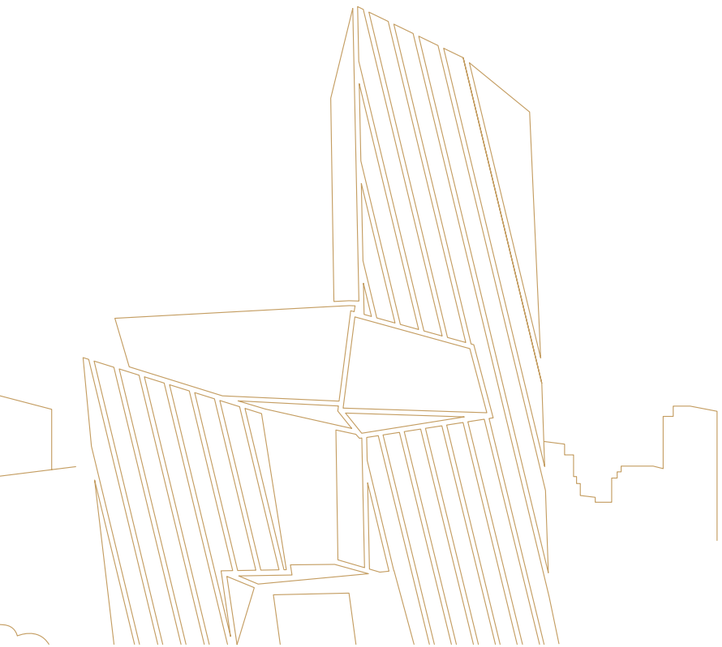


# President's Message

*Green and low-carbon practices are not just a call of the times but a corporate responsibility. We are committed to the goals of "achieving carbon peak by 2027 and carbon neutrality by 2057", in alignment with the "Harmonious Development" strategy. As pioneers in the sector, we were the first to implement the EATNS Carbon Management System and have been awarded the inaugural carbon management certificate within our sector. Additionally, we released the first "Dual Carbon" Initiative in the fiberglass sector, titled the China Jushi Carbon Peak and Carbon Neutrality Action Plan – providing guidance and reference for the green and low-carbon transformation of the fiberglass sector industry. and have been awarded the inaugural carbon management certificate within our sector, the China Jushi Huai'an 233 MW Wind Power*

# 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

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)

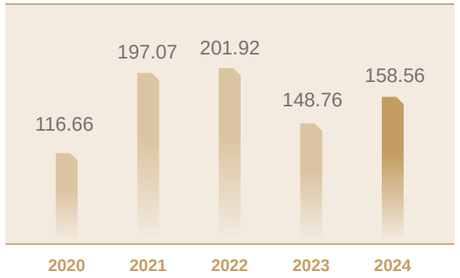
South Carolina (USA)

Honor

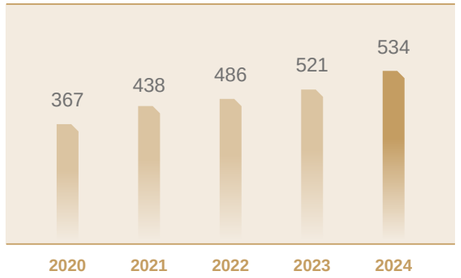
# ESG Recognition and Honors

# Jushi in Figures

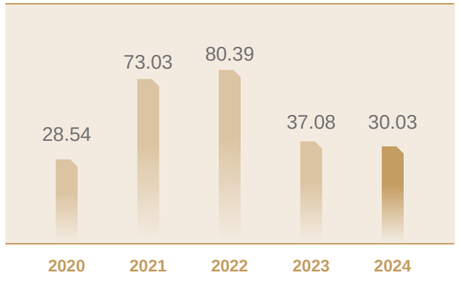
Operating Income — RMB 100 million



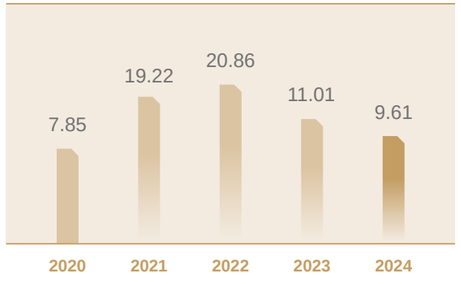

Total Assets — RMB 100 million




Total Profit — RMB 100 million

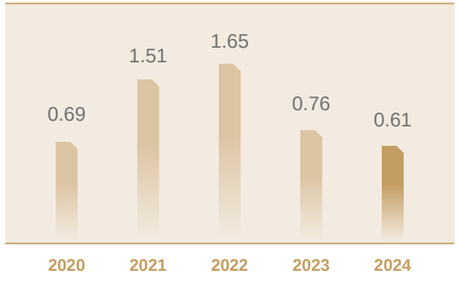



Cash Dividend — RMB 100 million

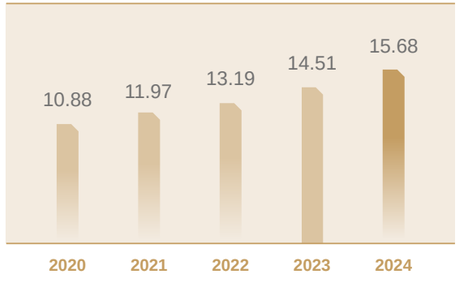



Note: The dividend amount for 2024 is subject to approval at the shareholders' meeting.

