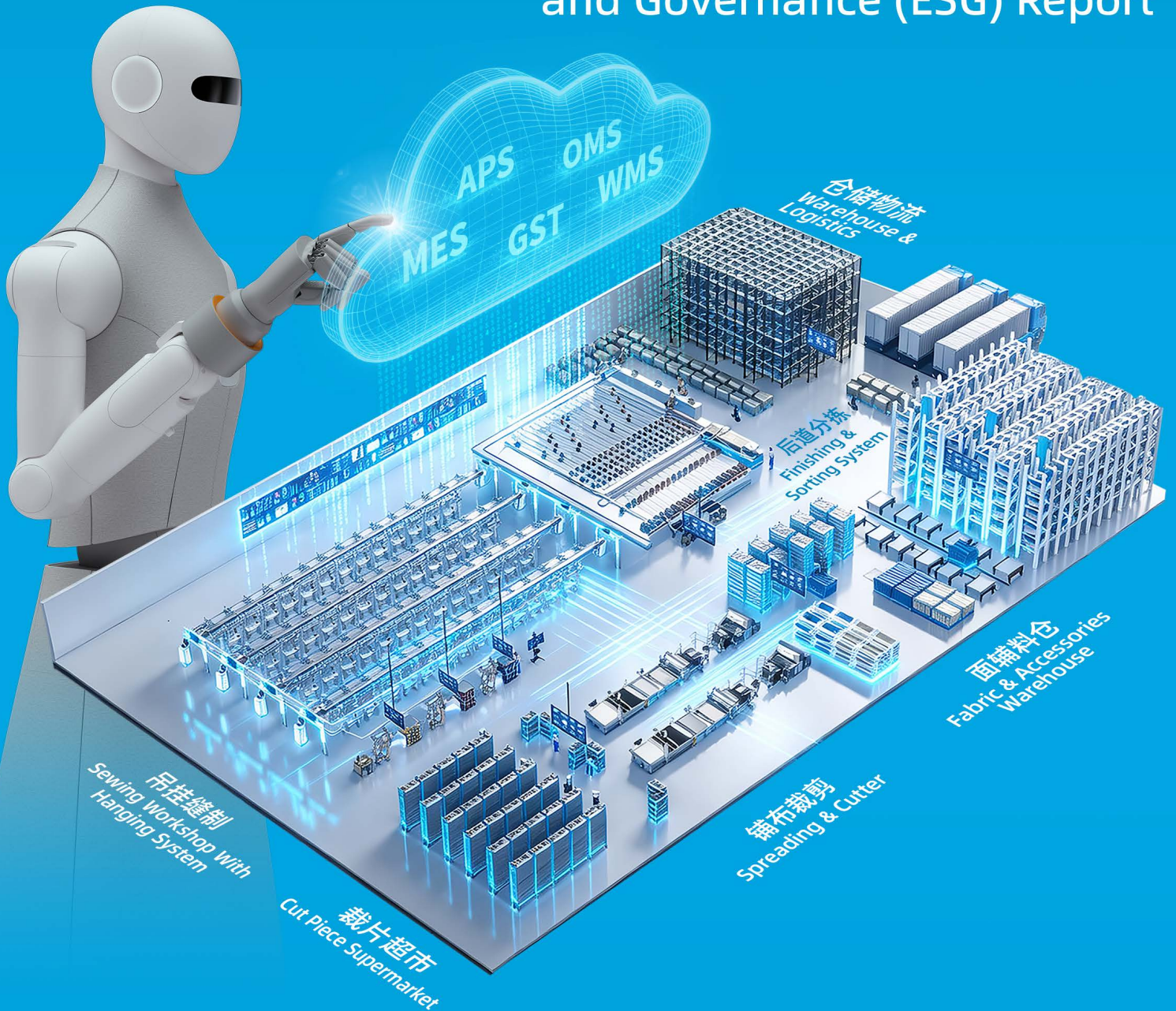


No. 1 globally for 14 consecutive years\*

JACK

2025

Environmental, Social and Governance (ESG) Report



**Intelligent Total Solutions: Infinite Possibilities for Garment Intelligent Manufacturing**

Data source: Frost & Sullivan, based on annual sales volume of industrial sewing machines by major global industrial sewing machine enterprises from 2010 to 2023. The research was completed in September 2024.

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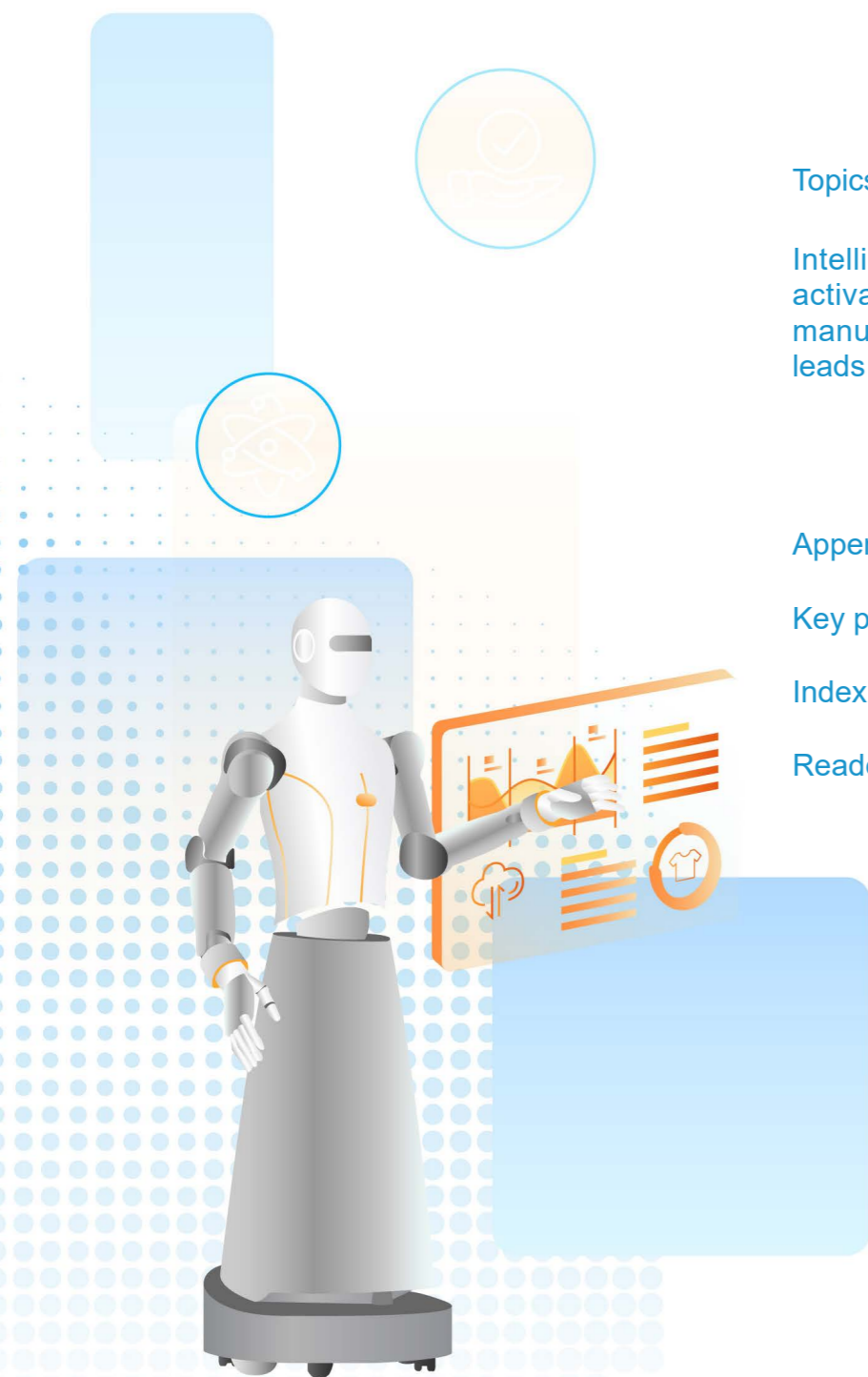
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## About this Report

This Report discloses in detail the practices and performance of Jack Technology Co., Ltd. in the areas of economic, environmental, social and governance responsibilities in 2025, aiming to communicate effectively with stakeholders and systematically respond to their expectations and requirements.

## Scope

This Report discloses the information on fulfillment by Jack Technology and its subsidiaries of their economic, social, environmental and governance responsibilities, with relevant typical cases coming from affiliates of the Company.

## Period

The period is from January 1, 2025, to December 31, 2025. To enhance the comparability and forward-looking nature of this Report, some contents are appropriately extended to the previous and subsequent years.

## Preparation Basis

- *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report (Trial)* issued by Shanghai Stock Exchange
- *Guide No. 4 for Self-Regulatory Supervision on Listed Companies of the SSE – Compilation of Sustainable Development Reports* issued by Shanghai Stock Exchange
- United Nations Sustainable Development Goals (SDGs)
- *Global Reporting Initiative (GRI) Standards* issued by Global Sustainability Standards Board

- *Guidelines on Corporate Social Responsibility Reporting in China (CASS-ESG 6.0)* issued by Chinese Academy of Social Sciences
- *Guidance on Social Responsibility Reporting (GB/T 36001-2015)* issued by the China National Institute of Standardization
- *ISO 26000: Guidance on Social Responsibility (2010)* issued by the International Organization for Standardization

## Data Description

The data sources used in this Report include original data from the Company's actual operations, public data from government departments, annual financial data, internal relevant statistical reports, third-party questionnaires, and third-party evaluation interviews. The financial data in this Report are in RMB. In case of any inconsistency with the financial report, the financial report shall prevail.

## Definitions

For the convenience of expression and reading, "Jack Technology Co., Ltd." is also referred to as "Jack," "Jack Technology," "the Company," or "we" in this Report.

## Reliability Assurance

The Company guarantees that the contents of this Report are true, accurate and complete, and are free of any false records, misleading statements or major omissions.

## Report Access

This Report is available for your reading in electronic form. You can visit the Company's official website (<https://cn.chinajack.com/>) or the website of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) to access it. In case of any questions or suggestions about this Report, please send an email to [IR@chinajack.com](mailto:IR@chinajack.com) or call 0576-88177757.

This report is published in Chinese and English. Should there be any discrepancies between the two versions, the Chinese version shall prevail.

## Message from the Chairman

Thirty years of perseverance, three decades of legacy. The year 2025 marks the 30th anniversary of Jack Technology's entry into the sewing industry. Facing global economic shifts and profound industrial restructuring, all Jack employees have embodied the spirit of "Harmony, Integrity, Fighting and Rising". With a conviction to strategize, compete, and win, we have steadfastly advanced our core strategy of Intelligent Total Solutions. We have revitalized new quality productive forces through hardcore innovation, forged new paths amid change, and achieved outstanding results against challenges, thereby writing a new chapter of high-quality development.

**We take technological innovation as our soul, anchoring ourselves in the global transformation of intelligent garment manufacturing.** Adhering to a customer-centric approach, we launched the world's first AI-powered Ai10 intelligent industrial sewing machine, and iterated benchmark blockbusters like A.M.H. 2 and M9-A, achieving large-scale implementation of our Intelligent Total Solutions. We have proactively laid the groundwork for AI-powered digital integrated production lines through joint R&D with clients, integrating artificial intelligence, humanoid robots, intelligent manufacturing, and algorithm optimization to build a new paradigm of efficient, lean, and intelligent production for our global customers. By the end of 2025, our product system was continuously streamlined and optimized, with a total of 3,668 patents and software copyrights (including over 1,200 invention patents). Our sustained high-intensity R&D investment (exceeding 8% of revenue) has built a long-term, industry-leading technological barrier.

**We are rooted in product excellence, practicing a belief in zero-defect quality.** We have connected the entire chain of R&D, manufacturing, delivery, and service with a digital system. Leveraging a matrix of comprehensive digital tools, we have achieved visualized quality data, scientific decision-making, and closed-loop management. We forge premium products to the highest standards, consistently leading the industry in product quality, delivery efficiency, service responsiveness, and customer reputation, thereby earning the deep trust of our global clients.

**We are committed to strengthening the Company with talent, building a world-class intelligent manufacturing team.** Upholding a dedication-oriented philosophy, we have established a comprehensive ecosystem for attracting, cultivating, retaining, and developing talent. Focusing on our "Four Eagles Program", we have gathered top professionals in AI, software, and intelligent manufacturing. By the end of 2025, we had attracted 13 Ph.D. holders and over 30 overseas returnees, injecting core momentum into our strategic execution. We strictly adhere to occupational health and safety standards, safeguard employees' rights to equal development, and build an exceptional organization that is caring, responsible, and dynamic.

**We are guided by a green and low-carbon vision, fulfilling our Dual Carbon mission and contemporary responsibilities.** We have integrated sustainable development into the entire process of R&D, design, manufacturing, and supply chain management. By promoting green process innovation and energy-saving, carbon-reduction practices, we empower the low-carbon transformation of the industrial chain with our green and intelligent products, protecting our ecological home and demonstrating corporate responsibility.

**We build on a foundation of compliant governance, safeguarding our long-term stability and success.** We continuously enhance our modern corporate governance system, and our practices in information disclosure, internal control management, and ESG have repeatedly received authoritative recognition. We adhere to business ethics, fortify our anti-corruption defenses, and foster a global business ecosystem of integrity, transparency, and fairness.

**We take pride in our contributions to society, conveying the warmth of our industry.** We are deeply involved in empowering rural revitalization and common prosperity. Through the Filial Piety Sewing Foundation, we have created a distinctive philanthropic system for the industrial chain, carrying out targeted assistance programs such as supporting the elderly, students, and people with disabilities, and promoting industry-education integration. We give back to society through our industrial strength and have been honored with multiple national-level awards.

**At thirty, we are in our prime; our journey is vast, and we are soaring high.** Standing at a new historical starting point, Jack will remain committed to its mission of "Intelligent Connection for Total Solution Grants Intelligent Garment Manufacturing Unlimited Possibilities." We will adhere to the strategic directions of focusing on users, Innovation-Driven Development, fostering ecosystem collaboration, deepening global presence, leading with AI, and advancing multiple chains. Guided by a merit-based culture, with AI digital production lines as our core engine, we will focus on humanoid robots and cutting-edge technologies, gather global wisdom, deepen our global footprint, and uphold open cooperation and principled innovation to propel the intelligent garment manufacturing industry to new heights of intelligence, digitalization, and globalization.

We will join hands with our global partners, bravely undertake the mission of our era, march toward our ten-billion-yuan goal, aim for a hundred-billion-yuan market value, and explore trillion-yuan blue ocean markets. We will empower the industry with technology, forge a legend with craftsmanship, and contribute Jack's strength to the advancement of global intelligent garment manufacturing and a better life for humanity!

Chairman of Jack Technology Co., Ltd.

April 2026



# About Jack Technology

## Company overview

### Company profile

Jack is the only company in the global sewing equipment industry to have fully embedded AI into its core operations. Built on its proprietary BeiDou Star MOM flexible manufacturing management system—which integrates key intelligent manufacturing modules such as APS, MES, PDM, and WMS—the Company links a complete suite of intelligent hardware, including intelligent warehousing, intelligent cutting, AI-driven hanging line scheduling, intelligent sewing, post-sewing sorting, and humanoid robots, forming a comprehensive intelligent equipment system.



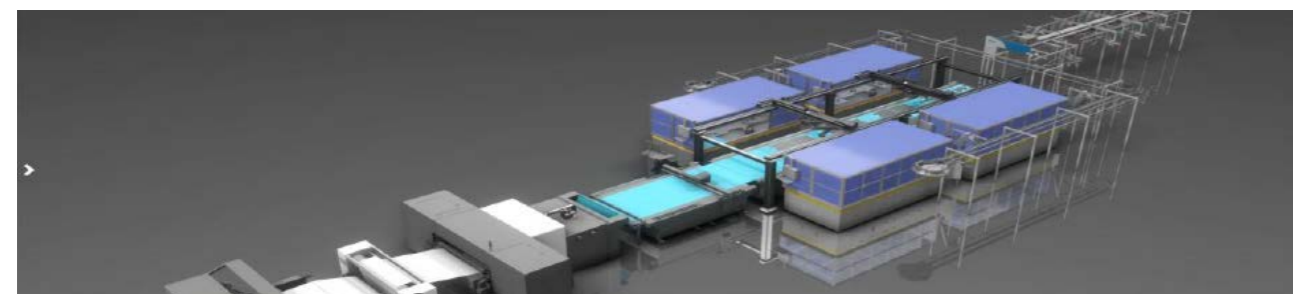
Through deep hardware-software integration, the Company works closely with major customers to co-develop solutions that connect six critical production stages: fabric and trim storage, intelligent cutting with real-time inspection, cut-part supermarket, AI hanging lines paired with AI sewing, intelligent post-sewing sorting, and finished goods warehousing. This end-to-end digital solution has enabled the Company's successful shift from a provider of standalone equipment to a full-service partner in apparel intelligent manufacturing.



The Company continues to reinforce its integrated hardware-software advantage by building a scalable, highly flexible global platform for apparel manufacturing. It is cultivating an ecosystem where supply and demand work in sync—helping factories boost productivity, supporting brands in modernizing their supply chains, and advancing the fashion industry through digital and intelligent innovation.

Aitu humanoid robots and AI digital integrated production lines represent a key strategic focus for the Company. Adhering to a dual approach of independent innovation and open collaboration, we continue to deepen joint R&D with world-leading institutions and clients. In September 2025, the Company launched the world's first AI sewing machine, the Ai10, breaking international technological monopolies and winning the "2025 IFA Gold Award for AI Product Innovation." The Aitu humanoid robot prototype has been showcased at multiple events, and we are advancing joint innovation with several clients, with a planned market launch in September 2026.

Going forward, the Company will continue to increase investment in digital software, AI, and humanoid robots, collaborating with ecosystem partners to co-develop a series of products—including AI overlock machines, AI coverstitch machines, AI cutting systems, AI hanger systems—and the Aitu humanoid robot. Centered on the "Hardware + Software + AI + Humanoid Robot" paradigm, we will address the entire apparel manufacturing value chain—from pre-sewing and in-sewing to post-sewing—through hardware upgrades, process re-engineering, and intelligent coordination. This will enable us to build fully automated, unmanned AI digital integrated production lines that achieve end-to-end unmanned, digital, and flexible closed-loop production from fabric inspection to finished goods dispatch, gradually replacing traditional manual operations. Our aim is to help the industry enhance quality, reduce costs, and improve efficiency, effectively addressing the industry pain point of "small orders, quick response," and driving global apparel manufacturing toward greater intelligence and efficiency.



## Company performance

- Empowering intelligent manufacturing with intelligent connectivity, leading globally with AI**

Guided by exceptional senior leadership, the Company focuses on the vision and mission of "Intelligent Connection for Total Solution Grants Intelligent Garment Manufacturing Unlimited Possibilities." We have established an H1-H3 three-horizon growth engine, with AI and green digitalization at its core. By solidifying our quality foundation through IPD and a Zero-Defect system, we have achieved steady performance growth and continue to lead the global intelligent garment manufacturing ecosystem.
- Rooted in the Taizhou spirit, uniting the entire chain's synergy**

Rooted in the Taizhou culture of harmony and the Dachen Island's reclamation spirit, we integrate the corporate spirit of "Harmony, Integrity, Fighting and Rising." We practice the values of "Customer First, Focused Dedication, Striving Relentlessly, and Shared Success." Through our "Four Cultures Model," we cultivate a merit-based culture, foster boundaryless collaboration, and build cultural cohesion and sustainable competitiveness across the industrial chain.
- Forging a core with intelligent R&D, breaking boundaries through multi-party collaboration**

Our annual R&D intensity exceeds 8%, with a cumulative investment of RMB 1.435 billion over the past three years. We have established a CBB technology platform and 14 global R&D centers. In collaboration with top institutions like Tsinghua University, Alibaba, AgiBot, and X Square Robot, we focus on AI and humanoid robots to empower intelligent garment manufacturing. We are restructuring distributed production with our "Starlink Cloud Alliance" initiative, driving full-chain innovation from technological breakthroughs to implementation.
- Global network layout, multi-brand collaborative**

Our products cover over 170 countries, with a deep focus on high-quality, quick-response, and economy markets. We have built an operational system featuring "Sector head + Chief integrator + Local iron triangle" to achieve full-chain localization of marketing and services, boosting customer satisfaction to 91.8% within three years.
- "Three Fast" service sets the industry standard, achieving global customer success**

We have a global network of over 8,200 service outlets and a professional team of more than 20,000, creating a "Three Fast" network: 10-minute response, 1-hour on-site arrival, and 30-minute problem resolution. By integrating the Expedited Rabbit Club, a star-rating system, and a digital delivery system, we have completed over 10,000 remote service cases and proactively maintained over 200,000 pieces of equipment. We have received five-star certification for nine consecutive years and been named a "National Top 10" for five terms, leading the industry's service standards.
- End-to-end intelligent manufacturing, leading the way with full-chain 5G**

We operate a world-leading intelligent sewing factory with a total investment of RMB 1.35 billion in smart equipment. We have independently developed twelve major digital systems and implemented seven 5G-integrated application scenarios. The factory has achieved a 20% increase in production efficiency, a 20% reduction in product defect rates, and a 30% shorter R&D cycle. Through end-to-end quality traceability and intelligent network control of equipment, we have created a new paradigm of fully transparent intelligent manufacturing, earning the distinction of being the industry's only "National 5G Factory."
- Zero-defect as the guiding principle, driving quality with digital intelligence**

We have established a four-tier quality management system centered on a "Zero-Defect" culture, promoting the "Four-Heart project" and a "Mirroring" closed-loop rectification process. Leveraging the QMS/LIMS digital platform and 12 primary processes, we achieve end-to-end quality control across the entire chain. Our intelligent total solutions quality management model drives a positive cycle from demand to product to satisfaction.
- Gathering talent to build a foundation for development, creating a win-win ecosystem with multiple incentives**

We have established a "Comprehensive Incentive 3+3" system, encompassing mechanisms such as salary, bonuses, equity, and new business shareholding, to retain talent through high returns. In the past three years, we have recruited 203 high-level talents, including doctoral and master's graduates from top domestic and international universities such as Harvard. We have implemented the "Four Eagles Program", built a 3x3 "Iron Triangle" organizational structure, and promoted the synchronized advancement of talent and business, forging an ecosystem of industry partners.

## Development history

### International trade phase (1995–2003)

1995

- Established Taizhou Feiqiu Sewing Machine Co., Ltd

1996

- Put into operation the first metalworking production line for small overlock machines

1999

- Successfully launched the first self-developed overlock machine
- Held the "Three Days, Three Nights" conference on corporate management transformation

2000

- Completed two modern factory buildings

2001

- Officially renamed "Feiqiu" to "Jack"
- Successfully registered the Jack trademark

2002

- Held the first national dealer conference, pioneering a new trend in the industry

2003

- Established New Jack, the predecessor of the Company

### Globalization phase (2010–2018)

### Internationalization phase (2004–2009)

2018

- Acquired Vibemac (Italy)
- Acquired Anhui Jieyu to expand into the footwear sector
- Laid the foundation for the Smart Factory

2017

- Listed on the A-share market
- Acquired Maica (Italy)

2015

- Launched the A4, leading the industry into the era of "talking machines"
- Launched the industry's first intelligent production line

2013

- Ranked first in the industry for overall strength
- Commenced construction of the Jiaojiang headquarters

2011

- Achieved a commanding lead in global sales

2009

- Acquired Topcut-Bullmer (Germany) and expanded into the pre-sewing sector
- Became the exclusive title sponsor of the "China Garment Brand of the Year Awards"

2007

- Broke ground on Linhai Industrial Park

2006

- Hired a prominent industry figure as chairman

2004

- Appointed a professional manager as general manager

### Global leadership phase (2019–present)

2019

- Expanded into the intelligent hanging system industry
- Relocated headquarters from the Xiachen factory to the Jiaojiang factory

2020

- Expanded into the intelligent fabric inspection machine industry
- Commenced operations at the intelligent high-end sewing equipment manufacturing base

2021

- Expanded into intelligent total solutions
- Renamed Jack Sewing Machine Co., Ltd. to Jack Technology Co., Ltd.

2022

- Recognized as a Future Factory in Zhejiang Province

2023

- Globally launched the flagship blockbuster A.M.H.
- Awarded the title of National Green Factory

2024

- Relocated headquarters to Hangzhou
- Globally launched the flagship blockbuster Urus
- Received certification as "global sales leader for 14 consecutive years"

2025

- Held the 30th anniversary celebration and global technology conference
- Globally launched the flagship blockbuster A.M.H. 2
- Launched the Ai10 intelligent industrial sewing machine
- Debuted the humanoid robot at the CISMA

# Milestones



Ranked among the Top 30 Zhejiang Listed Companies for Internal Control for 7 consecutive years



- Jack was recognized as a 2024 Zhejiang Province Manufacturing Quality Benchmark, setting a model for the industry.
- Jack has been ranked among the Top 30 Zhejiang Listed Companies for internal control for 8 consecutive years.



Red Tour arrives in Yan'an



- On February 15, Jack's second Red Tour stop took the Company to Yan'an, focusing on emancipating minds, seeking truth from facts, and uniting efforts to exceed the ten-billion-yuan mark.



Kick-off meeting for the "Development and Application Verification of Autonomous Sewing Robot System" project



- On March 19, Jack held the kick-off meeting for the National Key R&D Program's special project on intelligent robots, titled "Development and Application Verification of Autonomous Sewing Robot System." The National Key R&D Program is currently the highest-level R&D initiative in China.

位次	企业名称
30	杰克科技股份有限公司

Ranked 30th on the Zhejiang Top 100 List for Patent Creativity



- On April 26, Jack ranked 30th on the 2024 Zhejiang Top 100 List for Patent Creativity.



Honored with the title of "7th National Civilized Unit"



- On May 23, Jack was honored with the title of "7th National Civilized Unit."



Hosted the global launch of the A.M.H. 2 under the theme "To Be the King of Cross Seam"



- On June 11, Liu Jie, Governor of Zhejiang Province, visited Jack to learn about the Company's new progress and achievements in technological, product, and service innovation.
- On June 16, Jack held the global launch event for the A.M.H. 2 in Hangzhou, which was live-streamed simultaneously in over 170 countries, drawing widespread industry attention and sparking lively discussions.



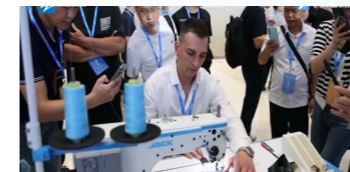
Selected as one of the "Top 10 Innovation Benchmarks" at the 7th Yangtze River Delta Business Innovation Conference



- On July 2, the 7th Yangtze River Delta Business Innovation Conference was held in Shanghai, where Jack was successfully selected as one of the "Top 10 Innovation Benchmarks."
- In July, Jack once again received an AA ESG rating for 2025 from Wind.
- On July 9, Jack was ranked No. 1 among the "Top 10 Comprehensive Enterprises in China's Sewing Machinery Industry" and No. 1 among the "Top 10 Enterprises in China's Industrial Sewing Machine Industry."
- On July 18, Jack Technology celebrated its 30th anniversary by hosting a ceremony in Taizhou for the 30 millionth intelligent industrial sewing machine rolling off the production line and the "Innovation for the Future" Global Technology Conference. The event brought together numerous top global academicians, industry leaders, and technology pioneers to discuss the revolutionary applications of artificial intelligence in the field of intelligent garment equipment.



"Innovation for the Future" Global Technology Conference



A.M.H. was listed in the 2025 "Zhejiang Made Excellent Products" by the Economy and Information Technology Department



- On August 3, Xinhua News Agency launched its key column "Securing a Decisive Victory in the '14th Five-Year Plan' Finale," with its inaugural article focusing on Jack's development practices.
- In early August, the Economy and Information Technology Department of Zhejiang announced the 2025 "Zhejiang Made Excellent Products" list, which included Jack's A.M.H.
- In August, Jack signed a cooperation agreement with Hangzhou Linping New City to officially launch the investment and construction of Jack Technology's second headquarters building and a high-end intelligent equipment manufacturing base.



Aitu (Zhejiang) Intelligent Sewing Technology Co., Ltd. launched the world's first AI-powered Ai10 intelligent industrial sewing machine in Shanghai



- On September 23, Aitu (Zhejiang) Intelligent Sewing Technology Co., Ltd. launched the world's first AI-powered Ai10 intelligent industrial sewing machine in Shanghai, breaking the technological monopoly of international brands in this field and winning the "2025 IFA Gold Award for AI Product Innovation."
- On September 24, the China Int'l Sewing Machinery and Accessories Show (CISMA 2025) grandly opened at the Shanghai New International Expo Centre. Jack secured a prime central position at the exhibition, showcasing the formidable strength of an industry leader.
- On September 26, the All-China Federation of Industry and Commerce released the "2025 Top 500 Private Enterprises in R&D Investment" and "2025 Top 500 Private Enterprises in Invention Patents" lists, with Jack appearing on both.



Honored with the 2025 Ram Charan Management Practice Award—Award for Globalization Corporate Practice



- On October 14, Jack received a Grade A rating for information disclosure from the Shanghai Stock Exchange for the seventh consecutive year.
- On October 17, the Office of the National Working Commission on Aging announced commendations for the national "Exemplary Organization for Respecting the Elderly" and "Model Individuals for Respecting, Loving, and Assisting the Elderly," with Jack being honored as a national "Exemplary Organization for Respecting the Elderly."
- On October 17, the 2025 China Listed Companies ESG Index Evaluation Report Launch Conference was held in Hangzhou, where Jack ranked first in the overall score for the machinery and equipment industry in Zhejiang.
- On October 31, Jack was honored with the HBR (Harvard Business Review) 2025 Ram Charan Management Practice Award—Award for Globalization Corporate Practice.



Selected for the "2025 Zhejiang Provincial Headquarters Leading Enterprises in Private Economy" list



- On November 11, the 2025 Peter Drucker China Management Forum announced the winners of the fourth "Chinese Management Prize in Memory of Peter Drucker," and Jack was honored with this award.
- On November 24, the Economy and Information Technology Department of Zhejiang announced the "2025 Zhejiang Provincial Headquarters Leading Enterprises in Private Economy" list, and Jack was successfully selected.



Selected for the "Future 20 · 2025 A-Share Listed Companies with Growth Potential" list



- On December 2, the Future 20 · 2025 A-Share Listed Companies Growth Conference unveiled the "Future 20 · 2025 A-Share Listed Companies of the Year for Growth Potential" list, with Jack being successfully selected.
- On December 5, the Zhejiang Federation of Industry and Commerce and the General Association of Zhejiang Entrepreneurs released the 2025 series of lists, including the Top 200 Private Enterprises in Zhejiang Province. Jack was listed among the Top 200 Private Manufacturing Enterprises in Zhejiang Province, the Top 200 Private Enterprises in Zhejiang Province by R&D Investment, and the Top 200 Private Enterprises in Zhejiang Province by Invention Patents for 2025.
- On December 5, Ms. Wu Li, a professional manager, was appointed as the Company's President.

## Corporate culture

### Corporate culture

Jack's corporate culture is rooted in the Taizhou culture of harmony and the Dachen Island's reclamation spirit. Through long-term practice and exploration, the Company has integrated traditional Chinese cultural elements with Western management philosophies. By elevating corporate culture to a strategic level, Jack enhances its core competitiveness through cultural innovation. It continuously enriches and refines its cultural framework, actively practicing a culture that is customer-oriented, focused and dedicated, continuously transformative, relentlessly striving, and rooted in filial piety, kindness, and gratitude. This culture provides an inexhaustible driving force and source of strength for Jack's comprehensive, high-quality development.

The Company consistently upholds its mission and vision of "Intelligent Connection for Total Solution Grants Intelligent Garment Manufacturing Unlimited Possibilities." It embodies the corporate spirit of "Harmony, Integrity, Fighting and Rising" and adheres to the core values of "Customer First, Focused Dedication, Striving Relentlessly, and Shared Success." Our goal is to create value for customers, well-being for employees, opportunities for suppliers, returns for shareholders, and benefits for society.

### Development strategy

The Company remains committed to its primary focus on intelligent garment manufacturing, seizing the strategic opportunity presented by the realignment of the global garment industry chain and supply chain. We adhere to the core development principles of "All Employees Focusing on Key Accounts, Full Efforts in Overseas Expansion, and Firm Commitment to Long-Term Investment." With AI and humanoid robots as our core technological pillars, the Company has planned a three-tiered growth curve: single-machine blockbusters, digital intelligent total solutions, and AI digital intelligent total solutions, steadily advancing the strategic upgrade from single blockbuster products to Aitu AI-powered digital integrated production line. Leveraging this upgrade path, the Company deeply integrates cutting-edge AI and humanoid robot technologies with the entire garment manufacturing process. This precisely addresses the core industry pain points of labor shortages and a generational gap in industrial workers, comprehensively assists downstream garment factories in their transformation and upgrading, and fully enhances customer production efficiency, flexible manufacturing capabilities, and order delivery capacity, helping customers expand their production boundaries and secure high-quality orders.

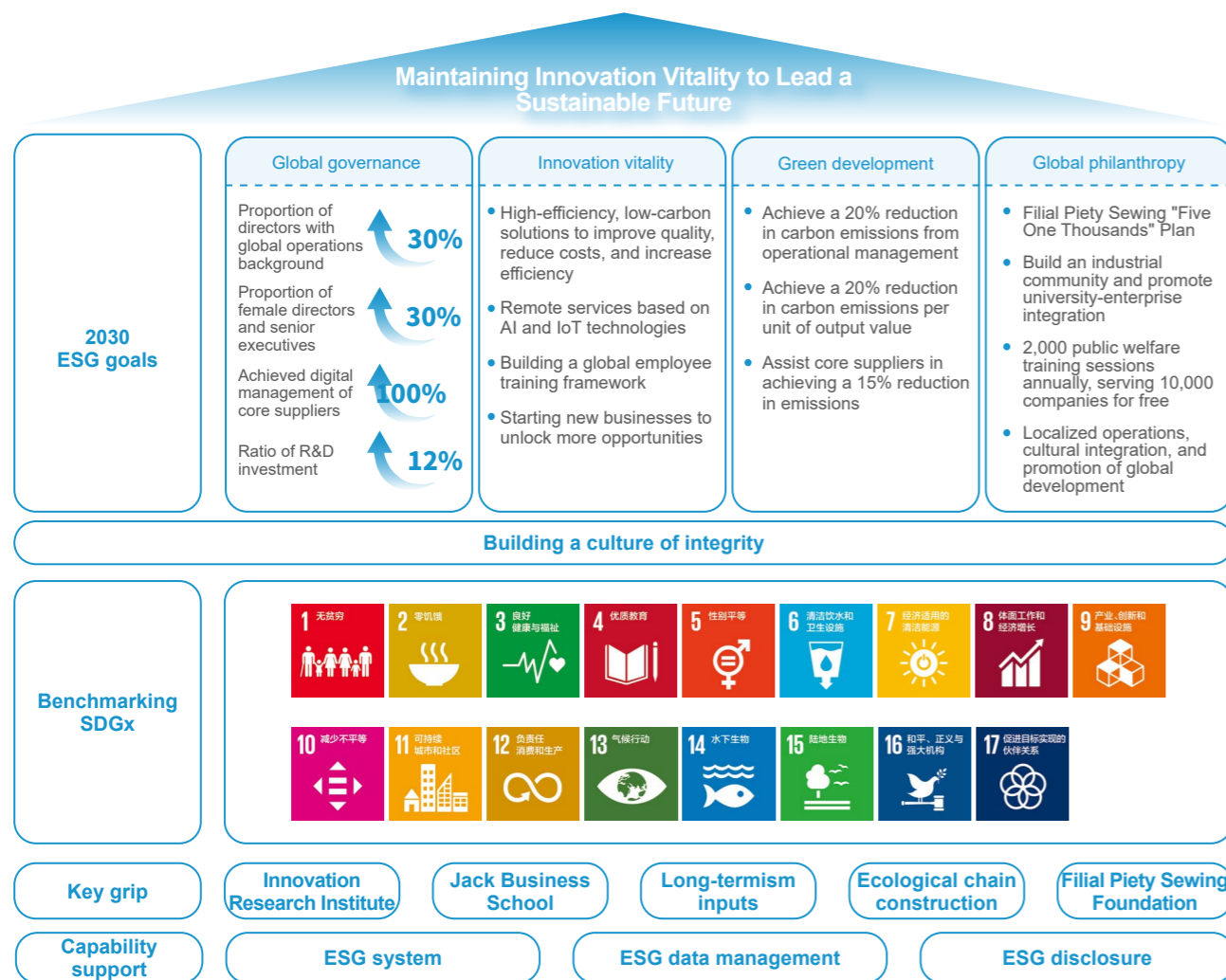
## Honors and awards

<p><b>Intelligent Manufacturing System Solution "Pioneer Project"</b></p> <p>Ministry of Industry and Information Technology of the People's Republic of China</p>	<p><b>National Civilized Unit</b></p> <p>The National Civilization Office</p>	<p><b>Zhejiang Provincial Headquarters Leading Enterprises in Private Economy</b></p> <p>Economy and Information Technology Department of Zhejiang</p>	<p><b>Top 50 Enterprises in China's Light Industry Equipment Manufacturing Sector</b></p> <p>China National Light Industry Council</p>	<p><b>Top 10 Enterprises in China's Light Industry Industrial Sewing Machine Sector</b></p> <p>China National Light Industry Council</p>	<p><b>2025 Top 500 Private Enterprises in R&amp;D Investment</b></p> <p>All-China Federation of Industry and Commerce</p>
<p><b>List of Excellent New Industrial Products in Zhejiang Province</b></p> <p>Economy and Information Technology Department of Zhejiang</p>	<p><b>Zhejiang Province AI Application Benchmark Enterprise</b></p> <p>Economy and Information Technology Department of Zhejiang</p>	<p><b>Zhejiang Made Excellent Products</b></p> <p>Economy and Information Technology Department of Zhejiang</p>	<p><b>2025 Top 500 Private Enterprises in Invention Patents</b></p> <p>All-China Federation of Industry and Commerce</p>	<p><b>2025 Top 200 Private Manufacturing Enterprises in Zhejiang Province</b></p> <p>Zhejiang Federation of Industry and Commerce</p>	<p><b>2025 Top 200 Private Enterprises in Zhejiang Province by R&amp;D Investment</b></p> <p>Zhejiang Federation of Industry and Commerce</p>
<p><b>First batch of typical empowerment model cases for AI-enabled manufacturing in Zhejiang Province</b></p> <p>Economy and Information Technology Department of Zhejiang</p>	<p><b>Top 100 Enterprises for Patent Creativity in Zhejiang Province (Ranked 30th)</b></p> <p>Economy and Information Technology Department of Zhejiang</p>	<p><b>Zhejiang Province's First Unit (Set) of Equipment</b></p> <p>Economy and Information Technology Department of Zhejiang</p>	<p><b>2025 Top 200 Private Enterprises in Zhejiang Province by Invention Patents</b></p> <p>Zhejiang Federation of Industry and Commerce</p>	<p><b>Golden Camel Award for Benchmark Case in Brand Building for Yangtze River Delta Enterprises</b></p> <p>Brand Building Special Committee of the Yangtze River Delta City Economic Coordination Council</p>	

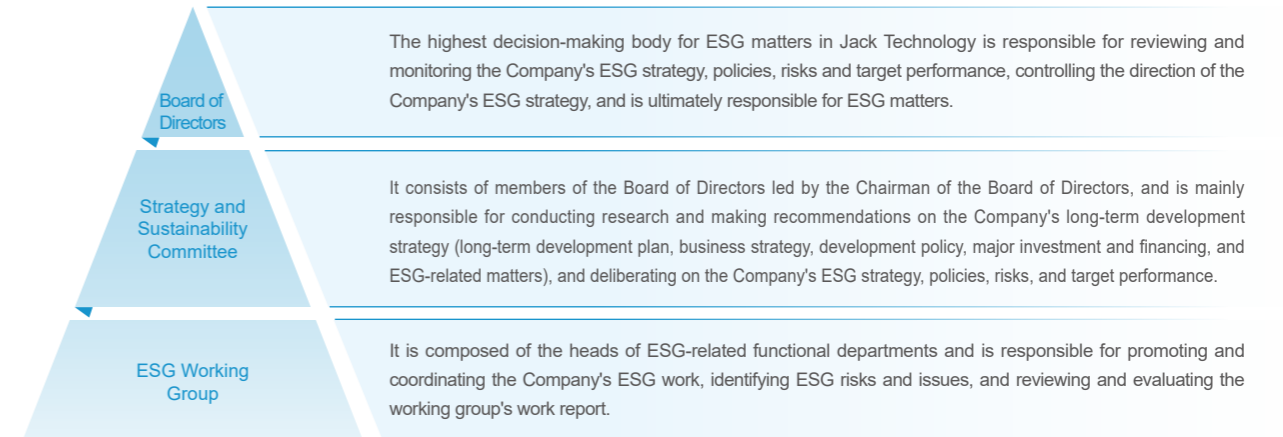
# ESG management

## ESG concept and management structure

While driving the pursuit of economic benefits, Jack Technology also prioritizes social responsibility and sustainability. By identifying and assessing its business strategies, key risks, development opportunities, relevant laws and regulations, and stakeholder needs, combined with national policies and industry development trends, Jack Technology has formulated its ESG strategic policy, goals, and implementation roadmap. In 2025, the Company received an AA rating in the Wind ESG Ratings.



### ESG management framework



### Jack Technology 2025 ESG special training

In June 2025, the Company held its ESG management system kick-off meeting, formally integrating ESG into its core corporate strategy. Led by management, the meeting clarified the ESG development plan and its strategic significance, established a special working group, defined the division of responsibilities among departments, and set the principles for collaborative advancement. This laid a solid foundation for the standardized construction of the Company's ESG management system. In November 2025, the Company invited external experts to conduct specialized ESG training, which focused on interpreting the latest ESG policies, disclosure frameworks, and key issue requirements. This effort unified internal understanding, clarified work standards, and provided support for the compliant preparation of the Report and the enhancement of management efficiency.



## ESG risk management

We incorporate ESG risk management into our overall risk management system to ensure that the Company effectively identifies, assesses, and responds to ESG-related risks while pursuing sustainable development. The Company has established a comprehensive ESG risk management framework covering the three core areas of environmental risks, social responsibility risks, and corporate governance risks, and continuously enhances its ESG risk management capabilities.

## Executive compensation and ESG performance

The Company has integrated ESG performance into the executive performance appraisal indicators. The appraisal covers multiple dimensions, including work safety (such as but not limited to safety accidents and safety penalty incidents), environmental protection (such as but not limited to pollutant emissions, energy efficiency management, and environmental penalties), anti-corruption, lawful and compliant operations, and risk management. A dynamic management mechanism has been established, linking appraisal results directly to executive annual salaries, long-term incentives, and promotions, creating a long-term mechanism that balances incentives with constraints.

## Materiality analysis

To clarify the basic scope and priorities of ESG development, Jack Technology conducted an analysis of relevant ESG topics from the dual perspectives of impact materiality and financial materiality to identify issues of significance to the Company. This process was based on the dual materiality assessment method outlined in the *Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report (Trial)* (hereinafter referred to as the "Guidelines") and referenced international sustainability information disclosure standards such as the Global Sustainability Standards Board (Global Reporting Initiative (GRI) Standards) (2021 edition) and the International Sustainability Standards Board (ISSB). Based on the analysis results, Jack Technology identified a total of 34 topics with significant impact. In terms of disclosure organization, the Company strictly adheres to the four-element framework of "governance—strategy—impact, risk and opportunity management—metrics and targets" for a structured presentation of financially material topics.



### Identification steps

#### Understanding the context of the Company's activities and business

01

- Understanding the Company's value chain and strategic planning.
- Interpreting the sustainability context and market environment in which the Company operates.
- Understanding the value chain segments where each topic has an impact and the main stakeholders affected.



#### Establishing a list of topics

02

- Based on the 21 topics in the *Guidelines*, supplement industry-specific topics by referencing domestic and international sustainability standards, and remove topics with low industry relevance.
- In conjunction with the Company's actual situation and communications with stakeholders, conduct preliminary identification and screening of relevant sustainability topics, and analyze the actual and potential impacts, risks, and opportunities associated with these topics.



#### Confirming materiality assessment of topics

03

- Impact materiality assessment**  
Communicate with stakeholders through questionnaire surveys and reference the opinions of internal and external experts to rank topics by impact materiality.
- Financial materiality assessment**  
Communicate with personnel related to the Company's management and sustainable development through questionnaire surveys and reference the opinions of internal and external experts to rank topics by financial materiality.
- Consolidation of dual materiality results**  
After normalizing and statistically analyzing the impact materiality and financial materiality matrices, a dual materiality matrix is formed, and the boundaries of significant issues are defined.



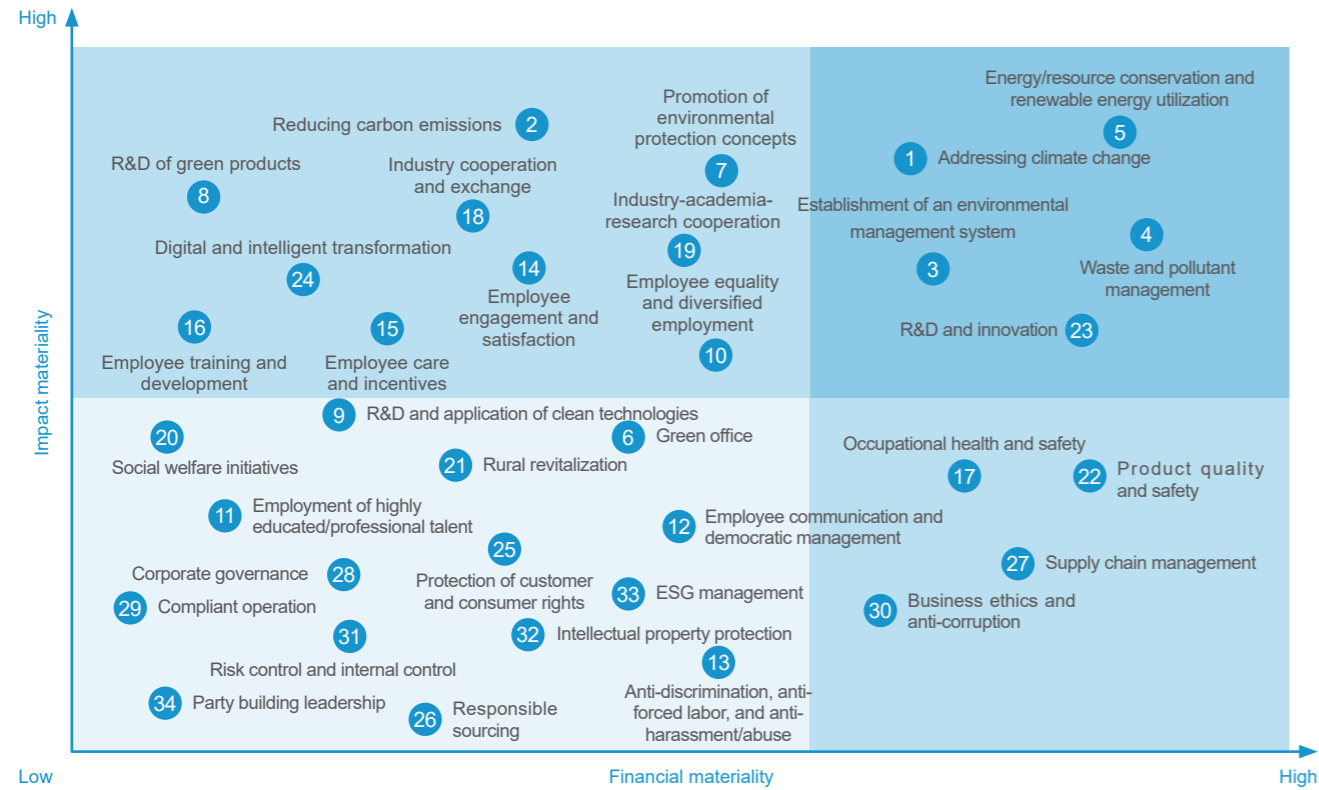
#### Establishing a list of topics

04

- Following review and confirmation by the Company's Board of Directors, topics with high financial materiality for the year 2025 (Climate Change Tackling, Waste and Pollutant Management, Energy/Resource Conservation and Renewable Energy Utilization, Environmental Management System Establishment, Occupational Health and Safety, Product Quality and Safety, R&D and Innovation, Supply Chain Management, and Business Ethics and Anti-Corruption) will be disclosed with priority in the sustainability report according to the four-element framework.

Based on national policy directions, industry development trends, regulatory requirements, and stakeholder concerns, we have systematically conducted a materiality assessment of topics, grounded in the Company's actual strategic development. This process involved benchmarking against peers and soliciting suggestions from internal and external stakeholders, ultimately forming the 2025 ESG material topic matrix.

