LEADING GLASS FIBER
**TOWARDS A SUS-
TAINABLE FUTURE**

中国巨石股份有限公司
CHINA JUSHI CO., LTD

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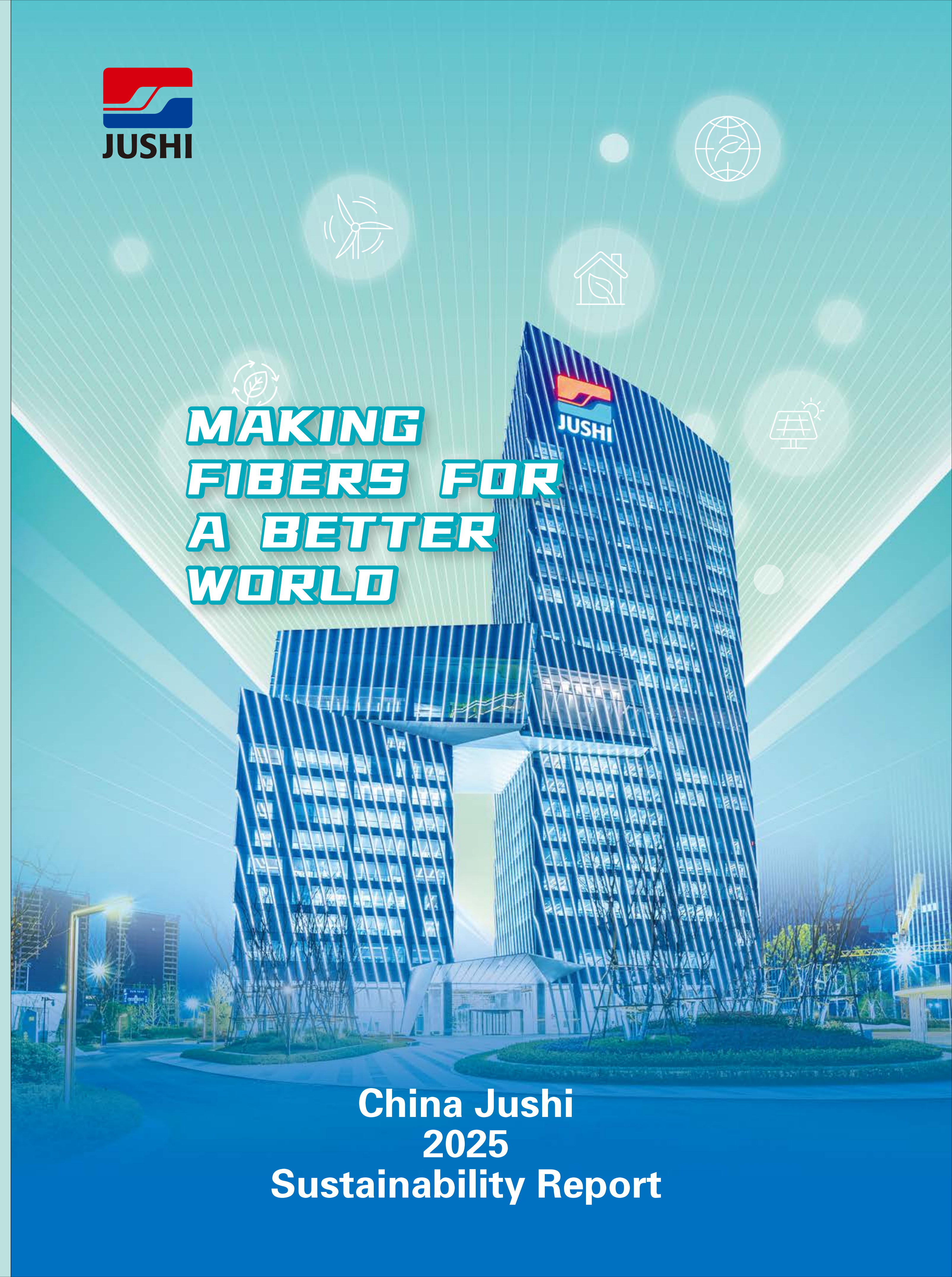
The paper used in this report is environmentally friendly paper

2025 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

CHINA JUSHI CO., LTD.

JUSHI



MAKING FIBERS FOR A BETTER WORLD

China Jushi 2025 Sustainability Report

Report Introduction

This report is an authentic reflection of the efforts made by China Jushi Co., Ltd. (China Jushi for short) in environmental, social, and corporate governance (ESG) issues.

Report Coverage

This report covers activities from January 1, 2025, to December 31, 2025. Due to the ongoing nature of business and project advancements, information related to the first quarter of 2026 is also included and indicated in the report.

Reporting Frequency

This is an annual report and is issued once a year

Organizational Scope

This report encompasses all entities fully owned or controlled by China Jushi Co., Ltd., whether through majority shareholding or relative shareholding. For the sake of clarity and brevity, "China Jushi", "the Company", and "We" are interchangeably used throughout this report.

Data Sourcing

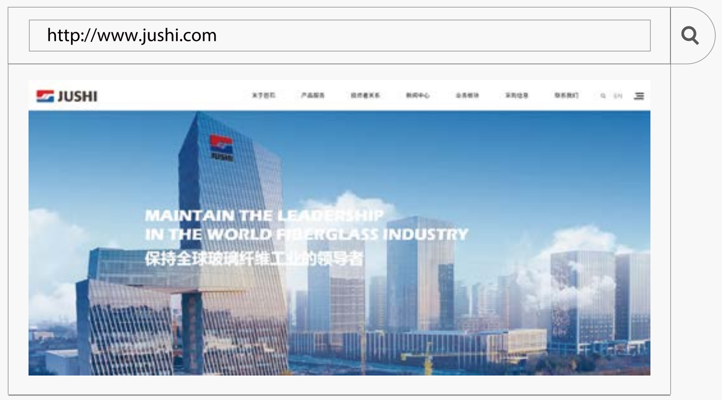
All data and information presented in this report are sourced from China Jushi's headquarters and its affiliated enterprises. Sources of external data are noted within the report. Unless indicated otherwise, financial figures are presented in renminbi (RMB).

