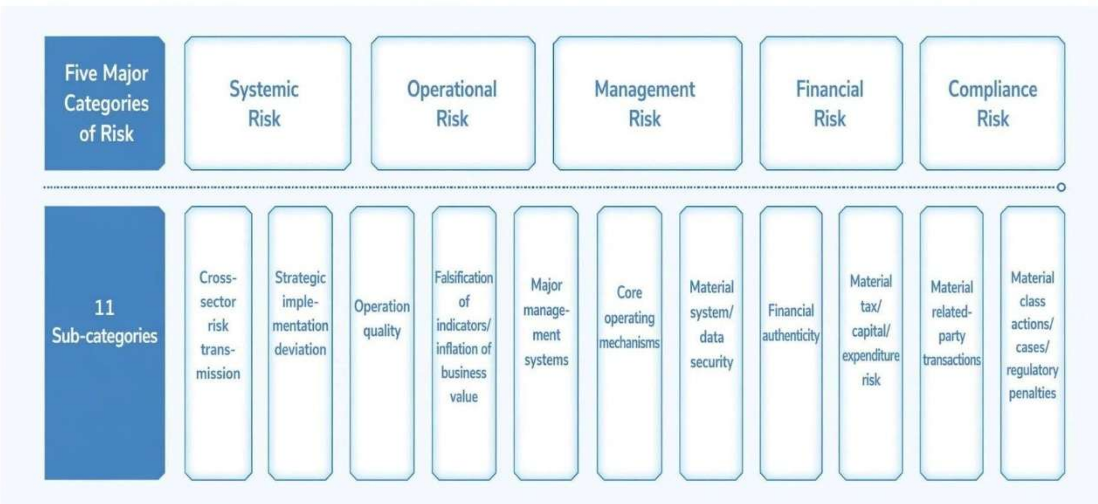
Risk Prevention

The Company has established a standardised 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

Shanghai Jahwa has built a risk map based on the audit strategy formulated each year, identifying risks across five major categories, namely systemic, operational, management, financial, and compliance risks, and 11 sub-categories, while placing particular focus on monitoring and assessing key areas and projects indicated by the Company's operating policies for the year.

Shanghai Jahwa Risk Map



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

Countermeasures for Key Identified Risks

Potential Risks	Responses
Incomplete or inaccurate identification, approval, and disclosure of related parties and related-	● 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

Potential Risks	Responses
party transactions	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	● 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 2025	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 realisation 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. During the reporting period, the Company did not experience any incidents of commercial bribery or corruption, nor were there any related lawsuits or penalties.

The Company conducts regular anti-corruption audits to strengthen its ability to detect and monitor risks related to fraud and misconduct. The Audit Department organises 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 defence” 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.

2025In 2025, the Company updated the courseware of *Business Ethics and Anti-Corruption Training* and *Conflict of Interest* in Jahwa Classroom, requiring all employees to participate in the learning and to take tests on the relevant content after the training, continuously promoting compliance with laws and regulations among employees at all levels of the Company, standardising employee conduct, maintaining the normal order of the Company’s operation and management, and safeguarding the Company’s sustainable and steady development.

To ensure that suppliers fully understood and complied with the relevant principles, the Company published the anti-corruption principles and anti-corruption reporting hotline information in the Corporate Announcements section of the Supplier Relationship Management (SRM) system. Suppliers can 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

In 2025, the Company updated the *Whistleblower Procedures*, added new whistleblowing channels, and expressly required that if any individual received whistleblowing information from any source (including but not limited to email, written letters, WeChat/text messages), it must be submitted to the head of audit in the Audit Department at the earliest opportunity, so as to ensure that employees’ reports could be handled in a timely and appropriate manner.

Shanghai Jahwa Whistleblower Channels

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

- WeChat: jahwajubaowechat (WeChat ID)

Shanghai Jahwa Whistleblower Handling Procedure

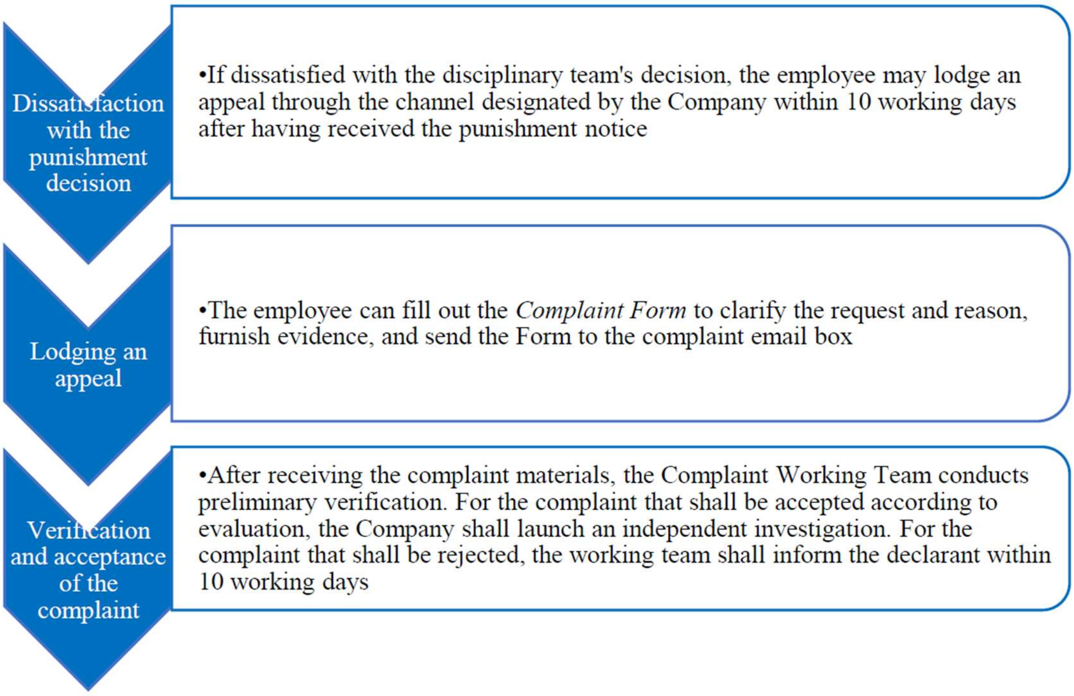
The Company has established a whistleblower protection policy to safeguard the legitimate rights and interests of informants. Individuals who violate confidentiality rules or fail to protect whistleblowers will be held accountable.

Whistleblower Protection Measures of Shanghai Jahwa

Dimension	Measures
Confidentiality of whistleblower information	● 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	● Any act of retaliation against whistleblowers or related witnesses will be dealt with based on severity, including but not limited to dismissal, termination of labour contracts, or referral to judicial authorities.

In 2025, the Company updated the *Operational Management Guidelines for the Penalty Team of Shanghai Jahwa United Co., Ltd.*, clarifying that after receiving a report, the penalty team shall organise a meeting within five working days to conduct a full discussion of the reported matter, form penalty opinions, and put them to a vote. If an employee in breach of regulations objects to or has doubts about the penalty decision, they may, in accordance with the *Complaint System of Shanghai Jahwa,* file an appeal with the penalty team within 10 working days after receiving notice of the penalty decision, specifying the appeal request and reasons, and providing supporting evidence.

Shanghai Jahwa Appeal Procedure



Anti-Commercial Bribery and Anti-Corruption Indicators and Targets

Indicator	Unit	Management Target	Progress in 2025	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 2025, the Company did not experience any lawsuits or major administrative penalties due to unfair competition practices.

4.4.1 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 labelling. During the reporting period, 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.

In 2025, the Company issued the *Marketing Promotion Compliance System of Shanghai Jahwa United Co., Ltd.*, further standardising the Company's marketing promotion activities and promoting the sound, orderly, high-quality, and efficient implementation of the Company's marketing promotion activities.

For cosmetic labelling - such as content on packaging boxes, containers, and product manuals - the Company requires multi-departmental review and confirmation within the Product Lifecycle Management (PLM system[1]). This includes review by the Brand Department, R&D Department, and Legal Department to ensure that all product labelling is truthful, accurate, and compliant with promotional and listing requirements.

Shanghai Jahwa Cosmetic Sales Packaging and Labelling Review Process

Brand Personnel Review	● The brand copywriting process initiator creates the process in the PLM system and fills in the *Product Advertising Copy Information* form. ● The Brand Supervisor and Brand Director review the *Product Advertising Copy Information*.
Product R&D Centre personnel review	● The formulation development engineer creates the *Inside Copywriting Information*, 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 Centre reviews whether the *Inside Copywriting Information* meets the required standards.
Legal Department review	● Legal reviewers examine the *Product Regulations and Advertising Copy Information* during the product copywriting stage to ensure legal compliance. ● During the product labelling review stage, legal personnel evaluate the compliance of trademarks, patents, and copy expressions in the product label.
Product Evaluation Section and Laws and Regulations Dept. review	● Personnel from the Product Evaluation Section of the Basic Research Centre verify whether the claimed product efficacy has supporting evidence. ● Personnel from the Laws and Regulations Dept. ensure the completeness of mandatory regulatory labelling items and the compliance of the label copy and claims.
Packaging designer review	● 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.

Note 1: The PLM system serves as the company's full lifecycle management platform for product R&D processes, covering product requirements management, R&D drawings and document management, regulatory restricted and prohibited substance management, BOM management, material standard management, and R&D project management. It also includes integration support with systems such as OA and SAP to enable the transmission of generated data and the distribution of technical documents.

In 2025, the Company conducted responsible marketing-related compliance training through a combination of offline training and online dissemination, across multiple dimensions.

Offline Training	● In the first quarter and second quarter, the Legal Department respectively conducted offline legal training for the brand and e-commerce departments; ● In the third quarter, the Company's Legal Department invited the Market Supervision Administration to conduct joint training and provide publicity and education on advertising compliance laws to relevant employees of the Company; ● In the fourth quarter, a "Legal Funfair" event was held with the theme of promoting legal awareness for compliant operations.

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Legal Funfair On-site Legal Awareness Activity</td>
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<td>Online Training</td>
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The Legal Department created the official account of Jahwa Legal Interpretation, reaching all employees;
It regularly disseminates legal knowledge related to the Company’s compliance governance and responsible marketing, focusing on practical issues such as patents, trademarks, and copyrights in the cosmetics industry;
“During the “Double 11” period, a special issue of the “Double 11” Legal Capsule was launched for compliant publicity and promotion, creating modular high-quality courses to meet fragmented learning needs.

Online Release of “Double 11” Legal Capsule and Jahwa Legal Interpretation
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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.

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 standardised and effective IP management, thereby promoting the healthy development of the industry.

Adhering to laws and management 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 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 2025, the Company further improved and optimised the innovation and intellectual property management systems and processes, prepared for the certification of the ISO 56005:2020 Innovation and Intellectual Property Management System, and planned to obtain certification within 2026.

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.

Management of Intellectual Property Risks

While actively taking measures to protect its own intellectual property rights, the Company also emphasises 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	● 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	● 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.

Category	Measures
	● Standardise the use of software, fonts, and images across all business units to eliminate potential IP infringement risks.
Intellectual property awareness and education	● 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 launched the Legal Department's Certificate Application Process. This process standardises the documentation of intellectual property certificate acquisition by all employees, ensuring transparency and standardisation of relevant procedures, and improving the efficiency and quality of intellectual property management.

[Case] Shanghai Jahwa's Brands "MAXAM" and "Dr.Yu" are Awarded the 2025 "Shanghai Excellent Trademarks" Certification

In December 2025, the Shanghai Trademark and Brand Association announced the list of 2025 "Shanghai Excellent Trademarks" title recipients. Among Shanghai Jahwa's brands, "MAXAM" was awarded the "Shanghai Excellent Trademarks" title for the first time, while "Dr.Yu" successfully passed the renewal review.

"Shanghai Excellent Trademarks" is assessed comprehensively across multiple dimensions, including brand awareness, market influence, brand value, and the number of years of trademark registration, by a review committee jointly formed by the Shanghai Trademark and Brand Association, industry associations, economists, legal experts, and intellectual property practitioners. Shanghai Jahwa will take "Shanghai Excellent Trademarks" as a benchmark to drive more of its brands to enhance their competitiveness and advance steadily towards the goal of becoming a first-class daily-use cosmetics company rooted in China and reaching overseas markets.

2025 “Shanghai Excellent Trademarks” Certification

Intellectual Property Management Indicators and Targets

Indicator	Unit	Management Target	Progress in 2025	Status
Number of incidents involving infringement of others’ IP	Case	0	0	Achieved

4.6 Fair Treatment of SMEs

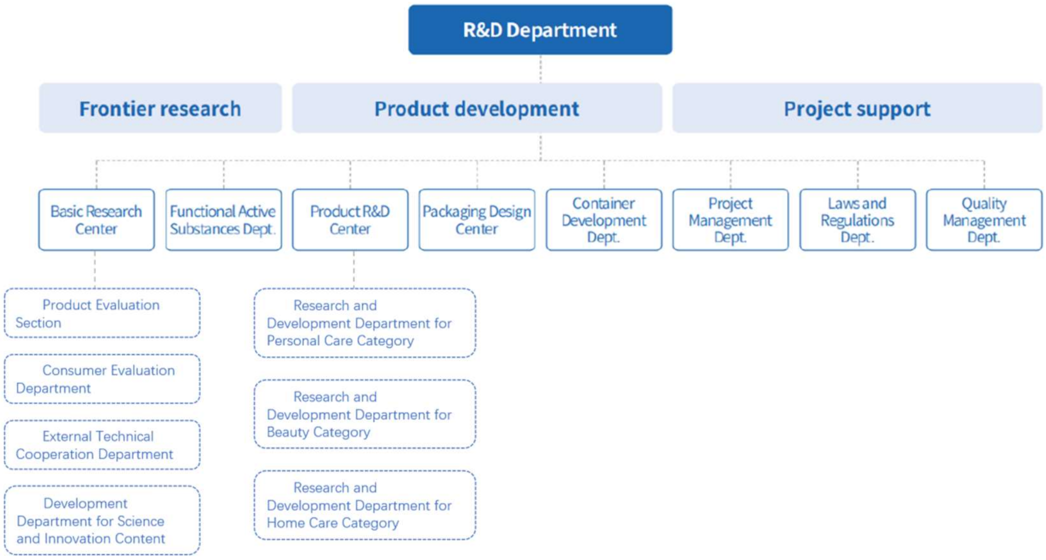
Shanghai Jahwa strictly complies with the *Law of the People’s Republic of China on the Promotion of Small and Medium-sized Enterprises* and the *Regulations on Ensuring Payments to Small and Medium-sized Enterprises*. The Company implements refined management of financial ledgers, sets and monitors 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: Craftsmanship in Quality, and Innovation for Excellence

5.1 Innovation-driven

Shanghai Jahwa has established a comprehensive organisational 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, the Company 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 incentivise 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 technical title evaluation, job appointments, promotions, and other diversified rewards to encourage employees' engagement in innovative R&D.

