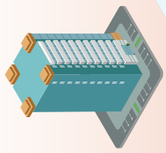
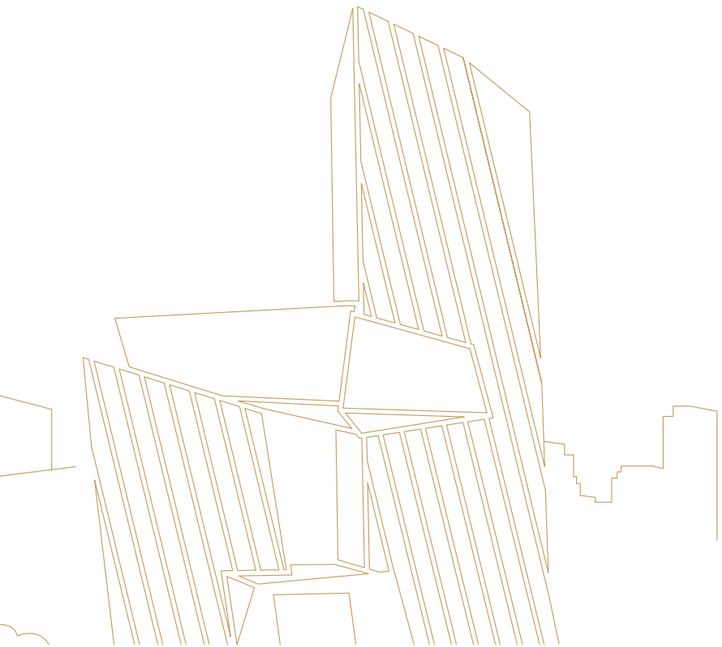




President's Message

Excellence through Responsibility, Shared Future through Symbiosis:
Jointly Building a New Blueprint for Sustainable Development in the Fiberglass Industry

Advancing Low-Carbon Strategy, Leading Harmonious Development

Improving Corporate Governance, Fortifying a Solid Foundations for Development

Fulfilling Social Responsibility, Co-Creating a Better Future

Party Secretary and President of China Jushi

About Us

Company Profile

China Jushi Co., Ltd ("China Jushi" or "Jushi") is a global leader in the fiberglass industry. The Company primarily engages in the production and sales of fiberglass and its products, maintaining a consistent leading position globally in terms of scale, technology, cost, market presence, quality, and profitability.

Jushi was founded in 1993. In 1998, China Jushi was established jointly by four shareholders, including China National Building Material Group Co., Ltd (hereinafter referred to as "CNBM Group"), Zhenshi Holding Group Co., Ltd (hereinafter referred to as "Zhenshi Group"), and two other shareholders. In 1999, the Company was listed on the Shanghai Stock Exchange with the stock abbreviation "China Jushi" and stock code: 600176.

MISSION	Advance Material Innovation to Drive High-quality Development.
VISION	Maintain the Leadership in the World Fiberglass Industry.
CORE VALUES	Integrity, Innovation, Responsibility, Learning, Passion.

Global Presence

Headquartered in Tongxiang, Zhejiang, China Jushi operates six manufacturing bases in Tongxiang (Zhejiang), Jiujiang (Jiangxi), Chengdu (Sichuan), Huai'an (Jiangsu), Suez (Egypt), and South Carolina (USA), along with overseas subsidiaries in over 10 countries and regions including Japan, South Korea, Italy and France. Its production and sales network spans the globe. The Company's annual production capacity for fiberglass yarn exceeds 3 million tons, accounting for 28% of the world's fiberglass production capacity and 40% of China's.

To date, China Jushi has successfully established itself as a global leader in thermoset roving, thermoplastic reinforcement and electronic fabric. Its fiberglass product range is both diverse and comprehensive, encompassing over 20 major categories, 200+varieties, and 3,000+ specifications. These products include alkali-free fiberglass untwisted roving, chopped strand matting, grid cloths, and electronic fabrics. They are exported to more than 100 countries and regions across the Americas, Europe, Southeast Asia, the Middle East, and Africa.

Global Workforce
13,468
Employees

Overseas Employees
2,316

Transnational Index
25.90%

Six manufacturing bases

Tongxiang (Zhejiang)

Jiujiang (Jiangxi)

Chengdu (Sichuan)

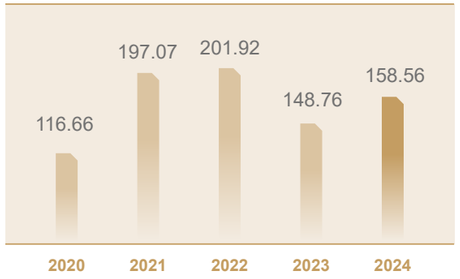
Huai'an (Jiangsu)

Suez (Egypt)

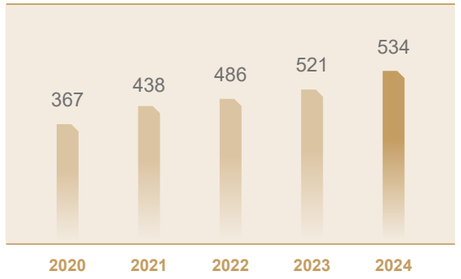
South Carolina (USA)

Jushi in Figures

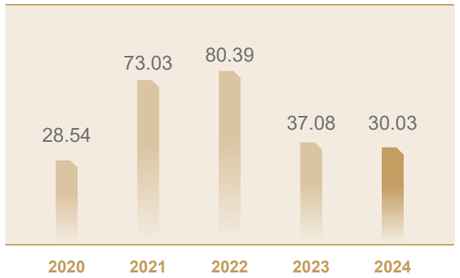
Operating Income — RMB 100 million



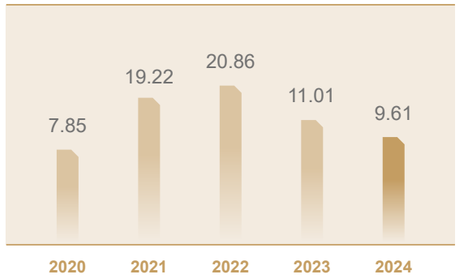
Total Assets — RMB 100 million



Total Profit — RMB 100 million

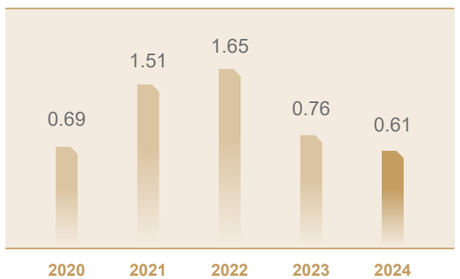


Cash Dividend — RMB 100 million

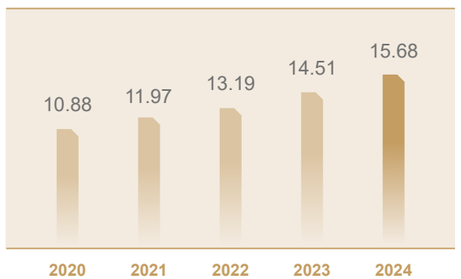


Note: The dividend amount for 2024 is subject to approval at the shareholders' meeting.

Earnings Per Share (EPS) — RMB /Share



Per Capita Income — RMB 10,000 /year



Key ESG Performance

Governance Performance

- Dividend payout ratio exceeds 30%
- Cumulative cash dividends over the past three years exceed RMB 41 billion
- Total tax payment amounts to RMB 1.442 billion
- Annual contract fulfillment rate reaches 100%
- Employee coverage ratio for business ethics training approximates 100%
- Tax compliance rating is A

Environmental Performance

- Proportion of green products reaches 100%
- Wind power generation through clean technology development: 138,293.5MWh
- Photovoltaic power generation through clean technology development: 181,818.9MWh
- GHG emission intensity: 152 tons of CO_2e per RMB million revenue
- Electricity saved through energy-saving and carbon-reduction technological upgrades: 36,839 MWh
- Water saved through energy-saving and carbon-reduction technological upgrades: 117.754 tons
- Total waste recycled through energy-saving and carbon-reduction technological upgrades: 54,517 tons
- Total green and low-carbon investment: RMB 266 million
- Participation rate in environmental protection training reaches 100%

Social Performance

- Cumulative number of patents: 1,023%
- Innovation platforms: 17
- Total employees: 13,468
- Employee training coverage rate: 100%
- Average annual training hours per employee: 34 hours
- Total investment in occupational health and safety: RMB 47.25 million
- Employee satisfaction rate: 98%
- Total suppliers: 3,178 (including 2,145 long-term partners)
- Total customers: 936 (customer satisfaction rate: 93%)
- Total external donations: RMB 5.324 million

Social Focus

In 2024, China Jushi made steadfast efforts across various fields, garnering widespread societal attention and acclaim. Major domestic media outlets extensively covered the Company's ESG achievements from diverse perspectives and levels.

Annual media coverage exceeded 220 instances, including 70 reports by national and provincial/ministerial-level media.

An Industrial New City Rises on the Red Sea Coast.

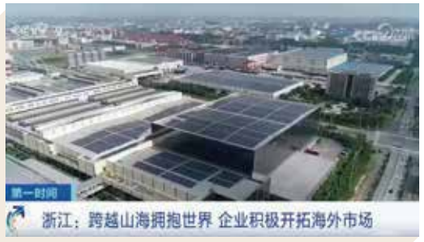
From Catching Up to Leading the Pack—An Exemplary Innovation: A Frontline Investigation into the Development of New Productivity Qualities at China Jushi Group

How Does Hair-Thin Fiberglass "Transform the Ordinary into the Valuable"?

From Fiberglass to Wind Power: China Jushi Charts a New Course in Renewable Energy.

Unlocking Vast Blue Oceans for Transformation and Upgrading.

New Ideas Guide the New Journey: Painting a Refreshed Vision for a Beautiful China.



Zhejiang: Bridging Mountains and Seas to Embrace the World – Enterprises Actively Expand Overseas Markets.

China Jushi: Practicing High-Qualit Sustainable Development with ESG Principles.

01

GOOD GOVERNANCE LEADING

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Improving Sustainable Development Governance

We regard ESG as a management transformation pathway for business growth and value creation. By enhancing ESG governance frameworks and strategic oversight, we proactively engage in stakeholder communication to advance sustainable development and ensure orderly progress.

Optimizing Structure and Strengthening Foundations

During the reporting period, we continuously deepened and enhanced ESG governance capabilities by establishing the Board Strategy and Sustainability Committee at the board level. This initiative created a clear and hierarchical ESG governance structure with well-defined levels and responsibilities, ensuring top-down implementation of ESG initiatives.

Board Strategy and Sustainability Committee

The Committee is responsible for researching and advising on long-term strategic development plans, identifying and assessing major ESG risks and opportunities (environmental, social, and governance), proposing ESG strategies, including strategic planning, goal-setting, policy formulation, execution oversight and risk evaluation; overseeing ESG initiatives and offering recommendations; reviewing ESG reports and offering recommendations, implementing other matters authorized by the board of directors, overseeing the progress of ESG-related initiatives; inspecting the implementation of the aforementioned matters.

ESG Promotion Leadership Group

Headed by the President as the group leader, with senior executives as members, the Group is responsible for leading and decision-making on the Company's ESG efforts, integrating ESG into the Company's development plans and work objectives; reviewing and approving the Company's ESG strategies, goals, plans, annual plans, major projects, ESG budget and management systems; identifying, assessing and deliberating on the Company's ESG management performance, trends, risks and opportunities, evaluating the adequacy and effectiveness of the working mechanisms; overseeing the implementation and development of ESG work as well as the channels and methods for communicating with relevant parties; reviewing and approving ESG information disclosure, awards and branding. The ESG Task Force Leadership Group has a permanent functional department responsible for implementing its work.

Environmental Working Group

The Group is responsible for environmental aspects including the development of clean technologies and opportunities, the advancement of green product initiatives, formulation of green standards, climate change mitigation, emissions and waste management, energy use management, water resource management, and the management of ecosystem and biodiversity.

Social Responsibility Working Group

The Group is responsible for social aspects, including employment and employee rights, employee development and training, occupational health and safety, equality, inclusion and diversity, innovation-driven initiatives, innovation system development, intellectual property rights and protection, products and services, safety and quality, supply chain management, corporate culture, rural revitalization and social responsibility.

Governance Working Group

The Group is responsible for governance-related matters, including governance structure (board composition, equity structure, ownership structure, and governance diversity), governance mechanisms (voting mechanisms, accountability mechanisms, and executive incentives), governance efficacy (information disclosure, compliance development, finance and tax, privacy and data security, business ethics, risk control, and tax responsibility), anti-corruption efforts, and corporate culture initiatives.

Linking Sustainability Metrics to Management Performance

The evaluation metrics for operating performance have been established for management members, who have signed annually the 2024 Operating Performance Responsibility Agreement at all levels, linking sustainability metrics to management performance and achieving full coverage of management members.
Among these, ESG-related elements are embedded in individual performance evaluation metrics for management members, veto metrics, departmental performance metrics under executives' purview, and operating performance criteria for areas managed or co-managed by management members. These elements include safety, environmental protection, energy conservation and emission reduction, carbon peak and carbon neutrality, integrity, employee development, ESG disclosure and ESG ratings. Notably, "Energy Conservation and Ecological Protection" accounts for 15% in the President's individual operating performance evaluation.

Management Incentive Clawback Mechanism

The Company has established The Measures for Accountability for Non-Compliant Business Investments which includes a compensation clawback system. Management members who violate national laws and regulations, or whose failure to perform or improper performance of duties results in loss of company assets, deductions will be made from their current-year performance-based annual salary, or part or all of the already disbursed performance-based annual salary and mid-to-long-term incentive gains will be clawed back.

Enhancing Communication and Sharing Outcomes

Through diversified communication channels, the Company has actively engaged stakeholders to understand their expectations and demands, and integrate their concerns regarding ESG issues and opinions into decision-making, translating these insights into tangible ESG practices.

Stakeholder	Expectations	Communication Channels
Government	· Compliant operations · Job opportunities creation · Tax obligations · Risk prevention	· Work reporting and communication · Participating in meetings and major events Submitting documents and special reports · Accepting supervision
Shareholders Investors	· Generating steady returns · Improving corporate governance · Strengthening investor relations management · Disclosing information in a timely, accurate, and comprehensive manner	· Shareholders' meetings · Periodic reports · Strategy meetings · Investor and analyst research · Telephone calls, meetings, and roadshows
Employees	· Protection of basic rights and interests · Compensation and welfare · Occupational health and safety · Job promotion and career growth	· Employee self-service salary inquiry platform · Employee representative congress · Staff meetings · Employee training · Assistance for employees in need · Conducting employee needs and satisfaction surveys
Customers	· Providing safe, eco-friendly, and high-quality products · Continuously improving service quality · Conducting business with integrity	· Needs/Satisfaction Survey · Service hotline · Customer complaint handling · Featured services for strategic major customers
Partners	· Fair competition · Integrity and mutual benefit · Fair and transparent procurement · Supply chain management	· Conducting tendering meetings · Participating in industry association activities · Sharing management experiences and technical standards · Contract negotiations and routine meetings · Annual International Conference on Fiberglass
Community and Non-Governmental Organizations	· Protecting the community environment · Participating in social public welfare · Driving community economy · Rural revitalization · Serving people's livelihood	· Social communication and research · Conducting public welfare activities · Volunteer services · Business support, industrial support, educational support

Issue Assessment and Key Disclosures

Material Issue Identification Methodology

By integrating development planning, the Reference Indicator System for ESG Special Reports of State-Owned Enterprise-Controlled Listed Companies and the Shanghai Stock Exchange's Self-Regulatory Guidelines for Listed Companies No. 14 – Sustainability Report (Trial), the Company has actively identified and responded to stakeholder concerns on ESG issues, determined their materiality, and disclosed key topics in this report.

Step 1

Formulating a Sustainability Issue Database

Based on international and domestic standards, macro policies, and industry trends, we identified and screened 22 material ESG issues for the year.

Step 2

Surveying Stakeholders

In operations, we have collected suggestions on the Company's ESG development and disclosure from management, the board of directors, employees, customers, media, government agencies, and the general public. Through research and documentation, these suggestions are filtered, evaluated, and monitored, with feedback provided on the level of attention given to each issue.