Language

This report is published in both Chinese and English. In the event of any discrepancy between the two versions, the Chinese version shall prevail.

Report Edition and Access to the Report

This is the 10th paper edition of the social responsibility report and the 6th edition of sustainability report (ESG report) of China Jushi. To obtain a copy of each annual electronic report, simply scan the provided QR code, or for further details on our performance, please visit the Investor Relations-ESG Management section on China Jushi's official website at www.jushi.com.



Report Preparation Process

China Jushi Sustainability Report Preparation Process

1.Project Initiation

Work Plan Formulation, Project Meetings & Official Document Issuance

2.Core Issues and Boundaries

Analyze stakeholder interests, identify the Company's core issues for the year, assess both domestic and international ESG criteria and guidelines, and conduct research on new standards and trends for the report

3.Material Checklist

Define the indicator framework and compile a list of notable cases from the year

4.Material Collection

Facilitate cross-departmental cooperation and entity collaboration to gather feedback from affiliated enterprises and relevant departments and offices, analyze existing data, and source corresponding media coverage

5.Drafting

Develop the report's structure, select central themes, and prepare the preliminary draft

6.Drafting

Seek support and feedback from the Company's ESG leading group, headquarters' departments and offices, affiliated enterprises, stakeholders, and ESG specialists

7.Improvement

Revise content, validate data, and conduct a self-inspection for compliance

8. Design

Ensure the report is readable, innovative, and coherent

9. Release

Distribute the report through various platforms and channels to reach stakeholders

10.Review and Enhancement

Evaluate shortcomings and develop strategies for future improvements

Data Source Assurance

The financial data of China Jushi contained in this report are extracted from the Company's 2025 Annual Financial Report, which has been independently audited by Mazars Zhonghuan Certified Public Accountants LLP.

External data within the report are gathered from third-party public disclosures, with specific references noted in the report.

All non-financial data regarding China Jushi contained in this report is derived from the Company's official documents or internal statistics compiled by various functional departments at headquarters and its member companies. Key performance indicators have been verified and certified by TÜV Rheinland Group of Germany.

Standards and Benchmarking Evaluations of the Report

This report has been prepared in accordance with the GRI Standards for Sustainability Reporting, the United Nations Sustainable Development Goals (SDGs), the Guidance on Social Responsibility Reporting (GB/T36001-2015), the ESG Standards for Listed Companies Controlled by Central Enterprises, the Guiding Opinions on Central Enterprises' Fulfillment of Social Responsibilities from the State-owned Assets Supervision and Administration Commission of the State Council (SASAC), the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial), and the Guide No. 4 for Self-Regulatory Supervision on Listed Companies of the SSE—Compilation of Sustainable Development Reports (Revised in January 2026), among others.

Feedback and Contact Information

To provide feedback or get in touch with us, there are several methods available: Visit our official website for access to feedback forms. Scan the QR code on the right side to submit feedback via a webpage or WeChat. For direct communication, please refer to the contact details provided on the back cover of this report

China Jushi QR Code

Shanghai Stock Exchange QR Code

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REMARKS

EMPOWERING DEVELOPMENT WITH GREEN INTELLIGENCE TO STRENGTHEN OUR FOUNDATION, FULFILLING RESPONSIBILITIES AND TAKING DECISIVE ACTION TO SECURE THE FUTURE

A new year comes with new challenges and opportunities. The year 2025 marks both the conclusion of the 14th Five-Year Plan and a critical juncture for laying the groundwork for the 15th Five-Year Plan. Despite the ever-changing global landscape, our resolve to pursue a path of sustainable development remains unwavering. We fully recognize that ESG governance has evolved from a “nice-to-have” for corporate development to a “must-have” for core competitiveness, and that ESG practice has transitioned from a cost item to a new phase of value creation.

This year, China Jushi has remained committed to its philosophy of “Making Fibers for a Better World.” Aligning closely with the sustainable development initiatives outlined in the 14th Five-Year Plan, the Company has deeply integrated ESG principles into its strategic planning and daily operations. With a focus on environmental sustainability, a foundation of social responsibility, and governance as a safeguard, China Jushi is steadily advancing on the path of environmental, social, and corporate governance, putting the concept of “value creation” into practice through concrete actions. The Company’s MSCI ESG Rating jumped from BBB to A, its EcoVadis Sustainability Rating rose from Bronze to Silver, its S&P Global CSA Score placed it in the top 30% of the industry, and its Wind ESG Rating rose to AA. It has received numerous ESG honors, including the “Zhiyuan Award” and the “Environmentally Friendly (E) Pioneer Enterprise Award,” as well as a spot on the list of the Top 100 Zhejiang Listed Companies for ESG Performance in 2025. These achievements fully demonstrate the Company’s continuous improvements in green and low-carbon initiatives, social responsibility, and corporate governance, highlighting its robust capabilities in the field of sustainable development.

Pursuing a green and low-carbon path to lay a solid foundation for ecological development

We have consistently embraced our role as “a protector of the ecological environment,” leading the green transformation of the glass fiber industry and achieving a dual enhancement of both ecological sustainability and economic value. The Company has taken the lead across the industry in constructing a net-zero carbon intelligent fiberglass manufacturing base. Phase I of the Huai'an base is operating efficiently, and the yarn project is moving forward in full swing. We have achieved integrated operation of wind, solar, hydrogen, and energy storage systems, with 100% of our electricity sourced from renewable energy. Our carbon emissions per unit of glass fiber are below the industry average. Actively exploring new pathways toward carbon-neutral factories, the Company has successfully tested hydrogen-blended combustion technology in kilns, while the total installed capacity of PV power generation continues to grow, establishing a new model for “carbon-neutral factories” through the “PV+” approach; the Huai’an wind power project contributed over 560 GWh of clean electricity in the same year, reducing carbon emissions by more than 210,000 tons. In addition, we are working to extend our green supply chain and build a "green industrial chain" together. We have launched a green logistics partnership with Covestro and Ingredion, establishing a new model of green collaboration. The Company took the lead in drafting and implementing the group standard Energy Consumption Limits for E-Glass Fiber Electronic Fabric per Unit of Product, thereby filling a gap in the industry.

