

# 2024 Environmental, Social and Governance Report

Xiamen Jihong Technology Co., Ltd.



April, 2025



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# ABOUT THIS REPORT

## Reporting Period

The report covers the period from January 1, 2024, to December 31, 2024, while also incorporating relevant information from preceding years.

## Report Scope

Unless otherwise specified, the organizational scope of this report includes Xiamen Jihong Technology Co., Ltd., as well as its branch offices and wholly-owned subsidiaries. It is consistent with the consolidated reporting scope specified in Jihong Group's annual report.

## References

This report extensively referenced the *Environmental, Social and Governance Reporting Code* in Appendix C2 of the Hong Kong Exchanges and Clearing Market's *Main Board Listing Rules*, the Shenzhen Stock Exchange's *Self-Regulatory Guidelines for Listed Companies No. 1 - Standardized Operations for Main Board Listed Companies* and *Listed Companies Self-Regulatory Guidelines No. 17 - Sustainable Development Report (Trial)*; In preparing this report, we also consulted the Global Sustainability Standards Board's GRI Standards 2021 and the International Organization for Standardization's *ISO 26000 - Guidance on Social Responsibility*.

## Addressing

To enhance clarity and readability, throughout this report, "Xiamen Jihong Technology Co., Ltd" is interchangeably referred to as "Jihong Group" "the Company", and "we."

## Data Description

The financial data and the financial and audit reports referenced in this report are detailed in the Xiamen Jihong Technology Co., Ltd. 2024 Annual Report. Other data is primarily sourced from Jihong Group's internal statistics. Unless otherwise specified, all currency values presented in this report are denominated in the Chinese Renminbi (RMB).

## Report Availability

The electronic version of this report is available for viewing or downloading on Jihong Group's website (<http://www.jihong.cn>) and the Shenzhen Stock Exchange website (<http://www.szse.cn>).

This is the third Environmental, Social and Governance (ESG) Report issued by Xiamen Jihong Technology Co., Ltd. Aligned with the principles of objectivity, standardization, transparency, and comprehensiveness, it outlines Jihong Group's endeavors and accomplishments in fostering comprehensive, coordinated, and sustainable development.



# BOARD OF DIRECTORS STATEMENT

At Jihong Group, the Board of Directors holds the highest responsibility for overseeing and decision-making the Company's ESG strategy and reporting. Through assessing and determining ESG risks, the Board ensures the stability of our risk management and internal monitoring systems. The Board authorizes the Strategy Committee to supervise management activities and has established the ESG Decision-Making Department to oversee the daily operations of the sustainable development management.

We regularly evaluate key ESG issues by considering external macro environment and our development strategy. The results of these evaluations are submitted to the Board for review. ESG risks and opportunities, as discussed and confirmed by the Board, are incorporated into the Company's overall strategy, with ongoing oversight to ensure effective issue management and performance.

The Company also plans to establish targets in key ESG areas—including pollutant emissions, energy consumption management, water resource consumption management, and carbon emissions. We aim to integrate ESG management performance into daily operational objectives to strengthen ESG governance.

This report provides a detailed disclosure of Jihong Group's ESG progress and achievements in 2024. It has been reviewed and approved by the Board of Directors. The Board and all Directors confirm that, to the best of their knowledge, the content of this report is free of any false records, misleading statements, or material omissions. Each director assumes individual and joint responsibility for ensuring the truthfulness, accuracy, and completeness of this report.





# MESSAGE FROM THE CHAIRMAN



In 2024, the global push for sustainable development gained momentum, with the green economy and digital transformation evolving in tandem. Jihong Group remained steadfast in its core philosophy of “innovation-driven, responsibility-first,” strengthening the strategic synergy between its packaging and e-commerce dual-pillar businesses. By leveraging technological innovation, the Company is empowering its green transformation and exploring emerging markets from a global perspective. Our cross-border social e-commerce business has continued to expand, while our leadership in green packaging solutions remains strong, delivering value and positive impact to shareholders, customers, and society.

## ● Green Future: Fulfilling a Low-Carbon Mission and Empowering Ecological Transformation

Jihong Group regards environmental responsibility as essential to achieving high-quality growth and is actively building a comprehensive green production system. We are reducing carbon emissions throughout the entire packaging lifecycle by optimizing eco-friendly production processes and advancing research into biodegradable materials. We have also strengthened green office practices by using digital systems for refined energy management and are actively participating in global climate governance. This includes working with partners across the supply chain to explore carbon footprint tracking mechanisms. In 2024, two of Jihong Group’s production bases were rated as green factories, setting new benchmarks for low-carbon transformation across the industry chain.

## ● Giving Back to Society: Fostering Responsibility and Building a Value Ecosystem

Guided by the philosophy of “surviving on quality, developing on credibility,” Jihong Group integrates this principle throughout its business practices. We continue to strengthen our social responsibility framework by taking a multi-faceted approach. We have established a comprehensive product safety standard to safeguard customer health and meet environmental needs. ESG collaborative management with suppliers has been deepened to promote transparency and strengthen supply chain resilience. Furthermore, we are committed to building a diverse and inclusive talent pipeline by enhancing career development pathways for employees.

In 2024, all ten of Jihong Group’s production bases were certified under ISO 9000 quality management system and SEDEX-4P, while GiiMall received the “Annual Best Market Influence Award” at the 4th ChinaGo Cross-Border E-Commerce Industry event. Employees also actively engaged in volunteer work and charitable initiatives, strengthening the connection between business success and social contribution.

## ● Enhancing Governance: Fortifying the Compliance Foundation for Long-Term Development

Jihong Group continues to refine its governance framework, integrating ESG objectives into strategic decision-making and daily operations. A structured management and decision-making framework—comprising the Shareholders’ Meeting, Board of Directors, Board of Supervisors, and senior management—has been established to strengthen top-level design and execution oversight. We have also developed a comprehensive risk control system that covers critical areas such as supply chain integrity and data security. Efforts to promote anti-corruption culture have been deepened, encouraging the internalization and externalization into actions of compliance awareness and ethical standards across the organization.

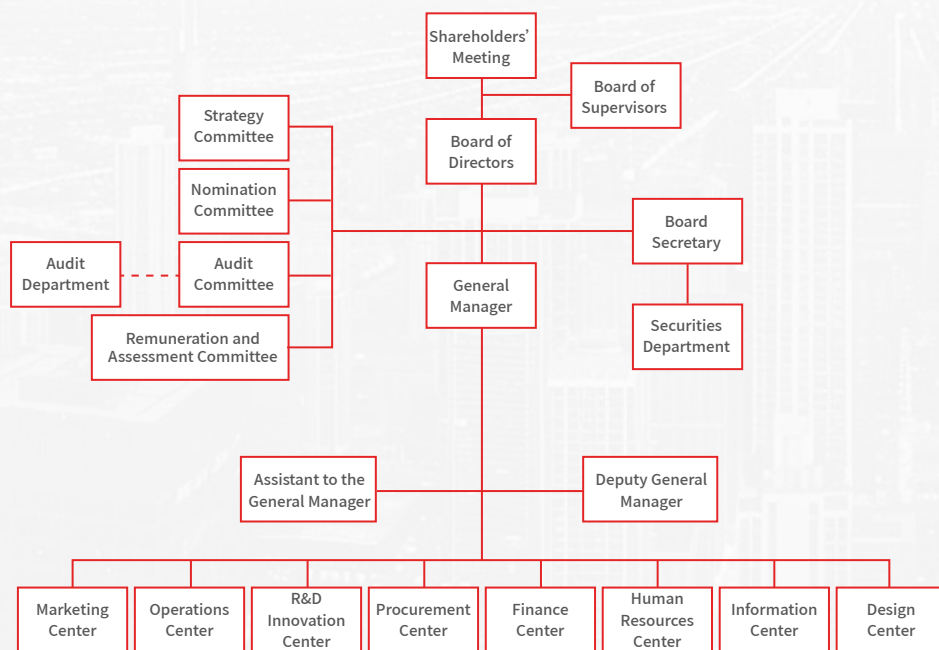
Looking ahead to 2025, Jihong Group will leverage intelligent manufacturing, R&D innovation, and green factory construction as breakthrough initiatives to advance its green development goals. In the packaging sector, we will continue to accelerate technological innovation and invest in eco-friendly packaging solutions. In the e-commerce sector, we will harness AI large models to enhance end-to-end intelligence and expand further into emerging markets under the Belt and Road Initiative. The future is already here, and Jihong Group is eager to collaborate with stakeholders from all sectors to create a greener, high-quality development landscape.

# 1 ABOUT US

## 1.1 COMPANY PROFILE

Xiamen Jihong Technology Co., Ltd. is a leading dual-engine enterprise driven by technology, innovation, and digital intelligence. The Company focuses on two main areas: cross-border social e-commerce and paper-based FMCG packaging solutions. Its core business is divided into two channels. The To-C (consumer-focused) channel specializes in precision marketing for cross-border social e-commerce, while the To-B (business-focused) channel offers comprehensive marketing, design, and packaging services for leading FMCG clients. Currently, the Company is one of the leading cross-border social e-commerce enterprises in Southeast Asia and has been ranked among the **"Top 100 Chinese Printing and Packaging Enterprises of 2024."**

## 1.2 ORGANIZATIONAL STRUCTURE



Jihong Group Organizational Structure

### Corporate vision

#### • Build ten brands with global influence

We have always stuck to the principle of "surviving with quality and developing with credit", and are dedicated to building ten brands with global influence to provide high-quality products and extremely convenient services for global consumers.

#### • Enable partners to achieve both material and spiritual prosperity

To realize employees' self-value, we strive to establish a fair and impartial remuneration incentive management system to achieve both material and spiritual prosperity and facilitate mutual progress and development for individuals and the Company.

### Corporate culture

#### • Focusing on entrepreneurship and forging ahead through difficulties

Running an enterprise is much like rowing a boat against the current; if we let up even slightly then we risk undoing all of the progress we have made. We should remain committed to hard work as entrepreneurs and make headway to maintain our vitality and competitiveness.

#### • Simplicity, Perfection, efficient collaboration, goal-oriented effort, and accountability for results

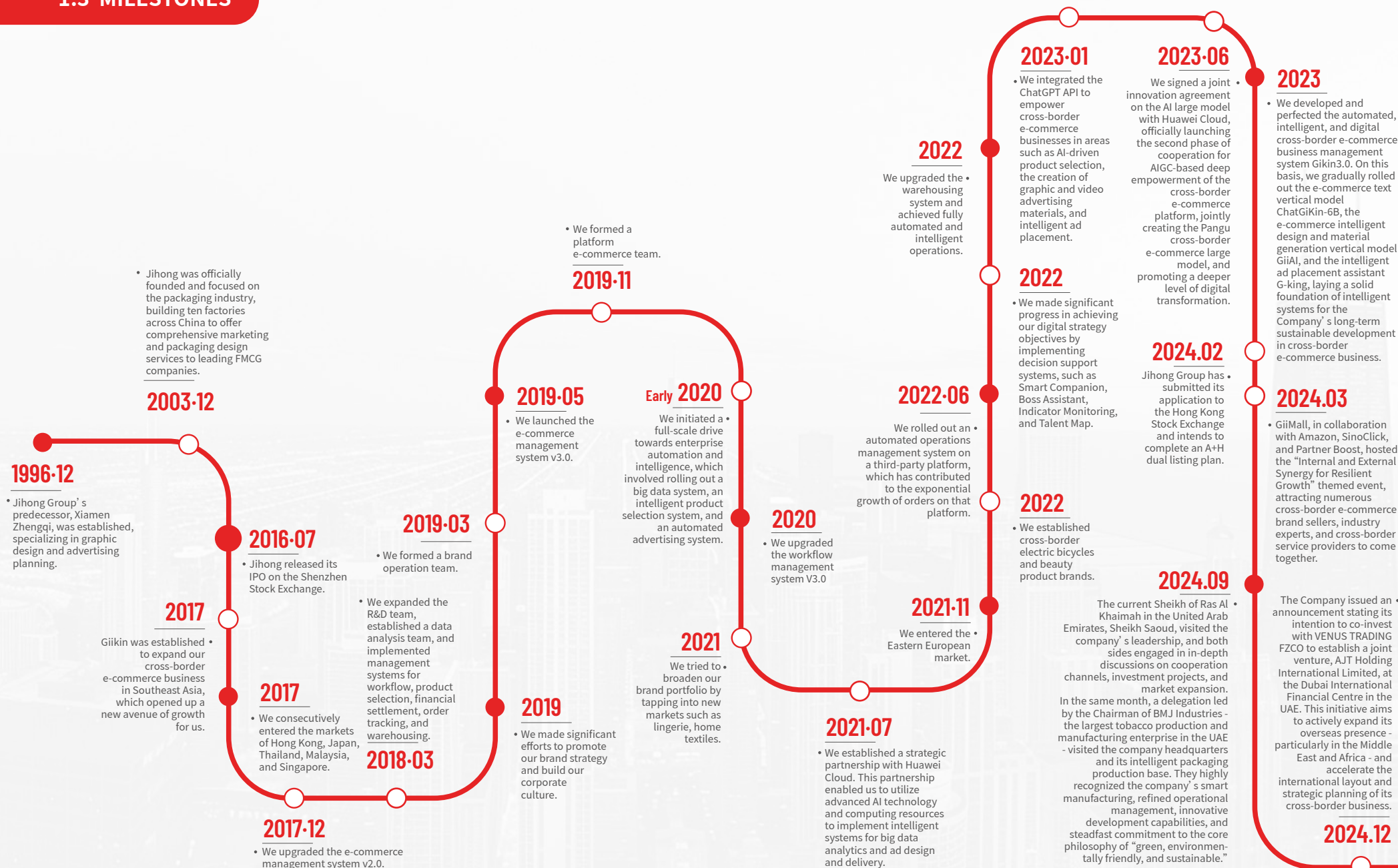
We manage to form a horizontal organizational structure, build shoulder-to-shoulder trust and set unified objectives to remove estrangement and rift among employees, which helps us work together towards clear and achieve the goal of the company's long-term sustainable development.

### Business philosophy

#### • Data-centric, technology-driven, outcome-focused and all are operators

We strengthen the operator thinking and embed it into our operation. We upgrade our technologies driven by business procedures and then improve our business organizing capability to create digitalized and data-centric assets which are transformed to enhance our reproducing capability with big data, AI and other technologies. Using data, we reinforce the digital operations and innovation capabilities of our teams through the circulation and accumulation of production, processing, using and reproduction to control quality and cost in a strict manner. Thus, we achieve high-frequency iteration and rapid revolution of our organization which is data-centric, technology-driven, and outcome-focused.

## 1.3 MILESTONES





## 1.4 ANNUAL ESG PERFORMANCE HIGHLIGHTS

### ENVIRONMENT: GREEN FUTURE



- 9 production facilities have been certified under the ISO 14001 for Environmental Management System;
- Jihong Group's Langfang factory was rated as a provincial-level green factory, and the Anhui factory was rated as a municipal-level green factory;
- Annual photovoltaic power generation at Xiamen & Anhui factories exceeds 2 million kWh, reducing CO<sub>2</sub> emissions by 2,267 tons;
- Obtained green product certification for express packaging.

### SOCIAL: GIVING BACK TO SOCIETY



- All 10 production bases have been certified under ISO 9000 for Quality Management System and Sedex-4P; 2 production bases have received BRCGS A+ grade certification; 1 production base has received BRCGS A grade certification; and 5 production bases have undergone FSC certification;
- No product recall incidents occurred;
- Filed 64 new patent applications, of which 53 were approved, and obtained 30 new software copyrights;
- Company was included in the first batch of technology-based SMEs in Hubei Province for 2024, recognized as a Technology Innovation Demonstration Enterprise in Tangshan, and received one Second Prize and one Third Prize for Science and Technology Progress in Henan Province;
- Total employee training reached 43,691 hours, with an average of 10.1 hours per employee;
- Employees participated in 146 volunteer activities, contributing 421 volunteer service hours. Invested RMB 30,500 in charitable projects supporting local communities.

### GOVERNANCE: ENHANCING GOVERNANCE



- The Company held 12 Board of Directors meetings, 8 Shareholders' Meetings and 8 Board of Supervisors meetings throughout the year;
- Conducted a total of 2 performance briefing meetings, received 68 interactive responses, and disclosed 160 announcements;
- Conducted 4 anti-corruption training sessions for Board members, totaling 4 hours of training and achieving a 100% participation rate;
- No lawsuits or administrative penalties related to unfair competition, embezzlement, bribery, or money laundering were reported.

## 1.5 ANNUAL HONORS AND AWARDS



“Top 20 Private Service Enterprises in Xiamen”  
Xiamen Federation of Industry and Commerce

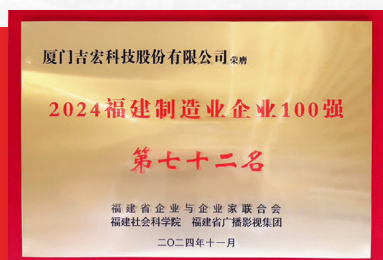


“Top 100 Private Enterprises of Fujian Province”  
Fujian Federation of Commerce & Industry



“Top 50 Service Providers for Chinese Enterprises Going Global”  
Jointly selected by Cailian Press and the China Overseas Development Association

## JIHONG GROUP 2024 MAIN HONORS AND AWARDS



“2024 Top 100 Manufacturing Enterprises of Fujian Province”  
Fujian Enterprises and Entrepreneurs Confederation, Fujian Academy of Social Sciences and Fujian Media Group



“High-Quality Suppliers”  
China (Xiamen) International Cross-Border E-Commerce Expo



“2024 Shanghai Securities News Gold Quality Award - ESG Award”  
Shanghai Securities News

## 1.6 ESG GOVERNANCE

Jihong Group is firmly committed to sustainable development, integrating sustainability principles into both daily operations and long-term strategic decision-making. The Company continuously strengthens its ESG management system, fostering effective communication and engagement with stakeholders while striving to enhance its ESG management capabilities.

### 1.6.1 ESG MANAGEMENT FRAMEWORK

Jihong Group places great emphasis on ESG management and has established a clear, hierarchical ESG governance framework with well-defined responsibilities. The Board of Directors, as the highest authority oversees all ESG-related decision-making. Authorized by the Board, the Strategy Committee manages and approves ESG issues. The ESG decision-making department handles the day-to-day implementation of ESG strategies and activities. This comprehensive system ensures a top-down execution of ESG responsibilities, effectively advancing the Company's sustainable development management.