In 2024, a total of 3,325 valid questionnaires were collected.

Step 3

Prioritizing material issues

A prioritization matrix is created based on survey results to identify material issues, and the Board reviews and confirms the final ranking.

Step 4

Disclosing ESG Practice Report

Material ESG issues are disclosed in five areas: corporate governance, technological innovation, sustainable development, employee care, and social welfare. ESG reports have been published annually for 5 consecutive years.

Step 5

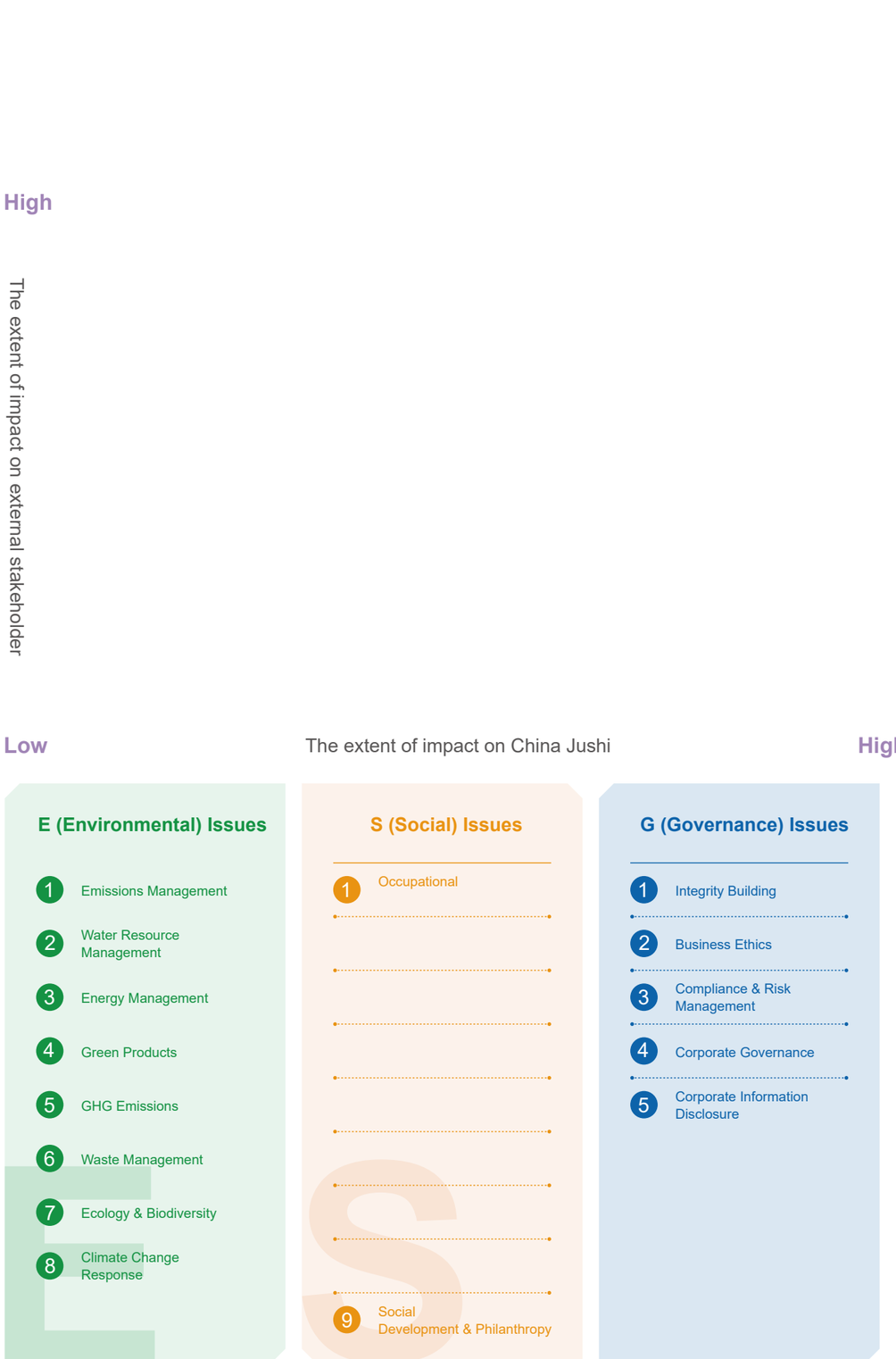
Conducting Professional Evaluation

Leveraging internal management expert and actively seeking social resources, we selectively participate in external performance evaluations and report ratings, continuously seek professional advice after ESG implementation to participate in evaluations, improvements and enhancements, and promote development.

High

The extent of impact on external stakeholder

Low — The extent of impact on China Jushi — High



The Company has deeply implemented the United Nations Sustainable Development Goals (SDGs). In 2024, we mapped out China Jushi's contributions to the SDGs and aligned them with the material ESG issues.

Good Governance Leading to Efficient Development	· Corporate Governance · Compliance & Risk Management · **Integrity Building** · Business Ethics · Corporate information Disclosure
Innovation-Driven Smart Development	· **Technological Innovation**
Advancing Green Practices for Sustainable Development	· Climate Change Response · GHG & Carbon Management · **Energy Management** · **Water Resource Management** · Waste Management · Ecology & Biodiversity Protection · **Emissions Management** · **Green Products**
Talent-Centric Collaborative Development	· **Employment & Employee Rights** · **Employee Development & Training** · **Occupational Health & Safety** · Equality, Inclusion & Diversity
Shared Responsibility & Harmonious development	· **Product Responsibility & Safety** · **Responsible Supply Chain** · **Contribution to Industry Advancement** · Social Development & Philanthropy

Enhancing Corporate Governance Efficiency

The Company strictly adheres to the relevant provisions of laws and regulations such as Company Law of the People's Republic of China, Securities Law, and the Articles of Association to optimize the Company's governance systems, reinvigorate reform momentum, and comprehensively enhance governance efficiency.

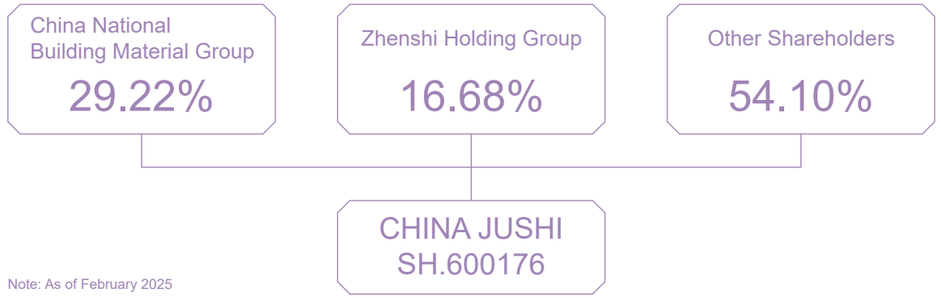
Standardized Structure & Diligent Accountability

Strengthening Market Cap & Equity Management

The Company has established China Jushi Market Capitalization Management System and announced the Shareholder Return Plan for the Next Three Years (2024-2026) of China Jushi Co., Ltd.

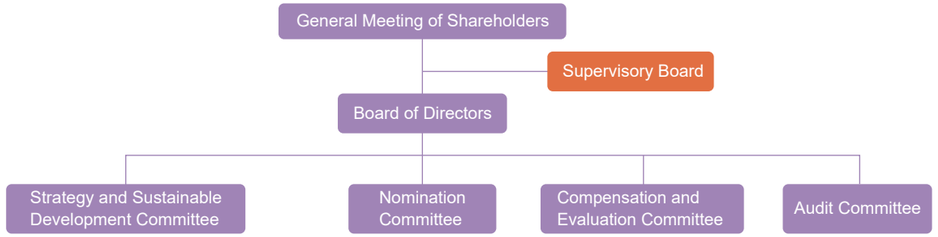
During the reporting period, the first and second largest shareholders of the Company launched a share buyback plan, with each committing to repurchase shares worth no less than RMB 500 million and no more than RMB 1 billion, further boosting investor confidence. The Company does not have ***'Golden Shares'***.

Note: Golden shares are a special type of shares granting the holder veto power or special control over specific matters, typically held by the government or specific entities to ensure control over key enterprises.)



Note: As of February 2025

The Company has established a governance structure comprising the general meeting of shareholders, the board of directors and its specialized committees, the supervisory board, and senior executives, and progressively advances the work of the general meeting of shareholders, the board of directors, and the supervisory board, clearly defining the relationships of authority and responsibility.



Board of Directors

The Board of Directors serves as the permanent executive body of the Shareholders' General Meeting, is responsible to the Shareholders' General Meeting, and operates with a high degree of independence. In 2024, the Company's Board of Directors consists of 9 directors, including 2 executive directors, 4 non-executive directors, and 3 independent directors, accounting for one-third of all directors. There is 1 female director, representing 11.11% of all directors. The positions of Chairman and General Manager are held by separate individuals.

Name	Gender	Role	Audi Committee	Nomination Committer	Compensation and Evaluation Committee	Strategy and Sustainable Development Committee	Expertise
Liu Yan	Male			√	√	√	
Zhang Yuqiang	Male			√			
Yang Guoming	Male						
Shao Xiaoyang	Male		√				
Zhang Jiankai	Male						
Shang Deying	Male					√	
Tang Yunwei	Male		√	√	√	√	Accounting, finance, risk management
Wu Yajun	Male		√	√	√	√	
Wang Ling	Female			√	√	√	Risk management

Convened 2 Shareholders' Meetings.
Reviewed, deliberated, examined,
or heard 23 proposals and reports.

Convened 17 Board Meetings
with 100% average attendance rate.
Reviewed, deliberated, examined,
or heard 90 proposals and reports.

2024
"Three Meetings"
Convening Status

Convened 5 Supervisory Board Meetings
with 100% average attendance rate.
Reviewed, deliberated, examined,
or heard 8 proposals and reports.

Convened 20 Board Special
Committee Meetings.

Supervisory Board

As a permanent oversight body, the Supervisory Board oversees the Company's operational activities and the conduct of the Board and management in accordance with laws, regulations and the Articles of Association. It consists of 3 supervisors: 1 Chairman of the Supervisory Board and 1 employee representative supervisor.

Senior Management

The Company's senior management includes the General Manager, Deputy General Managers, Chief Financial Officer, and Board Secretary.
The Company has 1 General Manager, who is appointed or dismissed by the Board of Directors. Deputy General Managers are appointed as needed.
The General Manager, Chief Financial Officer, and Board Secretary are nominated by the Chairman and appointed/dismissed by the Board of Directors. Other senior executives are nominated by the General Manager and appointed/dismissed by the Board of Directors.

Establishing Systems and Expanding Channels

The Company has developed and refined the China Jushi Co., Ltd. Investor Relations Management System, actively building an open, transparent, efficient, and convenient investor communication platform. Diversified investor engagement channels include earnings briefings, "Visit Listed Companies" joint research initiatives, strategy conferences, roadshows, telephones, emails, E-Interactive Platform and investor WeChat groups.

Participating
in over 20 strategy
conferences.

Cumulative investor
visits exceeding
1,600 person-times.

Responding to 192 questions regarding
operations and development
via the SSE E-Interactive Platform.

Clear Division of Work and Coordinated Communication

The Board Secretary, Securities Affairs Representative, and Securities Affairs Department are responsible for investor relations management, organizing and coordinating communications and interaction with investors to ensure their influence in corporate decision-making.
A dedicated department collects, organizes and analyzes information related to investor relations, forming a cross-departmental collaboration mechanism among the Securities Affairs Department and finance, legal and sales teams to provide references and decision-making support for senior management.

Regular Communication and Enhanced Disclosure

The Company has established the Information Disclosure Management System and the Annual Report Material Error Accountability System, regularly releasing quarterly and annual performance reports, and hosts earnings briefings to provide investors with more opportunities to gain a deeper understanding of operations and development strategies of the Company:

Annual and semi-annual earnings briefings were held.

Proactive Feedback and Timely Responses

The Company has established a rapid and efficient feedback mechanism to promptly address investors' suggestions and inquiries on products, strategy and governance. Management members directly address investors' questions and suggestions concerning products, strategies, and governance to ensure that investors' legitimate rights and interests are fully protected.

Strengthening Risk Prevention and Control Barrier

The Company continuously improves the all-tier comprehensive risk management system, prioritizes the construction of risk management culture and strives to build a comprehensive, all-staff, and full-process risk prevention and control mechanism to robustly enhance the capacity to forestall and mitigate risks.

Compliance Management and Governance by Law

Improving the governance system based on law and compliance

The Company has developed and published the Compliance Operations Management System and the Compliance Management Handbook, established the Compliance, Internal Control and Risk Management Committee, appointed a General Counsel and a Chief Compliance Officer, and implemented a three-tier defense compliance management model with the Legal and Compliance Department leading the coordination, the business and functional departments executing and preventing risks and audit and disciplinary inspection departments conducting regular oversight.

Establishing a Compliance Information Collection Mechanism

Legal and regulatory information is published through the Monthly Legal Newsletter magazine. Each functional department regularly collects updates on laws and regulations in their respective fields on a quarterly basis. Each unit has established a regular system for collecting compliance information and a reporting mechanism for compliance risks, periodically compiling the Compliance Risk List. In the event of identifying potential or actual compliance risk incidents, they are promptly reported to the Company's management. **In 2024, there were no violations or penalties.**

Strengthening Self-inspection and Evaluation in Compliance Areas

We have conducted self-assessments on legal review rates for important contracts, major decisions, and regulatory frameworks performed self-inspections on contract management; undertook self-inspections on the implementation of relevant institutional regulations and compliance control procedures, examined potential enhancements to control mechanisms and revised the relevant systems accordingly.

Strengthening Control and Comprehensive Supervision

The Company has developed the Internal Control Manual, utilizing risk control matrices and business process diagrams to clearly define internal control management requirements for various business modules. Through the establishment of an internal control system, the Company can reasonably ensure compliance with laws and regulations in its operations and management, safeguard its assets, and maintain the authenticity and completeness of financial reports and related information.

Internal Control Supervision Evaluation and Self-Evaluation	The responsible department conducts supervisory evaluations and self-evaluation to evaluate whether the design and execution of internal control procedures have any defects, ensuring the Company complies with policies and regulatory requirements. **In 2024, seven internal control supervision evaluations and one comprehensive internal control self-evaluation were conducted, identifying a total of 43 internal control deficiencies.**
Internal Control Deficiency Rectification and Re-Evaluation	Internal control deficiencies identified and confirmed are addressed by responsible units through the formulation and implementation of corrective action plans. The responsible department conducts a re-evaluation of the rectification status of internal control deficiencies from the previous year, ensuring completion of corrective actions. Additionally, external regulations and internal control situations are reassessed to evaluate the effectiveness of risk responses and the rationality of designs.
Internal Control Evaluation and Reporting	The responsible department for internal control evaluations regularly organizes supervision and evaluations in accordance with the annual plan and prepares reports to the Company's management. A comprehensive internal control self-evaluation is conducted annually, resulting in a self-evaluation report.
Internal Control Procedure Review and Management	Internal control procedures are established in the form of management systems. An annual review plan is established for the systems, and a review is conducted every three years to ensure that the internal control procedures are adequate and appropriate.

Risk Management and Fortifying Defenses

The Company has established the "Risk Management Implementation Rules" to regulate the Company's risk management policies, procedures and functions. The Compliance, Internal Control and Risk Management Committee is responsible for making decisions on significant risk management matters. The Legal and Compliance Department serves as the Company's risk management department, while functional departments are responsible for managing risks within their respective areas of responsibility.

A risk management system with a closed-loop based on the Three Lines of Defense framework

First Line of Defense	Second Line of Defense	Third Line of Defense
Business and functional departments conduct daily risk management	Legal, compliance and other specialized departments carry out risk monitoring	Discipline inspection and audit departments implement risk oversight

Risk Reporting, Identification and Assessment Mechanism

The Company conducts company-wide risk identification and assessment annually, update the "Comprehensive Risk Management Register," and integrates ESG-related issues such as environmental protection, product safety and quality, health and safety, IT planning and employee rights into the comprehensive risk management framework.