Taking Responsibility as Foundation, Co-building a Symbiotic and Win-Win Ecosystem

We consistently act with the warmth of a “partner to society,” balancing the shared interests of our employees, partners, and all sectors of society, and spreading our warmth. In terms of employee welfare, we have strengthened the development of our "four teams," established the "Five Stones, Five Professionals" talent development and evaluation system, and launched a new round of medium- to long-term incentive plans, resulting in employee satisfaction reaching a new high. Besides, we have formally signed the Women’s Empowerment Principles of the UN Women, providing female employees with an equal platform for development and helping them realize their professional potential. In terms of mutual benefit and win-win partnerships, we collaborate with upstream and downstream enterprises across the industry chain to build a green supply chain, jointly incubate new technologies and business models, and maintain the resilience and stability of the global glass fiber industry and supply chain. In terms of social welfare, we have established the "Goodwill Global" global public welfare brand to actively fulfill our social responsibilities. We organize outreach and assistance programs, participated in volunteer activities, and made charitable donations to the outside world, conveying our warmth through these small acts of kindness.

Taking Standardized Corporate Governance as a Safeguard to Consolidate the Bedrock of High-Quality Development

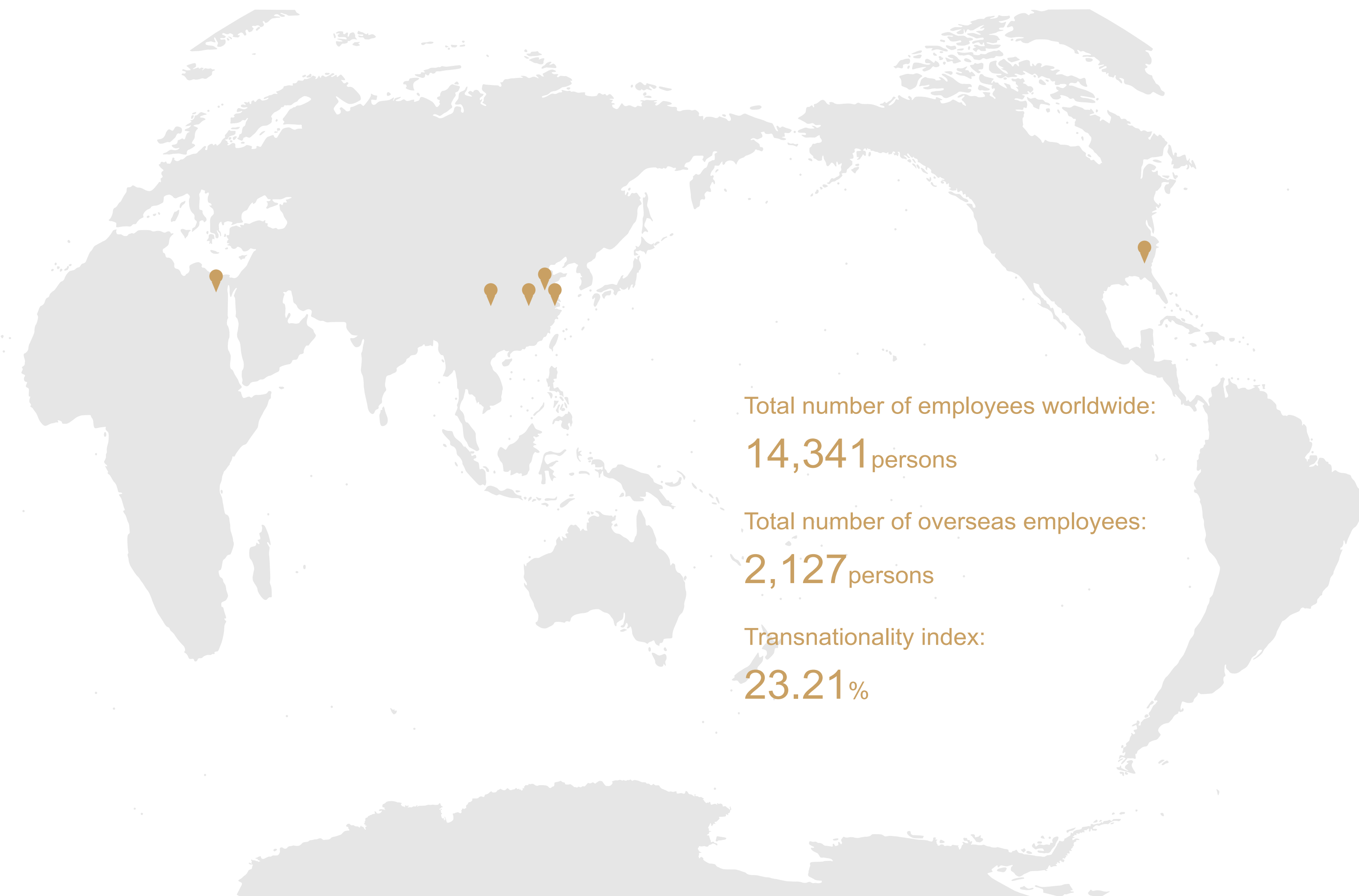
We consistently act as “a steward of standardized governance,” continuously refining our governance framework and enforcing governance standards from the top down to ensure the Company’s sound operations and lay a solid foundation for sustainable development. We successfully obtained ISO 37301 Compliance Management System certification, laying a solid foundation for the Company’s compliance management; we adhere to business ethics, ensuring integrity in operations, fair competition, and a balance between profit and social responsibility. We have continuously optimized our governance system to enhance the effectiveness of decision-making and oversight, completed reforms of the Board of Directors and Board of Supervisors to ensure standardized operations, and deepened institutional reforms across three key areas: “differentiated management of mixed-ownership enterprises,” “term-based and contractual management of managers,” and “exploring and enriching medium- to long-term incentive tools,” thereby strengthening incentive and accountability mechanisms. We have implemented a share repurchase plan for major shareholders, advanced the release of the Action Plan for “Improving Quality, Enhancing Efficiency, and Focusing on Returns,” conducted our first-ever interim profit distribution, enhanced our capital operation capabilities, and continued to create value for shareholders. Continued efforts ensure promising prospects ahead. As the 15th Five-Year Plan gets fully underway, China Jushi will remain true to its original aspirations and courageously embrace its mission. We will join hands with partners from all sectors to embark on a new journey toward sustainable development, writing a new chapter in the Company’s high-quality growth through responsibility and perseverance, and contributing the full strength of China Jushi to global sustainable development!