### ESG MANAGEMENT PRINCIPLE

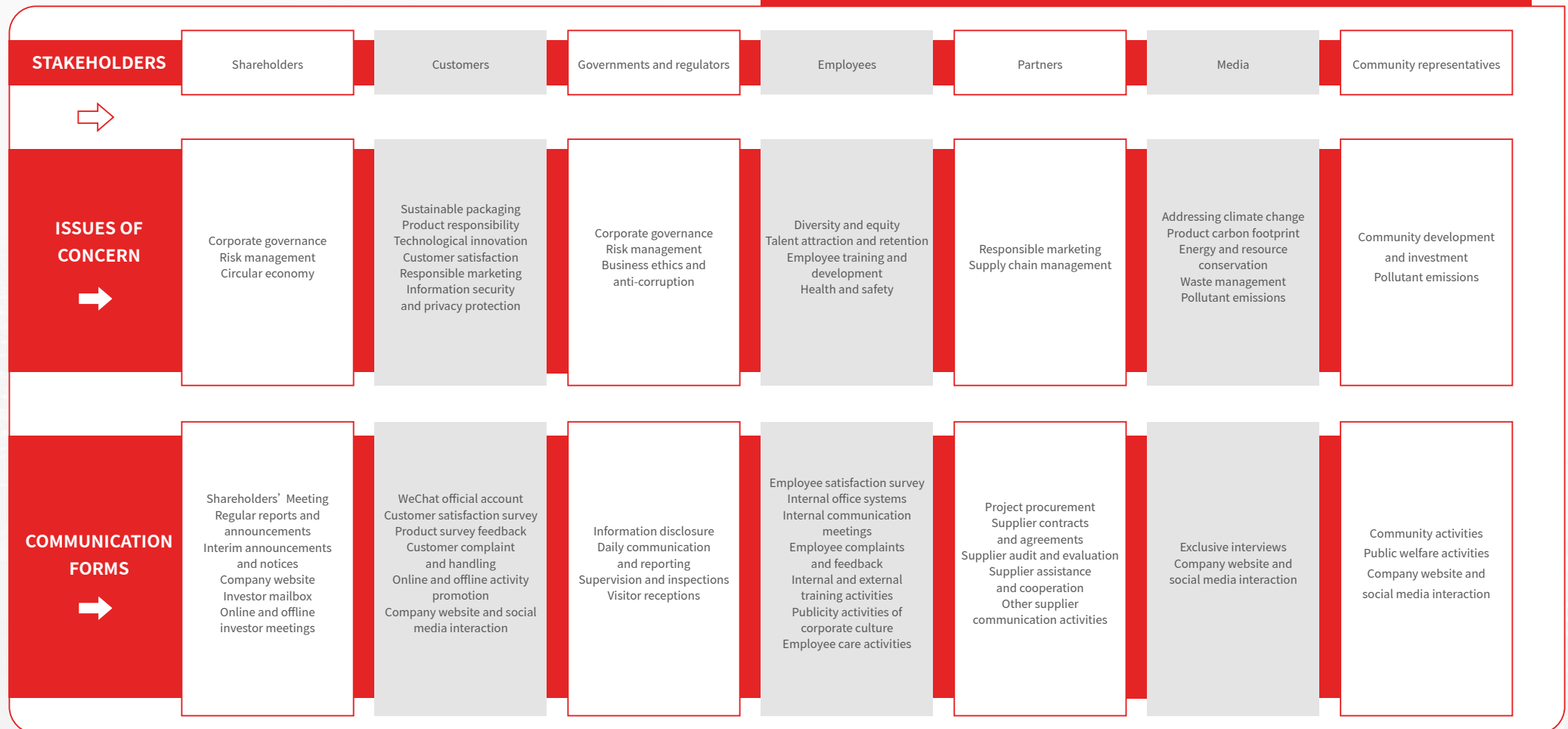




## 1.6.2 STAKEHOLDER COMMUNICATION

Jihong Group values open and active communication with all stakeholders. The Company has established a regular, multi-channel communication framework to ensure transparency and responsiveness. It actively addresses the concerns and expectations of stakeholders—including shareholders, customers, government and regulatory agencies, employees, partners, media, and community representatives—fostering mutual development.

### JIHONG GROUP'S STAKEHOLDER COMMUNICATION MECHANISM

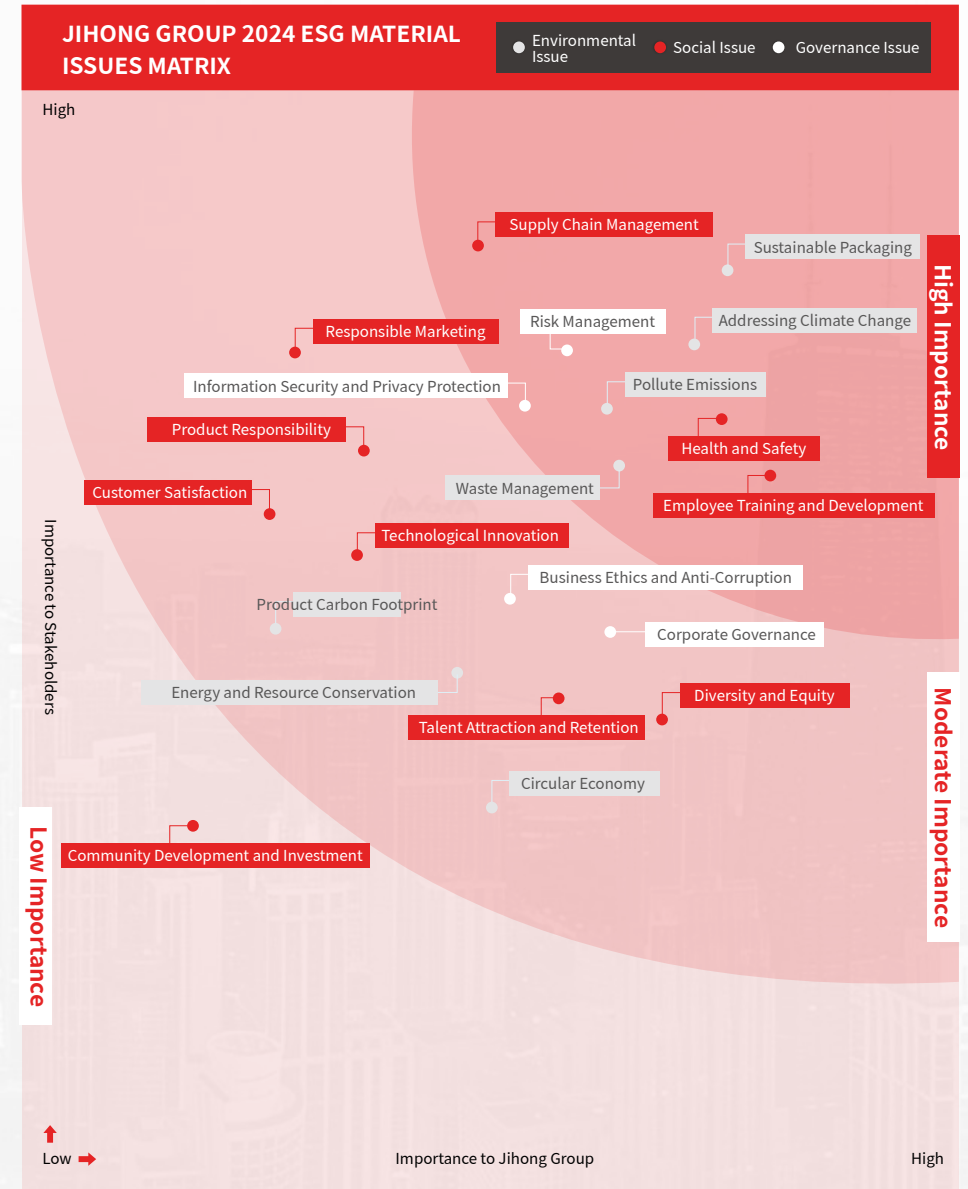
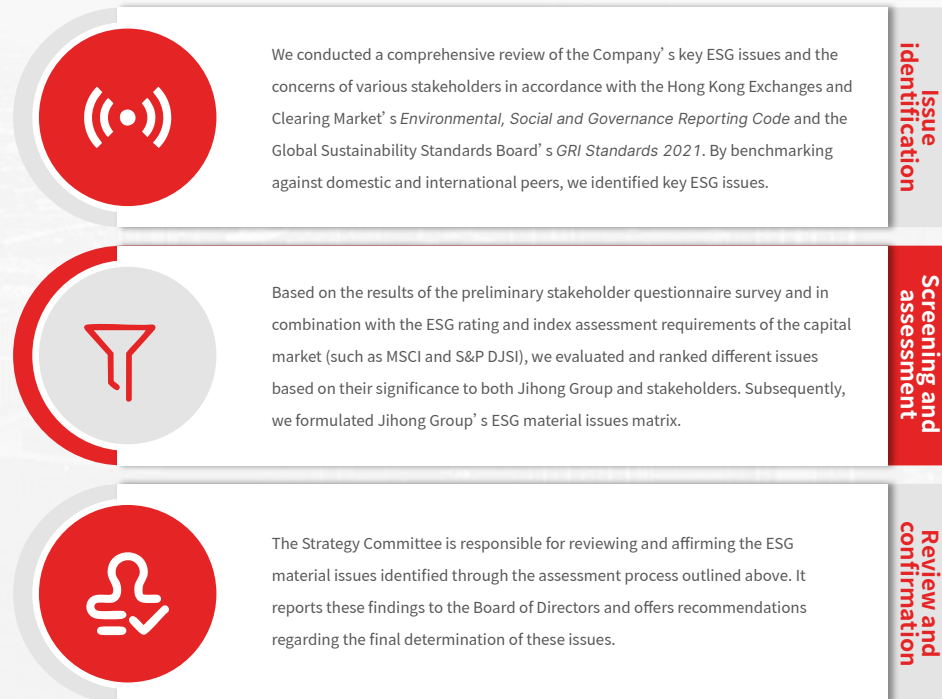


### 1.6.3 MATERIALITY ASSESSMENT

To strengthen ESG practices and improve information disclosure, Jihong Group conducts materiality assessments to identify ESG issues, in reference to the Hong Kong Exchanges and Clearing Limited (HKEX)'s *Environmental, Social and Governance Reporting Code* and the Shenzhen Stock Exchange's *Listed Companies Self-Regulatory Guidelines No. 17 - Sustainable Development Report (Trial)*. This process ensures that the report comprehensively covers key issues of concern to both the Company and its stakeholders.

Every two years, the Company conducts a comprehensive and in-depth study and assessment of material issues through interviews and questionnaires. This approach helps understand and respond to stakeholder concerns and priorities while aligning with external market trends and the Company's operational characteristics. In 2024, as there were no significant changes to the business environment, the Company continued to apply the materiality assessment results from 2023.

### MATERIAL ISSUES DETERMINATION PROCESS ▼



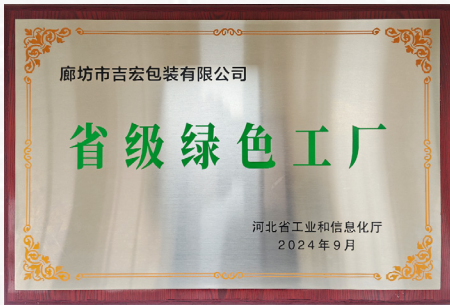
# 2 ENVIRONMENT: GREEN FUTURE

Jihong Group adheres to green development, actively practices the concept of energy conservation and emission reduction, deeply integrates sustainable development into the enterprise operation process, and creates an environmentally friendly enterprise by continuously improving green manufacturing capabilities, contributing to the green transformation of the industry.

## 2.1 GREEN PRODUCTION

### 2.1.1 ENVIRONMENTAL MANAGEMENT SYSTEM

Jihong Group complies with relevant laws and regulations, such as the *Law of the People's Republic of China on Environmental Protection*, the *Law of the People's Republic of China on Environmental Impact Assessment*, the *Forest Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Wildlife*, and the *Regulations of the People's Republic of China on Wild Plants Protection*. To ensure effective environmental management, the Company has also developed internal policies, including its *Environmental Management System*, to monitor and control its ecological footprint during production. In 2024, 9 out of 10 production facilities earned ISO 14001 certification for environmental management. Additionally, the Anhui factory was recognized as a municipal-level green factory, while the Langfang facility achieved provincial-level green factory status.



Langfang Jihong Packaging Co., Ltd. received a provincial-level Green Factory Certification.

Anhui Jihong Environmental Protection Paper Products Co., Ltd. received the 2024 Bengbu Green Factory Certification.



The Company has formulated an *Environmental Protection Emergency Plan* to ensure a clear, standardized approach to handling unexpected pollution incidents. The goal is to reduce environmental damage and minimize potential losses. To oversee this, an Emergency Rescue Leadership Group coordinates with various departments to investigate causes, assess impacts, and organize regular emergency drills and risk inspections. Additionally, when conducting environmental impact assessments, the Company strictly adheres to the *Classified Administration Catalogue of Environmental Impact Assessments for Construction Projects* issued by the Ministry of Ecology and Environment of the People's Republic of China, and hires qualified institutions to carry out the relevant evaluations.

### 2.1.2 RESOURCE MANAGEMENT

Jihong Group is committed to conserving energy and reducing emissions. By strengthening energy management and improving resource efficiency, the Company continues to advance its long-term sustainability goals.

## ENERGY MANAGEMENT

The Company strictly adheres to the *Law of the People's Republic of China on Energy Conservation* and other relevant laws and regulations. It has established internal policies such as the *Energy Conservation and Consumption Reduction Management System*, *Energy Conservation and Consumption Reduction Organizational Management System*, and *Energy Conservation and Emissions Reduction Management System*, and has set up an Energy Management Group to coordinate its energy management efforts. The Company continuously optimizes production processes, enhances energy efficiency management, and strives to reduce energy consumption at each stage. The goal is to maximize productivity and economic benefits while keeping energy consumption to a minimum.

### JIHONG GROUP'S HIGHLIGHT MEASURES ON ENERGY-SAVING AND EMISSION REDUCTION

#### Optimizing Equipment Operation

- **Rational Production Scheduling:** Implement coordinated production planning and material preparation to avoid equipment idling and reduce standby energy consumption.
- **Use of Variable Frequency Technology:** Apply variable frequency drives to equipment such as fans and pumps, adjusting power output based on demand.
- **Phasing Out High-Energy-Consuming Equipment:** Replace such equipment with high-efficiency, energy-saving alternatives; all lighting in workshops, warehouses, office buildings, and dormitories has been replaced with LED lighting.

#### Strengthening Energy Management

- **Installing Electric Meters:** The Equipment Department installs electric meters on key machinery and high-consumption areas to monitor power usage and promptly identify any anomalies.
- **Optimizing Electricity Usage Plans:** During the off-peak production season from March to August, the Company adopts single-shift production, employs staggered electricity usage, shifts all production to the night shift, and takes advantage of off-peak electricity rates to reduce electricity costs.

#### Enhancing Employee Awareness on Energy Conservation

- **Conducting Training:** Utilize training sessions and all-employee meetings to promote energy conservation, enhancing employees' awareness and cultivate energy-saving habits.
- **Displaying Energy-Saving Signs:** Post energy-saving signs above switches and sockets in common areas such as office buildings and dormitories to serve as constant reminders.
- **Strengthening Daily Inspections:** During day shifts, cleaning staff patrol their designated areas to promptly turn off any lights that remain on; during night shifts, security personnel conduct inspections across all areas to ensure lights are turned off when not needed.



As part of our commitment to green, low-carbon operations, we continuously refine our energy strategy, promote clean and renewable energy, and invest in low-carbon process innovations and energy-efficient technology upgrades to improve overall efficiency. In 2024, the photovoltaic equipment at the two factories in Xiamen and Anhui both generated over 2 million kilowatt-hours of electricity annually, which is equivalent to a reduction of approximately 2,267 tons of carbon dioxide emissions.

JIHONG GROUP’ S ENERGY CONSUMPTION

INDICATOR	UNIT	2024
Gasoline	ton	27
Diesel	ton	28
Natural Gas	cubic meter	2,863,157
Purchased Electricity	kWh	51,384,764
Purchased Heat	GJ	479
Total Energy Consumption	tce	9,867
Energy Consumption Intensity	tce/RMB 1 million of revenue	1.78



WATER RESOURCE MANAGEMENT

The Company strictly adheres to the *Water Law of the People’ s Republic of China* and other relevant laws and regulations, and has established a *Water Conservation Management System*. It continuously optimizes high water-consuming production processes, installs advanced wastewater treatment equipment, and enhances water recycling systems. Its factories are equipped with reclaimed water treatment systems and boiler water purification equipment, allowing wastewater to be treated and reused for equipment cleaning. These efforts help increase the proportion of recycled water used, significantly lowering industrial wastewater discharge.

2024 HIGHLIGHT MEASURES FOR WATER CONSERVATION IN THE FACTORY

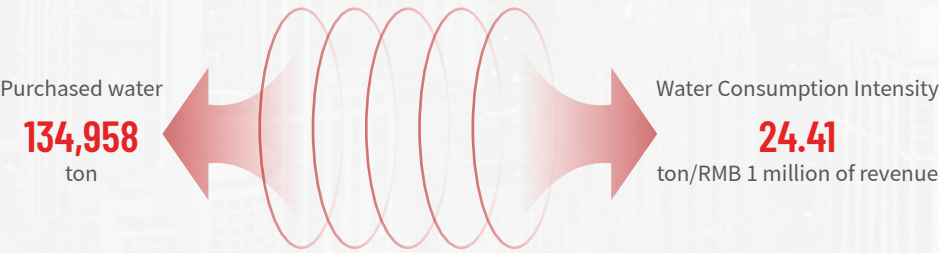


- The Luanzhou Factory

  - Recycling Water Resources: The watermarking machine establishes a water recycling system, filtering and cleaning equipment water for use in ground cleaning or landscaping.
  - Reducing Cleaning Water Consumption: By adopting no-rinse CTP plates, the water used for equipment cleaning is reduced.
  - Improving Cleaning Processes: Low-water consumption techniques are applied, with high-pressure water jets replacing traditional methods for cleaning floors and walls, and floor scrubbers used for sweeping floors.
- The Shaanxi Factory

  - Intelligent Water-Saving Management: Install sensor faucets and flow sensors to automatically control water usage and monitor anomalies in real time.
  - Recycling System: Introduce a reclaimed water system where treated wastewater is used for flushing, landscaping, and equipment cleaning, with production washing water recycled through a closed-loop system.
  - Water-Saving Achievements: Comprehensive water-saving measures have reduced the Company’ s total water consumption by **40%**, lowered wastewater discharge, and met green production standards.

JIHONG GROUP’ S WATER USE IN 2024



### 2.1.3 EMISSION MANAGEMENT

Jihong Group actively creates a green and environmentally friendly production environment by establishing a comprehensive emissions management system and disposal procedures. The Company enforces strict controls on wastewater, air emissions, and solid waste to reduce environmental impact and support long-term sustainability.