The Company has established risk incident reporting processes across departments, subsidiaries and all levels of the organization to facilitate the timely communication of risks. The risk management department reviews risk reporting and assessment outcomes across all levels of the Company, conducts unified reviews of subsidiaries' preliminary risk assessment outcomes and response measures, ensuring coordinated risk management across the Company.

For risks included in the Register, the Company conducts regular assessments and updates them in accordance with relevant procedures outlined in the "Risk Management Implementation Rules", taking into account shifts in both internal and external environments.

Risk prevention, response and reporting mechanisms

The Company prepares an annual risk management report to analyze and assess the risk levels of the Company's business operations, formulates risk prevention and response measures and implement improvement measures.

A closed-loop management mechanism encompassing risk identification, risk assessment, risk strategy formulation, risk contingency plans, risk reporting, risk resolution, risk accountability and risk monitoring & improvement is established to keep the probability of significant risks occurring or the cost of risk mitigation within a reasonable limit.

The Company has developed a risk monitoring metric system to update metric data on a quarterly basis to dynamically track risk fluctuations and compile quarterly risk monitoring reports. Historical data is analyzed across all factories, departments and subsidiaries to identify potential risk trends. An information database is established to analyze, formulate and implement significant risk response and mitigation plans while conducting a review of its internal risk exposure.

Risk Philosophy Deepening, Capacity Building and Training Mechanisms

The Company has set up regular training and rotation mechanisms for professional courses on risk management, compliance risks, and internal controls, where employees take primary responsibility. The Company develops and implements annual training plans and organizes thematic trainings on risk management, the Eighth Five-Year Legal Popularization Education, work safety training, safety accidents, etc., to enhance risk identification and prevention awareness. Annually we engage external law firms to conduct more than 2 compliance risk trainings for governance personnel. Each business department organizes risk management trainings for governance layer tailored to address specific risks in their respective fields.

Conducting training on the Company Law.

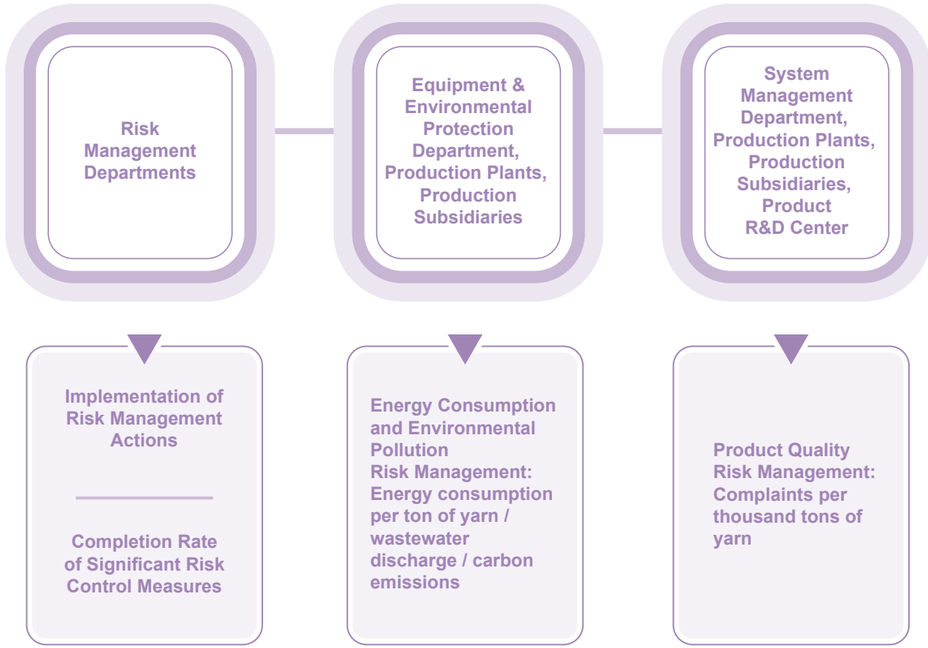
In 2024

A total of 134 risk-related trainings were conducted, with 7,880 participants, including company executives and employees.

Risk System Evaluation, Assessment and Incentive Mechanisms

Based on the need to evaluate the current status of risk management, an annual audit plan is developed each year to conduct audit evaluations of the implementation effectiveness of risk management systems in key individuals and areas. Improvement proposals are provided for systems or executions with deficiencies.

Different risk management assessment and incentive metrics are set for each department, linking risk management performance to employee compensation and performance. Employees who fail to fulfill risk management duties within their responsibilities and cause losses to the Company is subject to performance penalties. Conversely, those who effectively respond to external risk events are appropriately rewarded.



Business Continuity Risk Control Mechanism

The Company has formulated the Business Continuity Risk Control Procedures to clearly define the identification and response plans for business continuity risks, as well as emergency plans, and regularly conduct effectiveness tests on business continuity management.

The Company has developed 17 types of emergency plan management systems and conducts daily drills to ensure that the impact on business continuity is minimized in the event of an emergency.

The Company regularly reviews the management status of external units related to business continuity risk control and provides improvement suggestions for existing issues.

Deepening Business Ethics Development

The Company complies with domestic and international anti-corruption policies and regulations, improves integrity management mechanisms such as institutional constraints, risk prevention, investigation and handling, and continuous improvement initiatives. The Company actively promotes integrity culture initiatives and steadfastly advances its compliance efforts against corruption and bribery. Furthermore, it is committed to the ongoing establishment of a "Clean Jushi."

Advancing Anti-Corruption Initiatives

The Company adheres to applicable laws and regulations such as the Criminal Law and the Anti-Unfair Competition Law, as well as international or local anti-corruption and anti-bribery regulations including the United Nations Convention Against Corruption and the U.S. Foreign Corrupt Practices Act. To reinforce its commitment to ethical business practices, the Company has developed the China Jushi Code of Business Conduct and Ethics, integrated business ethics compliance into the Domestic Distributor Management System, further refined the Business Hospitality Management Implementation Measures, and are actively advancing integrity system development across all business processes. **Number of concluded corruption lawsuits against the Company and employees in 2024: 0.**

All managerial personnel have duly signed the Leadership Integrity Self-Discipline Commitment Letter. Additionally, newly hired and promoted mid-level executives have also signed the China Jushi Integrity Self-Discipline Commitment Letter.

In 2024

The Company updated the integrity records for 113 newly hired/promoted executives and organized overseas sales heads to sign 12 copies of the Business Ethics Compliance Commitment Letter.

Signing Business Ethics Compliance Commitment Letters with overseas sales companies.

The Company has strengthened supervision of key positions by regularly gathering information on compliance with anti-corruption and anti-bribery measures, conducting integrity risk assessments and requiring executives in sales, procurement, engineering, and other critical roles to sign the Integrity Professional Responsibility Letters. This comprehensive approach aims to advance the development of business ethics across the Company.

Strengthening Integrity Oversight

Whistleblowing Mechanism

The Company gathers information regarding business fraud and corruption through internal/external reports and inspections. It offers 24/7 independent reporting channels, including email, phone and the "Integrity Window" information platform. This platform is publicly accessible via the Company's WeChat Official Account and website. To ensure strict confidentiality for whistleblower information, dedicated personnel are assigned to handle all reports. Access to whistleblower details is restricted solely to case handlers, and any retaliatory actions against whistleblowers are explicitly prohibited.

Integrity Culture Development

The Company has introduced a "Pre-Festival Integrity Reminder" module within the Employee Self-Service Mini Program, delivering integrity education to all employees prior to festivals through a "learn-first, answer-later" approach. Additionally, it has established the "Integrity Power" Legal Education Classroom to explain laws and regulations to employees. The Company is committed to deepening its integrity culture building by hosting the 3rd China Jushi Integrity Culture Art Exhibition and calligraphy/painting events, thereby fostering a clean and ethical workplace.

Conducting "Integrity Power" Legal Education Special Sessions.

In 2024

Participating and organizing 11 trainings on ethical standards (including anti-bribery and anti-corruption trainings).

100% coverage of directors (at all levels of the Company).

100% coverage of employees (at all levels of the Company).

Fulfilling Tax Responsibilities

The Company upholds the principle of "integrity in operations and lawful tax compliance", building a harmonious tax-collector relationship and pioneering a model of mutual benefit between enterprises and tax authorities. The Company's tax risk management system has been progressively refined, featuring well-established oversight and improvement mechanisms, while advancements in tax informatization continue to progress steadily.

In 2024

The total tax payment is RMB 1.442 billion

In 2014–2024

The average annual tax payment compound growth rate is 10.17%

Renewing Tax Compliance Cooperation Agreement with the Zhejiang Provincial Tax Service of the State Taxation Administration

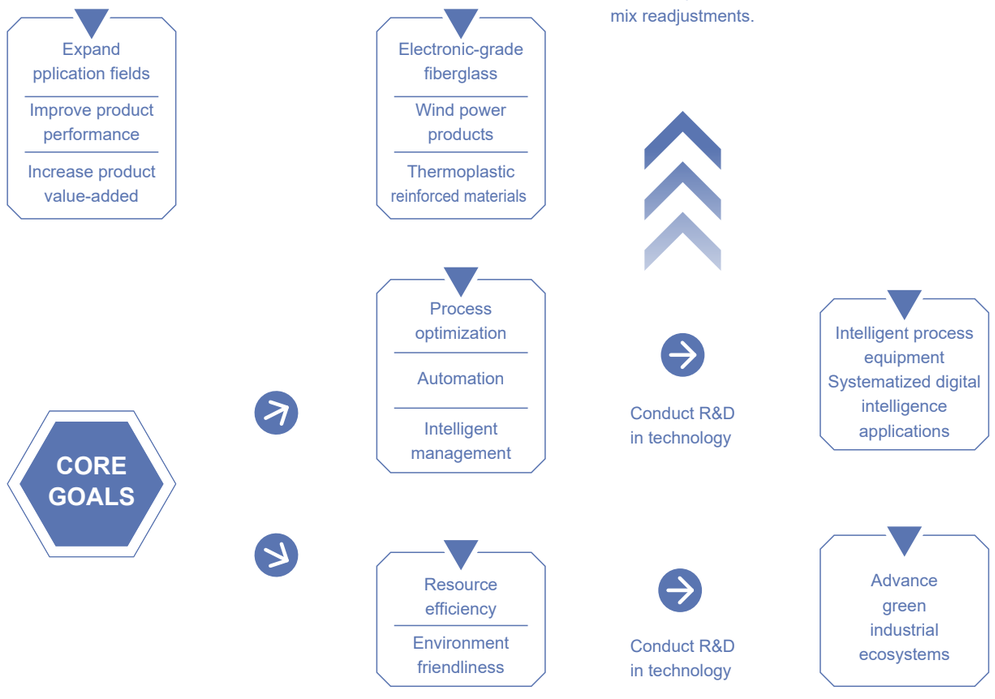
02

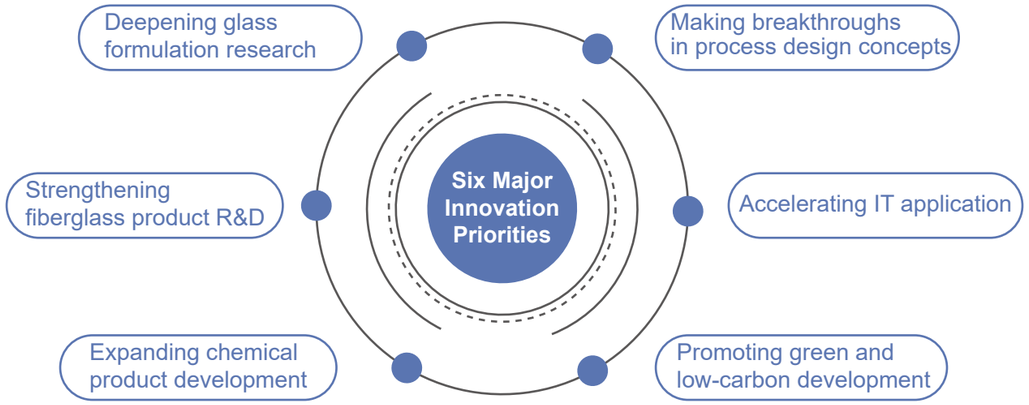
9 工业、创新

Technological Upgrades Driving Innovative Progress

We have built advanced innovation mechanisms and platforms, strengthened our R&D teams, consistently achieved breakthroughs in proprietary technologies, and enhanced the protection of intellectual property. Through independent innovation, industry-academia-research collaboration and supply chain synergy, we have addressed key challenges in emerging material fields. This has positioned us to lead the fiberglass industry toward high-end, intelligent and sustainable development.

"14th Five-Year Plan" Sci-Tech Innovation Strategic Goals





Building Sci-Tech Innovation Platforms

The Company is focused on the "National Accredited Enterprise Technology Center", supported by five key systems: efficient organizational system, strategic planning system, power safeguarding system, scientific research open system, and knowledge sharing system. It has established a foundation of 15 mechanisms, including project management mechanisms, operational mechanisms, and performance-based reward systems. The Company is committed to independent innovation and actively encourages all employees to engage in innovative practices. It organizes original technology research and development through various initiatives such as bidding for challenges and appointing capable individuals, thereby enhancing the Company's core competitiveness. Annually, the Company allocates no less than 3% of its operating income for R&D investment. This funding is dedicated to scientific and technological research and development as well as management innovation.

In 2024, R&D investment was approximately 0.53 billion RMB, accounting for 3.3% of operating revenue.

R&D investment (Unit: RMB 100 million)

17 provincial/national innovation platforms:

5 National platforms	11 Provincial platforms	1 Jiaxing municipal platform
1 Overseas R&D center	1 Key industry lab	1 Product evaluation lab

Leishi Company obtained national high-tech certification and established a Jiaxing municipal High-Tech R&D center.

Building a Scientific and Technological Talent Team

By prioritizing talent as its core competitiveness, the Company has established key innovative groups such as research-oriented talents, application-oriented talents, technical officers, Jushi Talent and Jushi Master Craftsmen, who have been instrumental in driving innovation throughout the organization.

We have established a National-level Enterprise Postdoctoral Research Workstation and an "Internal Trainers" team. In 2024, we obtained the qualification for "Provincial Self-assessment Qualification for Talent Evaluation," which enables us to conduct the annual independent review of 2 provincial-level talents. We have established a cooperative relationship with the local Technician College to facilitate training, evaluation, and recruitment activities.

Currently, there are more than 300 professionals engaged in fiberglass product development, glass raw material and formulation research, and fiberglass equipment development. Additionally, over 1,300 individuals participate in R&D activities, complemented by a team of more than 200 technical officers specializing in areas such as engineering, economics, accounting and skilled trades. This collective effort has resulted in a comprehensive and well-coordinated innovation team.

Than **300** professionals engaged in fiberglass product development

By a team of more than **200** technical

Over **1,300** individuals participate in R&D activities

We have established an innovation incentive system, implementing the "Four Hundreds Project," and developed several frameworks including the Major Innovation Project Management System, General Innovation and Improvement Project Management System, Patent Management System, and Academic Paper Management System. Innovation achievements are integrated into performance evaluations, thereby linking R&D capabilities with compensation. We reward employees who make significant contributions in intellectual property areas, such as patent inventions and software publications.

We have established a special budget of 30 million RMB for innovation rewards, which provides assessment incentives based on innovation achievements, offering employees an incentive system that is directly linked to actual value creation.

Translating Innovations into Outcomes

Market-driven R&D emphasizes the importance of addressing industry needs and aims to achieves breakthroughs in key technologies. **The Company has established the "China Jushi Technological Innovation Committee", developed a "comprehensive R&D system,"** organized supplier conferences for bidding on projects, and fostered collaboration both within and outside the Company along the industrial chain, research institutions and academia to address technical challenges.