In 2025, the Company continued to advance the cultivation of high-level R&D talent. The Doctoral Young Talent Training Camp has brought together seven outstanding PhD holders from leading global institutions such as the University of Cambridge, Imperial College London, and the University of Chinese Academy of Sciences. Led personally by the head of R&D and supported by dedicated mentors, the team systematically advanced the development and strengthening of the talent pipeline.

Key Performance Indicators

As of the end of the reporting period, the Company had cumulatively participated in the formulation/revision of 158 standards, including 51 national/industry standards and 107 local/group standards.

Multi-Dimensional R&D Layout

Shanghai Jahwa has always been consumer-centred and, adhering to the R&D strategy of Chinese characteristics + international concepts + digital intelligence empowerment, has continued to identify product pain points and user needs, and is committed to providing innovative, aesthetically pleasing, and sustainable products. In 2025, the Company has shifted its R&D focus from basic research to core efficacy and established six efficacy platforms; at the same time, in order to better align with diversified usage scenarios, it has newly built four experience platforms. Leveraging a solid basic research system, the Company will continue to advance the coordinated optimisation of product efficacy and user experience, and better translate R&D achievements into practical business value.

Shanghai Jahwa Dimensions of R&D Innovation Application and Development

R&D Dimension	Details
Fundamental research	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 customisation, and beauty devices. These platforms reinforce our technological barriers and ensure value realisation. Through an open collaborative model that integrates industry, academia, research, and healthcare, we accelerate the establishment and transformation of core technological advantages.
Efficacy enhancement	The Company has established six efficacy platforms covering whitening/sun protection, mosquito repellent, anti-itching, anti-ageing, anti-redness, and anti-acne, with a greater focus on the Company's core niche segments, coverage of more categories, and stronger emphasis on developing super ingredients and super technologies.
Experience optimisation	The Company has established four major experience platforms, including packaging, fragrance, AI devices, and new scenarios/skin-feel platforms, to provide more usage scenarios and better deliver a superior product use experience for consumers.

The Company joined hands with universities and research institutions to embark on a new chapter of in-depth university-enterprise collaboration, empowering brand R&D and content ecosystem upgrades with top-tier academic resources, and bringing consumers product experiences with a stronger sense of technology and quality. We also empowered R&D with AI, building an AI platform to coordinate mosquito repellent and anti-itch platforms, and implementing projects for the generation of new AI anti-itch and mosquito repellent compounds, with the potential to create new anti-itch and mosquito repellent ingredients unique to the household and personal care industry.

Key Innovative R&D Achievements of Shanghai Jahwa in 2025

Title of Achievement	Partner Institution	R&D Content and Achievement
Herborist White Paper on Integrated Root-Cause Beauty Nourishment Whitening	Beijing University of Chinese Medicine, Shanghai University of Traditional Chinese Medicine, Chengdu University of Traditional Chinese Medicine, China Pharmaceutical University	● It successfully established an expert seminar model of "theory co-creation - experiential interaction - outcomes closed loop", providing a reusable methodology for subsequent new product development. In November 2025, the *Herborist White Paper on Integrated Root-Cause Beauty Nourishment Whitening* was successfully published.
Research on the Evaluation of the Antipruritic Efficacy of Traditional Chinese Medicine Extracts and the Development of Antipruritic Raw Materials	China Pharmaceutical University	● Based on the mechanisms of acute and chronic pruritus, the development and application of active traditional Chinese medicine ingredients were carried out in combination with in vitro and animal model screening. ● Four plant-derived anti-pruritic actives have been obtained.
Joint Release of the Mosquito Epidemic Heat Map by Liu Shen and Tsinghua University, among Others	Tsinghua University, Zhejiang Meteorological Publicity and Science Popularisation Centre	● Based on a statistical analysis model using temperature as a single factor, combined with real-time forecast meteorological temperatures, hourly forecasts of mosquito distribution density at 5*5 km resolution were generated for provinces and cities across the country, forming a dynamic mosquito activity map and providing corresponding protection recommendations for different density levels. ● In August 2025, the Liu Shen Mosquito Activity Heat Map was officially released.
Innovative Mechanisms of Liu Shen Mosquito Repellent	Sun Yat-sen University	● Both parties, with "scientific validation, cosmetic texture, and content empowerment" as the core, built an integrated innovation system

Title of Achievement	Partner Institution	R&D Content and Achievement
Products, Raw Material Development, and Support for Science Communication		of "R&D - validation - communication". ● Based on Liu Shen mosquito repellent products, they conducted collaborative research on innovative mosquito repellent mechanisms for relevant raw materials, and in conjunction with new mechanisms, carried out research reserves and development of other raw materials; at the same time, the Company assisted in providing popular science and visualised scientific communication content related to mosquitoes and repellence. ● Public education on mosquito-related knowledge and the filming of scientific communication videos for the Sun Yat-sen University Mosquito Factory were completed, building the brand awareness of "visible science-driven mosquito repellent", and helping Liu Shen's new Mosquito Repellent Egg product achieve sales exceeding RMB 100 million.
In-depth Exploration of Liu Shen Fragrance Assets and Visualisation of Cooling Technology	Shanghai Institute of Technology	● The Company carried out targeted cooperation with Shanghai Institute of Technology, focusing on two core topics: in-depth exploration of Liu Shen fragrance assets and the visualisation of cooling technology. ● In the fragrance asset field, leveraging the disciplinary strengths of higher education institutions in fragrance and flavour technology, odour molecule research and other areas, we systematically sorted out the aroma profile radar charts and olfactory memory points of Liu Shen's classic fragrance types, explored innovative derivations and scenario-based applications of fragrance types, and

Title of Achievement	Partner Institution	R&D Content and Achievement
		strengthened the brand imprint of "Liu Shen Cool". ● In the cooling visualisation project, we presented content through intuitive formats such as thermal imaging technology demonstrations, enabling consumers to genuinely experience the technological warmth behind the product through quantified data and animated videos.

[Case] Shanghai Jahwa Completes the Filing of Three Self-developed New Raw Materials in 2025

In order to break dependence on core cosmetic raw material technologies, empower products to achieve exclusive claims and differentiated efficacy, and build brand moats, the Company further promoted in-depth research into Jahwa's self-developed active substances and the filing of new raw materials for innovative ingredients. During the year, three new raw material filings were completed: Cyclo (Dipeptide)-1 (filing number 20250063), Osmundacetone (filing number 20250147), and vinegar fermented grain brine extract (filing number 20250091). Among them, Cyclo (Dipeptide)-1 was successfully first applied in the New Generation Multi-Peptide Time-Lock Series launched by Herborist Derma.

Public Disclosure Information for the Filing of Cyclo (Dipeptide)-1

[Case] Shanghai Jahwa Innovation Centre - Synthetic Biology Officially Unveiled in Shanghai

On 20 March 2025, the launch and unveiling ceremony of the Shanghai Jahwa Innovation Centre - Synthetic Biology was held at the auditorium of Shanghai Jahwa's R&D Centre on Baoding Road. Lv Ming, Deputy Secretary of the Hongkou District Party Committee and District Mayor, and Lin Xiaohai, Secretary of the Party Committee, Chairman and Chief Executive Officer of Shanghai Jahwa, attended the event and unveiled the R&D Centre.

Unveiling Ceremony of the Shanghai Jahwa Innovation Centre - Synthetic Biology

[Case] Shanghai Jahwa Showcases its Self-developed New Technologies at 2025 CAME, Leading Innovative Breakthroughs in Domestic Products with its Profound Scientific Research Heritage

From 25 to 27 September 2025, the 2025 China Association of Fragrance Flavour and Cosmetic Industries Annual Conference and Expo (CAME) opened at the Yangtze River International Conference Centre in Nanjing. This year's exhibition, themed "Technology, Brands, Progress Together", brought together over 100 enterprises, more than 500 brands, over 1,000 new products, 14 international organisations, more than 100 guest speakers, and dozens of thematic conferences, building a platform for exchange and co-operation that deeply integrated government, industry, academia, research, investment, application, and communication.

Shanghai Jahwa, under the core theme of "Perceptible Technology", comprehensively interpreted the concept of "Chinese Ingredients, Chinese Innovation, Chinese Application" through five interactive sections - the debut of AGEScan Lite, the first self-developed quantification and imaging device for skin glycation levels, the display of achievements from the Joint Laboratory for Artemisia annua and Chinese Characteristic Plants, the presentation of scientific testing for mosquito repellent efficacy, a dedicated area for Oriental aesthetics and herbal culture, and an immersive fragrance art gallery - systematically showcasing its solid R&D capabilities and innovative achievements accumulated over 126 years.

Shanghai Jahwa at 2025 CAME

[Case] Shanghai Jahwa Improves R&D Quality and Efficiency through the "Internal Experience Officer" Programme

Internal Experience Officers are an important innovative initiative of the Shanghai

Jahwa R&D Centre for conducting consumer-centred product development, aiming to obtain in-depth consumer insights through interaction with consumers across the entire product development chain in a small-sample, low-cost manner.

Shanghai Jahwa's internal consumer sample pool included more than 200 internal full-time employees from the Baoding Road workplace and the Shuangshihui Plaza workplace. In 2025, by inviting Internal Experience Officers to participate in various forms of product trials, product evaluations, focus group discussions, and questionnaire surveys, the R&D Centre continuously engaged more than 200 active Internal Experience Officers, with annual test participation exceeding 1,300 person-times, providing consumer evaluation and insight results for 119 products under development.

On-site Product Use Evaluation

Digital Infrastructure

The Company attaches great importance to the positive role of digitalisation in improving business efficiency, optimising operational processes, and driving innovative development. In 2025, the Company has steadily advanced digitalisation across four key areas, namely system development, cost reduction and efficiency enhancement, AI innovation, and business empowerment, and achieved remarkable results. While effectively supporting the development of our core business, these efforts have also tangibly enhanced the Company's market competitiveness.

Core Achievements in Shanghai Jahwa's Digital Development in 2025

Results	Details
Remarkable system construction effectiveness	● The Company launched core financial systems for management reporting and funds, and optimised four categories of existing systems, including expense control and SAP; ● The Data Service Centre completed the integration of more than 20 internal and external systems, and the scale and efficiency of BI reports and RPA automation applications increased significantly; ● The Company built an infrastructure-based unified identity management platform to ensure security and compliance.
Remarkable achievements in cost reduction and	● Through cloud resource integration, network decommissioning optimisation, and tiered computer management, cumulative cost savings exceeded RMB 4.3

efficiency improvement	million; ● The integration of SFA tools, the automation of financial vouchers, and other measures improved workforce efficiency, saving more than 240 person-days of manual labour annually.
Steady implementation of AI innovation	● The Company launched tools such as the TCM-AI Chinese herbal medicine R&D platform, brand assistant, and Home Genie, covering scenarios such as public opinion monitoring, video analysis, and customer service knowledge bases, and received support from Shanghai's cultural and creative industry funds.
Comprehensive business empowerment coverage	● The Company supported departments such as sales, supply chain, and R&D, ensured the stable operation of systems during major promotional campaigns, optimised processes such as order fulfilment and inventory management, and achieved customer satisfaction of 99.38%.

Innovation-Driven Indicators and Targets

Indicator	Unit	Management Target	Progress in 2025	Status
R&D investment	RMB 100 million	Strengthen basic and applied research, and enhance the independent development of green raw materials	2.32	On track
Proportion of R&D personnel to total employees	%		6.56	
Number of granted and valid patents[1]	Item(s)		483	

Note 1: This data represents the number of patents held by Shanghai Jahwa and its subsidiaries as at the end of 2025.

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. The Company had successfully established a diversified testing methodology system, including skin irritation testing, eye irritation testing, skin sensitisation 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.

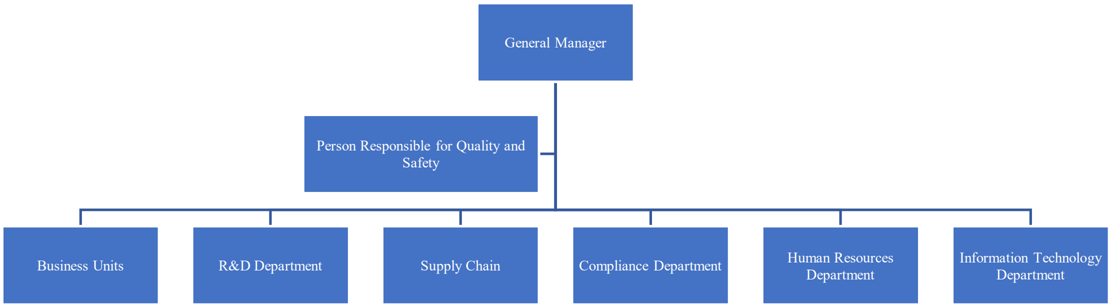
Shanghai Jahwa's Non-Animal Testing Initiative

Initiative	Description
System development	● 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 sensitisation, read-across methods, and the threshold of toxicological concern (TTC). These guidelines have been scientifically implemented and applied within the Company.
Innovative experimentation	● 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, Artemisia annua 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.
Innovation platforms	● 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 visualisation for scratch assay repair, gene-based rapid screening platform for keratinocyte moisturising 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 Artemisia annua 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 the Supervision 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.