#### WASTE WATER

The Company strictly adheres to the *Law of the People's Republic of China on Water Pollution Prevention and Control* and the *Regulation on Urban Drainage and Sewage Treatment*, and has established a *Production Wastewater Treatment Management System* to ensure proper wastewater handling and prevent pollution risks. Each production unit operates under a grid management approach, clearly defining the responsibilities of wastewater treatment personnel. These responsibilities are integrated into performance evaluations, ensuring compliance and preventing unauthorized discharges. To maintain stable operations, the management team conducts cleaning and internal loss inspections every six months, adjusting maintenance based on equipment performance. Additionally, all affiliated factories are equipped with reclaimed water treatment systems, allowing wastewater to be recycled, further reducing industrial discharge.

### JIHONG GROUP'S TOTAL EMISSIONS IN 2024

1,269<sup>ton</sup>

Industrial Wastewater Discharge

66,269<sup>ton</sup>

Domestic Sewage Discharge

#### WASTE GAS

The Company strictly complies with the *Law of the People's Republic of China on Prevention and Control of Atmospheric Pollution*, and other relevant laws and regulations, and has established a *Prevention and Control System for Waste Water, Waste Gas, Dust and Solid Wastes*, ensuring strict compliance with emission standards. To maintain transparency, the Company conducts environmental impact assessments and discloses the relevant results. In enclosed production areas where waste gas is generated, Jihong installs and maintains pollution control facilities as required. It also uses high-efficiency dust removal and filtration technologies to capture and treat emissions in each workshop, reducing environmental impact while meeting regulatory standards.

NITROGEN OXIDES

SULFUR OXIDES

PARTICULATE MATTER

JIHONG GROUP'S  
TOTAL WASTE GAS  
EMISSIONS IN 2024

2.37<sup>ton</sup>

0.33<sup>ton</sup>

0.30<sup>ton</sup>



#### SOLID WASTE

The Company strictly complies with the *Law of the People's Republic of China on Environmental Protection*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*, and other relevant laws and regulations. Based on its production needs, it implements waste classification, promotes reduction and recycling, and improves resource utilization efficiency. For hazardous waste, the Company has established a *Hazardous Waste Management System*, submitting management plans to environmental authorities as required. Each department is responsible for collecting, documenting, and categorizing hazardous waste, which is then transferred to the hazardous waste management team for proper storage in a designated hazardous chemicals waste warehouse. To ensure safe and compliant disposal, Jihong collaborates with certified hazardous waste disposal units and assigns an administrative officer to oversee waste handling, including receipt, storage, and transfers.

### JIHONG GROUP'S TOTAL WASTE GENERATION VOLUME IN 2024

Hazardous Waste

Non-Hazardous Waste

WASTE TYPES

UNIT

2024

Waste Printer Toner Cartridges

kg

104.97

Waste Printer Cartridges

kg

51.00

Waste Mercury-Containing Fluorescent Tubes

kg

36.00

Waste Electronic Equipment

kg

60.00

Used Batteries

kg

16.92

Kitchen Waste

ton

174.05

Domestic Waste

ton

548.83

## 2.1.4 GREEN PRODUCTS

Jihong Group is committed to the research and development of eco-friendly packaging materials and has earned green product certification for express packaging. The Company actively works to reduce plastic use and minimize material consumption in packaging printing, providing sustainable, high-value solutions to its customers. In the future, we will continue to expand our focus on green products, support industry-wide sustainability efforts, and contribute to carbon peaking and carbon neutrality goals.

packaging materials

5,945.07 ton

2024

packaging material usage density

1.08 ton/RMB 1 million of revenue

## JIHONG GROUP'S GREEN PRODUCT HIGHLIGHT CASES IN 2024



### Innovative Waterproof Paper Bags

Leveraging our experience in packaging design and market insights, we push beyond traditional limits with advanced technology, integrating new waterproof materials into paper bags to improve material efficiency.



### Innovative Convenient Packaging

Through market research and demand surveys, we have developed user-friendly packaging solutions like rotating pull-out boxes and handle beverage bags. These designs simplify packing, reduce processing time, and improve the overall customer experience.



Jihong Group Express Packaging Green Product Certification Certificate

## 2.2 GREEN OFFICE

Jihong Group strongly advocates green office practices and has implemented a series of various measures to save energy and reduce emissions. These efforts include conserving electricity, minimizing paper use, reducing water consumption, and raising employee awareness about environmental responsibility.

## JIHONG GROUP'S GREEN OFFICE MANAGEMENT MEASURES

### Paperless Office

- Print on both sides unless otherwise required.

### Equipment Management

- Solar-powered street lights are installed in the factory, using high-power energy-saving lamps.
- Signs are posted to remind that air conditioning cooling temperature should not be lower than 26 °C, and heating temperature should not exceed 22°C, with air conditioning turned off half an hour before leaving.
- Automatic control switches are installed for public area lighting, maximizing the use of natural light and reducing the number of lights used when lighting levels are sufficient.
- Employees are required to actively turn off lighting equipment when leaving the office area.

### Domestic Waste Management

- Set up designated areas for domestic waste disposal and implement waste classification.
- Post "No Waste" signs in the cafeteria to strengthen management and assessment.



## 2.3 CLIMATE CHANGE

### 2.3.1 GOVERNANCE

Jihong Group fully implements the new development philosophy, positioning climate change as one of the core issues in corporate governance. The Company has built a scientific and efficient climate governance system, regularly assessing how climate-related risks—such as extreme weather, policy shifts, and market changes—could impact operations. Based on these evaluations, it develops response strategies to ensure transparency and accountability. In addition, we prioritize open dialogue with stakeholders, driving climate-focused decision-making through seminars, ESG reports, and other initiatives.

### 2.3.2 STRATEGY

The Company considers climate change a key component of its long-term strategic planning. To support China's carbon peaking and carbon neutrality goals, the Company has formulated the *Action Plan for Carbon Peaking and Carbon Neutrality of Jihong*. At the same time, Jihong Group actively seizes climate-related opportunities by exploring sustainable packaging solutions sustainable packaging solutions in the paper-based FMCG packaging sector. These strategic efforts not only strengthen the Company's competitiveness but also align business growth with sustainability, creating shared value for both the Company and the environment.

### 2.3.3 RISK MANAGEMENT

To effectively tackle climate change, the Company has established a comprehensive climate change risk management system to identify and assess both physical risks and transition risks. To mitigate these risks, Jihong has developed targeted response measures and implemented key actions accordingly. This includes emergency plans for floods, typhoons, and severe pollution events, ensuring preparedness and minimizing potential losses.

#### JIHONG GROUP'S CLIMATE RISK IDENTIFICATION AND RESPONSE

Types of Risks		Risk Description		Countermeasures
Transition Risks	Policy Risks	Low-carbon Policy Requirements	· Growing industry awareness is driving stricter carbon emissions quotas and increasing carbon cost pressures.	<ul style="list-style-type: none"> <li>· Setting Carbon Reduction Targets: Establish short-term and long-term emission reduction targets with a detailed roadmap.</li> <li>· Investing in Low-Carbon Technologies: Adopt energy-efficient equipment and renewable energy to reduce emissions.</li> <li>· Participating in Carbon Trading: Offset a portion of emissions by purchasing allowances through the carbon trading market.</li> </ul>
		Tightening Regulatory Requirements	· Compliance costs for carbon emission control are rising, requiring carbon audits and the phase-out of high-energy-consuming equipment.	
		Litigation Risk Response	· Disruptions in supplier production can impact raw material supply and delay product delivery.	
				<ul style="list-style-type: none"> <li>· Strengthening Carbon Management: Establish a carbon management system, conduct regular emission audits, and refine reduction strategies.</li> </ul>

Types of Risks		Risk Description		Countermeasures
Transition Risks	Technology and Market Risks	Cost of Upgrading Low-Carbon Emission Technologies	· The cost of upgrading equipment for energy efficiency is increasing.	<ul style="list-style-type: none"> <li>· Optimizing Energy Management: Invest in energy-efficient equipment, refine production processes, and reduce overall energy consumption.</li> </ul>
		Changing Behaviors and Preferences of Customers	<ul style="list-style-type: none"> <li>· Consumers are increasingly prioritizing low-carbon products. Companies that fail to adapt may risk losing market share.</li> <li>· Downstream corporate clients expect suppliers to provide green, low-carbon products and align with carbon neutrality goals.</li> </ul>	<ul style="list-style-type: none"> <li>· Developing Green Products: Launch low-carbon, eco-friendly products to meet consumer demand.</li> <li>· Strengthening Environmental Awareness Campaigns: Promote sustainability efforts to enhance brand image and attract eco-conscious customers.</li> <li>· Providing Carbon Footprint Information: Measure and label product carbon footprints to increase transparency.</li> <li>· Participating in Environmental Certifications: Obtain environmental certifications to enhance product competitiveness.</li> </ul>
		Rising Raw Material Costs	· Supply shortages and declining material quality are increasing costs.	<ul style="list-style-type: none"> <li>· Conducting Supply Chain Risk Assessments: Identify climate risks within the supply chain and develop response plans.</li> <li>· Diversifying Suppliers: Reduce reliance on a single supplier to minimize risk exposure.</li> <li>· Collaborating with Suppliers: Assist suppliers in enhancing their risk resilience.</li> <li>· Establishing Emergency Inventory: Maintain stockpiles of key raw materials to handle short-term supply disruptions.</li> </ul>
	Reputational Risks	Negative Publicity	· Stakeholders are demanding stronger climate action. Failing to meet these expectations could harm the Company's reputation.	<ul style="list-style-type: none"> <li>· Developing a Climate Strategy: Set climate action goals and integrate them into corporate strategy.</li> <li>· Enhancing Information Disclosure: Publish regular climate action reports and ensure transparency through public oversight.</li> <li>· Participating in Industry Initiatives: Engage in industry climate action initiatives to enhance corporate influence.</li> <li>· Engaging with Stakeholders: Maintain open communication, address concerns proactively, and improve transparency.</li> </ul>
Physical Risks	Acute Risks	Increase in Frequency and Intensity of Extreme Weather Events such as Typhoons, Storms, Floods, and Droughts	· Severe weather conditions can damage operational assets, disrupt business activities, and pose safety risks for employees.	<ul style="list-style-type: none"> <li>· Conducting Risk Assessments: Evaluate the impact of extreme weather and implement emergency response plans.</li> <li>· Strengthening Infrastructure: Reinforce factories, warehouses, and other facilities to enhance disaster resilience.</li> <li>· Enhancing Employee Training: Equip employees with the necessary skills to respond effectively to extreme weather conditions.</li> </ul>
	Chronic Risks	Climate Change and Rise in Average Temperature	<ul style="list-style-type: none"> <li>· Increased energy consumption in factories and offices leads to rising energy costs.</li> <li>· Reduced employee productivity, resulting in higher labor expenses.</li> </ul>	<ul style="list-style-type: none"> <li>· Develop a climate change emergency response plan and mitigate risks by purchasing insurance to minimize potential losses.</li> </ul>

### 2.3.4 INDICATORS AND TARGETS

Jihong Group has established clear climate change-related indicators and targets to track and accelerate progress in carbon reduction and sustainability. The Company aims to reach peak carbon emissions within five years and cut emissions by around 5% annually. As part of its long-term strategy, Jihong plans to transition all fuel-powered forklifts in its production facilities and warehouses to electric models by 2030, supporting its carbon peaking and neutrality goals. To ensure transparency, the Company regularly publishes greenhouse gas emission data. In 2024, Jihong successfully completed carbon audits for all 10 factories.

## JIHONG GROUP'S GHG EMISSIONS

Indicator	Unit	2024
Scope 1 GHG emissions	tCO <sub>2</sub> e	6,362
Scope 2 GHG emissions	tCO <sub>2</sub> e	29,357
Scope 1 + Scope 2 GHG emissions	tCO <sub>2</sub> e	35,719
GHG emissions intensity	tCO <sub>2</sub> e/RMB 1 million of revenue	6.46

## 2.4 BIODIVERSITY

Jihong Group complies with the *Environmental Protection Law of the People's Republic of China*, the *Forest Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Wildlife*, the *Regulations of the People's Republic of China on Wild Plants Protection*, the *Law of the People's Republic of China on Environmental Impact Assessment*, and other relevant laws and regulations to standardize biodiversity protection processes. Before starting new projects, the Company conducts environmental assessments to evaluate potential ecological risks. These assessments follow a structured risk management framework that includes identification, mitigation, transfer, acceptance, and control, aiming to minimize biodiversity-related impacts. Based on assessment results, Jihong adjusts factory management policies and practices, continuously refining its approach to biodiversity conservation and sustainable development.

## BIODIVERSITY PROTECTION MANAGEMENT PROCESS

Risk Identification	Raw Material Procurement Stage:	Assess potential biodiversity risks linked to sourcing endangered or protected raw materials.
	Production Process Stage:	Evaluate how energy consumption and pollutant emissions during manufacturing affect local ecosystems and biodiversity.
	Transportation Stage:	Analyze the environmental impact of fuel consumption and exhaust emissions, as well as how transportation activities disrupt roadside ecosystems.
	Waste Disposal Stage:	Identify risks related to improper disposal of solid waste and wastewater, which can harm soil, water bodies, and air biodiversity.
Risk Mitigation	Optimizing Raw Material Procurement:	Source materials from sustainable suppliers, avoiding those linked to endangered or protected species. Work closely with suppliers to promote eco-friendly procurement practices.
	Improving Production Processes:	Improving Production Processes: Adopt energy-efficient technologies and environmentally friendly equipment to reduce energy consumption and pollutant emissions.
	Green Transportation Management:	Green Transportation Management: Optimize transport routes to improve efficiency and reduce fuel use. Encourage the transition to new energy vehicles to lower transportation-related environmental impact.
	Enhancing Waste Management:	Enhancing Waste Management: Establish and improve solid waste and wastewater treatment facilities to ensure compliant discharge. Promote waste classification, recycling, and resource recovery to reduce environmental strain.
Risk Transfer	Insurance Strategy:	Purchase environmental liability insurance to cover potential compensation costs if biodiversity damage occurs due to environmental pollution.
	Partnerships and Agreements:	Establish clear environmental responsibility agreements with suppliers, customers, and business partners to reinforce biodiversity protection across the supply chain.
Risk Acceptance	Financial Reserves:	Set aside environmental risk reserves to cover potential costs related to biodiversity damage.
	Adjusting Business Strategies:	Modify business strategies as needed to mitigate the impact of risks on business performance.
	Developing Environmental Incident Emergency Plans:	Implement rapid response protocols for environmental incidents. Conduct regular emergency drills to ensure employees are prepared to handle biodiversity-related emergencies effectively.
Risk Control	Establishing an Internal Audit System:	Conduct regular environmental audits to evaluate the effectiveness of risk management efforts. Use audit findings to refine management policies and operational procedures for continuous improvement.
	Monitoring and Evaluation Mechanism:	Continuously assess production and operational activities to identify potential biodiversity risks early. Implement an environmental monitoring system to track wastewater, waste gas, and solid waste emissions in real-time and through scheduled evaluations.
	Employee Training:	Provide ongoing biodiversity protection and environmental risk management training to strengthen awareness and risk management capabilities. Hold at least one training session per year, ensuring employees understand and apply relevant policies and best practices.

Jihong Group fulfills its environmental responsibilities by implementing various measures across its production and operational sites. By treating wastewater and waste gas and managing noise pollution, the Company has significantly improved environmental quality both within its facilities and in surrounding areas. Additionally, initiatives such as afforestation effectively contribute to local biodiversity conservation. By actively participating in ecological protection and restoration efforts, Jihong Group has enhanced its corporate social image and public recognition.

# 3 SOCIAL: GIVING BACK TO SOCIETY

Jihong Group actively fulfills its social responsibilities by continuously improving product quality and customer service in the e-commerce and packaging industries. At the same time, the Company prioritizes employee rights, talent development, and sustainable supply chain management. Through deep involvement in public welfare initiatives, Jihong strives to contribute to a more sustainable and harmonious society.

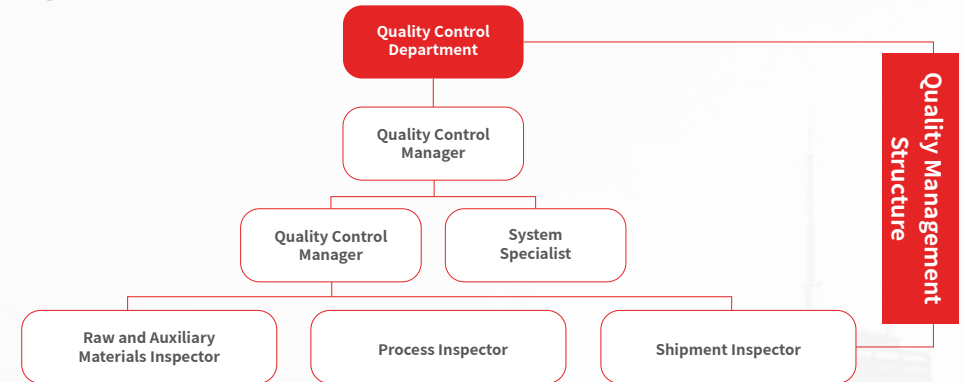
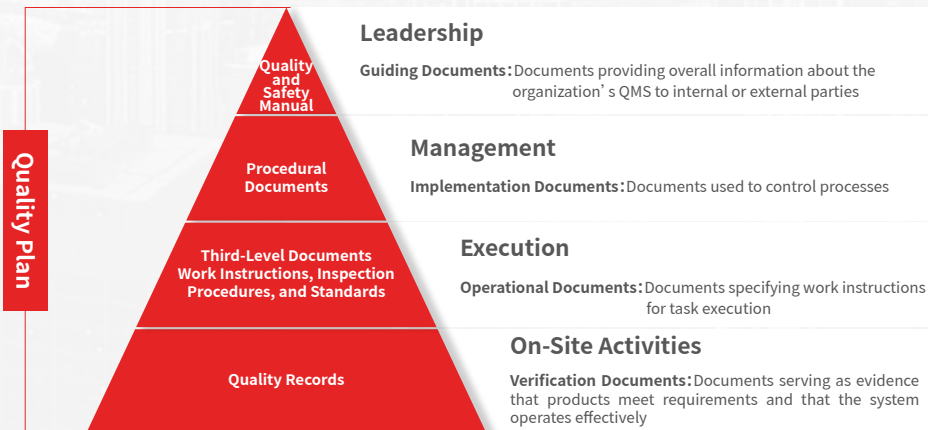
## 3.1 PRODUCT RESPONSIBILITY

Guided by the corporate philosophy of “surviving with quality and developing with credit,” Jihong places product quality and safety at the core of its operations. The Company continuously refines quality standards and enhances product reliability to deliver high-quality products and services to consumers.