2025 ESG material topic matrix



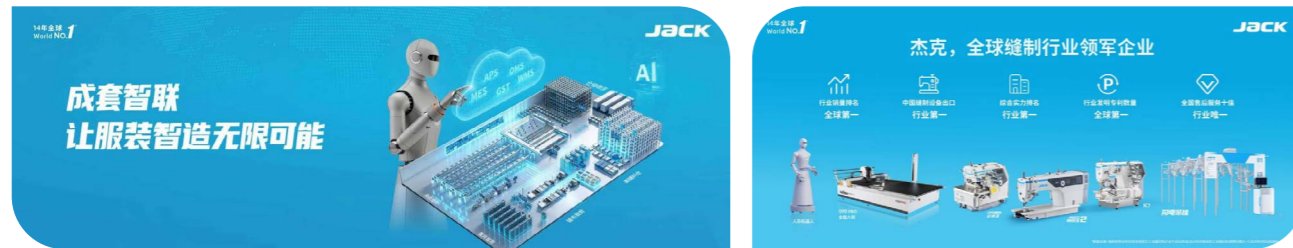
## Stakeholder identification and communication

We are committed to building a diversified mechanism for stakeholder dialogue. By establishing a systematic communication platform and multi-dimensional communication channels, we accurately identify and effectively respond to the concerns of all parties, better meeting the expectations and demands of our stakeholders.

Key stakeholders	Key concerns	Communication methods and channels
<b>Employees</b>	<ul style="list-style-type: none"> <li>Employee remuneration and benefits</li> <li>Employee training and development</li> <li>Occupational health and safety</li> <li>Employee care and incentives</li> </ul>	<ul style="list-style-type: none"> <li>Equal and diversified employment</li> <li>Protection of employee rights</li> <li>Comprehensive compensation system</li> <li>Clear promotion system</li> <li>Wide range of employee activities</li> <li>Robust health and safety system</li> </ul>
<b>Partners</b>	<ul style="list-style-type: none"> <li>Supplier management</li> <li>Distributor management</li> <li>Industry development</li> <li>University-enterprise cooperation</li> </ul>	<ul style="list-style-type: none"> <li>Responsible sourcing</li> <li>Supply chain management</li> <li>Transparent procurement</li> <li>Win-win cooperation with distributors</li> <li>Industry cooperation and exchange</li> <li>Industry-academia-research cooperation</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>Product R&amp;D and innovation</li> <li>Product quality and safety</li> <li>Customer rights protection</li> <li>Data security and privacy protection</li> <li>Timely and professional services</li> </ul>	<ul style="list-style-type: none"> <li>Technological innovation</li> <li>Digital and intelligent transformation</li> <li>Quality assurance</li> <li>Customer feedback handling</li> <li>Customer satisfaction surveys</li> <li>Information security management</li> </ul>
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>Stable performance growth</li> <li>Shareholder rights and interests protection</li> <li>Transparent information disclosure</li> <li>Sound risk control and compliance</li> </ul>	<ul style="list-style-type: none"> <li>Compliant operation</li> <li>Comprehensive risk management</li> <li>Periodic and ad-hoc information disclosure</li> <li>Open investor communication channels</li> <li>Intellectual property protection</li> </ul>
<b>Government and regulatory agencies</b>	<ul style="list-style-type: none"> <li>Compliance with regulatory requirements</li> <li>Responding to national development policies</li> <li>Business ethics and anti-corruption</li> <li>Sound risk control and compliance</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with laws and regulations</li> <li>Cooperating with regulatory inspections</li> <li>Periodic and ad-hoc information disclosure</li> <li>Strengthening publicity of integrity in professional practice and self-discipline</li> <li>Comprehensive risk management</li> </ul>
<b>Community and the public</b>	<ul style="list-style-type: none"> <li>Social and public welfare undertakings</li> <li>Rural revitalization</li> <li>Common prosperity</li> </ul>	<ul style="list-style-type: none"> <li>Volunteer activities</li> <li>Charitable donations</li> <li>Starlink Cloud alliance</li> </ul>

## Special topic: Intelligent total solutions activate intelligent garment manufacturing, AI-driven value leads the future of the industry

By integrating cutting tables, intelligent industrial sewing machines, hanging systems, software, and warehousing systems, the Company has launched an integrated intelligent solution. It has successfully established benchmark smart-connected client showcases in countries including Vietnam, Bangladesh, Cambodia, Indonesia, and Uzbekistan, progressively advancing the global key client strategic layout. Under the "AI-driven" initiative, the Company will leverage two new offerings—the "Aitu AI-powered Digital Integrated Production Line" and the "Humanoid Robot"—to explore deep AI integration across the entire sewing process, driving production toward reduced labor dependency and greater intelligence.



### Ai10 & humanoid robot: A new paradigm in intelligent garment manufacturing with AI vision and flexible feeding technology

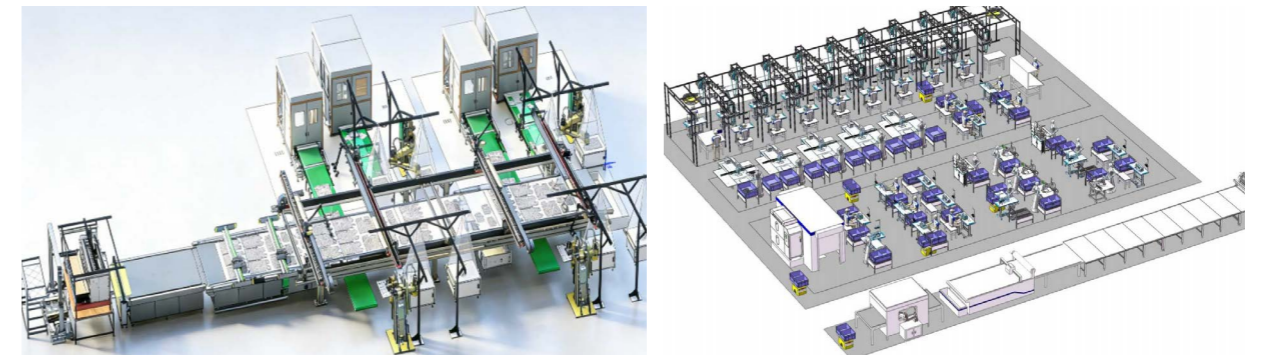
By integrating the Aitu humanoid robot and the Ai10 intelligent industrial sewing machine, the Company has achieved a breakthrough intelligent manufacturing scenario: "autonomous sewing." The "Sky-Fox Eye AI Vision System" identifies sewing waste based on real-time AI gesture analysis, significantly enhancing operators' precision and productivity. The "AI Fully Digital Flexible Feeding Technology" enables machine setup in one second, ensuring stable, high-quality stitching output. With AI as its core driver, this solution provides the garment manufacturing industry with a systematic pathway to improve quality, increase efficiency, and reduce costs, propelling the sector toward intelligent, high-end, and customized production. In the future, this technology will continue expanding into core global industrial regions, empowering partners to overcome production bottlenecks and jointly shape a new paradigm for intelligent garment manufacturing.



Ai10 & humanoid robot

### Building a fully automated AI production line to propel garment manufacturing toward a less labor-intensive and more flexible future

By deeply integrating modules such as automatic fabric loading, intelligent cutting, intelligent automatic gripping, intelligent delivery, and automated sewing, the Company is progressively achieving seamless connectivity between cutting and sewing in garment processing centers—eliminating inter-process transfer waste and enabling end-to-end data flow—to build an AI-powered, fully automated, and minimally staffed production line. Built upon six core values—"minimal labor, fabric savings, production flexibility, zero cut-piece inventory, strong order-taking capability, elastic capacity, and significantly shortened production cycle"—Jack's Aitu AI-powered digital integrated production line solutions have disruptively surpassed traditional intelligent integrated production models. This leap achieves full-process automation, with the management system and fully automated equipment delivering 100% process automation.



Aitu AI digital production total solution

### Intelligent total solutions showcase in South China, kilometer challenge forges a quality benchmark

In March 2025, the Company showcased its two flagship blockbusters and intelligent total solutions at the South China International Sewing Machinery & Accessories Show, demonstrating product performance through a live kilometer-long sewing challenge. Through the integrated synergy of intelligent solutions, the Company helps customers achieve leaps in production efficiency and intelligent manufacturing, empowering garment enterprises to effortlessly upgrade both rapid response capability and product quality.



The Company showcased its "two flagship products" and intelligent total solutions at the South China International Sewing Machinery & Accessories Show



Jack global technology conference: Shaping the future of the industry with AI and green innovation

In July 2025, the Jack Global Technology Conference, themed "Innovation for the Future," was grandly held at the Wyndham Hotel in Taizhou. The event brought together numerous top global academicians, industry leaders, and technology pioneers to discuss the revolutionary applications of artificial intelligence in intelligent garment equipment. The Chairman stated: "Over the next 30 years, we will continue practicing green development principles, pioneering new frontiers in green energy, empowering the garment industry's green and sustainable transformation, contributing to carbon neutrality, and achieving success in humanoid robots and AI-driven unmanned operations."



"Innovation for the Future" Jack Global Technology Conference



Launching the world's first AI-powered intelligent industrial sewing machine, leading garment manufacturing into a new era of "AI Collaboration" with two core technologies

In September 2025, Aitu—Jack Technology's first brand dedicated to deep AI integration in garment manufacturing—held a launch event in Shanghai to officially unveil the world's first AI-powered intelligent industrial sewing machine, the Ai10. The product integrates two proprietary core technologies: the "Sky-Fox Eye AI Vision System" and the "AI Fully Digital Flexible Feeding Technology," enabling it to deeply understand and collaborate with sewing operators. It is estimated that the Ai10 improves machine setup efficiency by 80%, shortens training cycles by 60%, and boosts individual operator efficiency by 8–15%. This launch marks a transformative shift for the garment manufacturing industry—from traditional models to a new era of "AI collaborative development."



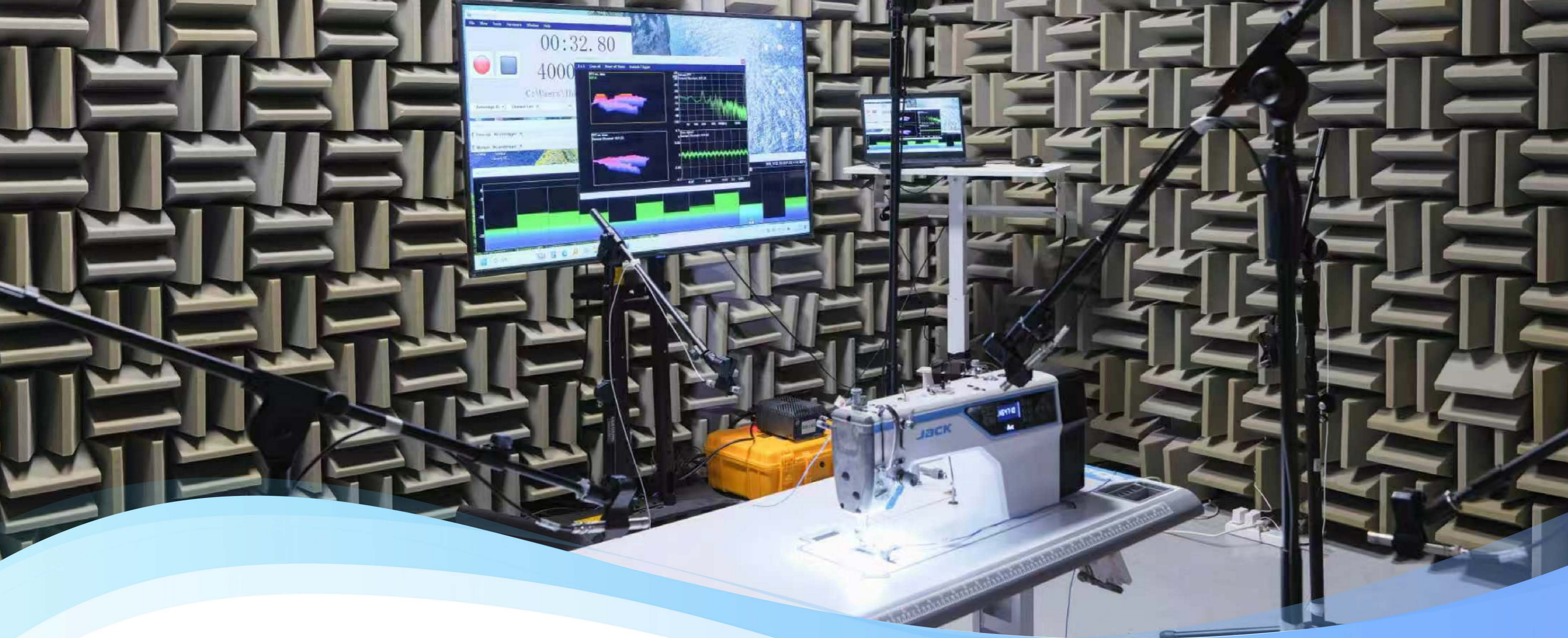
Partnering with industry chain collaborators to build intelligent total solutions benchmark factories, co-creating a new era of intelligent and efficient manufacturing

The Company has deepened joint innovation with multiple renowned partners across the industrial chain, focusing on cutting-edge technologies and systematic solutions to co-develop and deploy intelligent garment manufacturing equipment, jointly building intelligent total solutions model factories.

Building on long-term mutual trust, all parties achieve industrial synergy by fully leveraging their respective strengths—uniting collective capabilities through harmony and pursuing win-win outcomes through collaboration—driving production toward intelligent, unmanned, highly efficient, high-quality, and green transformation.



Intelligent total solution benchmark factory



# 01

## Quality Revolution



Craftsmanship and Intelligent Manufacturing  
Forge Benchmark Blockbusters

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# Innovation-driven R&D

## Governance

The Company has established a comprehensive R&D management architecture and a global collaborative network. By setting up 14 R&D centers worldwide and preparing to build new innovation centers, it has formed a multi-country, resource-integrated R&D landscape. This system provides a solid organizational foundation for implementing the Company's innovation-driven development strategy.

Blockbuster development model: By seamlessly integrating the IPD (Integrated Product Development) and IPMS (Integrated Product Marketing and Sales) processes, we have established a deeply synergistic mechanism between product competitiveness and market execution. Leveraging tools such as field ethnography, the 8-step demand analysis methodology, "cannon fodder" concept testing, shadow observation, innovation insight frameworks, and the 3-in-1 Value Model, we precisely identify and resolve core customer pain points. This has forged Jack's unique blockbuster product development model, successfully launching flagship blockbusters such as "A.M.H." and "Urus," resulting in rapid market share growth. Through this model, we are executing a strategic transformation from standalone automation to AI digital integrated production lines.



知识产权合规管理体系认证证书

杰克科技股份有限公司

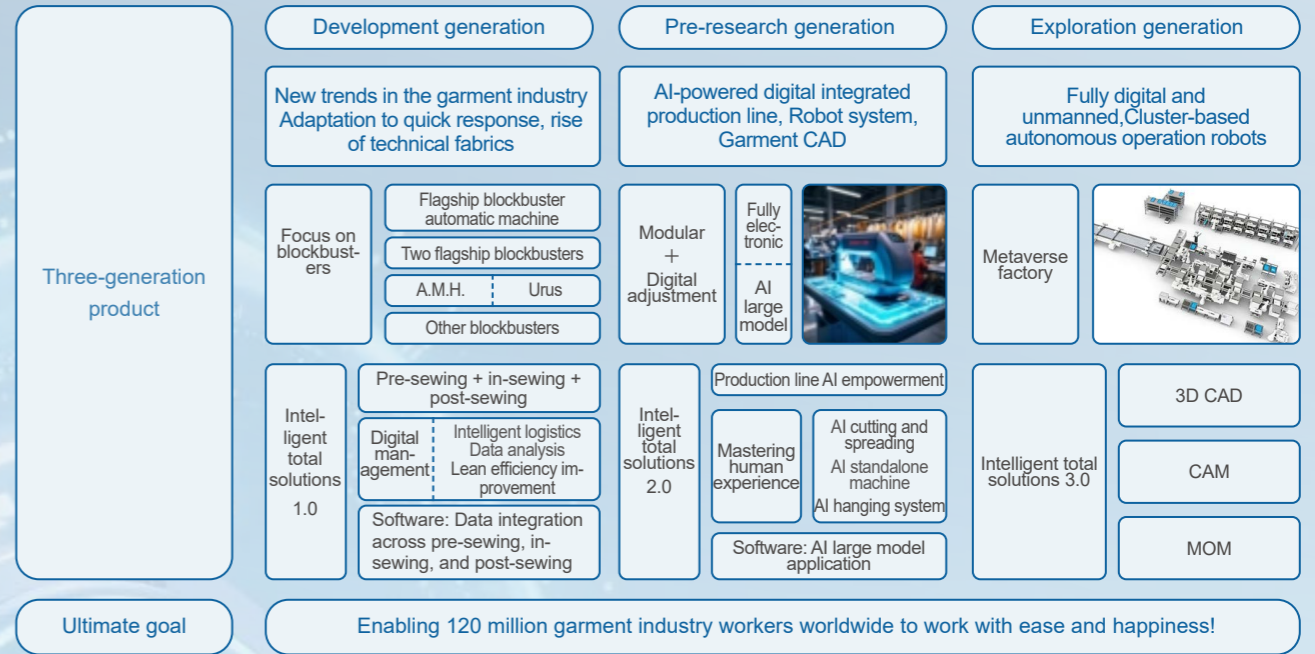
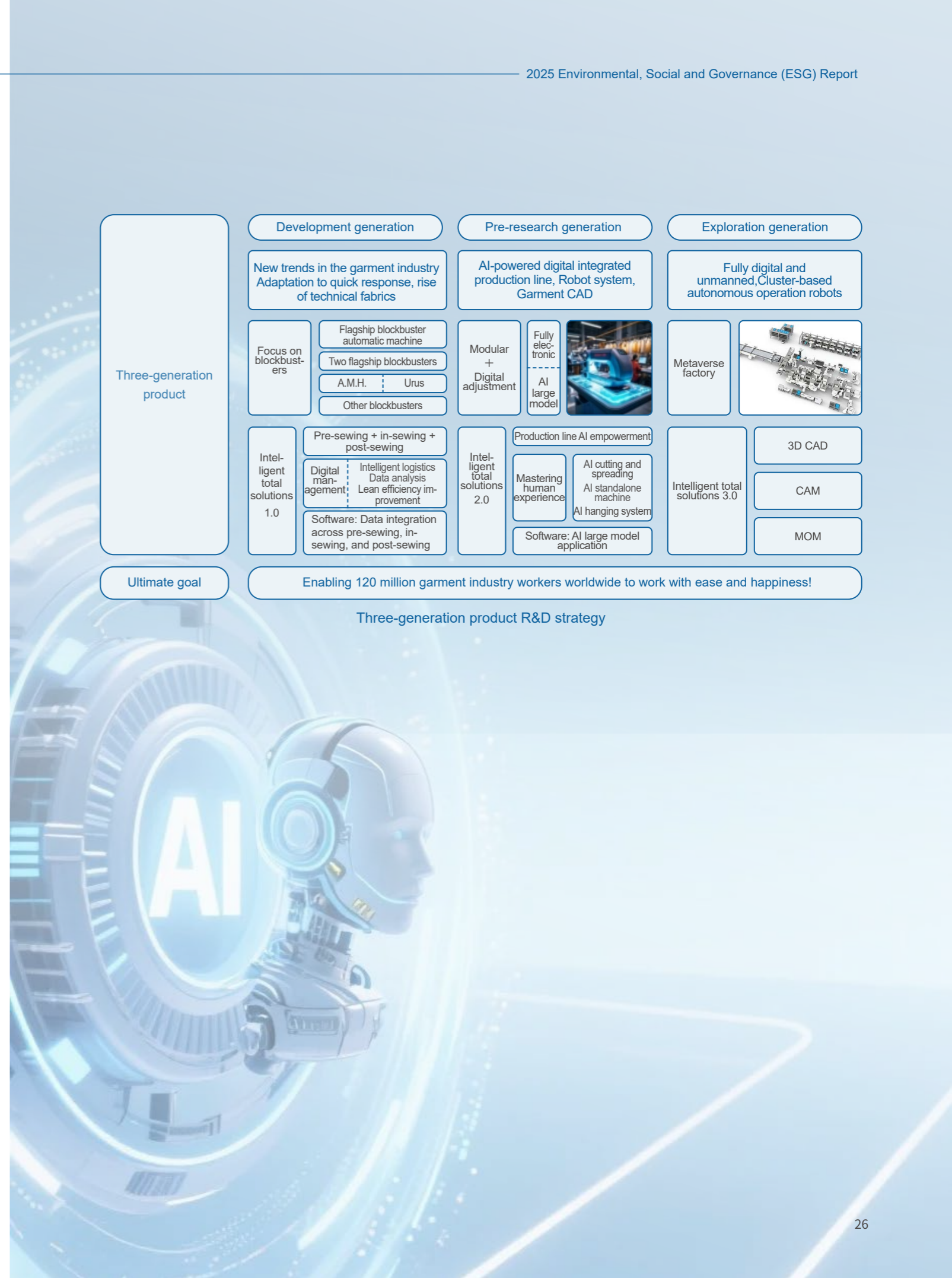
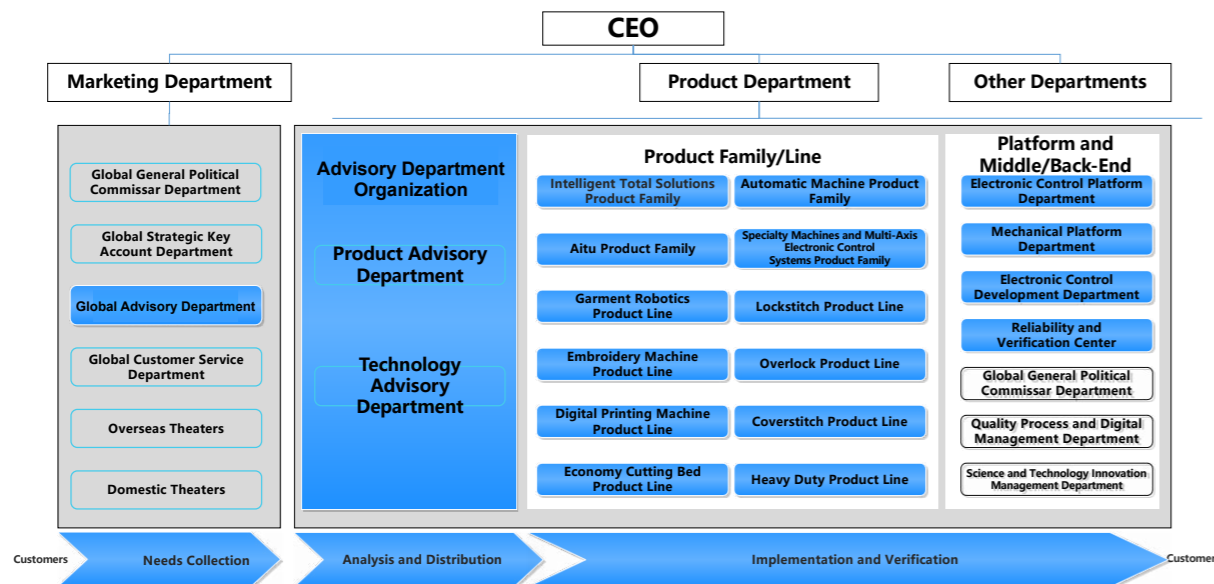
ISO 56005 International Certification for Innovation and Intellectual Property Management Capability



基于 ISO 56005 的《创新与知识产权管理能力》等级证书 (4 级)

杰克科技股份有限公司

### Organizational Structure of Product Department



Three-generation product R&D strategy

## Strategy

The Company has established a long-term development policy with R&D innovation as its core driving force, systematically planning for the future by implementing the "Intelligent Total Solutions" strategy and clear business growth paths. The Company commits to investing no less than 8% of its annual sales revenue in R&D and plans to increase this proportion to 10% within the next 3-5 years. In terms of resource allocation, the Company implements a "433" strategy, allocating investment in a 40%, 30%, and 30% ratio to the development, pre-research, and exploration generations of products, respectively, with increasing investment in areas including humanoid robots and AI digital production lines. This series of strategic deployments aims to continuously strengthen our technological leadership and build a solid foundation for the Company's high-quality and sustainable development.

### Identified risks related to innovation-driven R&D

Risk type	Risk description	Response measures
Technology leakage and intellectual property	In globalized joint R&D and cutting-edge technology exploration, there are risks of core technology leakage, infringement, or inadequate patent layout, which could weaken the Company's technological leadership.	<ol style="list-style-type: none"> <li>1. Establish a comprehensive intellectual property management system and enhance the team's protection and risk identification capabilities through specialized training.</li> <li>2. Formulate and implement policies such as the <i>Patent Incentive Management Measures</i> and the <i>Trade Secret Management Measures</i>.</li> </ol>
High investment and uncertain	Continuously increasing investment in the "Exploration Generation" and a higher R&D expense ratio may face risks such as technology paths, market acceptance, or commercialization processes not meeting expectations.	<ol style="list-style-type: none"> <li>1. Implement the "433" R&amp;D investment strategy to balance resource allocation between development, pre-research, and exploration, thereby managing long-term risks.</li> <li>2. Promote the "Joint Innovation with Key Accounts" model, deeply integrating the needs of the top 20 clients into product planning (SP) to ensure R&amp;D direction is closely aligned with market demand.</li> <li>3. Strengthen end-to-end management and evaluation from project initiation to market launch through the IPD system and PLM system to increase the success rate of R&amp;D.</li> </ol>
Core talent loss and organizational innovation vitality insufficiency risks	R&D is highly dependent on high-end talent, especially in the fields of AI and automation. Insufficient incentives or organizational rigidity may lead to talent loss or a decline in innovation efficiency.	<ol style="list-style-type: none"> <li>1. Implement the "Comprehensive Incentive 3+3 System," which combines values assessment with technological innovation performance to stimulate the creativity and sense of belonging of R&amp;D personnel.</li> <li>2. Build national and provincial high-end R&amp;D platforms and undertake major national science and technology projects to provide talent with high-level career platforms.</li> </ol>

### Identified opportunities related to innovation-driven R&D

Opportunity type	Opportunity description	Response measures
Technological leadership and industry standard	Through breakthroughs in core technologies like AI and adaptive control, the Company is capable of defining new product categories and setting new industry benchmarks (such as world records), seizing the commanding heights of the industry's intelligent upgrading.	<ol style="list-style-type: none"> <li>1. Creating super blockbusters.</li> <li>2. Leading technological roadmaps: Early investment in exploratory fields such as AI-powered unmanned operations and humanoid robots ("Exploration Generation" investment) lays the foundation for defining future intelligent manufacturing rules and participating in or leading standard-setting.</li> </ol>
Explosive growth in the intelligent manufacturing solutions market	The accelerated shift in the garment manufacturing industry toward smaller orders, unmanned operations, and digitalization opens up a vast incremental market for the Company's "AI-driven digital integrated solutions."	<ol style="list-style-type: none"> <li>1. <b>Expanding high-value business:</b> Upgrade from single-machine sales to "Green Digital Intelligent Total Solution" and "AI Digital Intelligent Total Solution" to increase average transaction value and customer stickiness.</li> <li>2. <b>Building an industrial ecosystem:</b> Evolve from an equipment supplier to an industrial ecosystem creator by integrating both supply and demand through a global flexible intelligent manufacturing platform, generating continuous service value.</li> </ol>
Customer loyalty and value co-creation through deep collaboration	Engaging in deep collaboration with top global clients and industry chain partners, spanning from "strategy-to-business" to "ecosystem-to-scenario," allows us to lock in demand in advance and co-create long-term blueprints.	<ol style="list-style-type: none"> <li>1. <b>Ensuring precise implementation of customer needs:</b> Guarantee that over 80% of new product development requirements originate from joint innovation, supporting the "immediate mass production upon launch" strategy.</li> <li>2. <b>Enhancing brand loyalty and market share:</b> Deepen partnerships and expand market share and influence among high-end clients by becoming their indispensable innovation partner.</li> </ol>
High-end innovation platforms as a magnet for top talent	Platform credentials, such as a national-level enterprise technology center and a postdoctoral workstation, along with undertakings like the national key project for "intelligent robots," create a powerful brand effect that helps the Company attract and retain top scientific research talent.	<ol style="list-style-type: none"> <li>1. <b>Building talent barriers:</b> Gather a first-class R&amp;D team to form a continuous technological breakthrough capability.</li> <li>2. <b>Enhancing innovation quality and efficiency:</b> The combination of a high-quality, stable team and a high-level platform can accelerate technological breakthroughs and the commercialization of results, improving the R&amp;D input-output ratio.</li> </ol>

## Impact, risk, and opportunity management

Through continuous investment in core technologies and cutting-edge exploration, the Company effectively seizes opportunities in the industry's intelligent upgrading and transforms technological innovation into a competitive market advantage. In terms of risk management, the Company systematically mitigates R&D risks such as technology leakage and infringement through a comprehensive intellectual property protection system, regular compliance training, and strict control over the innovation process. This ensures the sustainability and security of its innovation activities, supporting the Company's long-term, high-quality development.

### Systematically conduct specialized intellectual property training to comprehensively enhance the R&D team's capabilities in innovation protection and risk prevention

In 2025, the Company conducted systematic and multi-level specialized intellectual property training for all R&D and technical teams. Over 100 sessions were held throughout the year, totaling more than 240 training hours. The content was closely integrated with R&D practices, focusing on enhancing the capabilities of R&D engineers in foundational IP knowledge, patent disclosure drafting, infringement risk identification, and innovation point mining. Concurrently, the professional skills of patent engineers in patent searching, layout, and analysis were specifically strengthened. This series of training sessions effectively raised the team's awareness of intellectual property creation, application, protection, and management, building a more solid foundation for compliance and risk control in the Company's technological innovation activities.



#### AMH fabric adaptive technology

- This technology rapidly senses changes in fabric and adjusts the coordination of feeding and needle penetration force in real time. It adapts to the material, achieving a world-first capability for continuous sewing on different fabrics without machine adjustments.



#### Nine-brain octopus AI chip technology

- Its intelligent AI algorithm performs up to 10,000 parallel multi-tasking computational updates per second, enabling intelligent sensing and real-time response to different fabrics such as thick, thin, and elastic materials.



#### Presser foot transformer technology

- It intelligently senses minute changes in fabric within 0.00006 seconds and adjusts the presser foot pressure in real time. In the time it takes you to blink once, Urus completes 5,000 pressure adjustments.



#### Smart Rhino feeding technology

- With a combined torque of up to 9.2 N·m, equivalent to the power output of a three-wheeled motorcycle, it also controls feeding force with a precision of 0.01 N·m. Like a high-performance sports car, it matches the optimal power output for both straight-line acceleration and cornering, ensuring precise feeding force is delivered for every degree of the 360-degree rotation based on seam thickness requirements.



#### AI full speed feeding system

- Performs multi-modal intelligent detection at a speed of 32,000 times per second, calculating the optimal pressure-to-feed ratio as soon as the slightest change in fabric is detected.
- Delivers precise presser foot force through the presser foot transformer technology, effectively coordinating with the Smart Rhino feeding technology to output precise feeding force, achieving full-speed sewing over fabric thicknesses that vary by a hundredfold without slowing down.



#### 0 degree line technology

- By simulating a thread quantity model and optimizing the kinematic coordination of various mechanisms, this technology precisely controls the thread's motion state and tension changes, minimizing sewing defects such as thread breakage and skipped stitches. The use of a nano-coating reduces thread path resistance by 30% and enhances wear and rust resistance.



#### Metis control technology

- Multi-axis interpolation for precise positioning, ensuring cutting accuracy.
- Ultra-high-speed cutting is achieved through technologies such as HSC high-speed cutting, rapid-positioning blade sharpening, and optimized control logic.
- Microsecond-level ultra-high-speed response ensures precise execution by the control system.



#### Short thread tail technology

- By adopting ultra-short thread tail technology and reducing the distance from the needle plate to the bottom trimmer, the machine can achieve extremely short thread ends. This resolves a key customer pain point in high-end apparel where thread ends from buttonholing machines require secondary trimming, thereby improving garment production efficiency and meeting the demands of high-quality shirt sewing.



#### PaaS platform low-code software technology

- Relying on low-code and platform-based architectural capabilities, we have built a foundational software technology stack covering development, integration, and application configuration. It supports the rapid reuse of functional modules, flexible orchestration of business processes, and continuous system evolution, effectively reducing repetitive development investment and enhancing the efficiency of digital project implementation and the sustainable operational capability of systems.



#### AI motion vision analysis technology

- Real-time recognition, analysis, and structural decomposition of operational movements through AI vision algorithms, extracting key work step information to assist in forming standardized motion models and training materials, thereby promoting the digital preservation of production experience, and enhancing employee training efficiency, operational consistency, and lean management levels.



#### Multi-size-in-one template for pocket setting machine

- An innovative adjustable template for the pocket setting machine was designed. Changes made on the display screen allow the template to switch between multiple sizes, significantly reducing template changeover time. The number of templates is reduced by 1/2 to 2/3, greatly improving the machine's overall economic efficiency.



#### DCP intelligent pressure sensing technology

- The DCP intelligent pressure sensing device mechanically amplifies changes in fabric thickness during sewing, which are then detected by a sensor. As the machine approaches a bulky seam, the main shaft motor automatically reduces speed, ensuring perfect stitches over cross-seams.

## R&D and innovation platform

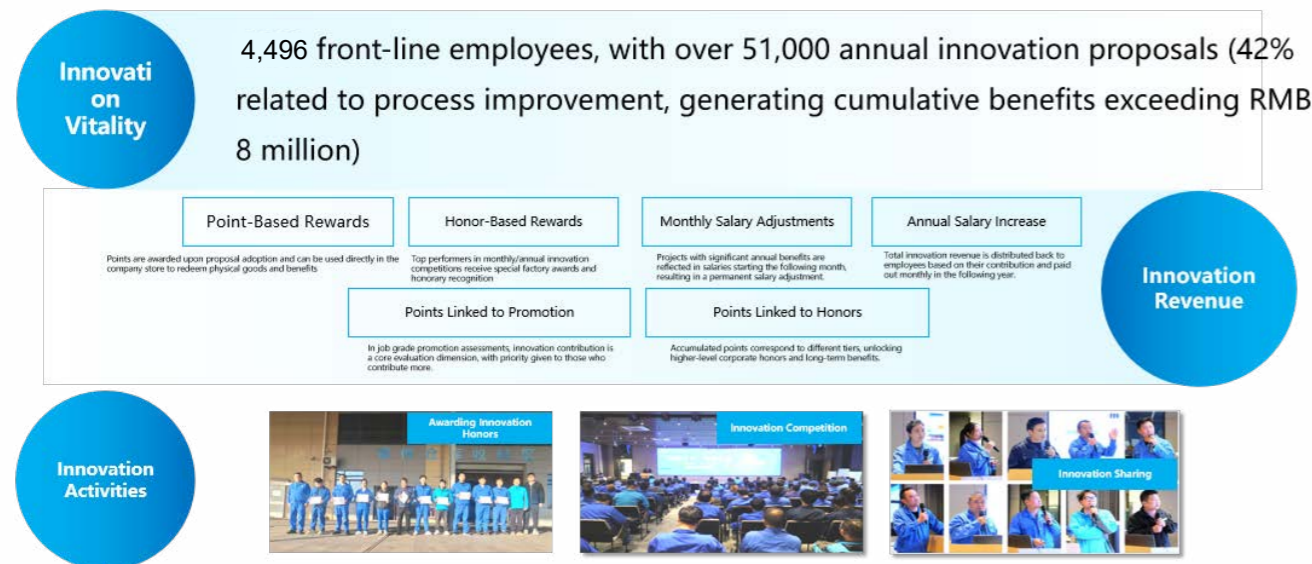
Based on our continuous investment and systematic construction in R&D and innovation, the Company has built a formidable R&D and innovation platform. We have obtained a series of national and provincial-level platform qualifications, including a National Postdoctoral Research Workstation, a Provincial Key Enterprise Research Institute, and a Provincial Academician and Expert Workstation. The Company has also undertaken 10 major national science and technology projects, including the National Key R&D Program's key special project on "Intelligent Robots," laying a solid foundation for research and development.

To ensure that innovation is closely aligned with market demand, the Company has established a systematic and diversified customer demand insight mechanism. We have defined the methods, frequency, and rules for demand research, comprehensively applying various methodologies and tools such as Innovation Insight, Field Research, Shadowing, Early Hypothesis Testing, NPS Quantitative Analysis, Innovation Workshops, and the 3-in-1 Value Model. Simultaneously, through online and offline channels like joint innovation with key accounts, new product launches, industry exhibitions, high-level visits, technical exchange meetings, service days, and third-party research, we extensively, deeply, and differentially collect the needs, expectations, and preferences of customers in various market segments. The Company systematically processes and provides feedback on the collected information, forming a closed-loop demand management system, which has been recognized by relevant parties as an effective pathway for conveying and responding to user needs and fostering long-term cooperation.

## R&D incentives

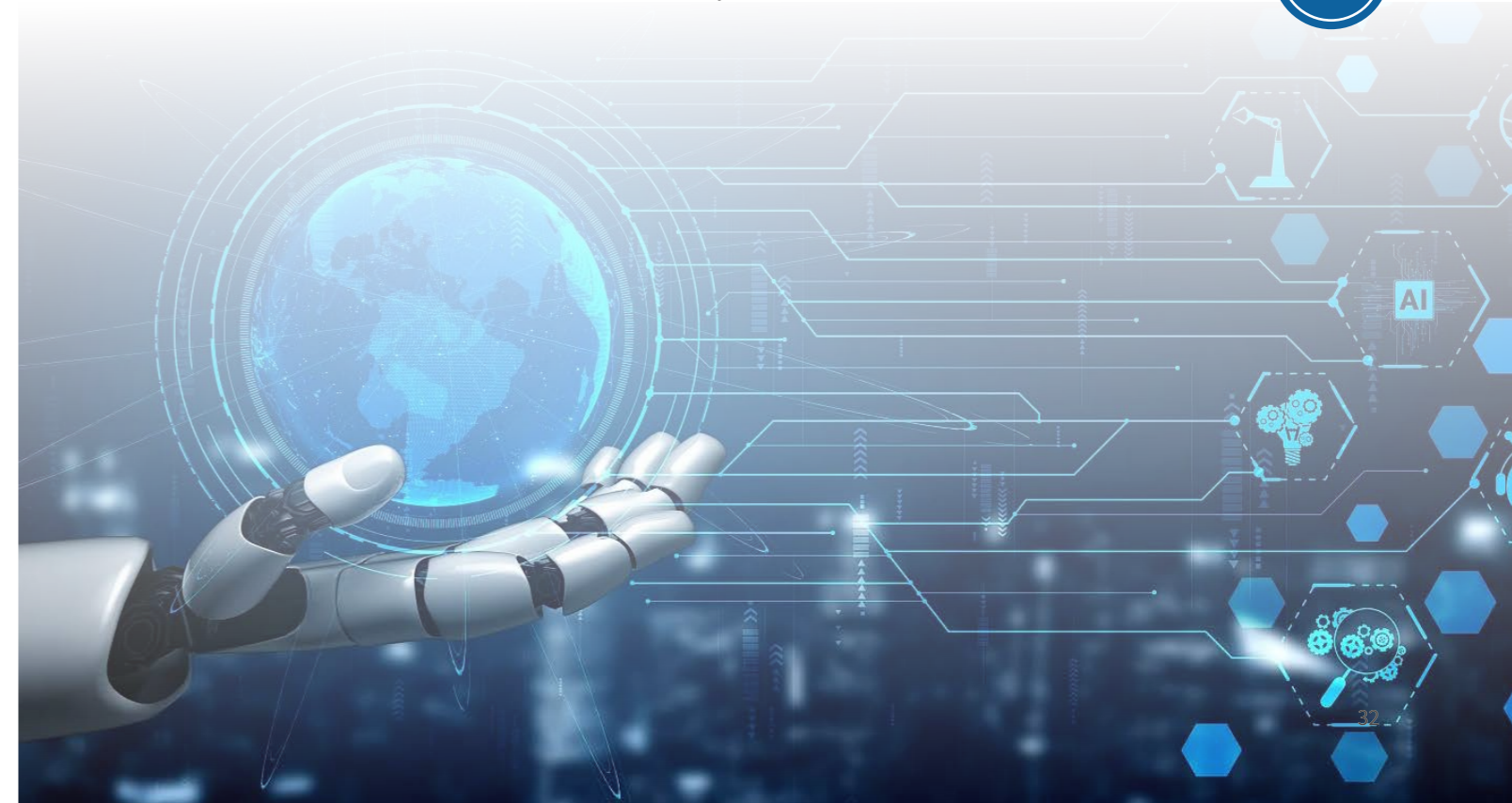
The Company is committed to creating a scientific and diversified incentive mechanism for R&D personnel to fully stimulate their initiative and creativity. Under the framework of the "Comprehensive Incentive 3+3 System," the Company continuously improves its incentive system. This year, we took a significant step forward by incorporating values assessment into the evaluation system, guiding R&D personnel to not only focus on technological innovation but also to align with the Company's core values, thereby promoting the synchronized growth of individuals and the enterprise.

### Building a Perceptible and Sustainable Innovation Benefit Chain



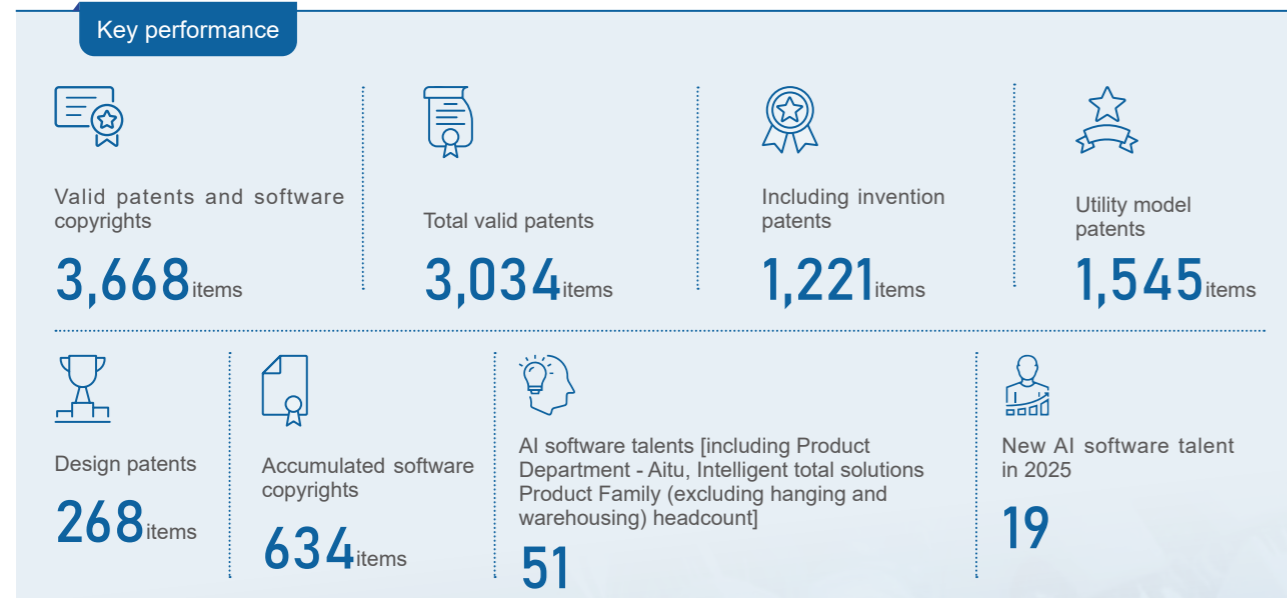
Operational Excellence: Fostering company-wide innovation and vitality

## Innovative incentive systems



## Intellectual property

The Company has established a systematic and comprehensive intellectual property management system, based on the *Patent Law of the People's Republic of China*, *Copyright Law of the People's Republic of China*, *Trademark Law of the People's Republic of China* and other relevant laws and regulations, as well as national standards such as GB/T 29490-2013 *Norms for the Management of Intellectual Property Rights of Enterprises*. It has formulated a series of systematic documents, including the *Intellectual Property Compliance Management Handbook*, *Patent Incentive Management Measures*, and *Management Measures for Technological Secrets*, and has set up a specialized intellectual property department responsible for the whole process of management. The Company has passed the certification of the Intellectual Property Management System, and has continued to improve the mechanism for the management of innovation and intellectual property, which is aimed at regulating the creation, utilization, protection and management of intellectual property, and providing a solid guarantee for the transformation and protection of the results of technological innovation.



## Ethics of science and technology

The Company emphasizes the use of customer information, collecting data on customer needs and expectations through various channels and methods such as intelligence systems, market research, feedback from sales visits, and direct customer feedback. The collected information is then consolidated, analyzed, and summarized. At the corporate level, this information is primarily used for strategic decision-making and business innovation. Differences in customer focus serve as a basis for customer segmentation and inform the formulation and adjustment of strategies. At the departmental level, the collected customer information is a crucial source and basis for process improvement and innovation identification. At the operational level, customer feedback is the starting point and source of product innovation. Additionally, by understanding the needs and characteristics of competitors and potential customers, the Company can, from a strategic perspective, consider whether to include them as potential target customers. This provides a reference for market expansion and for measures to win over potential clients, as well as for improving products and services to attract their attention and ultimately secure their business.

## Indicators and targets

The Company adheres to R&D innovation as its core driving force, establishing a clear business growth curve and brand differentiation path. Through systematic strategic initiatives and a rolling budget mechanism, the Company continuously promotes product innovation and solution upgrades, and has set clear R&D investment targets to strengthen its technological leadership and support high-quality development.

Indicators and targets	2025 achievement status
Increase the ratio of R&D expenditure to sales revenue to 8%	Achieved, with the ratio of R&D expenditure to sales revenue increasing to 8.4%

# Quality Assurance

## Governance

The Company has established a systematic and outstanding quality management system dedicated to achieving end-to-end high-quality development. The senior management leads by example, actively fulfilling quality responsibilities and consistently treating quality as a core requirement of the Company's business development strategy. Through the decomposition of SP (Mid-to-Long-Term Strategic Planning) and BP (Annual Business Plan), quality requirements are integrated into the entire value chain, including strategy, finance, marketing, R&D, manufacturing, service, human resources, and digitalization, achieving a dual-driven approach where quality management and business development mutually reinforce each other. A four-tier quality management structure has been established: "Quality Committee - Chief Quality Officer - Business Unit Quality - Operational Level." The Chairman and EMT senior members form the Quality Committee, which serves as the highest leadership body for quality management. An EMT member is also appointed as the Chief Quality Officer to oversee the Company's quality operations and promote comprehensive quality improvement. Quality leaders and teams are established in each business department/subsidiary, implementing a "one-vote veto for quality," where the head of each business unit bears primary responsibility for its quality performance. Through this organizational guarantee, quality management is systematically engineered as a CEO-led initiative with full employee participation, end-to-end coverage, and cross-domain collaboration.

The Company has established nearly a kilometer of end-to-end quality management checks and balances and processes, along with a mechanism for collecting and controlling quality risk information. These fully cover the entire process, including strategy, finance, R&D, manufacturing, and service, effectively supporting the efficient operation of the outstanding quality management system. In addition, we are deeply promoting a "Zero-Defect" quality culture transformation, adhering to a customer-demand-oriented and customer-satisfaction-targeted approach, and guiding all employees to deeply practice the "Doing It Right the First Time" code of conduct.

To ensure the effective implementation of the outstanding quality management system, the Company has established a dedicated quality management department—the Quality Process IT Department. It integrates quality management responsibilities into business processes, using these processes as a vehicle to continuously optimize the quality organization in line with the Company's strategic development needs and evolving quality management paradigms. A sound cross-departmental process organization (including IPMT, PDT, and the customer quality Iron Triangle) has been established to break down departmental barriers and achieve efficient collaboration. The heads of each business unit serve as process owners, bearing overall responsibility for the quality outcomes of end-to-end processes such as "Strategy to Execution" and "Demand to Satisfaction," thereby achieving shared quality responsibility and co-creation of quality value.

### Four absolutes of quality



ISO 9001 quality management system certification



CCC certification



### Key honors

Demonstrating industry benchmark status in digital quality construction

## Quality red line management

To further enhance the quality awareness of all employees and enforce strict work discipline, the Company has revised the "Quality Red Line Management Regulations" to clarify the baseline requirements for quality management. These regulations aim to ensure that the "customer-oriented" philosophy is effectively implemented, guiding all employees to place a high value on work quality and product quality. Concurrently, management at all levels is required to demonstrate proactive accountability and attribute problems internally when handling issues, thereby improving the proactiveness, timeliness, and effectiveness of problem-solving.