We are committed to continuously advancing the deepening, transformation, promotion and application of outstanding achievements in order to maximize their value. We aim to enhance our industry research capabilities, stay abreast of cutting-edge technologies, and foster the seamless integration of research, education, industry, and technology transfer to effectively serve downstream customers in product development and testing. **During the reporting period, the conversion rate of innovative achievements reached 100%.**

The Company applied for the "Fiberglass and Composite Materials Zhejiang Provincial Science and Technology Leading Enterprise Construction" under the Central Government's Special Fund for Guiding Local Science and Technology Development; the "High-Strength and High-Modulus Fiberglass Patent Navigation" project was approved for Zhejiang Province's patent navigation project.

8 Provincial industrial new product projects were approved.

9 Provincial new product trial production plan projects were approved

Project	Award
Ultra-high-performance roving for wind turbine blades	2nd Prize, China Environmental Federation Sci-Tech Progress
Direct roving for large offshore wind turbine	Zhejiang Outstanding Industrial Product Award
High-strength high-modulus fiberglass technology research and mass production	2nd Prize, Zhejiang Employee Outstanding Technical Innovation Achievements
Development and application of plastic bobbins for electronic-grade yarn twisting	2nd Prize, CNBM Technology Innovation Award

The Company is expanding its industrial capabilities through the use of a single fiberglass filament, aligning with the industry trends of high-end and sustainable development, and providing downstream customers with more superior solutions that meet their evolving needs.

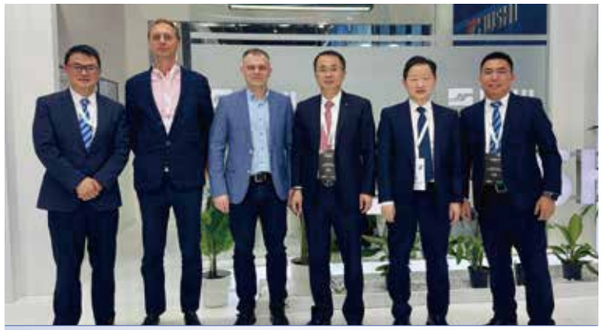
Case Study "World's Best" Showcasing Strength

At the 27th China International Composites Exhibition, Jushi unveiled its "world's best" product in the industry—E9 high-performance fiberglass 390 specifically designed for wind turbine blades. This innovative product features E9 glass composition, achieving a modulus exceeding 100GPa, representing the highest level currently achievable in the industry. It is particularly suitable for ultra-large fiberglass wind turbine blades with diameters exceeding 200 meters.

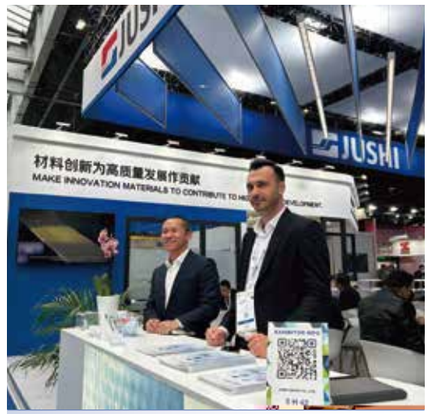
The Company also showcased several flagship products, including fiberglass direct roving for hydrogen and gas storage bottles, high-performance direct roving for photovoltaic frames, bulk roving series, fiberglass direct roving, and fabrics for new energy vehicles. These offerings align with the industry trends focused on high-end applications and sustainable development.

Strengthening industry technical exchanges

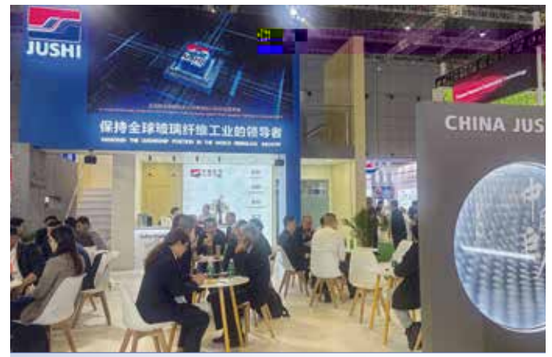
The Company is actively engaged in technical cooperation and exchange with industry clients and suppliers. It partners with stakeholders to advance the high-level development of fiberglass composite materials, strengthen industry-academia-research cooperation, and strives for mutual growth.



Collaborating with partners on industry sustainability at the JEC Composite Materials Exhibition in France

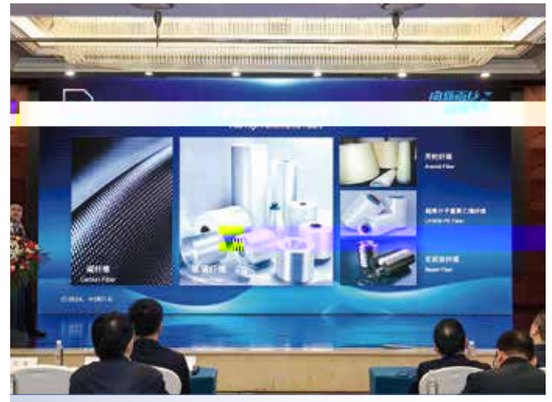


March 5-7, 2024
Attended JEC Composites Show in France



April 23-25, 2024
Attended International Plastics & Rubber Exhibition

May 13, 2024
Attended International Electronic Circuit Exhibition



October 23, 2024
Hosted technical sessions at the 30th International Fiberglass Conference

Promoting Standard Upgrades and Iteration

During the reporting period, the Company participated in the formulation of 4 national standards, 1 industry standard, and 6 group standards, all of which have been published.

Standard Code	Standard Name	Standard Type	Role (Lead/Participate)
GB/T 43309-2023	Determination of chemical elements in fiberglass and raw materials—X-ray fluorescence spectrometry	National Standard	Participate
GB/T 43310-2023	Determination of chemical elements in fiberglass and raw materials—Inductively coupled plasma optical emission spectrometry (ICP-OES)	National Standard	Participate
GB/T 44308-2024	Determination of constituent content and void content of carbon fiber and fiberglass hybrid reinforced plastics	National Standard	Participate
GB/T 25042-2024	Fibreglass membrane material for membrane structure	National Standard	Participate
JC/T 573-2023	Fiberglass sewing thread	Industry Standard	Participate
T/ZZB 0015-2023	Direct fiberglass roving for wind power applications	Group Standard	Preside
T/CFIA B3-2024	Product carbon footprint Product category rules for fiberglass yarn	Group Standard	Preside
T/CSTM 01201-2024	Test method for tensile properties of non-metallic connectors for external wall insulation systems	Group Standard	Participate
T/CSTM 01184-2024	Determination of wettability of electronic-grade fiberglass fabric	Group Standard	Participate
T/CSTM 01185-2024	Determination of hollow fiberglass content in electronic-grade fiberglass fabrics	Group Standard	Participate
T/CSTM 01186-2024	Determination of whiteness of low dielectric fiberglass fabric for printed circuit boards after heat treatment	Group Standard	Participate

Protecting Independent Intellectual Property

Based on the Fiberglass Core Technology Intellectual Property Layout Analysis and Planning (2023-2025), the Company has prioritized high-quality patent applications in key fields, thereby steadily improving the quality of its invention patents.

An intellectual property (IP) strategy that is aligned with business and innovation strategies has been implemented, including global patent layout, patent risk management, patent-driven innovation, and streamlined global patent operations. These efforts enhance our global IP competitiveness and advantage, thereby supporting both domestic and overseas business success. Furthermore, IP management has been integrated into R&D projects, leading to the establishment of an internal innovation-IP management system.

During the reporting period, the Company successfully obtained the ISO56005 Level 4 Certificate for Innovation and IP Management. Additionally, it was recognized as an Outstanding Case in Innovation and IP Management Capability Grading Evaluation (2023-2024).

Level 4 Certificate for Innovation and IP Management

During the reporting period:

- Filed 136 patents globally (61 invention patents).
- Granted 125 patents (64 invention patents).
- Cumulative valid patents: 1,023 (544 invention patents).
- Cumulative registered software copyrights: 67.

Smart Manufacturing Upgrades Building Benchmark Factories

Integrating "digital technology + manufacturing technology," the Company has advanced the "Industrial Brain + Future Factory" initiative to foster high-quality fiberglass industrial clusters and lead the industry future.

Top-Level Planning

The Company has established a top-level framework to standardize the evaluation and management system for digital investment projects, driving iterative upgrades to operational systems across global factories and sales subsidiaries.

- Successfully implementing operational systems at Jushi Huai'an Co., Ltd., Jushi New Energy (Huai'an) Co., Ltd., and India Sales Company, achieving comprehensive business collaboration and data sharing with the headquarters in terms of Operation, Production and Service.
- Building a long-term management mechanism for process governance, continuously reinforcing the unified global procurement and sales platform for Jushi fiberglass.

Digital Interconnectivity

Fully leveraging the pioneering advantages of the "chain-leading factory", the Company continuously expands data connectivity with customers and suppliers using digital technology, and promote data sharing and development in the industrial ecosystem. The Industrial Control and Cybersecurity Standard System has been formulated and is being comprehensively piloted Jushi Huai'an.

During the reporting period, Jushi Fiberglass Industrial Internet interconnected **350+** upstream/ downstream enterprises.

Digital and Intelligent Systems Development

The Company has enhanced equipment capabilities and application levels at the bases in Tongxiang, Chengdu, Jiujiang, and Huai'an, further deepens the construction of "Future Factory" and continue to advance the development of 5G fully connected smart factories.
We have proactively promoted and initiated the AI application and exploration across 8 production scenarios, validated the empowering effects of AI technology in production processes, and initially fostered a positive atmosphere for the application of AI to improve quality and reduce costs.

Case Study

Dual Recognition in first National "Excellence-Level Smart Factories"

In January 2025, the Ministry of Industry and Information Technology (MIIT) recognized Jushi Group Co., Ltd.'s Electronic-Grade Glass Fabric End-to-End Integrated Smart Factory and Jushi Group Jiujiang Co., Ltd.'s Fiberglass End-to-End Integrated Smart Factory as part of China s first batch of "Excellence-Level Smart Factories."

Jushi has achieved model innovation across digital design, intelligent production, digital management, green manufacturing, safety control, network collaboration, customized solutions, and service extensions. By integrating IT (Information Technology) with OT (Operational Technology), Jushi has built a cluster of digital information systems that facilitate the interconnection, perception, and adaptation of intelligent equipment, intelligent systems and personnel. Capitalizing on the advantages offered by digital management, intelligent factories and lean production, Jushi has developed three core competencies: endogenous integration, autonomous optimization, and ecological interconnection. Consequently, Jushi has emerged as a leading benchmark factory for intelligent manufacturing within the fiberglass industry.

Through the integration of industrial internet and data centers, Jushi has established a comprehensive technological ecosystem that facilitates new product development and cross-enterprise collaboration, ensuring efficient and agile processes while fostering a self-reliant, controllable and highly collaborative intelligent manufacturing model. As a result, Jushi achieves integrated management across production, supply chain, sales and inventory.

Jushi Group Co., Ltd. Electronic-Grade Glass Fabric End-to-End Integrated Smart Factory

Jushi Group Jiujiang Co., Ltd Fiberglass End-to-End Integrated Smart Factory

03

ADVANCING GREEN PRACTICES

6 CLEAN WATER AND SANITATION

12 RESPONSIB

Jointly Building a Solid Foundation for Environmental Management

Establishing a Management Organizational Structure

Promoting Green System Development

We accelerate the development of the environmental protection system for fiberglass production, continuously refine the energy system, elevate the management level of the energy system, and successfully pass the re-certification of the EHS system; revise the "Exhaust Gas Management Regulations" and the "Noise Management Regulations", among others.

Adopting EATNS Carbon Management System

Jushi Group has taken the lead in adopting the EATNS Carbon Management System and successfully completed the certification process. The Company has developed new regulations including the "Carbon Management System," "Identification, Evaluation, and Control Procedures for GHG Emission Sources," and "Carbon Review Control Procedure." Additionally, it has revised the "Regulations Acquisition and Compliance Evaluation Procedure" to include the identification of carbon emission-related laws and regulations. The Company proactively monitors carbon trading, CCER, and local carbon credit information, with additional identification of carbon assets and other intangible assets. This comprehensive approach has significantly enhanced the Company's overall management capabilities in carbon emissions and carbon neutrality.

Social Standards Development and Participation

The Company has initiated, developed, and published the group standards for the China Fiberglass Industry Association, including "Energy Consumption Quota for Fiberglass Electronic Fabric per Unit Product" and "Product Carbon Footprint Product Category Rules for Fiberglass Yarn". Additionally, it has actively participated in the formulation of industry standards within the building materials sector, such as "Carbon Emission Quota for fiberglass per Unit Product" and "Quantification Methods and Requirements for Product Carbon Footprint of Greenhouse Gases - fiberglass and Products". Furthermore, the Company has proactively provided suggestions to foster the development and enhancement of fiberglass industry standards.

ISO14001 Environmental Management System Certification:

6 companies, accounting for 85.7% of all-level production legal entities.Among them, Jushi Huai'an Company is a newly built manufacturing base and is currently being implemented.

ISO50001 Energy Management System Certification:

4 companies, accounting for 57.1% of all-level production legal entities

Strengthening Environmental Protection Supervision and Audit

The Company has undertaken comprehensive multi-channel diagnostics for environmental compliance, implemented the "Environmental Management Issues Checklist" management model, and executed differentiated management based on assessment levels. Additionally, it has established emergency response mechanisms tailored to various issue severity levels and conducts monthly self-inspections to ensure that risks remain effectively controlled.

Environmental Self-Audit

The Company has conducted comprehensive environmental self-audit, formulated inspection plans, completed 15 environmental and energy special audits as scheduled, and addressed issues in areas such as pollution control and operation, solid and hazardous waste management, **achieving a 100% rectification rate and 100% coverage of domestic subsidiaries.**

Rectification rate coverage

100%

External Inspections

The Company is subject to environmental protection inspections from local governments, covering environmental risk checks, post-issuance supervision of emission permits and more.
The Company did not receive any environmental-related administrative penalties throughout the year.

100% of domestic and overseas manufacturing bases were covered by external inspections.

A total of 87 environmental inspections occurred.

Self-Monitoring

According to the self-monitoring plan, the Company has built the world's most advanced pollution control monitoring facilities. Real-time dynamic monitoring of pollution control effectiveness is implemented for all fiberglass production lines and manufacturing bases globally. All environmental data is transmitted in real-time to the provincial environmental protection regulatory platform, thereby achieving comprehensive environmental governance and seamless environmental monitoring. Annual clean production audits were conducted and successfully accepted.

100% of domestic and overseas fiberglass production lines and manufacturing bases implement dynamic online monitoring of pollution control.

Emergency Management

The Company has compiled a specialized "Emergency Response Plan for Sudden Environmental Incidents" and completed the filing, has established the "Management Measures for Reports of Sudden Environmental Accidents," "Emergency Plan for Wastewater Pollution Accidents," and "Emergency Plan for Air Pollution Accidents."

We organized 27 emergency drills for sudden environmental incidents, including failures of air pollution/wastewater treatment facilities and leaks of wastewater/hazardous chemicals/hazardous waste, with cumulative participation of over 200 people.

27 emergency drills for sudden incidents

200 Participants in total

Enhancing Stakeholder Environmental Awareness

Significant progress has been made in improving energy conservation and low-carbon awareness among employees and partners.

A total of 13,468 person-times participated in environmental protection training

Achieving 100% employee coverage in environmental protection training

A cumulative training duration of 94,433 hours.

Green and low-carbon training lectures were organized, along with annual sustainable development conferences and semi-annual energy conservation and emission reduction exchanges, establishing a platform for sharing best practices. Case studies were compiled and disseminated company-wide to jointly advance energy-saving and carbon reduction efforts.

ESG-themed seminars were conducted for key suppliers, including low-carbon lectures.

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Adopting Green Packaging

Green Packaging

The Company drafted group standards like Microbial Degradation Polyethylene Packaging Materials and participated in the drafting of Wooden Flat Pallets corporate standards.

Biodegradable plastics:
Replaced traditional oil-based plastics with biodegradable masterbatches to make biodegradable plastic films, promoting decomposition.

Recycled plastics:
Used recyclable materials such as PVC, PET, and HDPE, and completed the technical development of recycling and crushing for warp tubes, reducing plastic waste.