Shanghai Jahwa Quality Management System Structure



General Manager	● Fully responsible for the Company's product quality and safety management; organises 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	● 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	● Participate in the planning and implementation of the Company's quality management system to ensure compliance with relevant laws, regulations, and standards. ● Strictly fulfil quality and safety responsibilities; implement processes such as product design and development, procurement, production, inspection, delivery, and after-sales service in a standardised manner to ensure final products meet standards and customer needs. ● Organise 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 12 training sessions were completed, including: nine online/offline regulatory training sessions, two offline professional skills training sessions, and one online quality training session. The total training duration was approximately 36 class hours, reaching approximately 1,200+ participant attendances.

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	● 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	● 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	● 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 cosmetic products and skincare 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	● In 2025, Giving, the children's skincare brand under Shanghai Jahwa, revised the *Product Development and Production Quality Requirements for Giving*. While setting stringent requirements across all stages, including raw material safety review, design and development verification, procurement and supplier management, production process control, and inspection and release, it also established age-segmented safety assessment standards for two groups, namely children and adolescents aged 13 and above, in order to safeguard product safety and quality and reduce quality and safety risks. The aim was to secure product safety and quality and reduce quality safety risks.

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	● In accordance with regulatory requirements, the Company reasonably establishes organisational 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	● 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

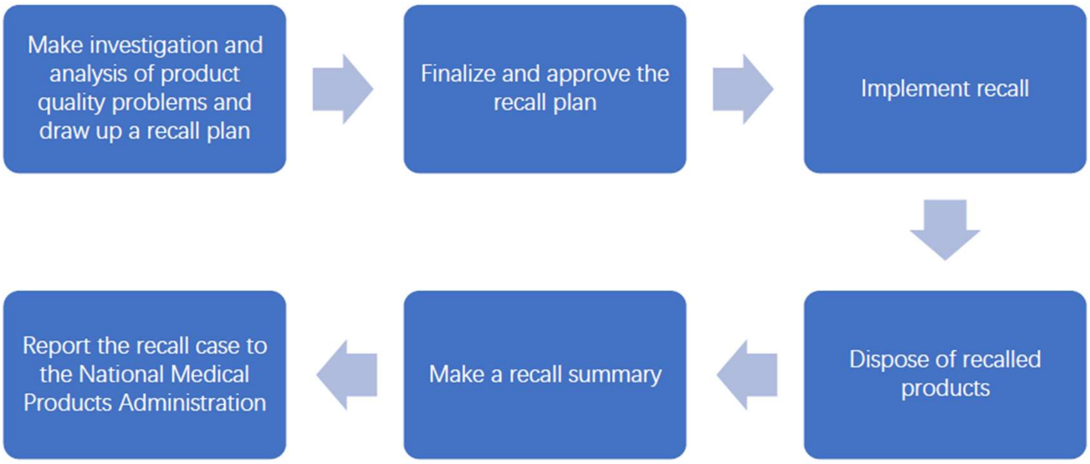
	after approval of batch records.
Non-conforming product management	● Handling procedures are in place for the management of non-conforming products and expired materials.

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 analysed, 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



The Company adheres to high standards and strict requirements in quality management, proactively accepts audits and supervision by third-party institutions, continuously improves our quality management system, effectively safeguards product quality, and has created a safe and reliable consumer environment.

External Audit Conducted by Shanghai Jahwa in 2025

Auditing Institution	Audit Content	Audit Results
SGS-CSTC Standards Technical Services Co.,	It audited the Company's quality management system in accordance	No non-conformities were identified.

Auditing Institution	Audit Content	Audit Results
Ltd. (SGS)	with ISO 9001:2015, ISO 22716:2007 and CGMP-US standards.	
Third-party independent institutions	They conducted quality system audits and product sampling inspections at the Kuayue Factory.	One non-conformity was identified, and remediation was completed in a timely manner.
Shanghai Medical Device and Cosmetics Evaluation and Verification Centre	It conducted an on-site inspection regarding changes to the workshop layout.	Confirmed as passed.

Product Quality Management Indicators and Targets

Indicator	Unit	Management Target	Progress in 2025	Status
Number of violations related to product and service health and safety	Case	0	0	Achieved
Number of products sold or delivered that were recalled for health and safety reasons	/	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.

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.

With the implementation of new cosmetics regulations in China and the continuous improvement of supplementary policies, the Company has closely followed policy developments and implemented chemical safety and risk assessments to high standards and with stringent requirements. We have conducted multi-dimensional research on raw material safety, product stability, preservative system effectiveness, and packaging compatibility to ensure product safety. The Company has fulfilled its primary responsibility for quality and safety, established a full life-cycle product management system, integrated safety assessment into the entire process of research and development and product launch, and simultaneously strengthened internal self-inspection mechanisms to ensure that information was authentic and compliant, thereby safeguarding the lawful rights and interests of consumers.

Shanghai Jahwa Chemical Identification and Risk Assessment Procedure

Hazard Identification	In accordance with the *Safety and Technical Standards for Cosmetics* and internationally recognised toxicological evaluation principles, the acute toxicity, skin irritation/corrosion, eye irritation/corrosion, sensitisation, 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.
Dose Response Relationship	Determines the relationship between toxicological responses and exposure levels of cosmetic raw materials and/or risk substances.
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.
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	● Established the *List of Prohibited and Concerned Cosmetics Ingredients*, and continuously optimising 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	● In accordance with the *Guidelines for Raw Material Supplier Audits in Cosmetic Manufacturing Companies*, each supplier is required to complete the *Raw Material Information Survey Feedback Form*, 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	● 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.

Highlights and Achievements

- Shanghai Jahwa was awarded the re-evaluation plaque for the Key Laboratory of Skin Care Product Safety and Efficacy Evaluation of China National Light Industry, reflecting the Company's industry-leading position in product quality, safety and efficacy research, and further demonstrating our strong emphasis on consumer safety.
- Herborist Five Elements Fine Line Reducing Essence Oil was certified by SGS. 99% of the carbon in the product is derived from natural ingredients, featuring a very high degree of renewability and environmental friendliness, and demonstrating the Company's achievements in the development of clean and green formulations.

Product Quality Management Indicators and Targets

Indicator	Unit	Management Target	Progress in 2025	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 strictly complies with the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, the *Regulations on the Implementation of the Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, the *Advertising Law of the People's Republic of China*, and other laws and regulations, and is committed to safeguarding consumer rights and interests as well as product after-sales service.

The Company has consistently adhered to the principle of being consumer-centred, with the goals of customer satisfaction and efficient handling of customer issues, and has established a consumer service system featuring "two-line service implementation and three-level service quality supervision". By establishing a sound customer service assurance system, a professional customer service centre, and a cross-departmental communication and collaboration mechanism, the Company has continuously improved service quality. The customer service centre regularly held monthly consumer experience meetings jointly with front-end departments, brand departments, logistics, and product quality departments, collaboratively promoting service optimisation and experience enhancement.

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

Two-line service implementation	Online services	● Assign professional after-sales personnel to handle service on e-commerce platforms. ● Develop standardised service guidelines to regulate service staff behaviour 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	● Leverage strong offline distribution and counter models; achieve full-channel service integration through cross-channel training, system connectivity, and centralised service management, completing the two-line service loop.
Three-level service quality supervision	After-sales service centre	● Conduct service quality inspections. ● Perform consumer follow-ups.
	Intelligent AI	● Apply Voice of the Customer (VOC)

	software	systems and AI technologies in online customer service scenarios.
	Corporate public opinion monitoring system	● Selectively trace public domain complaints and assign manual follow-up to ensure a seamless consumer shopping experience.

In 2025, through innovative activities such as “Listen to Your Voice” and “Roast Show”, the Company has deepened cross-departmental collaboration, conveyed the voices of consumers to business departments, and effectively promoted product optimisation oriented towards user needs.

Departmental Collaboration Innovation Activity of Shanghai Jahwa in 2025

Initiatives	Main Content	Objectives and Effectiveness
Listen to Your Voice	● Partners from all segments of the business units were invited to go deep into the front line of customer service and warehouses, jointly listen to customers’ voices, and directly face the real challenges in customer service scenarios.	● The initiative established a sustainable dialogue mechanism and a trusted environment: enhancing mutual understanding of each other’s work between various business divisions and the customer service team, promoting collaborative coordination and consensus-building, and jointly driving the continuous optimisation and improvement of the business.
Roast Show	● The customer service department collected consumers’ complaints, shared them with the business departments, and developed solutions.	● Customers’ scattered negative emotions were systematically transformed into a “requirements list” for coordinated action across departments. ● This enabled frontline customer service staff to evolve from “recipients” of information into “initiators” of experience optimisation, bridging the “last mile” through which customer feedback drives product improvement.

Episode 1 of Roast Show

[Case] Shanghai Jahwa Refreshes the Consumer Experience through Direct Factory Shipping

To optimise supply chain efficiency and enhance the consumer experience, the Company piloted a direct factory-to-consumer model this year, breaking the traditional multi-tier delivery chain of factory–central warehouse–business warehouse–2C consumer. The project focused on best-selling products across various channels and, in line with actual factory capacity, successfully enabled factories to ship directly to end consumers in categories such as Liu Shen Floral Water, Liu Shen Body Wash, and HomeAegis Laundry Detergent through optimised packaging protection, system integration, and the development of factory e-commerce fulfilment capabilities.

This model effectively reduced intermediate links, lowered logistics and warehousing costs, significantly shortened fulfilment lead times, and ensured that products were delivered safely and quickly. In the future, the Company will gradually expand the scale of direct shipping, promote the inclusion of more suitable products in the direct shipping system, unlock supply chain potential, and bring consumers a faster and higher-quality shopping experience.

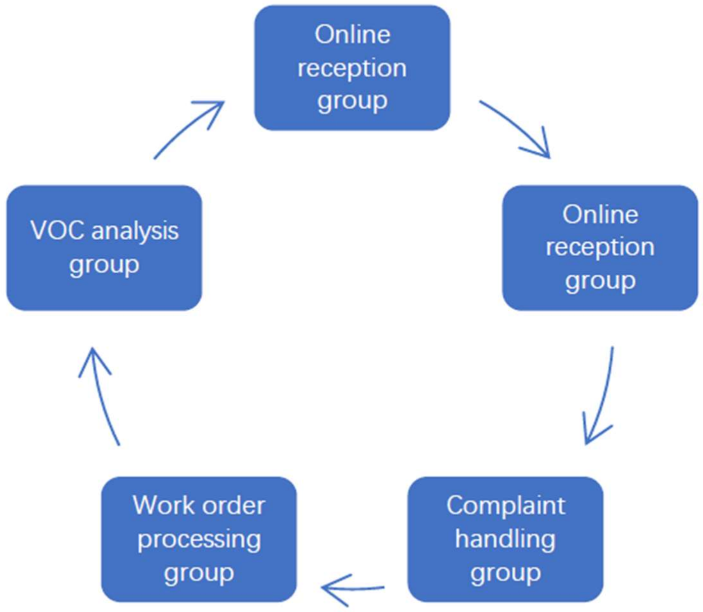
Product Packaging Process at the Factory

Product Shipping Process at the Factory

5.5.1 Customer Complaint Handling

For various types of consumer complaints, the Customer Service Centre 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. In 2025, the Company added a self-service consumer complaint portal on e-commerce channels to safeguard brand image and market reputation.

Shanghai Jahwa After-Sales Service Assurance System



Shanghai Jahwa Consumer Complaint Handling Methods

Complaint Type	Handling Method
General issues	Authorised frontline personnel are empowered to handle issues quickly.
Serious issues or complaints involving legal/regulatory matters	Specialised 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:

All brand service scores on the Tmall channel remained at five points per day (full marks);

All brand services across the Douyin channel scored above 90 points every day[1].

During the reporting period[2]:

Dr.Yu's brand satisfaction was 95.32%, representing a year-on-year increase of 2.00%;

Herborist's brand satisfaction was 95.42%, representing a year-on-year increase of 0.60%;

Liu Shen's brand satisfaction was 94.65%, representing a year-on-year increase of 0.20%;

Maxam's brand satisfaction was 95.22%, representing a year-on-year increase of 1.25%;

Giving's brand satisfaction was 95.42%, representing a year-on-year increase of 0.04%;

GF's brand satisfaction was 95.81%, representing a year-on-year increase of 0.78%;

Shanghai VIVE's brand satisfaction was 95.60%, representing a year-on-year increase of 0.22%.

During the reporting period, the average customer service response time was 16.01 seconds.

Note 1: The service rating rules for the Douyin channel were adjusted on March 15, 2025. The Douyin channel data presented herein covers the period from March 15, 2025 to December 31, 2025.

Note 2: Starting from 2025, the company will measure consumer satisfaction on a brand-by-brand basis (i.e., aggregated at the brand level).

5.5.2 Data Security and Customer Privacy Protection

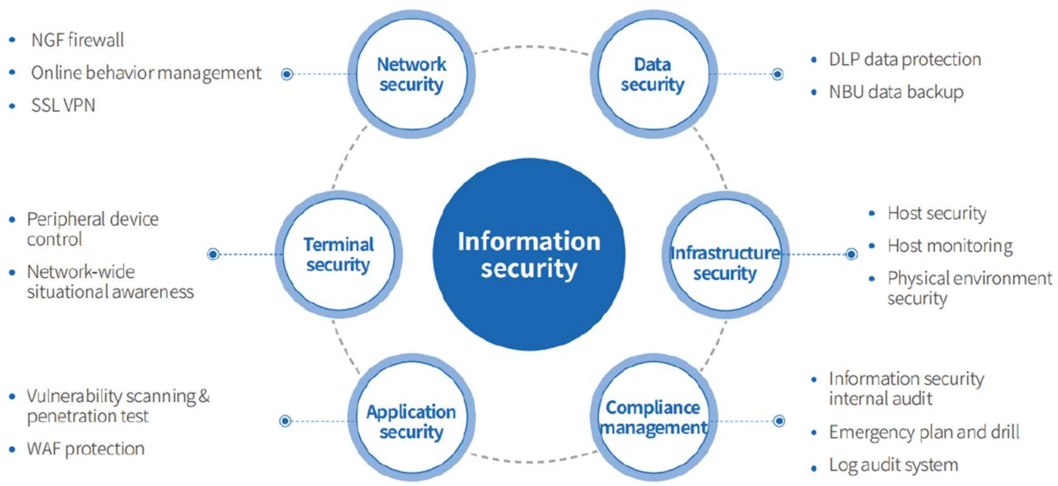
The key stages of data security and customer privacy protection at Shanghai Jahwa include data collection, storage, transmission, and usage. The Company places high importance on data security and customer privacy protection, strictly adhering to the *Cybersecurity Law of the People's Republic of China*, 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 2700l Information Security Management System framework. The Company's information security, legal, and internal control departments are jointly responsible for the overall management of the information security efforts.