### 3.1.1 QUALITY MANAGEMENT

Jihong Group strictly complies with the *Law of the People's Republic of China on Product Quality* and other relevant laws and regulations. Based on its operational needs, and to ensure rigorous quality control, the Company has established a quality management system and formulated over 30 internal management policies and procedures, including *Quality Risk Assessment and Control Procedures*, *Glass and Fragile Items Control Measures*, and *Product Recall and Simulated Recall Control Procedures*. The Quality Control Department oversee key stages throughout the product lifecycle, ensuring compliance with quality standards and customer expectations. In 2024, the Company reported zero product recall incidents.

### QUALITY AND SAFETY POLICIES AND OBJECTIVES (QUALITY MANAGEMENT SYSTEM)

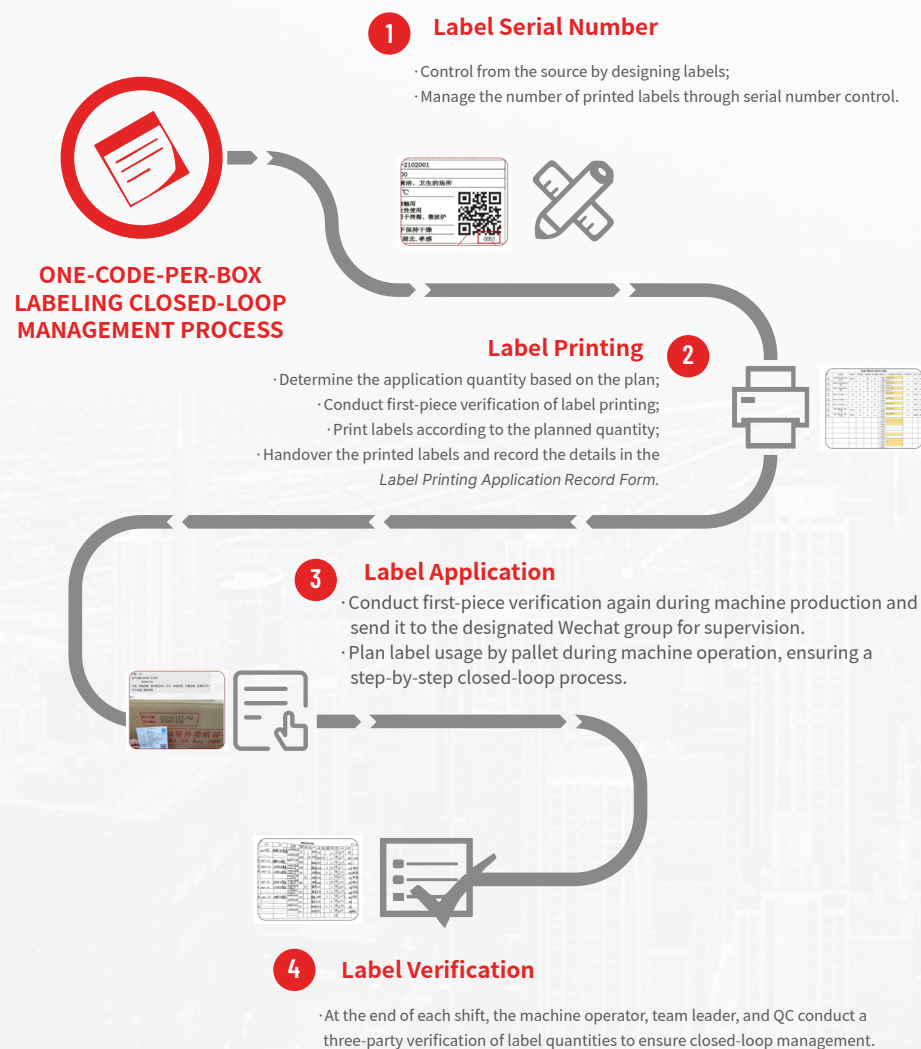


In 2024, all 10 production bases obtained ISO 9000 Quality Management System and SEDEX-4P certifications. Additionally, 2 production bases received BRCGS A+ grade certification, 1 production base received BRCGS A grade certification, and 5 production bases completed FSC certification.



(System Certification Certificates)

Jihong Group is committed to enhancing quality management through digitalization, ensuring efficient and transparent oversight from production to delivery. The Company has implemented a one-code-per-box labeling system, creating a closed-loop management process for precise product traceability and efficient inventory control. This system strengthens quality refinement and provides customers with greater product assurance.



## PRODUCT QUALITY HONORS

In 2024, the packaging for Xiaokuihua Probiotic Powder won the first prize at the 2024 Xiamen Printing Product Quality Competition, while the Beichang Goat Milk Powder Box received the third prize.



Trophy from the 2024 Xiamen Printing Product Quality Competition ↑

In 2024, the Xiaogan factory was honored with the "Quality Leap Award" at the important customers Supplier Quality Forum.



Quality Leap Award ↑



## QUALITY MANAGEMENT MEASURES

Jihong Group upholds strict quality control standards across its products and services. Recognizing the unique demands of its cross-border social e-commerce business and paper-based FMCG packaging solutions, the Company implements practical and effective measures to ensure high-quality development and deliver premium products and services to customers.

The Company has established a full-cycle product quality management system covering “sourcing-warehousing-logistics”, to safeguard product quality and customer satisfaction in its cross-border operations. During the sourcing Phase, products undergo a comprehensive evaluation based on quality, market adaptability, and consumer demand before selection. In the warehousing management stage, strict quality control initiatives are implemented to maintain product integrity and safety. Regarding logistics management, the Company enforces strict supply requirements for carriers, ensuring that products remain in optimal condition throughout transportation.

### QUALITY MANAGEMENT MEASURES FOR CROSS-BORDER SOCIAL E-COMMERCE BUSINESS

#### Product Selection



- Existing Product Selection: Selectors choose products from inventory and input details such as weight, volume, acceptance rate, and media links.
- New Product Selection: Selectors input pricing policies and promotional strategies, then submit selected products to designers for webpage design.
- Review Mechanism: Product selection team leaders review categories to ensure they meet market demand and quality standards.

#### Warehousing Management



- Inbound Inspection: Follow strict receiving procedures, conduct unpacking inspections, and accept goods only if they meet company quality standards.
- Storage Conditions: Follow proper storage principles—heavy items at the bottom, light items on top; large items at the bottom, small items on top—to prevent damage.
- Quality Inspection: Conduct daily, weekly, and monthly quality and quantity checks maintain strict inventory supervision.
- Smart Applications: Develop a warehouse management app for intelligent inventory control.

#### Logistics Management

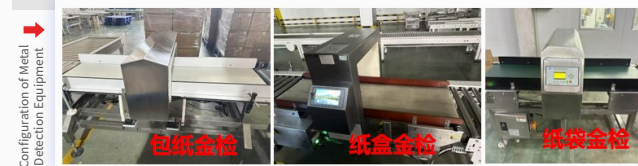


- Supply Requirements: Logistics suppliers must provide high-quality air and land transportation routes and meet established standards for handling customer complaints.
- Transportation Management: The logistics department oversees supplier management, while the customer service team handles logistics coordination, ensuring compliance with transportation management procedures.

In the paper-based FMCG packaging solutions business segment, the Company held a special meeting on metal foreign object control to strengthen incoming material inspection standards. The Company also addressed issues related to large-area and high-color-content packaging paper discoloration and launched a foreign object elimination initiative to further enhance packaging quality.

### QUALITY MANAGEMENT MEASURES FOR PAPER-BASED FMCG PACKAGING SOLUTIONS BUSINESS

#### Special Meeting on Metal Foreign Object Control



Standardized the configuration and coverage scope of metal detection equipment, and successfully prevented eight incidents related to metal foreign objects.

#### Enhancing Standardization of Incoming Material Inspection

- Standards and Sample Specifications: Develop technical standards and a sample catalog to regulate material quality and consistency.
- Standardization of Measurement Methods: Train personnel on testing protocols for different materials to ensure accurate and reliable laboratory results.
- Standardization of Records: Establish structured experimental record forms to enable real-time monitoring of incoming material test results.
- Additional Adhesive Solid Content Testing: Establish standardized testing methods for adhesive solid content.
- Monitoring of Base Paper Moisture Content: Purchase a halogen moisture analyzer to track moisture levels in base paper.
- Standardization of Base Paper Tear and Folding Resistance Testing: Define sampling dimensions and testing methods to prevent fiber-related paper breakage during production.



#### Improvement of Large-Area and High-Color-Content Packaging Paper Discoloration



- Evaluate potential risks based on the customer's design layout and develop targeted improvement plans.
- Check anilox roller line count and ink formulation during proofing, ensuring pH value and viscosity stay within the optimal range.
- Adjust drying airflow and temperature to 40-50°C, accelerating water vapor release and enhancing drying efficiency.
- Successfully produced two high-ink coverage products with zero customer complaints regarding discoloration.

#### Foreign Object Elimination Initiative

Conducted two dedicated months (May and October) focused on foreign object elimination, achieving significant GMP improvements. Customers recognized on-site GMP standards as “World Class”, with zero foreign object-related complaints throughout the year.



Figure: Foreign Object Elimination Initiative

## QUALITY CULTURE DEVELOPMENT

Jihong Group places great emphasis on quality culture development. Daily quality meetings reinforce standards, while regular training sessions help employees stay engaged and aware. The Company also provides QES internal auditor training to strengthen quality management. Beyond internal efforts, Jihong hosts technical roundtable meetings with industry peers, encouraging collaboration and shared development.



### Daily Quality Meetings

The Company has established a daily quality meeting system, requiring participation from both day and night shift personnel. These meetings communicate issues from the previous day, key quality control focuses, and requirements for new products, along with hands-on training. This initiative enhances the judgment, interception, and prevention capabilities of all quality team members. In 2024, QC intercepted 9 Category A anomalies and 13 Category B anomalies.

### Company-Wide Training

The Company has designated every Tuesday as Factory-Wide Quality Training Day to enhance employees' understanding of quality and sense of responsibility. Throughout the year, 31 training sessions were conducted, focusing on reviewing quality anomalies across departments, analyzing root causes, implementing corrective actions, and reinforcing GMP standard management in production workshops.



### QES Internal Auditor Training

The Company organized QES internal auditor training for all subsidiaries, ensuring that each participant thoroughly understood and mastered QES internal audit provisions and knowledge. A total of 115 employees participated in the training, achieving a 100% pass rate.

## CASE: JIHONG GROUP HOSTS TECHNICAL ROUNDTABLE MEETING

In November 2024, Jihong Group organized a technical roundtable meeting with industry-leading enterprises, bringing together expertise to conduct in-depth discussions on BP solutions. The meeting aimed to develop forward-thinking and practical quality improvement strategies while advocating for industry-wide implementation, driving high-quality development across the sector.



Technical Roundtable Meeting ↑



### 3.1.2 CUSTOMER SERVICE

Jihong Group consistently embraces “customer centricity”, ensuring a smooth and satisfying experience at every stage, from pre-purchase to post-use.

To achieve this, the Company has established internal policies such as the *Customer Service Process Management Procedures* and the *Customer Maintenance Management System*. These frameworks create a well-defined communication process across pre-sales, in-sales, and after-sales, ensuring customer needs are met while continuously improving service quality and satisfaction.

#### ENHANCING USER SERVICES

Jihong Group continuously improves the user service experience through platforms like ShopPlus, intelligent marketing tools, and service quality management systems. The Company has established the Giikin Customer Operations After-Sales Service Policy, which defines the return and exchange process, ensuring a transparent and hassle-free resolution for customers. To address customer refusals, the Company conducts daily follow-up surveys to analyze the underlying reasons and develop targeted improvement strategies. By actively gathering and applying feedback, Jihong aims to enhance the overall shopping experience.

#### Return and Exchange Process

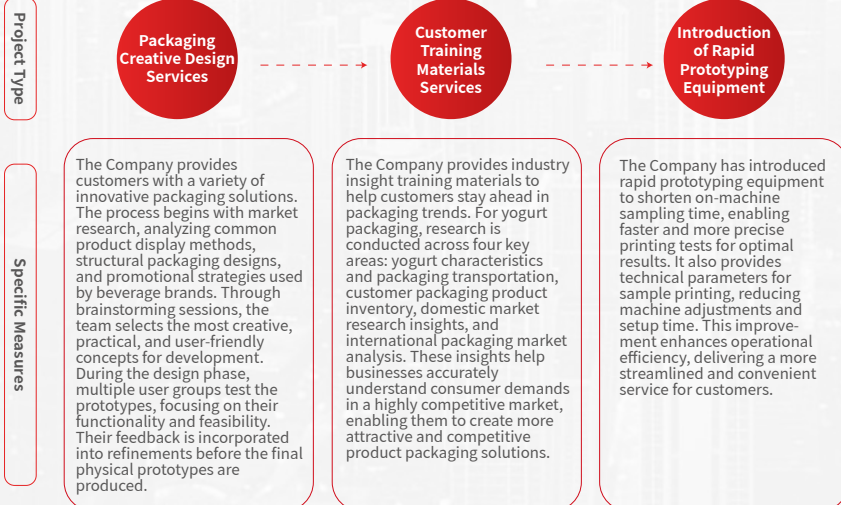
Understanding Customer Needs

Negotiation Based on Standard Return and Exchange Procedures

Customer Return and Exchange Reminder

To navigate rising competition and market shifts, Jihong Group has expanded its services by enhancing packaging creative design, offering customer training materials, introducing rapid prototyping equipment, and delivering superior services to customers.

#### USER EXPERIENCE ENHANCEMENT MEASURES FOR PAPER-BASED FMCG PACKAGING SOLUTIONS BUSINESS



The Company adopts a systematic and multi-level training program to enhance the skills and service quality of its customer service team. Training covers organizational roles, job functions, and project-specific requirements, ensuring employees understand their responsibilities and how they contribute to the overall workflow. This approach strengthens team coordination and improves customer response times, leading to a better service experience.

#### INNOVATIVE SERVICES

Jihong Group prioritizes localized services, introducing targeted initiatives to improve service quality and customer satisfaction. The Company conducts in-depth research on cultural customs, lifestyles, and values across different markets, using these insights to develop precise sales strategies and tailor localized product offerings that align with regional tastes, cultural nuances, and seasonal demands. To ensure compliance, Jihong strictly follows local laws and regulations governing product distribution and sales. In after-sales support, the Company enhances the customer experience by offering local-language support, region-specific return and exchange policies, and localized payment options. These efforts boost consumer trust, drive sales growth, and strengthen Jihong's position in the global market.

#### SATISFACTION SURVEY

Jihong Group has established an efficient communication and feedback system to maintain close relationships with customers.

During the reporting period, we received a total of 37 customer complaints, all of which were effectively resolved, achieving a **100%** resolution rate. Regular satisfaction surveys help gather insights on products, services, and overall collaboration, allowing the Company to create long-term value for its clients. Through unremitting efforts, our customer satisfaction reached 95.83%.

In the cross-border social e-commerce sector, Jihong Group has developed a systematic customer feedback mechanism to enhance the shopping experience. Daily surveys collect feedback across key areas, including product quality, packaging, logistics, and delivery services. By comprehensively understanding customers' genuine experiences and analyzing this data, Jihong gains a clear understanding of customer experiences and expectations. This enables the Company to identify areas for improvement, implement targeted optimizations, and quickly resolve concerns, consistently earning high customer satisfaction ratings.

In the paper-based FMCG packaging solutions sector, Jihong Group conducts comprehensive customer follow-ups and satisfaction surveys in accordance with the Customer Maintenance Management System. The survey evaluates key areas such as overall impression, service quality, product quality, innovation, technical support, delivery performance, and pricing, ensuring a holistic assessment of customer satisfaction. During the survey, Jihong gathers detailed customer feedback, identifies areas for improvement, and analyzes the underlying reasons behind any dissatisfaction. Targeted improvement measures are then swiftly implemented to enhance collaboration and service quality.

### 3.1.3 INFORMATION SECURITY

Jihong Group adheres to a “security and prevention first, balancing management and technologies, and taking comprehensive measures to prevent risks” approach. Recognizing information security as a cornerstone of stable operations and long-term sustainability, the Company continuously enhances its network security framework and reinforces protective measures to safeguard customer privacy and sensitive data.

#### INFORMATION SECURITY MANAGEMENT SYSTEM

Jihong Group places great emphasis on information security and has established a scientific, comprehensive, and efficient information security management system. The Board of Directors and executive management team play an active role in cybersecurity oversight, ensuring that information security is integrated into strategic planning. The executive management team is responsible for executing security policies set by the Board, actively participating in the Information Security Committee, and coordinating cross-departmental security efforts. Additionally, security progress and outcomes are regularly reported to the Board, ensuring continuous oversight, guidance, and improvement.

Jihong Group’s multi-layered and comprehensive information security management structure consists of the Information Security Committee, Information Security Management Team, Information Security Technology Team, and Information Security Audit Team. Each team has defined responsibilities and works in coordination to ensure that security strategies are effectively implemented and maintained. In 2024, the Company obtained Level 2 Security Classification Filing for third-party stores, warehousing and logistics, and big data analysis information systems.

#### INFORMATION SECURITY MANAGEMENT POLICIES

The Company strictly complies with the *Regulations of the People’s Republic of China on Protecting the Safety of Computer Information Systems*, the *Basic Requirements for Classified Protection of Information System Security*, the *Requirements for Information System Security Management*, and other relevant laws and regulations. To strengthen its network and data security framework, the Company has developed a set of internal policies, including the *Personal Information Protection Policy*, *Cybersecurity Management Policy*, *Public Cloud Security Management Policy*, *Customer Information Confidentiality Management Policy*, and *Network and Data Security Incident Management and Emergency Response Plan*. These policies establish a comprehensive and coordinated approach to cybersecurity and data protection.

#### INFORMATION SECURITY MANAGEMENT MECHANISM

The Company has implemented a series of scientific and effective management measures and mechanisms to enhance its information security defense capabilities, ensuring a strong, reliable safeguard for corporate information security.