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: 138,293.5 MWh
- Photovoltaic power generation through clean technology development: 181,818.9 MWh
- 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.

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

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

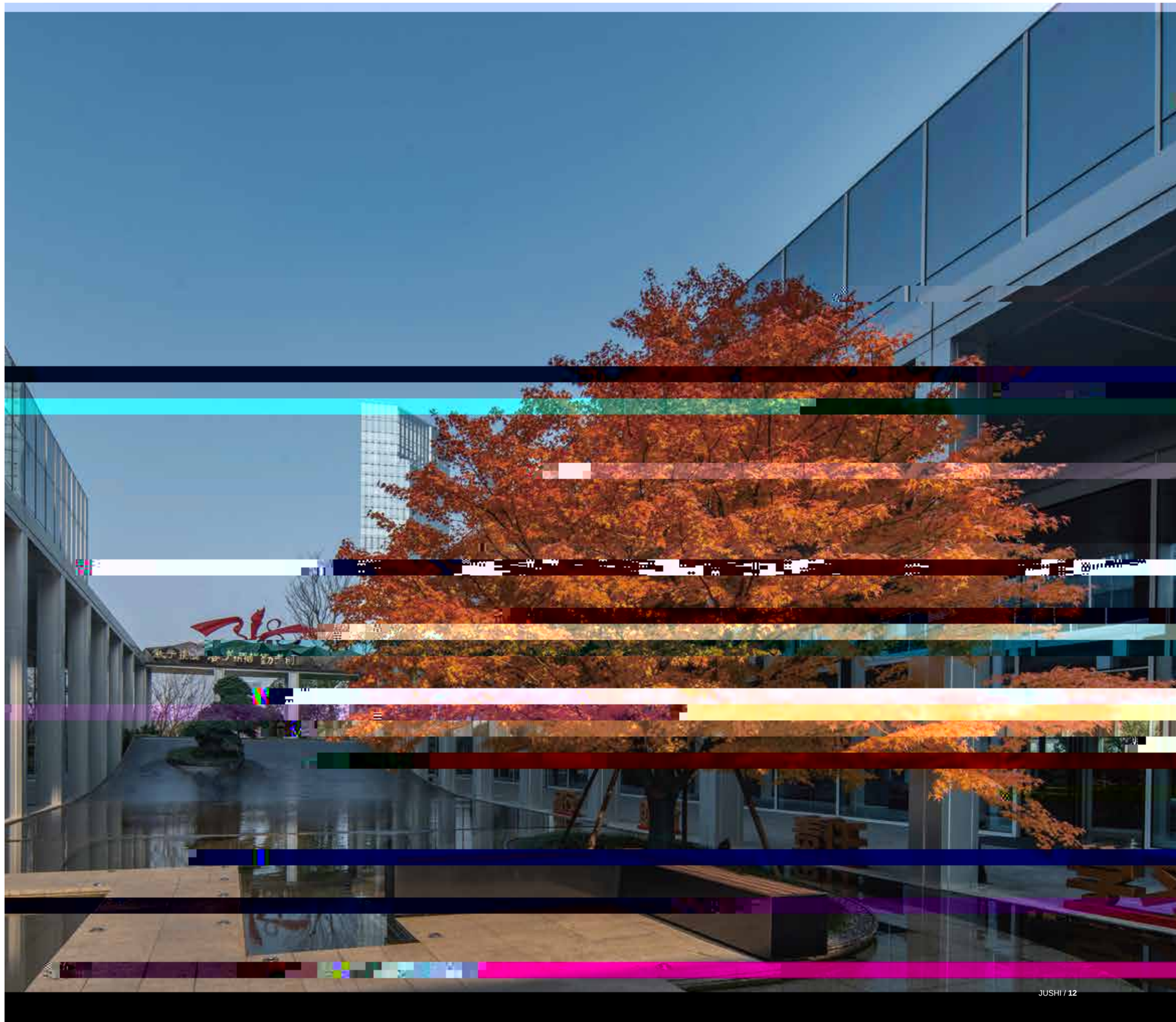
# 01

# *GOOD GOVERNANCE LEADING*

## *TO EFFICIENT DEVELOPMENT*

*We remain committed to building and refining a scientific and efficient governance system, guided by sustainable development strategies that ensures the Company's steady progress in an increasingly complex and dynamic environment. We continuously optimize modern corporate institutions to drive endogenous growth and innovation, strengthen risk prevention and control, ensure compliant operations, deepen the cultivation of business ethics, and cultivate a clean and harmonious cooperative relationships.*

16 PEACE, JUSTICE AND STR



### Environmental Working Group

The Group is responsible for environmental aspects including the development of clean technologies and opportunities, the