The Company has formulated internal regulations such as the *Personal Information and*

Privacy Protection Policy, the *Information Security Regulations (Individual Edition)*, the *Database Management Rules of Shanghai Jahwa*, the *Measures for Management of Account Authorisation in the Information System*, and the *Consumer Privacy Protection Policy*, established a privacy protection system featuring a "compliance framework + categorisation and classification + full life-cycle management + closed-loop accountability and responsibility", and implemented a "five-step implementation method" to ensure effective operation.

In 2025, the Company introduced the *Database Permission Allocation and Management System*, and the *Management Measures for the Privileged Accounts on E-Commerce Platforms*, updated the *Information System Backup Strategy Management System of Shanghai Jahwa*, optimised the data security approval process, continuously improved the existing data security protection system, ensured more stringent protection of the Company's information assets, and further enhanced the protection of customer privacy rights and interests.

Shanghai Jahwa Data Security and Customer Privacy Protection Management System



The Company identifies risks related to data security and customer privacy protection through internal audits, industry case analysis and expert consultation, and has formulated targeted strategies, including stringent full life cycle data management, technological upgrades to prevent and control external attacks, employee training, and signing confidentiality agreements with third parties, to ensure an effective response to risks and provide a solid foundation of trust for business development. In 2025, the Company did not experience any data security or customer privacy breach incidents.

Data Security and Customer Privacy Protection Management Measures

Measures	Details
Integrated platform development	● Systems such as the Supplier Relationship Management (SRM) system, visualisation 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.

Measures	Details
Hierarchical authorisation management	● The Company's information systems enforce strict access control based on the principles of "whoever manages the business, authorises the functions," with hierarchical authorisation. ● Access to consumer information systems is strictly role-based; employees are not allowed to access or download data beyond their job responsibilities.
Information security training	● The Company organised information security training for all employees in 2025, covering online learning courses and phishing email drills. Among them, a total of 4,655 participant attendances completed the online course learning, and 2,159 participant attendances took part in the phishing email drills, effectively enhancing employees' information security awareness and prevention capabilities.

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 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, quality standards, and sustainable procurement requirements. In addition, the Company has assigned dedicated personnel in each relevant department to be responsible for sustainable procurement.

The Company has formulated supplier management and assessment policy documents such as 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*, and the *Dynamic Management System for Raw Material Suppliers*, and uses the Supplier Relationship Management (SRM) system to carry out full life cycle management of suppliers in terms of selection, assessment, incentives and elimination, ensuring that suppliers meet the Company's requirements.

5.6.1 Supplier Management

Our suppliers are divided into raw material suppliers and indirect suppliers, with specialised management and assessment implemented by the corresponding functional departments to continuously improve the quality and effectiveness of supplier management.

For raw material suppliers, an annual performance assessment is conducted, with evaluations jointly scored by the Quality Management Department, Procurement Department, R&D Department, and Planning Department. 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.

For indirect suppliers, they are subject to online performance assessment and evaluation by the Indirect Procurement Department. For those who fail to meet performance standards, we initiate performance improvement communication or eliminate them from the supplier pool.

The Company incorporates sustainability-related requirements into the supplier performance assessment system, includes the environmental friendliness of material processes and the possession of relevant environmental qualifications in the assessment, and awards additional points to raw material suppliers that submit carbon management-related certificates. The Company also provides suppliers with multi-level training from time to time, including quality training and anti-corruption training, continuously strengthening their quality awareness and compliance literacy.

Shanghai Jahwa Supplier Performance Ratings

Grade A	● Suppliers are given priority in bidding opportunities and enjoy preferential treatment in winning bids and being selected for purchases under equal conditions.
Grade B	● Suppliers have regular access to participate in bidding and procurement collaborations.
Grade C	● Suppliers face certain restrictions in bidding and procurement participation.
Grade D	● Suppliers are disqualified from bidding and are strictly restricted from engaging in any procurement activities.

Small and medium-sized enterprise suppliers account for a relatively high proportion of the Company's supplier system. We consistently adhere to the principles of fair and transparent cooperation, make payments to all suppliers on time, and safeguard the lawful rights and interests of small and medium-sized suppliers.

5.6.2 Supply Chain Security Management

In terms of supply chain security, for raw materials with longer procurement cycles (such as certain imported raw materials), the Company has effectively ensured continuity of supply by stocking up in advance and maintaining sound safety stock management. Meanwhile, the Company has continued to advance supply chain resilience, accelerated the development of dual-source and diversified supply channels for key raw materials, reduced reliance on single sources, and enhanced supply chain stability and risk resilience.

To strengthen supply chain security and stability, the Quality Management Department, Procurement Department, and Information Technology Department work closely to develop a manufacturer directory, critical raw materials directory, and corresponding maintenance management functions within the SAP system. This enables efficient production and raw material supply management while ensuring strict compliance with applicable regulations. The Company provides special training to suppliers from time to time to enhance their operational and application capabilities in using software systems.

5.6.3 Sustainable Procurement Management

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	● 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. ● Give priority to selecting suppliers of raw and auxiliary materials that adopt internationally recognised 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.
Labour management	● 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 labour, child labour, and excessive overtime; ● Require suppliers to provide a healthy and safe working environment for their employees. We give priority to suppliers that adopt internationally recognised 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	● 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 Whistle-blower Protection System, ensuring strict confidentiality of the whistleblower's personal information and all materials provided.

Sustainable Procurement Indicators and Targets

Indicator	Unit	Management Target	Progress in 2025	Status
Proportion of suppliers assessed in terms of environmental, labour, 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: Low-carbon Operations, and Green Development

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. In December 2025, the Kuayue Factory successfully passed the surveillance audit for the ISO 14001:2015 Environmental Management System.

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	● Raw materials, energy, and water resources consumed during suppliers' production and operation processes	● Wastewater, exhaust gas, waste, and greenhouse gases generated during suppliers' production and operation processes
R&D and production	● Energy: purchased electricity, natural gas, steam ● Water resources: municipal water supply ● Packaging materials	● Greenhouse gases ● Exhaust gas: volatile organic compounds (VOCs), nitrogen oxides (NOx) ● Wastewater: chemical oxygen demand (COD_{cr}), suspended solids ● General waste: expired products, domestic waste, packaging waste ● Hazardous waste: used raw material barrels, waste packaging materials, laboratory waste, waste mineral oil, waste intermediate bulk containers
Logistics and warehousing	● Energy: diesel consumed by freight vehicles, electricity consumed by electric vehicles, energy consumed in warehousing ● Packaging materials	● Greenhouse gases ● Non-hazardous waste: packaging waste
Office	● Energy: purchased	● Greenhouse gases

Stage	Environmental Factor Inputs	Environmental Factor Outputs
operations	electricity, electricity and gasoline consumed by Company-owned vehicles ● Water resources: municipal water supply	● Wastewater: domestic sewage ● Non-hazardous waste: domestic waste
Product use and disposal	● Energy and water resources consumed by consumers during product use ● Energy and water resources consumed during the waste disposal process	● 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 emissions. 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 fulfil our legal and social responsibilities by establishing environmental emergency response plans and organising relevant emergency drills.

6.2 Emissions and Wastes

6.2.1 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.

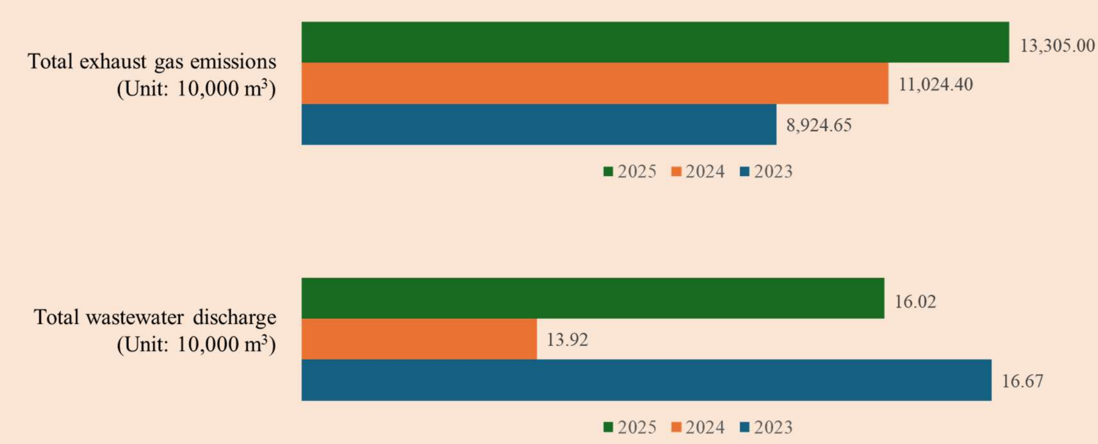
The main categories of air pollutants generated by the Company include non-methane total hydrocarbons, particulate matter, and odours. These are treated by the Company's on-site exhaust gas treatment system before being discharged into the pipeline network. The Company has developed regulatory documents 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 Type	Emission Standard	Management System	Treatment Method	Treatment Requirements
Waste water	Process wastewater, workshop cleaning wastewater	DB31/199-2018 *Integrated Wastewater Discharge Standard*	EHS-P-031A *Wastewater Discharge Management Procedures*	Third-party monitoring	Discharge in compliance with standards
Exhaust gas	Non-methane total hydrocarbons, particulate matter, odours	DB31/933-2015 *Integrated Emission Standard of Air Pollutants* DB31/1025-2016 *Emission Standards for Odorous Pollutants*	EHS-P-032A *Exhaust Gas Emission Management Procedures*	Third-party monitoring	Discharge in compliance with standards

To prevent on-site wastewater from having negative environmental impacts, the Kuayue 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 exclude Tommee Tippee. In 2025, the increase in the Company's total product output led to an increase in exhaust gas emissions and wastewater discharge compared with the previous year.

6.2.2 Solid Waste

The Company strictly complies with relevant laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, the *Safety Management of Dangerous Chemicals*, and the *Regulations of Shanghai Municipality on the Management of Domestic Garbage*, and has formulated internal systems such as the *Waste Management Regulations*, the *Regulations on Hazardous Waste Management*, and the *General Guidelines for the Informatised Management of Solid Waste to reclassify* and relabel solid waste generated during factory production processes, thereby strengthening waste management at the source.

Shanghai Jahwa Solid Waste Disposal Standards and Requirements

Category	Main Type	Emission Standard	Management System	Treatment Method
Non-hazardous waste	Cartons, paper boxes, used raw material barrels (clean), plastic bags, sludge	*Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste*	EHS-I-002 B *Waste Management Regulations*	Partial recycling treatment
Hazardous waste	Laboratory waste, organic waste liquids, spent activated carbon, waste packaging materials, used	*Standard for Pollution Control on Hazardous Waste Storage*	EHS-I-018 B *Regulations on Hazardous Waste Management*	Handled by qualified institutions

Category	Main Type	Emission Standard	Management System	Treatment Method
	raw material barrels, waste mineral oil, waste mosquito repellent liquid			

In 2025, the Company's total hazardous waste generated throughout the year was approximately 344.98 tonnes, accounting for 19.78% of the total solid waste generated. Hazardous waste is centrally collected and handed over to qualified institutions for regular treatment, while recyclable portions of general waste are reused. As of the end of the reporting period, the waste resource utilisation rate at the Kuayue factory was approximately 81%.

Waste Resource Utilisation Projects

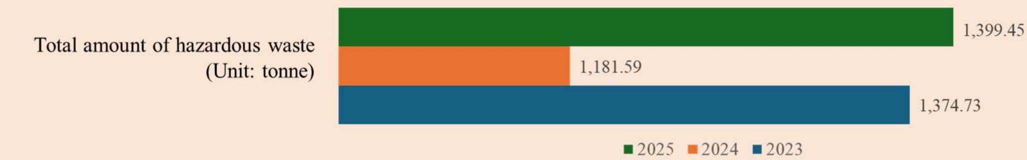
Measures	Description
Reuse of high-calorific-value solid waste	Sort out high-calorific-value, plastic general industrial solid waste from miscellaneous waste and process it into RDF fuel.
Resource-based disposal of waste plastic bottles	Collect plastic bottles contaminated with finished product material, 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	The sludge brick-making project can save the factory RMB 300,000 annually and enables the recycling of 300 tonnes of resources each year. Specific resource utilisation 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. 

[Case] Shanghai Jahwa Holds the Second Kuayue Market Event

In June 2025, Shanghai Jahwa's Kuayue Factory continued the concept of recycling and reusing old items by holding the second Kuayue Market event. All charity sale items were required to be second-hand items. At the same time, evaluations were conducted for the arrangement of classified stalls and the charity sale amounts, aiming to continuously strengthen employees' awareness of recycling and reusing old items.

Poster for the Second Kuayue Market Event

Key Performance Indicators



Note: The above data exclude Tommee Tippee. In 2025, the increase in the Company's total product output led to an increase in general waste discharge compared with the previous year.

During the reporting period, the Kuayue Factory held seven training sessions on zero-waste factory and waste management, with a total of 158 participants and a combined training duration of 158 hours.

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 2025, the Company continued to carry out water-saving initiatives, adopting water-saving processes, water recycling and other measures to continuously improve water resource utilisation efficiency.

Water-Saving Measures and Results of Shanghai Jahwa in 2025

Department	Measures	Water-Saving Results in 2025
Kuayue Factory	Use final effluent from the wastewater treatment station to replace tap water for DAF (Dissolved Air Flotation system) chemical preparation	Annual water consumption reduced by 2,000 tonnes
	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 tonnes
	Reduced water output by adjusting the opening angle of the vacuum pump cooling water regulating valve	Annual water consumption reduced by 132 tonnes
	Adjust the minimum amount of cooling water for the lift pump at the wastewater collection tank	Annual water consumption reduced by 1,700 tonnes
Hainan Factory	Use concentrated water from the deionisation process for vacuum machine cooling (originally cooled with tap water)	Water consumption in 2025 decreased by 16% compared with 2024
	Install water meters on each branch line to detect leaks promptly	
	Construct a new 100-cubic-metre water storage tank to collect production water for landscaping irrigation	

Key Performance Indicators

Note: The above data exclude 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, has formulated management policies including the *Shanghai Jahwa Carbon Management Plan for the Whole Value Chain*, and continuously implements the sustainable development philosophy to support the national “dual carbon” goals and green transformation strategy.