Thin PE heat shrink bags:
Replaced PVC heat shrink bags with thin PE heat shrink bags, reducing usage by 31% compared to traditional PVC bags and cutting carbon emissions during the product lifecycle by 45%.

Recycled paper:
Used recycled paper instead of virgin paper, develop molded trays made from waste wood (sawdust, shavings, and straw), and drafted the "Packaging Material Molded Trays" standard, reducing the use of new wooden trays and conserving wood resources.

Packaging Minimization

- Developing 1.5-micron stretch wrap film to replace the original 2-micron stretch wrap film, reducing the usage of stretch wrap film by 25%, saving over RMB 2.5 million in packaging costs, and reducing annual carbon emissions by 435 tons.
- Adjusting the thickness of pearl cotton used in chopped strand jumbo bag packaging from 3mm to 2mm, reducing packaging material usage.
- Reducing the use of paper liners for selected products based on their pressure resistance and wear resistance.

Packaging Lightweighting

- Designing wooden pallets using thin plate design and optimized structures to reduce wood usage.
- Selecting high-strength materials for the connecting boards of wooden pallets, reducing packaging material usage by 12% without compromising strength.

Packaging Recycling

- Establishing a packaging recycling system, drafting the "Implementation Measures for Leased Packaging Pallets" and the "Implementation Measures for Packaging Material Recycling of Fine Yarn Products," encouraging customers to return packaging materials. The recycling rate of packaging materials for electronic fabric reached 90%.
- Using recyclable metal frames for electronic fabric packaging, replacing cardboard pallet packaging. The winding process utilized reusable plastic tubes instead of paper tubes.
- Adopting plastic pallets for roving packaging to increase turnover usage.
- Promptly processing waste materials generated during packaging production, with 100% of waste paper uniformly packed and recycled, waste plastic granulated and fully reused, and waste wood uniformly sold externally.
- Collaborating with raw material suppliers to recycle 33,621 chemical drums.

Expanding Green Logistics

By optimizing transportation modes; reducing carbon emissions in the supply chain; promoting low-carbon ransformation in logistics

During the reporting period, the proportion of water transportation across all levels of the Company increased to 31.3%, and Huai'an Company launched a green intelligent terminal, promoting low-carbon transportation of raw and auxiliary materials. A green logistics pilot project in collaboration with a globally renowned supplier is expected to reduce carbon emissions by 80 tons annually, offering a new pathway for the low-carbon transformation of the supply chain.

The proportion of water transportation across all levels of the Company increased to 31.3%

The project is expected to reduce carbon emissions by 80 tons

Reducing Energy Consumption

The energy structure primarily consists of primary energy (natural gas) and secondary energy (electricity, heat), supplemented by self-generated and self-consumed new energy. In terms of heat, waste heat utilization is the main source, with purchased industrial steam serving as a secondary option. In 2024, natural gas accounted for 61% of total energy consumption, purchased electricity for 34%, green electricity for 3%, and steam for 1%.

In 2024, natural gas accounted for 61% of total energy consumption, purchased electricity for 34%, green electricity for 3%, and steam for 1%.

Efficiency improvement modifications are currently being implemented on existing production equipment, prioritizing the replacement with motors of Level 1 energy efficiency and the installation of energy-saving and power-saving devices. Throughout the renovation and upgrading process, high-efficiency equipment is utilized, and variable frequency devices are promoted to minimize electrical consumption. Additionally, methods such as efficient waste heat utilization, new insulation measures, and load adjustments are employed to reduce the consumption of purchased heat and natural gas.

In energy management, emphasis is placed on energy conservation and emission reduction through exchange meetings that facilitate the ongoing sharing of energy-saving, environmental protection and low-carbon initiatives. Exceptional practices are systematically collected, organized, and summarized, leading to regular updates to the "Compilation of Energy-Saving, Emission-Reduction, and Waste Reduction Measures." In 2024, this compilation included 26 exemplary measures aimed at energy saving and emission reduction.

The annual energy audit results indicate that compared to 2023, the energy-saving rate in 2024 was approximately 1.4%.

We actively participate in external learning, training, and meetings related to carbon emission management, while internal training or communication meetings on carbon emissions are also organized.

2024 Wastewater Discharge Metrics

Metric	2024	Unit

Metric	2024	Unit	Yoy
COD Emission Intensity	0.0815	kg/t	-0.6%
Ammonia Nitrogen Emission Intensity	0.0017	kg/t	-42.4%
Fluoride Emission Intensity	0.0080	kg/t	-7.2%
Wastewater Discharge Intensity	0.834	t/t	-2.6%

Systematically Managing Solid and Hazardous Waste

Reducing Waste Generation

Through technological innovation, process optimization, and improved resource efficiency, we minimize the waste generated from raw and auxiliary materials, thereby reducing waste generation.

The Company has established both short-term, medium-tern and long-term goals for waste reduction, aiming for an annual reduction of 2%.

Standardizing Waste Management

The Company has standardized waste warehouses and ledger management, enhanced oversight via IT systems, intensify disposal efforts, increase transportation frequency, and categorize and manage solid waste. The Company handles waste in accordance with laws and regulations, verifies the Carrier's business scope, license information, and technical capabilities before entrusting transportation, and ensures that transport units take measures to prevent scattering, loss, and leakage during transportation. Additionally, educational and promotional programs are conducted to enhance employees' awareness and capabilities in waste management.

Deepening Waste Audits

The Company has developed solid waste verification plans and regularly conduct solid waste verification, carrying out a comprehensive waste assessment from multiple aspects including "source classification, in-warehouse management, record-keeping, and compliant disposal." Currently, the Company primarily utilizes its waste through waste-to-energy incineration for comprehensive utilization.

Strengthening Waste Reuse

The Company has developed dry powder recycling technology, increasing its usage in production by mixing with raw materials, **achieving a 30% reduction in dry powder waste.** The "pre-dried waste fiber + screening + pre-crushing + electromagnetic needle extraction + grinding" **recycling system enables 100% waste fiber reuse. The Company has established both short-term, medium-tern and long-term goals for recycling of waste, targeting a 2% annual improvement.**

2024 Achievements

- Dry sludge reused: 4,577 tons, generating RMB 3.1 million in benefits.
- Hard waste fiber reused: 35,622 tons, saving RMB 18.24 million in raw material costs

2024 Waste Metrics

Metric	2024	Unit
Self-Generated Hazardous Solid Waste	951	ton
Self-Generated Hazardous Waste Intensity	0.06	tons/RMB million revenue
Self-Generated Non-Hazardous Solid Waste	54,718	ton
Self-Generated Non-Hazardous Waste Intensity	3.45	tons/RMB million revenue
Non-Hazardous Waste Utilized	54,517	tons
Non-Hazardous Waste Utilization Rate	99	%
Hazardous Waste Disposal & Compliance Rate	100	%

Constructing Visually-Appealing and Spotless Factory Area

Reducing Noise Pollution in Surrounding Areas

Advanced low-noise equipment is prioritized to reduce source noise. High-noise devices are fitted with soundproof covers and dampers. Greenery is planted along factory boundaries using tall evergreen trees to block noise. High-noise equipment is centrally located within the plant.

In 2024,
no noise level exceedances were detected at factory boundaries.

During the reporting period,
there were a total of 4 green factories,
with 3 being national-level green factories.

Minimizing Perimeter Odor Emissions

The Company has established a control list for unorganized exhaust gas points, strengthen control over unorganized exhaust gas points to reduce unorganized dispersion at the plant boundary. For organized emission outlets and treatment facilities, we have enhanced daily supervision of organized exhaust gas emission outlets and treatment facilities, improved the formulation of environmental protection facility operation specifications and manuals, implemented full-process record-keeping and supervision, and conduct regular internal and external environmental protection inspections.

To reduce odor emissions in the surrounding environment, we have revised the "Exhaust Gas Management Regulations" to enhance on-site collection and control standards for unorganized exhaust gas, increase the power and efficiency of exhaust fans, and conduct monthly environmental protection and energy checks to regularly monitor exhaust gas control status.

intly Addressing Climate
ange Challenges

The Company actively addresses the challenges posed by climate change, and in reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) framework, manages climate change efforts from four aspects: governance, strategy, risk management, and metrics and targets.

rnance

mpany continuously enhances ESG governance capabilities by establishing a dedicated committee at the board level to ehensively oversee ESG management and supervision, including matters related to climate change. Additionally, we rate metrics such as energy consumption and carbon emissions, which are relevant to climate change, into the performance tions of senior executives and department heads.

egy

bal climate issue and the introduction of the "dual carbon" goals present both risks and unities for the fiberglass composites industry.

k egory	Potential Climate Change Risks	Mitigation Measures
cy k	Increasing societal concern over climate change risks and stricter requirements for sustainable development information disclosure.	Identify physical and transition risks, and gradually improve management strategies to respond to the "dual carbon" goals, mitigate, adapt to, and resist climate change.
al k	Strengthening local environmental protection requirements and stricter standards, posing greater compliance challenges for enterprises.	Proactively collaborate with local environmental authorities to develop "government-enterprise negotiated emission reduction plans," implementing measures such as production cuts and emission reductions during specific periods.
hnical k	The transition to a low-carbon economy and zero-carbon industries drives production demands, creating mid-term pressures for technological upgrades and equipment upgrades to meet technological and new process requirements. The market's pursuit of low-carbon products prompts the Company to develop and research greener products Develop eco-friendly, low-carbon buildings or facilities;	Utilize solar energy, renewable energy, and clean energy to adjust the energy consumption structure and adopt new power technologies like solar photovoltaics. Actively research and develop eco-friendly, alternative materials to eliminate pollutants in the production process.
rket k	Rising prices of non-renewable resources and energy commodities, leading to an overall increase in industrial comprehensive costs.Rising prices for traditional energy sources have compelled the Company to seek renewable energy sources that pose capacity and cost challenges.	Advance the smart energy management system, precisely implement energy-saving and consumption-reduction measures, intelligently analyze the energy usage in production, track the carbon footprint of fiberglass throughout its lifecycle, and align business development, energy resource consumption management, and GHG emissions control. Through independent innovation, taking on challenging projects, and industry-academia-research collaboration, accelerate the replacement with clean energy and reduce fiberglass production's reliance on fossil fuels.
ysical k	Extreme weather events such as strong winds, high temperatures, extreme cold, and geological subsidence affecting work safety and asset security. Increasingly frequent high temperatures and severe cold create more safety hazards in the work environment and reduce energy supply stability.	Analyze recent cases of responding to extreme weather, develop emergency plans, continuously monitor relevant climate change trends, promptly adjust work arrangements, and reduce workplace safety hazards.
rtunities	The international community actively promotes "dual carbon" initiatives, with new energy vehicles, photovoltaic power generation, wind power generation, and other industries becoming new growth areas with significant potential.	Lay out a strategic plan in new market segments, conduct in-depth market research, actively advance carbon reduction throughout the fiberglass lifecycle, increase the proportion of high-end and green products, focus on downstream industries like new energy and green building materials, expand low-carbon product categories, and establish a positive "dual carbon" image. Deepen green supply chain cooperation, guide upstream and downstream industries toward green and low-carbon transformation, fulfill social responsibilities, and work towards establishing a green fiberglass ecosystem.

Case Study Carbon Sequestration Cooperation, Building a New Type of Green Supply Chain Partnership

China Jushi Huai'an Carbon-Neutral Intelligent Manufacturing Base currently boasts a production capacity of 200,000 tons, positioning it as the world's first carbon-neutral intelligent manufacturing base within the fiberglass industry. This base was established to meet market demand and facilitate the transition from old to new growth drivers.

The base achieves this by fully utilizing renewable energy, optimizing the energy structure, and promoting clean production. It implements green energy plans, low-carbon production technologies, and zero-carbon circular models, **with 100% of its electricity sourced from green sources,** enabling the plant to achieve "net-zero" emissions. Currently, Jushi Huai'an Co., Ltd. has been included in the first batch of carbon peaking and carbon neutrality pilot enterprises in Jiangsu Province.

Jushi New Energy (Huai'an) Co., Ltd. is responsible for the operation and maintenance management of the wind power projects serving the Huai'an Carbon-Neutral Intelligent Manufacturing Base. It facilitates green electricity transactions through three-party supply contracts, social transactions, and State Grid guarantees. From green electricity layout to usage, the Company provides strong support for the operation of the Huai'an Zero-Carbon Smart Manufacturing Base. The green electricity generated by the wind power projects is traded through a combination of three-party supply contracts, social transactions, and State Grid guarantees.

During the reporting period, the Lianshui 233 MW wind farm project was connected to the grid. The first phase of the wind farm project includes 47 wind power units, generating a total of 180 million kWh of wind power annually, reducing CO_2 emissions from coal-fired power generation by over 100,000 tons. By 2025, the project is expected to generate approximately 500 million kWh of grid-connected electricity annually, achieving carbon emission reductions of over 400,000 tons.

The wind turbine blades used in the project all utilize Jushi's fiberglass. Upon completion, all generated green electricity will be connected to the State Grid. Part of this green electricity will be supplied to the Jushi Huai'an Carbon-Neutral Intelligent Manufacturing Base for fiberglass production, while the remainder will be supplied to the State Grid and be distributed to thousands of households, achieving green power supply for both production and daily life. This forms a microcycle in the application of fiberglass and composite materials. China Jushi has forged a pioneering path, transitioning from fiberglass production to its application by harnessing from fiberglass production to its green energy to produce high-performance fiberglass for the wind power industry.

Case Study Carbon Sequestration Cooperation, Building a New Type of Green Supply Chain Partnership

Hongfan Group and China Jushi are actively advancing green and low-carbon practices across the entire supply chain of raw materials, production processes, and products. They adhere to the concept of a green circular economy, implementing measures such as afforestation, reforestation, thinning, and tending, while paying attention to efficient resource utilization, environmental protection, and sustainable forest management.

Both parties are jointly conducting forestry carbon sequestration projects, taking practical actions to fulfill corporate social responsibility, and becoming a model for establishing a new type of cooperative relationship with suppliers. In close collaboration with their partners, they are developing scientifically sound carbon sequestration plans and continually expanding the scope and depth of their green cooperation endeavors.

Building Management Foundation

The Company has built a solid foundation for carbon emission management, improved top-level design, increased investment, and promoted professional, systematic and comprehensive carbon emission management from top to bottom.

Total green and low-carbon investment: RMB 266 million

Accounting for approximately 1.9% of annual total output value

Carbon Dioxide Emission Inventory

GHG emissions mainly come from carbon dioxide emissions during production processes, accounting for over 99%. Carbon emissions primarily originate from the combustion of natural gas (natural gas), purchased electricity, purchased heat, and the use of carbonate raw materials.

Subsidiaries in various regions have initiated a new round of carbon footprint assessments for the carbon footprint from raw materials to the gate of their main fiberglass products and have entrusted **SGS certification for this purpose. During the reporting period, the Company has already completed the assessment and certification of carbon footprints for five major product categories of its Egyptian subsidiary.**

Building a Low-Carbon Management System

- **One Center**: Company Headquarters
- **Four Platforms**: Four major manufacturing bases in Tongxiang, Jiujiang, Chengdu, and Huai'an
- **Multiple Grids**: Establish a comprehensive green and low-carbon management grid at all levels

During the reporting period, Jushi Group successfully completed the introduction of the EATNS carbon management system, **significantly enhancing the Company's low-carbon management capabilities in four aspects: Emission, Asset, Trading, and Neutrality:**

- Integrated and formed the "Carbon Management System Manual," clearly defining the responsibilities and divisions of internal departments

- Newly formulated company regulations including the "Carbon Management System," "GHG Emission Source Identification and Evaluation Control Procedures," and "Carbon Review Control Procedures"

- Revised the "Regulations on the Acquisition and Compliance Evaluation of Laws and Regulations," adding the identification of laws and regulations related to carbon emissions

- Actively monitored carbon trading, CCER, and local carbon credit information, adding the identification of intangible assets such as carbon assets

- Compiled the "Carbon Review Report" and the annual "GHG Emission Report" to confirm improvement goals; became the world's first fiberglass production enterprise to obtain carbon management system certification (from the Shanghai Academy of Quality Management)

Receiving the industry's first carbon certificate

01 Carbon Emission

02 Carbon Asset

03 Carbon Trading

04 Carbon Neutrality

Developing Clear Action Plans

The Company has internally compiled and issued the "Carbon Peak and Carbon Neutrality Action Plan of China Jushi Co., Ltd", clearly defining eight key tasks, five major engineering projects, and six safeguard measures, with plans to **achieve "carbon peak" by 2027 and "carbon neutrality" by 2057.**

Strengthening Low-Carbon Incentives

Revisions to the "General Innovation and Improvement Project Management System" have incorporated carbon management-related content, with concurrent updates to the project list and the addition of relevant projects. Employees are encouraged to submit internal energy-saving and carbon-reduction project applications, which are assessed and evaluated. Rewards are distributed at year-end based on the achievement of project goals.