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

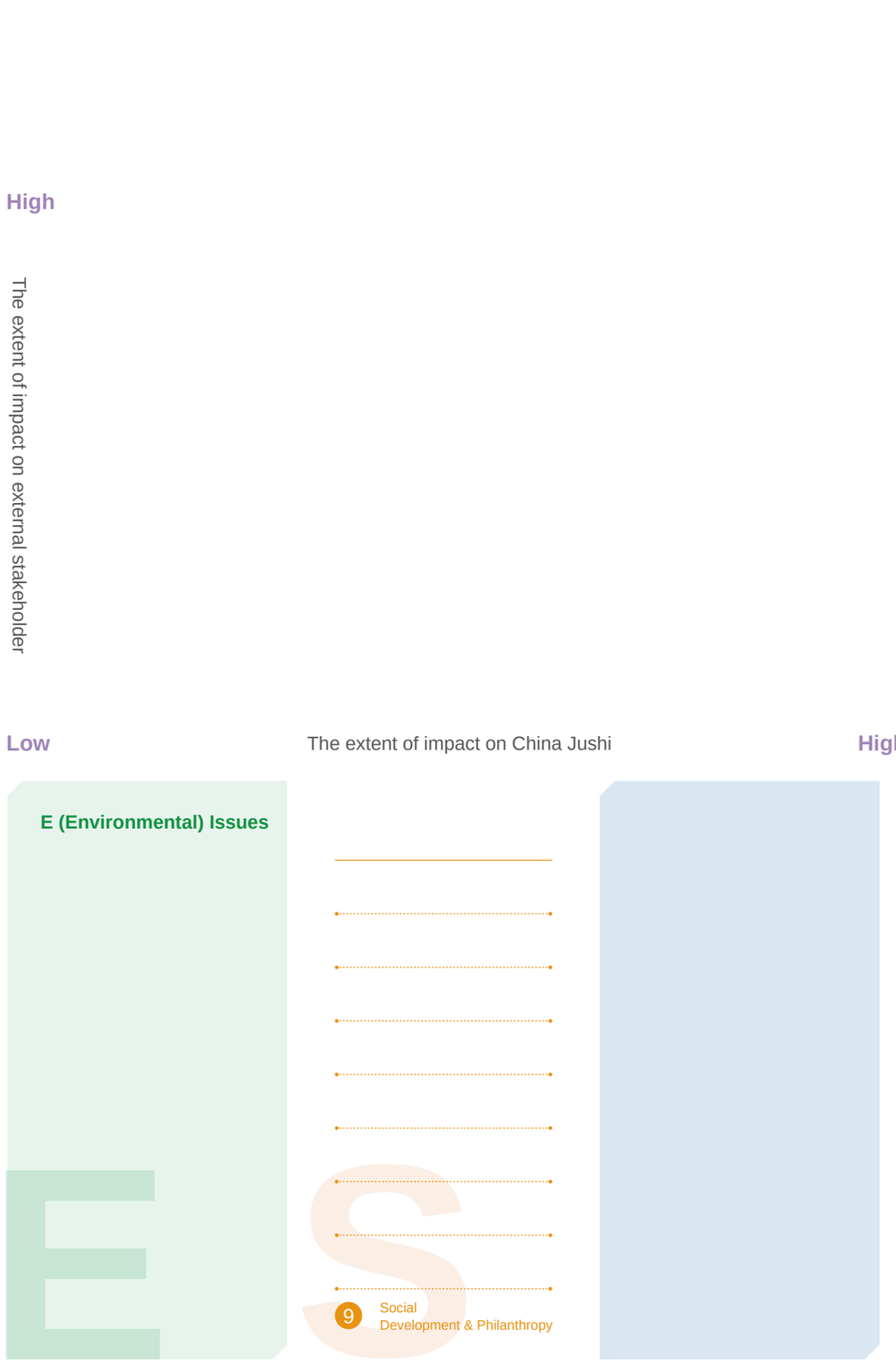
High

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

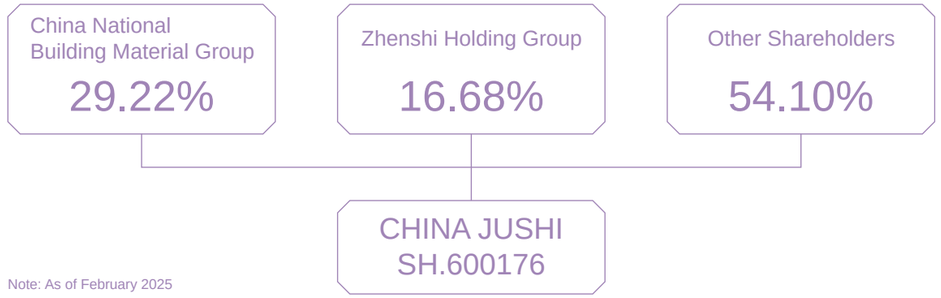
## Standardized Structure & Diligent Accountability

### 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'***.

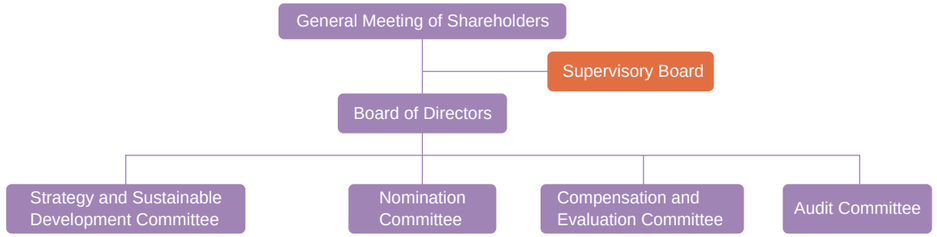
Note: Golden shares are a special type of shares granting the holder veto power or special control over specific matters, typically held by the government or specific entities to ensure control over key enterprises.)