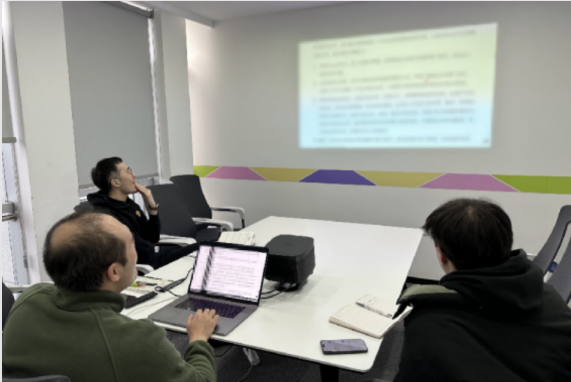
### INFORMATION SECURITY MANAGEMENT MECHANISM

Risk Management Mechanism	Risk Identification	Utilize advanced risk identification tools and methods to systematically detect internal and external information security risks.
	Risk Assessment	Apply scientific assessment models to quantify risks, evaluating their severity and likelihood for accurate risk management.
	Risk Response	Develop targeted response strategies based on risk assessments, ensuring swift and effective actions when threats arise.
Access Control Mechanism	Identity Authentication	Implement multi-factor authentication, including username/password, fingerprint recognition, and facial recognition, to verify user identities and prevent fraud.
	Access Management	Assign role-based access permissions according to job responsibilities, following the principle of least privilege to limit access to sensitive data and critical systems.
Data Protection Mechanism	Data Encryption	Use high-strength encryption algorithms to secure core and sensitive data during storage and transmission. Implement advanced key management technologies to maintain data confidentiality and integrity throughout its lifecycle.
	Data Backup and Recovery	Develop a comprehensive backup strategy, performing full or incremental backups of critical data at regular intervals. Store backups at an offsite disaster recovery center and implement a detailed recovery plan to ensure fast and accurate data restoration in case of loss or corruption.
Security Monitoring and Audit Mechanism	Security Monitoring	Deploy a comprehensive security monitoring system to track information systems, network devices, and user activities in real time. Detect anomalies and security incidents promptly, triggering instant alerts for rapid response.
	Security Auditing	Conduct regular security audits to assess policy implementation, compliance, and effectiveness of the information security management system. Ensure ongoing improvements and adherence to industry standards.
Emergency Response Mechanism	Emergency Response Team	Establish a dedicated security response team with clearly defined roles and responsibilities to ensure efficient incident management.
	Emergency Plan	Develop a detailed security response plan outlining procedures, mitigation strategies, and role assignments. Conduct regular drills to test and refine the plan for maximum effectiveness.
	Emergency Handling	The emergency response team follows the emergency plan to implement immediate measures, notify relevant departments, and coordinate efforts for swift investigation and resolution.



## Case: Information Security Attack and Defense Drills

In 2024, the Company meticulously organized and conducted three rounds of information security attack and defense drills. These drills simulated penetration attacks on the Company's core business systems by external hacker organizations, focusing on internal network security risks and emerging cybersecurity threats. The exercises aimed to enhance employees' practical experience in responding to cybersecurity threats. The drills achieved significant results across technical, personnel, and management levels, effectively strengthening the Company's information security defense capabilities and improving its emergency response preparedness.



Information Security Attack and Defense Drills ↑

The Company places great emphasis on building a strong information security culture by implementing an annual training plan tailored to employees at different levels and roles. These targeted training programs enhance awareness and practical skills, ensuring employees can effectively protect corporate data and uphold security standards.

## INFORMATION SECURITY TRAINING PROGRAM

### Phishing Emails

Covers common phishing tactics, identification methods, and countermeasures. Interactive on-site exercises help employees recognize and respond to phishing attempts effectively.

01

### Secure Use and Protection of Office Computers

Focuses on proper computer usage, security protection measures, cybersecurity best practices, personal information protection, emergency response, and incident handling, strengthening overall corporate security defenses.

02

### Network Virus Attacks

Explains how viruses spread, how to detect them, and how to prevent and recover from attacks. Employees take on-site tests to reinforce knowledge and improve threat prevention.

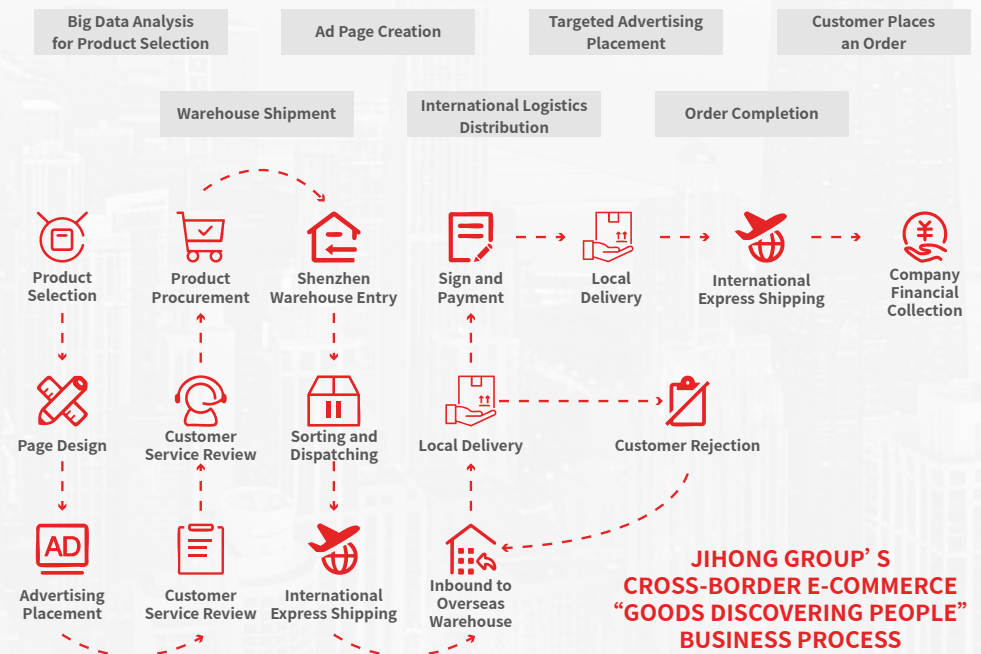
03

## 3.1.4 INNOVATION AND R&D

technological advancements to strengthen its capabilities in e-commerce and packaging. In 2024, our R&D investment reached RMB **124.43** million. The Company focuses on emerging fields such as cross-border social e-commerce and intelligent systems, creating a competitive edge in the market. At the same time, Jihong remains committed to packaging solutions, offering a one-stop service system that spans planning to sales, ensuring it meets the evolving needs of its customers while continuously refining its business ecosystem.

## INTELLIGENT ECOSYSTEM

Jihong Group is actively driving intelligent transformation, developing an AI-powered social e-commerce model that integrates artificial intelligence with cross-border e-commerce. By leveraging social networks, big data analytics, machine learning, and automation, the Company has established a closed-loop e-commerce ecosystem. Instead of traditional product marketing, Jihong applies a "goods discovering people" approach, using AI-driven market analysis to build detailed user profiles and match products to the right customers. Through intelligent product selection and precise customer segmentation, Jihong effectively brings unique Chinese products to global markets with greater accuracy and efficiency.



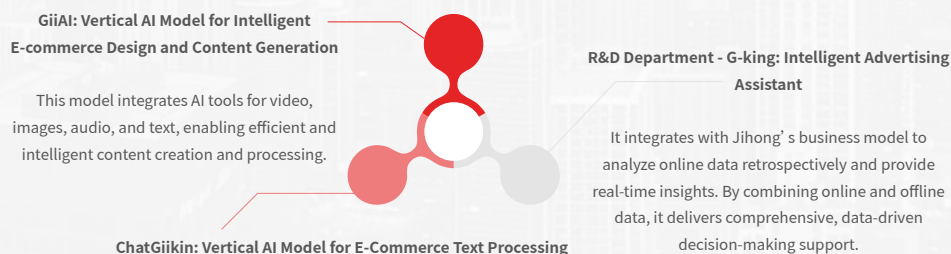
Jihong Group combines social media and online shopping, adopting a “goods discovering people” proactive model to create a distinct competitive edge in marketing, operations, and supply chain management.

## JIHONG GROUP’ S CROSS-BORDER E-COMMERCE SALES MODEL



In 2024, Jihong Group continued refining its e-commerce system, tackling the complexities of long value chains, multiple touchpoints, and high digital operation demands in social e-commerce by upgrading core functional modules. With an R&D investment exceeding RMB 100 billion, the Company remains committed to AIGC, using AI to enhance the entire business process, covering product selection, marketing, and advertising placement. This year, it upgraded the GiiAI vertical model for intelligent e-commerce design, the G-king intelligent advertising assistant, and the ChatGiikin vertical model for e-commerce text processing, driving business innovation and growth.

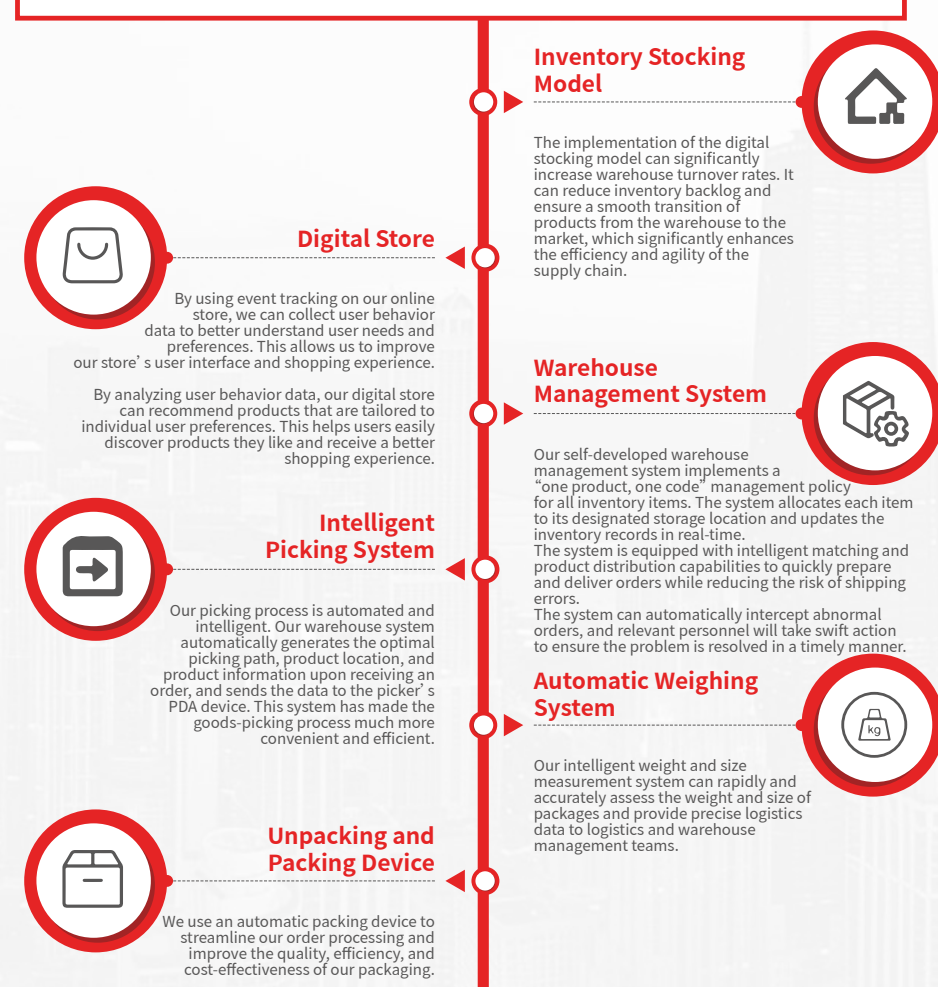
## JIHONG GROUP’ S INTELLIGENT MODEL UPDATES



## SMART WAREHOUSING

Jihong Group has developed an integrated smart warehousing system, leveraging digital technology to modernize traditional operations. This system boosts efficiency, reduces supply chain risks, and enhances the overall shopping experience for consumers.

## JIHONG GROUP’ S INTEGRATED SMART HOUSING SYSTEM



## INNOVATIVE PACKAGING

Jihong Group advances its packaging business through innovation, seamlessly integrating graphic design, solution optimization, and marketing strategy to align with consumer needs in the FMCG market. The Company provides customized packaging solutions for global FMCG brands, including color box packaging, eco-friendly food packaging, color cartons, eco-friendly tote bags, and bundle packaging. With a comprehensive supply chain service system, Jihong delivers one-stop packaging solutions from planning to sales, helping brands enhance their market value.

## JIHONG GROUP'S ONE-STOP PACKAGING SERVICES



## INTELLIGENT ECOLOGY

Jihong Group has developed GiiMall, a professional cross-border e-commerce SaaS platform, enabling brands to expand globally with intelligent, one-stop solutions by using advanced data analytics and diverse online channels. In 2024, GiiMall further increased its R&D investment, continuously optimizing system functionalities and upgrading core modules, including the GiiMall ERP Logistics Management System, GiiMall Snapchat Intelligent Placement System, GiiMall Product Selection System, GiiMall Financial Analysis System, GiiMall Address Service System, and GiiMall Combination Promotion System. These improvements provide smarter, more efficient operational support, ensuring seamless expansion for cross-border merchants.

## GIIMALL INTELLIGENT SOLUTIONS

01

### Expanding Multi-Channel Online Sales System

GiiMall is actively developing a social e-commerce ecosystem that enables merchants to efficiently connect with target users. The platform syncs product information across major social media channels and provides a centralized operations dashboard, allowing merchants to manage multiple sales channels seamlessly and coordinate omnichannel operations.

02

### Intelligent Data Analytics Tools

Powered by AI and big data technologies, GiiMall analyzes buyer behavior patterns, providing merchants with deep business insights to optimize decision-making. The platform operates on a shared infrastructure, reducing reliance on independent hardware and improving operational efficiency.

In 2024, the Company received multiple cross-border services awards, highlighting GiiMall's industry influence and outstanding capabilities in the field.

## 2024 GIIN CROSS-BORDER SERVICE HONORS

The 4th ChinaGo Cross-Border E-Commerce Industry "Annual Best Market Influence Award"



2024 Amazon Global Selling "Future Star"



Top 50 Service Providers for Chinese Enterprises Going Global



## INNOVATIVE COLLABORATION

The Company upholds the core values of "responsibility, innovation, and achievement", integrating cutting-edge research partnerships and working closely with team partners and stakeholders. By promoting technological exchange, resource sharing, and collaborative innovation, the Company contributes to shaping the future of the industry.

The Company further deepened industry-academia collaboration, establishing industry-university-research cooperation bases with Wuhan University, Beijing Institute of Graphic Communication, and Hunan University of Technology. These partnerships drive technological advancements and support high-end talent development, ensuring sustainable industry development. During the reporting period, we collaborated with Hubei Engineering University to enhance the drying temperature control device in optical cable production, improving precision and intelligence in manufacturing processes.

### Case: Collaboration Between Hubei Engineering University and VStar Packaging (China) Limited on Optical Cable Drying Temperature Control Device Enhancement

From February 2023 to December 2024, Jihong Group collaborated with Hubei Engineering University on the "Modification and Development of Drying Temperature Control Device in Optical Cable Production" project. Addressing the challenges of low drying efficiency and high energy consumption in optical cable production, Hubei Engineering University developed an innovative drying machine equipped with a drying chamber and dewatering unit. This equipment features precise drying power control and high-efficiency dewatering, achieving a temperature control accuracy of  $\pm 1^{\circ}\text{C}$ , operating with a power supply of 2KW, and seamlessly integrating into the existing production line without interference. The project outcomes have enhanced Jihong Group's production efficiency, reduced energy consumption, and demonstrated the Company's commitment to innovation and sustainable development, setting a benchmark for the industry.

Furthermore, leveraging its extensive experience in the packaging and printing industry, the Company actively contributes to the development of industry standards, driving industry innovation and upgrading. In 2024, the Company participated in the formulation of the *Assessment Requirements for Quality Grading and Forerunner—Bundle Packaging*, providing corporate expertise and professional recommendations to promote standardized industry development.



## INTELLECTUAL PROPERTY PROTECTION

Jihong Group strictly complies with the *Copyright Law of the People's Republic of China* and the *Patent Law of the People's Republic of China*, establishing policies such as the *High-Tech Enterprise Management System*, the *Management System for High-Tech Projects and Patents* and the *Reward System for the Application of R&D Results*. These policies form a comprehensive intellectual property protection framework and an innovation incentive mechanism, ensuring the application of R&D achievements. In 2024, the Company filed **64** new patent applications, of which **53** were approved, and obtained **30** new software copyrights.

## INNOVATION ACHIEVEMENTS

In 2024, we made significant progress in technological innovation.

**Selected for the first batch of technology-based SMEs in Hubei Province in 2024.**

**Recognized as a Technology Innovation Demonstration Enterprise in Tangshan.**

**Received one second prize and one third prize in the Henan Provincial Science and Technology Progress Awards.**

### Case: Structural Improvement Proposal for Jinze Milk Powder E-Flute Partition

Hohhot Jihong actively addressed the issue of misalignment between customer standard drawings and the carton erector, which caused severe jamming problems during production. Understanding the customer's needs, the Company dispatched technicians for multiple on-site investigations and follow-ups, leading to the proposal of a structural improvement plan for the Jinze Milk Powder E-Flute Partition. Through continuous testing and refinements, adjustments were made to the partition structure, and after multiple rounds of validation, the issue was effectively resolved.

## 3.2 SUPPLY CHAIN MANAGEMENT

Jihong Group places great emphasis on sustainable supply chain development, implementing strict supplier lifecycle management through policies such as the *Supplier Management Procedures*, *Procurement Management Procedures*, *Centralized Procurement Management Measures*, and *Sunshine Integrity Action Cooperation Agreement*. The Company integrates ESG requirements into its supplier management system, conducting regular ESG risk assessments to enhance supplier capabilities. Jihong also maintains an active supplier communication mechanism, engaging in training and collaboration to understand suppliers' needs, support mutual growth and reinforce its long-term sustainable development strategy.

### 3.2.1 SUPPLIER ADMISSION AND EVALUATION

The Company implements comprehensive oversight across supplier admission, management, and exit processes, utilizing an assessment and evaluation mechanism. By continuously refining supplier lifecycle management, the Company enhances risk identification, promotes responsible procurement, and strengthens overall supply chain resilience.

## SUPPLIER LIFECYCLE MANAGEMENT PROCESS

### Qualified Admission

- Conducts risk and integrity assessments on suppliers, verifying business licenses, management system certifications, production equipment, product quality specifications, compliance statements, and inspection reports. Only suppliers meeting the Company's procurement standards and passing internal evaluations and sample tracking are added to the qualified supplier list.
- Priority is given to ISO-certified suppliers. In 2024, Jihong screened 38 suppliers based on certification standards, including labor regulations, product quality, service standards, and safety requirements, all of whom have obtained at least one ISO system certification.

### Daily Management

- Conducts regular supplier performance evaluations and classification, assessing product quality and service capabilities across the supplier lifecycle.
- Biannual assessments evaluate suppliers on cost, quality, service, delivery, and value-added contributions such as innovation, safety, and environmental protection. Optimization recommendations are provided to improve supplier management.
- Suppliers are classified into five categories (A+, A, B, C, and D) based on evaluation results. D-class suppliers (below the threshold) are disqualified, while A+ suppliers (top performers) are given increased collaboration opportunities, ensuring the elimination of non-compliant suppliers.