### Quality red line management

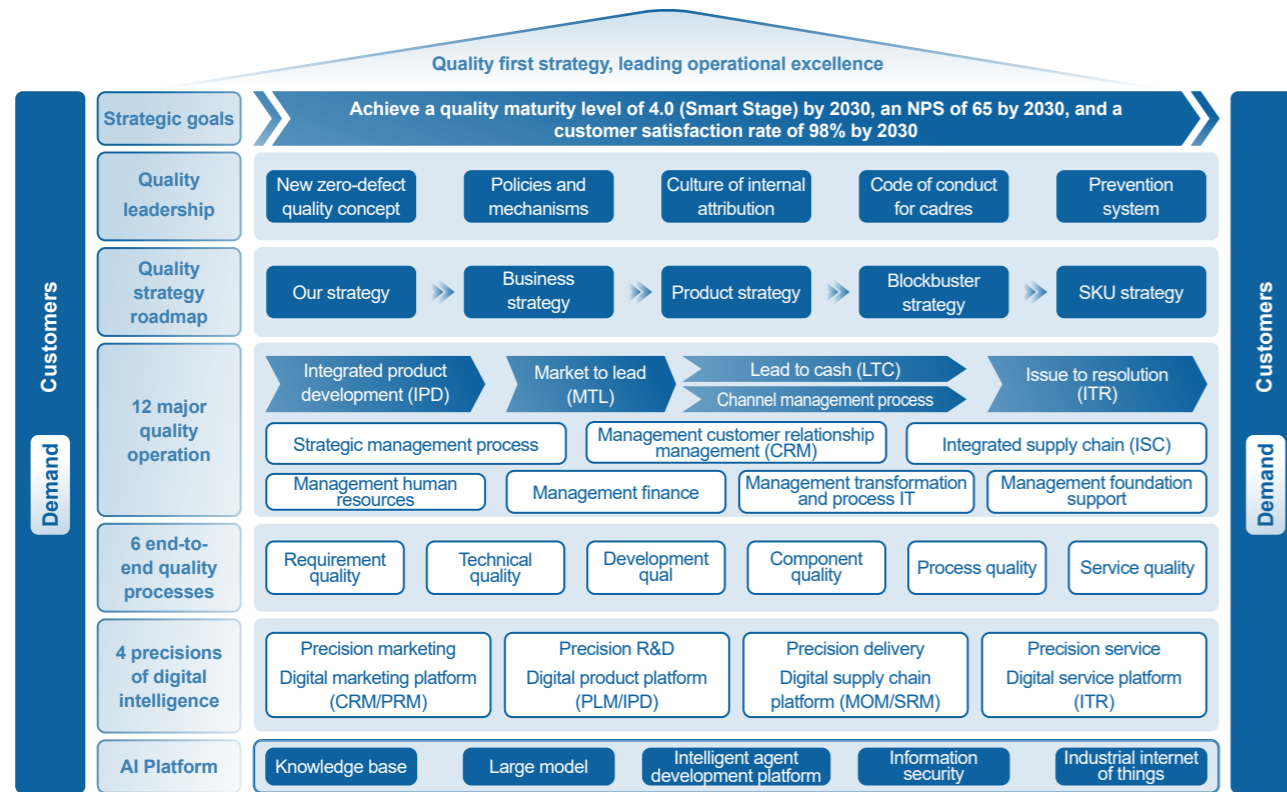


## Strategy

Jack Technology steadfastly implements a "Quality First" strategy, internalizing this philosophy into a shared value for all employees to continuously create value for customers and achieve customer satisfaction and operational excellence.

To this end, the Company has systematically built an outstanding end-to-end quality management system covering strategy to execution and from demand to satisfaction. By deeply integrating digitalization and AI technology, we ensure exceptional quality from the source, achieve the stringent goal of "Zero-Defect Products," and provide optimal intelligent total solutions for global apparel manufacturers. This ultimately solidifies Jack Technology's leading position as a "byword for the industry," realizing a leap from technological leadership to brand leadership.

Quality strategy



Identified quality-related risks

Risk type	Risk description	Response measures
Major product quality and safety incident risks	Non-conforming products due to design, material, or manufacturing defects may lead to customer complaints, severely damaging brand reputation and market position.	<ol style="list-style-type: none"> <li>1. Establish the core policy of "Zero-Defect," and implement the <i>Quality Red Line Management Regulations</i> and the "One-Vote Veto for Quality and Safety."</li> <li>2. Establish a full life-cycle quality management system covering R&amp;D, production, and service, and achieve end-to-end quality data traceability and closed-loop management through systems such as PLM, MES, and QMS.</li> <li>3. Directly link quality and safety performance to the performance evaluations of senior executives.</li> </ol>
Supply chain quality fluctuation and disruption risks	Unstable or substandard quality of parts and materials from suppliers will cause delays in the Company's product delivery, affecting overall operational efficiency and customer satisfaction.	<ol style="list-style-type: none"> <li>1. Independently develop and apply the SRM (Supplier Relationship Management) system for the systematic management and assessment of incoming material quality from suppliers.</li> <li>2. Integrate the quality control system from supplier incoming materials to customer delivery through the QMS system, enabling automatic data collection and early warning for anomalies.</li> </ol>
Quality data fragmentation and control failure risks	If quality data is fragmented across different stages and not integrated, or if control processes are not properly executed, it will lead to delays in problem identification and difficulties in root cause analysis.	<ol style="list-style-type: none"> <li>1. Develop a digital system for "full-process quality management from blockbuster development to user feedback" to achieve data integration and online processes across the entire chain.</li> <li>2. Establish the Quality Process IT Department to coordinate the quality system, process IT, and quality management, ensuring the effective operation of the system.</li> </ol>

Identified quality-related opportunities

Opportunity type	Opportunity description	Response measures
Digitalization empowers a revolution in quality efficiency	The quality digitalization network, built upon seven major systems, enables real-time early warnings of quality risks, intelligent analysis of quality issues, and rapid closed-loop quality improvements, greatly enhancing the precision and efficiency of quality control.	<ol style="list-style-type: none"> <li>1. Significantly improving operational efficiency: Digital management has increased product development efficiency by 30%, shortened delivery cycles by 19%, and improved quality-related work efficiency by 30%.</li> <li>2. Achieving data-driven and intelligent decision-making: Tools like the "Digital Cockpit" support management in making scientific quality decisions and strategic adjustments.</li> <li>3. Leveraging quality inspection robots for intelligent inspection to enhance R&amp;D delivery quality and empower the upgrade of the apparel industry</li> </ol>
Building brand trust and premium with high quality	In a highly competitive market, stable and reliable high quality is key to shaping brand differentiation and winning long-term customer trust. By establishing the "Jack" brand as a byword for quality in the industry, we can achieve greater customer loyalty and brand premium.	<ol style="list-style-type: none"> <li>1. Increasing market share and pricing power: Our reputation as a "quality benchmark" gives us priority in bidding and collaborations, and supports more competitive pricing.</li> <li>2. Reducing quality losses and after-sales costs: Proactive controls lower defect rates and recall risks, directly saving on quality-related costs.</li> </ol>
Building competitive barriers through a collaborative, high-quality supply chain	By screening and cultivating high-quality suppliers through digital systems and strict standards, we build a stable, efficient, and high-quality supply chain ecosystem, creating a competitive advantage that is difficult for competitors to replicate quickly	<ol style="list-style-type: none"> <li>1. Ensuring production stability and on-time delivery: A high-quality supply chain is the cornerstone for achieving a 99.9% order fulfillment rate and shortening delivery lead times.</li> <li>2. Driving the goal of zero-defect products: Ensuring material quality from the source lays the foundation for the high reliability of final products.</li> </ol>
Attracting and retaining customers with an exceptional quality culture	A deeply ingrained quality culture of "Customer First, Proactive Service" (as seen in the Huaiji rescue case) and outstanding customer problem-solving capabilities (a 97.99% resolution rate for quality issues) can significantly enhance customer loyalty and word-of-mouth promotion.	<ol style="list-style-type: none"> <li>1. Enhancing customer satisfaction and NPS: High-quality products and services directly boost customer satisfaction (to 9.18 by 2025), leading to more repeat purchases and referrals.</li> <li>2. Creating a talent magnet: An exceptional quality culture and management system help attract and retain outstanding talent and partners who have high standards for quality.</li> </ol>

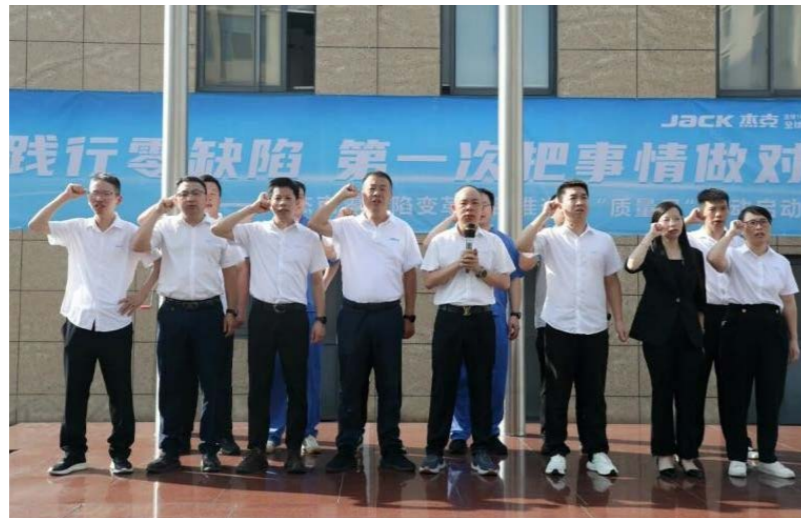


## Impact, risk, and opportunity management

The Company proactively manages product quality risks by establishing a "Zero-Defect" quality culture and a systematic management framework. We leverage digital systems covering the entire process (such as BI, PLM, MES, QMS/SRM) to achieve real-time quality data monitoring, risk early warning, and closed-loop improvements. Through strict quality red lines, performance assessments, and accountability mechanisms, we ensure the effectiveness of our controls. In addition, we transform continuous improvements in product quality into a competitive market advantage, seizing market opportunities for high reliability and superior experience with higher customer satisfaction, brand reputation, and operational efficiency, thereby supporting the Company's high-quality development.

### 2025 Quality Month: Driving full-process quality improvement with a "zero defect" core

The Company designates September as "Quality Month" each year. In 2025, under the theme "Embrace Zero-Defect, Get It Right the First Time," special activities will be launched simultaneously across multiple factory sites. This year's Quality Month focused on implementing the zero-defect management transformation. Through a series of initiatives—including company-wide zero-defect awareness training, strengthening process controls, tackling typical quality issues, and organizing skills competitions—we systematically enhanced the quality awareness of all employees, solidified the quality foundation across R&D, production, and management, and continuously drove dual improvements in product quality and management effectiveness.



2025 Quality Month kick-off meeting

### 2025 Quality Case Exposure Exhibition: Fostering improvement through transparency, reinforcing the quality baseline

In 2025, the Company innovatively planned and launched the "Quality Case Exposure Exhibition." Guided by the principles of "Confronting Problems, Preventing Errors and Improving, and Embracing Zero-Defect," the exhibition used a combination of text and images to showcase cases, trace problem origins, clarify responsibilities, and share lessons learned. This initiative prompted the entire company to reflect deeply on the root causes of quality issues, strengthening every employee's awareness of the quality baseline and their sense of responsibility.



Quality Case Exposure Exhibition

### 2025 tiered and categorized quality empowerment training: Systematically forging practical quality capabilities for all employees

In 2025, the Company planned and implemented a special quality empowerment training program that was tiered, categorized, and covered all employees. Through systematic, layered instruction, case reviews, and hands-on exercises, this training helped employees at all levels to deeply understand quality standards, master core skills, and firmly establish the quality line of defense. By comprehensively strengthening the team's quality literacy in terms of both awareness and capability, this initiative provides solid talent and skill support to drive continuous product quality upgrades and the Company's high-quality development.



Product quality training

### Full-process quality management from blockbuster development to user feedback

The Company has built a customer-centric, digital intelligent management platform that covers all business processes, enabling intelligent analysis, early warning, control, prediction, and decision-making. This has led to a significant improvement in core efficiency: the R&D cycle has been shortened by 30%, quality-related work efficiency has increased by 30%, order delivery time has been reduced by 19%, and customer service time has been shortened by 40%, strongly supporting business growth and efficient organizational operations.

#### From strategy to execution

Closed-loop digitalization of the full DSTE process: We have built a dynamic strategic operations management platform with BI at its core. Relying on the DSTE process and the "Five Perspectives" methodology, we integrate competitive and benchmarking intelligence data into the BI platform to support strategic planning and goal setting. Through system linkage, quality indicators are cascaded down to various business units. We dynamically monitor data from systems like CRM, PLM, MES, and QMS, drilling down to fundamental data such as process defect rates. This achieves full-process visualization of intelligence gathering, analysis, strategy formulation, decomposition, monitoring, and early warning, ensuring that business execution is highly aligned with strategy.

#### From marketing to service

End-to-End, full-Process data collaboration: We have digitally connected the entire MTL, LTC, ISC, ITR, and MCR processes, integrating data from CRM, DMS, SRM, MES, and after-sales service platforms to create an integrated, closed-loop system for customer insight, order transmission, supply chain control, process traceability, and after-sales response. This comprehensively enhances lead conversion, fulfillment efficiency, and problem-solving speed, achieving a dual improvement in ultimate customer experience and operational efficiency.

#### Talent quality

Full-lifecycle management of digital talent: We have constructed a dual-engine talent system driven by "digital empowerment + data-driven insights." Leveraging our online academy, we have created a company-wide training matrix and reinforced practical skills and quality culture through our lean dojo. By linking our performance management system, recruitment platform, and assessment system, we have formed a closed-loop cycle of cultivation, evaluation, development, and recruitment, optimizing our talent structure and strengthening the foundation for organizational and strategic execution.

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#### From demand to satisfaction

Visualized Control of Full-Process IPD Data: We have built an end-to-end quality data platform centered on the IPD process, meticulously managing the entire lifecycle from demand to completion through the Dassault PLM system. By connecting the PLM and BI systems, we translate product strategic goals and assign them to responsible individuals, monitoring process and result indicators in real time. This ensures full transparency from the initial customer demand to final satisfaction, supporting the execution of our strategy.

#### Global visualization of operational quality

Integrated, visible, and controllable financial and business operations: We have connected IFS financial processes with SAP HANA at the core and deeply integrated the BI system to achieve integrated management of quality, financial, and business data. By linking quality costs and benefits, and integrating accounts receivable/payable, expense accounting, and risk control, we provide real-time operational data to support tiered decision-making and performance display, thereby making business value quantifiable and globally visible.

## Product recalls

Global sales and service personnel closely monitor product usage and continuously track product and service quality through the various methods mentioned above. They promptly identify and address any issues customers encounter during use and report customer requests and problems to the relevant company departments for rectification, ensuring product quality and customer satisfaction.

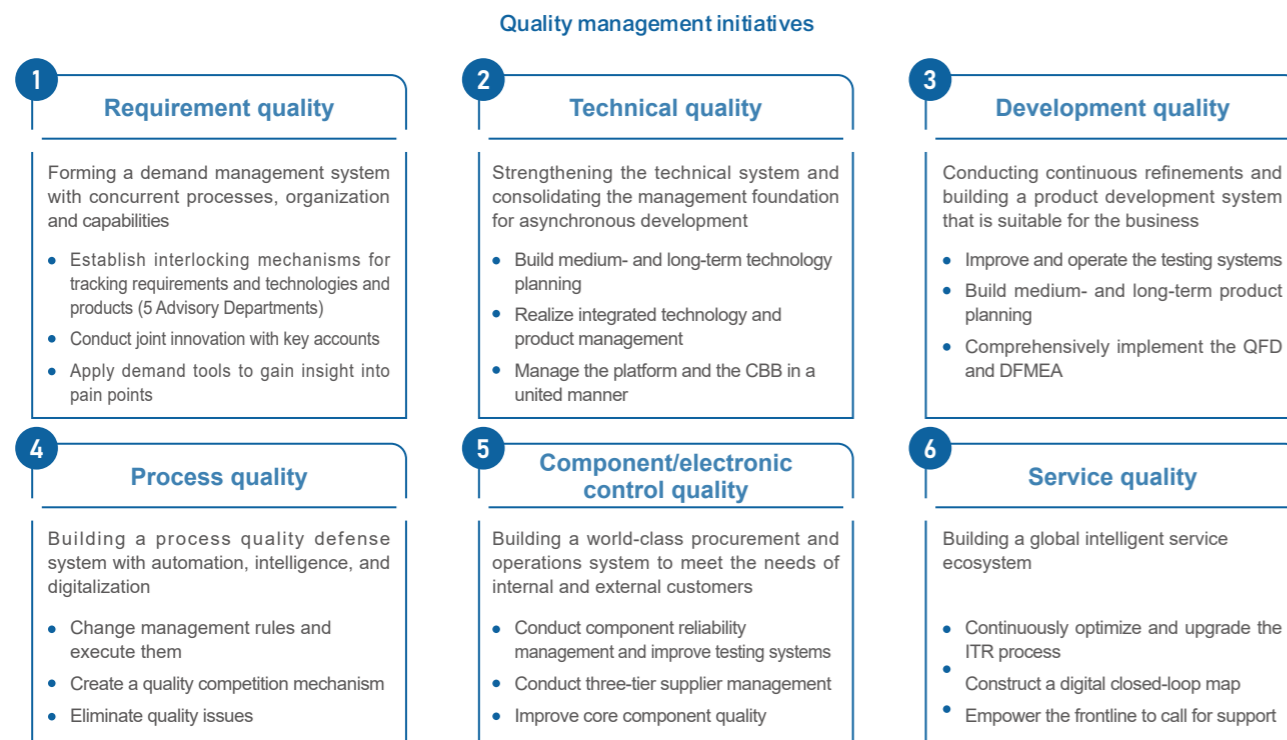
When a product defect level triggers the "recall mechanism," the Company's Quality Committee immediately issues a recall for the relevant products, and the Product Department takes the lead in swiftly handling the recall of products from the market.

In 2025, the Company comprehensively upgraded the Jack's Product Recall System, further refined the recall process and operational specifications, and directly linked the product quality results to the executive compensation assessment to strengthen the quality responsibility of the entire organization. Through the comprehensive initiatives of digital empowerment, process optimization and management accountability, the Company effectively safeguarded the rights and interests of consumers, and significantly enhanced the level of quality governance and brand credibility, which set up references for the standardization and high efficiency of the industry's quality management.



## Quality improvement

The Company has built an end-to-end quality management system, covering six dimensions: demand quality, technical quality, development quality, process quality, parts/electronic control quality, and service quality, to build up a solid quality line of defense layer by layer, and to promote the evolution of quality management from the basic to the advanced level, and ultimately to realize the quality culture of "Doing Things Right the First Time", so as to escort the high-quality development of the business. With the core support of "tools, methods, digitalization, and a zero-defect culture", the Company has integrated the whole-process quality control into the business, and has helped its products go on sale and achieve commercial success.



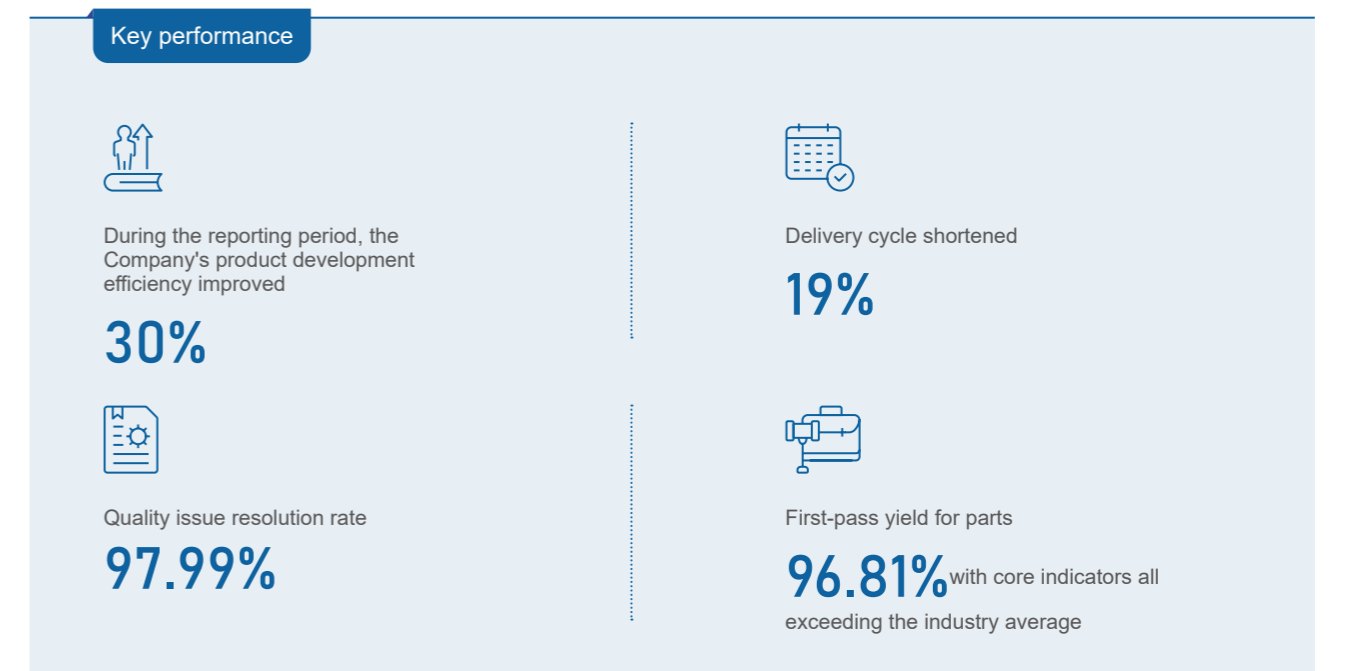
## Complaint management measures

Jack Technology has established a systematic quality complaint management mechanism aimed at effectively protecting customer rights and enhancing the Company's reputation. Through the *Quality Closed-Loop Management Process*, the Company mandates a rapid response to external customer complaints within 4 hours and leverages IT-based systems and a digital dashboard for intelligent analysis and tracking of complaints. This process strictly follows six steps, including root cause analysis, implementation of corrective measures, verification of effectiveness, standardization, peer-to-peer training, and closed-loop confirmation, to ensure that issues are fundamentally resolved. For major quality issues, the Company implements a hierarchical management system and has established a direct reporting mechanism to senior management to accelerate the resolution of significant customer complaints.

## Indicators and targets

Guided by the core philosophy of "adhering to end-to-end quality management to build Jack's high-quality brand," the Company has formulated a 3-5 year SP quality strategic plan. This plan sets Net Promoter Score (NPS) and customer satisfaction as core quality objectives, which are then cascaded down and implemented across all organizational levels and positions.

Performance indicators	Actual performance		
	2023	2024	2025
Customer satisfaction	8.52	8.85	9.18

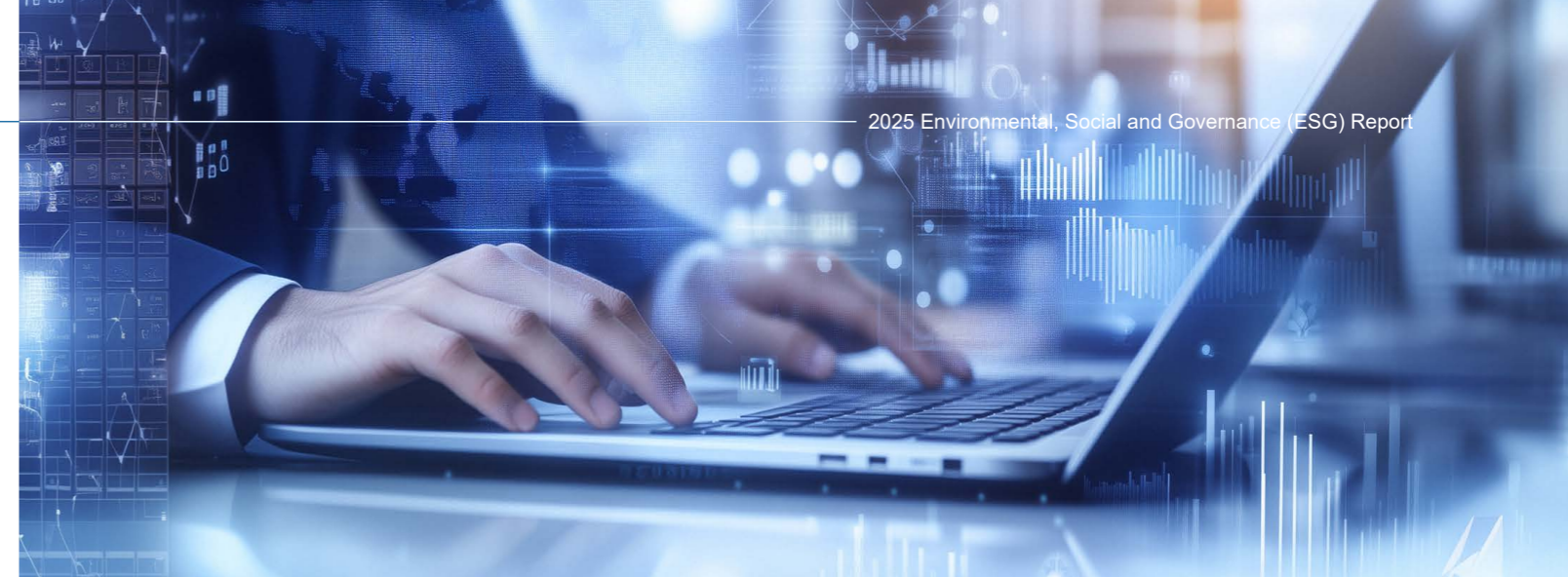


## Digitalization strategy

The Company has established a comprehensive information security and customer privacy protection system, strictly adhering to national laws and regulations such as the *Cybersecurity Law of the People's Republic of China* and the *Data Security Law of the People's Republic of China*. We implement systematic management based on internal policies, including the *Data Security Management Policy and Information System Security Management Regulations*. By strengthening our information security management system, enhancing supervision and inspection of personnel, equipment, and systems, and building a security technology architecture based on the principles of "stratification, gradation, and zoning," we ensure robust protection. The Company has obtained relevant security certifications, including ISO/IEC 20000 and ISO/IEC 27001, and continuously conducts employee training to raise security awareness across the organization. These efforts systematically safeguard corporate and customer information security, supporting stable business operations.

**Key honors**

ISO/IEC 27001 information security management system certification, ISO/IEC 20000 information technology service management system certification



### 2025 all-staff information security training to reinforce compliance and prevention awareness

In 2025, the Company organized a specialized information security training program covering all employees. The training content was systematic and comprehensive, encompassing an interpretation of the *Cybersecurity Law of the People's Republic of China*, dissemination of the Data Security Management Policy, information security risk identification, and typical security scenarios and prevention techniques, all summarized and reinforced through security slogans. To ensure the training's effectiveness, the Company conducted an all-staff assessment on the learned content. The training achieved a 100% sign-in rate and a 100% pass rate on the assessment, effectively enhancing the compliance awareness and security prevention capabilities of all employees.

## Digitalization strategy

The company has formulated four major strategic pillars: strengthening the IoT foundation, building an industry-specific PaaS platform, enhancing AI capabilities, and exploring physical AI digital twins, thereby solidifying the digital and intelligent foundation of smart manufacturing layer by layer. It prioritizes reinforcing the underlying support for IoT device interconnection and building an industry-specific PaaS platform to implement intelligent O&M and factory-assisted decision-making scenarios. The company continuously upgrades its full-stack AI capabilities and builds a mature AI Agent ecosystem to achieve business-oriented and intelligent scenario implementation. The ultimate goal is to establish a physical AI digital twin system, integrating APS, PLM, and MES systems to create an industrial metaverse where the virtual and physical worlds interact. Concurrently, Jack integrates three core capabilities—process digitalization, innovative knowledge application, and AI. Leveraging the "Starlink Cloud Alliance Solution," Jack empowers the upstream and downstream of the industrial chain, creating a flexible one-stop delivery platform for the garment industry. This initiative supports rural revitalization and shared industrial prosperity, building a comprehensive ecological competitive advantage.

### Process and digitalization strategy

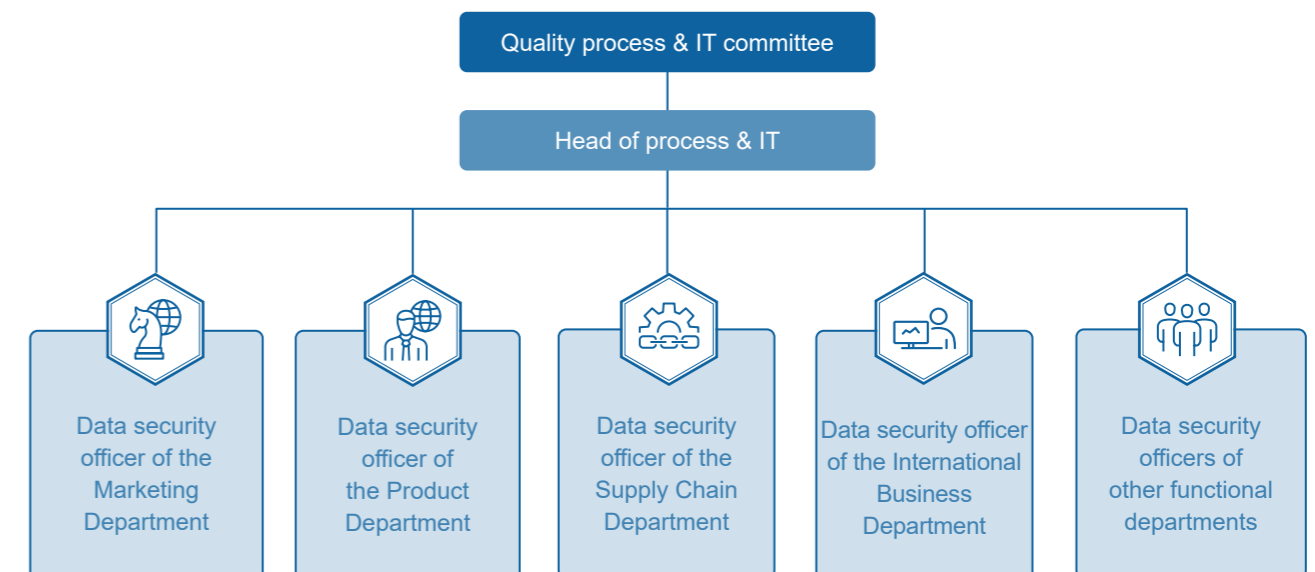
Strategic goals: To be customer-centric, support business growth, enhance organizational efficiency, and empower the entire industry chain

<p><b>1. Process-Oriented Framework</b> Continuously optimize the 12 company-level L1 processes, adhering to a customer-centric approach and ensuring business activities are modeled, templated, and digitized to "foster capabilities within the organization."</p>	<p><b>2. IT-Solidified Processes</b> Solidify the three major business processes of IPD, LTC, and ITR, along with other processes, through digitalization, focusing on end-to-end client operations to support business success.</p>	<p><b>3. Innovative Application of New Technologies</b> Utilize big data and AI technologies to iterate and upgrade the PaaS platform and application systems, unlocking new capabilities.</p>
<p><b>4. Empowering the Entire Industry Chain</b> Continuously develop digital systems such as DMS, Supplier Cloud MES, and After-Sales Service Treasure to consistently empower the digitalization of the upstream and downstream industry chain.</p>	<p><b>5. Supporting Global Data</b> Build international capabilities for data transmission, storage, and processing, while continuously strengthening data security protection to ensure data security and compliance.</p>	<p><b>6. IT Iron Triangle Support</b> Continuously builds the Process COE, ITBP, and IT COE Iron Triangle teams to ensure the effective implementation of strategies and support business growth.</p>

## Data security management

To standardize data security operations, enhance protection capabilities, and support informatization development, the Company has formulated the Data Security Management Policy. This system covers full-lifecycle data management, clarifying the organizational structure, management content, backup processes, and recovery mechanisms, providing a systematic regulatory basis and operational guidance for data security management and informatization development.

### Organizational structure of data security management



Data security management content

**Classification and grading**

Implement graded control over production, sales, R&D, and functional data based on their characteristics and importance.

- Classification and grading coverage of 95% (256 types, Levels A-E).
- 100% data leakage prevention and control for confidential data and personnel (2,600).

**Security and Compliance**

ISO 27001, ISO 20000, and MLPS 2.0 certifications.

Data Security Management Policy, Data Classification and Grading Standards.

**Zone and domain division**

Establish network zones for R&D, production, functional departments, headquarters and branches, partner companies, and customer-facing operations. Implement inter-zone protection and precise intra-zone protection to ensure data assets are not maliciously damaged or accessed.

- Red, yellow, and green network tiers: 5 red zones, 5 yellow zones, and 4 green zones.

**Awareness and responsibility**

Establish a Digitalization Committee to coordinate and manage the Company's data security.

Conduct annual information security awareness training. All new employees must participate in information security training and pass an examination.

**Disaster recovery and restorability**

Taizhou Data Center and a data disaster recovery center ensure data can be restored in case of loss.

- 100% disaster recovery for core systems.
- Recovery Time Objective (RTO) of 10 minutes. Recovery Point Objective (RPO) of 30 seconds.

**Risk posture**

Conduct quarterly data chain audits via the data management and control platform to proactively identify data leakage risks.



Data security network diagram



Lean MTM method

Efficiency Improvement: By applying the MTM method and ECRS software to analyze operational movements, we identified and improved inefficient actions. This increased production line efficiency from 0.75 to 0.92, a 23% improvement for the year.

① Current State Survey—UPPH Value 0.75

序号	工序	节拍	单位	节拍
1	产成品	318.4	6	实际节拍
2	产成品	318.4	7	生产节拍
3	生产节拍	318.4	6	UPPH
4	生产节拍	318.4	9	UPPH
5	生产节拍	318.4	10	UPPH

② Current State Survey—Understanding the Current Situation

③ Current State Survey—Production Anomalies

④ Current State Analysis—Comparison of Current Data

⑤ Current State Survey—ECRS Software Analysis

⑥ Root Cause Analysis—Fishbone Diagram

⑦ Countermeasure Implementation—Application of MTM Method

⑧ Results Output—Process Standardization and Promotion

Lean Automation for Multiplied Efficiency: The parts factory improved the eccentric wheel processing procedure, increasing per capita output value by 5.16 times and saving RMB 576,000 in annual labor costs. The use of robotic arms to handle materials, combined with safety guards, eliminates manual loading and unloading steps, effectively reducing safety risks.

**Before Improvement**

**After Improvement**

10 people	→	2 people
25 units	→	20 units
390 pieces/person	→	2,016 pieces/person

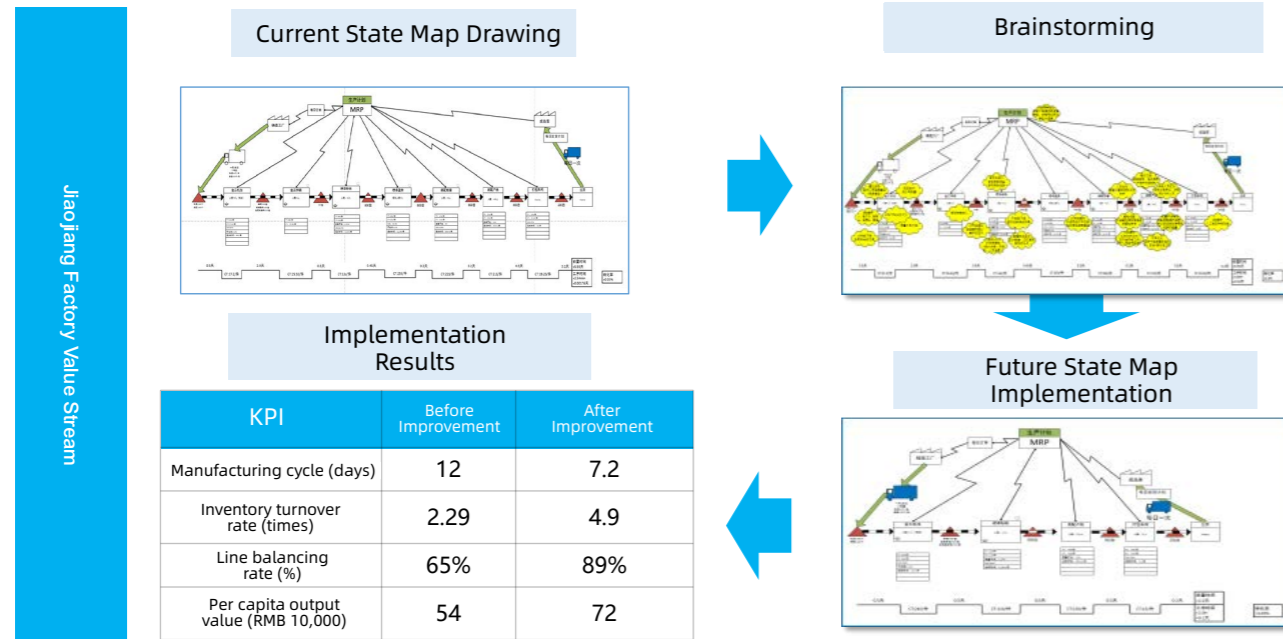
SIM Anomaly Mechanism

Establish a SIM mechanism for production anomalies, develop underlying logic for anomaly detection, and build a digital anomaly management platform.



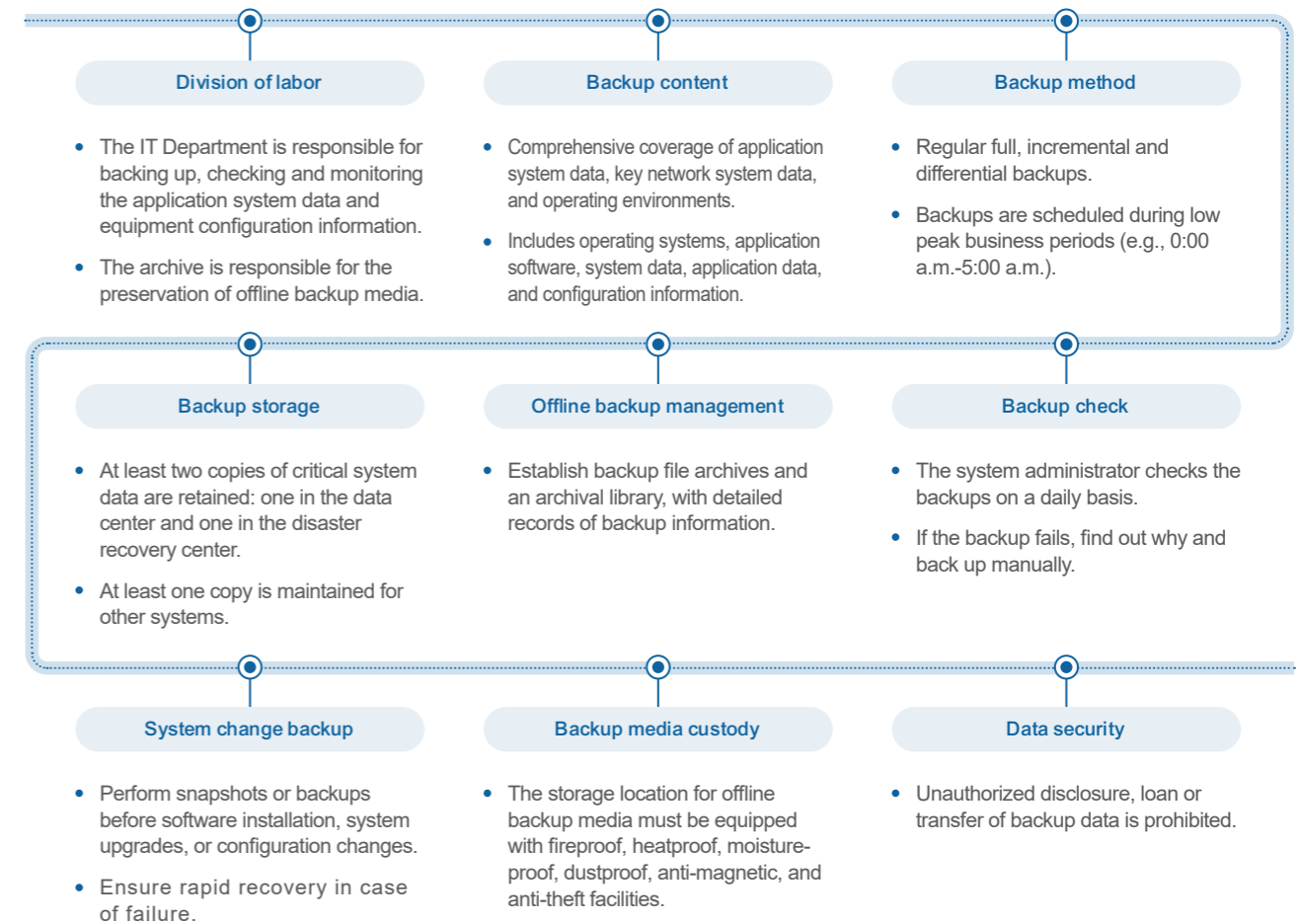
## Value Stream Efficiency

By using Value Stream Mapping (VSM) to map the entire process information flow and operational flow, we conducted a comprehensive and systematic analysis of manufacturing, logistics, and inventory. As a result, from 2022, the per capita output value of worker at the production line employees increased from RMB 540,000 to RMB 720,000, the manufacturing cycle was shortened from 12 days to 7.2 days, and the inventory turnover rate improved from 2.29 to 4.9.



Jiaojang Factory Value Stream

## Data backup



## Key performance



During the reporting period, the Company ensured the stability and security of its information systems by adopting a series of measures such as installing additional information security anti-intrusion detection systems, carrying out quarterly network security inspections, commissioning external organizations to carry out ad-hoc inspections and optimization of information systems, annual IT audits, updating and upgrading virus databases and rule libraries in response to new viruses and loopholes, as well as adopting a series of measures such as data encryption, data hierarchical control, and so forth, no incidents of penalties due to violations of information security management regulations occurred throughout the year, and no incidents of customer privacy infringement occurred.



Information Security & Privacy Protection Awareness Training

**3,976** person-times



Total Training Duration

**976** hours



Total Capital Investment

RMB **500,000**



# 02

## Intelligent Connectivity Ecosystem



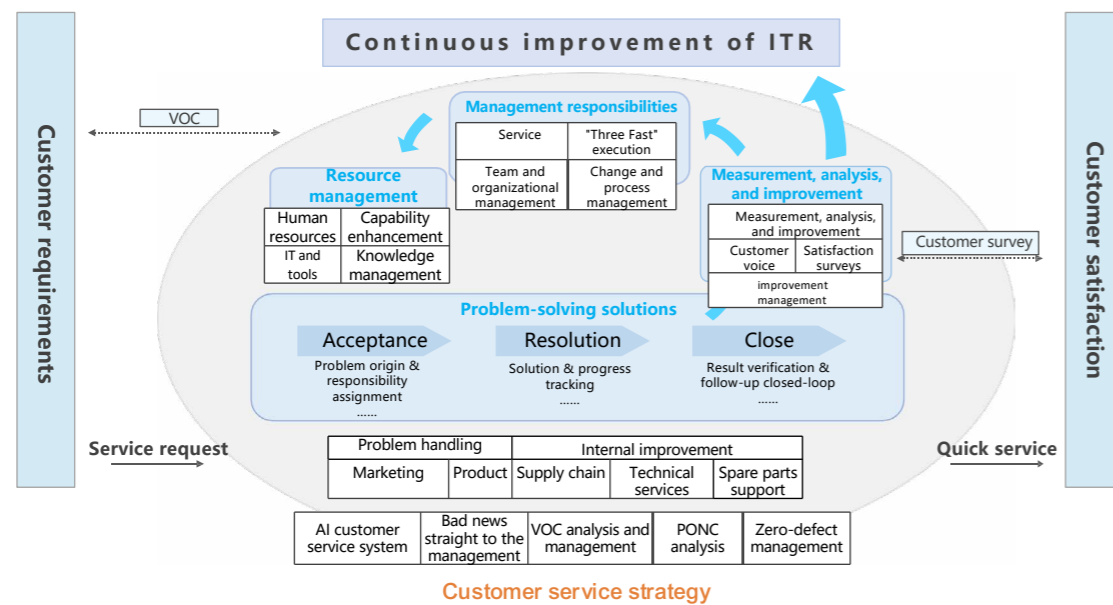
Empowering Global Industries with Intelligent Services

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# Customer service excellence

The Company puts customers first, fully implementing the core philosophy of "Smart Service, Full-Journey Companionship" and deepening its customer service process system. It has built a localized service system with a global network of over 8,200 service outlets, staffed by a professional team of more than 20,000 members, to provide customers with one-stop, quick pre-sales, in-sales, and after-sales services. Concurrently, the Company has established a digital service delivery system, deploying a work order management system, smart customer service, and a three-tier remote expert system. This creates a dual service guarantee combining both "local and cloud-based" support, making the entire service process visible and intelligent. The Company handles over 10,000 remote service cases annually, service turnaround time reduced by 40%. Through an efficient response mechanism, a professional service team, a comprehensive service network, extensive service offerings, continuous service improvement, and strong brand trust, the Company delivers a comprehensive, high-quality service experience, effectively enhancing customer satisfaction and brand competitiveness.

## ITR management system



### Building a global intelligent service ecosystem and achieving management excellence

Target	Improve NPS score annually, make a bold "Three Fast" service promise + less than 5 hours of annual downtime, drive continuous customer repurchases, and achieve a win-win situation for the Company and its customers			
Measure	ITR process 1.0-4.0	Global talent development	Building localized service	Intelligent remote AI service
Key initiatives	<p><b>Voice of the customer:</b> Continuously building and expanding customer feedback channels, platforms, and entry points to amplify the customer's voice</p> <p><b>Bad news straight to the management:</b> Continuously iterating the competitive mechanism, standards, and closed-loop processes, along with regular Calls from the Frontline conferences</p> <p><b>Process development:</b> Deeply integrating and operating the three major processes of IPD, LTC, and ITR, aligning ITR issue resolution with IPD requirements definition</p>	<p><b>Standardized certification system:</b> Optimizing the instructor system and curriculum library (for the entire industry) to cultivate a global team of instructors</p> <p><b>Internal personnel certification:</b> Comprehensive certification for all frontline personnel, with a 100% certification rate for on-the-job staff and over 80% holding intermediate or advanced certificates</p> <p><b>Global certification:</b> Establishing a global service capability map to provide targeted, tiered training for global distributors and technicians</p>	<p><b>Key account service management:</b> Pre-sales solution risk assessment, in-sales customer participation in milestone confirmation, and dedicated after-sales personnel for regular monthly follow-ups</p> <p><b>Global network layout:</b> Establishing a global network of maintenance service outlets and spare parts warehouses, with first-tier distributors in China and coverage in 15 key overseas countries</p> <p><b>Club development:</b> Replicating and promoting the club model globally. Continuously gathering over 50,000 technicians worldwide to implement the "Three Fast" service reputation</p>	<p><b>Predictive service:</b> Robotics + Knowledge Base (covering the entire industry), 7x24 service; remote equipment commissioning and upgrades + rapid fault resolution, with AI resolving 70% of issues</p> <p><b>Three-tier remote system:</b> Building an industry-leading three-tier expert system integrated with intelligent systems; developing digital customer service bots and voice bots to achieve a one-time resolution rate of over 80% for remote support</p>
Tools and methods	SR service review mechanism, Negative feedback mechanism, Recall mechanism, Closed-loop issue resolution mechanism		New product project mechanism, SERVQUAL model	Application of Gallup methodology
Service platform	Integrated platform (Company + Distributor + Technician + End user)	Global knowledge base & multilingual chatbot (online + voice)	Multi-channel access	Intelligent customer service system + remote service, Digital service map

## Establishing the Expedited Rabbit Club

The Company has innovated its after-sales service model by bringing together freelance technicians to establish the Expedited Rabbit Club. Through an advanced management platform, it has built an efficient technician service network where customer repair requests are responded to within 10 minutes, technicians arrive on-site within 1 hour, and issues are resolved within 30 minutes, minimizing equipment downtime. This truly delivers on the "Three Fast" service promise: quick response, quick arrival, and quick resolution. Additionally, the Company organizes technician skill competitions to enhance their technical capabilities comprehensively.



Expedited Rabbit Club

## Promoting the transformation of the "Ten Thousand Inspection Tours, Proactive Service" model to deepen customer connections

While the sewing machine industry generally handles service requests passively, Jack has taken the initiative to be proactive, pioneering a fundamental shift from a "reactive" to a "proactive" service model. In 2025, we will conduct 10,000 service days and inspection tours, proactively maintaining 200,000 units of equipment, continuously staying close to our customers, and strengthening emotional connections through daily service interactions.



## Launching the "Frontline Calling for Support" global special initiative to focus on resolving customer pain points and win trust

In 2025, to more accurately listen to the voices of frontline customers, the Company launched the "Frontline Calling for Support Conference" special initiative. We solicited issues from customers worldwide and concentrated our efforts to resolve them, using a rapid response mechanism to address customer needs while simultaneously driving continuous internal quality improvements. During this period, we efficiently collaborated to resolve over 150 issues for key accounts such as Sunfreda and Vietnam TGC, addressing pain points across the entire chain of our hanger system integrated solutions. The customers highly recognized the effectiveness of our solutions, laying a solid foundation for continuous repurchases and long-term cooperation.