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 |

# 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,

## Compliance Management and Governance by Law



## 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.

## 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.

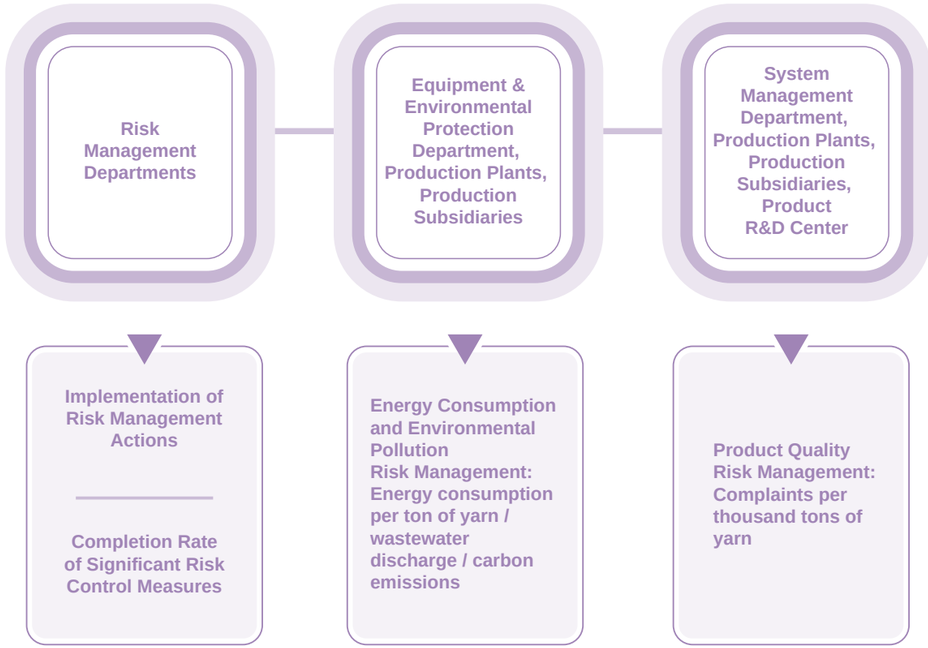
**In 2024**

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

## 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.

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

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.

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.

## 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.

# 02

# 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

Intelligent process equipment
Systematized digital intelligence applications

| | | |
|---|---|---|
| 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

**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 |

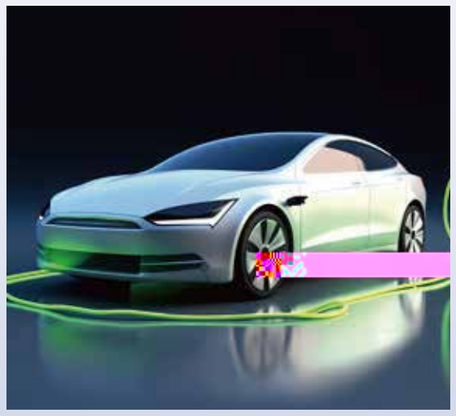
The Company is expanding its industrial capabilities through the use of a single fiberglass filament, aligning with the industry trends of high-end and sustainable development, and providing downstream customers with more superior solutions that meet their evolving needs.

## Case Study

### "World's Best" Showcasing Strength

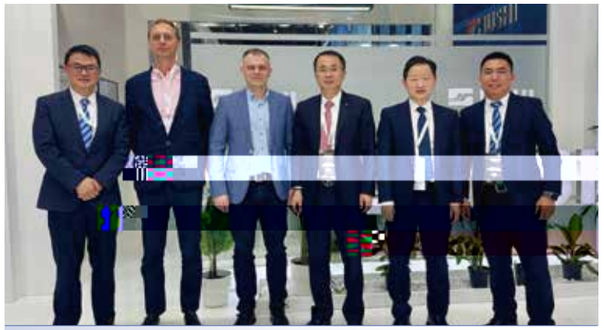
At the 27th China International Composites Exhibition, Jushi unveiled its "world's best" product in the industry—E9 high-performance fiberglass 390 specifically designed for wind turbine blades. This innovative product features E9 glass composition, achieving a modulus exceeding 100GPa, representing 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.

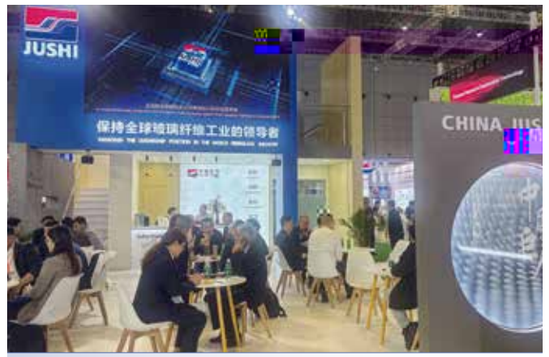


## Strengthening industry technical exchanges

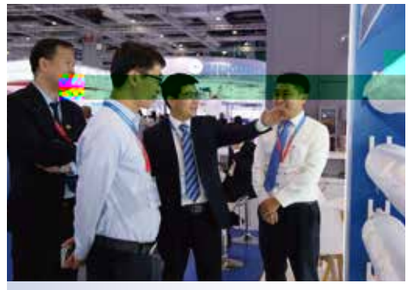
The Company is actively engaged in technical cooperation and exchange with industry clients and suppliers. It partners with stakeholders to advance the high-level development of fiberglass composite materials, strengthen industry-academia-research cooperation, and strives for mutual growth.