CHINA JUSHI CO., LTD.

ABOUT JUSHI

China Jushi Co., Ltd ("China Jushi" or "Jushi") is a global leader in the fiberglass industry. The Company specializes in the production and sales of fiberglass and related products, and has long maintained a leading global position in scale, technology, cost, market, quality, and efficiency.

China Jushi traces its origins back to 1993. In 1998, four shareholders including China National Building Material Group Co., Ltd. (hereinafter referred to as CNBM Group) and Zhenshi Holding Group Co., Ltd. (hereinafter referred to as Zhenshi Group) jointly sponsored and incorporated China Jushi. The Company was listed on the Shanghai Stock Exchange in 1999 under the ticker symbol 600176, with the short name "China Jushi".



Total number of employees worldwide:

14,341 persons

Total number of overseas employees:

2,127 persons

Transnationality index:

23.21%

GLOBAL FOOTPRINT

With its headquarters located in Tongxiang, Zhejiang Province, China Jushi operates six major production bases across Tongxiang in Zhejiang Province, Jiujiang in Jiangxi Province, Chengdu in Sichuan Province, Huai'an in Jiangsu Province, Suez in Egypt, and South Carolina in the United States. The Company has established overseas holding subsidiaries in more than ten countries and regions, including Japan, South Korea, Italy, and France, with its production and sales network radiating across the globe. Boasting an annual E-glass fiber production capacity of over 3 million metric tons, the Group holds a 30% global market share and a 40% domestic market share in China. Currently, we have achieved the goal of being the world's largest producer of thermoset roving, thermoplastic reinforcement and electronic fabric. The Company offers a wide variety and complete range of fiberglass products, comprising over 20 major categories, more than 200 product types, and over 5,000 specifications. Its main products include E-glass fiber direct roving, chopped strands, chopped strand mat, woven roving and electronic fabric which are exported to over 100 countries and regions worldwide, including North America, Europe, Southeast Asia, the Middle East, and Africa.

Tongxiang, Zhejiang

Jiujiang, Jiangxi

Chengdu, Sichuan

Huai'an, Jiangsu

Suez, Egypt

South Carolina, United States

ESG RECOGNITION AND HONORS

MSCI ESG RATINGS — CCC | B | BB | BBB | A | AA | AAA
RATING ACTION DATE: August 19, 2025
LAST REPORT UPDATE: August 19, 2025

MSCI ESG Rating: A

SILVER | Top 15% ecovadis Sustainability Rating NOV 2025

EcoVadis Sustainability Rating: Silver

Wind ESG

Wind ESG Rating: AA

Shanghai Stock Exchange's Information Disclosure Rating: A (nine consecutive years)

A

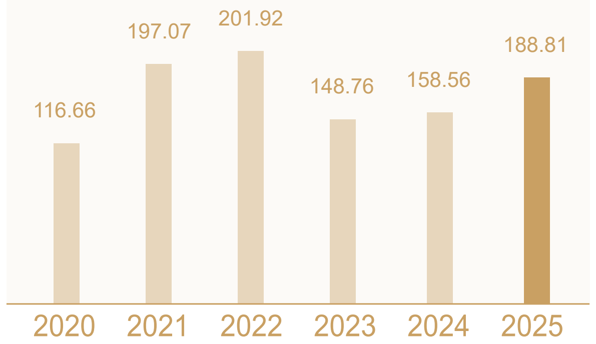
Global Best Poverty Reduction Case	Central Enterprises ESG Pioneer 100 Index	Typical Practice Case in the ESG Blue Book of Central State-Owned Listed Companies
Best Practice Case of the Board of Directors of Listed Companies	Golden Information Disclosure Award of the Golden Bull Award for Chinese Listed Companies	Top Ten Typical Case in the Belt and Road ESG Action Report
Top 100 ESG Listed Companies in China	Excellent ESG Case of Chinese Enterprises	China Carbon Company Industry Model
Top 100 Zhejiang Listed Companies for ESG Performance	Zhejiang ESG Pioneer Enterprise	

- China Grand Award for Industry
- State Scientific and Technological Progress Award
- China Patent Gold Award
- State-certified Enterprise Technology Center
- National Technological Innovation Demonstration Enterprise
- National Manufacturing Single Champion Demonstration Enterprise
- National Intelligent Manufacturing Demonstration Factory
- National Excellent Intelligent Factory (Jushi Group Co., Ltd., Jushi Group Jiujiang Co., Ltd., Jushi Group Chengdu Co., Ltd.)
- National Green Plant
- National Green Design Demonstration Enterprise for Industrial Products
- National Green Supply Chain Management Enterprise
- Leader Enterprise in China's Industrial Carbon Peaking
- Practice Case of the "Beautiful China" Initiative
- Typical Case of National Industry and Information Technology Quality Improvement and Brand Building
- Typical Case of Quality Transformation and Innovation by Chief Quality Officers of State-Owned Enterprises
- Professional Demonstration Base for the Transformation and Upgrading of National Foreign Trade
- World-Class Leading Professional Enterprise Established by the SASAC
- National May 1 Labor Medal
- National Model Women Post (Jushi Group Co., Ltd., Jushi Group Chengdu Co., Ltd.)
- National Model Enterprises for Harmonious Labor Relations (Jushi Group Jiujiang Co., Ltd., Jushi Group Chengdu Co., Ltd.)
- National Model Workers' Home (Jushi Group Co., Ltd., Jushi Group Chengdu Co., Ltd.)