### Elimination and Exit

- Suppliers that fail to meet assessment standards are issued a Corrective and Preventive Action Report, requiring them to submit rectification measures. If performance does not improve over three consecutive procurement cycles, the supplier is removed from the qualified list, procurement is halted, and their supply qualification is revoked, officially terminating cooperation. In 2024, the Company terminated partnerships with over 100 underperforming suppliers based on assessment results.

## NUMBER OF JIHONG GROUP'S SUPPLIERS IN 2024<sup>1</sup>

Chinese Mainland

**40,187**

Hong Kong, Macau,  
Taiwan Regions of  
China & Overseas

**0**

<sup>1</sup>The data collection scope for the company's supplier count in 2024 includes both the packaging and e-commerce sectors.



### 3.2.2 SUPPLY CHAIN ESG MANAGEMENT

Jihong Group continuously optimizes its sustainable supply chain strategy, embedding environmental and social risk management into every stage of operations. The Company prioritizes partnerships with suppliers that demonstrate strong ESG performance, enforcing strict warehousing management, qualification reviews, periodic evaluations, and audits to effectively mitigate supply chain risks. At the supplier admission stage, Jihong assesses not only product quality and supply capabilities but also conducts sustainability background checks. This evaluation covers ESG performance, business ethics, compliance awareness, and records of corruption or bribery. To ensure a tailored approach, the Company applies differentiated risk assessment standards based on supplier scale and production characteristics, with a focus on product quality, environmental impact, and employee welfare.

To reinforce ESG practices, ESG-related clauses have been integrated into annual supplier contracts and agreements, encouraging greater accountability and supporting the green transformation of the supply chain. During the reporting period, no major risks or impact events were identified within the supply chain.

## SUPPLIER ESG MANAGEMENT REQUIREMENTS

### Environmental Protection and Quality Control

- Suppliers must provide ISO 14001 Environmental Management System Certification and demonstrate strong environmental management practices. Preference is given to suppliers using eco-friendly materials and energy-efficient production processes, such as biodegradable packaging or optimized energy consumption.
- Suppliers must provide ISO 9001 Quality Management System Certification and implement strict quality control measures to minimize resource waste caused by quality defects.

### Health and Safety

- Suppliers must obtain ISO 45001 Occupational Health and Safety Management System Certification and undergo assessments on worker safety measures. Preference is given to those with strong occupational health and safety management.
- Chemical suppliers must provide a Hazardous Chemicals Business License, Environmental and Safety Assessment Report, Chemical Safety Data Sheets, and Compliance Declarations.

### Compliance Management and Anti-Corruption

- Suppliers must sign the Sunshine Integrity Action Commitment Letter, and comply with the Sunshine Integrity Action Cooperation Agreement.
- Suppliers must adhere to fundamental laws and regulations, explicitly prohibiting corruption and bribery in contracts.
- Implements transparent procurement processes and conducts regular audits to mitigate corruption risks within the supply chain.

### 3.2.3 SUPPLIER COMMUNICATION

Jihong Group has established a regular communication mechanism with suppliers, fostering long-term and cooperative partnerships. The Company provides training programs covering quality management, safety management, environmental practices, anti-corruption policies, and integrity education, reinforcing sustainable business concepts and requirements. To ensure alignment with company standards, new suppliers undergo systematic training for a clear understanding of management requirements and cooperation processes. Additionally, irregular training sessions are held to introduce updates to the supplier management system. Jihong also engages in ongoing discussions with suppliers, sharing insights on industry trends, emerging technologies, and best management practices. This collaborative approach strengthens trust, operational efficiency, and business synergy, supporting the sustainable development of the entire value chain.

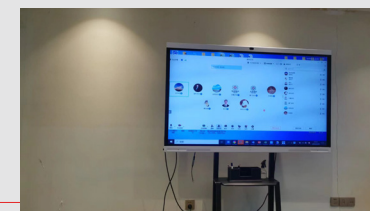
**In 2024, the Company actively engaged in communication and collaboration with major raw paper and material suppliers, further enhancing its capabilities in raw material procurement, production optimization, and quality control.**

In May, the Company engaged in product discussions with ZKH Industrial Supply Co., Ltd., covering topics such as product characteristics, usage methods, troubleshooting, storage and maintenance, color management, process adaptability, and the latest product applications. This exchange deepened mutual understanding of the products and laid a solid foundation for improving collaboration efficiency.



In August, the Company engaged in discussions with TEX YEAR GROUP on a green materials strategy cooperation platform, focusing on ESG practices and achievements, the R&D and application of green products, and their advantages in carbon reduction and environmental protection. Both parties conducted in-depth exchanges on product classification, performance differences, storage, and usage considerations, as well as analysis and solutions for common issues. This collaboration enhanced mutual understanding and application of green materials, contributing to the sustainable development of the industry chain.

In October, the Company engaged in discussions with Qingdao Rongxin Industry & Trade Co., Ltd. on lamination processes, conducting in-depth exchanges on machine structure, working principles, and process handling at various stages. This collaboration provided strong support for optimizing production processes and improving product quality, helping to enhance production efficiency and market competitiveness.



### 3.3 HEALTH AND SAFETY

Jihong Group upholds a “people-oriented, safety-first, prevention-focused, and comprehensive management” approach, implementing structured initiatives to ensure workplace safety and occupational health. The Company is committed to fostering a safe, healthy, and comfortable work environment through proactive safety measures. In 2024, the Company released the 2024 Safety and Environmental Management Work Plan, setting clear work safety goals to ensure that occupational health and safety protocols are effectively implemented throughout the year.

#### 3.3.1 WORK SAFETY

The Company strictly complies with the *Work Safety Law of the People’s Republic of China* and other relevant laws and regulations by establishing a comprehensive safety management framework. The Company has developed policies such as the *Production Safety Management System*, the *Comprehensive Contingency Plan for Workplace Accidents*, the *Safety Risk Classification and Control*, *Hidden Danger Investigation and Management System*, and the *Fire Safety Management System*. These regulations clearly define safety responsibilities for construction-related entities, standardize safety and civilized inspection criteria, and enforce strict measures to prevent violations and unsafe practices, ensuring the effective implementation of safety responsibilities.

#### SAFETY MANAGEMENT SYSTEM

Under the *Work Safety Responsibility System*, Jihong has established a Work Safety Management Committee to oversee occupational health and safety. This system standardizes personnel safety management and occupational disease prevention, while clearly outlining the responsibilities of supervisory and construction units. These measures provide strong support for maintaining a safe, regulated, and well-managed work environment.

#### JIHONG GROUP WORK SAFETY PERFORMANCE IN 2024



We have incorporated safety management into performance assessments, developing incentive and accountability mechanisms to continuously improve safety standards. The evaluation system includes annual and monthly safety assessments, combining quantitative and qualitative methods to measure incident rates, management effectiveness, and performance-based incentives. Based on the annual safety management objectives, the Company formulates the *Annual Safety Management Objective Responsibility Agreement*, ensuring that departments and personnel at every level sign safety objective responsibility agreement.

#### JIHONG GROUP’S 2024 WORK SAFETY DAILY MANAGEMENT MEASURES

##### Optimization of Safety Regulations and Systems

Jihong Group has comprehensively updated safety regulations to align with national laws, industry standards, and operational needs. The revisions include new equipment operation guidelines and special working environment protection measures, ensuring full safety coverage across all production processes. Each department and position has clearly defined responsibilities, supported by a Work Safety Responsibility List. By signing responsibility agreements, Jihong has implemented a comprehensive accountability system, ensuring both horizontal and vertical coverage across all levels of the organization.

##### Safety Policy Learning and Training Programs

Jihong conducts regular company-wide safety training sessions, covering regulations, operating procedures, and emergency response protocols. Training is delivered through theoretical instruction, on-site demonstrations, and case analysis to strengthen employees’ safety awareness. Monthly safety knowledge updates invite industry experts to interpret regulations and analyze real-world accident cases. Additionally, specialized skill training is provided for specific roles, such as electrical safety and special equipment operation, ensuring employees have the practical skills needed for safe operations.

##### Investigation of Major Accident Hazards

Jihong Group conducts monthly self-inspections and corrective actions to proactively identify and eliminate potential hazards. In accordance with the *Standards for Determining the Potential Risks of Major Accidents of Enterprises*, the Company focuses on key areas, facilities, equipment, and processes, analyzing hazard causes, corrective measures, and challenges to ensure early risk mitigation. The Company assesses and categorizes hazards based on risk levels, then applies targeted control measures. High-risk issues are addressed first, ensuring safety resources are allocated efficiently.

##### Emergency Plan Development and Drills

Jihong Group has established a comprehensive emergency response system to address incidents such as fires, mechanical failures, electric shocks, and natural disasters. These plans are regularly reviewed and updated to comply with current regulatory requirements. To strengthen preparedness, full-scale emergency drills are conducted every six months, covering fire response, alarm activation, evacuation, and coordinated emergency actions. Additionally, special tabletop drills are held to enhance interdepartmental coordination, ensuring a swift and effective response in critical situations.

#### Case: Safety Emergency Drill Activities

In 2024, Jihong Group actively conducted safety emergency drills to enhance employees’ response speed and handling capabilities in unexpected situations. By simulating real-life scenarios, the drills ensured that employees could quickly and effectively implement emergency measures, safeguarding employee safety in critical situations.

The Luanzhou Factory



The Huanggang Factory



## RELATED PARTY SAFETY MANAGEMENT

The Company has formulated the *Related Party Safety Management System* to strengthen the review and management of contractors and suppliers, working together to build a stable supply chain. The Safety and Environmental Department oversees contractor safety management, while the Procurement Department facilitates safety communication and coordination. Together, they have established a comprehensive contractor lifecycle safety risk management system. All contractors must sign the *Safety Management Agreement* and complete mandatory safety training, clearly outlining occupational safety responsibilities and work requirements. These measures help minimize safety risks and maintain compliance. In 2024, Jihong Group recorded zero occupational safety incidents involving contractor employees.

## SAFETY CULTURE CONSTRUCTION

The Company places great importance on safety culture development, integrating safety education into daily operations through its *Safety Education and Training System*. By conducting regular safety training programs, the Company continuously enhances employees' safety awareness and professional skills. Additionally, for key position employees, specialized safety management training is provided to further strengthen safety management capabilities.

In 2024, the Company conducted multiple safety training sessions across all production sites, covering topics such as solid waste classification and disposal, hazard identification, special equipment use, workplace safety laws, and safety management for specialized operations. By combining theoretical instruction, case analysis, and hands-on training, Jihong ensures that safety protocols are effectively implemented, maintaining a secure workplace and stable production environment.

## Case: "Fire Prevention Publicity Month" Activity

In November 2024, Jihong Group launched the "Fire Prevention Publicity Month" campaign under the theme "Fire Safety for All, Life is Supreme." A series of diverse activities were organized, including awareness education, on-site drills, and hazard inspections, effectively enhancing employees' fire safety awareness and emergency response capabilities. This initiative contributed to ensuring stable and orderly company operations, creating a safe environment that supports the Company's long-term sustainable development.



The Hohhot Factory →



← The Xiamen Factory

## Case: "Work Safety Month" Activity

In June 2024, Jihong Group, together with its subsidiary production sites, launched the "Work Safety Month" campaign under the theme "Everyone Talks about Safety, Everyone is Capable of Emergency Response - Keeping the Life Channels Unobstructed." Through promoting safety culture, the campaign aimed to enhance employees' awareness of workplace safety, reinforce compliance with safety regulations, and improve overall safety management standards. By conducting this initiative, the Company systematically identified and mitigated potential accident risks, contributing to the long-term stability of workplace safety and ensuring the smooth operation of production and business activities.



← The Jinan Factory



The Xiaogan Factory →



The Anhui Factory →

← The Langfang Factory





### 3.3.2 OCCUPATIONAL HEALTH AND SAFETY

Jihong Group strictly complies with the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases* and other relevant regulations, formulating the Occupational Health Management System and implementing international occupational health and safety management standards. The Company has established an Occupational Disease Prevention Task Force to enhance its health and safety management system. In 2024, Jihong introduced the Occupational Hygiene Management System, which covers occupational disease prevention, hazard warnings, protective facilities, and health monitoring, further standardizing workplace health management and reducing employee risks.

The Company regularly conducts ISO 45001 Occupational Health and Safety Management System audits, management reviews, and third-party supervision audits to ensure its occupational health and safety system remains effective and compliant. Any identified issues are promptly addressed to maintain high standards. As of the end of the reporting period, 9 out of 10 factories have obtained ISO 45001 certification.

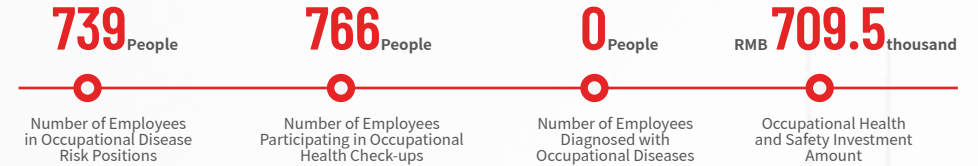


ISO 45001 Occupational Health and Safety Management System Certification

AS OF THE END OF THE REPORTING PERIOD, **9** FACTORIES HAVE OBTAINED ISO 45001 CERTIFICATION.

To safeguard employees' occupational health, the Company conducts regular health training to enhance self-protection awareness. The Company also provides annual health check-ups, with specialized medical examinations for employees in high-risk positions, reinforcing workplace health protection. In accordance with the Regulations on Work-Related Injury Insurance Management, the Company ensures that employees' rights are safeguarded in the event of work-related injuries. This includes timely medical treatment and financial compensation, promoting a safe and healthy work environment.

### JIHONG GROUP'S EMPLOYEE OCCUPATIONAL HEALTH OVERVIEW IN 2024



#### Case : Occupational Health Training

In 2024, the Company conducted multiple occupational health training sessions, covering topics such as understanding occupational diseases, heatstroke prevention in high temperatures, and occupational hygiene knowledge. These sessions promoted awareness of occupational disease prevention laws, regulations, and protective measures. Through thematic lectures and case studies, the training enhanced employees' occupational health literacy, strengthened self-protection awareness, and contributed to the development of a health-conscious workplace.



Occupational Health Thematic Training Courses



### 3.4 TALENT DEVELOPMENT

Jihong Group actively fosters a diverse, inclusive, and progressive corporate culture, prioritizing employee rights and professional well-being. The Company implements an inclusive talent strategy and has established a comprehensive talent development system, ensuring that employees' career growth aligns with corporate goals. By focusing on talent acquisition and retention, Jihong supports individual development while driving shared success for both employees and the Company.

#### 3.4.1 DIVERSITY, EQUALITY, AND INCLUSION

Jihong Group adheres to compliant employment practices, fostering a diverse and inclusive corporate culture. The Company strictly complies with the *Labor Law and the Labor Contract Law of the People's Republic of China*, continuously refining internal policies to uphold equal treatment and opportunities for all employees. Through the *Cooperate Social Responsibility (CSR) Management Manual*, Jihong ensures fairness in recruitment, employment, evaluation, promotion, and retirement, explicitly prohibiting discrimination based on gender, age, religion, nationality, marital status, race, or disability. Employees performing the same work with equal contributions and results receive equal pay and benefits, ensuring fair treatment across the organization.

The Company maintains a zero-tolerance policy against child labor and forced labor, implementing strict preventive measures. In compliance with the *Law of the People's Republic of China on the Protection of Minors* and the *Provisions on the Prohibition of Using Child Labor*, and stipulated by the *Cooperate Social Responsibility (CSR) Management Manual* and its subsidiaries are required to verify employee identity during recruitment, ensuring no minors are employed. All forms of forced labor are strictly prohibited. If a suspected case arises, an immediate investigation is conducted, with disciplinary action taken against responsible personnel. In 2024, no incidents of child labor or forced labor were reported within the Company.

We place great emphasis on building a diverse talent pipeline, developing position-specific recruitment plans to attract professionals with relevant expertise, skills, and experience. Talent acquisition is carried out through campus recruitment, online media platforms, and headhunting services, ensuring a multi-tiered workforce that supports the Company's growth. Additionally, we encourage the re-employment of retired technical personnel, actively recruit minority groups, and increase the representation of female executives.

These efforts contribute to a balanced, diverse, and high-performing corporate environment. In 2024, the Company had **4,324** employees, including **40** employees with disabilities.

#### JIHONG GROUP'S RECRUITMENT CHANNELS

##### Campus Recruitment

Establish strategic partnerships with major universities and colleges, creating a long-term cooperation framework to attract dynamic and innovative graduates, ensuring a steady talent pipeline.

##### Social Recruitment

Recruit through leading domestic job portals, professional talent websites, and regional recruitment platforms, bringing in external talent with diverse industry experience and perspectives.

##### Headhunting Recruitment

Works with headhunting firms and talent agencies to recruit mid-to-senior-level professionals, ensuring high-quality hires and recruitment efficiency.

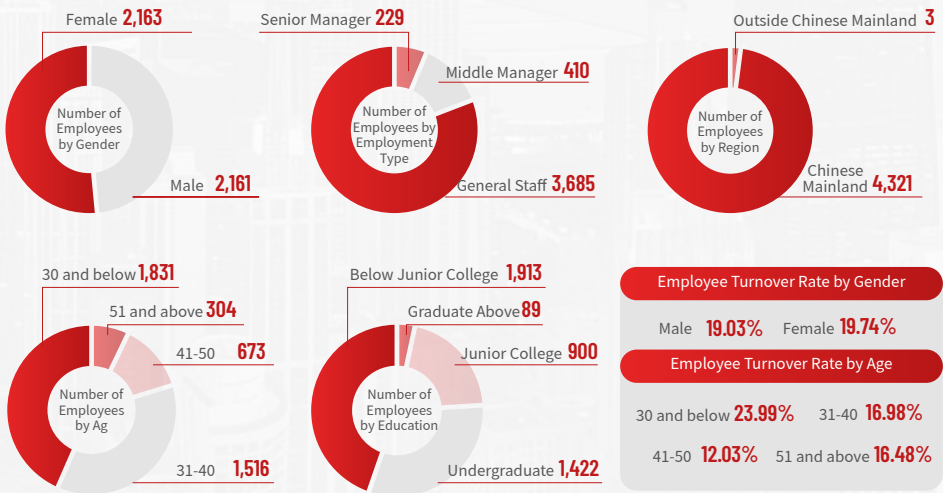
#### Case: "Hongyu Program" Management Trainee Recruitment Project

In 2024, Jihong Group officially launched the "Hongyu Program" Management Trainee Recruitment Project, conducting campus recruitment during both the spring and autumn hiring seasons at multiple industry-focused universities, including Southwest Jiaotong University, Hunan University of Technology, and Beijing Institute of Graphic Communication. This initiative provided students with valuable career development opportunities. Through the Hongyu Program, the Company hired 8 trainees during the spring hiring season and 19 trainees during the autumn hiring season, supporting newcomers in their rapid professional growth while injecting fresh talent, innovation, and competitiveness into the Company.