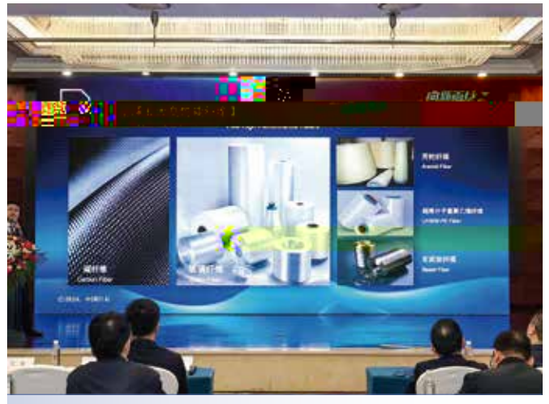
Collaborating with partners on industry sustainability at the JEC Composite Materials Exhibition in France




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 |



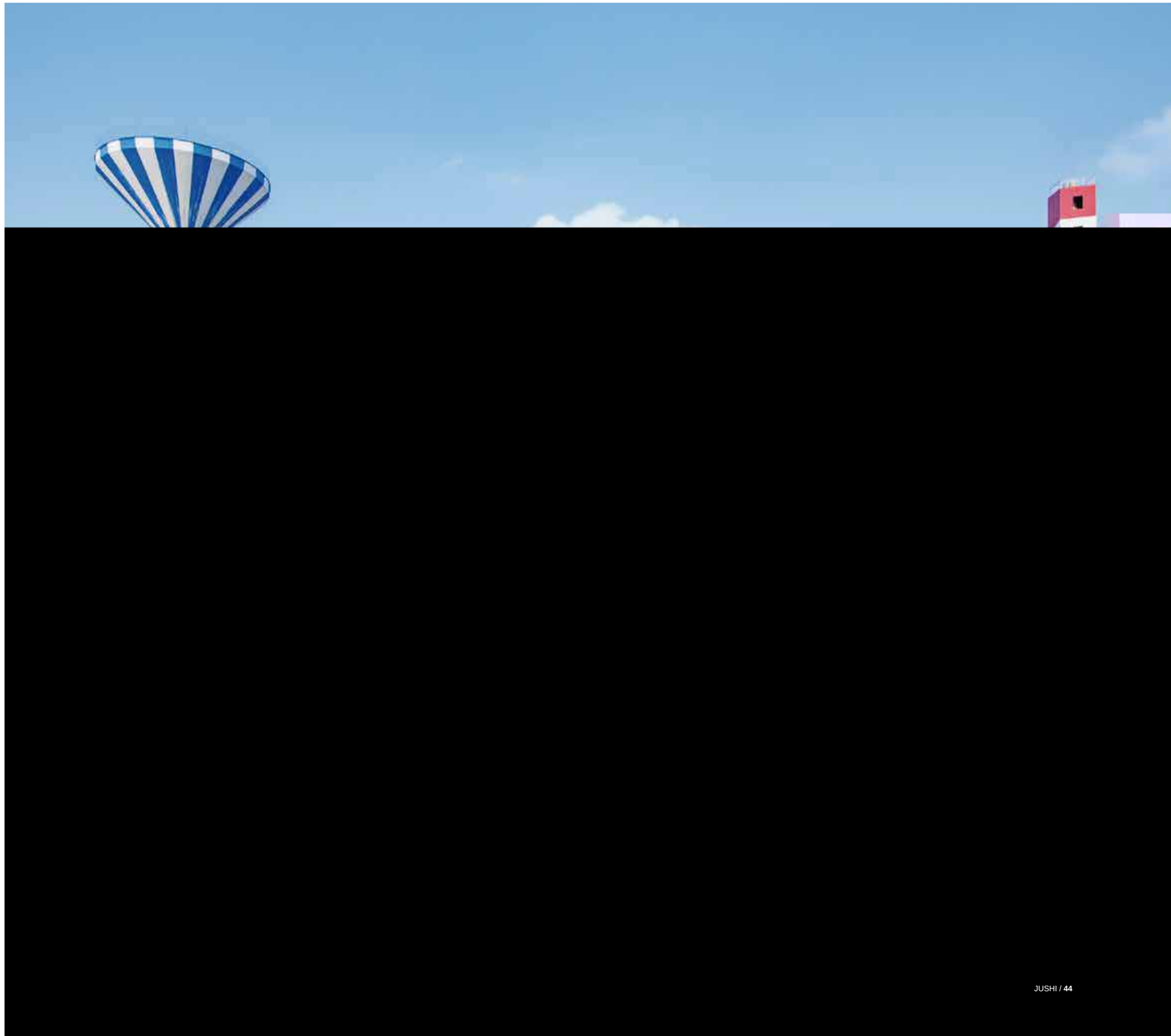
Based on the Fiberglass Core Technology Intellectual Property Layout Analysis and Planning (2023-2025), the Company has ouriglobptiIPJC/TT

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,

# 03

*We forge new quality productivity through sustainable development, continuously explore low-carbon pathways, and build a green intelligent manufacturing chain integrating procurement, production, sales, recycling, and logistics. We are committed to*



# 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

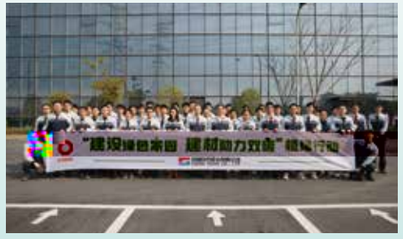
Achieving 100% employee coverage in environmental protection training

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.

The "Building Green Homes, Building Materials saplings planted



The "2024 National Ecology Day Event" was organized, with an original eco-themed song composed and performed by employees to raise environmental awareness.