The Company has established a top-down management mechanism. The Strategy and Sustainability 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

By 2035

Carbon emissions from all self-owned operational facilities, including factories, warehouses, and offices, will be reduced by 50%; carbon emissions per unit of product at self-owned factories will be reduced by 50%.

By 2050

Achieve carbon neutrality across the full value chain, with 100% of products classified as green and low-carbon.

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	● 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.

Stage	Measures
Product R&D and production	● Optimise 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 utilising self-owned photovoltaic power generation. ● Upgrade equipment by replacing high-energy-consuming machinery with low-energy-consuming alternatives.
Logistics, transportation, and warehousing	● Establish a regional logistics network to improve transportation efficiency. ● Products are shipped directly from factories to consumers, reducing transport links. ● Integrate regional warehouses, and reduce the inventory reallocation and transshipment process. ● Promote green transportation by replacing fuel-powered vehicles with new energy vehicles to reduce fuel consumption and greenhouse gas emissions.
Product use and disposal	● Print recycling prompts on product packaging to guide consumers toward sustainable consumption.

In 2025, the Company continued to optimise the “Fly Guangdong Plan”, consolidating all business department warehouses in the East China region into the East China Regional Distribution Centre and completing the integration of the offline logistics warehousing network. In addition, the Company has continuously strengthened factories’ capabilities for e-commerce logistics dispatch, enabling certain products to be delivered directly to consumers from outsourced factories and across factories, thereby reducing supply chain costs and enhancing consumer experience.

[Case] Shanghai Jahwa's First Carbon-neutral Product Certification

In 2025, Dr.Yu, a brand under Shanghai Jahwa, actively fulfilled its social responsibilities and thoroughly practised the concept of sustainable development, taking the lead in the industry in carrying out carbon footprint management across the full product life cycle. Following verification by an external independent third party, the Second-generation Intensive Repair Cream of Dr.Yu successfully obtained Shanghai Jahwa's first carbon-neutral product certification, fully demonstrating the brand's exemplary and leading role in environmentally friendly product innovation and setting a new benchmark for the industry's sustainable development.

Based on the international standard PAS 2060: 2014, the third-party verification body verified the life cycle assessment (LCA) carbon emissions of Dr.Yu's Skin Barrier Repair Specialised Moisturising Cream (Second Generation). The verification scope covered every stage of the product, from raw material acquisition, packaging design, production and manufacturing, and transport and distribution, through to waste disposal, namely the complete process from "cradle" to "gate".

Carbon-neutral Product Certification

- **Carbon Neutrality Implementation Pathways for Dr.Yu's Skin Barrier Repair Specialised Moisturising Cream**

  - ✓ **Pathway one: Introducing solar photovoltaic power generation to build a green manufacturing scenario**

  Kuayue Factory, where Dr.Yu's products are manufactured, introduced clean energy in 2023 and achieved grid-connected solar photovoltaic power generation, effectively reducing carbon emissions in the manufacturing process. At present, the solar photovoltaic coverage area has reached 18,600 square metres, reducing carbon dioxide emissions by approximately 2,000 tonnes of carbon dioxide equivalent each year.

Kuayue Factory

- ✓ **Pathway two: Advancing packaging innovation and practising the circular economy concept**

The packaging of Dr.Yu's new products adopts an innovative design and uses an all-plastic pump structure, reducing packaging weight while ensuring overall recyclability. In addition, the brand has launched environmentally friendly refill packs, with the refill packs reducing plastic use by 80%, actively exploring effective pathways for circular upgrading of packaging.

All-plastic Pump Structure in Dr.Yu's Packaging

- ✓ **Pathway three: Engaging offline consumers and advocating a sustainable consumption model**

Dr.Yu also promoted offline empty bottle recycling activities in parallel and, combined with online environmental and sustainability communications, guided consumers to practise the concept of sustainable consumption and jointly contribute to environmental protection.

Offline Empty Bottle Recycling Activity

Climate Change Indicators and Targets

Indicator	Unit	Management Target	2020 (Baseline Year)	Progress in 2025	Status
Total carbon emissions	tCO_2e	**Medium-term target: 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% **Long-term target: By** 2050, achieve full value chain carbon neutrality with 100% of products being green and low-carbon.	16,211.31	11,387.39	On track
Greenhouse gas emission intensity	tCO_2e / 10,000 units of product		0.260	0.227	

6.5 Energy Usage

Shanghai Jahwa strictly complies with laws and regulations such as the *Law of the People's Republic of China on Energy Conservation*, and has formulated systems including the *Management Procedures of Energy Benchmarks and Energy Performance Parameters*, the *Energy and Resource Management System*, the *Management Regulations on Energy Measuring Instruments (Kuayue Factory)*, and the *Energy Planning and Review Operation Control Procedure*, continuously promoting systematic and refined management of energy utilisation.

The Company has established an energy management team within the factory and regularly held energy meetings to analyse energy use and energy-saving compliance, as well as to assess relevant energy risks.

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	2025 Work Results
Electricity	● Upgrade to improve the cooling COP of the air conditioning system.	Electricity saved: 400 MWh
	● Retrofit of lift pumps at the wastewater station, replacing large pumps with smaller ones in the intermediate tank.	Electricity saved: 30 MWh
	● 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
	● 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

Energy Type	Measures	2025 Work Results
	● Air compressors connected to a network for remote control, with switching to an 11 kW low-power air compressor during non-production air-use periods.	Electricity saved: 120 MWh
	● Optimise air conditioning operation control: turn off air-conditioning during transitional seasons; configure workshop systems based on demand.	Electricity saved: 280 MWh
	● Adjust operating parameters of the walk-in drying room and optimise settings to improve energy efficiency.	Electricity saved: 150 MWh
	● Shut down process chilled water pumps at night when production is not running.	Electricity saved: 140 MWh
	● The Kuayue Factory constructed rooftop solar photovoltaic systems on workshop plant buildings, with an installed capacity of 4 MW.	Annual photovoltaic power generation: 3,760 MWh
Steam	● Optimise 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 tonnes
	● Schedule gas use for production reasonably to avoid peak demand from simultaneous usage.	Steam saved: 80 tons
	● Change canteen equipment from steam heating to electric heating.	Steam saved: 300 tons
	● 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 2025, the Kuayue Factory held a total of seven ESG and energy management training sessions, with 154 total participants and a combined training duration of 154 hours.

Office Energy-Saving Measures

Office Location	Measures
Company headquarters	● Promote electricity conservation by optimising intelligent control over air conditioning, lighting, office appliances, and other equipment. ● Promote green office practices to enhance employee awareness and cultivate energy-saving habits. ● By optimising operational management, reduce the runtime of certain large equipment in the workplace, minimise unnecessary energy use, and improve efficiency.

Energy Usage Indicators and Targets

Indicator	Unit	Management Target	Progress in 2025	Status
Purchased electricity consumption	MWh	**Medium-term target:** Achieve a 50% share of renewable energy use by 2035	9,531.45	Short-term target basically achieved, and mid-term target progressing as planned
Self-generated renewable energy consumption[1]	MWh		3,760.27	
Proportion of clean electricity usage[2]	%		28.29	

Note 1: Self-generated renewable energy consumption refers to electricity generated by rooftop photovoltaic panels at the Kuayue Factory.

Note 2: Proportion of clean electricity usage = self-generated renewable energy consumption / (purchased electricity consumption + self-generated renewable energy consumption) × 100%

6.6 Green Packaging

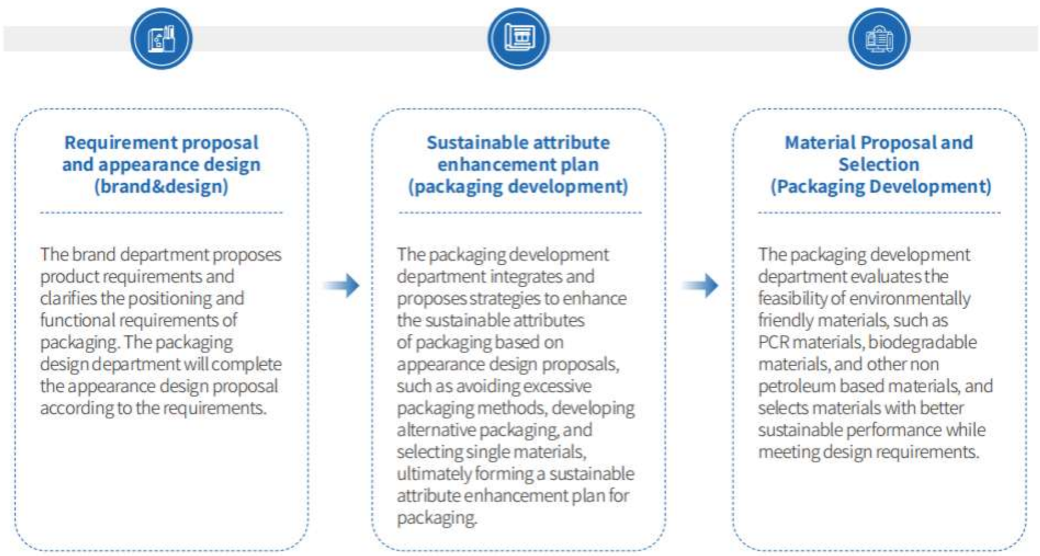
Shanghai Jahwa regards the enhancement of sustainable packaging as an essential component of all new or updated product development and launch processes, and is committed to continuously improving packaging sustainability through innovative design. The Company's packaging material management covers all 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.

The Company has formulated the *Shanghai Jahwa Sustainable Packaging Management Measures*, following the 4R (Reduce, Reuse, Recycle, Replace) sustainable packaging management strategy, and has continuously improved the pathways and strategies for sustainable packaging management.

Promoting Sustainable Product Packaging

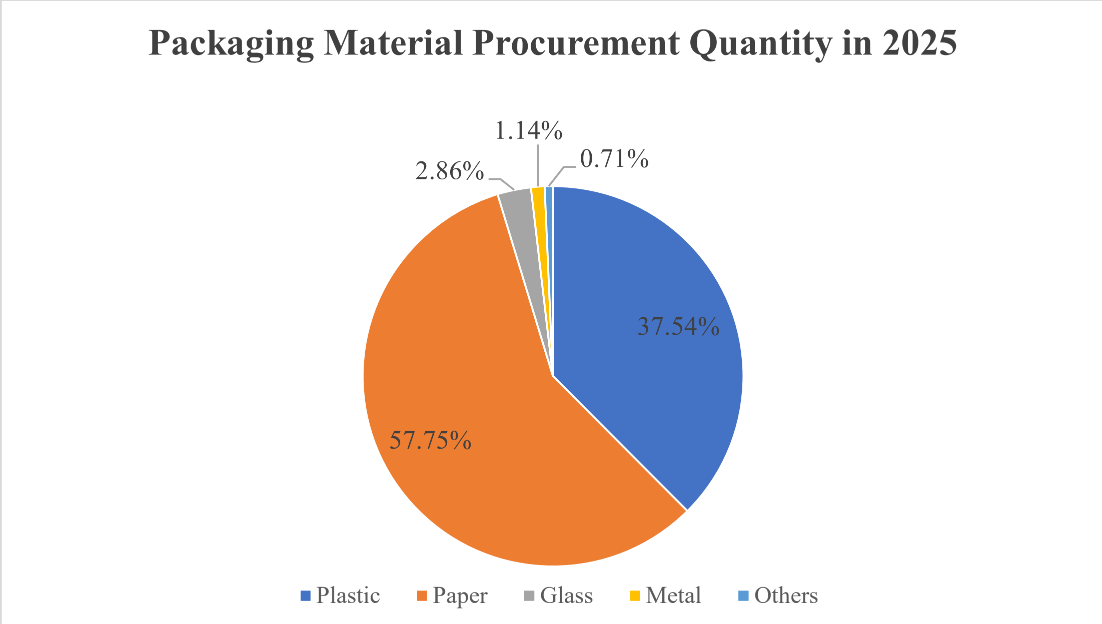
The Company follows the process below to comprehensively evaluate packaging design solutions, assessing and optimising them from four perspectives (Reduce, Reuse, Recycle, and Replace) to progressively enhance the sustainability attributes of packaging throughout product upgrades and iterations.



4R Packaging Optimisation Measures and Application Results

Strategy	Case	Image
Reduce	The shoulder sleeve of Dr.Yu's 50 g Moisturising Cream cancelled the electroplating process	
Reuse	Refill Pack of Giving's 50 g Baby Multi-Dimensional Soothing Moisturising Cream	
	Refill Pack of Herborist's 50 g Renewing Cream	
	Refill Pack of Liu Shen's Mosquito Repellent Egg	
	Refill Core of Shanghai VIVE's Rejuvenating Cream	
Recycle	The bottle body of Dr.Yu's 50 g Moisturising Cream was changed from PMMA (polymethyl methacrylate) to the more environmentally friendly PP (polypropylene) material.	
Replace	Dr.Yu's 50 g Moisturising Cream adopted plastic spring rather than the metal spring	

In 2025, the procurement quantity of various materials used in packaging across all products of Shanghai Jahwa are shown in the image below:



In 2025, the Company continued to apply the 4R principles in the logistics and transportation process, adopting lightweighting and substitution strategies to enhance the sustainability attributes of logistics and transportation packaging.

Green Packaging Initiatives and Application Results in Logistics Warehousing

Strategy	Measures	Results
Reduce	Reduction in plastic consumption	● In the e-commerce 2C business warehouse, following transport testing and while ensuring that the damage rate did not increase significantly, we simplified the protective packaging for the pump head of Liu Shen's 1 L body wash, removed the duckbill cap, and reduced plastic usage by 1,361 kg.
		● In some business warehouses, approximately 260,000 PE bags were saved and replaced with shrink film, reducing plastic use by a total of 2,080 kg.
Replace	Use of reusable turnover boxes	● During the "618" promotional campaign, the Company trialled the use of reusable turnover boxes to deliver a batch of Liu Shen Mosquito Repellent Floral Water to e-commerce warehouses, reducing the use of 94 cartons in the production and transportation process.