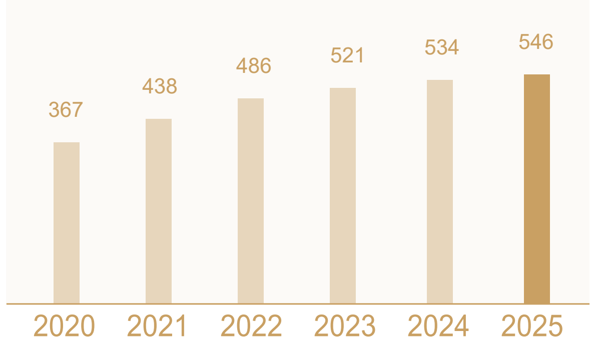
- Zhejiang Provincial Government Quality Award
- "Future Factory" of Zhejiang Province
- Eagle Enterprise of Zhejiang Province
- Zero-Waste Factory in Zhejiang Province
- Water Conservation Model Unit in Zhejiang Province
- Zhejiang's Top 500 High-tech Enterprises in Innovation Capability
- Zhejiang Provincial Science and Technology Progress Award
- Excellent Products Made in Zhejiang Province
- Outstanding Contributor to the Cultivation of Zhejiang Craftsmen
- First Pilot Enterprises for Zhejiang Province's “New Eight-Level” Vocational Skills Grading System
- Outstanding Contributor to the Cultivation of Young and Middle-Aged Experts in Zhejiang Province
- Jiangxi Manufacturing Single Champion Enterprise
- Grade A Enterprise under the Performance Rating System for Key Industries during Heavy Pollution Weather in Jiangxi Province
- “Digital Leader” and “Digital Intelligent Factory” in Jiangxi Province
- The Second Excellent Cases in the “Beautiful Cells” Initiative in Jiangxi Province
- Green Supply Chain Management Enterprise in Sichuan Province
- Pilot Enterprise for Carbon Peaking and Carbon Neutrality in Jiangsu Province
- Green Factory in Jiangsu Province
- Four-Star Cloud-Based Enterprise in Jiangsu Province
- Intelligent Factory for High-Performance Glass Fiber Based on End-to-End Control (Advanced Level) in Jiangsu Province

JUSHI IN NUMBERS

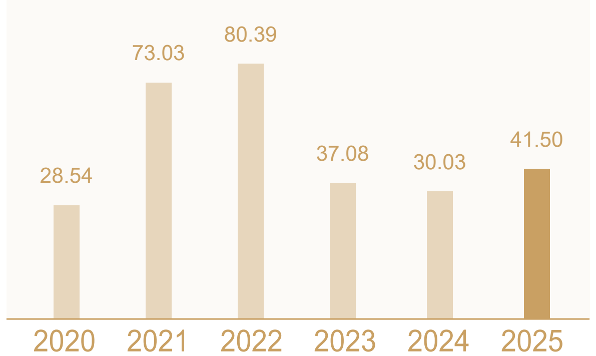
Operating revenue RMB 100 million



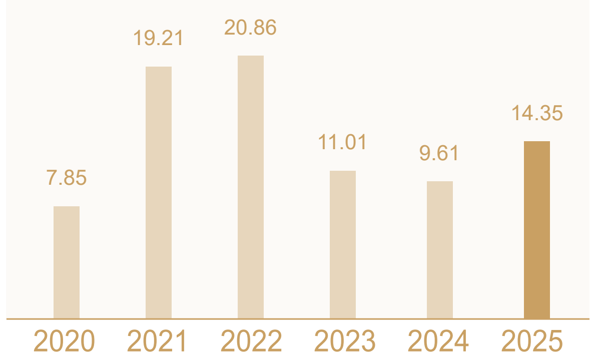
Total assets RMB 100 million



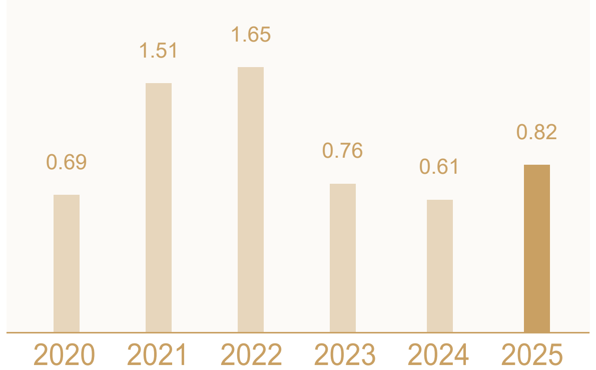
Total profits RMB 100 million



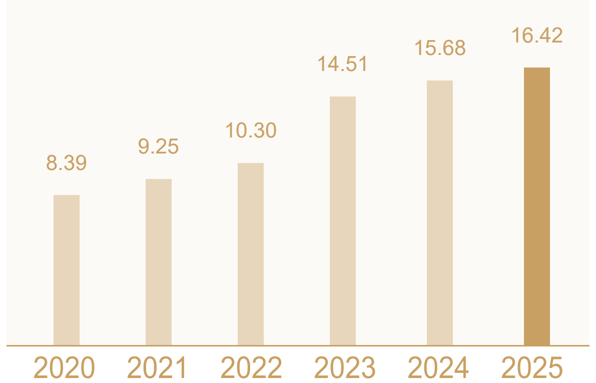
Cash dividends RMB 100 million



Earnings per share RMB/share



Per capita income RMB 10,000/year



Note: The proposed dividend distribution for the year 2025 is subject to approval at the Shareholder Meeting

Governance Performance

Dividend payout ratio exceeds 30%

Tax Rating: A

Total cash dividends over the past three years have exceeded RMB 5.1 billion

Total tax payment: RMB 1.717 billion

Contract fulfillment rate: 100%

Number of employees receiving business ethics training: 16,266

Coverage of business ethics training for employees 100%

Environmental Performance

100% green products

100% participation rate in environmental training

Through the implementation of energy-saving and carbon-reduction technological upgrades, we saved 3,805 MWh of electricity, 10.300 tce, and reduced emissions by 26.800 tCO_2e.