The "Deepening Ecological Foundations, Co-Creating a Beautiful Jushi" Low-Carbon Environmental Protection Month" activities was held which featured knowledge competitions, facility tours, environmental storytelling, and specialized inspections.

The Company assisted the China Environmental Protection Federation in hosting the 2024 'Zero-Waste City' Experience Exchange Conference,

Delivered a keynote speech titled "Advancing with Jushi, Marching Toward Green: Exploration and Practice of Building a Beautiful Jushi", where over 400 attendees toured the Company's intelligent manufacturing base and its "Zero-Waste Factory" initiatives.

In the process of construction project planning and design, tendering, and supervision, the Company adopts environmentally friendly standards. Systems such as the "Waste Management System" and "Supplier Quality Claim Management Control Procedure" are established. Contracts including the "Agreement on Environmental and Occupational Health and Safety with Relevant Parties," "No Use of Environmentally Hazardous Substances Commitment Letter," and "On-Site Construction Commitment Letter for Engineering Suppliers" are signed with suppliers. Violations of the provisions in the said documents will be subject to penalties.

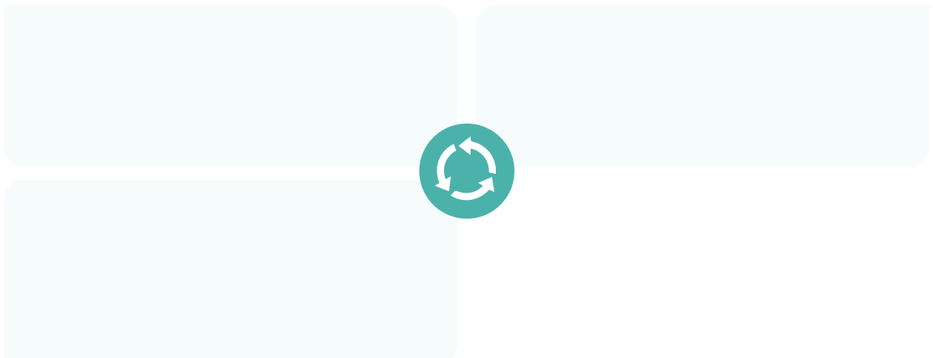


# Jointly Building a Clean Production Model

By integrating the green development philosophy into the entire lifecycle of fiberglass products, measures are undertaken across product R&D, product design, raw material selection, production process design, energy consumption, production recycling, logistics and transportation, and product sales, aiming to achieve harmonious coexistence between fiberglass products and the environment.

## Adopting Green Packaging

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



## 2024 Wastewater Discharge Metrics

| Metric | 2024 | Unit |
|---|---|---|
| | | |
| | | |
| | | |
| | | |

Collaborative Development

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

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# Jointly Addressing Climate Change 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.

## Governance

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

## Strategy

The global climate issue and the introduction of the "dual carbon" goals present both risks and opportunities for the fiberglass composites industry.

| Risk Category | Potential Climate Change Risks | Mitigation Measures |
|---|---|---|
| Policy Risk | 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. |
| Legal Risk | 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. |
| Technical Risk | 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.<br>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.<br>Actively research and develop eco-friendly, alternative materials to eliminate pollutants in the production process. |
| Market Risk | 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.<br>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. |
| Physical Risk | Extreme weather events such as strong winds, high temperatures, extreme cold, and geological subsidence affecting work safety and asset security.<br>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. |
| Opportunities | 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.<br>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
- 0 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 $CO_2$Honorion-9 99 Td(aA).51(wandsnd )]TJ5w2j-10.34333 TJushirgy Figuresear

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**

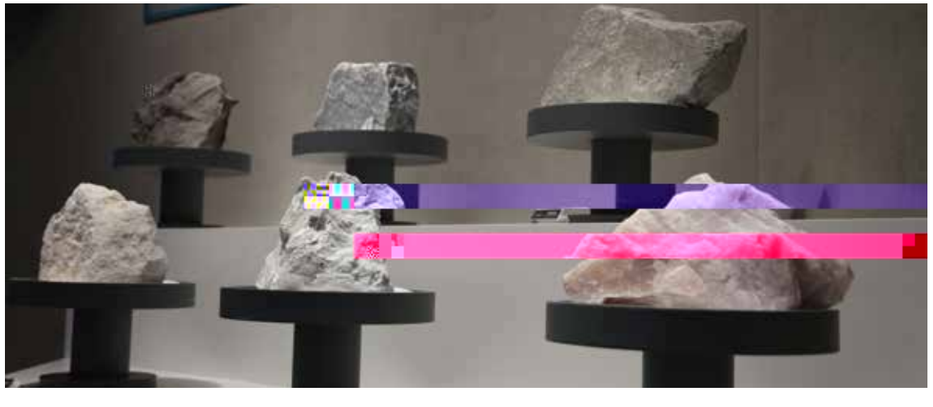
**Carbon emissions per RMB ten thousand of industrial output value (comparable price)**

**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

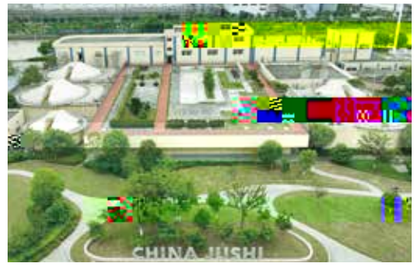
The Company has accelerated the promotion of low-carbon raw material substitution, with the Chengdu Company leading the way in zero-carbon glass formula trials, reducing the use of carbonate (limestone) by approximately 8,000 tons annually and cutting $CO_2$ emissions by 3,500 tons, with current production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