### JIHONG GROUP'S EMPLOYMENT IN 2024

Total Number of Employees **4,324** People Employee Turnover Rate **19.39** %



### 3.4.2 EMPLOYEE RIGHTS PROTECTION

Jihong Group is committed to protecting employee rights, adhering to the principles of “compliance, fairness, motivation, competitiveness, and resilience”. The Company has established the *Compensation and Management System*, *Performance Management System*, and *Packaging Business Performance Management System*, continuously improving its compensation and benefits framework. By implementing company-wide incentive policies, Jihong enhances organizational vitality and supports long-term corporate growth. The Company has also developed a performance incentive and evaluation system, ensuring transparent communication and feedback. Compensation structures are tailored based on business units, job roles, and responsibilities, offering: performance-based salary, annual salary system, commission-based salary, and piece-rate salary, ensuring that employees’ rights are fully protected.

Beyond salaries, Jihong provides comprehensive benefits to support employees’ well-being. The Company provides annual health check-ups, ensuring employees maintain good health. Employees also receive holiday gifts, various subsidies, and recognition rewards for long-term service. To promote work-life balance, Jihong organizes cultural activities to enrich employees’ leisure time and reduce work-related stress. Through this well-rounded benefits system, employees receive both financial rewards and emotional support.

### Case: Occupational Health Check-up

The Company regularly organizes occupational health check-ups, providing employees with comprehensive medical examinations to detect potential health issues early. Additionally, professional doctors are available for health consultations, offering personalized health recommendations, demonstrating the Company’s commitment to employee well-being.

2024 Annual Occupational Health Checkup On-Site



### Case: Annual Outstanding Team Building Activity

In 2024, Jihong Group’s Luanzhou and Langfang factories organized an annual outstanding team-building activity in Shanhaiguan, Qinhuangdao. The team visited Shanhaiguan Pass, Laolongtou, and other historical sites, experiencing the rich heritage of Chinese culture. Through team collaboration games and historical cultural learning, employees not only relieved work-related stress but also enhanced communication and trust, injecting new energy and motivation into their future work.

Annual Outstanding Team Building Activity On-Site



### Case: Holiday Benefits

The Company consistently upholds a people-oriented approach. During major festivals such as Spring Festival, Mid-Autumn Festival, and International Women’s Day, the Company prepares holiday benefits and distributes festive gifts to all employees. These gestures recognize their hard work and dedication, fostering a sense of belonging and care within the Company.

International Women’s Day Celebration at the Ningxia Factory



The Company values open communication and respects employees’ right to information and oversight. To regulate employee rights appeal mechanisms, the Company has established the *Cooperate Social Responsibility (CSR) Management Manual* and *Labor Dispute Management System*. A dedicated communication platform has been set up, allowing employees to share feedback through forums and suggestion boxes. The Company actively adopts reasonable suggestions, promptly addresses concerns, and ensures timely resolutions, reinforcing its commitment to protecting employees’ rights and interests.

### Case: Heart-to-Heart Meetings - Listening to Employees’ Voices

The Company regularly organizes heart-to-heart meetings, creating a relaxed and welcoming atmosphere with refreshments to encourage employees to openly discuss topics such as corporate culture, management policies, and the work environment. Through these sessions, employees can share their thoughts and suggestions, foster mutual understanding and trust, and strengthen team cohesion, collectively driving the Company’s growth and development.



Speech Session at the Heart-to-Heart Talk Meeting



Summary Session at the Heart-to-Heart Talk Meeting



### 3.4.3 EMPLOYEE TRAINING AND DEVELOPMENT

Jihong Group is dedicated to the career development of its employees. By providing a structured talent development system and clear promotion pathways, the Company helps employees achieve continuous progress and professional breakthroughs. Through diverse training programs and access to varied resources, employees are encouraged to develop their skills, realize their potential, and grow alongside the organization.

### TALENT DEVELOPMENT AND PROMOTION

The Company is committed to establishing a scientific talent pipeline development mechanism and has formulated the *Employee Career Development Management System*. It conducts regular talent assessments and builds a personnel mechanism where “the capable rise, the mediocre step aside, and the incomplete leave.” Through initiatives such as management trainee programs, leadership development plans, and strategic talent cultivation projects, employees are guided toward career paths that align with their strengths. This approach not only supports individual professional growth but also ensures the Company’s strategic implementation.

## JIHONG GROUP’S TALENT DEVELOPMENT PLANS

#### Giikin Management Trainee Program

The Giikin Management Trainee Program is designed to cultivate versatile talents with expertise in both business and management. Over 12 months, trainees go through rotational assignments, structured training, and performance evaluations to build their skills and adaptability. Trainees rotate through roles such as Business Assistant, Optimization Specialist, and Product Selection Specialist, gaining hands-on experience through company onboarding, business rotations, and competitive placement exercises. The program is supported by mentorship, regular evaluations, and quarterly reviews, ensuring continuous development. At the end of the program, trainees are placed in roles that match their skills and interests, helping them grow while contributing to the Company’s success.

#### Jihong Group Management Talent Development Plan

The Company identifies high-potential employees through talent assessments and evaluations, preparing them for key leadership roles. Development efforts include hands-on project assignments, mentorship programs, and leadership courses, equipping employees with the skills needed for management positions. Qualified individuals are promoted through direct appointments or internal selection processes, ensuring a strong pipeline of capable leaders. This program helps build a talent pool for roles such as Vice Presidents, department heads in production, PMC, quality, and equipment management, as well as frontline team leaders, supporting both employee career growth.

#### Jihong Group Strategic Talent Cultivation Project “Hongyu Program”

The program covers four stages: selection, development, appointment, and retention. In the selection stage, the focus is on identifying high-potential, highly committed, and highly qualified talents. The development stage is based on a work-study approach, combining on-the-job training, classroom learning, and mentorship to set clear growth objectives, and provides dual career paths in both technical and managerial roles. The retention stage offers performance bonuses, salary adjustments, and promotion incentives to support the long-term development and stability of core talent.

Meanwhile, the Company applies the TACT Development Model<sup>2</sup>, a succession talent cultivation framework centered on four key elements: Training, Self-Arise, Coaching, and Task Assignment<sup>2</sup>, which defines clear career-level progression paths within promotion assessments. Employees are evaluated on several factors, including technical proficiency, professional competence, and management skills. Based on their individual strengths, employees are given personalized development plans and objectives. This approach maximizes the potential of core talent at all levels, boosts employee engagement, and supports faster career growth.

### Case: Professional Skills Examination



In 2024, to support employee career advancement, the Company conducted a comprehensive “Instrument and Meter Maintenance Technician Professional Skills Certification Examination.” This assessment not only provided employees with promotion opportunities but also enhanced their professional skills through systematic training and practical evaluations. This initiative contributed to individual growth and the cultivation of high-quality technical talent, driving technological innovation and progress for the Company - a true win-win for both employees and the Company.



Instrument and Meter Maintenance Technician Professional Skills Certification Examination

<sup>2</sup>TACT Development Model, a succession talent cultivation framework centered on four key elements: Training, Self-Arise, Coaching, and Task Assignment.

## EMPLOYEE TRAINING

We prioritize employee development by establishing policies such as the *Training Management System*, which standardizes training procedures and requirements. Tailored to different job functions and levels, we offer a range of differentiated training programs that address the specific growth needs of each employee group. This ensures employees' skills evolve alongside the Company's needs. In 2024, employees collectively completed 43,691 hours of training, averaging 10.1 hours per employee.

**JIHONG GROUP'S EMPLOYEE TRAINING IN 2024:** **43,691** Total training hours for all employees of the company hours  
**10.1** Average training hours per employee hours

## JIHONG GROUP'S TRAINING PROGRAMS

### Management Trainee Camp

Training is conducted for communication skills, professional etiquette, office skills, and job skills for new employees to assist their role transition from campus to workplace.

### Supplier Reverse Empowerment

Suppliers provide empowerment training to employees of related departments, enhancing their equipment operation skills.

### Key Positions(Competency Development)

Professional skill training is conducted for employees in key positions to enhance their job competency.

### Management Leaders

-Senior Managers

Enhance the ability of senior managers to systematically integrate vision, strategy, organization and culture, while fostering core competencies for the enterprise.

-Middle Managers

Improve the various management skills needed for middle managers to achieve the goals of the Company.

-Junior Managers

Improve the basic management skills and abilities such as planning, control, and improvement needed for junior managers to complete work tasks.

## Case: Personal Income Tax Themed Training

In July 2024, Jihong Group conducted a training session focused on personal income tax. The session explained the relevant laws and regulations, tax declaration procedures, and special additional deduction policies. By incorporating real-life case studies, the training helped employees better understand and apply personal income tax incentives, enhancing the accuracy and compliance of their tax filings.

Personal Income Tax Training Session at Xiaogan Factory →



## Case: "Learn from the Benchmark, Become a Skilled Practitioner" Job Skills Competition

In November 2024, Jihong Group organized an engaging job skills competition under the theme "Learn from the Best, Become a Skilled Practitioner". This event provided frontline workers with a platform to refine their techniques, exchange technical know-how, and showcase their skills. Competition events included roles such as box nailing, die cutting, handle threading, and paper mounting. The event sparked enthusiasm among employees to learn new technologies, master essential skills, and demonstrate their abilities, thereby fueling the development of a knowledgeable, skilled, and innovative workforce within the Company.



Skills Competition Event Venue ↑



### 3.5 SOCIAL WELFARE

Jihong Group actively fulfills its social responsibilities by sharing the fruits of development with society. The Company leverages its resources to support vulnerable groups through various public welfare projects, and encourages employees to get involved in community building and charity through volunteer work, helping create a harmonious society. We organize activities such as community clean-ups, visiting and supporting senior members of the Communist Party of China, establishing care stations for outdoor workers offering water and rest areas, and donating used clothing to mountainous regions in need. These actions aim to give back to society, spreading warmth and positivity.

In 2024, employees participated in volunteer activities for a total of **146** person-times, contributing **421** hours of service, with public welfare projects receiving an investment of RMB **30,500**.

#### Case: Cleaning Up for Civility - Demonstrating Volunteer Commitment



↑ “Youth in My Heart, Environmental Protection in My Actions” Volunteer Service Activity

On April 2024, the Zhengzhou Giikin Party branch of the Communist Party of China (CPC) organized a volunteer service event titled “Youth in My Heart, Environmental Protection in My Actions.” Branch members gathered at a sculpture park to collect and sort litter scattered throughout the area. This initiative enabled participants to contribute to urban environmental protection while deepening their awareness of environmental issues. It further inspired a sense of responsibility and mission in practicing green development principles. The event not only underscored the Company’s commitment to social responsibility but also strengthened team cohesion and fostered a positive cultural atmosphere within the organization, achieving a win-win for both corporate and social values.

#### Case: Senior CPC Members Care Initiative



↑ Senior CPC Members Care Event

In June 2024, on the eve of the Founding Anniversary of the CPC (July 1st), Giikin in Zhengzhou organized a care initiative for senior members of the CPC. The event extended heartfelt festival greetings and sincere care to CPC members aged 65 and above, recognizing their significant contributions to the Party’s cause and societal development. This initiative deepened the bond between the Company and the community, allowing senior party members to experience social warmth and respect. It also promoted the cherished tradition of honoring the elderly and venerating wisdom, inspiring all employees to follow these senior role models, inherit the red spirit, and contribute even more to both the Company’s development and social progress.

#### Case: Establishing a Care Station for the “Warm Winter Solstice, Love Transfer” Charity Event



↑ “Warm Winter Solstice, Love Transfer” Charity Event

In December 2024, Zhengzhou Giikin, in collaboration with the local community, set up a care station to extend winter warmth to outdoor workers - such as sanitation staff, delivery personnel, traffic assistants, and security and cleaning personnel - as well as special groups like elderly people living alone. During the event, volunteers distributed handmade and freshly cooked dumplings, along with care packages that included warm clothing and essential household items. This initiative ensured that those who work diligently in the cold and vulnerable seniors could feel the warmth and support of society. Giikin’s efforts exemplify the spirit of “mutual support and social inclusion,” and the Company remains committed to continuing this mission by providing warmth and assistance to more people in need.

#### Case: Joint “Share the Love, Spread the Warmth” Volunteer Campaign



↑ “Share the Love, Spread the Warmth” Volunteer Event and Thank You Letter

In December 2024, Giikin joined forces with the China Charity Federation to launch the “Share the Love, Spread the Warmth” volunteer campaign, aimed at bringing care and warmth to people in impoverished areas. During the event, Giikin organized both employees and community members to donate used clothing. The China Charity Federation then handled the second-stage cleaning, sorting, and disinfection of the garments, ensuring that every item was safely and neatly delivered to those in need. This initiative provided practical support to alleviate the living pressures of disadvantaged groups during the cold winter months.

# 4 GOVERNANCE: ENHANCING GOVERNANCE

Jihong Group adheres to the principles of compliance and transparency in its operations, continuously refining its corporate governance to improve risk management, uphold ethical standards, and maintain a scientific, robust, and effective operation governance framework. This provides a solid foundation for the Company's sustainable development.

## 4.1 CORPORATE GOVERNANCE

Jihong Group regards a robust corporate governance system as the cornerstone of its high-quality, sustainable development. With a focus on governance excellence, the Company continually strengthens its framework, fosters diversity within the Board of Directors, improves decision-making processes, safeguards investor rights, and ensures stable, sustainable operations.

### 4.1.1 BOARD OF DIRECTORS STRUCTURE

Jihong Group strictly adheres to laws and regulations such as the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Stock Listing Rules of the Shenzhen Stock Exchange*, and other relevant regulations. The Company has established internal policies such as the *Articles of Association*, *Rules of Procedure for Shareholders' Meetings*, and the *Rules of Procedure for the Board of Directors*. The company's management and decision-making framework is composed of the Shareholders' Meeting, Board of Directors, Supervisory Board, and senior management. Director elections and appointments follow a fair and transparent process, ensuring a governance system that is efficient, compliant, and stable while safeguarding the interests of both the Company and its shareholders.

The Board of Directors has established specialized committees, including the Strategy Committee, Audit Committee, Nomination Committee, and Remuneration and Assessment Committee. These committees report directly to the Board, offering guidance on key management decisions and overseeing the implementation of resolutions to maintain effective governance. As of the reporting period, the Board consists of 11 members, including 6 non-independent directors and 5 independent directors, with independent directors making up 45% of the Board.

#### THE COMPANY'S THREE-COMMITTEE GOVERNANCE STRUCTURE

##### Shareholders' Meeting

- The Shareholders' Meeting, as the Company's highest governing body, is responsible for deciding business strategies and investment plans. It has the authority to appoint and dismiss directors and supervisors and make key company decisions.
- The Company follows strict procedures for convening, conducting, and voting in Shareholders' Meetings. A structured communication strategy is in place to encourage participation, ensuring that all shareholders, including minority shareholders, have equal standing and legal rights.
- In 2024, the Company held 8 Shareholders' Meetings.

##### Board of Directors

- The Board of Directors, as the Company's permanent body, is responsible for setting business plans and investment strategies, convening Shareholders' Meetings, and executing their resolutions. The Board is directly accountable to the Shareholders' Meeting.
- In 2024, the Company held 12 Board of Directors meetings, with a 100% attendance rate among board members.

##### Board of Supervisors

- The Board of Supervisors is responsible for supervising the conduct of directors and senior management, as well as overseeing financial activities to protect the interests of the Company and its shareholders.
- The Board of Supervisors is composed of 3 members, and in 2024, the Company convened 8 Board of Supervisors meetings.

##### Senior Management

- Senior Management, as the executive branch of the Board of Directors, is fully responsible for the Company's daily operations and management under the Board's leadership.

#### 4.1.2 DIVERSITY OF BOARD OF DIRECTORS

Jihong Group values diversity in its Board of Directors and considers factors such as gender, age, professional background, and education when selecting or replacing members. Board members are expected to have a well-rounded mix of expertise, including a strong understanding of their roles, industry experience, and professional knowledge in finance, law, and corporate management. This combination ensures informed and effective decision-making. To promote stability, the Company has implemented a structured remuneration system that incentivizes directors and senior executives to actively carry out their responsibilities. As of the end of the reporting period, Jihong Group's Board includes 2 female directors.

#### COMPOSITION OF A DIVERSE BOARD OF DIRECTORS<sup>3</sup>

Positions	Name	Gender	Age	Committee Appointment Status			
				Strategy Committee	Audit Committee	Nomination Committee	Remuneration and Assessment Committee
Non-Independent Directors	WANG Yapeng	Male	46	C			
	ZHUANG Hao	Female	56	M			
	ZHANG Heping	Male	56			M	
	ZHUANG Shu	Male	54				M
	LU Tashan	Male	27				
	LIAO Shengxing	Male	48				
Independent Directors	ZHANG Guoqing	Male	49		C		M
	YANG Chenhui	Male	58		M	C	
	HAN Jianshu	Male	63	M			
	XUE Yongheng	Male	64			M	
	WU Yongqian	Female	54		M		C

<sup>3</sup>C - Chairman of the relevant Board of Directors

M - Member of the relevant Board of Directors

#### 4.1.3 INVESTORS COMMUNICATION MECHANISM

Jihong Group is guided by investor needs and adheres to the principles of openness and transparency in information disclosure, maintaining a clear and efficient communication mechanism with investors. The Company shares its management philosophy, corporate culture, and business performance through shareholders' meetings, earnings briefings, and other platforms. To protect investor and shareholder interests, the Company continuously strengthens its shareholder return mechanism, fostering a balanced relationship between the Company and its shareholders while supporting sustainable development.

##### Investor Communication

The Company actively engages with investors through multiple channels, including public announcements, interactive Q&A sessions, performance briefings, investor hotlines calls, email responses, the official website, and WeChat public accounts. These efforts foster long-term, mutually trusting relationships. During the Reporting Period, the Company held **2** earnings briefings, responded to **68** interactive Q&A sessions, and issued **160** announcements.

##### Shareholder Returns

The Company continually enhances its shareholder return mechanism, carefully considering input from shareholders, independent directors, and supervisors, with particular attention to minority shareholders. In line with its profit distribution policy, cash dividends remain a priority, ensuring stable returns while maintaining a fair balance between shareholder interests and the Company's long-term growth.