Frontline calls demand conference

Key performance

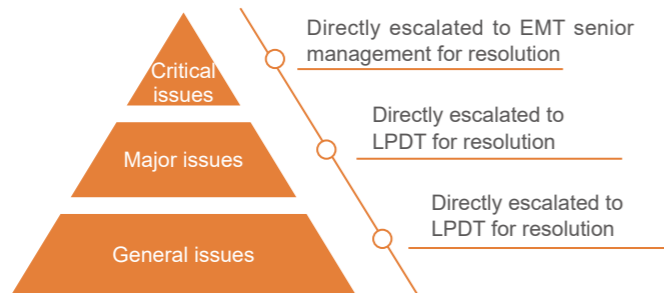


The Company has received the "National Five-Star After-Sales Service Certification" for **9** consecutive years and been named a "National Top 10 After-Sales Service Unit" for **5** consecutive terms, leading the continuous upgrading of service in the sewing industry.

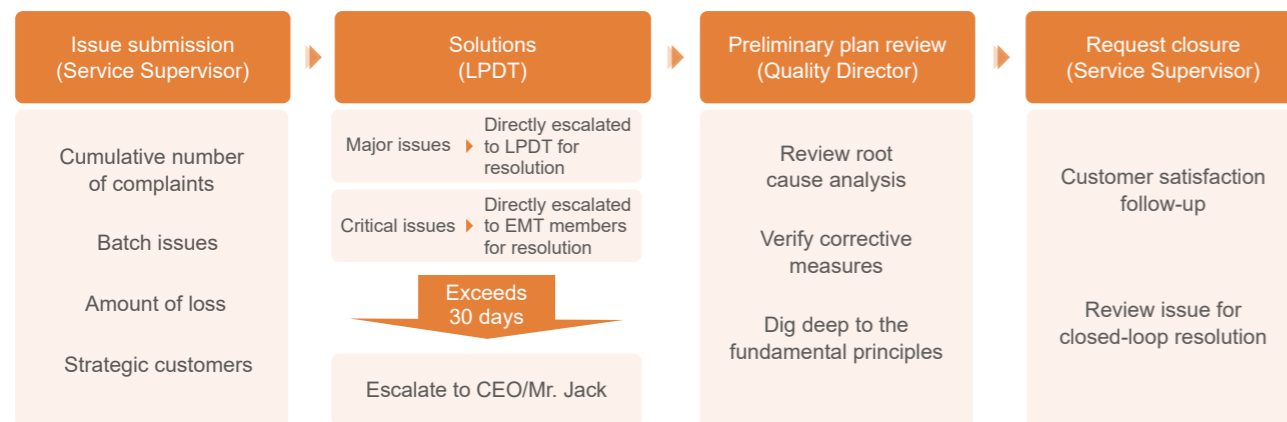
## Customer rights protection

In terms of protecting customer rights and interests, the Company continues to enhance its full-process rights protection mechanism, strictly implementing the product "Three Guarantees Policy." We have also further implemented the "Bad News Straight to the Management" issue-handling mechanism. For urgent situations such as major quality issues and batch failures reported by customers, we have established a flat decision-making channel. These issues can be directly synchronized with the Company's senior management team without layer-by-layer reporting. A special task force led by senior and middle management is formed to develop a targeted solution within 1 day and achieve closed-loop resolution within 7 days, ensuring that customer issues are resolved efficiently and quickly to minimize customer losses.

### Hierarchical management of quality issues



### Process framework for bad news straight to the management



Key performance



During the reporting period, the Company served customers

**72,172** times

Customer feedback response rate

**99.95%**

First-time resolution rate

**99.58%**

### Service Response Channels

7x24-hours Jack service hotline:  
4008876858

WeChat service account:  
Jack Fast Service

International service email:  
sales@chinajack.com

Online customer service and AI agent Xiao Jie:



Online customer service and AI agent Xiao Jie:



### Emergency rescue mission in Huaiji after flooding to ensure resumption of customer production

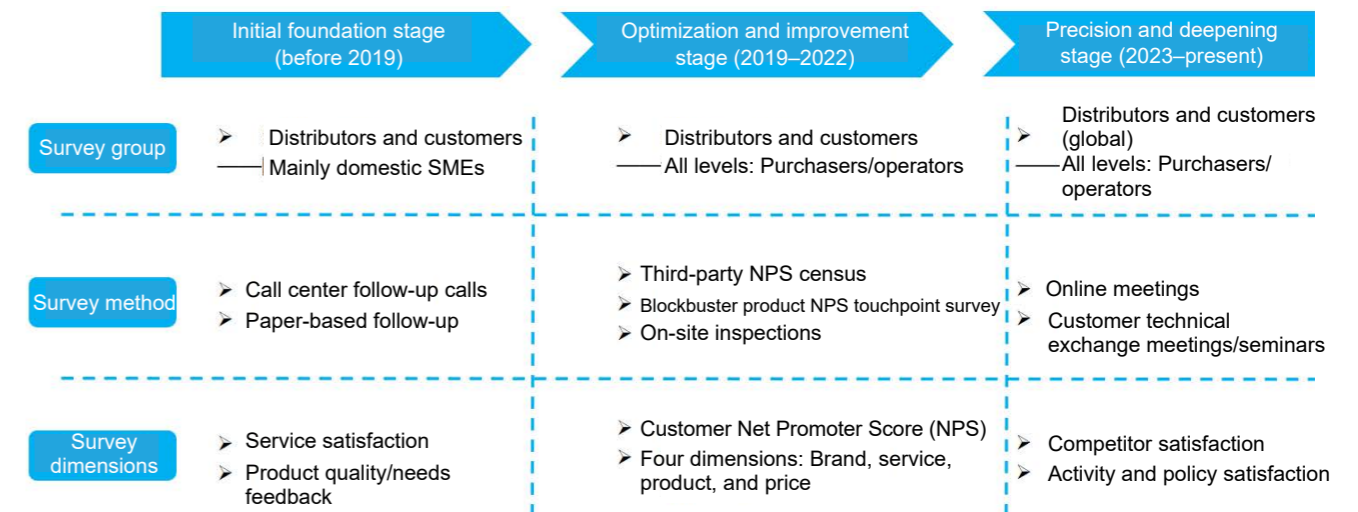
In June 2025, Huaiji County, Zhaoqing City, Guangdong Province, was hit by severe floods due to heavy rainfall, devastating the local garment industry. In factories flooded with sewage, soaked sewing equipment was covered in rust. Business owners were distraught, facing mountains of backlogged orders. Production lines in what were once bustling garment enterprises were forced to a halt. In the wake of the disaster, the Jack service team and distributor teams worked side by side, venturing deep into the affected areas to carry out equipment inspections and repairs. Their efforts minimized customer losses and provided a lifeline to the damaged equipment in the garment factories, profoundly embodying the service philosophy of "Customer First, Proactive Service."



Proactively serving customers affected by the disaster in Huaiji

## Customer satisfaction management

The Company places great importance on customer feedback and experience, using customer satisfaction surveys as a key basis for service optimization. It has established a regular, multi-dimensional customer satisfaction survey mechanism. In 2025, the Company conducted multiple rounds of NPS and comprehensive customer satisfaction surveys in key global markets, including China, India, Bangladesh, and Vietnam. The surveys covered various aspects such as product quality, service response speed, problem resolution efficiency, and the professionalism of technical support. Through these precise surveys, the Company delved deep into customer needs and service pain points, providing data-driven support for the optimization of its service system.



Conducting NPS survey in India

In 2025, an NPS study for lockstitch and overlock sewing machines was conducted in the Indian market through a third-party agency, Ipsos. Through market visits and surveys, we analyzed operator experiences with lockstitch and overlock machines, identified their pain points, and assessed these issues through quantitative research. This study delved into the performance of Four levels indicators and explored innovation opportunities for both two products, providing data support and a decision-making basis for future product development and marketing strategies.



NPS research report on the lockstitch and overlock sewing machine market in India

**Key performance**

During the reporting period, the Company conducted customer satisfaction surveys **4** times

Surveying over **12,000** questionnaires

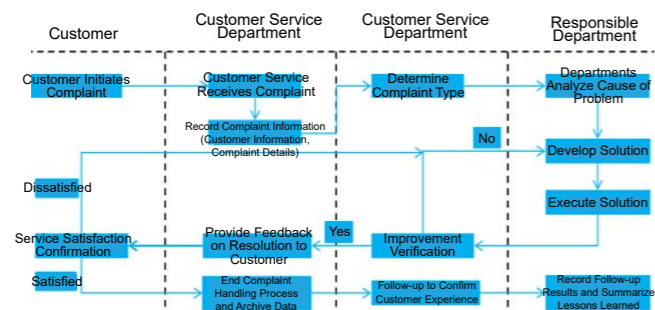
Questionnaire response rate: **95.60%**

Customer satisfaction survey results: **91.80%**

Customer complaint management

To ensure timely, effective, and standardized closed-loop handling of customer feedback and complaints, the Company has established a customer complaint handling workflow and a rapid service response mechanism. It has also developed a smart AI + global shared knowledge base and a three-tier remote video resolution process, enabling online video guidance to help customers quickly resolve issues, thereby enhancing customer satisfaction and providing 7x24-hours service.

The company has established a customer complaint handling workflow and a quick service response mechanism. Jack EMT members regularly take calls on the 400 hotline to listen to end users' voices, develop targeted strategies and methods to improve customer satisfaction, and continuously promote management transformation and improvement.



Customer complaint handling process



Senior executives take rotating shifts at the hotline

**满意度回访总体情况综述**

回访目的: 本次回访主要调研经销商对服务人员的服务满意度

回访对象: 布鲁斯, 杰克 (总代, 一级、二级分销)

回访方式: 导出经销商联系方式, 人工按群拨打电话

回访周期: 2025年6月

回访情况: 回访2499家经销商, 成功1190份, 不成功1309份 (不成功主要原因为电话正在通话, 无人接听, 正忙, 无法接通, 对方挂机等)

大区	拨打	接通占比	打不通	打不通占比	合计
西南大区	200	55%	165	45%	365
华南大区	199	46%	238	54%	437
华东大区	231	50%	233	50%	464
华中大区	161	48%	177	52%	338
华北大区	219	52%	199	48%	418
北京大区	177	41%	251	59%	428
总计	1187	48%	1263	52%	2450

Historical satisfaction follow-up data



Headquarter Hotline Center Intelligent Data Dashboard

Supply chain management

Governance

The Company has established a comprehensive supply chain management system centered on the "Supplier Management Regulations," covering the entire process of admission, evaluation, incentives, and exit. This system specifies the code of conduct and requirements for suppliers in areas such as compliant operations, environmental responsibility, and social responsibility. Regarding compliant operations, suppliers are required to strictly adhere to relevant laws and regulations, including the Anti-Monopoly Law and the Anti-Unfair Competition Law, and to prevent unfair practices such as bid-rigging and commercial bribery. The Company has also formulated the Anti-Fraud and Whistleblowing System for suppliers to ensure transparency and fairness in cooperation. In terms of environmental responsibility, the Company has developed a Supplier System Inspection Checklist that outlines environmental management requirements. Additionally, a Procurement Management Department has been established to promote ESG responsibility among suppliers and implement green procurement policies. Priority is given to suppliers who have obtained environmental management system certification and practice energy conservation and emission reduction, requiring them to optimize production processes, reduce pollutant emissions, and promote resource recycling.



Supplier environmental management system certification

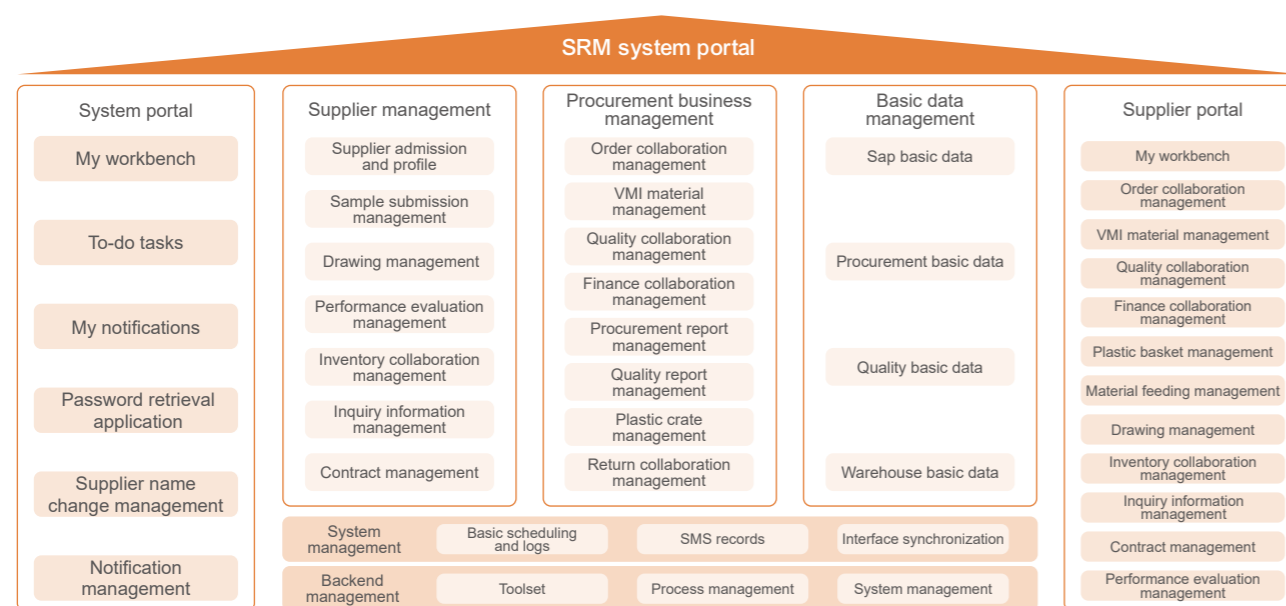
Anti-corruption pledge

A letter to our partners

## Supplier management

In terms of supplier management development, the Company has developed a digital supplier management platform, the SRM system, to achieve full lifecycle online management of suppliers. This system covers the entire process, from supplier registration, data submission, qualification review, inspection and evaluation, and partnership admission to order collaboration, return handling, and quality inspection feedback. It allows potential suppliers to register accounts online and upload compliance documents such as the three-in-one business license, stakeholder notification letters, and anti-fraud agreements. The Company's responsible personnel complete the initial review and screening of materials online. The system also automatically generates unique supplier codes and multi-role accounts, enabling real-time information sharing and efficient business collaboration between supply and demand sides, significantly enhancing the transparency and operational efficiency of the supplier management process.

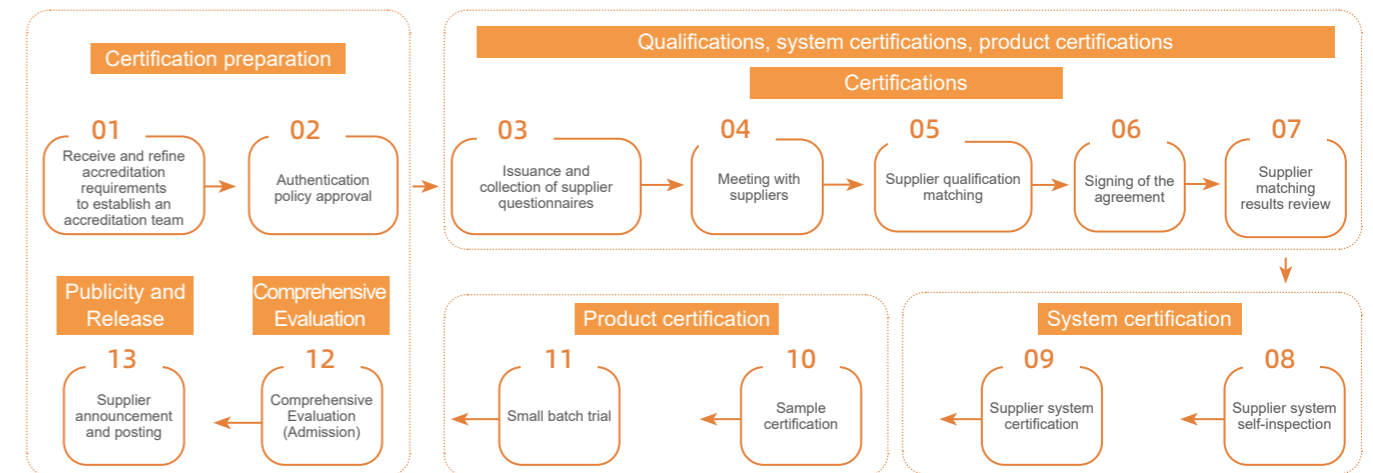
Supplier Relationship Management (SRM) platform



## Supplier onboarding process

The Company continuously optimizes its new supplier onboarding process and has formulated the Supplier Onboarding Process Description Document to build a full-chain standardized system covering registration, review, inspection, assessment, and admission. New suppliers must register through the SRM system and upload complete qualification documents as required by their category. After an initial review by the category manager, they are included in the potential supplier resource pool. When new suppliers are needed, the factory procurement director initiates an inspection request, forming an "Iron Triangle" review team composed of the Manufacturing Quality Department, Product Corps, and Procurement Management Department. This team conducts self-assessments and on-site inspections using checklists specific to different categories, such as machining and electronics, with a focus on verifying production capacity, quality control, environmental compliance, and social responsibility. After passing the re-review and final review, the contract administrator grants formal cooperation authorization, ensuring the quality of new supplier admission. For existing suppliers who change their name or credit code, the change or re-onboarding is completed according to standardized procedures to ensure the stability and compliance of supply chain resources.

Supplier admission review process





## Strategy

As a core strategy, the Company is committed to building an "efficient, flexible, and sustainable" global supply chain ecosystem. We deeply integrate digital tools, standardized processes, and refined management practices. Through digital upgrades in supplier management, optimization of new supplier onboarding processes, and full-cycle audits and performance management, we continuously enhance the stability, compliance, and competitiveness of our supply chain. This provides solid support for the Company's global expansion and the achievement of its sustainability goals.

Identified risks related to supply chain management

Risk type	Risk description	Response measures
<p>Supply chain compliance and integrity risks</p>	Suppliers may engage in non-compliant behavior in their operations, or a lack of transparency in the cooperation process could impact the stability of the supply chain and the Company's reputation.	<ul style="list-style-type: none"> <li>Centered on the Supplier Management Regulations, we establish clear codes of conduct and require the signing of the Anti-Fraud and Whistleblowing System and an integrity agreement as a prerequisite for partnership.</li> <li>Establish dedicated whistleblowing channels to monitor for improper conduct.</li> </ul>
<p>Supplier quality and delivery fluctuation risks</p>	Fluctuations in supplier product quality, delivery timeliness, or service cooperation may affect the Company's production plans and ultimate customer satisfaction.	<ul style="list-style-type: none"> <li>Implement regular supplier performance evaluation and audit mechanisms, linking the results to order quotas, and provide guidance and follow-up for suppliers requiring improvement.</li> <li>Establish an exit mechanism for suppliers who consistently fail to meet standards to optimize the supply chain structure.</li> </ul>
<p>Supply chain ESG management risks</p>	If suppliers' practices in environmental, safety, and social responsibility do not meet requirements, related risks may be transferred to the Company, affecting the achievement of sustainability goals.	<ul style="list-style-type: none"> <li>ESG requirements are incorporated into supplier admission and routine management; compliance is clearly stated, and certified suppliers are preferred.</li> <li>Dynamically manage supplier ESG qualifications through the SRM system and conduct assessments in conjunction with annual audits.</li> <li>Propose improvement requirements for non-compliant suppliers and track their rectification.</li> </ul>

Identified opportunities related to supply chain management

Opportunity type	Risk description	Response measures
 Building transparent and trust-based partnerships	Through clear systems and digital tools, we establish long-term cooperative relationships with suppliers based on compliance and integrity, laying a foundation of trust for stable collaboration.	<ul style="list-style-type: none"> <li>Reduce operational friction and uncertainty: Clear rules and transparent processes minimize misunderstandings and ensure smooth cooperation.</li> <li>Enhance supply chain resilience: Trustworthy partnerships help jointly address market fluctuations and improve the overall stability of the supply chain.</li> </ul>
 Building transparent and trust-based partnerships	Through rigorous screening, continuous evaluation, and joint capacity building with suppliers, we select and cultivate high-quality partners to form an efficient and flexible supply network.	<ul style="list-style-type: none"> <li>Ensure product quality and delivery reliability: High-quality suppliers are the solid foundation for our product quality and timely delivery.</li> <li>Enhance overall supply chain competitiveness: A collaborative and efficient supply chain can respond more quickly to market changes, becoming a competitive advantage for the Company</li> </ul>
 Building transparent and trust-based partnerships	By extending the Company's ESG standards to the supply chain, we can drive the entire industry chain to improve its social responsibility and environmental performance, jointly shaping a responsible industrial ecosystem.	<ul style="list-style-type: none"> <li>Ensure product quality and delivery reliability: High-quality suppliers are the solid foundation for our product quality and timely delivery.</li> <li>Enhance overall supply chain competitiveness: A collaborative and efficient supply chain can respond more quickly to market changes, becoming a competitive advantage for the Company</li> </ul>

## Impact, risk, and opportunity management

Focusing on its supply chain sustainability goals, the Company systematically manages potential supply chain risks through initiatives such as supplier audits and performance management, ESG compliance advocacy, integrity constraints, and joint supplier capacity building. These efforts fully unlock collaborative opportunities, continuously expand the positive impact of supply chain sustainability, and build a supply chain ecosystem that is "risk-controlled, opportunity-shared, and collaboratively win-win."

### Supplier audits and performance management

The Company has established a regular mechanism for supplier audits and performance management, with standardized processes for assessment, guidance, and termination. Audits are conducted both on-site and off-site by a professional review team according to an annual plan and ad-hoc needs, focusing on quality systems, environmental compliance, and social responsibility. For suppliers with identified issues, we track rectification efforts and conduct follow-up reviews. The performance evaluation system incorporates multiple dimensions, including quality, delivery, service, and new product development. Data is collected in real time through the SRM system for monthly and annual ratings, with the results directly linked to supply quotas and partnership priority. Suppliers who consistently fail to meet performance or compliance standards are promptly phased out, continuously optimizing the supply chain structure and enhancing overall competitiveness.

Supplier risk management countermeasures



- Incorporate supplier policies and compliance into the QSA Supplier Audit Standards as one of the new supplier audit requirements
- Formulate an annual supplier audit plan for existing suppliers, provide guidance to non-compliant suppliers with a deadline for rectification, and offer targeted support or on-site coaching for those who fail to meet rectification standards
- Develop Supplier Delivery Audit Checklist based on the principle of multi-sourcing for single materials to eliminate policy compliance risks
- Establish digital systems to ensure supplier information is clear and transparent



- Incorporate supplier production environment management into the QSA Supplier Audit Standards as one of the new supplier audit requirements
- Supplier production environment management is specified in the Stakeholder Notification Letter and is a requirement for new supplier qualification.
- Require a supplier's ISO 14001 system certificate as part of the new supplier onboarding process



- Incorporate supplier employee benefits, development channels, and training programs into the QSA Supplier Audit Standards as one of the new supplier audit requirements



- Mandate the use of standardized turnover boxes as required by Jack and incorporate this into the Supplier Management Regulations
- When onboarding new suppliers, sign a Stakeholder Notification Letter with them and conduct strict qualification audits to prevent environmental and social impacts caused by material issues
- When onboarding new suppliers, incorporate logistics risk into the QSA Supplier Audit Standards as one of the new supplier audit requirements

Supplier ESG management

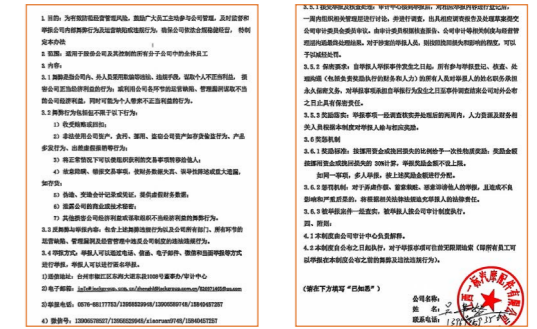
The Company considers the Stakeholder Notification Letter an essential document for supplier admission and partnership, clearly informing them of compliance requirements in environmental protection, safety, and labor practices. We require suppliers to strictly adhere to the relevant laws and regulations of both China and target markets, and to hold certifications such as ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System. Concurrently, we dynamically manage suppliers' ESG-related qualification documents through the SRM system. This is combined with annual and ad-hoc audits to regularly assess their compliance performance. For suppliers with compliance risks, we promptly issue rectification notices and track the effectiveness of corrective actions. Those who fail to meet the standards will have their partnerships suspended or be added to the elimination list, thereby mitigating supply chain ESG compliance risks at the source.



Stakeholder Notification Letter

Supplier Integrity Agreement

To prevent risks such as commercial bribery and fraud, the Company has established the Anti-Fraud and Whistleblowing System as a core binding document for supplier partnerships. All suppliers are required to sign an integrity-related agreement that clearly defines the principles of integrity to be upheld by both parties during their collaboration. It strictly prohibits any form of unfair competition, such as commercial bribery and benefit laundering. The Company has established dedicated whistleblowing channels, encouraging mutual supervision between internal employees and suppliers. We maintain a "zero-tolerance" policy for any violation of the integrity agreement. Once verified, the partnership will be immediately terminated and relevant parties will be held accountable, effectively safeguarding the transparency and fairness of our supply chain collaborations.



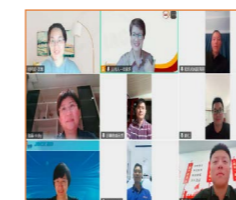
Anti-fraud and whistleblowing system

Supplier capacity building

In response to suppliers' needs for improvement in quality control, ESG compliance, and digital operations, the Company periodically organizes on-site training, study tours, and workshops. The training content covers multiple dimensions, including lean production, zero-defect quality management, environmental compliance requirements, and SRM system operation. Additionally, through supplier conferences and specialized seminars, we share advanced industry experience and technological trends, encouraging suppliers to achieve breakthroughs in technical innovation, green production, and management optimization. This enhances the stability and competitiveness of the entire supply chain, providing stronger support for the Company's global expansion and product innovation, and achieving mutual benefits for both supply and demand sides.

Building the industry supply chain ecosystem—Driving upgrades through all-dimensional, two-way communication and knowledge sharing

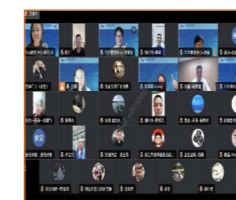
The Company has established a multi-dimensional, comprehensive communication mechanism with its suppliers, conducting over 50 all-dimensional, two-way interactive events annually. These include the annual supplier conference, peer advisory board, high-level mutual visits, and live-stream interactions, ensuring timely information exchange between supply and demand sides. This fosters a mutually beneficial and win-win situation, promoting the sustainable development of the supply chain ecosystem.



Peer advisory board: A dual drive of "co-creation + contribution"



Quality conference live streams: Strengthening synergy, building consensus, and co-constructing quality



Mutual-sharing book clubs: Solidifying the foundational logic of management



Quality exchange and advanced studies, consensus on standards



Supplier system audits to ensure stable product quality



System empowerment to guide quality improvement



Zero-defect education to enhance zero-defect awareness



Knowledge sharing to deepen exchanges and share experiences for win-win cooperation

## Equal treatment to small and medium-sized enterprises

The Company always adheres to fair and honest business principles, viewing small and medium-sized enterprises as equal and important strategic partners. In our collaborations, we uphold the spirit of the contract, strictly follow the payment cycles stipulated in our agreements, and ensure all payments are made in full and on time, with absolutely no intentional delays. We understand that a stable cash flow is the lifeline for the healthy development of SMEs. Therefore, we consider "never defaulting on payments" a fundamental requirement and a solemn commitment for ourselves. We are dedicated to establishing and maintaining long-term, trust-based, and mutually beneficial partnerships with all our partners, regardless of their size, through transparent and efficient collaboration, achieving mutual success and growing together.

## Indicators and targets

The Company has set clear indicators and targets centered on supply chain sustainability. Core indicators include the ESG system certification coverage rate for new suppliers, social and environmental impact assessments of suppliers, and supplier capability enhancement. We continuously increase the proportion of compliant suppliers, driving steady improvement in supply chain ESG performance and collaborative efficiency.

### Key performance



During the reporting period, a total of **171** new suppliers were certified

Among them, **49** suppliers passed sustainability-related system certifications, including environmental, social, and quality standards



A total of **111** suppliers underwent social impact assessments

A total of **111** suppliers underwent environmental impact assessments

No suppliers were rejected due to non-compliance with environmental and social factors



Conducted **51** on-site supplier training sessions

Large-scale supplier training **1** session

Vendor study sessions were conducted on **3** occasions

Supplier workshop **3** sessions

## Supporting industry development

Jack Technology continues to plough into the construction of the industry ecosystem, through in-depth participation in the formulation of industry standards, actively appearing in major exhibitions at home and abroad, and carrying out diversified foreign exchange activities, to empower the industry's high-quality development with its own technological deposits and resource advantages, and to lead the transformation of the sewing machinery industry into digitalization, intelligence and greening.

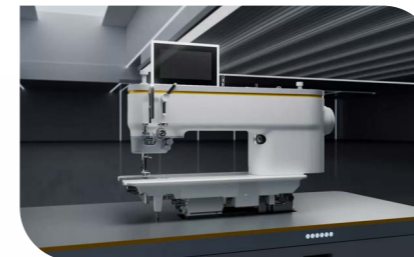
## Cutting-edge technology exploration to define the future of the industry



Flexible fabric manipulation robots debuted at IROS 2025 (the world's premier event for robotics and AI)



Jack launched Aitu, the world's first brand to deeply integrate AI with apparel manufacturing



Released the first AI sewing machine



At the 2025 Zhejiang Province Robotics Industry Development Conference, Jack shared the *Application of Robots in the Garment Industry*



Jack & NVIDIA collaborate to explore the future of AI in apparel manufacturing

**Led the national key R&D program to overcome the key technology of autonomous operation of sewing robots**

In March 2025, Jack launched the "Development and Application Verification of Autonomous Sewing Robot System" project, a key project of the National Key R&D Program for Intelligent Robotics, which is dedicated to overcoming the core technical problems of the intelligent transformation of the sewing industry, and to promoting breakthroughs in the robot's autonomous decision-making, high-precision operation, and intelligent sensing capabilities.



Project "Development and Application Validation of Autonomous Sewing Robot System"

## Industrial ecological synergy, building value networks together

In 2025, through diverse platforms such as industry summit forums and industrial matchmaking events, the Company will continue to deepen its collaboration and synergy with upstream and downstream partners in the industrial chain, industry associations, and scientific research institutions. By actively sharing practical experience in fields like intelligent manufacturing and green production, we aim to inject momentum into the industry's technological innovation, model upgrades, and ecosystem co-construction, driving the sewing machinery industry toward high-quality development.

**Decathlon Vietnam team's visit deepens industrial ecosystem cooperation**

In August 2025, the executive team from Decathlon (Vietnam), a global sporting goods retail giant, visited Jack Technology to inspect the Company's innovative strength in the field of intelligent complete garment manufacturing equipment. The two parties engaged in in-depth discussions on industry pain points and development trends, unanimously agreeing that brand owners, manufacturers, and equipment service providers should work together to build a collaborative industrial ecosystem. This visit enhanced mutual understanding and trust, laying a foundation for future cooperation to jointly promote the transformation and upgrading of the apparel industry toward greater intelligence and reduced reliance on manual labor.



Decathlon team visits Jack Technology

**AI sewing technology debuts at provincial industry conference, empowering the integration of intelligent garment manufacturing and the robotics industry**

In December 2025, the 2025 Zhejiang Province Robotics Industry Development Conference, themed "Embodied Intelligence Leading Hangzhou, Smartly Inspiring the Future," was held in Yuhang, Hangzhou. The conference was co-hosted by the Zhejiang Robot Industry Association, the Zhejiang University Robotics Institute, the Robotics Branch of China Federation of Electronics and Information Industry, the Zhejiang Institute of Quality Sciences, and the People's Government of Yuhang District, Hangzhou. It aimed to gather industry wisdom, discuss cutting-edge trends, showcase innovative achievements, and collaboratively promote the high-quality development of the robotics industry.



The President of Aitu, the Company's brand, was invited to attend the conference and deliver a special presentation. In his presentation, he pointed out that Aitu innovatively integrates a dual-track control method combining model-driven and learning-driven approaches. Focusing on specific industrial scenarios such as fabric piece separation, precise gripping, and placement, Aitu is committed to providing highly adaptive intelligent manufacturing solutions for the global manufacturing industry by coordinating the work of robots and automated equipment, combined with AI intelligent sewing technology, thereby continuously empowering the efficient transformation of the apparel industry.



2025 Zhejiang Province Robotics Industry Development Conference

## Leading with global exhibitions, mastering the right to speak in standards

The Company actively participates in key domestic and international industry exhibitions to showcase cutting-edge technological achievements and build global cooperation bridges. In September 2025, at the China Int'l Sewing Machinery and Accessories Show (CISMA2025), the Company unveiled its latest technological achievements, including humanoid robots and the Ai10 intelligent sewing machine. It also showcased core products from its brands such as Bullmer and Maica, as well as the new high-end brand Aitu. Features like adaptive learning and real-time defect detection drew widespread attention. On-site, the Company reached joint innovation strategic cooperation agreements with several leading global apparel brands and supply chain partners, breaking the technological monopoly of international brands in this field and winning the "2025 IFA Gold Award for AI Product Innovation."

## Industry standard setting

The Company fully leverages its technological leadership by deeply participating in the formulation of industry standards, promoting the standardized development of the industry. As of the end of the reporting period, the Company has led the formulation of 2 national standards, including GB/T 30420.1-2024 Sewing machinery terminology - Part 1: General terminology and GB/T 30420.3-2023 Sewing machinery terminology - Part 3: Spreading and cutting machines terminology, and 20 industry/association standards. It has also participated in the formulation of 4 national standards, such as GB/T 30420.4-2025 Sewing machinery terminology - Part 4: Functional component terminology, and 89 industry and association standards. At the end of 2025, two Jack experts joined the revision group for the international standard IEC 60204-31, initiating the drafting and revision of international standards on behalf of Chinese enterprises.



# 03

## Talent Leadership

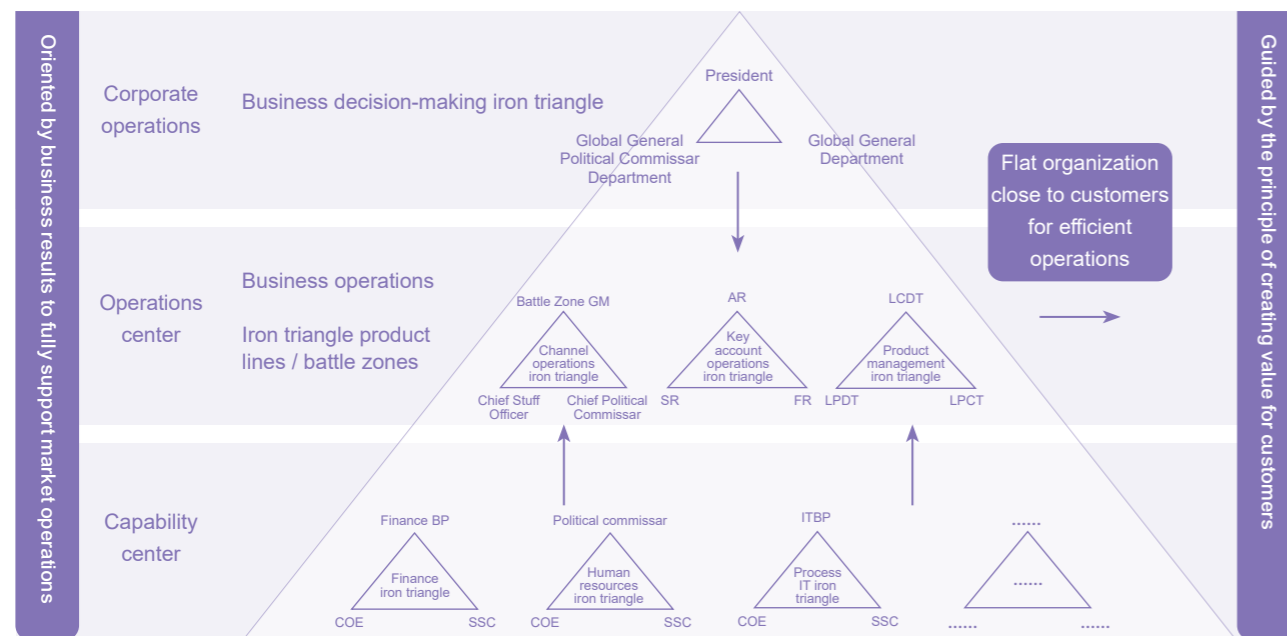


Gathering AI Talents to Solidify  
the Foundation of Innovation

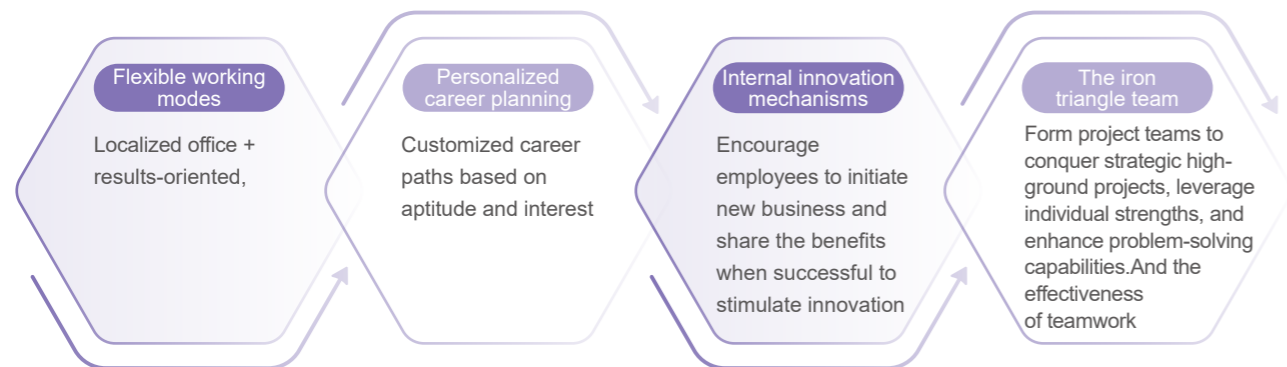
Protection of employee rights	69
Talent training and development	76
Employee health and well-being	81

## Protection of employee rights

Jack Technology is committed to building a fair and transparent employment system that effectively protects the rights and interests of its employees. Adhering to the talent philosophy of being "value-creator-oriented and striver-oriented," the Company empowers every employee to realize their full potential in the most suitable roles by implementing flexible work models, personalized career development paths, and internal innovation incentive mechanisms. Backed by a comprehensive welfare system, systematic career development support, and continuous innovation incentives, the Company provides employees with a broad platform for growth. Simultaneously, it actively promotes a spirit of pragmatism, self-motivation, and positive energy, fostering a healthy and upward-looking work environment to continuously enhance employee well-being and sense of belonging.



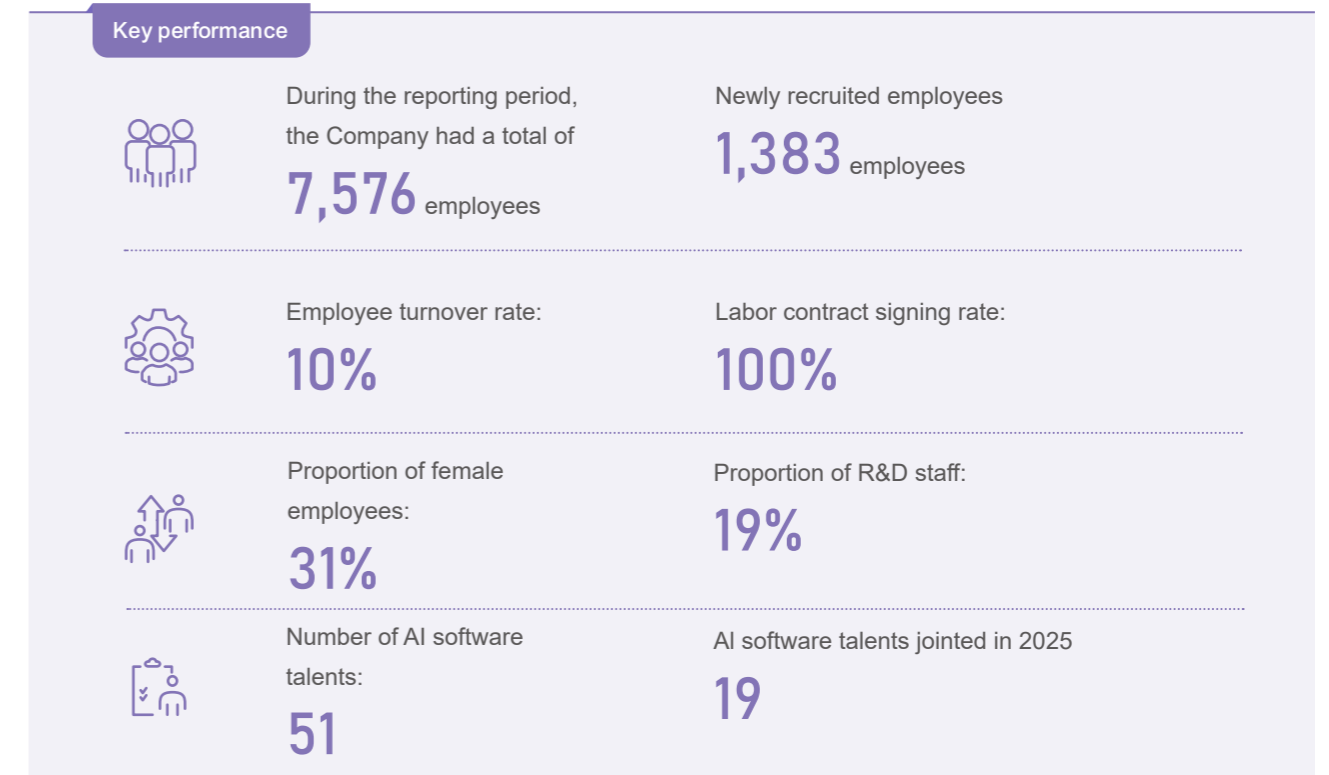
Note: AR: Account Representative; SR: Solution Representative; FR: Fulfillment Representative; LCDT: Product Charter Development Team; LPDT: Product Development Team; LPCT: Product Management Team; COE: Center of Expertise; SSC: Shared Service Center; BP: Business Partner



Talent characteristics management

## Recruitment

Relying on campus recruitment, social recruitment and internal selection, the Company has set up a diversified talent introduction system to actively promote local employment and the employment of special groups, so as to inject impetus for the development of the community; at the same time, the Company strictly complies with the *Company Law of the People's Republic of China*, the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China and other relevant laws and regulations, and formulates and implements Management Regulations for Talent Recruitment, which continues to standardize the recruitment process to ensure that the employment opportunities are fair and just.



## Diversity and equality

The Company consistently upholds the principles of diversity, equality, and inclusion. We strictly adhere to the Law of the People's Republic of China on the Protection of Disabled Persons, prohibiting any form of discrimination based on gender, age, education, or other differences, thereby guaranteeing fair employment and development opportunities for all employees. Concurrently, we place special emphasis on the employment rights of individuals with disabilities, having established a dedicated "Sunshine Home for the Disabled." Furthermore, the Company adjusts work arrangements and optimizes the environment for pregnant employees to safeguard their health and safety in every aspect. Through these initiatives, we continue to foster a work atmosphere of equality and respect, demonstrating our commitment to social responsibility and promoting harmonious development through concrete actions.

**Sunshine home: Paving the path to equal employment with accessibility**

The Company places a high value on the employment rights of persons with disabilities and has recruited a total of 90 employees with disabilities. We tailor job positions to match their specific characteristics and abilities and have established a dedicated "Sunshine Home for the Disabled." The workplace is equipped with facilities such as ramps, elevators, Braille signage, and accessible handrails. We have also enhanced work-life support systems and provide rehabilitation assistance. Through comprehensive accessibility measures, we empower employees with disabilities to work conveniently, integrate confidently into society, and share in the opportunities for a fulfilling life.

## Protection of rights and interests

The Company strictly complies with laws and regulations such as the Law of the People's Republic of China on the Protection of Minors, the Regulations on Paid Annual Leave for Employees, the Regulations on Work-Related Injury Insurance, and the Provisions on the Prohibition of Using Child Labor. The Company firmly opposes any form of child labor or forced labor, and strictly commits not to employ individuals under the age of 18 for work that endangers personal safety or health.

In terms of working hours management, the Company strictly adheres to relevant labor laws and regulations, implementing different systems by category: administrative positions follow a standard five-day, eight-hour workweek, while production positions utilize a comprehensive calculation of working hours system to scientifically and reasonably arrange the work schedules of front-line employees. In addition, we effectively protect employees' statutory rights to rest, such as paid annual leave and public holidays, and strictly prohibit forced overtime. If overtime is necessary due to work requirements, the Company will pay overtime wages or arrange for compensatory time off in strict accordance with legal provisions.

### Key performance

The Company had no labor disputes, labor dispute cases, or incidents of labor discrimination, and the labor contract signing rate was 100% Social insurance coverage rate:



100%

100%



### Zero tolerance to protect rights, jointly building a fair and healthy workplace

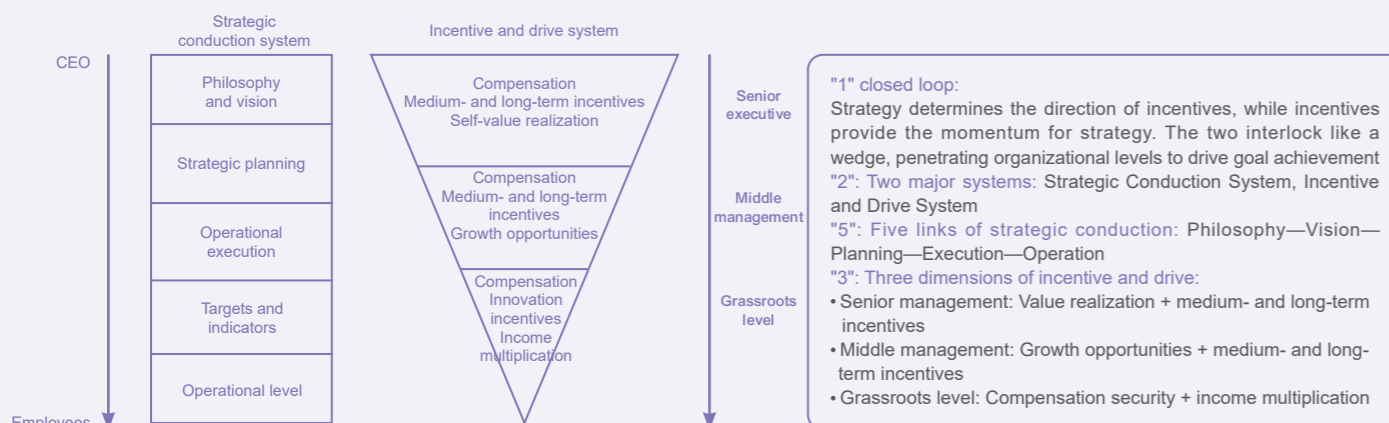
The Company consistently prioritizes the protection of employee rights and systematically conducts specialized awareness campaigns on anti-discrimination and anti-harassment. Through training series such as "Keeping Children Safe from Harassment" and "Workplace Equality," we have deeply embedded preventive awareness among all employees. We have established clear whistleblowing and feedback channels, encouraging employees to speak up and report any instances of discrimination or harassment they experience or witness. This initiative not only reinforces a shared culture of zero tolerance but also continuously improves the workplace environment, ensuring that a fair, healthy, and positive atmosphere serves as the strongest support for our employees.



Anti-harassment training

## Compensation and incentives

The Company consistently focuses on value creation and is dedicated to building a comprehensive and efficient incentive mechanism. Relying on a scientific compensation system and precise performance evaluations, we continuously optimize talent allocation, fostering synchronized growth between employees and the enterprise. The effective implementation of equity incentives deeply aligns individual contributions with the Company's long-term development, tangibly enhancing the team's sense of responsibility and belonging. In a fair, transparent, and dynamic organizational atmosphere, employees' motivation for value creation is continually stimulated and their sense of gain is constantly enhanced, powerfully driving the mutual success of both talent and the Company.