## letrics

### 24 GHG

| | | 2024 | Unit |
|---|---|---|---|
| | Total | 2,407,449 | Ton |
| | | ions (Scope 1) 1,077,020 | Ton |
| | | ssions (Scope 2) 1,330,429 | Ton |
| | GHG | 152 | Ton $CO_2$ equivalent/RMB million of operating revenue |

### h Five-Y e Development Goals

| Ta | Progress as of 2024 | |
|---|---|---|
| Co | Compared to 2020 | Compared to 2023 |
| mpreh of rovi ption % | Decreased by 19.8% (target achieved ahead of schedule) | Decreased by 3.5% |
| mpreh f finishing mption 6.8% | Decreased by 16.5% (target achieved ahead of schedule) | Decreased by 1.6% |
| Car dec | 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.

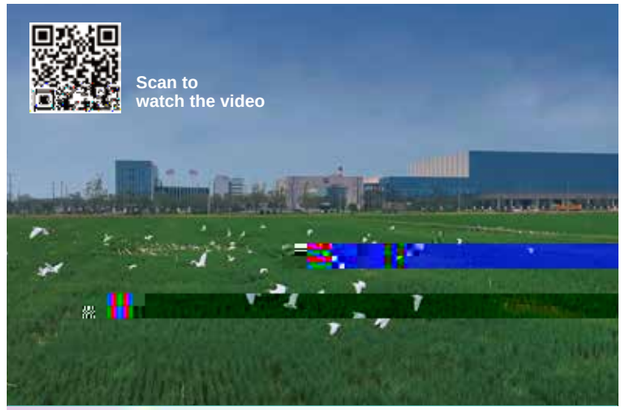
A total of **37** production and operation sites

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.

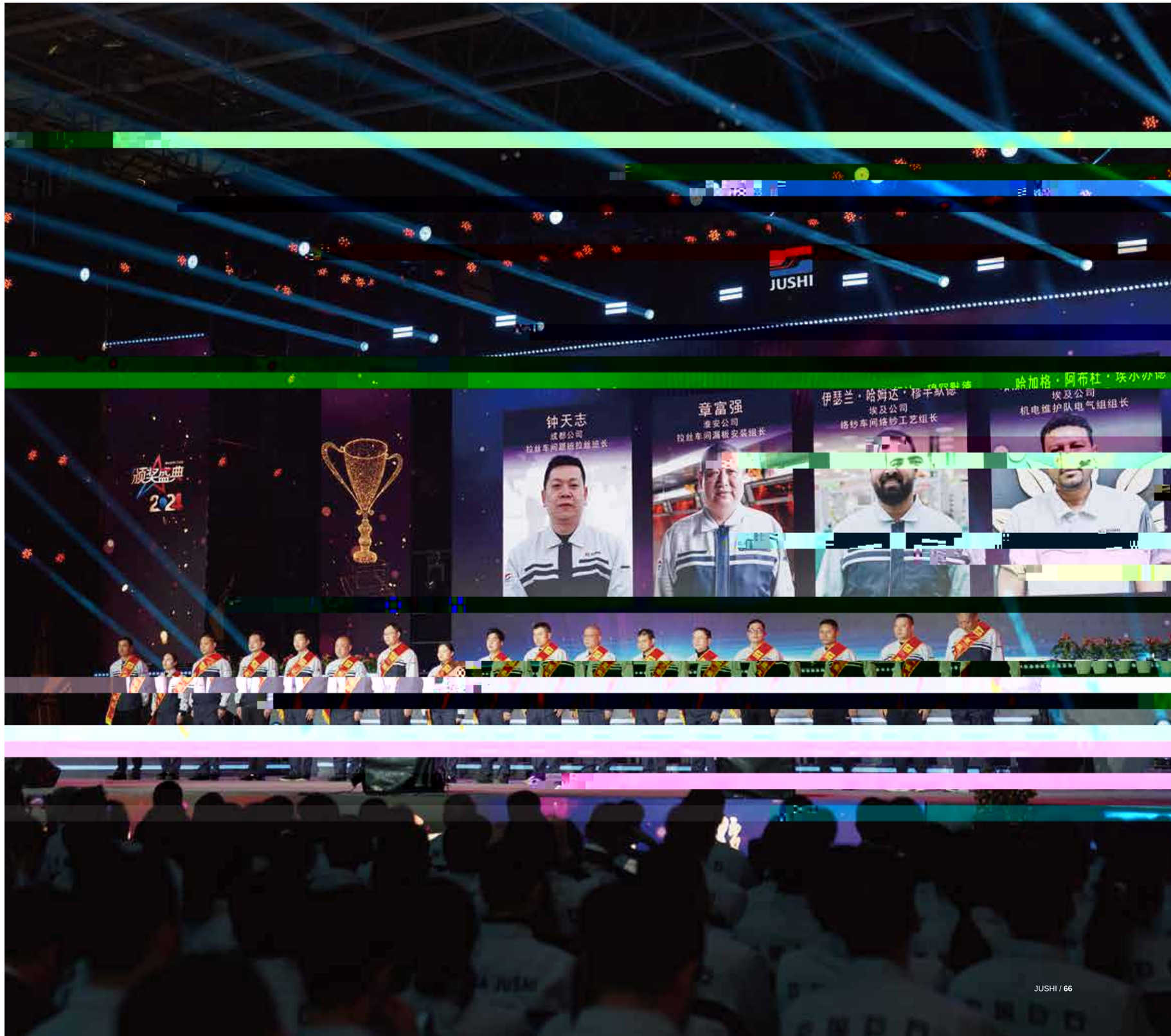
During the silkworm and mulberry farming season, we intensify air emissions monitoring, increase monitoring frequency, and improve evaluation criteria. Samples of mulberry leaves are taken to ensure that industrial development does not negatively impact silkworm and mulberry farming.