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 incentivising forest owners and managers to follow social and environmental best practices through certification.

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] Dr.Yu's Brand Packaging Wins the Packaging Technology Innovation Award

In September 2025, the packaging for the 50 g Moisturising Cream of Dr.Yu, a brand under Shanghai Jahwa, won the Packaging Technology Innovation Award in the 2025 Green Motion China Packaging Awards. Based on the previous generation, the packaging for the 50 g Moisturising Cream of Dr.Yu was optimised in line with the 4R principles, adopting an environmentally friendly refill design that reduced plastic use by approximately 80%; and electroplating was removed to reduce environmental pollution. Meanwhile, the product pump head uses a plastic spring instead of a metal spring, enabling integral recycling without the need for disassembly and sorting, and reducing the overall weight.

[Case] Herborist's Brand Packaging Wins the Award for Innovative Application of Green Materials at the WorldStar Packaging Awards

In April 2025, Herborist's Valentine's Day gift box won the Award for Innovative Application of Green Materials at the WorldStar Packaging Awards. Herborist's Valentine's Day gift box packaging material used a mycelium-based packaging solution. Mycelium is a sustainable natural material that can grow and, compared with traditional plastics, offers advantages such as renewability, biodegradability, no chemical additives, non-toxicity, no irritating odour, and no pollution.

[Case] Shanghai Jahwa Participates in the 2025 Hongkou District Science and Technology Festival Fair

On 28 May, at the invitation of the Hongkou District Science and Technology Commission, the Company participated in the 2025 Hongkou District Science and Technology Festival Fair. At the event, we showcased the sustainable packaging (refillable cartridges) of multiple brand products, including Dr.Yu, Liu Shen, Shanghai VIVE and Herborist. Through packaging optimisation and refillable cartridges, we integrated green, low-carbon and sustainable concepts into multiple brands and conveyed them to consumers, enhancing consumers' favourability towards Shanghai Jahwa's branded products.

[Case] Dr.Yu's Cream Wins the US MUSE Design Awards

In 2025, the MUSE Design Awards, known as the Oscars of the design world, announced its annual winners, with Second-generation Intensive Repair Cream of Dr.Yu winning the Silver Award. As an influential international award in the global design field, the MUSE Design Awards are known for their rigorous evaluation system and high-quality judging standards, and are committed to discovering and recognising outstanding talent in creative design.

Green Packaging Indicators and Targets

Indicator	Unit	Management Target	Progress in 2025	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	Continue to implement the 4R strategy for product and logistics packaging, effectively reducing plastic usage	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.

The Company's operating locations do not involve ecological conservation red line areas. Tommee Tippee's UK factory has established a wildlife-friendly site. The factory planted wildflowers to attract bees and butterflies, while also installing bird nest boxes to promote bird conservation and enhance biodiversity.

At our Shanghai Jahwa Kuayue 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.

7. Social: Diversity and Inclusion, and Value Co-creation

7.1 Employee Rights and Benefits

Shanghai Jahwa strictly complies with the *Labour Law of the People's Republic of China* and other relevant laws and regulations. We have established internal regulations such as the *Employee Handbook* to build a comprehensive and standardised 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 labour, forced labour, and other improper employment practices. We ensure strict screening and daily supervision to prevent the use of child or forced labour, 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 labour violations.

Employee Rights Protection Measures and Related Systems

Type	Rights Protection Measures	Relevant Policies
Recruitment	● Adhere to the principles of legality, compliance, equality, fairness, and non-discrimination in employee recruitment, and strictly prohibit all forms of discrimination, child labour, and forced labour.	*Employee Handbook*
Termination	● Termination of labour contracts is conducted in accordance with the relevant policies outlined in the *Employee Handbook* and through mutual agreement.	*Employee Handbook*
Working hours and leave	● 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, paternity leave, and other statutory leaves as prescribed by national regulations.	*Employee Handbook*
Compensation	● Employee compensation is determined based on job responsibilities, position level, work performance, and individual potential.	*Employee Handbook* *Management Regulations on*

Type	Rights Protection Measures	Relevant Policies
	● 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.	*Occupational Health and Safety*
Promotion	● At the beginning of each year, individualised 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	*Employee Handbook*

The Company 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 leaves, 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.

The Company is also committed to creating a healthy and harmonious work and living environment for all employees. By establishing cultural and sports clubs, organising engaging activities, regularly arranging visits and care initiatives, and improving workplace facilities, we have enhanced employees’ sense of belonging and well-being, and safeguarded their work-life balance.

Employee Benefit Initiatives

Category	Initiatives
Care for female employees	● “Mommy Rooms” are available at all office locations for the convenience of nursing mothers. ● On International Women’s Day (8 March), female employees are entitled to a half-day leave, and the Company organises celebratory events.
Union activities	● The Company has established six major clubs: badminton, tennis, swimming, yoga & aerobics, film viewing, and billiards. We regularly organise club activities to safeguard employees’ work-

Category	Initiatives
	life balance. ● We also organise enjoyable activities from time to time, such as summer evening film screenings, parent-child family days, and flower arrangement workshops.
Employee support	● During traditional festivals, the Company organises care activities, distributing gift packages and daily necessities to employees. ● We provide special care and support on occasions such as birthdays, weddings, and childbirth.
Employee recognition	● Outstanding employees and project teams are regularly recognised and awarded.
Workplace facilities	● Refrigerators, microwave ovens, and coffee machines are available on each office floor. ● The Kuayue Factory is equipped with a canteen to meet employees' dining needs.
Holiday leave	● The Company respects the traditional cultures of all ethnic groups and provides ethnic holiday leave for employees of different backgrounds.

Employee Care

The Company has continued to improve its multi-tiered care system, not only extending warmth to employees on important occasions such as birthdays, festivals, marriage, and childbirth, but also relieving employees' difficulties through measures such as major illness assistance and education aid, making care both warm and substantial.

Employee Care Initiatives

Category	Initiatives	2025 Work Results
Assistance for employees in need	● Around the Chinese New Year each year, the Company organises support and care activities for employees facing financial difficulties or suffering from long-term serious illnesses. ● The Company provides education assistance to employees experiencing	● Provided assistance to four employees in need. ● Provided education assistance to one person.

Category	Initiatives	2025 Work Results
	financial hardship.	
Care and support	● The Company provides care and visits to employees who are hospitalised, have given birth, or have donated blood.	● Visited and offered support to 26 employees who were hospitalised, and 13 employees on childbirth leave; ● Offered support to four employees with major illnesses;
Holiday season care	● On traditional festivals such as the Spring Festival, Dragon Boat Festival, and Mid-Autumn Festival, the labour union distributes holiday care packages to union members, including essentials such as Spring Festival gift sets, zongzi, and moon cakes.	● Holiday care activities reached 6,326 employee engagements.
Parent-child activities	● On Children’s Day (1 June), the Company organises parent-child activities for employees and their children.	● More than 348 employees and their children participated in parent-child activities.
Supplementary insurance enrolment	● The labour union arranges supplementary hospitalisation insurance and commercial insurance for employees through the city federation of trade unions.	● A total of 1,964 employees were covered.

Employee Communication

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

Employee Communication Measures

Channel	Measures
Online communication	● Through internal information platforms such as the Jahwa communication system, the Company promptly shares

Channel	Measures
channels via enterprise WeChat and OA platform	corporate development updates with employees; ● Listens to employee feedback and encourages them to actively contribute ideas for the Company's development. ● In 2025, employee feedback was collected through a WeCom questionnaire survey to optimise the standard of employee services.
Holding employee representative meetings	● Organises employee representative assemblies and joint meetings to gather employee opinions and suggestions. ● In 2025, two employee representative meetings were convened to hear employees' opinions and suggestions, and to conduct democratic voting on matters such as the Company's advance payment system, employee management regulations, employee share ownership plan, and employee directors.
Face-to-face communication meeting	● Following new employee training, a "Senior Management Face-to-Face" communication session was added, aiming to build a bridge between management and frontline employees through informal communication, demonstrate the approachability of management, communicate corporate values, and accelerate new employees' integration into the team and their ability to become competent in their roles.
Accessible employee grievance channels	● Dedicated email addresses and hotlines are established to facilitate employee complaints. The *Employee Handbook* 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. ● A whistle-blower protection system has been established to safeguard employees' privacy rights and personal information security, prevent retaliation against employees involved, and foster a fair and open organisational atmosphere.

[Case] Shanghai Jahwa's Labour Union Holds a Summer Cooling Event

In the summer of 2025, to help employees dispel the fatigue caused by high temperatures and relax both body and mind, Shanghai Jahwa's Labour Union carefully organised a distinctive summer cooling event. The food area at the event was filled with delicious treats such as hamburgers and sliced watermelon, while cola and RIO cocktails in ice buckets brought waves of cool refreshment to employees. With the support of the Liu Shen and Maxam brands, every participating employee received an exquisite gift pack of new products, full of surprises. This event enabled employees to find a space of coolness in the scorching summer, further enhancing team cohesion and sense of belonging.

Summer Cooling Event

Key Performance Indicators

Total number of employees 3,173

Proportion of female employees 60.98%

7.2 Human Capital Development

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

Guided closely by the strategic direction of the "four focuses", the Company has systematically advanced organisational and talent development, including organisational restructuring, optimisation of key processes, precise talent review, and the establishment of a high-performance culture and a competitive remuneration system, deeply integrating employee growth with the Company's development, continuously enhancing organisational belonging and intrinsic motivation, and fully demonstrating our long-term investment in the value of human capital and our commitment to strategic development.

Employee Career Development

In terms of employee career development, the Company has established a sound assessment and promotion mechanism, formulated an annual personal performance assessment plan for employees each year, and conducted regular reviews and assessments. Employees who passed the assessment will be given opportunities for promotion. Based on the assessment results, the Company has established a systematic and multi-level performance coaching and communication mechanism to strengthen alignment on objectives, process collaboration, and a development-oriented approach, thereby promoting the joint growth of employees and the organisation.

Employee Performance Management and Promotion Mechanism

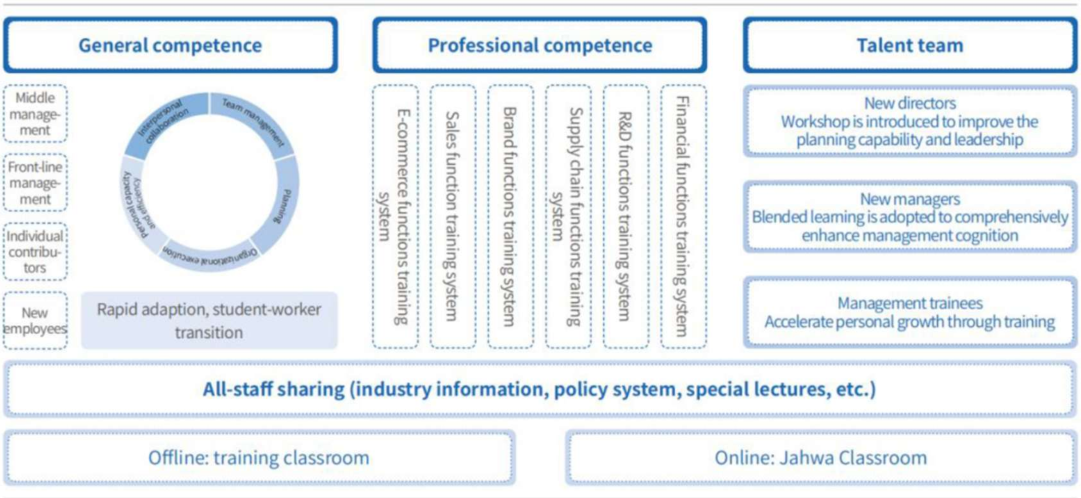
Mechanism	Description
Performance assessment mechanism	● Horizontal ranking: The Company conducts peer-level performance comparisons to generate performance ranking results. ● Incentive measures: Employees with excellent performance assessment results receive targeted incentives.
Performance communication mechanism	● Monthly feedback: Managers and employees regularly align progress against objectives, and promptly identify and resolve practical issues. ● Half-year review: The work achievements of the half-year are reviewed, comprehensively assessing progress and planning the key tasks for the later stage. ● Annual evaluation and interview: Formal communication on full-year performance results, capability development and incentive arrangements is conducted.
Promotion	● Based on tenure, individual performance, and record of

Mechanism	Description
mechanism	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.

Employee Capability Building

The Company's *Talent Development and Training Plan* focuses on the three dimensions of "professional competencies, general competencies, and talent pipelines", systematically helping employees consolidate job skills, enhance overall capabilities, and build a well-structured and sustainable talent pipeline.

Employee Training System



Employee Capability Development Measures

Capability Dimension	Specific Measures
Professional competencies	● In 2025, 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 2025, in addition to systematic general courses on brand building and e-commerce operations, we also took into account the personalised needs of each department, developed customised empowerment plans, and addressed targeted business pain points and management bottlenecks.

Capability Dimension	Specific Measures
General management	● In 2025, the Company offered training topics aligned with employee needs at different levels, based on feedback from training needs assessments. ● In 2025, the Company focused on the topic of performance management. In addition to offline thematic training for managers at all levels, we also used the internal learning platform to communicate and disseminate the Company's performance culture comprehensively, aligning the Company's performance language from top to bottom.

The Company is committed to building a well-structured and orderly talent development pipeline and has implemented a tiered and categorised training strategy, aiming, through a differentiated and systematic training system, not only to support employees at all levels in achieving capability advancement, but also to build a solid talent pool for the organisation's long-term development.