R&D investment in green and low-carbon initiatives reached RMB 900 million

Through the development of clean technologies, 155,092 MWh of wind power and 75,251 MWh of solar power were generated

Greenhouse gas (GHG) emission intensity: 124 tCO_2e per RMB 1 million in operating revenue

Social Performance

Total number of employees: over 14,300

Coverage of staff training: 100%

Employee satisfaction stands at 98.78%, with satisfaction rates exceeding 97% across all categories, including age group, employee type, gender, and ethnic group

Average training duration per employee: 39 hours

Total investment in work safety and occupational health: RMB 47,25 million

Total number of patents: 1,072

A total of 3,157 suppliers, including 2,127 long-term partners

980 clients, with a 97% customer satisfaction rate

Total external donations exceeded RMB 6.03 million

SOCIAL PRIORITIES

The Company has established ESG values, committed to telling the Jushi's story, amplifying its voice, and continuously spreading positive energy. In 2025, Jushi worked diligently across various sectors, garnering attention and praise from all sectors of society. Major domestic media outlets reported on the Company's ESG performance from different perspectives and at various levels. **There were over 200 media reports throughout the year, including approximately 60 reports by national and provincial/ministerial-level media outlets.**

CCTV

Episode 7 of Season 2 of The Cornerstone of a Great Power, titled “Building Materials for the Nation,” focuses on the overseas expansion of China Jushi's new quality productive forces.

Xinhua News Agency

Building Dreams on the Red Sea Coast focuses on the professional growth of female employees at Jushi Egypt for Fiberglass Industry S.A.E (“Jushi Egypt”).

People's Daily

Green Innovation, Moving Forward Together highlights how Jushi Egypt is contributing to local sustainable development.

How Can Something Come from Nothing? focuses on China Jushi's world-leading high-modulus glass fiber formulation, driving the development of the new materials industry.

China Securities Journal

The 14th Five-Year Plan in Figures: ESG Sets a New Foundation for Corporate Development: China Jushi's Huai'an Lianshui Glass Fiber Carbon-Neutral Intelligent Manufacturing Base has become a model for carbon-neutral intelligent manufacturing in the industry.

Economic Daily

Zhejiang Reaches Out to the Sea, a report on China Jushi's global expansion strategy, its investment in Egypt, and the benefits it brings to the local community.

Turning Stone into Gold: China Jushi's Huai'an Lianshui Glass Fiber Carbon-Neutral Intelligent Manufacturing Base "Future Factory" Runs Entirely on Green Electricity

Shanghai Securities News

01

THE CORNERSTONE OF GOVERNANCE

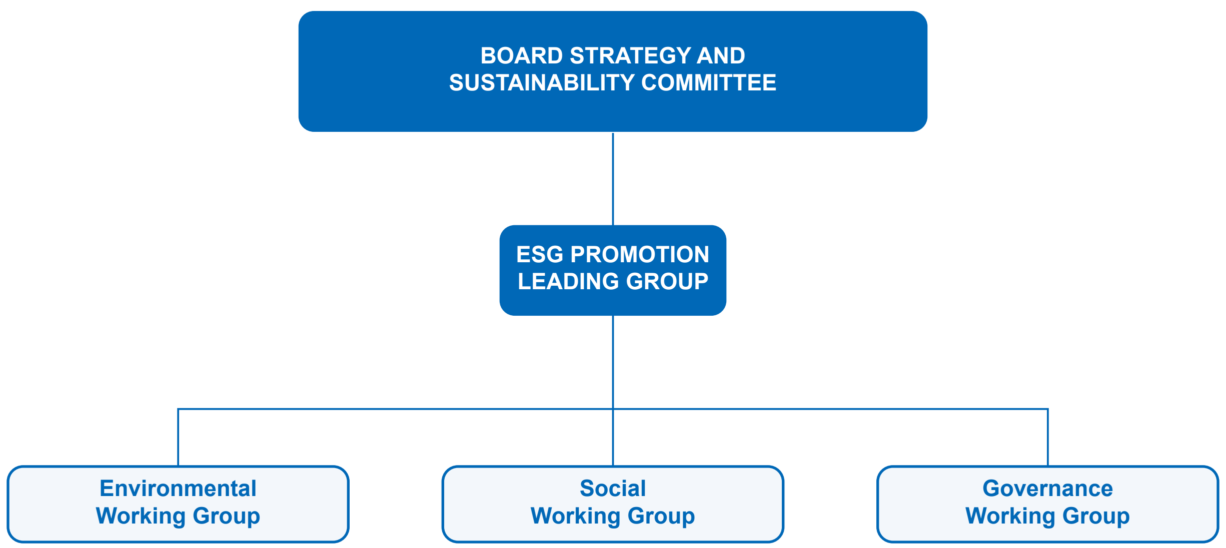
Laying the Foundation for Efficient Operations

We remain committed to building and refining a scientific and efficient governance system, guided by our sustainable development strategy, to ensure the Company's steady progress in a complex and ever-changing environment. We will continue to optimize our modern corporate governance structure to drive endogenous growth and innovative development; strengthen risk prevention and control to ensure compliance; and deepen our efforts to foster business ethics, thereby building a clean and close relationship between government and business.

STRENGTHENING SUSTAINABLE DEVELOPMENT MANAGEMENT

The Company views ESG initiatives as a pathway for management transformation aimed at business development and value creation. It continues to refine its ESG governance framework and strategic architecture, actively engages with stakeholders, and promotes the orderly advancement of sustainable development.

OPTIMIZING THE ARCHITECTURE AND STRENGTHENING THE FOUNDATION



Linking Sustainability Metrics to Management's Performance

The Company has established performance evaluation metrics for the Management and has signed the 2025 Performance Responsibility Statement at every level, linking sustainability targets to the Management's performance to ensure full coverage of the Management. ESG-related content is incorporated into the individual performance evaluation metrics and veto criteria for the Management, as well as into the performance metrics for the departments overseen by Management members and the operational performance evaluation metrics for which they are responsible or assist in managing. This includes issues such as safety, environmental protection, energy conservation and consumption reduction, carbon peaking and carbon neutrality, integrity, employee development, ESG disclosure, and ESG ratings. In particular, "energy conservation and environmental protection" accounts for 15% of the General Manager's individual performance evaluation, covering multiple indicators such as total carbon emissions, total use of renewable energy, output value per RMB 10,000 of main products, and comprehensive energy consumption of main products.

The Management Incentive Recoupment Mechanism

The Company has developed the Implementation Measures for the Accountability of Illegal Operations and Investments at Central State-owned Enterprises, which includes a recoupment provision. Under the document, Management members who violate relevant national laws and regulations, or who cause losses to the Company's assets due to failure to perform or improper performance of their duties, will have their current performance-based annual salary reduced accordingly, or may be required to return all or part of their already-paid performance-based annual salary and medium- to long-term incentive earnings.