The migratory birds settled at Jushi Huai'an

# 0

*We adhere to a people-oriented approach, fully respecting and safeguarding the fundamental rights and interests of our employees.We are committed to actively building and improving the "Turning Stone into Gold" talent cultivation mechanism, strengthening humanistic care for employees, providing multiple channels for democratic communication, and improving the mechanism for occupational health and career management. Furthermore, we have formulated and implemented the "Six Points" common prosperity action plan—ensuring employees enjoy "substantial income, stable livelihoods, robust career growth, solid labor protections, fulfilling spiritual well-being, and tangible social responsibility". We work hand in hand with our workforce to grow together.*



The Fifth Trade Union Member Congress was convened

Conducting Employee Representative Forum,
New College Graduate Forum,
New Mid-level Management Forum,
and di-hbsnioss ifthtThecompany epreidmentiondleveopemenm,
andfuture epospectsI

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;

## 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 |
| New hires | |

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.

Organizing Employee Skill Competitions

Total investment in employee training
RMB11.27 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.

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.

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.

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

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.

## 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.

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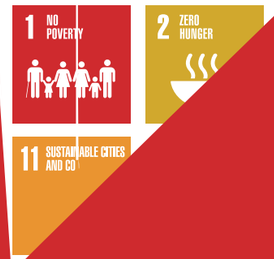
# *SHARED RESPONSIBILITY AND HARMONIOUS DEVELOPMENT*

*The Company strives to boost confidence and expectations, enhance operational quality, offer high-quality products and services to our vast customer base, fulfill our product responsibilities, unlock customer value, safeguard customer rights, adhere to responsible marketing and procurement practices, and enhance the resilience of our industrial and supply chains. We are committed to social welfare, resonating with societal needs, and leveraging our "Goodwill Global" brand global philanthropic brand to contribut to global poverty reduction and foster com prosperity.*



## Advancing Quality Management

The Company complies with the "Product Quality Law," EU "RoHS," "REACH," and other relevant laws and regulations on product quality, conducts third-party product testing annually based on customer needs to meet their requirements and proactively engages in the substitution of environmentally friendly raw materials.

## 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 HI

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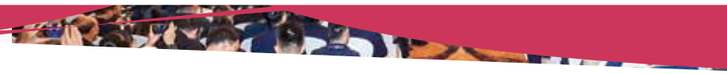
rts the Global Development Blueprint of Fiberglass

2024, Jushi Group hosted the 30th Annual
ality for Sustainable Future." The event featu
ny, News Conference, Global Supplier Conf
platforms cover information release, ESG info
nference also awarded plaques to the To
ary achievement exhibition, promotional vi
with global stakeholders to build a high-quality



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 *Comprehensive Evaluation and Management Work Standards for Sales and Supply Staff and the Customer Follow-up Management Regulations*. 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 *Supplier Quality Claim Management Control Procedures*.

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

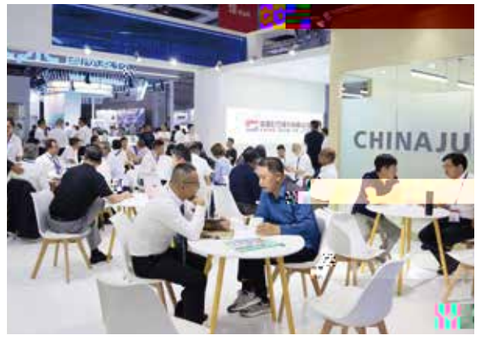
Roving complaint rate per thousand tons 0.008

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

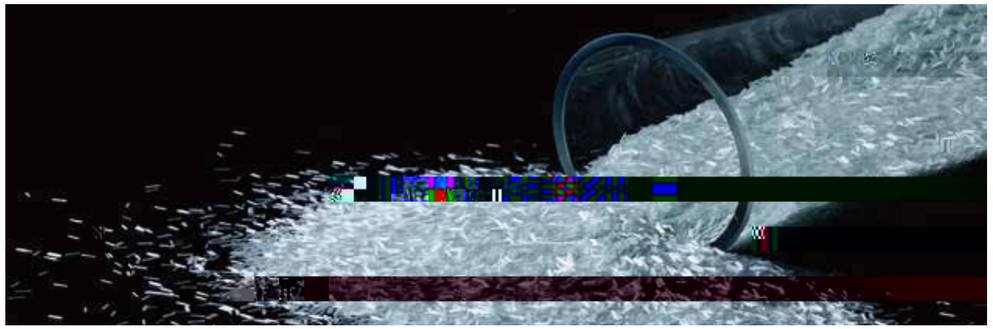
## Promoting Green Consumption

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

## 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.

## 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.

## 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.

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 t ry(other hy )0.6n t83 d4and food prfduc.5 te2011 Tgypt thee96prohe 4th largest grow -1signifortntmpainfeatn tecup011eam5 te2011her sabo stouchang 2 0.34ous

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.**



## 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.

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."

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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