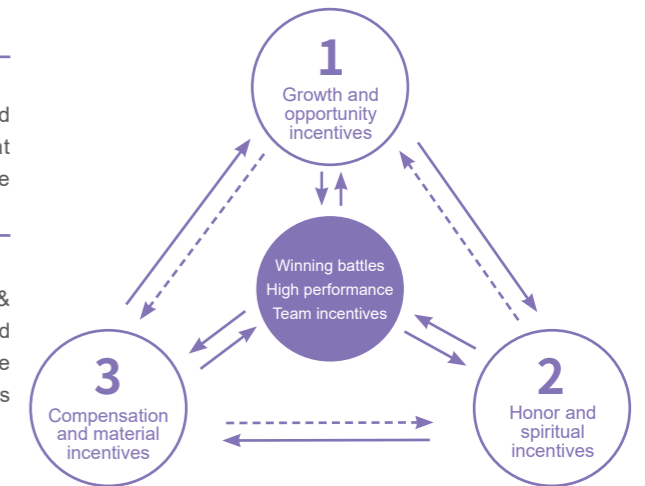


The First "3": 1. Growth, 2. Honor, 3. Compensation

We consistently apply "growth and opportunity incentives, honor and spiritual incentives, and compensation and material incentives" at three levels to stimulate the spiritual drive and work motivation of the organization and its employees

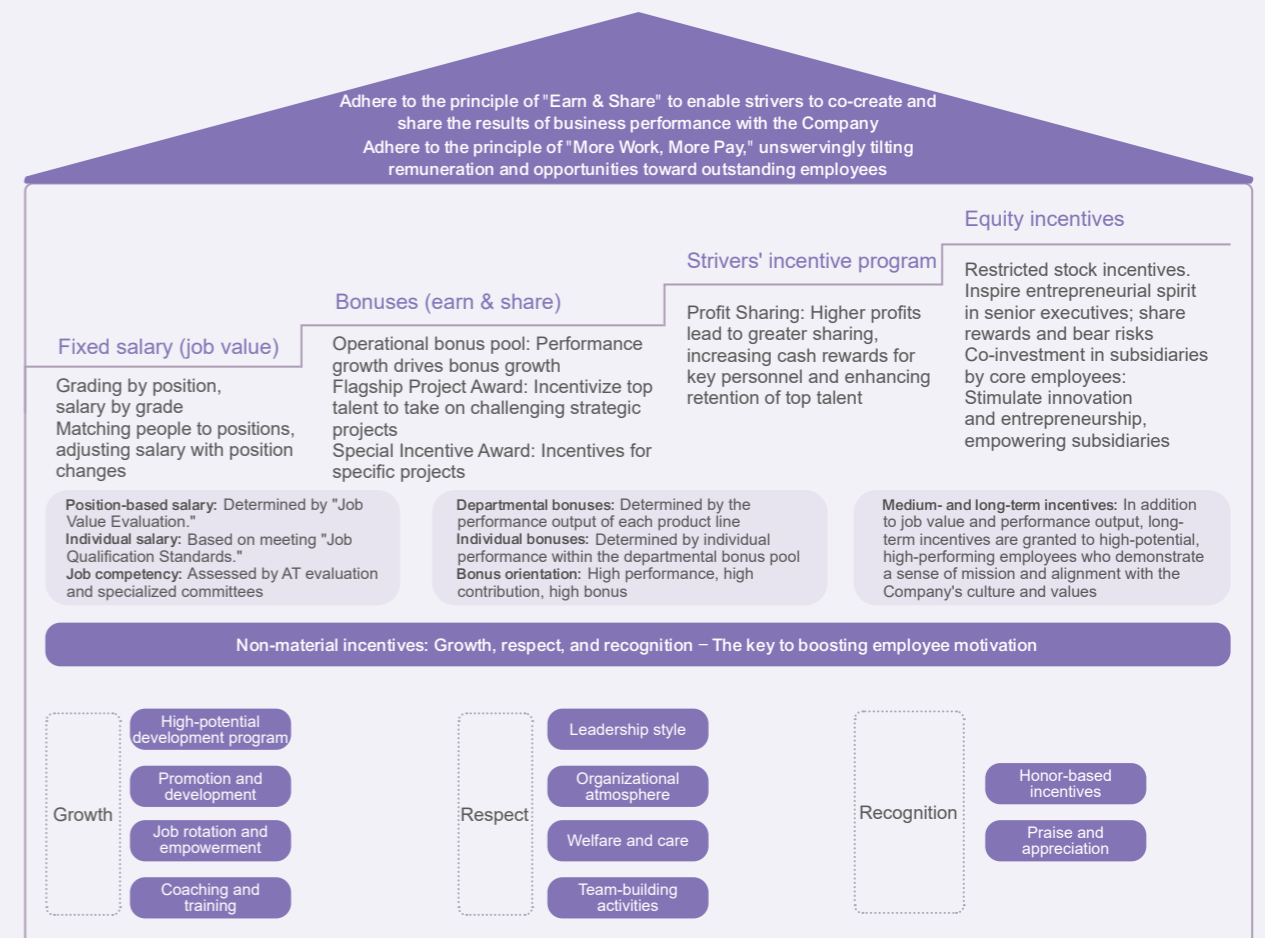
The Second "3": 1. Salary, 2. Dividends, 3. Shareholding

We are committed to "short-term fixed salary and bonus earning & sharing, medium-term strivers' dividend plan, and long-term restricted stock and new business partner mechanisms" at three levels to enable employees to co-create and share the results of corporate operations with the Company



3+3 comprehensive incentive system

### Comprehensive compensation and incentive system



Diverse honor-based incentives to spotlight value creators

The Company has established a multi-dimensional honor-based incentive system. By setting up special awards such as the Flagship Project Award and the Product Development and Commercial Success Award, along with recognition mechanisms like Meritorious Figures, Top 10 Eagle Talents, and Top 10 Innovation Pioneers, we enable outstanding talent from various fields to distinguish themselves. In addition, we have established long-service awards to formally recognize employees who have continuously served for ten and twenty years. This comprehensive and multi-layered incentive model not only acknowledges outstanding current contributions but also rewards long-term loyalty, continuously inspiring the dedication and sense of belonging among all employees.

Department	Award Name	Criteria
Product Department	Best Marketing Product Development Award	...
	Best Sales and Technical Support Award	...
	Best Innovation Award	...
Marketing Department	Top 10 Eagle Talents	...
	Best Channel Sales Team	...
	Best Customer Service Award	...
Supply Chain Department	Best Supplier Award	...
	Best Inventory Management Award	...
	Best Logistics Team	...
International Business Department	Best Market Expansion Award	...
	Best Strategic Partnership Award	...
	Best Global Team Award	...
Quality and Process II Department	Best Quality Improvement Award	...
	Best Process Innovation Award	...
	Best Customer Satisfaction Award	...
Human Resources Management Department	Best HR Award	...
	Best Talent Development Award	...
	Best HR Innovation Award	...
Strategic and Financial Department	Best Financial Performance Award	...
	Best Strategic Initiative Award	...
	Best Business Case Award	...

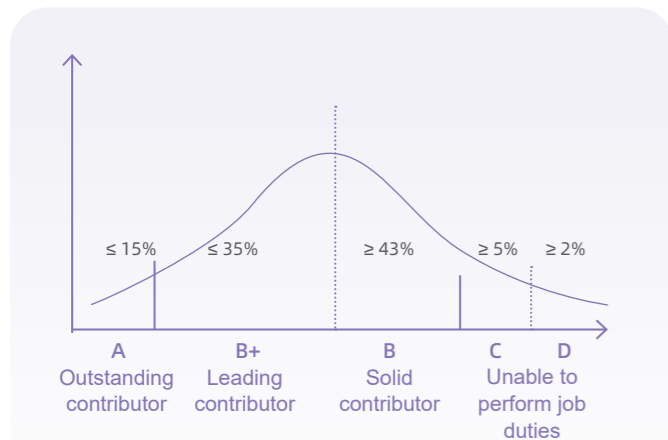
Internal honors list



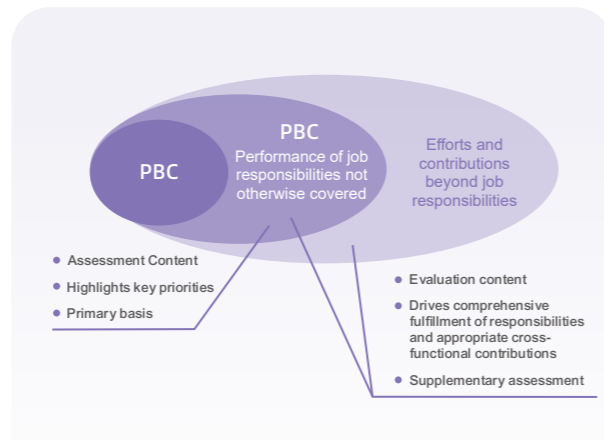
Merit-based culture

Performance management

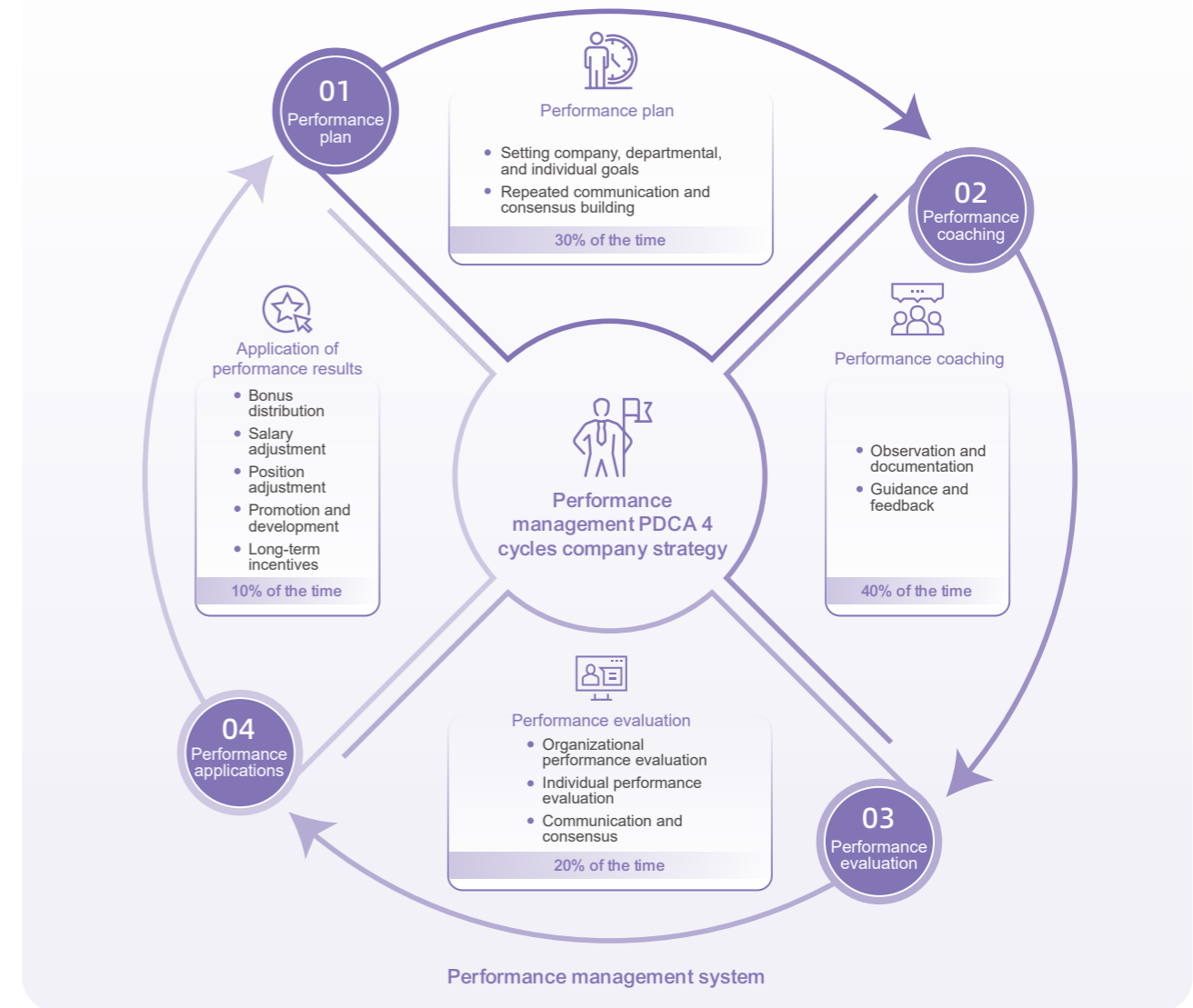
The Company has established a 271 vitality performance management mechanism based on total responsibility and contribution. This system integrates evaluation, uses a tiered and graded approach, identifies top and bottom performers, and emphasizes communication. To optimize organizational efficiency, unleash employee potential, and drive strategic implementation, the Company has built a complete closed-loop performance management system in accordance with the Performance Management System. Through precise goal setting, dynamic process control, and objective result evaluation, performance management not only helps the Company achieve efficient resource allocation and improve overall employee performance but also clarifies career growth paths and provides strong support for employee development.



Identifying top and bottom performers

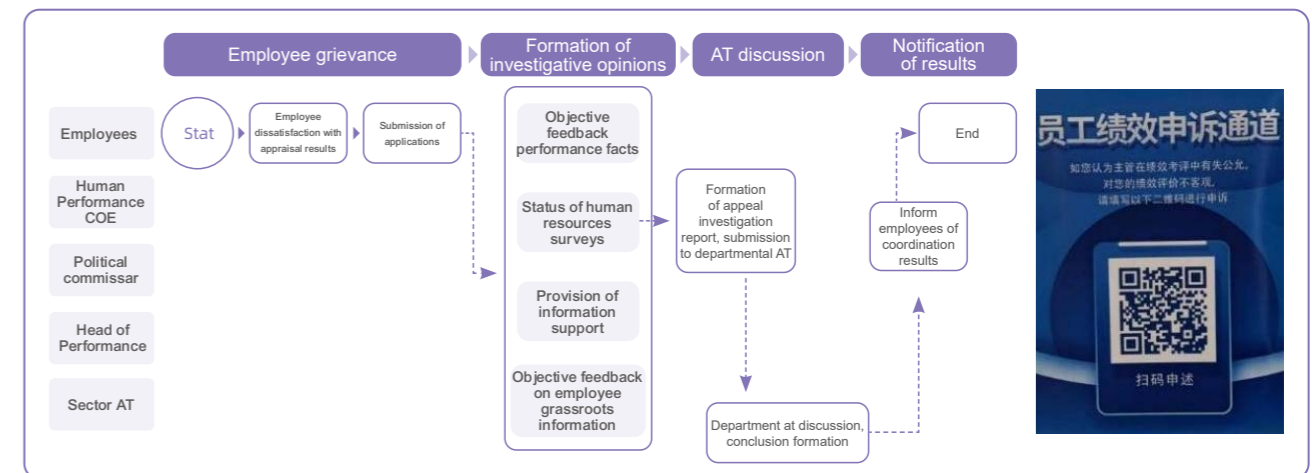


Combined assessment and evaluation



Performance management system

If an employee disagrees with the evaluation result from their performance supervisor or believes it to be unfair, they may file an appeal with the HR Performance COE by submitting a written appeal. The Human Resources Department will conduct an investigation, including peer interviews and collecting feedback from the supervisor and Political Commissar, and submit the findings to the departmental AT for review. If an adjustment to the performance result is required, it will be handled following the principle of "up and down adjustments." The Human Resources Department will provide the employee with the investigation results within one week of receiving the appeal.



Performance grievance process and channel

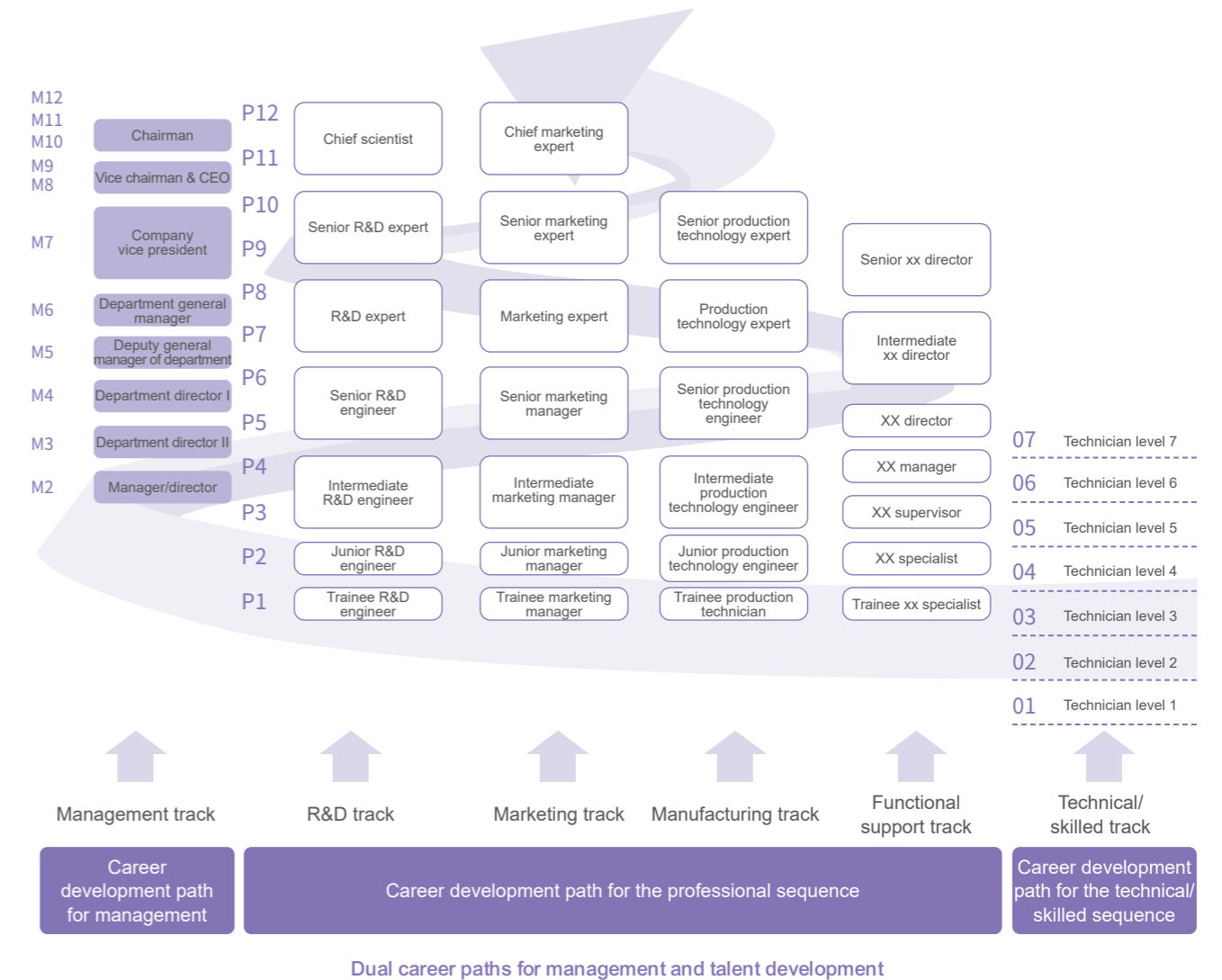
## Equity incentives

In order to strengthen the long-term win-win development of talents and the Company, the Company launched the equity incentive plan, employee stock ownership plan and the Striver incentive plan, granting equity to the core staff, management and outstanding talents, so that their personal interests are deeply bound to the long-term goals of the Company. This initiative effectively enhances the sense of belonging and mission of the staff, stimulates the team's sustained motivation, and helps the Company to stabilize and attract more talented people, and ultimately brings more generous value returns to the shareholders.



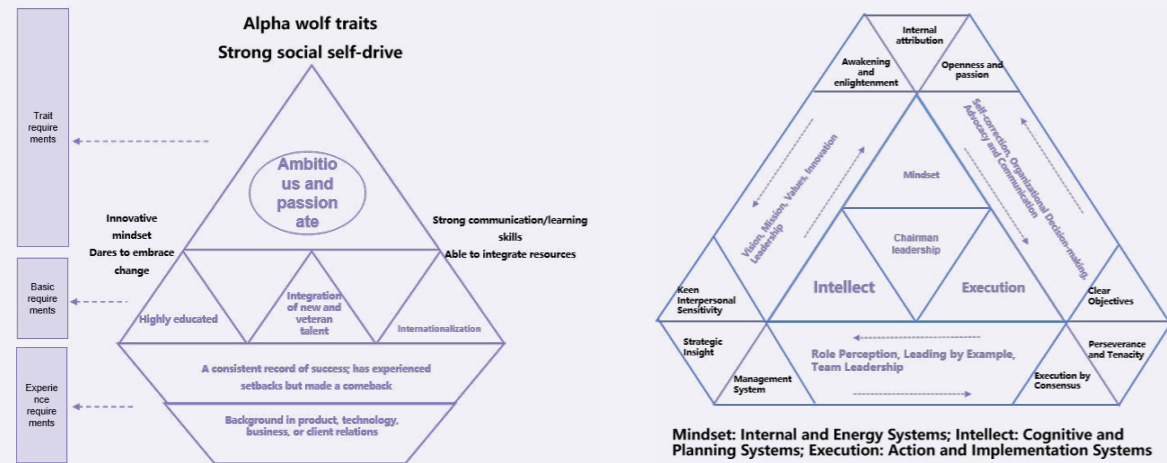
## Talent training and development

Jack Technology has always placed the comprehensive development of its employees at the core of its mission. The Company has established a dual-track career system with both management and professional sequences, creating clear promotion channels and diverse growth paths for its employees.

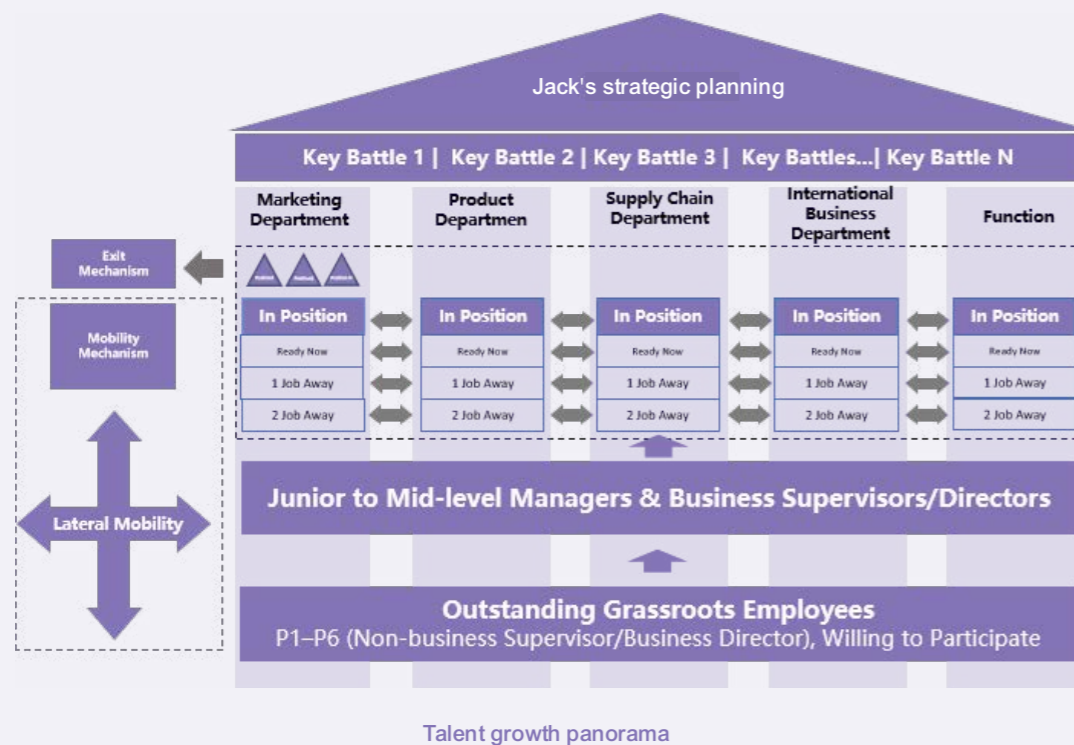


# Employee development

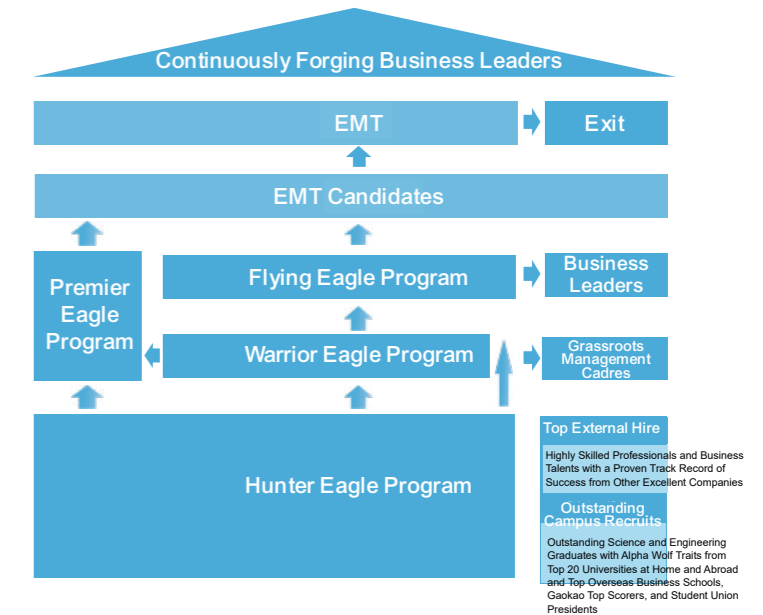
Guided by its overall development and human resources strategies, the Company comprehensively advances talent cultivation. Centered on the core principles of "Cultivating, Selecting, and Discovering Talent," we are committed to becoming an accelerator and incubator for strategic execution, cultural inheritance, and industrial development. Through systematic training and development for various professional and managerial personnel, we support the implementation of the Company's strategy, business expansion, and human capital appreciation.



Leadership diamond model



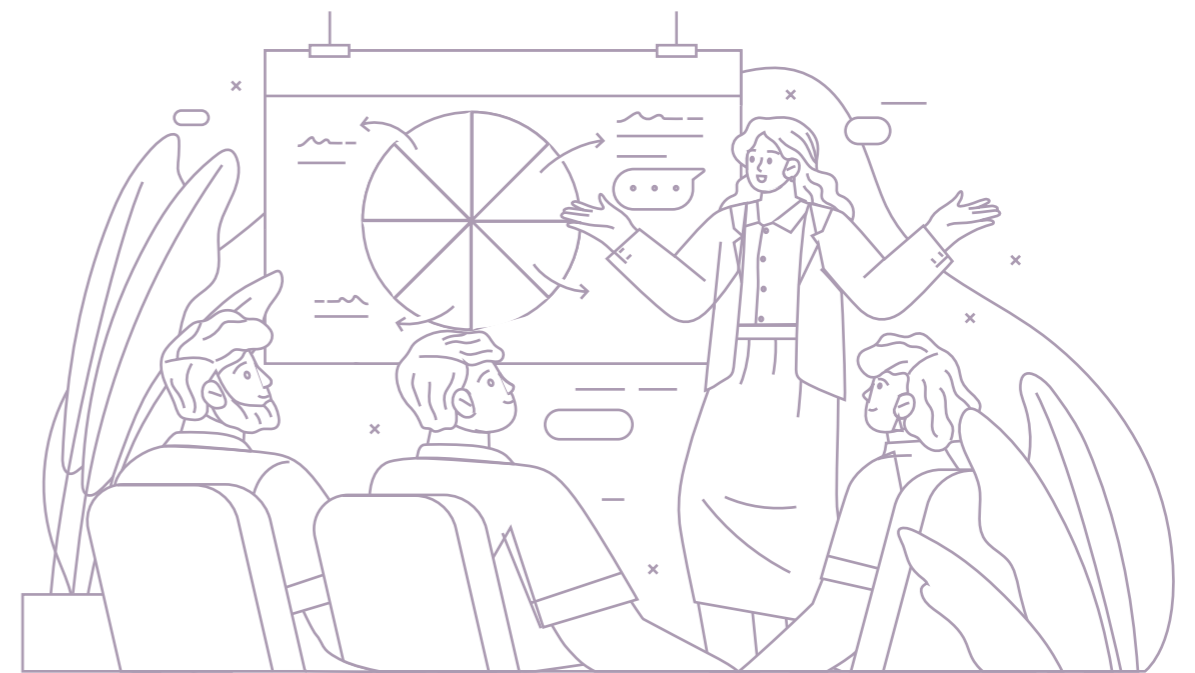
The Company has developed a unique "Four Wolves" Program talent development system. We implement the "Alpha Wolf Program" to forge business leaders through a diamond model and a job rotation and exit mechanism; launch the "Wolf Pack Program" for mid-to-senior level successors to strengthen key position profiling and rotation-based replacement; advance the "Wolf Warrior Program" for outstanding employees to accelerate their growth through wolf warrior classes; and initiate the "Wolf Howl Program" for elites from top universities to build a reserve of high-potential talent through targeted development plans. These four interconnected tiers continuously supply the Company with high-quality management talent. To date, the "Wolf Warrior Program" has completed three sessions, covering a total of 240 individuals and resulting in the promotion of 59 participants (from the first session).



Launch of the first alpha wolf class

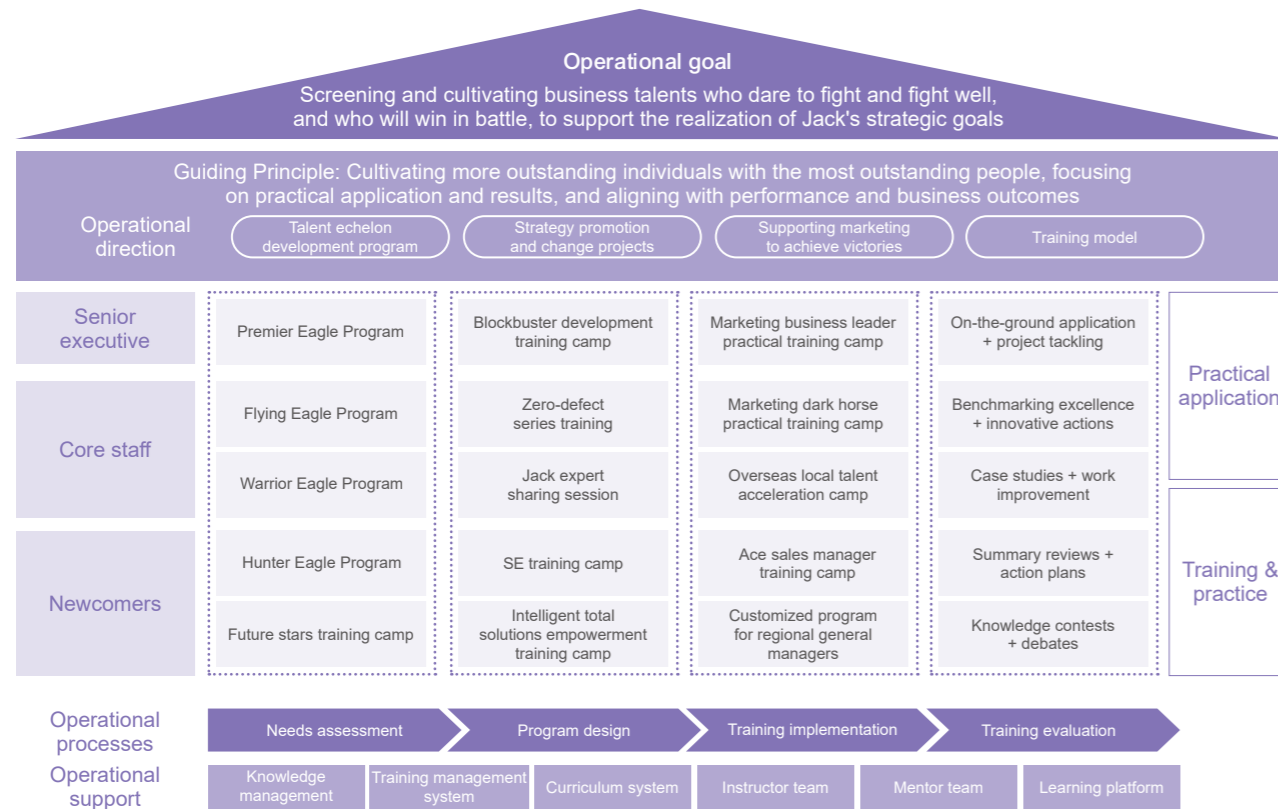


Launch of the wolf warrior class



To drive the achievement of our ten-billion-yuan goal, the Company has established a strategic engine—Jack Business School. With the mission of "accelerating talent development" and "empowering the organization," the school focuses on forging business leaders, building a win-win industrial ecosystem, and accumulating intellectual assets, thereby injecting core momentum into the Company's sustainable growth and industry leadership.

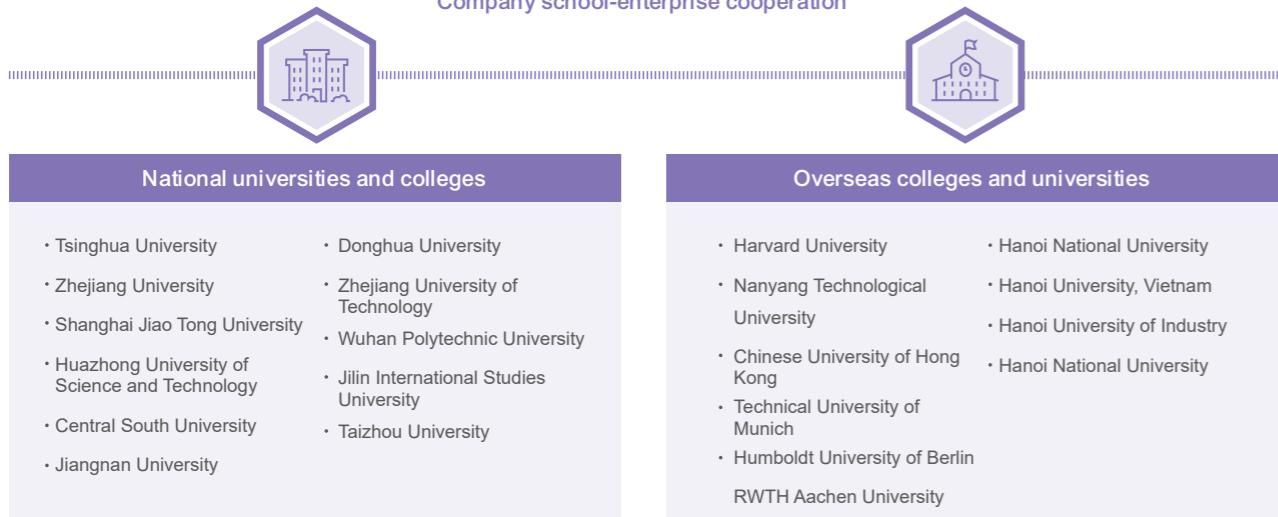
School of Business operations panorama



University-enterprise cooperation

School-enterprise cooperation is a key path to help enterprise progress and talent cultivation, the Company takes the initiative to join hands with universities, deepen the integration of industry and education, promote collaborative innovation, and jointly build a high-quality talent team, relying on joint technological research and resource interoperability and sharing, and constantly expanding the diversified forms of cooperation, injecting impetus for the industry's development, and actively fulfilling its social responsibility.

Company school-enterprise cooperation



Deepening industry-university-research integration: Spearheading major R&D projects and supporting talent cultivation in partner institutions

In March 2025, to overcome core technical challenges in the intelligent transformation of the sewing industry, the Company took the lead in launching the "Development and Application Verification of Autonomous Sewing Robot System" project. This initiative was undertaken in collaboration with top-tier domestic universities, including Zhejiang University, Southeast University, South China University of Technology, Jiangnan University, and Anhui Polytechnic University, as well as leading industry enterprises such as ROKAE and Soft Robot Tech Co., Ltd. (SRT). The project is dedicated to advancing the innovative application of humanoid robots in the sewing sector, with a focus on achieving breakthroughs in key technologies like autonomous decision-making, high-precision operation, and intelligent perception for robots. Its goal is to inject new momentum into the intelligent upgrading of China's manufacturing industry.

While engaging in collaborative R&D on cutting-edge technologies, the Company also continues to support talent cultivation at partner institutions through dedicated scholarships, building a talent pipeline for the future of industrial intelligence. The primary scholarship donations for this year are as follows:

Partner institution	Annual donation amount	Donation period/agreement signing date
Zhejiang University of Technology	RMB 100,000	5 consecutive years of donations
Xi'an International Studies University	RMB 50,000	Agreement to be signed in 2026
Taizhou Technician College	RMB 6,000	5 consecutive years of donations

Building a cooperation platform with top global universities to systematically advance the recruitment and cultivation of high-end overseas talent

To advance the recruitment of elite overseas talent, Jack actively builds a global industry-university-research collaborative platform. The Company has established regular cooperation mechanisms with world-class universities such as the Hong Kong University of Science and Technology, Technical University of Munich, RWTH Aachen University, and Nanyang Technological University. Through initiatives including reciprocal visits, specialized recruitment events, joint school-enterprise programs, and targeted talent acquisition, Jack promotes deep integration of technological innovation, achievement commercialization, and high-end talent cultivation, comprehensively enhancing corporate core competitiveness and injecting strong momentum into the high-quality development of the industry.



# Employee health and well-being

Jack Technology has consistently adhered to a people-oriented philosophy, placing high priority on employees' occupational safety, mental health, and quality of life, while effectively safeguarding their lawful democratic rights. The Company strictly complies with relevant laws and regulations, including the *Labor Law of the People's Republic of China*, the *Trade Union Law of the People's Republic of China*, and the *Trial Measures for Collective Wage Negotiation*. We have established robust Regulations on Occupational Safety and Health to fully protect employees' workplace safety, implement diverse welfare policies, and organize a wide range of recreational and cultural activities to continuously enhance employees' sense of belonging and cohesion. Emphasizing democratic management, the Company actively encourages employee participation in corporate governance to foster a harmonious and stable working environment.

## Occupational health and safety

The Company places high priority on occupational health and safety management and is committed to creating a safe and reliable working environment for its employees. By establishing a comprehensive management system and rigorously implementing measures such as risk identification, emergency drills, and safety training, we minimize safety risks and provide solid assurance for employees' operational safety.

## Governance

The Company highly values occupational health and safety management, has obtained ISO 45001 management system certification, and strictly adheres to relevant standard requirements. The Company has established a Work Safety and Occupational Health Committee (hereinafter referred to as the "Safety Committee"), chaired by the enterprise head, with department heads serving as committee members. Concurrently, the Safety and Environmental Management Department has been established as a dedicated unit responsible for enabling and overseeing safety operations. Each department designates its head as the departmental safety officer and appoints a safety manager or safety coordinator to assist in implementing all safety requirements. While reporting directly to their department head on a day-to-day basis, the performance of safety managers or coordinators is also subject to cross-functional evaluation by the EHS Management Department to strengthen execution and oversight effectiveness.



Occupational health and safety management system certification

## Strategy

The Company assigns work safety and occupational health responsibilities to every position, process, and individual employee. Through a dual-force model of "proactive employee participation and leadership-led implementation," we cultivate an occupational health and safety (OHS) culture of "Partnership in Health, Collaboration in Safety." The Company has established the core OHS objective of "Zero Injuries, Zero Occupational Diseases, and Zero Health Hazards." Leveraging full-staff risk identification, full-staff training participation, and full-staff supervision of implementation, we are fully committed to achieving: the occupational health goal of "preventing the emergence of legally defined occupational diseases," the work safety goal of "preventing all types of safety incidents," and the compliance management goal of "eliminating accountability gaps and management blind spots." We unite all personnel to safeguard the physical health and operational safety of employees, outsourced workers, and related parties.



### Identified occupational health and safety risks

Risk type	Risk description	Response measures
Workplace safety incidents and occupational health risks	Manufacturing and service processes involve potential hazards such as machinery operation and electrical use, as well as potential occupational health impacts from prolonged exposure. Inadequate management could adversely affect employees' physical and mental well-being and disrupt work continuity.	<ol style="list-style-type: none"> <li>1. Establish and obtain ISO 45001 Occupational Health and Safety Management System certification to systematize and standardize management.</li> <li>2. Establish the Work Safety and Occupational Health Committee (Safety Committee) and the Safety and Environmental Management Department.</li> <li>3. Adopt the "Eight Energy Source Identification Method" and the "Eye on Safety" digital platform to systematically conduct risk identification and establish a risk inventory database.</li> <li>4. Organize regular safety training and emergency drills to ensure 100% coverage and qualification rates for both new hires and incumbent employees.</li> </ol>
Production disruption and operational compliance risks	A safety incident or occupational health issue could disrupt normal business operations and damage the Company's reputation.	<ol style="list-style-type: none"> <li>1. Strictly implement the Regulations on Occupational Safety and Health and continuously accumulate and refine risk prevention and control experience through the "Safety Journey" project.</li> <li>2. Strengthen specialized emergency response drills—such as those for confined space operations—to test and enhance the rapid response and command capabilities of emergency rescue teams.</li> </ol>
Insufficient employee safety skills and awareness risks	Employees—particularly new hires or those in critical roles—may become weak links in safety management if they lack essential safety knowledge, hands-on skills, and risk awareness.	<ol style="list-style-type: none"> <li>1. Conduct regular, organization-wide occupational health and safety training to ensure adequate per capita training hours.</li> <li>2. Focus on enhancing employees' "Four Capabilities": identifying and eliminating hazards, extinguishing incipient fires, organizing evacuation and escape, and conducting fire safety education and awareness campaigns.</li> </ol>

### Identified occupational health and safety opportunities

Opportunity type	Opportunity description	Response measures
Exceptional safety culture enhances organizational cohesion	Building a full-participation system where "everyone is responsible, accountable, and benefits from safety," along with fostering a culture of "Partnership in Health, Collaboration in Safety," significantly enhances employees' sense of belonging, security, and team cohesion.	<ol style="list-style-type: none"> <li>1. Enhance employee engagement and retention: A safe and healthy work environment is a key foundation for attracting and retaining talent, helping reduce turnover costs.</li> <li>2. Promote management synergy and efficiency: A clear accountability framework and dual-participation model (employee involvement, leadership demonstration) strengthen cross-departmental collaboration and improve overall operational efficiency.</li> </ol>
Systematic management ensures operational stability	Proactive risk identification, routine training and drills, and digitalized control enable effective incident prevention, ensuring smooth and continuous production operations and minimizing unplanned downtime.	<ol style="list-style-type: none"> <li>1. Ensure supply chain reliability and on-time customer delivery: A stable production environment is essential for meeting delivery commitments and maintaining customer trust.</li> <li>2. Build a responsible brand image: Consistently strong safety performance helps establish a compliant, reliable, and people-centric corporate reputation among customers, partners, and the community.</li> </ol>
High-quality safety team empowers organizational resilience	Through systematic training and practical drills, we develop a workforce with high safety awareness and emergency response capabilities—a valuable asset for preventing and managing unexpected incidents.	<ol style="list-style-type: none"> <li>1. Reduce incidents and direct losses: Enhanced self-rescue, mutual aid capabilities, and risk awareness help prevent minor hazards from escalating into major incidents at the source.</li> <li>2. Develop sustainable, endogenous safety capabilities: Embed safety knowledge into organizational memory and employee habits, reducing reliance on external oversight and building long-term, self-sustaining safety management capacity.</li> </ol>

## Impact, risk, and opportunity management

The Company comprehensively identifies occupational health and safety risks through systematic risk identification and assessment. In partnership with Shenzhen Safety-Way, Jack launched the "Safety Journey" project: applying the "Eight Energy Source Identification Method" to identify hazards across all production and service processes, while leveraging the "Eye on Safety" digital platform to standardize the end-to-end approval workflow for risk identification, ensuring accuracy and validity. The project also establishes a risk inventory database, enabling continuous accumulation and iterative enhancement of organizational risk prevention experience to support long-term improvement in safety management capabilities.

### Occupational health and safety management measures

#### Health risk identification and control

**Risk identification and assessment:** Leveraging AI agents and applying the "Eight Energy Source Identification Method," we have identified over 5,000 risk scenarios. After determining risk levels using the risk matrix method, we focus on medium-to-high risk positions and embed positional red lines into job operating standards to ensure all employees understand and accept risk control requirements. A five-level spot-check process is implemented to guarantee 100% closed-loop execution of all control measures.

**Safety inspections and rectification:** Through various inspection formats—including routine, pre-holiday, comprehensive, specialized, and seasonal checks—we comprehensively identify safety hazards. Issues are promptly rectified, and long-term preventive measures are established to avoid recurrence.



#### Emergency plans and risk drills

**Emergency plan formulation:** Based on risk identification results, the Company has developed specialized emergency response plans and on-site handling procedures, compiled into a manual to ensure structured and standardized emergency responses.

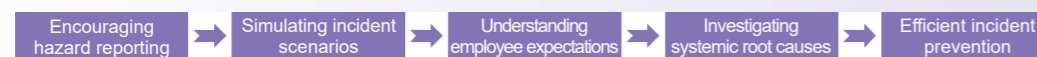
**Emergency drills:** In 2025, the Company organized over 220 comprehensive, specialized, and on-site emergency drills covering scenarios such as electric shock and mechanical injuries, enhancing the emergency response capabilities of all employees.

#### Safety incident handling and improvement

**Incident handling process:** We have established a comprehensive occupational health and safety incident handling process. After an incident occurs, detailed information must be reported in the Company's main communication group and recorded via the "Eye on Safety" system. Investigations are conducted at the workshop or department level to determine root causes and propose corrective actions, ensuring clear accountability and effective remediation.

#### Zero-defect safety management mechanism

The Company has introduced the "Zero-Defect" concept into safety management, treating every major near-miss or failure of control measures as if it were an actual incident. By analyzing precursors and personnel psychological expectations, we uncover systemic root causes behind management gaps, aiming to implement comprehensive systemic safeguards to prevent real accidents.



#### Roadshow vehicle delivers on-site training, enhancing skills through practical drills

During Work Safety Month in June 2025, the Company partnered with a professional organization to bring in the ZKH Safety Roadshow Vehicle for an immersive safety experience event. The event featured first-aid instruction and hands-on practice, where employees learned CPR, trauma bandaging, and other emergency skills under expert guidance. Participants also closely interacted with various personal protective equipment (PPE) to understand proper usage. Targeted at safety officers and key-position personnel, the event combined theory and practice to significantly enhance critical staff's emergency response capabilities and safety awareness, laying a solid foundation for strengthening the Company's safety defenses.



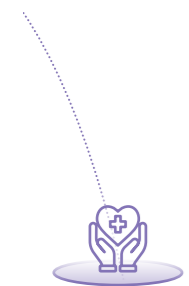
Safety month activities

#### Implementing green and safe management of special equipment to build a dual defense for zero accidents and low-carbon operations

To ensure production safety and promote low-carbon operations, the Company has systematically implemented a green and safe management system for special equipment. By strictly complying with national regulations, we achieved 100% registration and periodic inspection rates for all special equipment, maintaining zero safety incidents throughout the year. Building on this, the Company innovatively integrated the "Eight Life-Saving Rules" for equipment with energy isolation controls, effectively eliminating abnormal equipment wear and energy waste caused by non-compliant operations. This system deeply aligns safe equipment operation with low-carbon production goals, enhancing energy efficiency while reinforcing the foundation of work safety, thereby providing robust support for sustainable operations.



Eight life-saving rules—four musts, four prohibitions



Fire drills enhance skills and build a safety "firewall"

In August 2025, the Company's fire emergency rescue team conducted a fire safety drill to enhance employees' "Four Capabilities": identifying and eliminating fire hazards, extinguishing incipient fires, organizing evacuation and escape, and delivering fire safety education. The drill simulated a realistic fire scenario, with particular emphasis on emergency response procedures for confined space incidents, testing the team's integrated command and rapid response capabilities. Through hands-on practice, employees further mastered fire alarm protocols, equipment usage, and evacuation techniques, significantly improving coordination and safety awareness—providing solid assurance for the sustained stability of the Company's safety performance.