Employee Training

Training Type	Specific Actions
Management training	● The Company conducted regular training programmes for management. In 2025, the management training coverage rate was 100%, with a cumulative total of 99 attendance person-times. Learning topics included frontier information in various professional fields, industry trends, and strategic planning, as well as topic-based learning on compliance, anti-corruption, and information security.
Internal training	**Full Use of the Online Mobile Learning Platform:** ● Through a well-developed mobile learning platform, the Company has introduced high-quality online video courses from across the industry and integrated them with a series of micro-courses independently developed internally by the Company, helping employees to promptly understand the Company culture, system tools, rules and regulations, etc., while also enabling them to learn external professional knowledge more conveniently and increasing employee participation in learning. **Deepening of E-commerce Capability Building:** ● To empower colleagues in our business units to systematically master platform operation strategies and improve resource utilisation efficiency, the Company has continuously carried out multi-dimensional specialised training courses covering AI

Training Type	Specific Actions
	marketing, Tmall traffic growth, RedNote data closed-loop management, WeChat ecosystem operations, Douyin short-video operations, and the creation of best-selling products across all channels. In 2025, the cumulative training coverage reached 673 participant-times, effectively enhancing the team's professional capabilities and practical expertise in the e-commerce field.
External training	● The Company supports employees in participating in external training, including but not limited to CNS internal auditor training, quality and safety training, and various learning topics such as R&D safety and AI applications. In 2025, we supported a total of 55 employee attendances in external training.

Human Capital Development Indicators and Targets

The Company continues to promote the optimisation of its talent structure and the continuous improvement of organisational effectiveness, building a sustainable organisational ecosystem of value symbiosis and shared incentives.

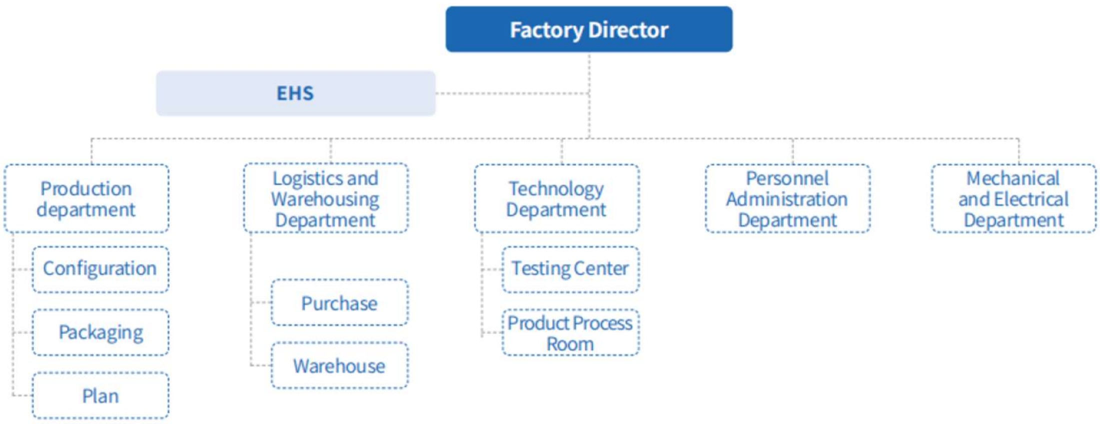
Indicator	Unit	Management Target	Progress in 2025	Status
Employee training coverage rate	%	1) Expand diversified training approaches covering professional skills, management capabilities, and industry information 2) Continuously improve employee satisfaction with the organisation	98.72	Achieved
Average training hours per employee	Hours		15.5	
Average training sessions per employee	Time		14.3	

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 Fulfilment of Principal Responsibility of Safe Use, among other occupational health and safety laws and regulations. Adhering to the management principle of "prevention first, combining prevention with control", the Company has formulated the *Management Regulations on Occupational Health* and Safety and effectively implemented it. In December 2025, Kuayue Factory successfully passed the surveillance audit for the ISO 45001:2018 Occupational Health and Safety Management System.

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. Organise 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. Organise factory-wide fire evacuation drills;
6. Develop an annual EHS training plan, implement training sessions regularly, and verify their effectiveness.

7.3.1 Work Safety

The Company has established an emergency response command centre and an emergency rescue organisation. 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 organisational 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

Measures	Details
Improve management system	● 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;
Strict process management	● Conduct annual compliance evaluations to ensure factory production safety;
Enhance safety education	● Promote a mutual-assistance-based "zero accident" EHS culture. The *Employee Handbook* 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.

7.3.2 Occupational Health

The positions in the Company involving occupational disease risks mainly include laboratories, cream workshop, liquid detergent workshop, Chinese herbal extraction workshop, etc. In 2025, in accordance with the relevant requirements of the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, we engaged a qualified third-party institution to carry out an assessment of the current status of occupational hazards, systematically identify occupational health hazard factors present in the working environment, update the position matrix for occupational health hazard factors, and implement targeted prevention and control measures. This has effectively safeguarded employees' occupational health.

The Company has also, based on the newly issued *Technical Specifications for Occupational Health Surveillance* (GBZ 188-2025), identified compliance requirements for and updated our internal occupational health measures, and shared the latest progress simultaneously at the monthly EHS meetings to ensure that occupational health management continued to comply with regulatory requirements.

Occupational Health Management Measures

Measures	Details
Provide protective equipment	● 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;
Organise regular physical examination	● 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.
Optimise work processes	● The Company encourages employees to put forward suggestions on ergonomics in order to continuously optimise work processes and reduce employees' occupational health risks. In 2025, the Company received a total of 75 related suggestions.
Provide occupational health training	● The Company regularly conducts occupational health training to enhance employees' awareness of occupational health and their self-protection capabilities. In 2025, the Company conducted seven occupational health management training sessions, with a cumulative total of 140 trainee attendances.

Occupational Health and Safety Indicators and Targets

At the beginning of each year, the Company establishes the occupational health and safety management objectives for the year. At the end of the year, through systematic review and effectiveness evaluation, we examine implementation results and drive the continuous optimisation and enhancement of work safety production and occupational health management.

Indicator	Unit	Management Target	Progress in 2025	Status
Occupational hazard notification	%	100	100	Achieved
Annual occupational health examinations	%	100	100	
Annual occupational health training sessions	Time	≥1	7	

7.4 Contributions to the Society and Rural Revitalization

Shanghai Jahwa upholds the sustainable philosophy of “Born for Beauty, Strive for Goodness”, focuses on social needs, and conveys humanistic care with professionalism and warmth. We have continuously extended warmth to every corner of society through actions such as donating supplies and supporting women and children in need.

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 2025, Shanghai Jahwa continued to advance its “Jahwa·Public Welfare” programme, 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

Donated supplies worth over RMB 1 million to the earthquake-stricken areas of Xizang, including Liu Shen Antibacterial Hand Wash and Dr.Yu Skin Barrier Repair Lotion, to urgently support the health protection of affected residents and rescue personnel. 	Extended care and warmth, together with the Women’s Federation of Xianghuaqiao Subdistrict, Qingpu District, Shanghai, to women and children in difficulty within the district, and presented specially prepared “Winter Warmth Care Packages”. 
Donated more than 25,000 Liu Shen products to flood-stricken areas in North China, including Hebei and Beijing, and joined hands with the China Women’s Development Foundation to provide emergency support to affected women and families in North China. 	Donated over 36,000 bottles of Liu Shen Mosquito Repellent Floral Water to chikungunya-affected areas in Foshan, with a market value of over RMB 1 million, helping to curb the risk of epidemic transmission. 

"Jahwa·Protection" Public Welfare Initiative

Dr.Yu participated in the 2025 "Shanghai Learn from Lei Feng Day" event organised by the CPC Shanghai Municipal Committee Publicity Department and the Shanghai Spiritual Civilisation Office, setting up a professional consultation desk at the event site to provide members of the public with guidance on skin health care.

Dr.Yu focused on the healthcare worker community. On International Nurses Day, Dr.Yu donated skin barrier repair series products to healthcare workers, and provided skincare support for medical staff through activities such as "Love Energy Station", paying tribute to the guardians of life.

Dr.Yu cared for special groups by participating in the 2025 Sports Lottery Cup National Parkinson's Table Tennis Friendship Tournament, interacting with Wang Liqin, President of the Chinese Table Tennis Association, and Fan Zhendong, event ambassador. It also set up a skin health education booth at the venue, provided products as event souvenirs and prizes for winners, and integrated skin health care into event support.

Dr.Yu focused on the skincare needs of the elderly and warmly launched the "Silver-age Health Initiative" public welfare campaign. Through a series of actions, including skin health education lectures and visits to elderly care institutions, it helped the elderly establish a scientific skincare concept and safeguarded their skin health with professional dermatological skincare products.

During the Shanghai Autism Care Month, the Giving brand cared for families of children with autism and donated thoughtful gift packs to support special groups.

The HomeAegis brand launched the “Home Antibacterial Protection” pet adoption public welfare campaign, conveying warmth and kindness through the power of antibacterial protection and calling on consumers to adopt instead of buy.

Liu Shen and Maxam donated 2,000 sets of new personal care and beauty products to the 3,865 “Little Leaves” volunteers participating in volunteer services for the China International Import Expo, taking practical action to help relieve their service pressure and inspire their enthusiasm for service.

Liu Shen sponsored the 2025 Hongkou Enterprise Football Friendship Match with products, enabling the warmth of the brand to resonate with the spirit of sport.

Liu Shen sponsored the Shanghai Corporate Table Tennis Tournament and extended regards to Shanghai athletes participating in the National Games, supporting the development of regional sports.


[Case] Dr.Yu's "Health Kashgar Initiative" Travels across Mountains and Rivers to Build a Protective Barrier, Paying Tribute to Those who Steadfastly Serve on the Plateau

In October 2025, the large-scale public welfare initiative "Health Kashgar Initiative", jointly launched by Jiefang Daily and the Shanghai Front Headquarters for Xinjiang Support and Assistance, arrived in Kashgar, Xinjiang. As a representative caring enterprise, Dr.Yu joined hands with the team of dermatology experts from Ruijin Hospital, Shanghai Jiao Tong University School of Medicine, going deep into border defence outposts, the "Home of the People's Guardians", and local schools to carry out health promotion and public welfare clinics, and to care for the skin health of border police officers and grassroots workers through practical action.

To effectively support the daily care needs of frontier workers, Dr.Yu thoughtfully donated professional skincare products to police officers, transforming cutting-edge medical research achievements into accessible health care, helping border police officers strengthen their skin health defences, and paying tribute to their dedication and contribution.




In addition, Shanghai Jahwa has always been committed to rural development, actively fulfilling its corporate citizenship responsibilities and collaborating with local governments, social organisations, and other stakeholders to improve the living standards of rural residents. The Company also focuses on integrating its own resources with the actual needs of rural areas, carrying out practical initiatives in areas such as women's empowerment, striving to inject sustained momentum into rural revitalisation and promote the realisation of a more inclusive and resilient vision for rural development.

Key Performance Indicators

Total community public welfare investment during the reporting period: RMB 2,992,800

Total number of beneficiaries from public welfare projects during the reporting period: 111,726 people

ESG Data Table and Notes

Corporate Governance Performance Table

Indicator	Unit	2025	2024	2023
Proportion of employees covered by anti-commercial bribery and anti-corruption training [1]	%	100	100	100
Total duration of anti-commercial bribery and anti-corruption training received by staff [2]	Hour	446.56	530.88	467.41
Number of corruption cases filed against the company or its employees during the reporting period and concluded	/	0	0	0

Notes:

[1] The statistics on the proportion of employees covered by anti-commercial bribery and anti-corruption training are based on employees of Shanghai Jahwa United Co., Ltd. and do not include data from subsidiaries.

[2] Due to curriculum optimization and a reduction in the number of employees, the total duration of anti-commercial bribery and anti-corruption training received by staff in 2025 decreased.

Products and Services Performance Table

Indicator	Unit	2025	2024	2023
Customer satisfaction rate [1]	%	94.8	94.2	/
Total number of complaints received about products and services	/	274	512	597
Rate of complaints received about products and services	%	100	100	100
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
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	/	0	0	0

occur in the products and services provided				

Notes:

[1] The customer satisfaction rate is defined as the ratio of the number of consumers who rated the service as "very satisfied" or "satisfied" after receizing customer service to the total number of reviews. The statistical scope covers customer satisfaction across all channels, including Tmall, JD.com, and Douyin.

Employee Performance Table

Indicator		Unit	2025	2024	2023
Total number of employees [1]		Person	3,173	4,311	4,824
By sex	Male	Person	1,238	1,276	1,303
	Female	Person	1,935	3,035	3,521
By region	Chinese mainland	Person	2,758	3,903	4,375
	Hong Kong, Macao, Taiwan, and overseas	Person	415	408	449
By age	Under 30 years old	Person	555	524	558
	30-50 years old	Person	2,313	3,442	3,911
	Over 50 years old	Person	305	345	355
By employee level	Grassroots staff	Person	3,017	4,133	4,653
	Middle management staff	Person	140	159	153
	Senior management staff	Person	16	19	18
By employment type	Full-time labor contract employees	Person	3,173	/	/
	Full-time labor dispatch employees	Person	0	/	/
	Part-time employees	Person	0	/	/
Total number of new employees		Person	876	834	896
By sex	Male	Person	353	296	205
	Female	Person	523	538	691

By region	Chinese mainland	Person	733	763	792
	Hong Kong, Macao, Taiwan, and overseas	Person	143	71	104
By age	Under 30 years old	Person	336	323	291
	30-50 years old	Person	514	489	588
	Over 50 years old	Person	26	22	17
Employee turnover rate [2]		%	39.48	24.06	22.45
By sex	Male	%	24.80	22.51	19.33
	Female	%	46.21	25.03	23.55
Total number of incidents resulting in penalties for violations of employee employment and labor laws and regulations		/	0	0	0
Number of employees receiving hardship assistance		Person	5	/	/
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 work-related injuries		Day	95	150	248
Average working days lost per employee due to occupational injuries [3]		/	0.030	0.035	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		/	14.3	16.1	14.9
Employee training coverage		%	98.72	100	98.85
Average length of time employees receive training		Hour	15.5	15.3	11.7

Notes:

[1] Due to business adjustments and efficiency improvements in the company's operations, the total number of employees in 2025 decreased compared to the previous year.

[2] In 2025, the company adjusted its method for calculating the employee turnover rate, which is now defined as: employee turnover rate = total number of employees who left during the year / (total number of employees at the beginning of the year + total number of new employees). The data for 2023 and 2024 has been retroactively adjusted.

[3] Average number of workdays lost per employee due to work-related injuries = Number of workdays lost due to work-related injuries / Total number of employees. The scope of the work-related injury statistics includes employees of Shanghai Jahwa United Co., Ltd. excluding subsidiary data.