Total of 164 energy-saving and carbon-reduction projects were evaluated across all levels

Energy savings: 24,500 tons of standard coal

Carbon emissions reduction: 54,300 tons of CO_2

Implement internal carbon pricing to encourage the submission of internal carbon reduction projects related to raw materials. The base carbon price for internal projects is set at RMB 20 per ton for monthly tracking and adjusted at year-end based on regional and national average carbon trading markets. This price will be used to calculate direct emissions (Scope 1) in the carbon reduction assessment of projects.

Carbon emissions per unit of roving production decreased by

5.34%

year-on-year

Carbon emissions per unit of electronic yarn production decreased by

1.57%

year-on-year

Carbon emissions per RMB ten thousand of industrial output value (comparable price)

were 1.68 t CO_2/RMB 10,000, a decrease of 8.3% year-on-year

In 2024, carbon emission levels have achieved significant advantages within the industry.

Low-carbon Raw Material Substitution

The Company has accelerated the promotion of low-carbon raw material substitution, with the Chengdu Company leading the way in zero-carbon glass formula trials, reducing the use of carbonate (limestone) by approximately 8,000 tons annually and cutting CO_2 emissions by 3,500 tons, with current production status remaining good.

Efficient Energy Utilization

Through a series of measures and innovative technologies, including burner distribution adjustments, fuel-to-oxygen ratio control, fresh air preheating, and residual energy reuse, the fuel utilization efficiency has been significantly improved. These efforts result in annual natural gas savings exceeding 3 million cubic meters per production line and reduction of carbon dioxide emissions by 6,000 tons.

By the end of 2024, Jushi Group initiated the renovation of a 120,000-ton old production line, with the project scheduled for completion by the second half of 2025. It is expected that the renovation will achieve a 5% reduction in comprehensive energy consumption per unit of product.

Energy Structure Optimization

Since the "12th Five-Year Plan," distributed photovoltaics have been developed following the principle of "install as much as possible wherever feasible". Over the years, the installed capacity of green power has increased annually:

- By the end of 2024, new energy installations reached 382 megawatts.
- Annual self-generated green electricity exceeded 130 million kilowatt-hours.
- Carbon dioxide emissions were reduced by 109,000 tons.

During the reporting period, Jushi Group began registering its self-developed photovoltaic projects on the National Renewable Energy Power Generation Project Management Platform and completed the necessary account setup for national green certificate issuance and trading systems, meeting the conditions for domestic green certificate transactions.

Self-developed energy storage facilities were established, with a 2.5 MW/5 MWh distributed energy storage project firstly constructed at the headquarters manufacturing base.

This project reduces the local grid's peak load burden through peak shaving, achieves annual charging of 3.23 million kilowatt-hours, discharging of 2.86 million kilowatt-hours, and achieving peak-valley arbitrage revenue of RMB 2.07 million.

End-of-pipe Treatment Exploration

The Company has pioneered carbon sequestration cooperation with strategic suppliers, accumulating experience through forestry carbon sequestration agreements. Future plans include expanding carbon sequestration cooperation across the supply chain to lead the green and high-quality development of the fiberglass industry chain.

Risk Management

The Company continuously monitors international and industry trends, promptly identifies and updates climate-related legal, policy, technical, and market risks and opportunities, integrating them into the overall risk management framework. Environmental risks within the plants are regularly identified and assessed, with specialized environmental protection emergency plans developed and updated every three years.

A risk information database incorporating climate change risks and opportunities has been built based on business and product characteristics. The impact of climate change on the Company's finances, production, assets, supply chain, and personnel is analyzed, with risk levels evaluated and corresponding control measures defined to mitigate climate change risks smoothly.

Metrics and Targets

2024 GHG Emission Metrics

Metric	2024	Unit
Total GHG emissions	2,407,449	Ton
of which: Direct GHG emissions (Scope 1)	1,077,020	Ton
of which: Indirect GHG emissions (Scope 2)	1,330,429	Ton
GHG emission intensity	152	Ton CO_2 equivalent/RMB million of operating revenue

14th Five-Year Plan Sustainable Development Goals

Target for 2025	Progress as of 2024	
Compared to 2020	Compared to 2020	Compared to 2023
Comprehensive energy consumption of roving decreased by 3.6%	Decreased by 19.8% (target achieved ahead of schedule)	Decreased by 3.5%
Comprehensive energy consumption of finishing yarn decreased by 6.8%	Decreased by 16.5% (target achieved ahead of schedule)	Decreased by 1.6%
Carbon emission level decreased by 20.0%	Decreased by 18.7% (in progress)	Decreased by 5.3%

Jointly Safeguarding the Bottom Line of Green Ecology

In project site selection and planning, we strictly adhere to ecological protection principles. The project site fully complies with the requirements of the local government's access lists and key ecological space control lists, following the "three lines and one list" ecological environment zoning control plan (ecological protection red line, environmental quality baseline, resource utilization ceiling, and ecological environment access list).

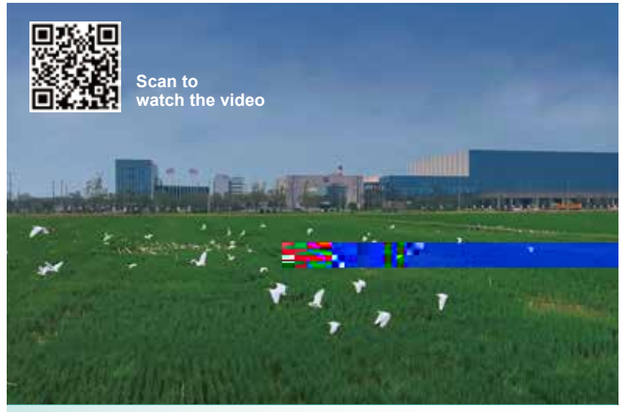
The transportation terminals are not located within sensitive areas such as drinking water source protection areas, water intake points, water-related nature reserves, or scenic spots. They are also distant from important wetlands, habitats for key protected and rare aquatic species, natural spawning grounds, feeding grounds, overwintering grounds, migration channels, and natural fishery waters, as well as aquatic germplasm resource protection areas, ensuring that the projects do not interfere with these critical ecological areas.

A total of 37 production and operation sites with 100% of our sites undergoing biodiversity risk assessments.

New, modified, and expanded projects strictly implement environmental impact assessments, fully considering the impact on biodiversity. In accordance with the requirements of the environmental impact assessments, we maximize the avoidance of ecological damage and preserve the existing natural ecosystems as much as possible.

A soil and water conservation plan has been developed aimed at preserving river morphology and riverine ecosystems, ensuring harmonious coexistence between the project and the natural environment. In the newly wind power project constructed in 2024, ecological protection was given high priority. Professional institutions were commissioned to conduct ecological protection zone inspections, wildlife protection assessments were undertaken, and detailed soil erosion prevention plans were formulated.

During the silkworm and mulberry farming season, we intensify air emissions monitoring, increase monitoring frequency, and improve evaluation criteria. Samples of mulberry leaves are taken to ensure that industrial development does not negatively impact silkworm and mulberry farming.



The migratory birds settled at Jushi Huai'an

04

Prioritizing People-oriented Approach and Building Harmonious Relationships

Upholding the principle of "people-oriented approach," we cherish the equal rights of every employee and inspire their entrepreneurial vitality.

Ensuring Equal Employment and Comprehensive Protection of Employee Rights

Valuing and safeguarding employees' lawful rights and interests.

We strictly adhere to relevant laws and regulations, including the Labor Law, Labor Contract Law, Social Insurance Law, Regulations on Prohibition of Child Labor, Regulations on Paid Annual Leave for Employees, Special Regulations on Labor Protection for Female Employees, Law on the Protection of Rights and Interests of Women, Law on the Protection of Disabled Persons. We have updated our company's recruitment and management policies and regulations to ensure lawful and compliant employment practices, promote equal employment opportunities, and prohibit child labor. We also collaborate with supply chain partners to jointly fulfill our responsibilities.

Jushi Chengdu established a Labor Dispute Resolution Workstation.

We respect employees' rights to rest and leave, and optimize and improve the Company's Attendance Management System and Compensation and Benefits Management System. For labor disputes that arise, the Company will coordinate and handle them through the procedures of negotiation (conciliation), mediation, arbitration, and litigation. For cases where the Company proposes to terminate employment upon expiration of the labor contract or proposes to negotiate the termination of employment contract, the Company will strictly comply with the provisions of the Labor Contract Law and pay economic compensation to the employees.

Fostering a Diverse, Inclusive and Equal Work Environment

Respecting each employee's unique qualities, we treat all employees equally in every stage of recruitment, probation, promotion, and resignation, regardless of their race, nationality, gender, religion, sexual orientation, age, or physical condition. We firmly oppose any targeted discriminatory behavior and provide complaint procedures and channels.

Committed to creating a fair, impartial, non-discriminatory, and harassment-free working environment, we ensure the legal rights and interests of employees through clear policies, accessible reporting channels, rigorous investigation and handling mechanisms and comprehensive training programs. We promote workplace harmony, diversity and inclusion by conducting anti-discrimination and harassment training for new employees, opening employee mailbox, employee hotline, and other media reporting platforms, and carrying out daily supervision and disciplinary inspection.

We also care for the work and life of employees with disabilities, providing job opportunities for 110 employees with disabilities.

Implementing a Human Rights Risk Management Plan

We conduct systematic human rights risk assessments and reviews for projects involving labor employment, occupational health, inequality, and discrimination that may pose potential human rights issues, ensuring comprehensive coverage across all our operational units. If potential risks are identified, we will promptly address them through policy improvements, training and education, audits, supervision and optimizing complaint mechanisms in a planned and step-by-step manner.

Looking ahead, the Company plans to collaborate with upstream and downstream enterprises in the supply chain to launch an initiative to protect workers' rights. This initiative will commit to implementing all statutory rights of employees, eradicating all forms of forced labor, prohibiting the use of child labor, safeguarding employee privacy, and combating employment discrimination.

Total employees **13,468**

Except for the U.S. subsidiary operating under local laws and regulations with at-will employment, the Company has a **100%** labor contract signing rate and social insurance coverage.

There have been no incidents of child labor or forced labor.

There have been **zero** complaints regarding discrimination against job applicants or employees.

There have been **zero** complaints regarding violations of employees' legitimate rights and interests.

Employee satisfaction survey coverage **81%**

Employee satisfaction rates across all categories by gender, age, job level, and ethnicity are all above **90%**

Total number of employees by gender	Unit	2024
Male employees	Persons	11,108
Female employees	Persons	2,360

Total number of employees by region	Unit	2024
Domestic employees	Persons	11,253
Overseas employees	Persons	2,215

Total number of employees by position level	Unit	2024
Senior	Persons	11
Middle-level	Persons	693
General staff	Persons	12,764

Total number of employees by employment type	Unit	2024
Permanent	Persons	13,452
Temporary	Persons	16

Total number of employees by age	Unit	2024
Below 30	Persons	2,784
30-50	Persons	9,117
Above 50	Persons	1,567

Total number of overseas employees	Unit	2024
Total	Persons	2,316
Male	Persons	2,195
Female	Persons	121

Employee turnover rate by gender	Unit	2024
Male	%	9.17
Female	%	13.77

Employee turnover rate by age	Unit	2024
Below 30	%	17.03
30-50	%	8.15
Above 50	%	8.10

Ensuring Smooth Communication and Building a Comprehensive Welfare System

Promoting Democratic Management

The Company continuously advances democratic management by formulating the Implementation Measures of the Regulations on the Employees' Congress to create a platform that unites hearts and minds, deliberates and discusses, communicates between different levels, and serves employees. We extensively collect employee issues and suggestions for analysis and evaluation, identify key factors affecting employee rights, satisfaction levels and motivation, and take concrete steps to address them.

The Company Trade Union Committee assumes the responsibilities of the staff congress working body, overseeing the daily operations of the staff congress. The Company and the trade union engage in collective bargaining across six major categories: signing of employment contracts, remuneration, working hours and rest/leave policies, insurance and welfare, labor safety and hygiene, as well as vocational training, resulting in the signing of collective agreements.

The Fifth Trade Union Member Congress was convened

The Company regularly convenes staff congresses to listen to and review the president's work report, operational strategies, wage collective bargaining plans, employee welfare, and other matters; participate in and review the Company's economic responsibility system plans; evaluates and supervises middle-level and above leaders, and make recommendations on rewards, punishments, and appointments.

The staff congress has specialized working groups focused on safety education, business management, living welfare, and democratic evaluation of officials, as well as a proposal review committee. Employee representatives are directly elected by grassroots unions and consist of workers, technical personnel, managers, officials, and representatives from other sectors. Notably, worker representatives must constitute no less than 50% of the total membership.

Conducting Employee Representative Forum, New College Graduate Forum, New Mid-level Management Forum, and discussions with the company president on development, growth, and future prospects

82% The percentage of company employees joining the union is

100% Employee coverage under collective agreements.

Four collective agreements signed:

Collective Agreement

Specialized Collective Agreement on Wages

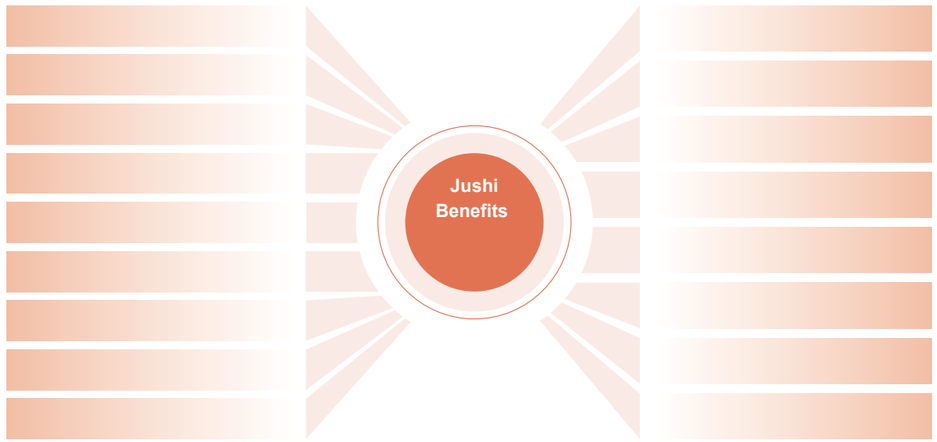
Specialized Collective Agreement on Extraordinary Protection for Female Employees

Specialized Collective Agreement on Competency-Based Wages

The Company implements and enforces domestic laws such as the Social Insurance Law, Labor Law, and Labor Contract Law, as well as relevant laws of the countries where overseas subsidiaries are located, to ensure timely and full payment of employee compensation.

Provide pension plan, work injury insurance, maternity insurance, unemployment insurance, and medical insurance for 100% of the employees

Provide housing provident fund for 100% of the employees



Providing various types of welfare benefits

The Company has established leave systems such as paid annual leave, sick leave, wedding leave, maternity leave, personal leave, visiting leave and childcare leave for only children; offered employees various welfare subsidies including transportation allowance, seniority allowance, heatstroke prevention allowance, meal allowance, and convalescent subsidy, etc., and adjust rest days flexibly based on work conditions to ensure employees' right to rest and vacation; conduct Spring Festival greetings, visits to overseas employees' family, assistance for employees in difficulty and their families and statutory holiday greetings; provide employee benefits such as parent-child care, team-building activities, birthday meals, counseling services, cultural and recreational facilities, health check-ups, employee dormitories, and canteens; establish a Diligence Award to commend employees' children and promote the spirit of diligence and perseverance.