## Indicators and targets

### Key performance



During the reporting period, in addition to organizing internal occupational health and work safety training for all staff, the Company actively encouraged employees to participate in Zhejiang Province's "Million Employee Safety Training" program. The total duration of occupational health and work safety training was approximately **120,000** hours, with an average of **15.8** training hours per person



Each team held two team activities per month. During the reporting period, over **3,024** team activities and more than **150** training sessions were conducted, with a **100%** completion rate for team activities



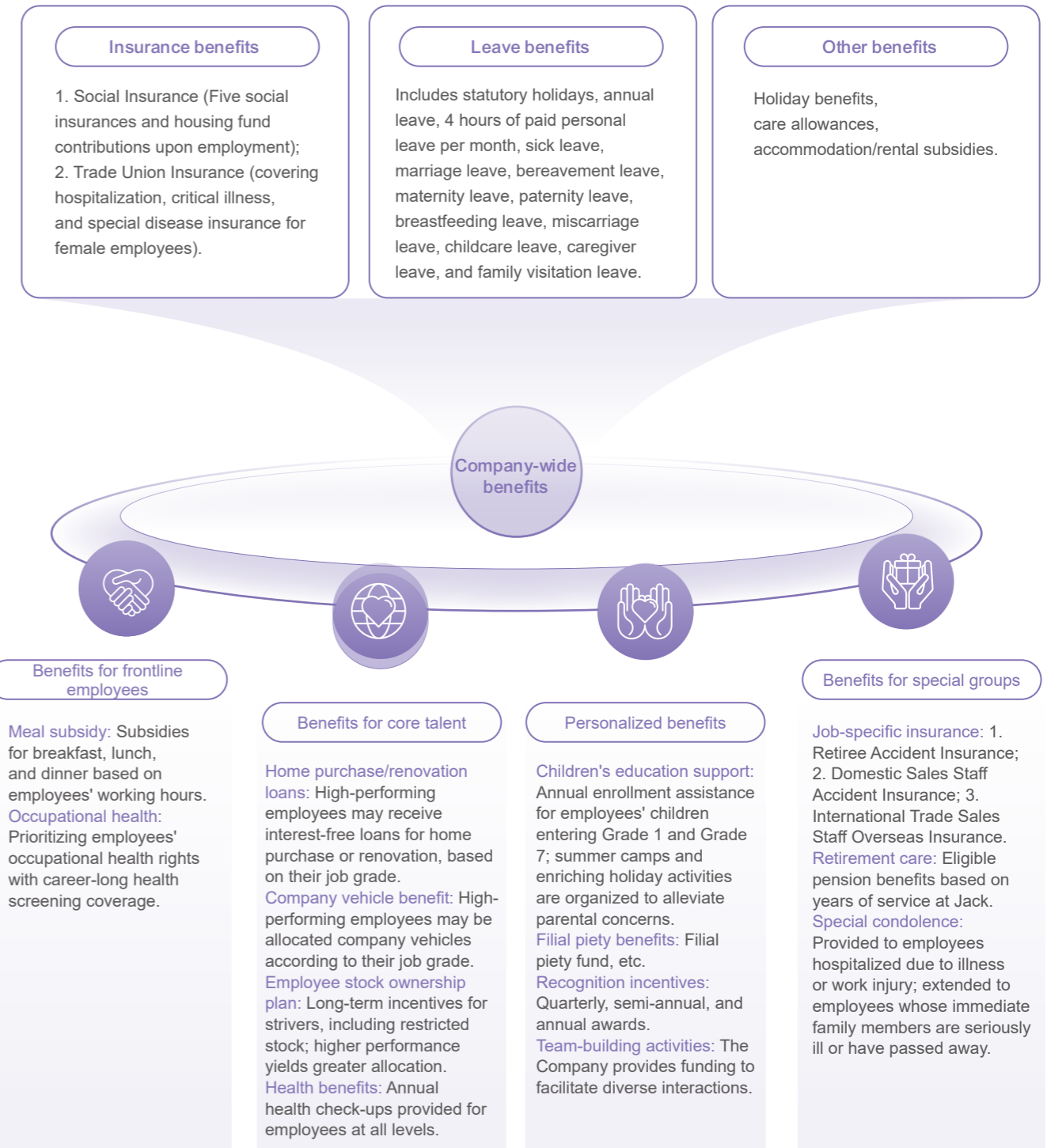
**100%** pass rate for new employee three-level safety education, **100%** completion rate for the work safety training plan for on-the-job production employees

## Employee care and activities

The Company consistently prioritizes employees' physical and mental well-being and quality of life, continuously strengthening its welfare and care mechanisms. By implementing diverse welfare policies, carrying out heartfelt support initiatives, and organizing rich cultural activities, we genuinely enhance employees' sense of belonging and team cohesion, fostering a harmonious, inclusive, and motivated corporate atmosphere.

## Employee benefits

Based on policies such as the Management Regulations on Welfare, Management Regulations on Loans for House Purchase, and Management Regulations for Vehicle Allocation, the Company has established a comprehensive and diverse benefits package encompassing statutory entitlements and Jack-specific welfare offerings. This robust system not only boosts employee loyalty and motivation but also enhances team responsibility and cohesion. Guided by a humanistic care philosophy, the Company is committed to supporting employees facing hardship or special circumstances, creating a deeply resonant care mechanism.



"Filial piety cards" convey warmth and nurture a culture of respect for the elderly

The Company has always championed filial piety and benevolence. Through the "Filial Piety Card" benefit, care is extended to employees' families. Eligible employees' parents receive a monthly allowance, half of which is covered by the Company. Each Double Ninth Festival, the Company issues Filial Piety Cards to parents of employees who have completed five years of service, with executives personally delivering cards to parents residing in the Jiaojiang-Huangyan-Luqiao tri-district area. Since its launch, the program has benefited over 3,200 employees' parents. As of December 2025, nearly RMB 44.07 million in filial piety funds have been distributed, effectively promoting respect for the elderly and strengthening employees' sense of belonging and cohesion.



Photo of filial piety card distribution

Themed birthday parties add splendor, building warm moments in the workplace

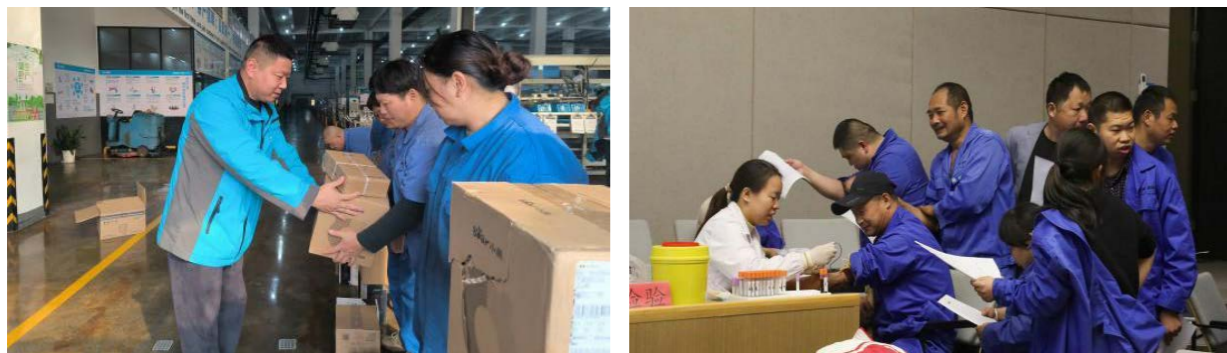
The Company meticulously plans monthly birthday celebrations, each featuring a unique theme—from "Retro Nostalgia Parties" to "Fun Craft Workshops"—infusing freshness and joy through creative variety. These themes offer novel experiences and give honorees a sense of personalized ceremony and team warmth through interaction. Amid laughter and camaraderie, employee bonds deepen and team cohesion grows, making each birthday party a cherished workplace moment and fostering a harmonious, caring corporate family atmosphere.



Birthday party activities

Heartwarming actions to support persons with disabilities, jointly building a dream of inclusive prosperity

On the occasion of the International Day of Persons with Disabilities, the Company's trade union visited workshops to deliver holiday greetings and generous gifts to over 70 employees with disabilities, encouraging them to embrace life positively and achieve prosperity through diligence. The Company's Party Committee, in collaboration with the local community health center's Party branch, organized a joint Party-building initiative to provide 27 employees with disabilities at the "Sunshine Home Common Prosperity Workshop" with free health screenings, medical consultations, and wellness seminars. By combining material support with health protection, the Company demonstrates tangible care, ensuring disability inclusion efforts yield real impact and fostering a harmonious environment of equality, mutual support, and shared progress.



International day of persons with disabilities outreach

Full-cycle protection of rights during the "three periods," demonstrating warmth for returning female employees

The Company has consistently integrated care for female employees into its corporate culture, comprehensively safeguarding their rights during pregnancy, maternity, and lactation. Through reasonable work adjustments and provision of dedicated rest and nursing rooms, we have established a full-cycle leave system covering maternity leave, miscarriage leave, childcare leave, and daily nursing breaks, supplemented by a dedicated maternity fund. This thoughtful support alleviates concerns for female employees. The effectiveness of this mechanism is evident: during the reporting period, the return-to-work rate after maternity leave reached 100%, fully demonstrating the Company's respect and warm care for women and fostering an environment of gender equality and inclusive development.

Recreational and cultural activities

To cultivate a vibrant, united, and harmonious workplace, the Company not only emphasizes welfare and care but also proactively organizes diverse recreational and cultural activities to support employees' work-life balance.

Organizing recreational and cultural activities to enrich employee life

By hosting annual galas, traditional festival celebrations, social mixers for single employees, and basketball tournaments, the Company continuously enriches employees' leisure lives, enhances their holistic capabilities, and strengthens their sense of fulfillment, happiness, and belonging—injecting vitality into corporate development.

Festive and themed activities



The Company grandly hosted a New Year's Eve Gala themed "Crowned with Achievements, Embarking on a New Journey."



The Jack Running Club held the 2025 Winter Fun Run titled "Breaking Ten Billion, Creating Brilliance" along the Wenling Binhai Greenway



During the Lantern Festival, the Company organized riddle-guessing and served Linhai's specialty zaogeng (a savory rice soup)



On the Laba Festival, the Company provided employees with complimentary, heartwarming Laba congee



At the Linhai campus, a Mid-Autumn Festival lantern-making DIY event was held under the theme "Crafting Lanterns, Celebrating Reunion."



Qixi Festival social mixer



Jack's 30th anniversary cultural carnival

Cultural and sports activities



Youth night school – Jack exclusive session: Embracing the new era of artificial intelligence

Youth night school – Jack exclusive session: Badminton

Jiangnan subdistrict village BA basketball tournament

Democratic management and communication

With democratic management at its core, the Company continuously refines its trade union system and builds a multi-dimensional employee participation mechanism. Through regular employee representative assemblies, multi-level forums, and "Face-to-Face with the Boss" sessions, we ensure employees' deep involvement in decision-making. A responsive mechanism—"request collection, timely response, closed-loop resolution"—has been established, complemented by diverse channels such as assembly proposals and an online feedback platform tailored to different employee groups, ensuring all voices are heard. These measures fully realize employees' democratic rights, making them active participants and beneficiaries of corporate development and solidifying a foundation for harmonious, win-win growth.



Communication channels

Face-to-face with the boss: Building a "heart-to-heart" communication bridge

The Company holds quarterly "Face-to-Face with the Boss" events, embodying the cultural values of "no hierarchy, no seniority, and freedom of speech." Centered on open, zero-distance dialogue, these sessions invite EMT members to engage directly with employees—communicating corporate strategy and performance while sincerely listening to suggestions on career development and growth. By dismantling hierarchical barriers and removing communication obstacles, the events foster information sharing and strategic alignment. Through genuine two-way dialogue, team unity is strengthened, cultivating a more resilient and dynamic corporate culture where democratic management takes root. Throughout the year, 43 employee suggestions were collected, all received responses, and 41 were implemented—demonstrating our commitment to addressing employee concerns through concrete action.



"Face-to-Face with the Boss" event

Forums provide a platform: Frontline voices shape decisions

The Company regularly hosts frontline employee forums, creating an open and inclusive setting where over 100 employees engage in roundtable discussions with senior leaders. The executive team attentively listens to concerns and suggestions, making immediate decisions on resolvable issues and setting clear deadlines for others. These forums create a virtuous cycle: "the Company understands frontline sentiments, and employees grasp strategic direction," transforming employee input into actionable insights. This builds collective momentum—"shared vision, shared progress"—embedding democratic management at the grassroots level and fueling continuous innovation. In 2025, the Company collected 10 suggestions, responded to all 10, and implemented 9.



Frontline employee forum

Key performance

- During the reporting period, the Company distributed **7,457** employee satisfaction questionnaires
- Questionnaire response rate: **70.07%**
- Overall employee satisfaction at the Company: **94.32%**
- Satisfaction increased year-on-year compared to 2024: **2.9%**
- Employee confidence in the Company's future development: **88.33%**





# 04

## Green DNA



### Low-Carbon Transition Safeguards Ecological Civilization

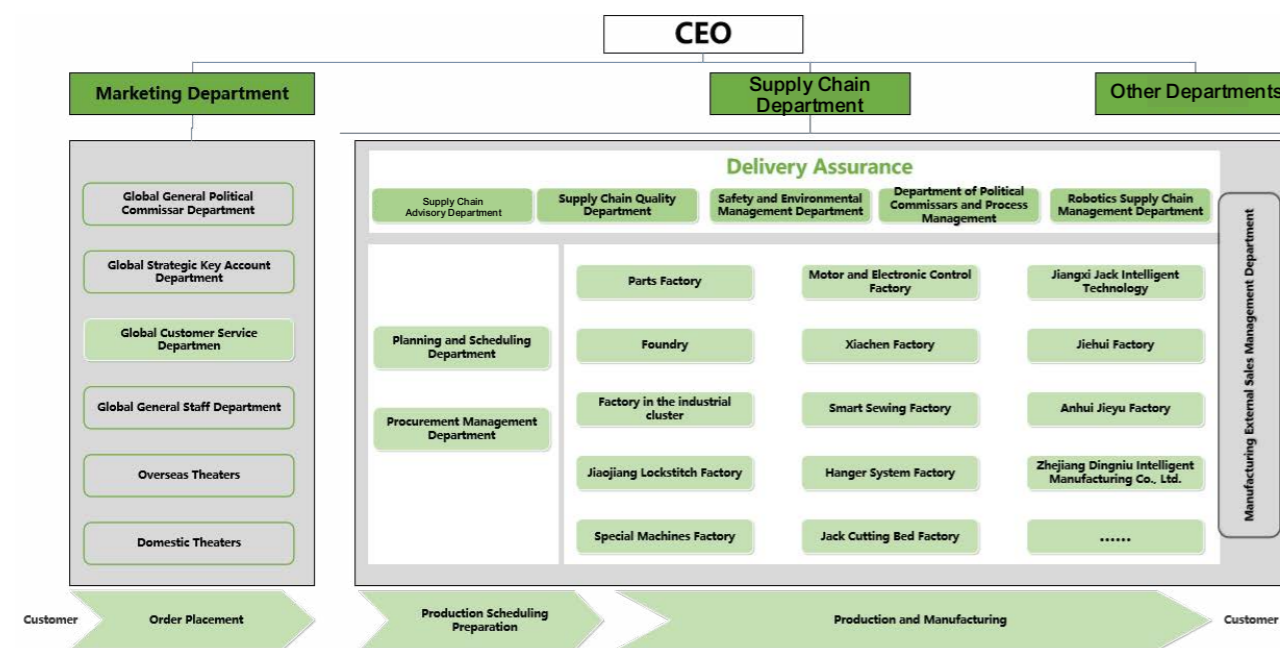
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# Environmental compliance management

To ensure legally compliant and stable production and operations, Jack Technology regards environmental compliance management as the foundational element of its environmental governance system, establishing a systematic management framework centered on "System Building, Risk Prevention, Capability Enhancement, and Continuous Improvement." By refining its organizational structure, strengthening its institutional framework, and enhancing risk identification and emergency response mechanisms, the Company continuously improves its environmental governance capabilities, ensuring that all environmental indicators consistently meet standards and laying a solid foundation for green operations and sustainable development.

## Governance

The Company integrates environmental protection into its overall group management system, establishing a top-down environmental governance structure. It has created an environmental management architecture with the "Supply Chain Department" as the highest management level, the Safety and Environmental Management Department as professional support, and each production plant as the executive body. Through the professional oversight of functional departments and vertical implementation by domestic and international production units, the Company has built an efficient environmental governance system extending from strategic design to the production endpoint, ensuring the precise execution of environmental responsibilities throughout all business processes.



At the institutional level, the Company has established a system covering environmental factor identification, emission monitoring, solid waste management, training and awareness, and emergency response, including the *On-site Environmental Protection Management System*, *Solid Waste Management Provisions*, *Environmental Protection Training Management System*, *Management System for Environmental Pollution Accidents*, *Environmental Protection Monitoring Management System*, and *Environmental Factor Identification and Evaluation Control Procedures*, forming a relatively complete environmental management institutional framework. During the reporting period, all major member enterprises of the Company obtained certification for both GB/T 24001-2016 and ISO 14001:2015 environmental management systems, continuously promoting standardized and regulated environmental management through a systematic approach.



Environmental management system certificate

# Strategy

The Company adheres to a development philosophy that combines compliant operations with proactive governance, continuously enhancing its environmental management capabilities and risk prevention levels based on meeting legal and regulatory requirements. By strengthening system certification, improving institutional frameworks, and upgrading technology, the Company has gradually shifted its environmental compliance model from "passively meeting requirements" to "proactively identifying risks and implementing preventive controls," driving green operations toward higher standards.

## Risk inventory

Risk type	Risk description	Response measures
Policy and compliance risks	Tighter environmental regulations and upgraded emission standards may lead to higher compliance costs	Establish a dynamic mechanism for identifying and updating environmental laws and regulations, and conduct regular compliance assessments and internal reviews; strengthen end-to-end control through the operation of the ISO 14001 system; and proactively plan upgrades and retrofits of environmental protection facilities to ensure continuous compliance with emission standards
Emissions management risks	Improper management of exhaust gas, wastewater, or solid waste may result in exceedances or penalties	Implement online monitoring and equipment interlocking control for key pollutant-discharging processes, increase the frequency of third-party testing, and enhance the abnormal early-warning and closed-loop rectification mechanism to ensure issues are traceable, rectifiable, and verifiable
Hazardous waste management risks	Unregulated hazardous waste disposal may lead to legal and environmental liability risks	Establish a comprehensive hazardous waste ledger management system covering the entire process, strictly enforce requirements for classified collection, compliant transportation, and standardized disposal, and conduct regular supplier qualification audits and on-site inspections
Environmental incident risks	Sudden environmental incidents could impact production and reputation	Develop and dynamically update the <i>Emergency Response Plan for Environmental Emergencies</i> , conduct regular multi-scenario emergency drills, and enhance employee training and emergency response capacity building
Social supervision risks	Increased focus on environmental issues from surrounding communities and the public	Enhance transparency in information disclosure and maintain open channels for complaints and feedback; reduce potential environmental disturbances through routine inspections and community engagement

## List of opportunities

Opportunity type	Opportunity description	Response measures
Opportunities for green operations enhancement	Standardized management improves overall operational efficiency	Continuously optimize process control through the environmental management system, integrate energy conservation and emission reduction targets into performance evaluations, and promote a synergistic management model combining lean and green practices
Resource conservation opportunities	Waste reduction and recycling lead to cost optimization	Advance projects such as recycling of waste cutting fluids and regeneration of activated carbon; increase investment in source reduction and resource utilization technologies
Brand and reputation opportunities	Strong environmental performance enhances market and customer trust	Continuously improve environmental compliance levels and disclosure quality, and actively participate in green certifications and industry recognition programs
Opportunities to enhance employee capabilities	Environmental training enhances employees' environmental awareness	Integrate environmental training into routine management, reinforcing responsibility awareness and operational standards through pre-shift meetings and specialized training sessions

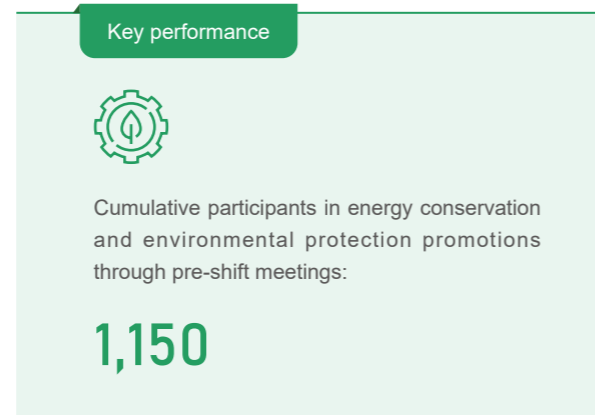
## Impact, risk, and opportunity management

Focusing on the risks and opportunities related to environmental compliance, the Company systematically advances its management efforts in capability enhancement, environmental early warning and emergency management, environmental impact assessment, and biodiversity conservation, continuously strengthening its environmental governance capabilities and risk prevention levels.

### Capability enhancement and environmental training

The Company incorporates environmental training into its routine management, enhancing employees' environmental awareness and professional capabilities through pre-shift meeting briefings, specialized training sessions, and institutional dissemination.

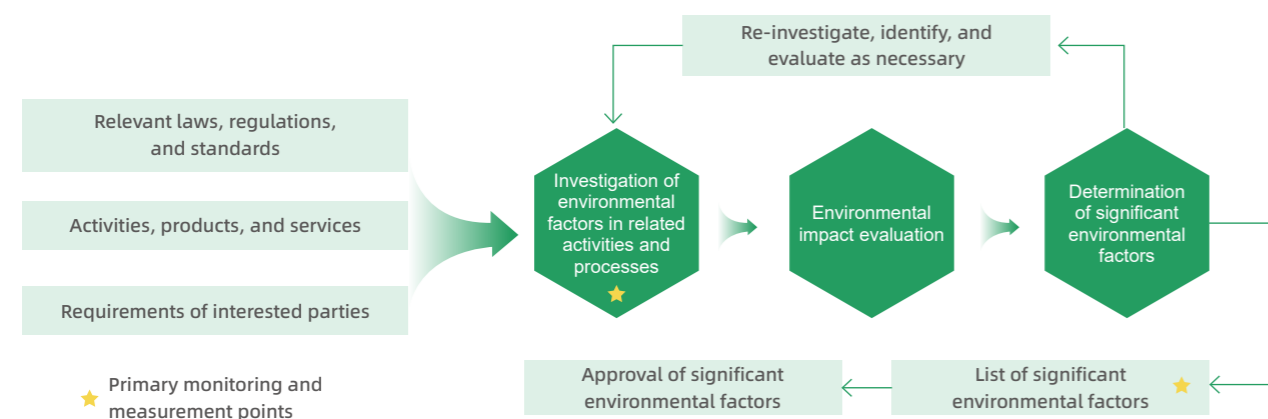
During the reporting period, a cumulative total of 1,150 participants were reached through energy conservation and environmental protection promotions at pre-shift meetings. The Company also continues to strengthen professional training and capacity building for full-time and part-time environmental staff to enhance their risk identification and on-site response capabilities.



### Environmental early warning and emergency management mechanism

The Company has established a systematic environmental risk management and control mechanism, formulating documents including the *Emergency Response Plan for Environmental Emergencies*, *Management System for Environmental Pollution Accidents*, *Identification and Control Procedure for Environmental Factors*, and *Management Regulations for Environmental Testing*. An Environmental Factor and Hazard Source Evaluation Team has been established to conduct risk management according to the cyclical model of "Identification—Control—Evaluation—Improvement."

Environmental factor identification and evaluation process



By combining routine safety inspections with online monitoring of key pollutant-discharging processes, the Company dynamically monitors potential environmental risks and promptly rectifies any identified issues. This approach enables early risk identification, early warning, and early response, effectively reducing the probability of environmental emergencies. The Company regularly organizes emergency drills for environmental incidents. In 2025, multiple drills were conducted, establishing emergency response capacity building as a long-term mechanism. Through continuous drills, the Company optimizes processes, enhances collaborative efficiency, and strengthens its ability to respond to environmental risk incidents.

### Environmental impact assessment and "Three Simultaneities" management

The Company strictly adheres to the Administrative Provisions on Environmental Impact Assessment and the "Three Simultaneities" system for environmental protection. Prior to implementing new construction and technical renovation projects, it commissions qualified third-party organizations to conduct comprehensive assessments of community impact, biodiversity, and the ecological environment to ensure the scientific feasibility of project site selection and construction plans.

During project construction, the Company ensures that environmental protection facilities are designed, constructed, and put into operation simultaneously with the main engineering works, thereby minimizing impacts on the surrounding ecological environment. During the reporting period, the Company completed two environmental impact assessment projects: the Jack Intelligent High-End Sewing Equipment Manufacturing Base project and the JieTuo Machinery Technical Renovation project.

### Biodiversity conservation

The Company identifies the potential impacts of its production, operations, and supply chain activities on ecosystems, integrating ecological responsibility into daily business management and supporting ecological conservation through green production transformation, environmental technology R&D, and employee volunteer initiatives.

During the reporting period, the Company organized employees to carry out garbage cleanup activities along rivers and in forest parks surrounding the factory area, enhancing their environmental awareness of "keeping trash out of rivers and off the ground" and reducing impacts on the surrounding ecosystem. The Company organizes annual tree-planting activities, with cumulative participation exceeding one thousand employee instances. Local tree species are planted around the factory area and in ecological restoration zones. Combined with professional guidance, trees, shrubs, and herbaceous plants are scientifically arranged to create habitats for local species such as birds and insects, contributing to regional ecological restoration.

### Indicators and targets

The Company regards environmental compliance as the fundamental baseline and a key management priority for its production and operations. It continuously improves its environmental management system and strengthens risk identification and compliance control mechanisms throughout the entire process, ensuring that all production and business activities strictly adhere to national and local environmental laws and regulations. To achieve zero major environmental violations and zero major environmental administrative penalties during the reporting period, the Company maintains a strong compliance record and stable operational status.

#### Indicator



## Clean technology opportunities

Against the backdrop of green and low-carbon transformation, clean technology innovation has become a key driver for high-quality development in manufacturing. Jack Technology focuses on three strategic directions: carbon reduction technology R&D, green material substitution, and green product design. The Company continuously advances process upgrades and product innovation, embedding clean technology principles throughout the entire lifecycle of R&D, manufacturing, and supply chain management—reducing environmental impact while enhancing product competitiveness and added value.

### Carbon reduction technology R&D and clean production upgrades

Guided by clean production principles, the Company continuously optimizes its manufacturing processes to synergistically advance pollution reduction and energy efficiency improvement.



#### Green upgrade of coating processes

To reduce volatile organic compound (VOC) emissions, the Company retrofitted its retained exhaust gas treatment facilities, upgrading traditional activated carbon adsorption units to a regenerable granular activated carbon system. This reduces both VOC emission intensity and the generation of spent activated carbon as hazardous waste. Through synergistic optimization of end-of-pipe treatment, the Company has achieved dual improvements in pollution reduction and resource conservation.

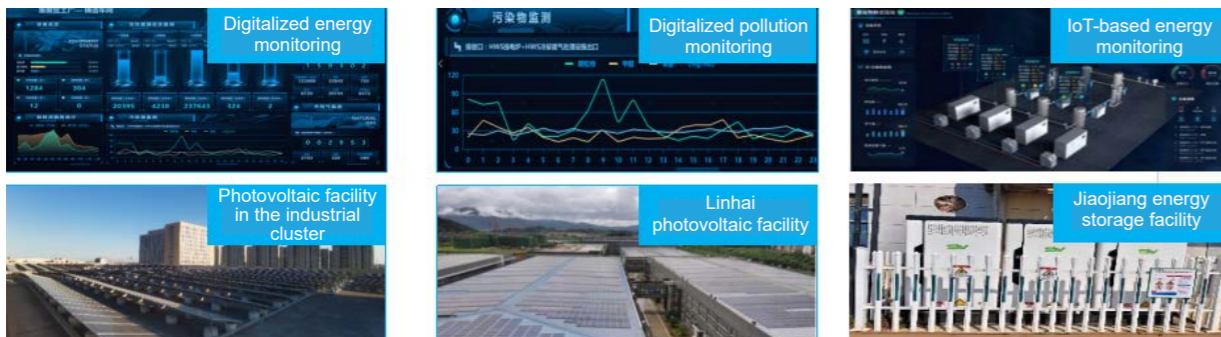


Upgraded activated carbon adsorption units to regenerable activated carbon systems



#### Large-scale deployment of photovoltaic and energy storage systems to build a high-proportion clean energy supply system

To accelerate the green transition of its energy mix, the Company has implemented large-scale green energy infrastructure, including a photovoltaic power station with a total installed capacity of 13.93 MW and a supporting 4,000 kW energy storage system, raising its clean electricity usage share to 11.6%. In 2025, the facility generated 17,501,500 kWh of electricity annually, equivalent to reducing CO<sub>2</sub> emissions by approximately 14,500 tonnes. The Company has comprehensively established a stable and efficient green power supply system, laying a solid infrastructural foundation for achieving its energy conservation and carbon reduction goals.



Green energy facilities

Industry-leading resource recycling efficiency through full-process energy-saving technological upgrades: completed equipment retrofits for emulsion recovery and regeneration, and iron scrap briquetting and dewatering, resulting in a 60% reduction in waste emulsion generation and 100% recycling of machining iron scraps (1,350.89 tonnes reused annually); implemented energy efficiency optimization across all production equipment series, leading to a continuous decline in energy consumption per unit of product and achieving closed-loop resource utilization of production waste.

### Green material substitution and application innovation

The Company continuously promotes green material substitution and product structure optimization, reducing environmental impact at the stages of material selection and structural design.



#### Application of renewable and eco-friendly auxiliary materials

For components such as machine casings and panels, the Company is gradually increasing the use of recycled metals and bio-based plastics to reduce reliance on virgin resources. It has also fully phased out lubricants and cleaning agents containing hazardous substances, ensuring compliance with REACH and other relevant regulations, thereby enhancing product environmental compliance and international market adaptability.



#### Lightweight and long-lasting durable design

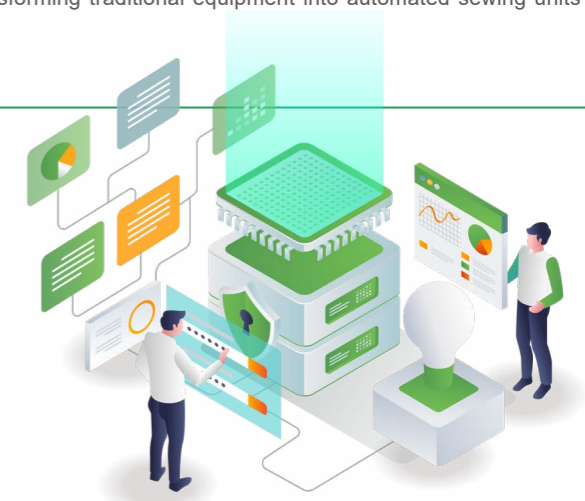
Through structural optimization and material innovation, the Company reduces the weight of moving parts in equipment to lower operational energy consumption. Simultaneously, it enhances the wear resistance and reliability of core components, extending equipment lifespan and minimizing end-of-life disposal and resource waste at the source—synergistically advancing energy conservation, consumption reduction, and circular utilization.

### Green product innovation and upgraded design philosophy

Jack Technology integrates green design principles from the earliest R&D stage, incorporating environmental impact into full product life cycle management and holistically considering energy and resource consumption across production, use, and end-of-life recycling phases during initial planning and design.

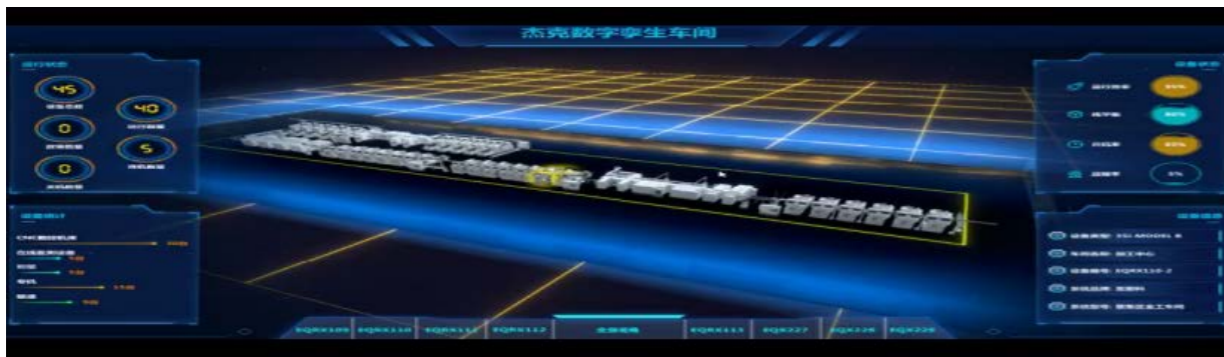
The Company continuously refines its green design approach through digitalization, decarbonization, lightweighting, circularity, modularization, and integration. For example, in intelligent sewing technology, it applies Internet of Things (IoT), intelligent control, sensors, and vision recognition systems to sewing machinery, transforming traditional equipment into automated sewing units and leading the industry's intelligent evolution.

In core component innovation, the Company has developed built-in shell-less motors and clean sewing technology, optimizing operational efficiency through IoT integration. Following implementation, product operational energy consumption has decreased by over **30%** compared to conventional equipment, and thread usage in sewing machines has been reduced by more than **40%**—enhancing customer productivity while effectively lowering energy and material consumption.



**Deploying AI health management and digital twin systems to drive energy efficiency and reliable production through intelligent operation and maintenance**

To enhance equipment energy efficiency and production reliability, the Company has deployed an AI equipment health management system that monitors key parameters such as energy consumption and vibration 24/7, achieving a fault prediction accuracy rate exceeding 90%. Concurrently, it implements a TPM "3+3" preventive maintenance mechanism, enhanced by real-time simulation and early warning via digital twin technology. Through this intelligent O&M system, equipment failure rates have decreased by 25%, Mean Time to Repair (MTTR) has been reduced by 42.31%, unplanned downtime-related energy waste has been effectively curtailed, and per-unit maintenance costs have dropped by 16.7%. Currently, the Company's overall equipment automation rate stands at 38%, with a strategic target of achieving 80% automation coverage by 2030 through continuous intelligent upgrades—systematically advancing energy efficiency and low-carbon operations across production processes.



AI equipment health management system

## Addressing climate change

Against the backdrop of global climate change, energy mix adjustment and low-carbon transition have become critical priorities for manufacturing enterprises pursuing high-quality development. The Company actively responds to China's national "Dual Carbon" strategy, deeply integrating energy management with climate action. It systematically advances climate initiatives by strengthening governance frameworks, mapping emission reduction pathways, enabling value chain-wide collaborative decarbonization, and leveraging digital empowerment—continuously enhancing energy efficiency and carbon management capabilities to drive its transformation toward a green, low-carbon, and sustainable business model.

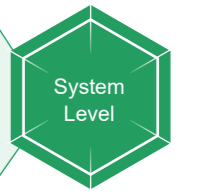
## Governance

The Company has established a climate and energy management governance system spanning decision-making, management, and operational levels.

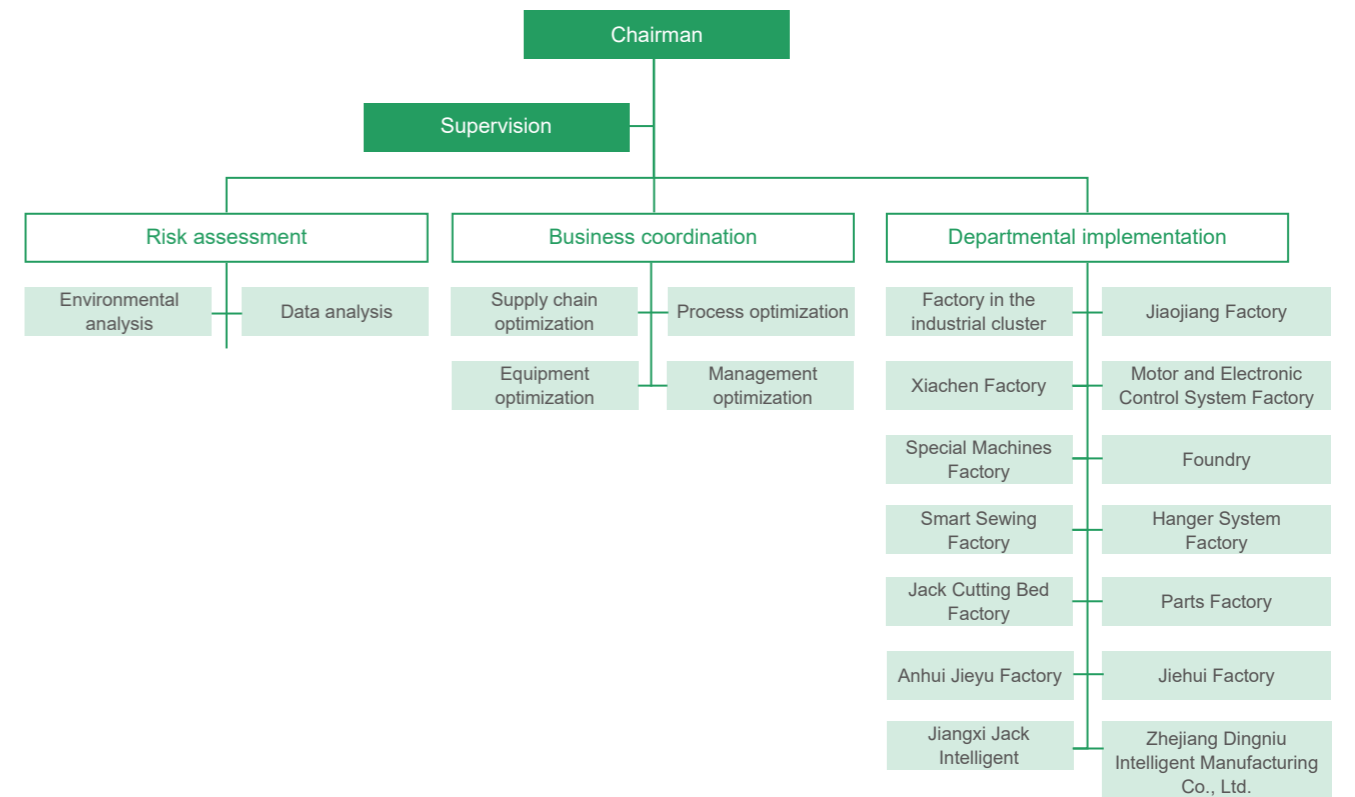


A Climate Change Strategy Committee has been established to coordinate the formulation of medium- to long-term climate strategies and annual action plans aligned with national "Dual Carbon" targets. At the executive management level, a "Dual Carbon and Green Development Leadership Committee," chaired by EMT members, oversees the overall deployment and resource coordination of climate and energy management. A dedicated office supports this committee with daily supervision, progress tracking, and performance evaluation. Each business unit and manufacturing base is assigned Dual Carbon Management Specialists responsible for implementing energy management and low-carbon measures on the ground. Additionally, an Energy Utilization Management Committee has been formed, guided by the core goals of energy efficiency enhancement and green transformation, to comprehensively coordinate corporate energy management affairs.

The Company continuously refines its energy and carbon management standards, establishing an energy consumption assessment and incentive mechanism that incorporates unit energy consumption and progress on energy-saving projects into performance evaluations to reinforce accountability and continuous improvement. It has formulated and implemented institutional documents including the *Rules for the Implementation of Energy Management and the Administrative Measures for Energy Metering and Statistics*, building a management mechanism covering energy metering, statistical analysis, performance evaluation, and continuous improvement. Additionally, through a quarterly review mechanism, the Company systematically assesses the implementation progress of the *Three-Year General Plan for Dual Carbon Work* to ensure goals are backed by clear pathways, actions are effectively executed, and responsibilities are traceable.



### Organizational structure of the Climate Change Strategy Committee



## Strategy

The Company actively responds to the national "Dual Carbon" strategy, adhering to the development principles of "Green-Driven, Innovation-Led, and Collaborative Progress." It deeply integrates climate change considerations with technological innovation, lean management, supply chain collaboration, and digital transformation—continuously optimizing its energy mix, improving resource utilization efficiency, and strengthening carbon emission control awareness across the entire value chain.

Building on a clearly defined climate strategy, the Company will further systematically identify potential impacts of climate change and integrate associated risks and opportunities into its business decision-making and management evaluation systems. By analyzing dimensions including policy environment, market trends, technological shifts, and physical climate changes, the Company continuously strengthens its forward-looking judgment and dynamic response capabilities, enhancing strategic resilience and transformation adaptability.

### Risk inventory

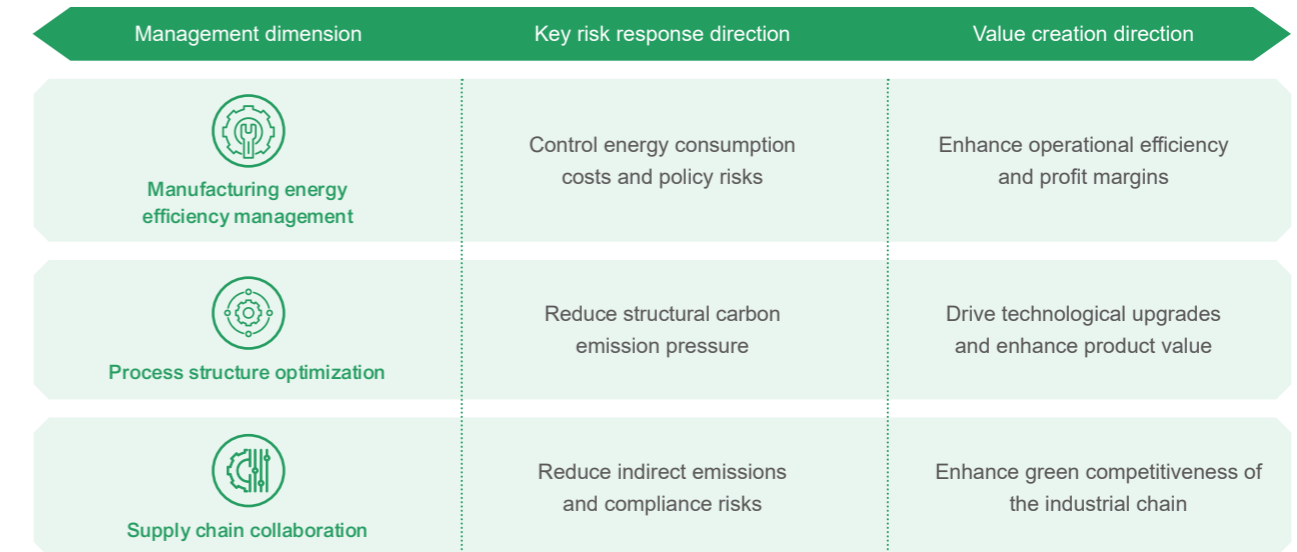
Risk type	Risk description	Response measures
Policy and regulatory risks	Continuous advancement of the national "Dual Carbon" policy leads to increasingly stringent energy consumption controls, carbon emission constraints, and rising emission standards	Proactively implement energy-saving retrofits and optimize energy mix; enhance carbon emission data management systems; and strengthen compliance monitoring
Market risks	Downstream customers are placing growing demands for low-carbon products, green supply chains, and carbon disclosure	Advance green product R&D and energy-saving technology adoption; enhance carbon data transparency and product environmental attributes
Technology iteration risks	Rapid advancement of low-carbon technologies may render high-energy-consuming equipment obsolete	Implement energy-saving retrofits and intelligent upgrades for equipment; continuously pursue green process innovation
Supply chain risks	Inadequate carbon management capabilities among upstream suppliers may increase Scope 3 emissions and cause supply stability fluctuations	Promote supplier green transformation, incorporate environmental management metrics, and implement collaborative energy consumption data management
Physical risks	Extreme climate events may disrupt production operations, logistics, and energy supply stability	Enhance emergency response mechanisms and strengthen energy security and production resilience

### List of opportunities

Opportunity type	Opportunity description	Response measures
Opportunities in green product development	Growing market demand for energy-efficient and low-carbon equipment	Increase investment in green product R&D; strengthen energy efficiency design and life cycle management
Opportunities in technological innovation	Expanding application potential for AI-driven energy optimization and digital energy management technologies	Promote deep integration of digitalization and green manufacturing to enhance refined energy management
Cost optimization opportunities	Long-term cost savings from improved energy efficiency and resource circularity	Advance lean energy-saving improvement projects; strengthen energy performance evaluation
Supply chain collaboration opportunities	Green supply chain development enhances overall industrial chain competitiveness	Establish a supply chain carbon data management mechanism; implement green procurement with incentive and constraint measures
Capital market opportunities	Improved ESG performance enhances investor confidence and financing capacity	Improve quality of climate-related disclosures; enhance transparency of climate governance

## Impact, risk, and opportunity management

The Company systematically identifies climate-related risks and opportunities across procurement, manufacturing, and process domains, integrating them into daily operational decision-making.

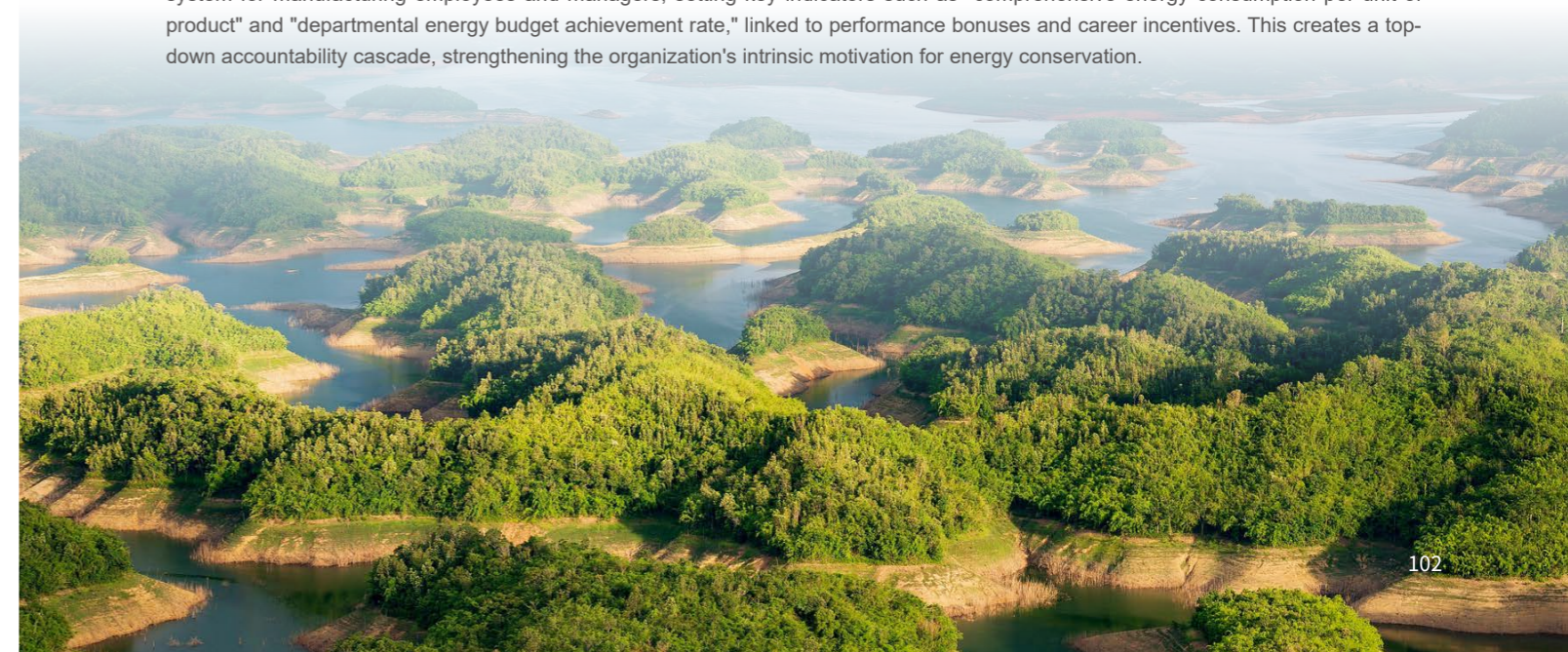


### Energy efficiency improvement and lean integration in manufacturing

In manufacturing, the Company treats energy efficiency as a critical lever for managing operational risk and optimizing costs. Through its Green Lean Improvement Program, it deeply embeds energy conservation principles throughout the entire production management process.

Focusing on the high energy consumption of machining equipment, the Company is upgrading to energy-efficient and environmentally friendly models while simultaneously promoting resource optimization solutions such as cutting fluid recycling—achieving synergistic gains in emission reduction and cost savings. By developing an innovative digital energy-saving system that uses AI algorithms to dynamically adjust operating parameters of key equipment like casting furnaces, the Company ensures minimum energy consumption while meeting quality requirements, transitioning energy efficiency management from experience-based to data-driven decision-making.

To ensure effective implementation of energy-saving targets, the Company integrates energy efficiency into the performance appraisal system for manufacturing employees and managers, setting key indicators such as "comprehensive energy consumption per unit of product" and "departmental energy budget achievement rate," linked to performance bonuses and career incentives. This creates a top-down accountability cascade, strengthening the organization's intrinsic motivation for energy conservation.



**Promoting the integration of full-line automation and lean logistics to systematically enhance manufacturing energy efficiency in climate change mitigation**

To systematically reduce carbon emission intensity in production and proactively address climate change, the Company has implemented a manufacturing energy efficiency enhancement program centered on the integration of automation and lean principles. By independently building nine fully automated unmanned production lines and completing automation retrofits for core processes—including motor and electronic control systems, lockstitch assembly, and housing polishing—the Company has optimized over 50% of production roles, boosting productivity by 25–40% and reducing energy consumption per unit of product at the source. Meanwhile, the deployment of intelligent automated warehouses and AGV logistics systems has increased storage space utilization to 85% and significantly cut energy use in warehousing and logistics. The fusion of hard-core "machine-for-human" technological transformation and lean logistics has systematically improved energy efficiency across both manufacturing and logistics, reducing operational carbon emissions—representing a key practice in the Company's low-carbon transformation and climate action within manufacturing.