Strategy and Sustainable Development Committee of the Board of Directors

Responsible for researching and making recommendations on the Company's long-term strategic planning; identifying and assessing significant ESG risks and opportunities, including environmental, social, and governance factors; participating in the formulation of the Company's ESG strategy, including strategic planning, goal setting, policy development, implementation management, and risk assessment; overseeing ESG initiatives and providing recommendations; reviewing the Company's sustainability report and offering recommendations; implementing other matters authorized by the Board of Directors and monitoring the progress of ESG initiatives; and conducting inspections on the implementation of the above matters.

ESG Promotion Leading Group

Chaired by the General Manager and comprising relevant senior executives as members, the ESG Promotion Leading Group is responsible for leading and making decisions regarding the Company's ESG initiatives, and for integrating ESG development into the Company's strategic plans and operational objectives; reviewing and approving the Company's ESG strategy, goals, plans, annual programs, major projects, ESG budgets, and management systems; identifying, evaluating, and discussing the status, trends, risks, and opportunities related to the Company's ESG management, as well as assessing the adequacy and effectiveness of the relevant organizational structures. It oversees the implementation and development of ESG initiatives, as well as the channels and methods for communicating with stakeholders, and reviews and approves ESG disclosures, award submissions, and branding initiatives. The ESG Promotion Leading Group has established a permanent functional department to oversee the implementation of its work.

Environmental Working Group

Responsible for environmental affairs, including: the implementation of specific initiatives such as clean technology and opportunities, green product development, the establishment of green standards, climate change response, emissions and waste management, energy use management, water resource management, and ecosystem and biodiversity management.

Social Working Group

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

Governance Working Group

Responsible for governance-related matters, including: governance structure (Board of Directors' structure, equity structure, ownership structure, governance diversity, etc.), governance mechanisms (voting mechanisms, accountability mechanisms, incentives for senior executives, etc.), governance effectiveness (disclosure of information, compliance, finance and taxation, privacy and data security, business ethics, risk management, tax responsibility, etc.), business ethics, and corporate culture.

STRATEGIC GUIDANCE AND DIRECTION SETTING

The Company has adopted the China Jushi Sustainable Development Strategy, which outlines three strategic directions, nine core modules, and a sustainable development support mechanism. Based on this strategy, the Company has identified 24 sustainable development issues, formulated corresponding action plans, and designated specific departments to oversee their implementation.

Remain a global leader in the fiberglass industry

GLASS FIBER UPSTREAM AND DOWNSTREAM INDUSTRY ECOSYSTEM

GREEN MANUFACTURING LEADS NEW QUALITY PRODUCTIVITY

- Green Product Development
- Green Standard Formulation
- Clean Technology Development
- Addressing Climate Change
- Emissions and Waste Management
- Energy Usage Management
- Water Resource Management
- Ecosystems and Biodiversity

DEVELOPING HARMONIOUSLY AND CONSOLIDATING SOCIAL COHESIVE FORCE

- Employment and Employee Rights
- Staff Development and Training
- Equality, Inclusion, and Diversity
- Corporate Culture
- Employee Occupational Health and Safety
- Innovation Driving
- Intellectual Property and Protection
- Innovation System Building
- Products and Services, Safety and Quality
- Supply Chain Management
- Rural Revitalization
- Social Contribution

GOVERNANCE MODERNIZATION AND BUILDING HIGH-QUALITY LEADERSHIP

- Corporate Governance
- Business Ethics
- Compliant Operation
- Tax Responsibilities

STRENGTHENING COMMUNICATION AND SHARING RESULTS

The Company uses a variety of communication channels to gain a deep understanding of the expectations and concerns of its stakeholders, incorporates their ESG issues and feedback into its ESG decision-making, and translates these into concrete ESG initiatives.

Stakeholders	Expectations	Communication Mechanisms
Government	·Operating in compliance with laws and regulations ·Generating job opportunities ·Paying taxes in accordance with laws ·Preventing risks	·Work reports and communication ·Attending meetings and major events Presentation materials and special reports ·Accepting supervision
Shareholders/investors	·Generating stable returns ·Optimizing enterprise governance ·Enhancing investor relations management ·Releasing information timely, accurately and comprehensively	·Shareholder Meeting & regular reports ·Strategy meetings ·Investor and analyst feedback ·Phone calls, meetings, roadshows
Employees	·Guaranteeing basic rights and interests ·Salary and benefits ·Occupational health and safety ·Job promotion and career advancement	·Employee salary self-service inquiry platform ·Workers' congresses ·Employee symposia ·Employee training programs ·Assistance for needy employees ·Organizing employee demand and satisfaction surveys
Customers	·Offering safe, green, and high-quality products ·Keeping improving service quality ·Operating with integrity	·Demand/satisfaction surveys ·Service hotline ·Handling customer complaints ·Targeted services for strategically important VIP customers
Partners	·Fair competition ·Integrity and mutual benefits ·Fair and transparent procurement ·Supply chain management	·Organizing bidding and tendering meetings ·Participating in industry association activities ·Sharing management expertise and technical standards; contract negotiations and routine meetings ·Annual International Conference on Fiberglass
Communities and non-governmental organizations	·Protecting the community environment ·Contributing to public welfare ·Driving local economy ·Rural revitalization ·Serving people's livelihood	·Social communication and survey ·Organizing social welfare activities ·Voluntary services ·Business, industrial and educational assistance

The Company has developed stakeholder engagement policies tailored to different stakeholder groups, clearly defining the scope of communities and local stakeholders affected by its operations. In particular, it treats vulnerable groups as a key component of the identification process and has established a transparent and efficient mechanism for handling community complaints and appeals to safeguard the legitimate rights and interests of stakeholders. To ensure the effective implementation of its policies, the Company regularly conducts local stakeholder or community impact assessments to identify potential risks and opportunities, provides clear and accessible communication channels for stakeholders, carries out capacity-building activities to enhance their ability to initiate communication and consultation, and meets regularly with local stakeholders to jointly explore new issues and solutions.