Cultural Powerhouse: Promoting Employees' Physical and Mental Well-being

Starting and ending with the actual needs of employees, we have advanced the construction of staff cultural bases in a way that suits local conditions, integrated platform resources to create the China Jushi self-media matrix platform. We have established 13 major cultural and sports clubs, including marathon, badminton, basketball, football, calligraphy and painting, photography, English, swimming, table tennis, cycling, music and performance, digital sports, and digital AI; organized events such as the mass games, basketball tournaments, Spring Festival galas, and cultural and artistic evenings to enrich the cultural life of employees.

Employee cultural satisfaction exceeded 95.61% during the reporting period.

"Jushi Strong Voice" Lecture Tour, bringing culture to the front lines.

Organizing Jushi Night and the Annual Spring Festival Gala, enjoying audio-visual feasts.

Trade union clubs widely organized cultural and sports activities to enrich employees' lives.

The internal New Year customs market was praised by employees.

The 2nd Employees Games, igniting the passion for sports.

Hosting company celebration activities.

Employee Growth and Sharing Development Achievements

We consistently adhere to the principle of growing in sync with our employees and fostering their development, building a "comprehensive talent management" system to empower employees holistically, promote synchronized growth between individuals and the company, and cultivate a world-class talent pool.

Building the Team and Gathering Talents

Talent is the "source of life" for the Company's sustainable development and its most valuable resource.

Total job fairs attended	65
On-site job fairs	43
Online job fairs	34

Tongxiang City Talent Market Recruitment

New hires	Internal transfers and applications	Recruitment of Ph.Ds	Master's degree holders	Individuals with overseas education or work experience
1,680	211	4	13	4

Promoting inclusive development, we adhere to "localized management" and uphold the principles of "localization, specialization, and marketization" for overseas talent. We have established and improved recruitment, employment, job performance evaluation, and reward and punishment systems for overseas employees to attract and cultivate outstanding overseas talent.

Employee localization rate at Egypt Company	Employee localization rate at USA Company
98%	88%

Overall employee localization rate at overseas production subsidiaries: **97%**

Proportion of "Double First-Class" university graduates in reserve talent pool: **53%**

Recruitment at Jushi USA

Organizing Employee Skill Competitions

Total investment in employee training
RMB 11.27 million

Training participation rates for all employee categories, categorized by gender, age, ethnicity, and level, have reached 100%

Number of various training sessions held or organized annually
4,402

Total annual training hours attended by employees
over 480,000 hours

Average training hours per employee
approximately 34 hours

Master-Apprentice Ceremony

New university graduate quality enhancing programs

Building a High-Quality Industrial Workforce

The Company has deepened the development of teams in innovation and technology talent pool, leadership, and employee base, driven the transition from skilled workers to master craftsmen, identifying no fewer than 100 high-skilled talents to lead the development of intermediate-level workers and entry-level workers, aiming for eventually 10,000 master craftsmen. The Company has established a high-skilled employee development system characterized by commitment to career, sense of responsibility, self-confidence, operational skills, and innovative capabilities.

The Company conducted training programs for fiberglass product workers, covering professional ethics, job-related knowledge, and specialized skills, with an average of over 100 hours of training per person and ultimately achieved certifications for over 200 individuals at level three or above.

Three Mental States and Two Skills

Building an innovative talent development pathway, we have established a rolling evaluation mechanism based on "work performance + innovative achievements" and a dynamic talent management system called "Jushi Talent Pool." This enables the continuous development of a five-tier innovative workforce comprising Good Talent, Excellent Talent, Outstanding Talent, Leading Talent, Supreme Talent.

We have refined our cadre management system, which emphasizes "clear guidance, effective utilization, and solid evidence," fostering numerous national technical experts, Zhejiang Province Young Craftsmen, and Jiaxing Master Craftsmen. Additionally, we have established multiple craftsmanship studios and innovation studios.

Deepening the cultivation and development mechanisms for fiberglass craftsmanship, we lead the construction of industrial worker teams within the industry. We actively promote the spirit of model workers, labor, and craftsmanship, annually honoring excellence through award ceremonies to set benchmarks for industrial workers.

From 2021 to 2024, we have conducted over 4,800 instances of self-assessment for fiberglass and products workers.

The proportion of skilled workers among industrial workers exceeds 47%

In 2024 alone, we organized 193 skill competitions across all levels

Involving over 3,800 participants

We possess the authority to independently assess vocational skill levels and professional technical titles. We encourage employees to apply for and obtain external skill certifications and professional titles, as well as obtain relevant professional qualification certificates, such as Certified Safety Engineer and Certified Public Accountant, to enhance their professional capabilities and career competitiveness. We implement the "New Eight Levels" vocational skill rating system, fully leveraging the advantages of self-assessment. To date, we have recognized one Zhejiang Province Senior Master Technician and one Sichuan Province Senior Master Technician, with three new applications submitted.

Focusing on Talent Development and Shared Prosperity

Adhering to the philosophy of "joint efforts, shared growth, and common prosperity," we have implemented a compensation system based on position-based salary, integrating performance-based pay, innovation incentives, and medium- to long-term incentives. We continuously advance salary reforms to stimulate team vitality, targeting the "1551" salary objectives and ensuring sustained growth in employee income.

We are continuously advancing the "Six Points" common prosperity action plan, which focuses on substantial employee income, reliable livelihood security, robust career growth, solid labor protections, fulfilling spiritual well-being, and tangible social responsibility, ensuring that all employees can share in the fruits of our development.

During the reporting period

The average disposable income of employees exceeded that of Zhejiang Province by 70%

Employee Average Disposable Income has grown over 10% yearly for consecutive year

Signing the Competency-Based Wages Special Collective Contract

100% of employees have variable performance-based incentive pay.

Among them, 70% of the job-based compensation for production employees is subject to performance evaluation

80% for sales employees

60% for technical and administrative employees.

Strengthening Systems and Accountability

We strengthen the occupational safety and health management system, continuously refine safety management systems and operating procedures, gradually enhance the level of information-based safety control, leverage the effectiveness of technical and mechanical prevention measures, and implement centralized management of occupational health and safety matters from top to bottom.

The Company has released the Three-Year Action Plan for Improving Fundamental Safety in Production, revolving around "one overall goal", aiming to achieve "six sub-goals for improvement", and implementing "eight major initiatives". We strengthen safety education and risk control, deepen the construction of the dual prevention mechanism for risk classification control and hazard investigation, actively build the "Five-in-One" long-term risk management mechanism, and ensuring the implementation of safety responsibilities.

Conduct the *"8 major actions"*

- Training and education
- Competence enhancement
- System construction
- Hidden danger rectification
- Inherent safety
- Emergency response
- Supervision and support
- Qverseas safety

Safety Management Organizational Structure

The Company has established a Safety Production Committee, forming a safety production management organizational structure with a clear hierarchy and defined responsibilities. A comprehensive safety production responsibility system has been implemented, creating a safety management framework with the decision-making layer at its core, the management layer as the hub, and the execution layer as the foundation.

Decision-Making Layer: The Safety Production Committee, led by the President, serves as the highest decision-making body. It is responsible for formulating safety policies, approving major safety regulations and annual plans, and ensuring the implementation of the seven safety responsibilities stipulated by the Work Safety Law for enterprise safety officers.

Management Layer: One Assistant to President is in charge of safety and the primary responsible persons of each unit act as safety leaders, managing safety risks across different areas.

Execution Layer: Various functional departments and sections are responsible for the implementation of specific risk controls, conducting regular hazard identification and rectification. Grassroots teams are staffed with have safety officers who oversee on-site inspections, facilitate safety education, and coordinate emergency responses.

The Company has established a safety management structure centered in Tongxiang headquarters, covering manufacturing bases in Jiujiang, Chengdu, Huai'an, Egypt, and the United States. Subsidiary safety management institutions operate independently, with headquarters overseeing their operations.

Full-time Safety Officers: 43

Part-time Safety Officers: 174

Certified Safety Engineers: 20 Continuously expanding safety team.

The President leads safety inspections to ensure compliance with safety standards

Safety Management Performance Evaluation

The Company establishes a tiered system of safety production responsibility agreements, deeply integrating safety performance into the compensation incentive system for senior executives to foster a system of safety responsibility characterized by equitable responsibility and authority and long-term motivation. Senior executives are subject to a "one-strike disqualification clause" for safety production responsibilities: Any occurrence of a fatal work safety accident resulting in death will immediately revoke annual performance bonuses and eligibility for awards, while initiating accountability procedures and imposing demotion or dismissal on those responsible. Key metrics such as the work-related injury rate per thousand employees and the rate of hazard rectification, along with requirements for work safety meetings, inspections, training, and emergency drills, are linked to senior executives' performance bonuses. Core work safety metrics including the injury rate per thousand employees and safety responsibility accidents are included in the president's compensation evaluation.

Implementation of Safety Production Goals

During the reporting period, there were no fatal work safety accidents involving internal employees, external contractor employees, or third parties during construction. There were no fires, explosions, major safety accidents, or public security and criminal incidents throughout the year, with the average severity rate of work-related injuries was controlled within 105 days per person · occurrence. A total of 4 units have successfully achieved Level 2 safety standardization certification, and the annual occupational health and safety management objectives were fully met with a 100% achievement rate.

2025 Annual Occupational Safety and Health Goals:

- No fatal accidents involving internal employees, contractor employees, or parties involved in construction projects due to occupational safety responsibilities
- No occurrence of occupational diseases
- No safety-related administrative penalties
- The rate of work-related injury incidents is controlled within 1.5‰ of the total number of employees
- The serious injury rate per thousand employees is controlled within 0.5‰ of the total number of on-duty employees in the organization
- The average severity rate of injuries is controlled within 105 days per person · occurrence

Clarifying Work Safety Responsibilities:

We integrate contractors into unified work safety management. We have engaged 16 labor dispatch companies. Before entering the Company, we sign the "EHS Management Agreement" with them. Once they commence service within the Company, the respective units will enter into a more detailed "Work Safety Management Agreement" with the contractors to delineate each party's safety responsibilities. We ensure that all safety training and technical briefings are conducted upon entry, and strictly supervise and evaluate this process to ensure effective implementation of safety measures.

From the President down to every employee, we have signed "Work Safety Target Management Responsibility Agreements" at all organizational levels. In 2024 alone, a total of 13,146 copies of these agreements were signed.

Holding work safety meetings and delivering the first safety lesson.

Increasing Investment in Work Safety

In accordance with comprehensive budget management requirements, we have included work safety investment costs in the annual budgets of all departments to ensure effective allocation of safety funds.

Actual investment in work safety reached approximately RMB 47.25 million

Solid Actions to Minimize Potential Hazards

The Company organizes training sessions for safety officers and managers focused on risk grading and control knowledge. These sessions aim to comprehensively identify risks related to company equipment, personnel positions and site environments. We have developed graded prevention and control measures, create and post job-specific risk notification cards, and distributed daily inspection forms to ensure full coverage of the "dual prevention mechanism."

The units under the Company are encouraged to continuously carry out innovation and improvement in occupational hygiene.

05

SHARED RESPONSIBILITY

nd other relevant laws and regulations on product
et their requirements and proactively engages

Quality Risk Prevention

We have set a Chief Quality Officer to comprehensively oversee product quality and safety supervision. We strictly control the quality and safety of HIGB/T23BBT, GB/T29490,oTF16949dȳstemf sabuiluaan oust Qu therictly fbrQud.of HIn.5 (.5 ("Pr'EUlix glob lUfibctglaEswmve

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China Jushi 30th Annual International Conference on Fiberglass

Protecting Customers' Rights and Interests

The Company has standardized the sales business process to accurately grasp customer needs and prevent potential risks in sales work; strengthened the confidentiality management of customer information, standardized and improved the Customer File Management System in accordance with regulations, and strictly implemented and enforced the confidentiality requirements stipulated in the system.

For personnel involved with customer information, we strictly adhere to the requirements and provisions of the Confidentiality Management System, fulfill confidentiality obligations and responsibilities, protect customer privacy, and consciously uphold the security and interests of the Company.

Protecting Customer Privacy

Through information technology development, a specialized customer information management module, the "Customer File Management Module," has been developed. This module adopts an online submission mode and sets access permissions based on personnel job positions and levels, thereby enhancing the controllability of customer information confidentiality.

Customer Complaint Coordination

At the level of complaint channel construction, the Company has established systems such as the

. Additionally, we have developed multi-dimensional contact and communication channels that encompass various methods such as telephone, fax, email, letters, web page messages, customer visits, and events like exhibitions, annual meetings, industry conferences and site visits.

In terms of complaint handling processes, we conduct quarterly analyses of customer complaint trends, customer visitation status, quality issues at various stages, and the rectification and closure of complaints, formulate improvement measures; establish quality improvement project teams, initiate improvement projects. For complaints involving suppliers, we extend product and service improvements to relevant parties in accordance with the

.

A total of 29 complaints regarding products and services were received throughout the year, 100% of which were properly resolved.

Roving complaint rate per thousand tons 0.008

Yarn complaint rate per million meters 0.04

Overall product pass rate: 100%

Creating Value for Customers

We penetrate the frontiers of the market, understand customer needs, actively enhance technical and service standards and comprehensively increase the supply capacity of green, high-end, and differentiated products to create greater value for customers.

Responding to Customers' Sustainable Development Needs

- For packaging materials of electronic fabrics and yarn, establishing an inbound and outbound inventory management system to collaborate with customers in recycling and reusing steel frames and plastic tubes, maximizing the replacement of traditional paper tubes and boxes, reducing paper resource consumption and improving resource utilization efficiency.
- In response to TP customers' "carbon neutrality" requirements, achieving significant reductions in carbon footprint through technological modification and upgrades, meeting customers' expectations for carbon reduction throughout the value chain.
- Expanding the application fields of customer products by using recyclable and reusable materials based on fiberglass and other composite materials to replace existing wooden pallets in supplied products, achieving a win-win outcome.

We conduct regular customer satisfaction and product quality feedback surveys, including direct submission via the "Jushi Sales" WeChat official account.

Customer satisfaction measurement strictly follows the Chinese Customer Satisfaction Index (CCSI), a comprehensive model covering six key variables: brand image, quality expectations, quality perception, value perception, customer satisfaction, and customer loyalty.

Customer satisfaction surveys covered 59% of customers with a satisfaction rate of 93%, maintaining a high level

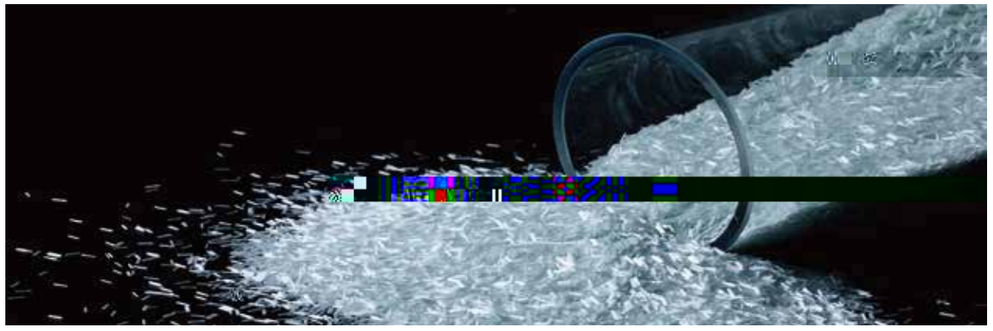
Promoting Green Consumption

We are actively advancing the utilization of recycled packaging materials for electronic cloth products by establishing the Implementation Measures for Recycling Packaging Materials of Fine Yarn Products, along with standards for recycled products and standardized operating procedures (SOPs). We have also signed recycling agreements with our customers, guiding them on the proper use and disposal of recycled plastic tubes. This initiative effectively alleviates the challenges faced by customers in managing waste packaging materials, fostering a mutually beneficial approach to sustainable development.

A total of **200,000** plastic tubes were recycled throughout the year.