Fully automated production line for motor and electronic control systems



Unmanned polishing and grinding automated line

**Improving energy efficiency through air compressor waste heat recovery**

During production operations, the Company conducts systematic audits and energy-saving retrofits of high-energy-consuming equipment. It has implemented an air compressor waste heat recovery project that captures waste heat generated during operation to heat water for production and domestic use—enabling cascaded energy utilization and replacing conventional electric heating. This meets hot water demand without additional energy input, effectively reducing energy waste and carbon emissions. For example, with two 55 kW air compressors, the project saves approximately RMB 430,000 in annual energy costs, demonstrating the Company's successful integration of technological innovation to drive energy conservation, emission reduction, and low-carbon transformation—balancing economic and environmental benefits.

**Collaborative carbon reduction mechanism for green supply chains**

To address indirect emission and compliance risks across the supply chain, the Company has launched a Green Supply Chain Transformation Program, guided by the core principles of "Decarbonization, Circularity, Compliance, and Efficiency." Through institutional redesign and incentive-constraint mechanisms, it systematically elevates the sustainability performance of its supply chain.

At the supplier onboarding stage, the Company strengthens green threshold management, conducting on-site audits and document reviews with focus on energy-efficient equipment, waste handling capabilities, and green process maturity—making environmental management capability a key evaluation criterion. During collaboration, green metrics are integrated into regular audits, with non-conformities assigned rectification deadlines and subject to follow-up verification, establishing a dynamic improvement mechanism.

Simultaneously, the Company has established a tiered classification and incentive system: suppliers with outstanding green performance receive preferential treatment in procurement allocation, payment terms, and green certification support; underperforming suppliers trigger a warning mechanism, with partnerships terminated per regulations if remediation fails. Through this dual "incentive + constraint" approach, the Company progressively increases environmental management system coverage among core suppliers, enhancing the supply chain's collective decarbonization capacity.

**Indicators and targets**

**Target**

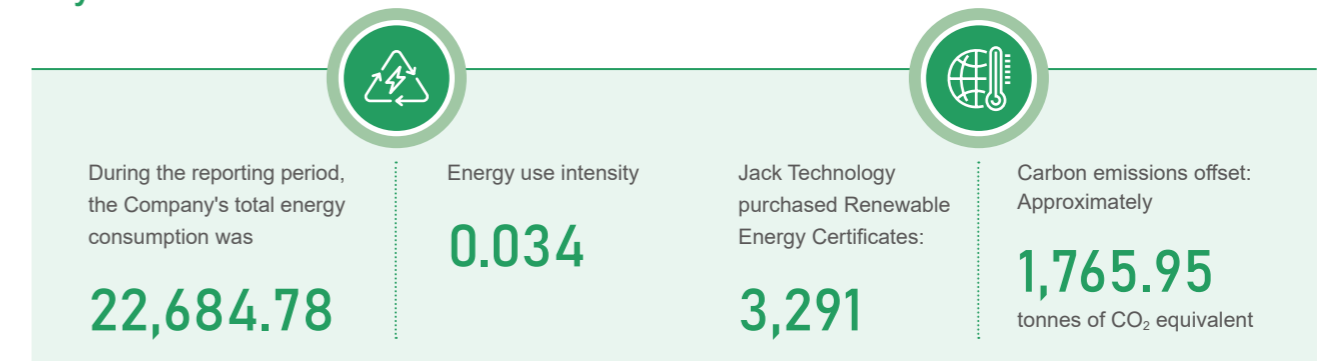
Aligned with the national "Dual Carbon" strategy and reflecting its actual energy mix and industrial development, the Company has set long-term climate targets: "peak carbon emission intensity before 2030 and achieve carbon neutrality before 2060." Low-carbon transformation is integrated into its medium- and long-term corporate development plan for coordinated implementation. Supporting this vision, the Company has established phased, quantitative management targets to ensure its climate strategy is measurable, trackable, and actionable.

Performance indicators	Target description
Digital transformation	Achieve an online energy consumption data collection rate of over 95% across the four major factory campuses
Supply chain management	Complete energy consumption data collection from the top ten strategic suppliers and sign the ESG Energy Consumption Data Management Agreement with them
Energy efficiency improvement	Drive a continuous annual reduction of 3% in energy consumption per unit of output value
Low-carbon development	Commit to achieving a cumulative 20% reduction in carbon emission intensity per unit of product

Note: The company calculates its GHG emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (GHG Protocol): Scope 1 (direct emissions) covers direct emissions from the combustion of gasoline, natural gas, and diesel in the company's operations. Scope 2 (indirect emissions) covers indirect emissions from the company's consumption of purchased electricity.

Calculation basis: Activity data is sourced from the company's energy records. Emission factors are based on official data released by national authorities and default values from authoritative databases.

**Key indicators**



GHG emissions		
Item	2025	Unit
Scope 1	2,574,407.92	Tonnes of CO <sub>2</sub> equivalent
Scope 1	84,900.61(excluding Renewable Energy Certificate offsets)	Tonnes of CO <sub>2</sub> equivalent
Scope 3 – Category 6:	2,419.10	Tonnes of CO <sub>2</sub> equivalent
<b>Total</b>	<b>2,661,727.63</b>	<b>Tonnes of CO<sub>2</sub> equivalent</b>

Note: The Company calculates its GHG emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (GHG Protocol): Scope 1 (direct emissions) covers direct emissions from the combustion of gasoline and diesel in the Company's operations. Scope 2 (indirect emissions) covers indirect emissions from the Company's consumption of purchased electricity. GHG emissions (Scope 3) are indirect GHG emissions that occur in the Company's value chain. This year, we calculated the GHG emissions from employee business travel under Scope 3 Category 6, including flights, high-speed rail, cars, and hotel stays.

Calculation basis: Activity data is sourced from the Company's energy records. Emission factors are based on official data released by national authorities and default values from authoritative databases.

**Pollution emission control**

In manufacturing, standardized management of exhaust gas, wastewater, and solid waste is fundamental to achieving green operations. Jack Technology adheres to a combined approach of source control and full-process management, integrating pollution emission control into daily operational systems. Through institutional development, technological upgrades, and resource circularity, the Company continuously enhances pollution prevention capabilities, reduces environmental impact, and drives the transformation of production methods toward cleaner, more refined, and circular models.

## Governance

The Company has established an environmental management structure for pollution control characterized by "corporate coordination, factory implementation, and specialist accountability." At the corporate level, the Safety and Environmental Management Department oversees the formulation of pollution prevention targets, system development, and supervision. Each subsidiary factory is equipped with Environmental Management Specialists responsible for daily emission management, ledger maintenance, compliance reporting, and on-site inspections, with environmental targets integrated into performance evaluations to ensure role- and person-specific accountability.

At the institutional level, the Company strictly complies with laws including the *Environmental Protection Law of the People's Republic of China* and the *Cleaner Production Promotion Law of the People's Republic of China*. It has formulated and implemented internal policies—the *On-site Environmental Management System*, *Solid Waste Management Regulations*, *Environmental Protection Training Management System*, *Management System for Environmental Pollution Accidents*, *Management Regulations for Environmental Testing*, and *Environmental Factor Identification and Evaluation Control Procedures*—covering the full cycle from pollution source identification and emission monitoring to solid waste management, emergency response, and continuous improvement. Institutionalized management controls environmental risks at the source and ensures standardized, compliant operation of pollution emission control.

## Strategy

The Company adheres to the pollution prevention philosophy of "source prevention, process control, end-of-pipe treatment, and continuous improvement," integrating emission control into the entire production and operations lifecycle. Through synergistic advancement of technological upgrades and lean management, it drives green production transformation. In alignment with national "Dual Carbon" and pollution reduction policies, the Company continuously enhances its environmental protection infrastructure and strengthens compliant operations and resource circularity capabilities.

### Risk inventory

Risk type	Risk description	Response measures
Compliance risks	Stricter emission standards or enhanced regulatory oversight may increase rectification costs or administrative penalty risks	Continuously monitor regulatory developments and proactively upgrade facilities and technologies
Operational risks	Abnormal operation or inadequate management of environmental facilities may result in exceedances	Establish inspection and third-party monitoring mechanisms; strengthen specialist performance evaluations
Cost risks	Rising hazardous waste disposal costs increase operational expenses	Promote waste minimization and recycling; optimize waste classification management
Reputational risks	Environmental incidents may damage brand reputation and customer relationships	Improve emergency response plans and information reporting procedures; enhance employee training

### List of opportunities

Opportunity type	Opportunity description	Response measures
Technological upgrade opportunities	Improve resource utilization efficiency by introducing advanced environmental protection equipment	Increase investment in environmental technology retrofits; promote clean production
Cost optimization opportunities	Reduce raw material consumption and hazardous waste generation through recycling	Promote recycling and regeneration of waste cutting fluids and activated carbon
Market competition opportunities	Strong environmental performance enhances customer trust and brand competitiveness	Strengthen ESG disclosure and participate in green supply chain initiatives
Policy support opportunities	Alignment with green manufacturing trends creates eligibility for policy support	Actively apply for Green Factory designation and related certifications

## Impact, risk, and opportunity management

By improving design, using clean energy and materials, and adopting advanced processes and equipment, the Company reduces or prevents pollutant generation and emissions during production. Employees demonstrating outstanding performance in pollution control and emission reduction are rewarded. The Company continuously standardizes information reporting procedures and emergency response protocols for sudden environmental incidents to prevent accidents and enhance pollution emission governance.

### Wastewater treatment

The Company implements full-process compliant management of industrial wastewater. Water meters are installed in all workshops for daily consumption measurement, strengthening source control. It has invested in a dedicated wastewater treatment plant and implemented a rainwater-sewage separation system to ensure treated effluent meets discharge standards. Regular testing and ledger management enable continuous tracking of water quality indicators, minimizing environmental impact. Concurrently, the Company optimizes processes to reduce water use in high-pollution operations and increase recycled water ratios, lowering treatment load and operational risk.

### Waste gas treatment

The Company standardizes the management of waste gas generated from production workshops across all its factories, introducing advanced treatment equipment and optimizing control processes to comprehensively enhance waste gas treatment capabilities.



### VOCs treatment and activated carbon regeneration upgrade practices

To strengthen control over emissions of volatile organic compounds (VOCs) and other pollutants, the Company has systematically optimized its waste gas treatment facilities. During the reporting period, it established a regular inspection and maintenance mechanism for waste gas discharge outlets and commissioned third-party environmental monitoring agencies to conduct periodic testing and track results, ensuring stable and compliant emissions.

In end-of-pipe treatment upgrades, the Company replaced its original activated carbon adsorption units with a regenerable granular activated carbon system. By enhancing adsorption efficiency and regeneration capacity, it reduced VOCs emissions at the source while decreasing the generation of spent activated carbon as hazardous waste. This project achieved synergistic progress in pollution reduction and resource conservation, providing a replicable model for future waste gas treatment technology upgrades.

### Measures to reduce waste gas pollutant emissions

Conduct regular inspections and maintenance of waste gas discharge outlets; commission environmental monitoring agencies for testing and track monitoring results to ensure compliant emissions. All activated carbon adsorption units have been upgraded to regenerable granular activated carbon systems, reducing VOC emissions and hazardous waste activated carbon generation at the source.

### Waste management

Waste generated during our operations is categorized into hazardous waste and general solid waste. Hazardous waste primarily includes emulsions, sludge, tank residues, and waste oil, which are centrally treated by qualified third-party professional disposal agencies. General solid waste mainly comprises waste sand, iron powder, and ash, which are either reused according to their properties (e.g., iron powder is reused by our subsidiary Zhejiang Jack Intelligent Sewing Technology Co., Ltd.) or sold to waste recycling companies for processing.

Hazardous solid waste management process



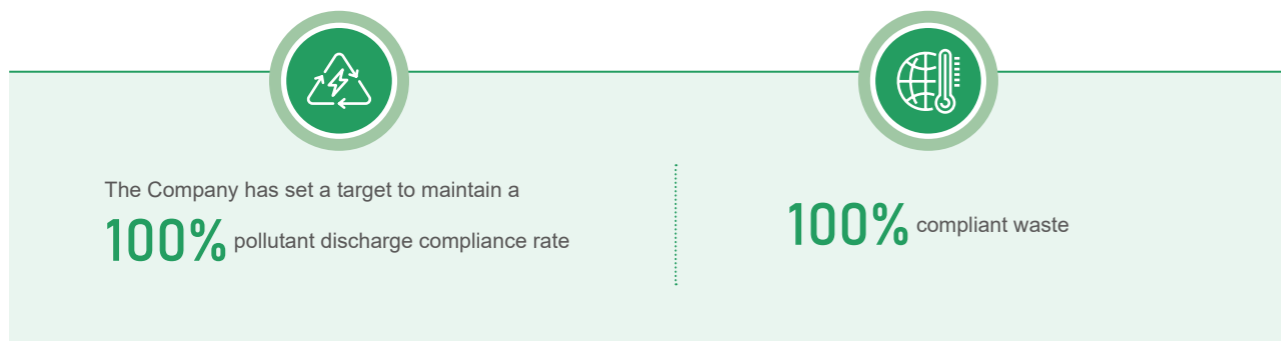
Practices in recycling and reduction of production auxiliary materials

Aligned with its hazardous waste minimization goals, the Company continues to advance recycling and reuse of production auxiliary materials. In 2025, it implemented source-level circular filtration and reuse for waste cutting fluids and emulsions. By optimizing filtration processes and circulation system management, it extended fluid service life and reduced waste generation, achieving an approximate 20% annual reduction in cutting fluid waste during the reporting period. Concurrently, Jack Intelligent adopted regenerable granular activated carbon, enhancing recycling efficiency and saving 8 tonnes of activated carbon in 2025. These initiatives not only alleviate hazardous waste disposal pressure and lower operational costs but also improve resource utilization efficiency, further advancing the Company's clean production and circular utilization system.

Indicators and targets

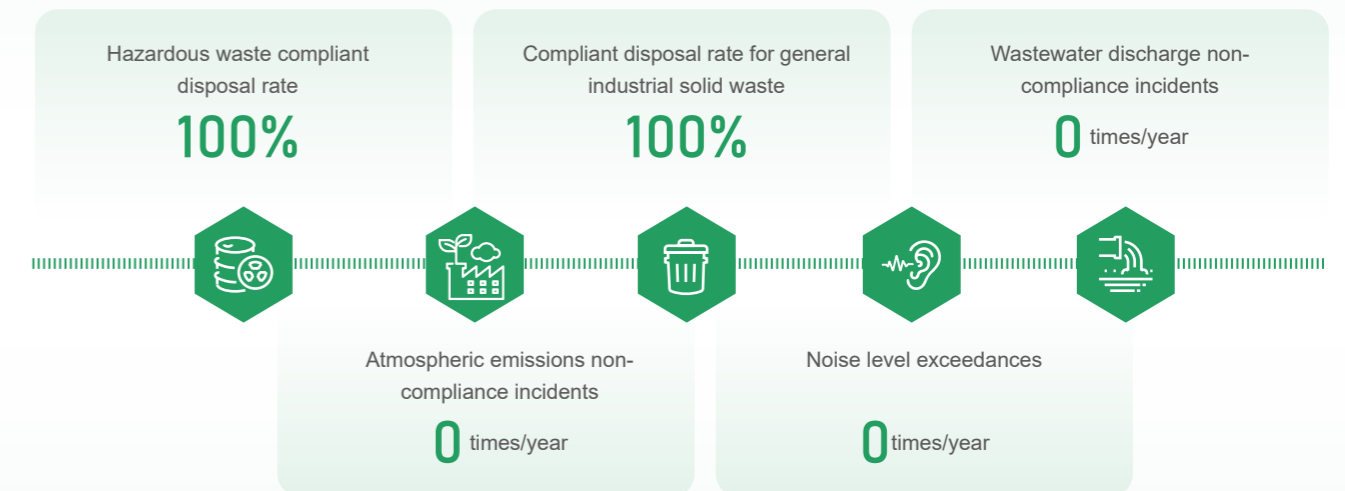
Target

The Company sets annual management targets centered on pollution reduction and resource recycling, continuously improving wastewater, waste gas, and solid waste management. It maintains a 100% pollutant discharge compliance rate and a 100% compliant waste disposal rate, while progressively reducing pollutant generation intensity per unit of product and hazardous waste volume.



Indicator

During the reporting period,



Resource recycling

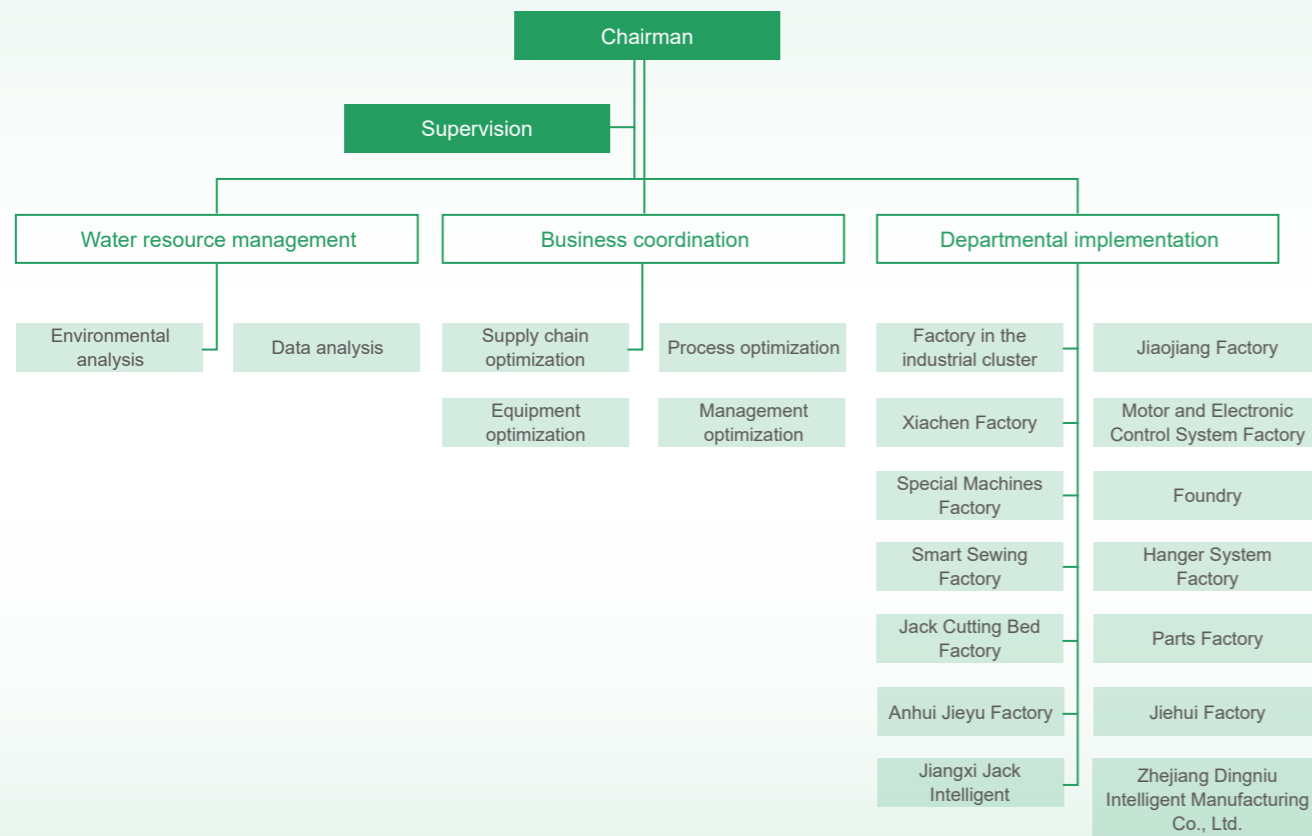
Guided by requirements for resource conservation and high-efficiency utilization, the Company integrates circularity principles throughout its production and operations. Through measures such as process optimization, enhanced material utilization, and classified waste management with resource recovery, it continuously reduces resource consumption and waste generation. By synergizing institutional standards and technological improvements, the Company steadily enhances resource efficiency and transitions its production model toward conservation and circularity.

Governance

Jack Technology has established a systematic management framework and institutional system for water resource management and circular economy development. The Company formed a Water Resources Utilization Management Committee with the core goal of sustainable water use, coordinating production water optimization, water-saving retrofits, and wastewater reuse and recycling projects to create a refined, full-process management system covering planning, implementation, and supervision.

At the institutional level, the Company continuously refines its management rules based on the *Management Regulations for Rational Use of Water*, detailing standards for production and domestic water consumption and strengthening requirements for scenarios like dormitory use to foster employee water conservation awareness and habits. Simultaneously, it embeds circular resource principles into procurement, production, equipment upgrades, and lean management, establishing a closed-loop mechanism of "source reduction—process optimization—end-of-pipe recovery—regeneration and reuse."

Organizational structure of the Water Resources Utilization Management Committee



## Strategy

Guided by the principle of "Green Innovation-Driven Development, Full-Chain Circular Empowerment, and Value Ecosystem Symbiosis," the Company embeds circular economy concepts across its entire value chain. Driven by dual engines of technological innovation and management upgrading, it continuously enhances water resource efficiency and material recovery rates, transforming its production model toward low consumption, high efficiency, and robust circularity.

Risk inventory

Risk type	Risk description	Response measures
Water resource risks	Tightening regional water resources or rising water prices impact production costs	Increase reuse rates and promote waterless or low-water processes
Technology risks	Investment in water-saving and recycling technologies does not meet expected outcomes	Phased rollout after pilot verification
Supply chain risks	Insufficient environmental capabilities of suppliers affect the achievement of overall circularity goals	Establish a low-carbon supplier access and audit mechanism
Cost risks	Increased investment in equipment retrofitting and system upgrades	Offset investment with energy-saving returns and improved asset utilization efficiency

List of opportunities

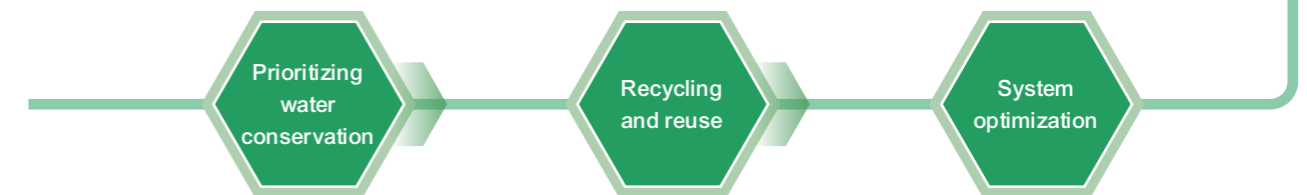
Opportunity type	Opportunity description	Response measures
Cost optimization opportunities	Reducing operational costs through energy conservation and consumption reduction	Promote green retrofitting and automated upgrades of equipment
Technological upgrade opportunities	Innovative processes like waterless cleaning enhance industry competitiveness	Pilot dry ice cleaning and high-pressure micro-mist cleaning technologies
Supply chain collaboration opportunities	Green supplier access standards enhance the overall sustainability of the supply chain	Strengthen SRM system management and low-carbon audits
Brand value opportunities	Circular economy practices improve ESG performance and customer recognition	Continuous information disclosure and demonstration of results

## Impact, risk, and opportunity management

In response to identified risks and opportunities, the Company adheres to systems thinking and full life-cycle management, integrating resource circularity into core production and operational agendas. It has established a cross-departmental collaboration mechanism to systematically advance resource recycling through three pillars: efficient water use, circular optimization of production processes, and collaborative supply chain management.

### Water resource management

The Company adheres to the management principles of "prioritizing water conservation, promoting recycling, and optimizing systems," embedding water resource management throughout production. By optimizing processes, upgrading water-saving technologies, and strengthening reuse management, it explores technological pathways to reduce wastewater generation at the source, alleviating regional water stress and enhancing resilience to water constraints.



#### Pilot application of waterless cleaning technology

For precision components (e.g., rotary hooks and feed dogs) requiring high cleanliness and traditionally reliant on ultrasonic water washing, the Company piloted cleaning process upgrades by introducing dry ice cleaning (CO<sub>2</sub> particle blasting) and high-pressure micro-mist cleaning (gas-liquid mixture) technologies to achieve waterless or near-zero-water cleaning. Through process substitution and parameter optimization, water consumption per part approaches zero, virtually eliminating cleaning wastewater and reducing water use and discharge risks at the source—laying a technical foundation for future scale-up.

## Circular economy

Following the circular economy pathway of "source reduction, process optimization, resource recovery, and regeneration," the Company deeply integrates lean management with green manufacturing to enable efficient closed-loop resource conversion within the factory. It also extends circularity to supply chain management through low-carbon supplier access and energy-saving audits, gradually building a circular development system encompassing both internal operations and external partners.



### Optimizing production process cycles and enhancing energy efficiency

By redesigning process routes and integrating equipment, the Company consolidated manual clamping operations from three legacy machines into one automated press-clamping unit, saving approximately 20,000 kWh of electricity annually. Switching from open to enclosed processing reduced cutting fluid mist and dust emissions by about 2 tonnes per year, improving workshop air quality. Additionally, eco-friendly oil filtration equipment was installed to recycle running-in white oil, increasing reuse cycles and reducing waste oil discharge by approximately 40 tonnes per year. These measures enhance machining quality stability while delivering synergistic benefits in energy savings, consumption reduction, and pollution abatement.



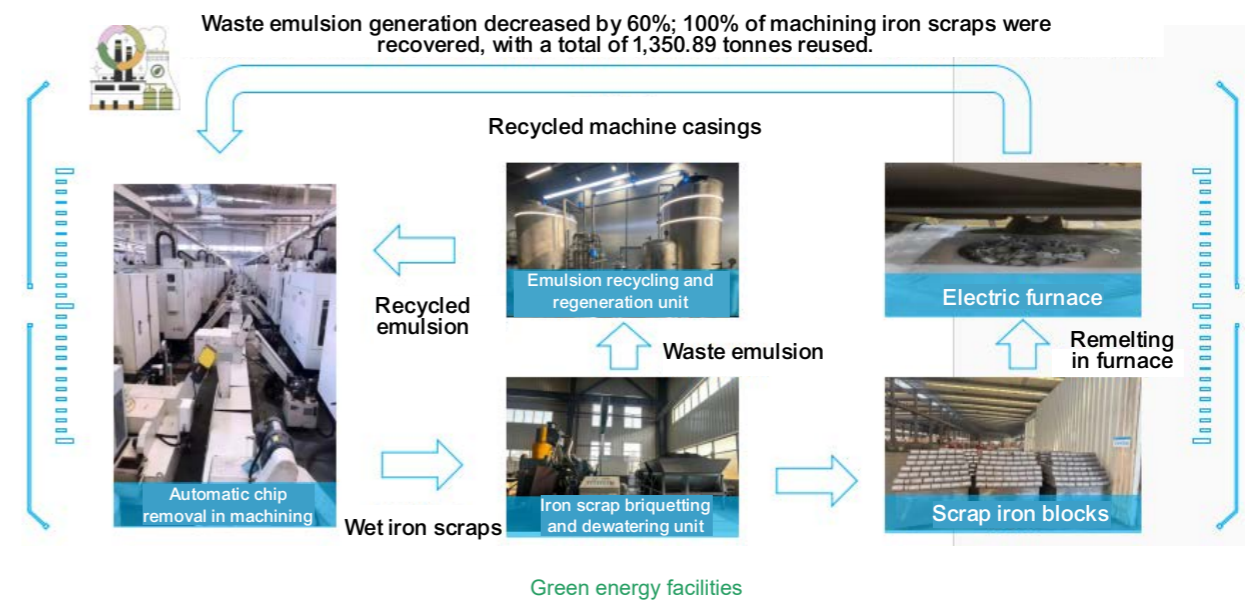
### Practices in green retrofitting and resource reuse of equipment

In 2025, the Company completed green retrofits of 9 legacy machines (including circuit optimization and software upgrades), effectively reducing operational energy consumption. It plans to retrofit another 8 machines in the following year, enhancing asset utilization while reducing new equipment procurement costs. Additionally, the Company uses regenerable granular activated carbon in hazardous waste treatment to lower waste volume, and optimized painting processes have cut waste by 50%, minimizing paint sludge at the source and advancing hazardous waste minimization.



### Implement full-process energy-saving and resource closed-loop technological upgrades for equipment, achieving efficient recycling of production waste

To enhance resource recycling efficiency, the Company implemented systematic energy-saving and resource-oriented technological upgrades across the entire production process. Key equipment retrofits for emulsion recycling/regeneration and iron scrap briquetting/dewatering reduced waste emulsion generation by 60% and achieved 100% recovery of machining iron scraps—all reused in production, totaling 1,350.89 tonnes annually. Concurrently, energy efficiency optimization across all production equipment lines has driven continuous reductions in energy consumption per unit of product. These integrated measures have effectively established closed-loop resource utilization for key production wastes, significantly improving material efficiency and positioning the Company's circularity performance at the industry forefront.



In packaging management, the Company promotes lightweight, renewable paper-based materials and has introduced returnable transit containers, reducing single-use packaging consumption and institutionalizing resource minimization and reuse.

## Indicators and targets

The Company has established phased targets for efficient water use and circular economy development and formed a dedicated task force to advance its energy and resource management system.

### Indicator



During the reporting period, the Company's total water consumption was **4,625,621** tonnes, with a water use intensity of **7.00** tonnes/RMB 10,000 in revenue. The volume of recycled water was **3,978,944** cubic meters, achieving a recycling rate of **86%**.



The Company used **5,955.95** tonnes of materials for production and packaging, of which **3,706.8** tonnes were renewable, achieving a material recycling rate of **95%**.



# 05

## Governance Cornerstones

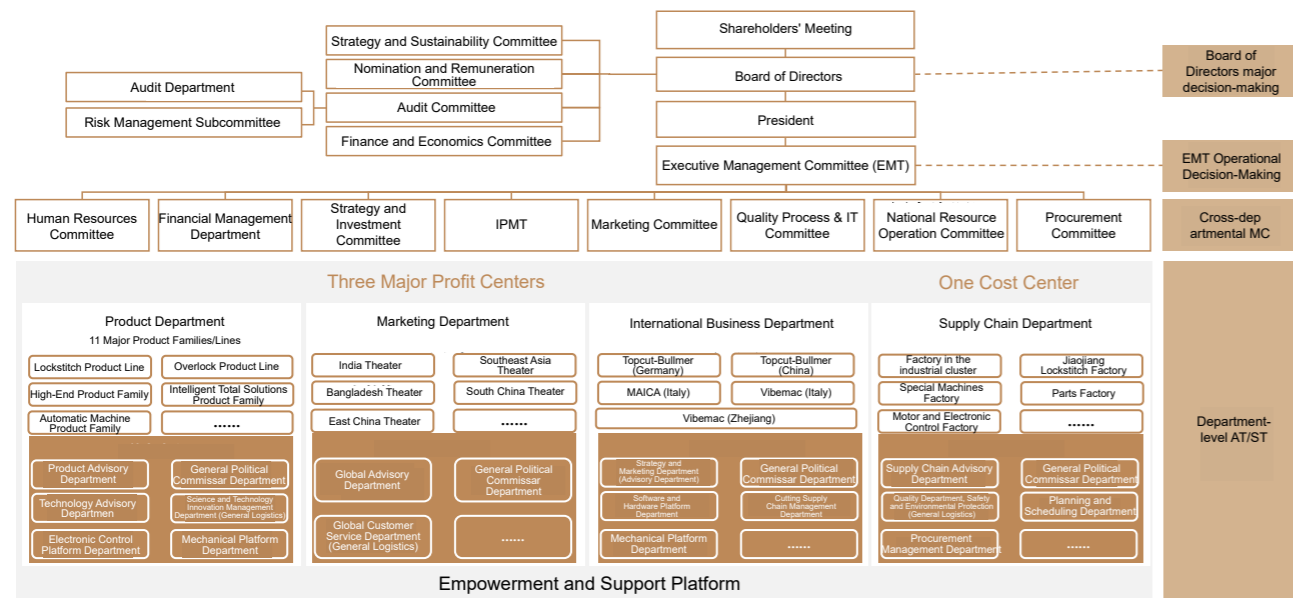


Standardization and Transparency Build a Solid Foundation for Development

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# Efficient governance operations

The Company strictly complies with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Guidelines on the Bylaws of Listed Companies, and other relevant laws and regulations. It has established a governance structure with clearly defined responsibilities and effective checks and balances, continuously refining its board-centered decision-making and oversight mechanisms. Through a robust institutional framework and specialized committee operations, it ensures scientific and independent decision-making. In information disclosure, the Company strictly adheres to regulatory requirements, having received the highest rating for seven consecutive years and maintaining high transparency. Additionally, through diversified communication channels and extensive investor engagement activities, it effectively communicates corporate value and fosters strong investor relations. Overall, the Company's governance is standardized and efficient, laying a solid foundation for sustainable development.



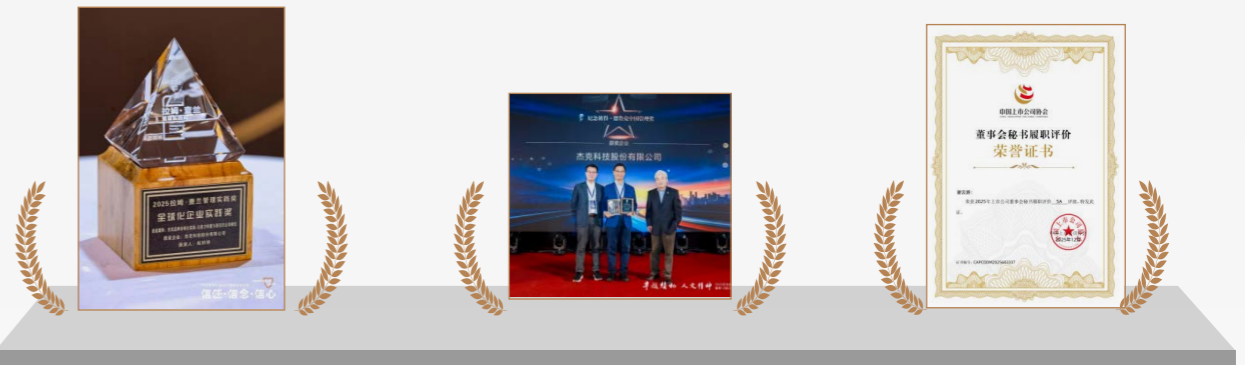
The Financial Management Committee includes the Accounts Receivable Management Subcommittee, Inventory Management Subcommittee, and Cost Management Subcommittee

## Governance and operation

The Company has established a corporate governance structure comprising the Shareholders' Meeting, the Board of Directors, and management, featuring clear accountability, mutual checks and balances, and coordinated operations. The Board strictly fulfills its duties under the Rules of Procedure for the Board of Directors, executes authorizations from the Shareholders' Meeting, and implements its resolutions to protect the interests of the Company and all shareholders. By formulating the Rules of Procedure for the Shareholders' Meeting, Rules of Procedure for the Board of Directors, and Working Rules for the General Manager, the Company has clarified responsibilities, authorities, and procedures across governance levels, ensuring effective separation of decision-making, execution, and supervision. The Board has four specialized committees—the Strategy and Sustainability Committee, Nomination and Remuneration Committee, Audit Committee, and Finance and Economics Committee—providing strong support for scientific and efficient decision-making.



## Governance and operation-related honors



2025 Ram Charan Management Practice Award – Globalization Enterprise Practice Award

2025 Drucker Management Award

2025 China Association for Public Companies 5A Rating for Board Secretary Performance Evaluation



Ernst & Young and China Business Network 2025 A-Share Listed Company with Outstanding Growth Potential of the Year

2025 SSE Eagle Gold Quality Award for Excellent Board Secretary

2025 Best Practice of the Board Office of Listed Companies



2025 Annual Outstanding Investor Relations Development Award for Listed Companies

2025 Annual Best Practice Award for Board Office Digital Innovation

2025 EasyDong "Value 100"

2025 Annual AI Innovation Award

**Enhancing Governance Effectiveness through an Internal and External Collaborative Training Mechanism**

The Company places great emphasis on enhancing the professional competence of directors and senior executives, establishing a regular learning mechanism that combines external training with internal knowledge exchange. By actively organizing participation in programs offered by external institutions such as the Shanghai Stock Exchange and the Listed Company Association of Zhejiang, and flexibly utilizing "offline + online" platforms for internal learning—including competency sharing, micro-courses, core regulation interpretations, and case studies—it systematically elevates the team's professional expertise and compliance awareness, continuously strengthening overall governance effectiveness.



**Effectiveness of the Board of Directors**

As the core decision-making body, the Company's Board of Directors strictly adheres to the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, and other applicable laws and regulations, as well as the Articles of Association. It has established and continuously updates a comprehensive governance system. The Board fulfills its rigorous oversight duties through effective annual internal control evaluations, internal and external audit validations, and necessary third-party attestations. The Company continuously refines mechanisms for director appointments, performance evaluations, and meeting procedures, and has established a two-way communication channel for independent directors, laying a solid foundation for the Board's scientific, rational, and efficient performance.

**Independence of the Board of Directors**

As the Company's core decision-making body, the Board is strictly accountable to the Shareholders' Meeting. Upholding independence, objectivity, and prudence, it rigorously complies with laws, regulations, and the Articles of Association, diligently implements Shareholders' Meeting resolutions, and operates in a standardized manner. The Company continuously improves mechanisms for director appointments, performance evaluations, and procedural rules, and has established a robust two-way communication mechanism between independent directors and executive leadership, reinforcing the foundation for sound decision-making. With diverse professional backgrounds and extensive industry experience, the Board plays a critical supervisory and advisory role in major decisions on strategy, risk management, executive compensation, and related-party transactions, ensuring management actions align with the best interests of the Company and all shareholders, thereby providing a solid guarantee for long-term sustainable development.

**Diversity of the Board of Directors**

The Company places great emphasis on building a multi-dimensional diverse Board of Directors in terms of gender, age, industry experience, professional expertise, and international perspective. A balanced and diverse governance structure ensures scientific, forward-looking, and rational decision-making, laying a solid governance foundation for the implementation of the Company's global strategy and long-term sustainable development. The Company strictly follows the director nomination and appointment procedures stipulated in the Articles of Association, consistently adhering to the principles of synergizing diversity with professionalism and balancing international outlook with independence. We continuously optimize the Board's composition to comprehensively enhance its global vision, professional competence, and independent decision-making capacity.

The Company's independent directors possess profound international backgrounds and top-tier cross-border professional capabilities. They bring hands-on experience in global strategic management at multinational enterprises, deep expertise in the international industrial landscape and cross-border collaboration frameworks, extensive global industry resources, and significant international influence. They are also well-versed in International Financial Reporting Standards (IFRS) and global capital market governance norms. They provide the Board with a global perspective and authoritative professional support, enabling the Company to accurately capture global industry trends, efficiently advance its global footprint and cross-border governance, and deliver robust assurance for high-quality, sustainable development.

The Company's executive director team is a core force that combines strategic acumen with executional resilience. Its members bring extensive hands-on experience in critical domains including strategy, marketing, R&D, manufacturing, human resources, and finance, and are all "proven winners" in their respective fields. The team not only anchors industry trends with foresight to precisely chart the Company's long-term direction but also drives strategic execution with high efficiency, establishing a solid foundation for steady growth and continuous innovation.



**Information disclosure**

The Company strictly complies with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Administrative Measures for Information Disclosure by Listed Companies, and relevant rules of the Shanghai Stock Exchange (SSE). In alignment with its Articles of Association, it has formulated the Information Disclosure Management System to standardize disclosure practices, properly fulfill its disclosure obligations, and effectively protect the legitimate rights and interests of the Company, shareholders, creditors, and other stakeholders. To ensure effective implementation, the Company has established a comprehensive management system covering standard setting, data collection, review procedures, and internal and external communication and training. Through continuous training for relevant departments and key personnel, it reinforces the standardization and consistency of information dissemination, ensuring rigor and compliance in all disclosure activities.

Key honors



During the reporting period, the Company received a Grade **A** rating for information disclosure from the Shanghai Stock Exchange for the seventh consecutive year.

Key performance



During the reporting period, the Company disclosed a total of

**162** documents

Including

**4** periodic reports

And

**84** ad-hoc announcements

Investor communication

The Company places high importance on investor relations management, standardizing investor engagement processes and maintaining strong relationships. It actively receives investor inquiries through multiple channels, including its corporate website, email, dedicated hotline, and the SSE E-Interactive platform. The Company regularly holds earnings calls to address investor concerns and promotes its core value proposition to institutional investors through reverse roadshows and strategy conferences, enhancing its capital market profile. Additionally, it organizes on-site investor visits to increase engagement and further strengthen corporate governance.



2025 investor day—Fostering mutual trust and strategic transparency

In April 2025, the Company hosted its annual Investor Day at its Jiaojiang headquarters, attended by senior executives including the Rotating CEO, Board Secretary, and CFO. They provided a comprehensive overview of the Company's operational performance, blockbuster strategy, and future plans for digitalization and AI-driven automation, and engaged in in-depth discussions with investors on topics such as overseas expansion and technology R&D. Open dialogue and on-site tours significantly enhanced investor understanding and confidence.



Investors visiting Jack for tours and discussions



Clearly communicating strategic blueprints and boosting investor confidence

In June 2025, the Company held an investor engagement event at its Hangzhou headquarters, attracting nearly 100 investors for in-depth dialogues with the founder, Board Secretary, and core management team. The event comprehensively presented the Company's operational resilience and financial performance, with emphasis on three strategic growth pillars: deepening Intelligent Total Solutions, incubating new AI-powered product categories, and advancing its humanoid robot strategic layout. Candid exchanges and site visits effectively strengthened investor confidence in the Company's future strategy and sustainable growth capabilities.



Nearly 100 investors visit Jack to dialogue with the founder

Key performance

During the reporting period, communication activities with various types of investors included:



**3** earnings calls

**9** large-scale exchange events

**63** institutional investor researches

**16** themed strategy conferences

**1** on-site reception day event

**800+** investors covered

Tax management

The Company places great importance on tax management and strictly complies with tax laws and regulations. By establishing and improving its internal tax control system, optimizing tax planning, and organizing specialized training and competitions, it systematically enhances compliance capabilities and risk prevention, effectively ensuring lawful tax payment and supporting stable business development.



Tax management principles

- Tax compliance** → The Company strictly complies with national tax laws, pays taxes honestly and lawfully, and has been rated a Grade A taxpayer annually. It actively fulfills its withholding and remittance obligations and has no record of concealment, omission, or tax evasion. The Company annually engages a professional accounting firm to conduct audits on specific tax matters.
- Tax transparency** → The Company adheres to the OECD/G20 Base Erosion and Profit Shifting (BEPS) principles and engages qualified third parties to conduct related-party transfer pricing analyses and international Two-Pillar tax safe harbor assessments, issuing formal reports to ensure compliance with international tax obligations.
- Tax management system and internal** → The Company has an internal tax risk management process and a dedicated invoice review position to ensure invoice compliance and business reasonableness. It has also developed a tax risk map to proactively mitigate risks across all tax types and enhance employee tax compliance awareness through daily policy updates and training.
- Organizational structure and** → The Company has established a Tax Department, Legal Department, and Audit Department. The Tax Director, Legal Director, and Audit Director respectively verify, standardize, and supervise tax compliance, legal compliance, process compliance, and business authenticity. Through integrated coordination among business, finance, tax, legal, and audit functions ("five-linkage mechanism"), the Company conducts regular and ad hoc monthly compliance reviews of taxes, vouchers, contracts, and processes.

**Strengthening tax compliance training to build the foundation for sound business operations**

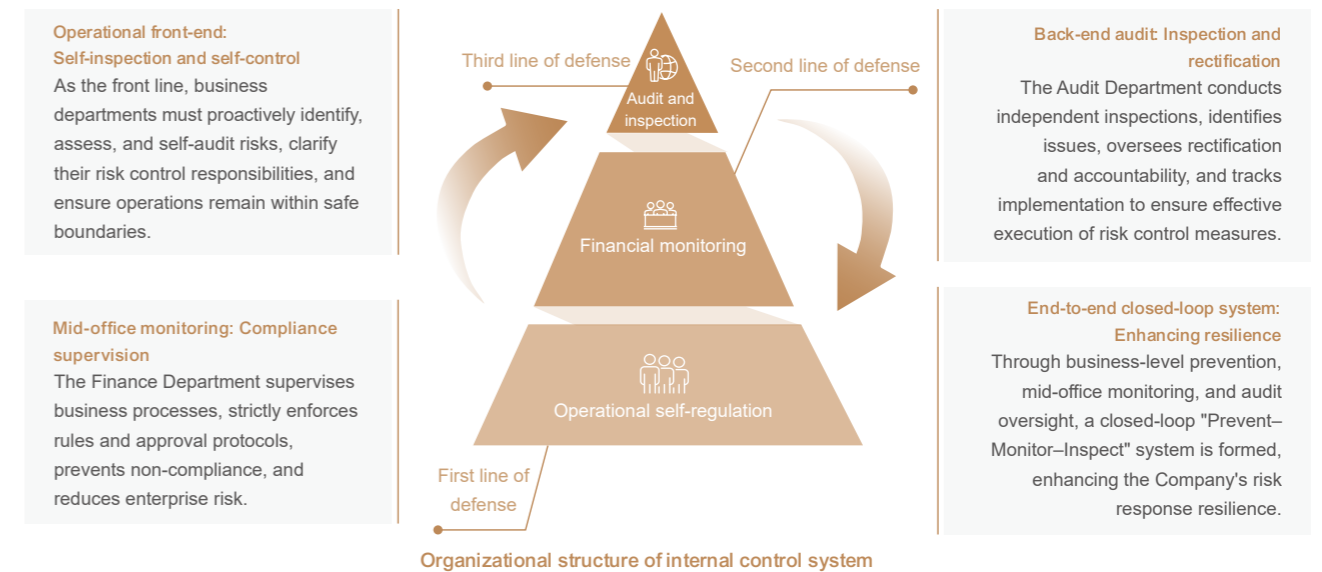
The Company closely follows the latest policy developments from the State Taxation Administration (SAT), focusing on key VAT practical issues. It systematically delivers multi-tiered, organization-wide tax compliance training. Sessions include in-depth discussions on policy changes and practical challenges in six core areas: deemed sales, non-deductible items, mixed sales, tax thresholds, simplified taxation, and differential taxation. Specialized programs such as Interpretation of Core Provisions of the New Value-Added Tax Law and Analysis of Hot Issues and Enterprise-Wide Tax Compliance Risk Response comprehensively outline compliance management essentials for all tax types, providing a solid foundation for compliant and sustainable operations.

**Key performance**

- During the reporting period, the Company organized **15** tax training sessions
- Organized **1** tax knowledge contest
- Maintained a record of **0** tax disputes throughout the year
- Awarded the qualifications of "Tax Class A Enterprise" and "Model Export Tax Enterprise".

## Strengthening risk and internal control

The Company continuously refines the top-level design of its compliance management by comprehensively reviewing and systematically revising core governance documents such as the Audit Committee Working Rules and Independent Directors' Working Rules. Regarding risk and internal control, it has built a dynamic and adaptive management system that continuously identifies risks and optimizes processes in response to strategic and business changes. Effectiveness is ensured through manual development, system extension across units, regular audits, and corrective action follow-up. Additionally, the Company has launched a three-year internal control supervision and evaluation plan covering all subsidiaries and introduced external audit mechanisms to systematically identify and address risks, safeguarding long-term stable operations.



## Risk and internal control management philosophy and measures

The Company has established a systematic and dynamically refined risk and internal control management system covering financial compliance, information disclosure compliance, HR compliance, intellectual property compliance, data security compliance, ESG compliance, and supply chain compliance. Guided by a philosophy aligned with strategic and business dynamics, it continuously identifies key control points, updates risk inventories, and achieves closed-loop management through policy revisions and an enterprise-wide proposal mechanism. Operationally, it strengthens its foundation by compiling internal control manuals, extending the system to all business units, optimizing critical processes, identifying overseas risk exposures, and refining the control matrix. Supported by regular internal and external audits and evaluations, the Company promptly identifies issues and drives remediation, ensuring continuous enhancement of risk management capability and internal control effectiveness.