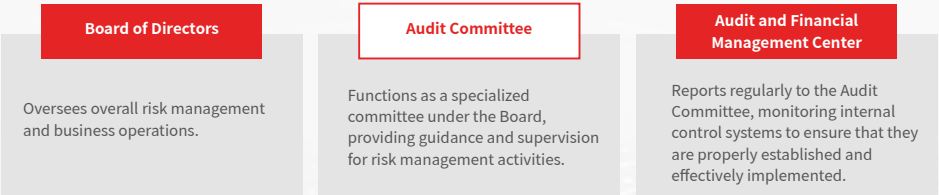
4.2 RISK MANAGEMENT

Jihong Group continuously strengthens its risk management framework by clearly defining responsibilities at every level, actively identifying and addressing risks, and refining control measures. At the same time, the Company places great emphasis on fostering a strong risk awareness among all employees, providing robust support for the long-term, stable development of its business.

4.2.1 RISK GOVERNANCE

Jihong Group adheres to the principle of “knowable, controllable, and bearable” and has established a *Comprehensive Risk Management System* that outlines clear risk control requirements across all operations, with a focus on managing key risks. The Company’s risk management framework includes the Board of Directors, Audit Committee, and Audit and Financial Management Center, with well-defined roles across functional units to ensure effective implementation and oversight of risk management.

JIHONG GROUP’S RISK MANAGEMENT FRAMEWORK AND RESPONSIBILITIES



4.2.2 RISK IDENTIFICATION AND RESPONSE

The Company continually optimizes its risk management processes by systematically identifying, assessing, and addressing risks, and maintaining a comprehensive risk register. In 2024, key risks were identified across production and operations, covering critical business cycles such as procurement, production, and sales management, along with essential areas like logistics and asset management. Targeted control measures have been implemented to prioritize and manage risks effectively, strengthening overall risk management. To ensure thorough oversight, risk management audits are conducted regularly as part of the internal control audit process. This includes annual self-assessments and external third-party audits. During the Reporting Period, no significant risks or major concerns were identified.

RISK MANAGEMENT PROCESS AND MEASURES	Risk Identification	<ul style="list-style-type: none"><li>Each department collects initial internal and external data related to potential risks and risk management.</li><li>Methods used for risk information collection and identification include document review, questionnaires, interviews, and historical event analysis.</li></ul>
	Risk Assessment	<ul style="list-style-type: none"><li>Establish a risk assessment team to define the Company’s risk management philosophy and risk tolerance.</li><li>Identify risks, their sources, and categories, with detailed documentation of their severity. Risk sources include environmental factors, processes, strategic decision-making information, internal and external Company elements.</li><li>Establish a risk assessment index system and standards.</li><li>Analyze the risks and determine the potential losses they may incur.</li></ul>
	Risk Response	<ul style="list-style-type: none"><li>Based on the risk analysis results and the underlying causes, select appropriate risk response strategies such as risk avoidance, acceptance, reduction, or transfer.</li><li>Establish a dynamic mechanism for monitoring, reviewing, and preventing risks, ensuring ongoing control while communicating and sharing risk information with relevant departments.</li></ul>

4.2.3 RISK AWARENESS AND CULTURE

The Company places great emphasis on enhancing risk management awareness and building a strong risk-aware culture by strengthening employees’ understanding of risk management. To meet employee needs, the Company regularly organizes training sessions and awareness programs on contract management, stamp management, and system operations. These initiatives help employees stay informed about internal risk policies, minimizing the likelihood of risk violations in daily operations.

Case: Procurement contract risk management training

In 2024, the Legal Department conducted a training session focused on procurement contract risk management. The training covered essential legal knowledge related to procurement contracts as well as tips on common pitfalls encountered during practical operations. This helped management personnel quickly grasp the relevant legal concepts, avoid risk factors in daily operations, and effectively communicate compliance requirements to their teams. Nearly 30 participants attended, including general managers of subsidiaries and department heads at both headquarters and subsidiaries, significantly enhancing the risk control capabilities of the Company’s management team.

4.3 BUSINESS ETHICS

Jihong Group consistently upholds its core values of “responsibility, innovation, and achievement,” adhering to the principle that “credibility and integrity lay the foundation for growth.” The Company continuously strengthens its ethics governance, promotes an anti-corruption culture, and maintains a transparent complaint and reporting system. With a zero-tolerance stance on corruption and unfair competition, Jihong Group fosters a culture of integrity, ensuring long-term, sustainable development.

4.3.1 BUSINESS ETHICS GOVERNANCE

Jihong Group places great emphasis on integrity and compliance management, strictly adhering to the *Company Law of the People’s Republic of China*, the *Anti-Monopoly Law of the People’s Republic of China*, the *Criminal Law of the People’s Republic of China*, the *Anti-Unfair Competition Law of the People’s Republic of China*, and the *Anti-Money Laundering Law of the People’s Republic of China*. The Company has fully implemented internal management policies related to business ethics and anti-corruption, including the *Conflict of Interest Management System*, the *Anti-Business Bribery, Anti-Fraud, and Reporting Management System*, and the *Gift Management Measures*. Jihong Group firmly opposes all forms of commercial bribery, corruption, fraud, and unfair competition, maintaining a zero-tolerance policy toward any illegal or non-compliant behavior.



JIHONG GROUP’S BUSINESS ETHICS MANAGEMENT SYSTEM

To enhance the risk controls against corruption, unfair competition, and other violations, Jihong Group has reinforced its integrity management measures. When appointing or promoting candidates for key positions, the Company conducts thorough integrity evaluations and enforces a strict anti-bribery commitment system. Candidates are required to sign the *Honest Operation and Compliance Management Commitment Letter*, with compliance performance integrated into their evaluations. Based on business ethics risk assessments, the Company also conducts regular audits, combining daily monitoring with targeted reviews. Any identified issues are promptly addressed to mitigate risks effectively. During the Reporting Period, no major corruption or bribery incidents were recorded.

## JIHONG GROUP'S BUSINESS ETHICS AUDIT MEASURES

Suppliers are required to sign the *Sunshine Integrity Action Commitment Letter*, which outlines business ethics requirements and provides reporting channels for anti-corruption and unethical behavior complaints.

Suppliers

Routine and business-specific audits are conducted to ensure compliance. These audits typically include supplier integrity management, focusing on mutual commitments to ethical standards and identifying any violations during the cooperation period.

Subsidiaries

Business ethics guidelines from the *Code of Conduct for Management Personnel* are reinforced during onboarding and regularly reviewed in managerial meetings.

Internal Employees

### 4.3.2 BUSINESS ETHICS TRAINING

Jihong Group actively promotes anti-corruption and integrity training to strengthen corporate ethics and reinforce a culture of transparency. Regular training sessions are held for senior management and Board members, covering the *Code of Conduct for Management Personnel and Gift Management Measures* to prevent corruption and uphold ethical governance. For all employees, the Company expands integrity awareness through educational posters and ongoing corporate ethics initiatives. In 2024, Jihong Group launched a top-down integrity training program, providing standardized training materials. Department heads were required to complete self-learning within a set timeframe and conduct internal training sessions.



Compliance Requirements for Mid-Autumn Festival Gift Acceptance and Offering Compliance Poster

By the end of the reporting period, Jihong Group held two anti-corruption training sessions for employees, covering business ethics standards, reporting mechanisms, and reward and punishment regulations, with 356 participants in total. For the management team, anti-corruption training materials were distributed, and all managers were required to complete self-learning. The Board of Directors participated in 4 anti-corruption training sessions, attended by all 11 board members. The total training duration was 4 hours, achieving a 100% participation rate.

### Case: Jihong Group integrity training

In 2024, the Audit Department distributed integrity and compliance training materials on gift acceptance and offering compliance to department heads and subsidiary managers. Each management team was required to complete self-learning within a designated timeframe and conduct internal training sessions within their respective units. The training covered fundamentals of integrity compliance and guidelines for gift exchanges, reinforcing ethical business conduct among employees, strengthening business ethics awareness among the management team, and ensuring that improper benefits are handled appropriately in the workplace. This initiative further safeguarded the Company's commitment to honest and compliant operations.



Jihong Group's Integrity Awareness Training Session

### 4.3.3 REPORTING MANAGEMENT

#### Jihong Group's Reporting Channels



Reporting Email:  
shenji@jihong.cn



Reporting Hotline:  
18150353249



Reporting Address:  
Audit Department, Jihong Group, No.9 Putou Rd., Dongfu Industry Park II, Haicang District, Xiamen City, Fujian Province

Jihong Group adheres to the requirements of national disciplinary inspection and supervisory authorities, continuously improving its *Anti-Business Bribery, Anti-Fraud, and Reporting Management System* to enhance reporting procedures and channels. The Company ensures that all complaints and reports are addressed promptly and effectively. Multiple reporting channels are available, allowing employees and external business partners to report fraud or suspected misconduct through telephone, email, mail, or face-to-face meetings. Upon receiving a report, the Audit Operations Center conducts a thorough investigation, strictly following the reporting procedure to ensure fairness and objectivity.

To safeguard whistleblowers, the Company's internal policies explicitly prohibit discrimination, retaliation, or unfair treatment, including dismissal, persecution, or disciplinary action. Without consent, the Company does not disclose the whistleblower's identity or details of the report, ensuring protection throughout the investigation. At the same time, the Company strictly forbids false or malicious reports. If such cases arise, appropriate actions are taken against the whistleblower to maintain the credibility of reporting channels. In 2024, the Company did not experience any lawsuits or administrative penalties related to unfair competition, corruption, bribery, or money laundering.

# 5 APPENDICES

## 5.1 HKEX - ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE INDEX

### Environmental

General Disclosure & KPI		Indicator Description	Chapter References
Aspect A1: Emissions			
General Disclosure		Information on:(a) the policies; and(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	2.1.1 Environmental Management System 2.1.2 Resource Management 2.1.3 Emission Management
KPI	A1.1	The types of emissions and respective emissions data.	2.1.3 Emission Management
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	2.1.2 Resource Management 2.1.3 Emission Management
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	2.1.3 Emission Management
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	2.1.3 Emission Management
	A1.5	Description of emission target(s) set and steps taken to achieve them.	2.1.3 Emission Management
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	2.1.3 Emission Management
Aspect A2: Use of Resources			
General Disclosure		Policies on the efficient use of resources, including energy, water and other raw materials.	2.1.2 Resource Management
KPI	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in ' 000s) and intensity (e.g. per unit of production volume, per facility).	2.1.2 Resource Management
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	2.1.2 Resource Management
	A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	2.1.2 Resource Management

	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	2.1.2 Resource Management
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	2.1.4 Green Products

### Aspect A3: The Environment and Natural Resources

General Disclosure		Policies on minimising the issuer's significant impacts on the environment and natural resources.	2.1.1 Environmental Management System
KPI	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	2.1.1 Environmental Management System 2.1.2 Resource Management 2.1.3 Emission Management 2.1.4 Green Products

### CLIMATE-RELATED DISCLOSURES

Climate-related Disclosures	Governance	Governance	2.3.1 Governance
	Strategy	Climate-related risks and opportunities	2.3.3 Risk Management
		Business model and value chain	2.3.3 Risk Management
		Strategy and decision-making	2.3.2 Strategy
		Financial position, financial performance and cash flows	Not applicable
		Climate resilience	Not applicable
		Financial effects of climate-related risks and opportunities	Not applicable
	Risk Management	Risk Management	2.3.3 Risk Management
	Metrics and Targets	Greenhouse gas emissions	2.3.4 Indicators and Targets
		Climate-related transition risks	2.3.3 Risk Management
		Climate-related physical risks	2.3.3 Risk Management
		Climate-related opportunities	Not applicable
		Capital deployment	Not applicable
		Internal carbon prices	Not applicable
		Not applicable	Not applicable
		Industry-based metrics	Not applicable
		Climate-related targets	2.3.4 Indicators and Targets
		Applicability of cross-industry metrics and industry-based metrics	2.3.4 Indicators and Targets



## Social

General Disclosure & KPI		Indicator Description	Chapter References
Aspect B1: Employment			
General Disclosure		Information on:(a) the policies; and(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	3.4.1 Diversity,Equality, and Inclusion 3.4.2 Employee Rights Protection 3.4.3 Employee Training and Development
KPI	B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	3.4.1 Diversity,Equality, and Inclusion
	B1.2	Employee turnover rate by gender, age group and geographical region.	3.4.1 Diversity,Equality, and Inclusion
Aspect B2: Health and Safety			
General Disclosure		Information on:(a) the policies; and(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	3.3.1 Work Safety 3.3.2 Occupational Health and Safety
KPI	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	3.3.1 Work Safety
	B2.2	Lost days due to work injury.	3.3.1 Work Safety
	B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	3.3.1 Work Safety 3.3.2 Occupational Health and Safety
Aspect B3: Development and Training			
General Disclosure		Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	3.4.3 Employee Training and Development
KPI	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	3.4.3 Employee Training and Development
	B3.2	The average training hours completed per employee by gender and employee category.	3.4.3 Employee Training and Development
Aspect B4: Labour Standards			
General Disclosure		Information on:(a) the policies; and(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	3.4.1 Diversity,Equality, and Inclusion
KPI	B4.1	Description of measures to review employment practices to avoid child and forced labour.	3.4.1 Diversity,Equality, and Inclusion
	B4.2	Description of steps taken to eliminate such practices when discovered.	3.4.1 Diversity,Equality, and Inclusion
Aspect B5: Supply Chain Management			
General Disclosure		Policies on managing environmental and social risks of the supply chain.	3.2.1 Supplier Admission and Evaluation 3.2.2 Supply Chain ESG Management 3.2.3 Supplier Communication

KPI	B5.1	Number of suppliers by geographical region.	3.2.1 Supplier Admission and Evaluation
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	3.2.1 Supplier Admission and Evaluation 3.2.2 Supply Chain ESG Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	3.2.1 Supplier Admission and Evaluation 3.2.2 Supply Chain ESG Management
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	3.2.1 Supplier Admission and Evaluation 3.2.2 Supply Chain ESG Management
Aspect B6: Product Responsibility			
General Disclosure		Information on:(a) the policies; and(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	3.1.1 Quality Management 3.1.2 Customer Service 3.1.3 Information Security 3.1.4 Innovation and R&D
KPI	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	3.1.1 Quality Management
	B6.2	Number of products and service related complaints received and how they are dealt with.	3.1.2 Customer Service
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	3.1.4 Innovation and R&D
	B6.4	Description of quality assurance process and recall procedures.	3.1.1 Quality Management
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	3.1.3 Information Security
Aspect B7: Anti-corruption			
General Disclosure		Information on:(a) the policies; and(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	4.3.1 Business Ethics Governance
KPI	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	4.3.3 Reporting Management
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	4.3.3 Reporting Management
	B7.3	Description of anti-corruption training provided to directors and staff.	4.3.2 Business Ethics Training
Aspect B8: Community Investment			
General Disclosure		Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	3.5 Social Welfare
KPI	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	3.5 Social Welfare
	B8.2	Resources contributed (e.g. money or time) to the focus area.	3.5 Social Welfare

## 5.2 SHENZHEN STOCK EXCHANGE ESG INDEX

Dimensions	Index	Topics	Corresponding Clauses	Corresponding Chapter
Environment	1	Addressing Climate Change	Article 21-28	2.3.1 Governance 2.3.2 Strategy 2.3.3 Risk Management 2.3.4 Indicators and Targets
	2	Pollute Emissions	Article 30	2.1.3 Emission Management
	3	Waste Management	Article 31	2.1.3 Emission Management
	4	Ecosystem and Biodiversity Protection	Article 32	2.4 Biodiversity
	5	Environmental Compliance Management	Article 33	2.1.1 Environmental Management System
	6	Energy Utilization	Article 35	2.1.2 Resource Management
	7	Water Resource Management	Article 36	2.1.2 Resource Management
Society	8	Circular Economy	Article 37	2.1.2 Resource Management
	9	Rural Revitalization	Article 39	3.5 Social Welfare
	10	Social Contribution	Article 40	3.5 Social Welfare
	11	Innovation-Driven Development	Article 42	3.1.4 Innovation and R&D
	12	Technology Ethics	Article 43	Not applicable
	13	Supply Chain Security	Article 45	3.2.1 Supplier Admission and Evaluation 3.2.2 Supply Chain ESG Management 3.2.3 Supplier Communication
	14	Fair Treatment of SMEs	Article 46	Not applicable
	15	Product and Service Safety & Quality	Article 47	3.1.1 Quality Management 3.1.2 Customer Service
	16	Data Security and Customer Privacy Protection	Article 48	3.1.3 Information Security
	17	Employees	Article 50	3.4.1 Diversity, Equality, and Inclusion 3.4.2 Employee Rights Protection 3.4.3 Employee Training and Development

Dimensions	Index	Topics	Corresponding Clauses	Corresponding Chapter
Sustainability Governance	18	Due Diligence	Article 52	1.6.2 Stakeholder Communication
	19	Stakeholder Communication	Article 53	1.6.2 Stakeholder Communication
	20	Anti-Bribery and Anti-Corruption	Article 55	4.3.1 Business Ethics Governance 4.3.2 Business Ethics Training 4.3.3 Reporting Management
	21	Anti-Unfair Competition	Article 56	4.3.1 Business Ethics Governance 4.3.3 Reporting Management

### 5.3 FEEDBACK FORM

Dear Readers,

Greetings! Thank you for taking the time to read the 2024 Xiamen Jihong Technology Co., Ltd. Environmental, Social and Governance (ESG) Report. We highly value your feedback and look forward to hearing your thoughts on our ESG management, practices, and reporting. Your opinions and suggestions serve as a crucial foundation for us to continuously improve our ESG management and implementation. We look forward to your response!

1. Which stakeholder category does your organization belong to within Jihong Group?

☐ Shareholders and Investors ☐ Employees ☐ Suppliers ☐ Customers ☐ Government and Regulatory Authorities ☐ Community  
☐ Partners ☐ Industry Associations/NGOs ☐ Other (Please specify): \_\_\_\_\_

3. How would you rate the clarity, accuracy, and completeness of the information and data disclosed in this report?

☐ Good ☐ Fairly Good ☐ Average ☐ Poor

5. How well do you think this report reflects the Company's fulfillment of its environmental responsibilities?

☐ Good ☐ Fairly Good ☐ Average ☐ Poor

7. Do you find the information provided in this report to be readable and comprehensible?

☐ Good ☐ Fairly Good ☐ Average ☐ Poor

8. What content would you like to see included in future reports that has not been disclosed in this one?

2. How would you rate this report overall?

☐ Good ☐ Fairly Good ☐ Average ☐ Poor

4. How well do you think this report reflects the Company's fulfillment of its economic responsibilities?

☐ Good ☐ Fairly Good ☐ Average ☐ Poor

6. How well do you think this report reflects the Company's fulfillment of its social responsibilities?

☐ Good ☐ Fairly Good ☐ Average ☐ Poor

9. Do you have any opinions or suggestions regarding the Company's environmental, social, and governance efforts or the preparation of this report?