Equivalent to reducing the use of **200,000** paper tubes.

To meet customers' requirements for sustainable development and carbon reduction, the Company has completed the certification of PIR recycled fiberglass. Currently, some fiberglass can be recycled and reused, and the Company is actively promoting recycled fiberglass products to both domestic and international customers.



Stabilizing Supply Chain Relationships

We have building a responsible supply chain, operating the "Smart Procurement Mall," and consistently adopt transparent procurement model characterized by "fairness, openness, and impartiality." The entire supplier management process, encompassing supplier development, sample management, and quota setting, undergoes online approval through OA and online monitoring via SAP. We conduct dynamic analysis of raw and auxiliary material supply risks and formulate definitive development plans for high-risk materials to guarantee the stable operation of the supply chain.

Strengthening Systems

We have developed the Procurement Management Control Procedures to standardize procurement management processes, regulate procurement behavior requirements and ensure the supply of materials needed for production and construction.

We have also developed the Supplier Management Control Procedures, which outline ten management principles: categorized management, main and auxiliary material evaluation, risk assessment, quota management, qualification management, development management, directory management, audit management, dynamic control, and performance evaluation. These procedures comprehensively standardize the development, audit, supervision, assessment, and quota control of raw material suppliers, ensuring the quality management of raw material suppliers and controlling materials procurement behavior, effectively managing raw material quality.

Strict Admission

When developing suppliers, they must provide the corresponding administrative licensing qualifications and enterprise management qualifications according to classification requirements, and undergo supplier audits. The Supply Chain Management Committee conducts development approval based on the supplier's qualifications and audit conclusions.

ESG Considerations for Supplier Admission

- Requiring suppliers to sign the Letter of Commitment on Supplier Business Ethics, Letter of Commitment on Non-Use of Environmentally Hazardous Substances, and Environmental and Occupational Health and Safety Agreement, with a signing rate of 80%.
- Requiring suppliers to provide ESG-related permits and documents, including discharge permits, environmental impact assessment reports, supplier environmental information survey forms, ESG reports, carbon emission data, green product certifications, and carbon footprint information.
- Requiring suppliers to self-evaluate and complete the Supplier On-site Audit Form. The Company's audit team will conduct on-site audits of suppliers at appropriate times. The audit criteria cover multiple ESG requirements, with a weighted assessment proportion of approximately 10%. Suppliers are required to promptly rectify any ESG-related issues identified during the audit. Suppliers with significant operational risks, environmental risks, or supply risks will be rejected outright.
- Clearly advocating for green procurement in procurement control procedures, prioritizing renewable, biodegradable, and green-certified materials and products. Gradually increasing the proportion of green procurement and encouraging the implementation of green supplier management. Improving the ESG evaluation mechanism for material suppliers, incorporating ESG requirements into bidding and negotiation processes. Strengthening ESG empowerment for key suppliers and guide them to conduct carbon inventory and provide relevant data.
- Setting a target for supplier green and low-carbon compliance and promoting improvements, gradually increasing the number of suppliers meeting ESG standards. Actively advancing suppliers' implementation of green and low-carbon improvements. Requiring new and existing suppliers to develop carbon emission management measures in accordance with the national "dual carbon" policy, achieving internal carbon peaking and carbon neutrality as soon as possible.
- Including social responsibility clauses in contracts signed with suppliers, such as introducing "Safety and Personnel Management" clauses in all installation and contracting contracts, clearly specifying suppliers' requirements for labor management and human rights protection.

Regular Evaluation

We conduct evaluations and assessments of suppliers' supply conditions, production and operation status, corporate qualifications, after-sales service, fulfillment of social responsibilities and environmental risks on a quarterly and annual basis. Based on the assessment results, measures such as priority procurement, continued procurement, suspension of supply, and termination of supply are implemented to encourage suppliers to comply with the Company's supplier management requirements. During the reporting period, annual assessments were conducted for 750 raw material suppliers, and on-site audits were carried out for 34 raw material suppliers.

Adhering to ESG and responsible procurement principles, regular supplier risk assessments are conducted in accordance with the "Supplier Risk Assessment Form" outlined in the "Supplier Management Control Procedures." Suppliers are categorized into "strategic suppliers," "leverage suppliers," "general suppliers," and "bottleneck suppliers." A centralized risk assessment is conducted annually for all raw material suppliers.

A more cautious approach is taken to assess suppliers' environmental, social, and other sustainable development risks. Comprehensive discussions and analyses are conducted for "Class I" and "Class II" suppliers with significant risks, as well as "bottleneck suppliers" with high supply risks. A new supplier development plan for the next year will be formulated to mitigate supply risks.

In 2024, risk assessments were conducted for 883 raw material suppliers, and no suppliers with high sustainable risks were identified.

2024 Supplier Performance Table

Metric	2024
Number of suppliers with long-term cooperation	2,145 suppliers
Of which, number of suppliers certified in quality, occupational health and safety, environmental, or energy management systems	369 suppliers
Of which, number of suppliers participating in training and capability enhancement programs	145 suppliers
Of which, number of suppliers screened and managed for environmental and social risks	1,118 suppliers
Of which, number of suppliers assessed to have significant negative impacts	0 suppliers

Promoting the Implementation of Transparent Procurement, the "Integrity in Business Conduct Agreement" has been embedded into the procurement SRM system, requiring all registered entities to read and sign it before completing registration. Additionally, suppliers are required to sign a commitment letter on business ethics during the supplier admission process. During the reporting period, the signing rate of the commercial ethics agreement or commitment letter among suppliers reached 100%.

Supply Chain Integrity Supervision and Audit

- Regular specialized inspections of procurement and subcontracting activities are conducted through telephone interviews and other forms. Workgroups are dispatched to project sites to conduct on-site inspections, face-to-face interviews, and document reviews to thoroughly assess the implementation effectiveness of integrity management by suppliers and strengthen oversight of integrity over the supply chain.
- Regular integrity talks are held with key personnel in procurement departments. Meetings on compliance management and integrity risk warnings for major projects are organized, along with regular integrity education and warning education to urge key personnel to fulfill their duties responsibly..
- Unscheduled supplier revisit programs or supplier forums are conducted to communicate and understand the integrity situation of company personnel during business interactions, fostering joint integrity initiatives with suppliers.
- During the reporting period, 100% of suppliers underwent specialized inspections, on-site visits, and feedback sessions related to business ethics.

We have strengthened exchanges with suppliers on green, low-carbon, and ESG management, and held inaugural green and low-carbon supply chain exchange meeting with 10 suppliers. The event aimed to share advanced ESG management practices in the industry, propose a management philosophy for building a green, low-carbon and sustainable supply chain, and advocate for collective progress.

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All procurement staff have been trained on the "Procurement Control Procedures" to effectively advocate for and implement green procurement practices. This training includes prioritizing the selection of renewable, biodegradable and environmentally certified materials, gradually increasing the proportion of green procurement initiatives and encouraging green supplier management. Furthermore, we have enhanced our support for key suppliers on ESG matters by guiding them in conducting carbon footprint assessments and providing relevant data.

The Company has launched the "Goodwill Global" worldwide public welfare brand, actively assuming and fulfilling corporate social responsibility, and establishing a sustainable brand with social responsibility as its core.

Special Care Action	Benefiting People for Common Prosperity Action	Cultural Exchange and Mutual Learning Action	Human Rights Protection Action
Future Development Action	Green Supply Chain Action	Safety Co-construction Action	Community Co-construction Action

Charitable Donations, Spreading Warmth

The Jushi Love Bank organizes regular donation activities for all employees, storing the first warmth of the New Year.

In the reporting period, the Love Bank actively organized public welfare activities such as consumption for poverty alleviation and charitable assistance, recording over 12,862 good deeds through the online Love Bank platform. Over 7,051 employees generously contributed, raising a total of RMB 327,000 in charitable funds, and helped 1,284 people in need. The volunteer team participated in over 3,000 volunteer service activities.

Jushi Love Bank conducts employee donation activity

Extensive volunteer services are carried out in the local community

The Company actively alleviate poverty by supporting social assistance institutions such as the Zhejiang Provincial Disabled Persons' Federation and welfare homes, as well as charitable organizations including the Red Cross Societies of Jiaxing, Jiujiang, Chengdu, and Huai'an cities, social public welfare relief institutions, charity federations and public welfare institutions, including the Tongxiang Charity Federation. Additionally, we extend our condolences and support to local government units, impoverished veterans, children's welfare homes, sanitation workers, flood control staff and other social groups, thereby advancing public welfare and fostering common prosperity.

During the reporting period, Jushi donated funds, school supplies, daily necessities, air conditioners and office equipment to Tongxiang Shimenlu School, Jiujiang Xilin School, and Chengdu Fuhong Primary School, improving the hardware facilities of rural primary schools, providing scholarships for outstanding students, and implementing targeted assistance.

Empowering Local Areas and Promoting Development

The Company has consolidated the achievements in poverty alleviation to empower rural revitalization. In 2024, a donation of RMB 3 million was made to the "Shan Jian Charity" fund of China Building Materials. Collaborative donation activities were conducted with Fuxing Community in Tongxiang, Songpan County in Sichuan Province, and Wu'ai Village. Throughout the year, 8 special agricultural product procurement activities were organized in Tongxiang, Jiujiang, and Chengdu, with a total procurement amount exceeding RMB 150,000.

Deeply understanding local needs, active actions were taken to improve people's livelihoods. Chengdu Company, under the guidance of the local government, renovated houses for ten distressed households in Huayuan Village and Wu'ai Village, improving their living conditions.

We purchased 300 boxes of yellow-f8 34TJ1o27.37c4(98)Talpri11help

Creating Jobs and Expanding Employment Opportunities

The Company continuously broadens the avenues to employment happiness for the disabled. In collaboration with Ruchang Group, a disability-inclusive employment base was established in Lishui City, Zhejiang Province, facilitating their swift integration into social resettlement and employment across various sectors, including living, services, and food production. The base has paved new paths for employment by linking up product processing, sales, transportation, storage as well as technical services pertinent to production and operation.

Jushi-Ruchang Disability Employment Base

Respect for Diversity and Integration

Jushi Egypt

- A Shining Pearl on the Belt and Road

During the reporting period, Jushi Egypt fostered a harmonious social environment, elevated the professional value of its employees, offered customers greater product value, and made contributions towards international social responsibility.

Supporting Local Industrial Development

As the largest investment project from China in Egypt in terms of capital, technology and construction speed within the industrial manufacturing sector, Jushi Egypt has bridged the gap in the fiberglass manufacturing industry across the Middle East and North Africa, elevating Egypt the 4th largest fiberglass production and trading country globally.

95% of the fiberglass produced is exported to Europe, North America, and other countries, thereby facilitating the rapid development of the local fiberglass industry. This growth significantly influences upstream industries such as mineral raw material processing and packaging material processing, as well as downstream industries such as wind power generation, fiberglass products, pipeline manufacturing, bathroom fixtures production and logistics transportation. Consequently, this has attracted numerous fiberglass-related upstream and downstream enterprises to establish their presence in Egypt.

Total investment exceeding USD 1 billion

Cumulative taxes paid to the local government amounting to USD 36 million

Annual designed total production capacity of 360,000 tons

Cumulative foreign exchange earnings exceeding USD 1.94 billion for the local economy

Developed 4 glass-making raw material suppliers

Local mineral procurement in Egypt totaling 400,000 tons

Annual production material procurement needs amounting to EGP 0.6 billion

Cultivating Talent Locally

We respect and understand diverse cultures, pay attention to local cultural life and harmonious coexistence, advance localization of corporate culture in depth, implement "localized" management, and promote "cross-cultural" integration.

We annually formulate training plans combining internal and external resources, regularly organize "mentorship programs," team-building activities, skills competitions, online training for middle-level managers, invite external experts for training, and send key personnel to the headquarters for further study. As a result a large number of high-quality industrial worker teams have been cultivated locally.

Employee Localization Rate: 98%

Middle-level Management Localization Rate: 76%

Directly Provided Approximately 2,000 Jobs

Indirectly Created Approximately 3,000 Jobs

Organizing Chemical Engineering Skills Competitions

Egypt-China Mentor-Apprentice "Mentorship programs"

The Company has constructed employee dormitories and living supermarkets, equipped with medical rooms, prayer rooms, halal restaurants, cafes, gardens, gyms, basketball courts, and other facilities. Shuttle buses are provided, and there are fully equipped medical facilities. Through family open days, cultural integration projects, employee football leagues, table tennis tournaments, care for Eid al-Fitr and other activities, Egyptian employees can truly feel respected in their work and daily lives.

Participating in the China-Africa People's Forum's Parallel Forum on "China-Africa Economic and Trade Cooperation and Corporate Social Responsibility" in 2024

Organizing Overseas Family Open Day Activities

Care for Eid al-Fitr

Halal Restaurant Praised by Egyptian Employees

Supporting International Poverty Reduction Efforts

During the reporting period, we actively collaborated with local chambers of commerce and embassies, donating generously to impoverished groups during the local festival of Ramadan for nine consecutive years. Over RMB 170,000 in charitable donations has been made overseas, contributing to overseas charitable assistance and public welfare.

For eight consecutive years, we have been dedicated to educational poverty alleviation efforts at Hope Primary Schools in Africa. During the reporting period, we donated textbooks, food, and other essential living supplies for two academic years to nearly 400 students at these schools, contributing to both the advancement of their educational programs and the healthy growth of the students.

Since establishing our factory, we have donated over EGP 2 million in supplies and charitable funds.

Ramadan Charity Donation

The Egyptian students were very happy after receiving the food donated by Jushi

Jushi USA

- Driving the Upgrading of China-US Composite Materials Industry

Jushi USA is one of the largest investment scale manufacturing projects in Richland County, South Carolina.

The program directly drives the development of the local upstream and downstream composite materials industry chain, encompassing upstream mineral development, mineral raw material processing, construction, packaging material processing, energy, and downstream transportation As a major user of composite materials globally, the establishment of Jushi USA. will better serve local composite materials manufacturers and drive the rapid development of the composite materials industry.

Building area: 80,000 square meters

Annual designed production capacity: 96,000 tons

Total investment: USD 380 million

Land area: 197 acres

Developed 13 glass raw material suppliers

Annual procurement of glass raw material ore powder: 119,000 tons

Annual production material procurement needs: USD 32 million

Implementing Localized Management in the Local Context

Jushi USA has established a platform for equal communication and mutual respect. It has introduced senior executives, middle-level management, and frontline employees from the local area. Internal awards such as "Star of the Month" and "Employee of the Year" are given, promoting a culture atmosphere of "competing, learning, catching up, and surpassing."

Directly creating approximately 300 job opportunities

Indirectly providing over 600 job opportunities

Localization rate exceeds 88%

China-USA Mentorship Program: Learning Techniques in China

Confronted with cultural differences between China and the U.S., Jushi fosters integration between Jushi culture and local culture through respect and inclusivity, establishing a platform for equal exchanges and mutual respect, where employees are encouraged to personalize their workplaces. We have organized various events with distinct local flavors, including "Factory Open Day," "Winter Gala," and "Festival Greetings," to continually facilitate cultural integration.

Community Collaboration and Overseas Corporate Social Responsibility

Jushi USA Volunteer Team

Jushi USA actively embraces corporate social responsibility, fostering employee development and contributing to the well-being of the local community, while growing alongside our employees and advancing together with the community. We actively collaborate with community schools and non-profit organizations to organize events, including school tours and corporate exchanges held within our factory premises.

In the United States, there is a profound culture of community volunteerism. The employees of Jushi USA regard such activities as a part of their lifestyle, actively contributing to the growth and development of their communities. The "Volunteer Service Team" has been formed to engage in local activities such as home repairs, community service, and material donations, showcasing their dedication to the community. Furthermore, an annual plan is in place for volunteer service activities, refine volunteer management practices, and establish a mechanism to recognize outstanding volunteers. By doing so, they can better integrate into the community, serve it more effectively, and make meaningful contributions to its development.

Participating in community development and supporting local community sports events

25 registered volunteers

Organizing 45 public welfare activities in 2 years

Over 174 participants in total

Service duration of 400 hours

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