**Compliance management (examples)**

- Supply chain compliance** → The Company has established a unified and comprehensive supplier management system. Through digital process enablement, it conducts compliance reviews at critical stages—including supplier due diligence, onboarding, material certification, evaluation, coaching, on-site audits, and exit—and employs professional tools for cross-screening. Key suppliers
- Legal compliance** → In accordance with the Contract Management System, the Company has designated the Legal Department as the central unit for contract management and dispute resolution, responsible for standardized template drafting, contract review and execution, performance monitoring, and dispute handling. It collaborates with Finance, business units, and others to jointly reinforce the risk control perimeter and ensure precise, efficient legal compliance
- Operational compliance** → The Company has issued the Compliance Management System, comprehensively covering key areas including trade secrets, anti-corruption and anti-bribery, anti-monopoly, anti-money laundering, export controls, environmental protection, data and cybersecurity, labor and employment, and market

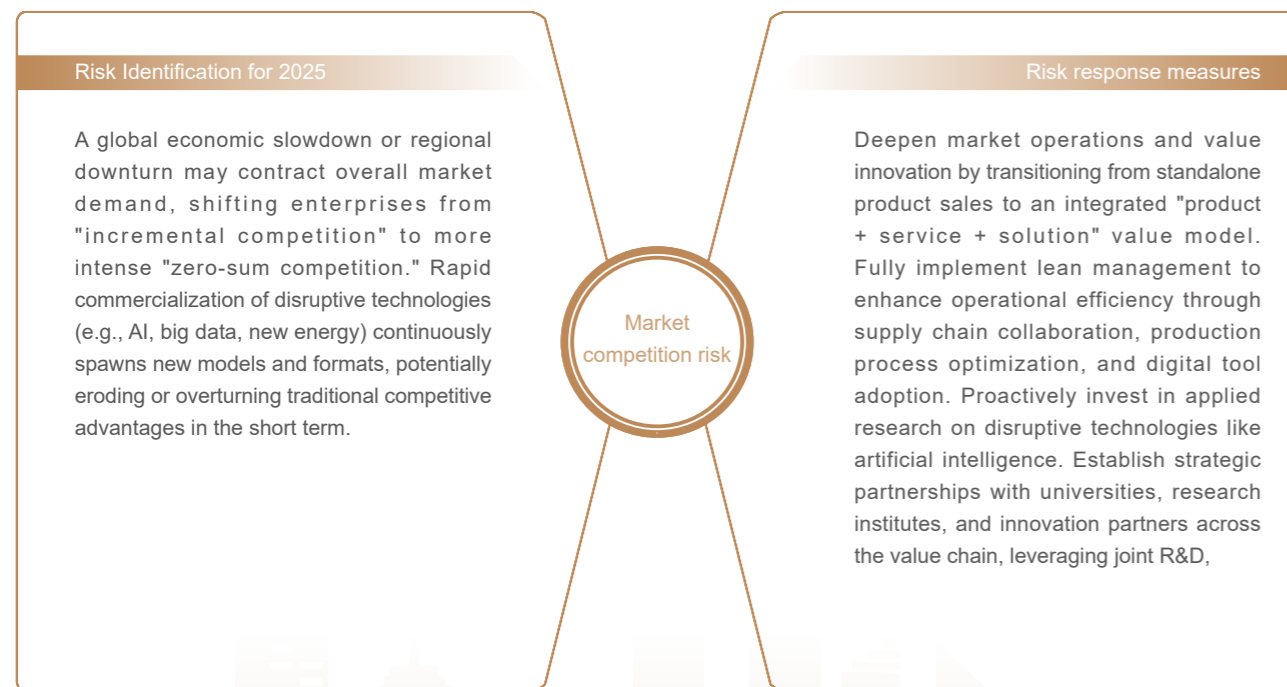
## Risk and internal control philosophy

Each year following the release of its annual report, the Company systematically reviews and updates its internal control systems and processes. Informed by dynamics in strategic positioning, business expansion, product innovation, functional reorganization, and cost optimization, it continuously identifies key control points across operations, establishes and iteratively refreshes its risk inventory, and implements targeted revisions to policies and procedures—thereby strengthening risk management and supporting sustainable, healthy growth. Additionally, through its "Proposal" platform, the Company actively encourages employees to surface potential risks or suggest internal control improvements, fostering a continuously refined management loop.

## Risk and internal control measures

The Company ensures effective implementation of compliance requirements by assigning dedicated personnel and delivering stratified, role-based training. It emphasizes a compliance culture centered on integrity, viewing compliance as the cornerstone of value creation, and clearly stipulates that business expansion must prioritize adherence to compliance baselines. Through combined top-down advocacy, multi-channel communication, and collaboration with external experts for training, it systematically enhances enterprise-wide compliance awareness and risk prevention capabilities, fortifying its compliance defense.

### Risk identification and response measures



## Risk and compliance management training

The Company deepens its compliance culture top-down by combining executive advocacy with diverse internal communications. It also actively collaborates with external professional resources such as bar associations and law societies to deliver systematic, practice-oriented legal compliance training to all employees, effectively enhancing their risk awareness and business compliance capabilities.



### Combining executive advocacy with multi-channel communication to embed compliance culture

Through founder-authored management logs, flag-raising speeches by executives, and other top-leadership communications, the Company deeply articulates the value of compliance to all employees, sending clear signals. It systematically leverages internal publications, new media platforms, specialized training, and meetings for sustained education. This dual approach of "top-down advocacy" and "multi-dimensional penetration" effectively fosters a compliance-conscious culture and strengthens enterprise-wide awareness and behavioral discipline.



### Collaborating with external experts to deliver legal training and enhance enterprise-wide compliance capabilities and risk awareness

The Company highly prioritizes legal compliance capability building. By actively engaging with external institutions like the Taizhou Lawyers Association and Taizhou Law Society, and regularly delivering targeted training to all employees and business staff, it covers practical dimensions including policy requirements, contract clause interpretation, risk identification, and case studies—systematically strengthening legal literacy and risk awareness, and effectively reinforcing the compliance firewall for business operations.

## Risk and internal control management goals

The Company has established a three-year (2025–2027) special plan for internal control supervision and evaluation, ensuring all subsidiaries—including tier-three entities—undergo a comprehensive assessment within this period. It has also engaged an independent external auditor to perform internal control audits and issue corresponding Internal Control Audit Reports. Through systematic risk identification and integrated analysis, the Company has promptly developed targeted response measures to safeguard sustained, stable operations.

### Key performance



During the reporting period, the Company conducted

**9** legal compliance trainings

With

**500** participants

And total training duration of

**30** hours

# Strict adherence to business ethics

## Governance

The Company issued the Code of Business Ethics, which clearly defines compliance red lines across multiple domains—including anti-corruption, fair competition, and conflict-of-interest prevention. The Code is binding on all employees and extended to all business partners. For implementation, supporting policies such as the Employee Conduct Management System and Integrity Conduct Management System have been developed. The Employee Handbook specifies prohibited behaviors, and key roles (e.g., procurement) are subject to special integrity requirements via Integrity Agreements. A clear, tiered disciplinary mechanism—from internal sanctions to judicial referral—has been established.



The Company has established a governance and execution structure with clear roles and responsibilities. At the oversight level, the Board of Directors and its Audit Committee provide overall guidance and supervision on business ethics. At the operational level, a cross-functional collaboration mechanism involves Legal, Finance, HR, Marketing, Procurement, and others. The Audit and Legal Departments serve as dedicated units, jointly managing investigations, enforcement, and daily supervision—including the annual anti-fraud audit.





## Strategy

By issuing and continuously refining the Code of Business Ethics, the Company establishes integrity, fairness, and probity as non-negotiable operational baselines—a shared code of conduct for all employees and supply chain partners. It is committed to a systematic business ethics management framework encompassing executive oversight, cross-departmental execution, routine risk assessments, strict accountability, and transparent whistleblower protection. This closed-loop system, embedded in strategy, operations, and culture, internalizes compliance as a competitive advantage, builds a trustworthy brand, and ensures long-term sustainability.

### Identified business ethics-related risks

Risk type	Risk description	Response measures
 Internal and external commercial bribery and fraud risks	Employees, suppliers, or partners may engage in illegal acts—such as bribery, fraud, or money laundering—to seek improper gains, potentially harming the Company's assets, reputation, and operational legitimacy.	<ul style="list-style-type: none"> <li>Issue and enforce the Code of Business Ethics and Integrity Conduct Management System.</li> <li>Conduct annual anti-fraud audits to systematically investigate suspicious or illegal activities.</li> <li>Obtain integrity commitment letters from 100% of employees and suppliers to clarify rights and responsibilities.</li> </ul>
 Conflict of interest and internal control failure risks	Employees—particularly in critical roles like procurement—may cause unfair decisions, resource misuse, or information leaks due to conflicts between personal and corporate interests.	<ul style="list-style-type: none"> <li>The Code of Business Ethics explicitly requires avoidance of conflicts of interest, with detailed prohibitions in the Employee Handbook and other policies.</li> </ul>

Risk type	Risk description	Response measures
 Unfair competition and anti-monopoly non-compliance risks	In market competition, improper conduct—such as entering into monopolistic agreements or abusing dominant market position—may violate the Anti-Monopoly Law of the People's Republic of China and the Anti-Unfair Competition Law of the People's Republic of China, resulting in fines, litigation, and severe reputational damage.	<ul style="list-style-type: none"> <li>Strictly comply with domestic and international anti-monopoly and anti-unfair competition laws, incorporating them into the Compliance Management System.</li> <li>Uphold principles of compliance, fairness, and integrity in all business activities and respect competitors' legitimate rights.</li> <li>Strengthen enterprise-wide awareness of fair competition through internal training and cultural promotion.</li> </ul>
 Internal supervision failure and whistleblower retaliation risks	If whistleblowing channels are inaccessible, investigations are unfair, or whistleblower protections are inadequate, internal issues may be concealed, allowing risks to accumulate and potentially triggering uncontrollable crises.	<ul style="list-style-type: none"> <li>Establish diverse, accessible channels (in-person, letters, hotlines, email) and define procedures in the Integrity Conduct Management System.</li> <li>Implement strict confidentiality and dedicated protection mechanisms, pledging to shield whistleblowers from unfair treatment or retaliation.</li> <li>Institute a whistleblower reward program to encourage fact-based internal oversight and external whistleblowing.</li> </ul>

Identified business ethics-related opportunities

Opportunity type	Opportunity description	Response measures
 <p>Reputational capital and trust premium</p>	<p>By building and effectively implementing a robust business ethics and anti-corruption system, the Company conveys a "zero-tolerance" integrity culture, earning deep trust from customers, investors, regulators, and premium partners.</p>	<ul style="list-style-type: none"> <li>Reduce transaction and regulatory costs: Achieve smoother communication, better terms, and lower compliance risk premiums in business collaborations, government affairs, and capital markets due to a trusted compliance record.</li> <li>Enhance brand intangible assets: Internalize "integrity-driven operations" as a core brand value to strengthen appeal and loyalty, creating a differentiated competitive edge.</li> </ul>
 <p>Excellent governance and operational resilience</p>	<p>Rigorous conflict-of-interest management and an efficient internal control system improve decision quality, safeguard assets, and optimize operations—fundamentally building organizational resilience and preventing potential losses.</p>	<ul style="list-style-type: none"> <li>Ensure strategic decision quality: Align resource allocation and major decisions with the Company's holistic and long-term best interests to support sustainability.</li> <li>Enhance operational efficiency and security: Reduce internal waste and financial risks from fraud, unfairness, or inefficiency, ensuring stable, high-performance operations.</li> </ul>
 <p>Builder of a sustainable market ecosystem</p>	<p>Proactive, exemplary compliance with competition laws enables the Company to engage in healthy rivalry within a sound, fair, and sustainable industry ecosystem—avoiding long-term harm from cutthroat competition and elevating its industry standing.</p>	<ul style="list-style-type: none"> <li>Avoid major legal and operational risks: Prevent compliance crises that could disrupt operations, cause massive financial loss, or trigger market access restrictions.</li> <li>Lead and shape industry standards: As a responsible participant, enhance influence and voice across the value chain, industry associations, and regulators to foster a better business environment.</li> </ul>
 <p>Strong self-correction and risk early warning capabilities</p>	<p>An open, transparent, secure, and protected whistleblowing and oversight mechanism encourages internal self-correction, resolving most ethical and compliance risks at an early stage—building strong organizational self-purification and continuous improvement capacity.</p>	<ul style="list-style-type: none"> <li>Proactive risk prevention: Use early warnings and timely interventions to stop minor issues from escalating into major financial losses, legal cases, or reputational crises—saving potential crisis response costs.</li> <li>Strengthen organizational cohesion: Foster a safe, fair, and trustworthy workplace to enhance employee belonging, engagement, and responsibility—helping attract and retain top talent.</li> </ul>

## Impact, risk, and opportunity management

Through a regular risk assessment mechanism, the Company systematically identifies and reviews ethical risks in internal controls, organizational culture, and key business areas. Based on findings, it implements a suite of controls—including annual anti-fraud audits, multi-channel whistleblowing, and tiered penalties—to manage risks effectively. Simultaneously, it transforms integrity-based compliance into opportunities to earn internal and external trust, enhance brand reputation, and build a sustainable market ecosystem—turning business ethics into a long-term competitive advantage.

### Specialized training on anti-corruption and

In December 2025, the Company conducted multiple offline anti-corruption and anti-commercial bribery training sessions. Through in-depth face-to-face discussions, combined with the latest industry regulations and real-world case studies, participants gained a thorough understanding of common commercial bribery scenarios, legal consequences, and preventive measures—significantly enhancing their legal risk awareness and providing strong compliance support for the Company's sustained, healthy development.



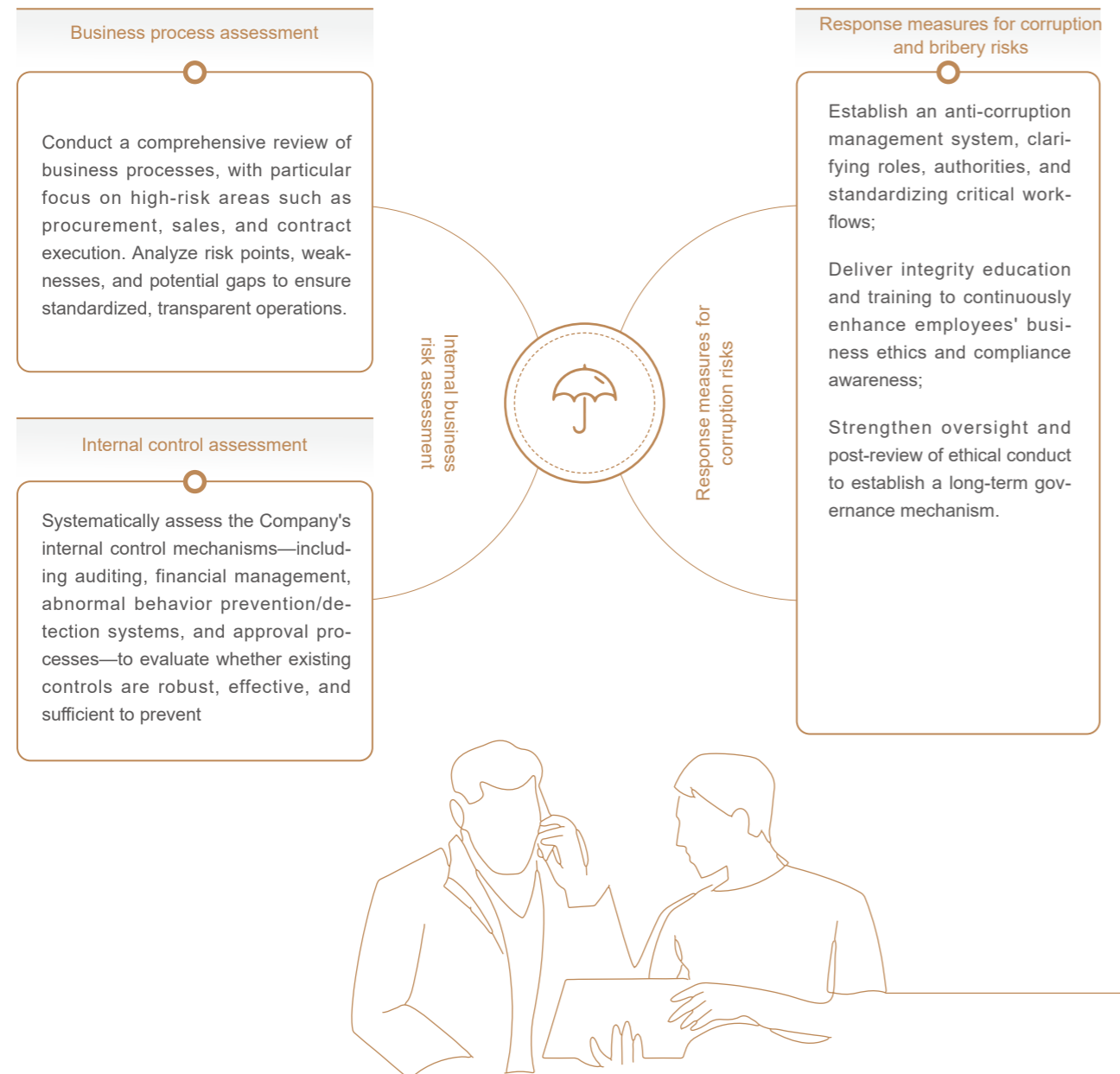
Anti-corruption and anti-commercial bribery training



## Anti-commercial bribery risk assessment

To systematically identify and prevent ethical risks such as commercial bribery, the Company has established a regular risk assessment mechanism. We strictly comply with local laws and regulations, continuously revise and improve the Code of Business Ethics, and use it as the foundation for steadily advancing enterprise-wide internal compliance risk assessments—with focused, periodic reviews of internal control effectiveness, organizational culture, and key ethical risk areas.

The Company has established a clear accountability and disciplinary mechanism. For verified violations of integrity or confidentiality policies that cause losses, internal sanctions—including financial penalties, role adjustments, or demotions—will be imposed based on severity. If criminal conduct is suspected, the case will be referred to judicial authorities for legal prosecution, upholding a "zero-tolerance" stance to protect a clean business environment.



## Whistleblowing and complaints

To foster an open and transparent oversight environment, the company maintains an open posture toward stakeholder input and views internal and external supervision as a key driver for continuous governance improvement. It has established a systematic, standardized supervision response mechanism and formulated the Integrity Conduct Management System, which clearly defines investigation procedures, feedback protocols, and departmental responsibilities—effectively guiding, protecting, and appropriately rewarding whistleblowers to ensure timely handling of all misconduct.

The Company actively encourages and welcomes employees, suppliers, customers, and the public to lawfully report violations or unfair practices. Multiple whistleblowing channels are available, and we are committed to maintaining strict confidentiality of whistleblower identities and report content, ensuring protection from unfair treatment or retaliation. To incentivize truthful reporting, a whistleblower reward program offers material incentives for verified, actionable leads in accordance with established policies.



### Whistleblower protection and penalties for violations



## Anti-monopoly and fair competition

The Company strictly complies with relevant domestic and international laws and regulations, including the Anti-Monopoly Law of the People's Republic of China and the Anti-Unfair Competition Law of the People's Republic of China. It conducts business operations in accordance with the Compliance Management System, consistently adhering to principles of compliant, fair, and honest competition. It respects and safeguards the legitimate rights and interests of competitors and is committed to maintaining a healthy and orderly market environment and commercial order.

In risk control, the Company performs pre-implementation compliance assessments for major business decisions, commercial cooperation agreements, and marketing activities, focusing on identifying potential risks such as entering into monopolistic agreements or abusing a dominant market position. In addition, it has established whistleblowing channels to encourage employees and business partners to monitor and report suspected anti-competitive conduct, thereby forming a comprehensive risk prevention system. During the reporting period, the Company reported no incidents related to monopolistic behavior.



### Specialized training on anti-monopoly and anti-unfair competition

In 2025, the Company conducted multiple training sessions on anti-monopoly and anti-unfair competition. Through detailed explanations of the definitions and legal consequences of unfair practices—such as monopolistic agreements, abuse of dominant market position, and acts of confusion—the sessions clarified legal boundaries and compliance red lines in commercial activities. This significantly enhanced employees' awareness of fair competition compliance, ensuring the Company's operations remain firmly on a lawful and standardized path.



Anti-monopoly and anti-unfair competition training



## Indicators and targets

### During the reporting period



During the reporting period, the signing rate of integrity commitment letters with the Company, employees, suppliers, contractors, and other relevant parties was

100%



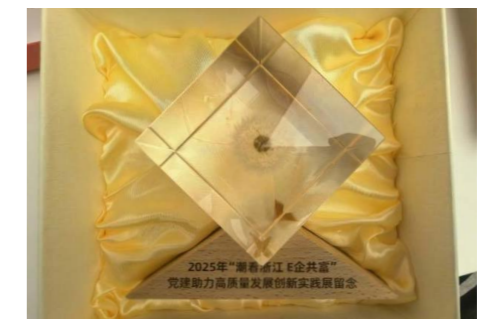
Number of major incidents of violation of regulations and discipline:

0

## Party building management

The Company places great importance on Party building, upholding the leadership and political core role of the Party organization. By continuously strengthening Party members' cohesion and sense of responsibility, it promotes deep integration of Party work with business operations, ensuring high-quality development through Party-led governance. Centered on the goal of building a "Clean Private Enterprise," the Company has systematically established a normalized integrity mechanism emphasizing education, institutional frameworks, and supervision. This includes forming an Integrity Building Leading Group and appointing "Three Integrity Officers" to reinforce organizational and systemic constraints. It leverages physical platforms such as the Qingfeng Garden and Heart-to-Heart Conversation Rooms, along with media like the Jack Newspaper and bulletin boards, to deliver ongoing integrity culture education. Additionally, it organizes Party members, cadres, managers, and key-position employees to sign Integrity Commitment Letters and take integrity oaths, and promotes the signing of Integrity Agreements with suppliers and customers to jointly build an integrated internal-external integrity defense line.

### 2025 party building honors

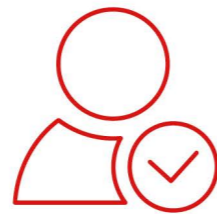


Taizhou's fourth batch of "Innovation Pioneers" among party members in non-public enterprises



# 06

## Value Symbiosis



### Industrial Synergy Drives Common Prosperity

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## Promoting rural revitalization

The Company deeply fulfills its corporate social responsibility by empowering rural revitalization through diverse approaches. By sponsoring wheat fields in Henghechen Village under an "agriculture + assistance" model, it revitalizes the rural economy and enhances the value of specialty agricultural products. In Sertar County, it implements consumption-based assistance to streamline production-marketing linkages, injecting vital momentum into local industrial development. These initiatives precisely align corporate strengths with rural resources—boosting farmers' incomes while reinforcing regional economic self-sufficiency. Through concrete actions, the Company paints a new picture of thriving industries and harmonious villages, embodying its mission of symbiotic prosperity between enterprise and countryside in the new era.



### Sponsoring rice fields to promote revitalization through industrial assistance

In active response to the rural revitalization initiative, the Company sponsored 10 mu of rice fields in Henghechen Village, Xiachen, supporting rural industry development through an "agriculture + assistance" model. In 2025, it invested RMB 28,000 in rural revitalization, combining financial support with industrial promotion to enhance local agricultural productivity and increase farmers' incomes. This initiative not only invigorated the rural economy but also contributed corporate strength to common prosperity, demonstrating its commitment to giving back to communities and society through tangible action.



### Dual-drive of procurement and donation: Supporting Sertar's revitalization with care

The Company precisely aligned with the development needs of its paired-assistance partner, Sertar County, adopting a dual-track "procurement + donation" assistance model. It procured local poverty-alleviation goods to stimulate production and sales of specialty agricultural products, and donated RMB 40,000 in targeted funds to support local poverty alleviation and common prosperity efforts. By combining the "blood transfusion" of consumption-based aid with the "blood generation" of financial empowerment, it tangibly improved public well-being and built a bridge of mutual trust between enterprise and locality through practical action.



### Extending aid across a thousand miles to overcome adversity together

In response to the disaster caused by extreme rainfall in Ji'an City, Jilin Province, the Company swiftly donated RMB 100,000 to help affected residents overcome hardship, rebuild homes, and resume production. The funds were precisely allocated to the most urgent needs in the disaster zone, delivering warmth and hope. Spanning a thousand miles, this act conveyed the spirit of mutual support and embodied corporate social responsibility, helping the region regain vitality and co-create a better future.



Donation appreciation letter

## Giving back to society with compassion

The Company has always upheld the philanthropic principle of "giving back to society and spreading kindness," engaging in social welfare through multiple dimensions. It fulfills its corporate citizenship by donating to the Charity Federation, establishing education funds to support underprivileged students, and providing targeted support for historical and cultural preservation. During festivals, it visits vulnerable groups at the grassroots level to deliver care. Through years of dedication, it has received numerous public welfare honors, reflecting its responsibility and commitment to societal contribution in the new era.



### Twenty years of donations to practice the original aspiration, charity relay showing commitment

The Company has consistently practiced the public welfare philosophy of "giving back to society and spreading kindness," persistently advancing charitable causes. Following its initial pledge of RMB 5 million (RMB 250,000 annually) to the Jiaojiang District Charity Federation from 2010 to 2030, it has recommitted with an additional RMB 5 million (RMB 250,000 annually) from 2025 to 2045—including a RMB 500,000 donation in 2025. These funds are exclusively dedicated to supporting charitable development in Jiaojiang District. Through this two-decade relay of compassion, the Company demonstrates profound social responsibility and unwavering commitment to public welfare.



Certificate of donation



Ten years of scholarships for students, education for the future

Focusing on educational philanthropy, the Company made a targeted donation of RMB 3 million to the Bixin Education Foundation—RMB 300,000 annually over ten years—exclusively to assist disadvantaged teachers and students and reward outstanding individuals across six primary and secondary schools. This teaching-and-learning support fund provides long-term, stable backing, illuminating students' educational journeys and energizing dedicated educators. Over a decade, this relay conveys not just funds, but the Company's deep responsibility and affection for education, embodying its original intent to give back and nurture future generations.



Certificate of donation

Millions in donations to preserve cultural heritage, reviving ancient charm for generations

The Company actively engages in cultural philanthropy, making a targeted donation of RMB 2 million to the Jingchuan County Red Cross for the construction of the Jingchuan Ancient Ruan State Historical and Cultural Pavilion. As the global research center for Ruan heritage, the pavilion bears the vital mission of preserving the historical legacy of the Ancient Ruan State. Funds are disbursed through the Red Cross under strict protocols to ensure dedicated use and precise implementation. This donation not only contributes corporate strength to cultural heritage protection but also actively safeguards historical roots and promotes China's fine traditional culture, reflecting the Company's profound cultural sentiment and social responsibility.

Sending warmth to comfort the elderly in winter, demonstrating filial piety and care

Every Spring Festival eve, the Company visits widowed and elderly residents in Xiachen, donating winter relief supplies to deliver festive care and warmth. In 2025, it allocated RMB 50,000 in dedicated funds to actively promote filial piety and respect for the elderly, ensuring vulnerable seniors enjoy a warm winter and a peaceful New Year. For years, this year-end gesture has never been absent—conveying corporate warmth and exemplifying the traditional virtue of honoring elders and social responsibility, lighting the path to rural harmony with compassion.



Consoling widowed and elderly residents in Xiachen

Key honors

Awarded the national "Exemplary Organization for Respecting the Elderly" by the Office of the National Working Commission on Aging  
★  
October 2025

Awarded the "Taizhou Charity Outstanding Contribution (Group) Award" by the Taizhou Charity Federation  
★  
May 2025

The Company was awarded the title of "Model Enterprise for Respecting Teachers and Valuing Education" by the Jiaojiang District Committee and District Governmen  
★  
September 2025

Awarded "Advanced Enterprise for Respecting Teachers and Valuing Education" by the CPC Taizhou Jiaojiang District Committee and Taizhou Jiaojiang District People's Government  
★  
September 2025

## Building a philanthropic brand

The Company is committed to building an influential philanthropic brand, consolidating forces for good through systematic operations. Since Jack initiated the establishment of the Filial Piety Sewing Foundation, it has upheld the mission of "spreading filial piety globally and filling the world with kindness," driving the transformation of charitable giving from sporadic acts into a sustained, vision-driven cause. The Foundation focuses on the "Five Thousand Programs," developing five flagship initiatives: "Sewing Love for Thousands of Families," "Smart Sewing Workshops," "Sewing for Helping the Elderly," "Sewing for a New Life," and "Sewing for Talent Cultivation," systematically advancing filial piety and kindness, elderly and vulnerable support, and educational empowerment. Through professional program management and sustained resource investment, the Company translates philanthropic ideals into routine practice, embodying corporate responsibility and contributing to a harmonious society.



### Sewing love for thousands of families: Sewing love, creating beautiful encounters

Guided by the philosophy of "warming hearts through small gestures and benefiting lives through micro-services," the project addresses the "mending difficulty" faced by the elderly and mobility-impaired. It innovates with an integrated "mobile services + fixed stations + caring relay" model and a dual-track system of "fixed-point services + home visits." Eight "Charity Sewing Homes" have been established, hosting over 200 public welfare events and providing free mending and upcycling services to more than 3,860 individuals, along with home visits for 65 vulnerable persons. The initiative has engaged over 30 upstream and downstream enterprises, forging multi-party collaboration. Widely covered by media and government platforms, it has become a replicable public welfare brand driven by government-society-enterprise synergy.



### Sewing for a new life: Where feet cannot go, hands sew hope for you

Focused on safeguarding the rights of people with disabilities, the project leverages the Company's technological strengths to develop specialized sewing equipment tailored to their needs, enabling skills-based employment. Through professional training, it has helped four individuals with disabilities master core sewing skills, successfully transitioning them from passive "recipients" to active "contributors." This initiative not only addresses the narrow employment pathways for people with disabilities but also empowers them with dignity and confidence through skill development, demonstrating the Company's compassionate care and responsibility toward vulnerable groups.



### Smart sewing workshops: Integrating industry and education to empower talent

Leveraging compassionate enterprises within the Jack Technology industrial chain, the Company co-established two "Smart Sewing Workshops," empowering industry-education integration primarily through donations of intelligent equipment. The project precisely addresses challenges in remote areas—such as shortages of training equipment, inadequate teaching conditions, and delayed skills development—by pioneering a model of "intelligent equipment + specialized curriculum + hands-on workshops." Each semester, it delivers two months of practical instruction, benefiting 153 students to date. Through school-enterprise collaborative education aligned with corporate hiring standards, it supplies the industry with skilled professionals, bridging the talent-industry gap.



### Sewing for helping the elderly: IP-driven operation to pass on filial piety and kindness

Executed by the Zhejiang Filial Piety Sewing Foundation and leveraging Jack Technology's industrial chain resources, the project establishes a "enterprise + foundation + industrial chain" collaboration mechanism to develop the "A Bowl of Longevity Noodles" elderly-care philanthropy IP. It coordinates with compassionate enterprises across Jack's ecosystem to deliver regular elderly support services centered on material care and emotional companionship, having provided warmth to 1,020 elderly individuals in need. The initiative promotes daily, standardized, and replicable elderly care services, passing on filial piety and kindness while enhancing seniors' sense of security and happiness.



**Sewing for talent cultivations: Precise educational support to nurture dreams**

Leveraging Jack Technology's industrial chain resources, the project delivers targeted educational support by accurately addressing the core needs of disadvantaged students. Focusing on academic security and character development, it has assisted 985 students to date. While alleviating their educational burdens, it sows seeds of filial piety and kindness and spreads philanthropic warmth. Fulfilling corporate social responsibility, it supports the cultivation of a socially conscious new generation, advancing educational equity and common prosperity.



**Filial piety and kindness classroom: Cultural inheritance and philanthropic transmission**

Leveraging Jack Technology's industrial chain resources, the initiative has visited universities, enterprises, schools, rural communities, and charity-focused factories to regularly conduct activities including lectures on filial piety and kindness, sewing science outreach, handicraft workshops, compassionate donations, and co-building shared charity libraries. Through storytelling and hands-on interaction, it conveys values of filial piety and kindness, while simultaneously donating books and care packages to precisely deliver warmth to the elderly and children. This effort not only preserves China's fine traditions but also expands the scope of public service, reflecting the social responsibility and humanistic care of both the Company and the Foundation.



**Severe illness medical assistance program**

Specifically implemented by the Zhejiang Filial Piety Sewing Foundation and supported by Jack Technology's industrial chain resources, the program targets the urgent needs of families facing major illnesses. Covering 18 provinces including Henan, Jiangxi, Hubei, and Shanxi, it has successfully assisted 120 families to date, effectively easing their medical burdens and delivering hope and compassion. This initiative fulfills corporate social responsibility, reinforces the basic livelihood safety net, and spreads positive social energy.



In 2025, the Zhejiang Filial Piety Sewing Foundation reached 3,000 beneficiaries through various public welfare activities, mobilized over 100 volunteer service hours, and organized 20 events. These efforts not only delivered tangible support to vulnerable groups but also promoted philanthropic values and traditional virtues, demonstrating the firm resolve of the Company and the Foundation to jointly fulfill social responsibility and advance sustainable development. The Company has supported 105 persons with disabilities in achieving re-employment, with cumulative wage payments totaling RMB 6,427,700.



## Key performance table

Indicator category	Quantitative indicator name	Unit	2024	2025
<b>Society</b>				
Number of employees	Total number of employees	Persons	7,163	7,576
Number of new employees	Number of new hires	Persons	1,561	1,383
	Number of new full-time employees	Persons	1,561	1,383
Number and proportion of employees by gender	Number of female employees	Persons	2,290	2,331
	Number of male employees	Persons	4,873	5,245
	Percentage of female employees	%	32	31
Number and proportion of employees by employment type	Percentage of male employees	%	68	69
	Number of full-time employees	Persons	7,163	7,576
	Percentage of full-time employees	%	100	100
Number and proportion of employees by age	Number of employees aged 30 and below	Persons	2,028	2,209
	Number of employees aged 30-50	Persons	4,151	4,335
	Number of employees aged 50 and above	Persons	984	1032
	Percentage of employees under 30	%	28	29
	Percentage of employees aged 30-50	%	58	57
	Percentage of employees over 50	%	14	14
Number of employees by educational background	Number of employees with below a bachelor's degree	Persons	5,719	5,768
	Number of employees with a bachelor's degree	Persons	1,300	1,535
	Number of employees with master's degrees	Persons	133	260
	Number of employees with doctoral degrees	Persons	11	13
Number of employees by rank	Number of senior management employees	Persons	104	119
	Number of middle management employees	Persons	263	292
	Number of junior management employees	Persons	595	623
	General staff	Persons	6,201	6,542
Number and percentage of employee turnover	Number of employee resignations	Persons	751	788
	Employee turnover/resignation rate	%	10	10
	Number of voluntary employee resignations	Persons	751	788
	Voluntary employee resignation rate	%	10	10
Compensation	Per capita compensation	Ten thousand yuan	14.48	14.63
	Per capita revenue generation	Ten thousand yuan	89.54	89.53
Protection of basic rights and interests	Employee social insurance coverage rate	%	100	100
	Number of employees in hardship assisted per unit of revenue	Persons/million in revenue	0.0008	0.0014
Discrimination	Confirmed incidents of discrimination	Cases	0	0
Forced labor	Confirmed incidents of forced labor	Cases	0	0
Child labor	Confirmed incidents of child labor	Cases	0	0

Indicator category	Quantitative indicator name	Unit	2024	2025
Employee satisfaction surveys	Total number of employee satisfaction questionnaires distributed	Copies	6,474	7,457
	Questionnaire response rate	%	78	70
	Employee satisfaction results	%	91.42	94.32
Health and safety training and drills	Total hours of occupational health and work safety training	Hours	7,500	120,000
	Total training hours per capita	Hours	1	16
	Number of safety drills (fire, toxic gas leaks, etc.)	Times	150	220
Investment in work safety	Total investment in work safety	Ten thousand yuan	2,020.43	4,326.00
	Ratio of total work safety investment to operating revenue	%	0.33	0.66
	Investment in employee work-related injury insurance	Ten thousand yuan	328	411
	Employee work-related injury insurance coverage rate	%	100	100
Work-related injuries	Number of work-related injuries (serious and above)	Persons	0	0
	Number of work-related fatalities (fill in 0 if none)	Persons	0	0
	Number of work-related fatalities per unit of revenue	Persons / RMB 100 million in revenue	0	0
	Number of workdays lost due to work-related injuries	Day	963	1128
	Number of workdays lost due to work-related injuries per unit of revenue	Days / RMB million in revenue	0.16	0.17
	Occupational disease incidence rate	%	0	0
	Lost time injury rate for employees	%	0.34	0.41
	Injury rate per unit of work hour	% / million work hours	1.34	1.67
Supplier safety	Number of work-related injuries to suppliers (minor and above)	Persons	0	0
	Number of work-related fatalities among suppliers	Persons	0	0
	Total hours of supplier safety training	Hours	100	100
Duration of employee training	Total training time	Hours	49,026	53,836
	Average training hours per person	Hours	6.84	7.11
	Total training hours for female employees	Hours	15,585	16,828
	Average training hours per female employee	Hours	6.81	7.22
	Total training hours for male employees	Hours	33,441	37,008
	Average training hours per male employee	Hours	6.86	7.06
	Total training hours for senior management	Hours	1,680	2,860
	Average training hours per senior manager	Hours	16.15	24.03
Employee training assessment	Total number of training sessions for the year	Times	2,300	3,100
	Annual training expenditure	Ten thousand yuan	1,088	2,751
	Number of employees trained	Persons	7,163	7,576
Overall suppliers	Employee training coverage rate	%	100	100
	Number of core suppliers	Counts	243	414

Indicator category	Quantitative indicator name	Unit	2024	2025
Supplier category management	Raw materials	Counts	194	358
	Equipment	Counts	36	36
	Non-production	Counts	13	20
Tiered supplier management	Number of tier 1 (direct) suppliers	Counts	234	405
	Number of non-tier 1 (indirect) suppliers	Counts	9	9
Supplier assessment	Supplier assessment coverage rate	%	100	100
	Supplier assessment qualification rate	%	100	100
Sustainable procurement	Percentage of suppliers who have signed the Supplier Code of Conduct	%	97.94	98.79
	Percentage of suppliers with contracts including environmental and labor requirement clauses	%	97.94	98.79
	Number of suppliers that have undergone social impact assessments	Counts	54	103
	Number of suppliers that have undergone environmental impact assessments	Counts	111	111
	Number of suppliers identified with significant actual and potential negative social impacts	Counts	0	0
	Number of suppliers identified with significant actual and potential negative environmental impacts	Counts	0	0
	Percentage of internal procurement staff who have completed sustainable procurement training	%	100	100
Production quality	Product qualification rate	%	99.43	99.50
	Number of product recalls	Cases	1,200	800
	Product recall rate	%	0.039	0.037
	Amount of damages involved in major liability accidents related to product and service safety and quality in the year	Ten thousand yuan	0	0
R&d investment	R&D expenditure	Ten thousand yuan	48,799.02	55,333.86
	Ratio of total R&D expenditure to operating revenue	%	8.01	8.4
R&D department personnel	Total number of R&D personnel	Persons	1,289	1,465
	Percentage of R&D personnel	%	18	19
Intellectual property	Trademarks held, etc.	Cases	669	696
	Total valid patents	Items	2,705	3,034
	Including invention patents	Items	1,125	1,221
	Utility model patents	Items	1,334	1,545
	Design patents	Items	246	268
	Accumulated software copyrights	Items	549	634
Customer service	Customer feedback response time	Days	Response within 10 minutes	Response within 10 minutes
	Customer feedback response rate	%	99.94	1.00
	Customer complaints	Times	67	50
	Cumulative customer service	Times	55,403	72,172

Indicator category	Quantitative indicator name	Unit	2024	2025
Customer satisfaction survey	Total number of customer satisfaction questionnaires distributed	Copies	11,000	12,000
	Total number of satisfaction questionnaires collected	Copies	10,450	11,475
	Total number of valid satisfaction questionnaires collected	Copies	10,450	11,475
	Questionnaire response rate	%	95	96
	Customer satisfaction survey results	%	88.5	91.8
Data security and customer privacy	Number of confirmed data security incidents	Cases	0	0
	Monetary value involved in data security incidents	Ten thousand yuan	0	0
	Number of training sessions on data security and customer privacy protection	Times	970	1,676
	Number of relevant emergency drills	Times	1	1
	Number of confirmed customer privacy breaches	Cases	0	0
	Monetary value involved in customer privacy breaches	Ten thousand yuan	0	0
<b>Environment</b>				
Environmental management	Total investment in environmental management	Ten thousand yuan	921.78	759.60
	Ratio of total investment in environmental management to operating revenue	%	0.15	0.12
	Number of violations of environmental laws and regulations	Cases	0	0
	Amount of major administrative penalties imposed by ecological and environmental authorities for environmental incidents during the reporting period	Ten thousand yuan	0	0
Energy	Diesel consumption	Litres	244,545	244,322
	Natural gas consumption	Cubic meter	1,100,248	1,784,049
	Electricity consumption	MWh	168,470	172,542
	Total purchased electricity	MWh	150,969	159,334
	Renewable electricity consumption for self-generation and self-use	MWh	17,501	17,933
	Solar energy consumption	MWh	12,815	12,068
Air pollutant emissions	Total exhaust gas emissions	Ten thousand cubic meters	493,065.87	140,103.32
	Nitrogen oxides (NOx) emissions	kg	2,686.41	1,878.10
	Volatile organic compounds (VOCs) emissions	kg	3,349.52	3,885.15
	Particulate matter (PM) emissions	kg	40,168.78	33,418.04
Water pollutant emissions	Total wastewater discharge	Ten thousand cubic meters	1.46	1.45
Water resource management	Total water consumption	Tonnes	4,261,418	4,625,621
	Water use intensity	Tonnes/RMB 10,000 in revenue	6.99	7.00
Waste disposal	Total waste generated	Tonnes	4,028.85	4,996.85
	Including: Total hazardous waste	Tonnes	391.13	405.50
	Including: Total non-hazardous waste	Tonnes	3,637.72	4,618.35
Raw material and packaging material management	Total mass or volume of materials used for production and packaging	Tonnes/cubic meters	5,834.4	5,834.4
	Including: Non-renewable materials used	Tonnes/cubic meters	2,203.2	2,203.2

Indicator category	Quantitative indicator name	Unit	2024	2025
Raw material and packaging material management	Renewable materials used	Tonnes/cubic meters	3,631.2	3,631.2
	Recycling rate of materials used for production and packaging	%	95	95
	Including: recycling rate of production materials	%	95	95
	Including: recycling rate of packaging materials	%	95	95
<b>Governance</b>				
Board of Directors	Total number of board members	Persons	9	9
	Number of female directors	Persons	2	2
	Number of non-independent directors	Persons	6	6
	Number of independent directors	Persons	3	3
	Percentage of female directors on the board	%	22	22
	Percentage of executive directors on the board	%	67	67
	Percentage of independent directors on the board	%	33	33
	Percentage of independent directors on the Audit Committee	%	67	67
	Percentage of independent directors on the Remuneration Committee	%	67	67
	Percentage of independent directors on the Nomination Committee	%	67	67
	Percentage of independent directors with a tenure exceeding 6 years	%	0	0
	Percentage of independent directors serving on the boards of more than 3 listed companies	%	0	0
	Number of full board meetings	Times	10	10
	Number of Board of Directors Audit Committee meetings	Times	4	5
	Number of Nomination and Remuneration Committee meetings	Times	3	4
	Number of Board of Directors Strategic Committee meetings	Times	1	1
Average board attendance rate	%	100	100	
Number of directors who attended less than 75% of meetings	Persons	0	0	
Minimum attendance requirement for each director	%	100	100	
Shareholders' Meeting	Number of Shareholders' Meetings Held	Times	3	3
Equity and shareholders	Executive shareholding ratio*	%	0.75	
	Share pledge ratio	%	0	0
<b>Economy</b>				
Total assets	Ten thousand yuan		785,320.96	841,577.06
Operating revenue	Ten thousand yuan		609,365.38	658,695.77
Total profit	Ten thousand yuan		90,163.45	92,895.94

Note: As of 2025, executives held 13% of the Company's shares through indirect ownership.

## Index of indicators

### Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report (Trial)

No.	Level 1 topics	Level 2 topics	Relevant sections
1	Climate change tackling	① Management of risks and opportunities related to climate change	Addressing climate change
		② Assessing the adaptability of the Company's strategy and business model to climate change	Addressing climate change
		③ Transformation plans, measures, and progress in addressing climate-related risks and opportunities	Addressing climate change
		④ Providing greenhouse gas emissions across different scopes by category	Addressing climate change
		⑤ Providing greenhouse gas emissions by category	Addressing climate change
		⑥ Methodology for greenhouse gas emissions accounting	Addressing climate change
		⑦ Greenhouse gas reduction practices	Addressing climate change
		⑧ New technologies, products, and services conducive to reducing carbon emissions and achieving carbon neutrality	Addressing climate change
2	Pollutant discharge	① Pollutant discharge information	Pollution emission control
		② Pollutant discharge treatment	Pollution emission control
		③ Emission reduction targets	Pollution emission control
		④ Impact on communities	Pollution emission control
		⑤ Administrative penalties	Pollution emission control
3	Waste disposal	① Waste volume	Pollution emission control
		② Treatment status	Pollution emission control
		③ Emission reduction targets	Pollution emission control
4	Ecosystem and biodiversity protection	① Exit activities	Environmental compliance management
		② Protective measures within the region	Environmental compliance management
		③ Protection and restoration measures	Environmental compliance management
		④ Biological genetic resources	Environmental compliance management
		⑤ Product life cycle impact	Environmental compliance management
5	Environmental compliance management	① Risk management	Environmental compliance management
		② Emergency incidents	Environmental compliance management
		③ Administrative penalties	Environmental compliance management
6	Energy usage	① Usage status	Resource recycling
		② Clean energy	Resource recycling
		③ Conservation targets	Resource recycling
7	Usage of water resources	① Usage status	Resource recycling
		② Conservation targets	Resource recycling
8	Circular economy	① Target plans	Resource recycling
		② Specific measures	Resource recycling
		③ Progress and outcomes	Resource recycling
9	Rural revitalization	① Corporate strategy	Promoting rural revitalization
		② Specific measures	Promoting rural revitalization
		③ Achievements	Promoting rural revitalization

No.	Level 1 topics	Level 2 topics	Relevant sections
10	Contributions to the society	Contribution status	Giving back to the community and building a philanthropic brand
11	Innovation-driven	① Strategic goals	Innovation-driven R&D
		② Specific details	Innovation-driven R&D
		③ R&D achievements	Innovation-driven R&D
		④ Innovation impact	Innovation-driven R&D
12	Ethics of science and technology	① Fields of engagement	Innovation-driven R&D
		② Internal management	Innovation-driven R&D
		③ Violations	Innovation-driven R&D
		④ Training and awareness	Innovation-driven R&D
13	Supply chain security	① Risk management	Supply chain management
		② Safeguard measures	Supply chain management
		③ Improvement measures	Supply chain management
14	Equal treatment to small and medium-sized enterprises	① Outstanding payments	Supply chain management
		② Specific details	Supply chain management
15	Safety and quality of products and services	① Management system	Quality assurance; Customer service excellence
		② Quality certifications	Quality assurance; Customer service excellence
		③ Major incidents	Quality assurance; Customer service excellence
		④ After-sales service	Quality assurance; Customer service excellence
		⑤ Accessibility	Quality assurance; Customer service excellence
16	Data security and customer privacy protection	① Management system	Digitalization strategy
		② Security incidents	Digitalization strategy
		③ Customer privacy protection	Digitalization strategy
		④ Data breach incidents	Digitalization strategy
17	Employees	① Employee recruitment	Protection of employee rights; Talent training and development; Employee health and well-being
		② Occupational health and safety	Protection of employee rights; Talent training and development; Employee health and well-being
		③ Career development and training	Protection of employee rights; Talent training and development; Employee health and well-being
18	Due diligence	Due diligence implementation	Strict adherence to business ethics; Supply chain management
19	Communications with stakeholders	① Communication mechanisms	ESG management; Efficient governance operations
		② Feedback channels	ESG management; Efficient governance operations
20	Anti-commercial bribery and anti-corruption	① Management system	Strict adherence to business ethics
		② Risk assessment	Strict adherence to business ethics
		③ Training effectiveness	Strict adherence to business ethics
		④ Incidents occurred	Strict adherence to business ethics
21	Anti-unfair competition	① Management system	Strict adherence to business ethics
		② Administrative penalties	Strict adherence to business ethics

## Reader Feedback Form

Reader Feedback Form

Dear Readers,

Thank you for taking the time to read the 2025 Environmental, Social and Governance (ESG) Report of Jack Technology Co., Ltd. To provide you and other stakeholders with more valuable information and to effectively enhance our capacity and performance in fulfilling corporate social responsibility, we sincerely look forward to your comments and suggestions.

Multiple choice questions (please tick the appropriate box with a √)

What is your overall evaluation of this Report?

Excellent  Good  Fair  Poor  Very Poor

How well does the Report respond to and disclose issues of concern to stakeholders?

Excellent  Good  Fair  Poor  Very Poor

How do you rate Jack Technology's performance in economic responsibility?

Excellent  Good  Fair  Poor  Very Poor

How do you rate Jack Technology's performance in environmental responsibility?

Excellent  Good  Fair  Poor  Very Poor

How do you rate Jack Technology's performance in safety management?

Excellent  Good  Fair  Poor  Very Poor

How do you rate Jack Technology's performance in employee responsibility?

Excellent  Good  Fair  Poor  Very Poor

How do you rate Jack Technology's performance in community responsibility?

Excellent  Good  Fair  Poor  Very Poor

Are the information, indicators, and data disclosed in the Report clear, accurate, and complete?

Excellent  Good  Fair  Poor  Very Poor

Do you find the content arrangement and layout design of this Report easy to read?

Yes  No

Open-ended questions

Do you have any comments or suggestions regarding Jack Technology's fulfillment of social responsibility and this Report?

**JACK 杰克**

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