[4] The scope of the training data statistics is limited to employees of Shanghai Jahwa United Co., Ltd. and does not include data from subsidiaries.

Supplier Management Performance Table [1]

Indicator		Unit	2025	2024	2023
Total number of suppiers		/	222	233	223
By region	Number of suppliers in Chinese mainland	/	206	217	219
	Number of suppliers in Hong Kong, Macao, Taiwan and overseas	/	16	16	4
The percentage of suppliers among all suppliers who accept environmental, labor, ethics and other assessments [2]		%	100	84	86
Proportion of suppliers that have passed the environmental, labor and ethics assessment [2] [3]		%	100	100	100
Supplier localization ratio [4]		%	100	/	/
Localized procurement ratio [4]		%	100	/	/
Number of sustainability-certified suppliers [5]		/	175	/	/
Proportion of sustainability-certified suppliers [5]		%	95.11	/	/

Notes:

[1] The scope of the supplier data for 2023 and 2024 includes raw material suppliers only and excludes indirect suppliers. The scope of the supplier data for 2025 includes both packaging material suppliers and raw material suppliers.

[2]The proportion of suppliers that have passed the environmental, labor and ethics assessment for 2023 and 2024 does not include data from Tommee Tippee; starting in 2025, Tommee Tippee' s data will be included in the statistics.

[3]Proportion of suppliers that have passed the environmental, labor and ethics assessment and are qualified= (Number of suppliers that passed environmental, labor, and ethical assessments / Number of suppliers that underwent environmental, labor, and ethical assessments) × 100%

[4] The data on the percentage of localized suppliers and the percentage of localized procurement are based on packaging material suppliers and do not include raw material suppliers.

[5] The data on the number and proportion of sustainability-certified suppliers excludes Tommee Tippee.

Social welfare performance table

Indicator	Unit	2025	2024	2023
Rural Revitalization				
Investment in rural revitalization	RMB0,000	2.88	8.79	/
Rural revitalization benefits people	Person	116	464	/
Contributions to the Society				
Total volunteer service hours	Hour	2,842	2,734	2,628
Number of volunteers participating in service	Person	400	466	490
Total amount of community public welfare investment [1]	RMB0,000	299.28	140.58	294.19
Among them, the amount of public welfare donations [1]	RMB0,000	299.28	135.58	210.40
Number of people covered by public welfare programs [2]	Person	111,726	10,482	43,993

Notes:

[1] All public welfare donations in 2025 are in the form of product donations , calculated based on market retail prices.

[2] The number of people covered by public welfare programs is calculated based on the number of donated products. In 2025, the company actively participated in emergency relief efforts, donating products with a total market value exceeding 2 million yuan to earthquake-stricken areas in Tibet, flood-affected regions in North China, and areas in Foshan affected by the chikungunya outbreak. As a result, the number of people assisted this year saw a significant increase compared to the previous year.

Innovation-Drive Performance Table

Indicator	Unit	2025	2024	2023
Number of R&D personnel	Person	208	201	179
Proportion of R&D personnel	%	6.56	4.66	3.71
Amount invested in R&D	RMB 100 Million	2.32	1.79	1.47
Number of valid patents[1]	/	483	455	423
Number of Software Copyrights[1]	/	12	10	3

Notes:

[1] The data represents cumulative totals over multiple years as of the end of the reporting period.

Data Security and Customer Privacy Protection Performance Table

Indicator	Unit	2025	2024	2023
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	2025	2024	2023
Energy Usage				
Total energy consumption	tce	4,310.14	4,261.39	3,883.71
Direct energy consumption	tce	1,347.63	1,192.20	268.97
Indirect energy consumption	tce	2,962.51	3,069.19	3614.74
Solar energy consumption	MWh	3,760.27	3,370.77	0
Natural gas consumption	m^3	53,517.00	55,048.00	54,996.60
LNG consumption	ton	1.43	2.10	0
Gasoline consumption of official vehicles [1]	liter	192,278.86	129,193.00	169,108.00
Diesel consumption for official vehicles [2]	liter	7,058.82	7,058.82	9,411.76
Purchased steam consumption	GJ	52,403.30	55,487.60	56,195.37
Purchased electricity consumption	MWh	9,531.45	9,542.12	13,781.33
Clean energy consumption [3]	MWh	4,359.46	3,996.10	594.73
Clean energy ratio	%	26.21	24.47	/
Amount of self-produced renewable energy	tce	1,055.80	965.86	/
Usage Of Water Resources				
Total water consumption	m^3	234,769	237,487	241,854

Total amount of water recycled	m³	79,443	74,248	80,473
Proportion of total recycled water to total water consumption	%	33.84	31.26	33.27
Water consumption intensity of own factories (per unit of output) [4]	m^3 / 10,000 units	4.67	4.45	9.50
Water consumption intensity (per revenue)	m^3/RMB0,000	0.372	0.418	0.367
Pollutant Discharge				
Total exhaust emission [5]	m³	133,050,000	110,244,000	89,246,500
Total non-methane hydrocarbon (NMHC) emissions	kg	100.00	1,314.38	419.00
Total wastewater discharge [5]	m³	160,218	139,234	166,723
Industrial wastewater discharge	m³	144,246	131,221	/
Domestic wastewater discharge	m³	8,795	6,213	/
Chemical oxygen demand (COD) emissions (in effluent)	ton	1.798	1.830	2.250
Ammonia nitrogen (NH_3-N) emissions (in effluent)	ton	0.028	0.010	0.010
Waste Disposal				
Total amount of hazardous waste	ton	344.98	435.09	550.47
Intensity of hazardous waste generation	ton/RMB 10 million	0.055	0.077	0.110
Total amount of non-hazardous waste [5]	ton	1,399.45	1,181.59	1,374.73
Intensity of non-hazardous waste generation	ton/RMB 10 million	0.222	0.208	0.275
Amount of waste recycled	ton	58	/	/
Comprehensive utilization rate of waste	%	81	/	/
Climate Change Tackling				
Scope 1 GHG emissions [6]	tCO_2e	565.64	431.26	519.23

Scope 2 GHG emissions [7]	tCO_2e	10,821.75	11,223.94	14,040.98
Total GHG emissions (Scope 1 + Scope 2)	tCO_2e	11,387.39	11,655.31	14,560.21
GHG emissions (Scope 1 + Scope 2) per unit revenue	tCO_2e /RMB0,000	0.018	0.021	0.022

Notes:

[1] The gasoline consumption for official vehicles was estimated based on the price of 92-octane gasoline in Shanghai as of December 31, 2025, which was 6.67 yuan per liter; the company's total fuel expenses for 2025 amounted to 1.2825 million yuan.

[2] In 2024 and 2025, the company purchased 6 metric tons of diesel for internal forklift logistics operations. As of the end of the reporting period, this fuel had been largely consumed. Due to minor losses and limitations in measurement accuracy, the final accounting data may contain slight statistical deviations; however, these deviations do not constitute a material impact.

[3] Clean energy includes solar power, natural gas, and liquefied natural gas.

[4] Owned factories include the Kuayue Factory and the Hainan Factory. Water consumption intensity of own factories (per unit of output) = total water consumption of owned factories (end of period) / total product output of owned factories (end of period).

[5] Due to an increase in product output in 2025, the total exhaust emission, wastewater discharge, and non-hazardous waste all increased relative to the prior year.

[6] Scope 1 greenhouse gas sources include: greenhouse gases generated by the combustion of natural gas, liquefied natural gas (LNG), gasoline for company vehicles, and diesel for company vehicles; relevant calorific values are referenced from the China Energy Statistics Yearbook (2022).

[7] Scope 2 greenhouse gas sources include: purchased electricity and purchased steam. Greenhouse gas emissions from purchased electricity are calculated with reference to the Announcement on the Release of 2023 Carbon Dioxide Emission Factors for Electricity issued by the Ministry of Ecology and Environment and the National Bureau of Statistics of China. The calculation factors for greenhouse gas emissions from purchased steam are derived from the Guidelines for Greenhouse Gas Emission Accounting and Reporting for Enterprises in Other Industrial Sectors (Trial) (2015) issued by the National Development and Reform Commission of China.

Environmental (Tommee Tippee) Performance Table

Indicator	Unit	2025	2024	2023
Environmental compliance management				
Number of incidents of penalties for violations of environmental protection laws and regulations	/	0	0	0
Energy Usage				
Total natural gas consumption	m^3	82,868.73	90,258.81	44,672.49
Purchased electricity consumption	MWh	11,292.69	12,299.09	12,246.44
Usage Of Water Resources				
Total water consumption (by source)	m^3	41,720.00	43,663.00	47,382.00
Pollutant Discharge				

Total exhaust emission	kg	134.05	646.33	1,682.32
Total wastewater discharge	m^3	19,705.00	28,130.79	40,622.00
Chemical oxygen demand (COD) emissions (in effluent)	ton	2.59	2.25	16.96
Ammonia nitrogen (NH_3-N) emissions (in effluent)	ton	0.71	0.79	0.72
Waste Disposal				
Total amount of hazardous waste	ton	21.86	30.08	49.18
Total amount of non-hazardous waste [1]	ton	411.95	390.21	168.95
Paper consumption	ton	2.61	2.53	/
Climate Change Tackling				
Scope 1 GHG emissions [2]	tCO_2e	3,982.84	288.99	/
Scope 2 GHG emissions [2]	tCO_2e	6,093.79	6,859.34	/
Total GHG emissions (Scope 1 + Scope 2) [2]	tCO_2e	10,076.63	7,142.76	5,794.30

Notes:

[1] The scope of the 2023 non-hazardous waste statistics includes only the Dongguan and Morocco plants; the scope for the 2024 and 2025 statistics includes the UK, Dongguan, and Morocco plants, which explains the discrepancy in the data.

[2] Greenhouse gas sources include emissions from natural gas and purchased electricity consumption. Natural gas emissions originate from the UK and are based on the UK Department for Environment, Food and Rural Affairs' Emissions Factor Database (EFDB, 2021); emissions from purchased electricity originate from Morocco, the UK, and Dongguan, China. Emissions from Morocco are based on the electricity emission factors from Low Carbon Power; those from the UK are based on the electricity emission factors from the 2023 Global Electricity Review by EMBER; and those from Dongguan, China, are based on the State Grid emission factors published by China's 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 Chapter of this report
Climate change tackling	Climate Change Tackling
Pollutant discharge	Emissions and Waste
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	Contributions to the Society and Rural Revitalization
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 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 *Guidelines*	
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

Instructions for Use	Shanghai Jahwa has reported the information cited in this GRI content index for the period from January 1,2025 to December 31, 2025 with reference to the GRI Standards.
GRI Standards Used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Report Chapter
GRI 2: General Disclosures 2021	2-1	About Shanghai Jahwa
	2-2	Report Preparation Instructions About Shanghai Jahwa
	2-3	Report Preparation Instructions
	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	Chairman's Message
	2-29	Assessment of Topics' Material
GRI 3: Material Topics 2021	3-1	Assessment of Topics' Material
	3-2	
	3-3	
GRI 101: Biodiversity 2024	101-8	Ecosystem and Biodiversity Conservation
GRI 102: Climate Change 2025	102-1	Climate Change Tackling

GRI Standard	Disclosure	Report Chapter
	102-2	ESG Data Table and Notes
	102-4	
	102-5	
	102-6	
	102-7	
	102-8	
GRI 103: Energy	103-1	Energy Usage ESG Data Table and Notes
	103-2	
	103-4	
	103-5	
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 ESG Data Table and Notes
	205-2	
	205-3	
GRI 206: Anti-Competitive Behavior 2016	206-1	Anti-Unfair Competition
GRI 301: Materials 2016	301-1	Green Packaging
	301-2	
	301-3	
GRI 303: Water and Effluents 2018	303-1	Usage of Water Resources ESG Data Table and Notes
	303-2	
	303-3	
GRI 304: Biodiversity 2016	304-1	Ecosystem and Biodiversity Conservation
	304-2	

GRI Standard	Disclosure	Report Chapter
	304-3	
	304-4	
GRI 305: Emissions 2016	305-7	Emissions and Waste ESG Data Table and Notes
GRI 306: Waste 2020	306-1	Emissions and Waste ESG Data Table and Notes
	306-2	
	306-3	
GRI 308: Supplier Environmental Assessment 2016	308-1	Sustainable Procurement ESG Data Table and Notes
	308-2	
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 ESG Data Table and Notes
	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 ESG Data Table and Notes
	404-2	
	404-3	

GRI Standard	Disclosure	Report Chapter
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 ESG Data Table and Notes
	414-2	
GRI 416: Customer Health and Safety 2016	416-1	Product Quality Management Chemical Safety and Ingredient Transparency
	416-2	
GRI 417: Marketing and Labeling 2016	417-1	Anti-Unfair Competition
	417-2	
	417-3	
GRI 418: Customer Privacy 2016	418-1	Service Quality Management

About Report Preparation

This report is the 10th *Sustainability Report* [also known as the *Environmental, Social, and Governance (ESG) Report*] of Shanghai Jahwa United Co., Ltd. It discloses to all stakeholders the Company ’ s philosophy regarding ESG issues in its operations, the management approaches it has established, the initiatives it has implemented, and the results achieved.

Scope of the Report

The scope of this report encompasses Shanghai Jahwa United Co., Ltd. and its subsidiaries (hereinafter collectively referred to as "Shanghai Jahwa", "the Company"). 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.

Full Legal Name of the Entity
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

Full Legal Name of the Entity
Gro-Group Holdings Ltd
Gro-Group Ltd
Gro-Group International Ltd
Gro Company Australia Pty Ltd
Mayborn (SHENZHEN) Trading Limited
Tommee Tippee Limited
Mayborn Canada Inc.
Baby Buddha Products LLC（Formerly “Tommee Tippee Americas LLC”）
Mayborn Deutschland GmbH

Reporting Period

The reporting period covers January 1, 2025 to December 31, 2025. Unless otherwise specified, all data presented in this report pertain to this period.

Basis for Preparation

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/).

Contact Us

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

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Email:ir@jahwa.com.cn

Principles for Preparing This Report

- **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 were 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, 2025, to December 31, 2025. 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.