Case Study: Addressing Community Needs to Ensure Harmonious Development Between the Project and the Community

During the preparatory phase of the Jushi Wind Power Project, the Company proactively convened a social stability assessment meeting with key stakeholders, including local village officials, to thoroughly discuss matters such as the use of farmland. Under the coordination of local governments, it ensured that compensation for land expropriation and compensation for damaged seedlings was effectively distributed to individual households. Besides, in response to community residents' concerns about noise from wind turbine operations, Zhejiang Jushi New Energy (Huai'an) Co., Ltd. took proactive measures by installing noise-reducing serrations on the blades of its wind turbines. This helped prevent disruption to local farmers' agricultural activities and daily lives, ensuring environmental safety and community well-being during crop cultivation.

MATERIAL TOPIC ASSESSMENT AND PRIORITIZED DISCLOSURE

Methods for Issue Materiality Assessments

The Company integrates issue materiality assessments into its overall risk management process and conducts such assessments annually. In 2025, in accordance with the requirements of the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial) (hereinafter referred to as the Guidelines), and drawing on leading domestic and international sustainability standards, the Company conducted its first systematic assessment of material issues based on the "dual materiality" framework.

Step 1 Analyzing the Context of the Company's Activities and Business Relationships

- We conducted a comprehensive analysis of our core business operations, value chain segments, and key business relationships, and systematically assessed the sustainability impacts of our internal operations, project execution, and upstream and downstream supply chain activities on society and the environment.
- Risks and opportunities: Taking into account macroeconomic policies, industry regulatory developments, and sustainability trends for 2025, we have identified the potential risks that changes in the external environment may pose to the Company.
- We have also identified and defined key stakeholders, including employees, customers, suppliers, investors, government agencies, and the community, to serve as a crucial foundation for subsequent assessments.

Step 2 Compiling a Repository of Sustainability Agenda Items

- Building on the 21 core issues outlined in the Guidelines, and taking into account relevant domestic and international standards, macroeconomic policies, and industry trends, we have added company-specific issues to create an assessment checklist comprising a total of 24 items.

Step 3 Engaging Stakeholders via Research

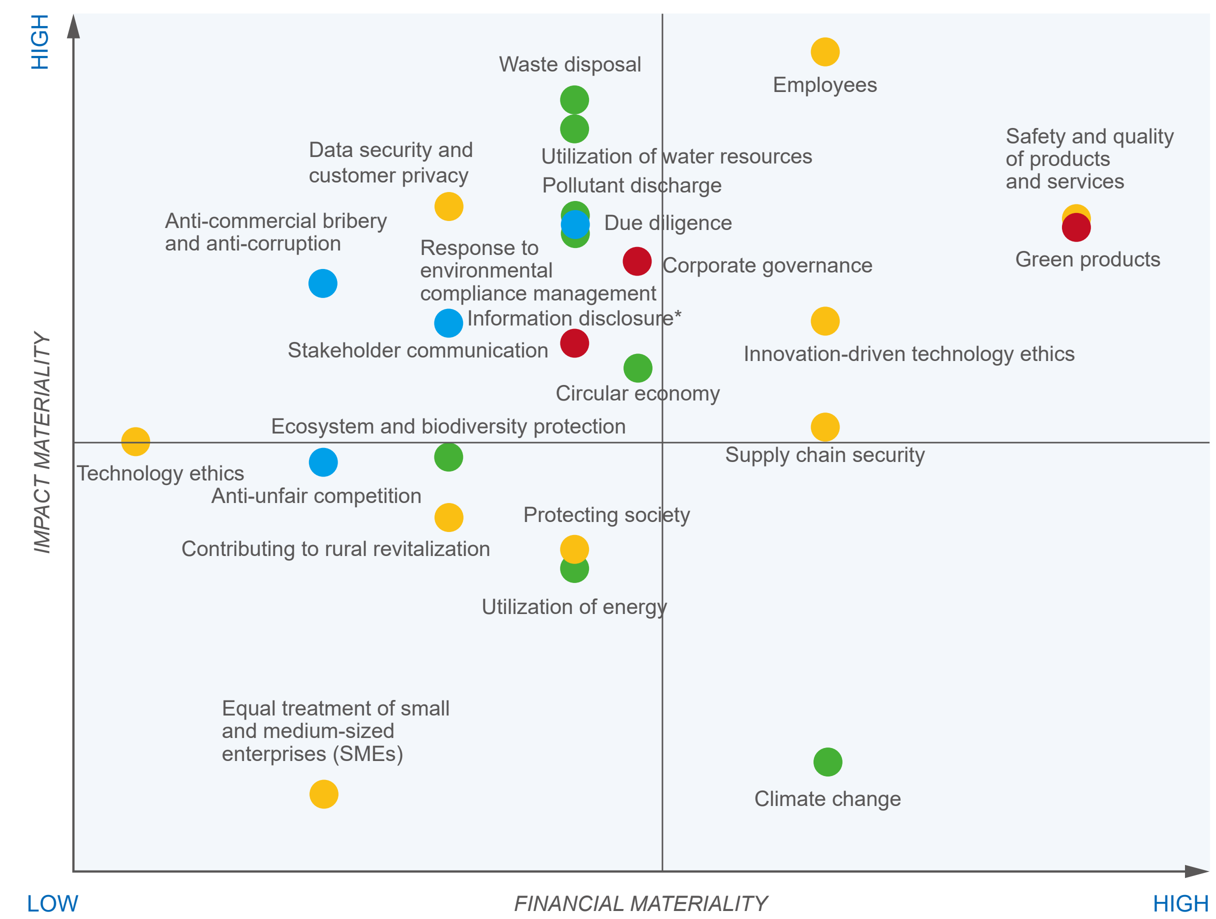
- We gathered suggestions regarding our ESG progress and disclosure from a diverse range of interested parties during our operations. Input was from the Management, Board of Directors, employees, customers, media outlets, governmental bodies, and the general public. These insights were then screened, assessed, and monitored through surveys and records, ensuring attentive responses to their suggestions. A total of 8,439 valid questionnaires were collected in 2025.

Step 4 Sorting the Issues by Materiality

- Impact Materiality Assessment: By conducting a questionnaire survey, we gather a wide range of opinions from internal and external stakeholders, and a comprehensive evaluation is performed based on two dimensions: the "severity of the impact" (scale, scope, and irreversibility) and the "likelihood of the impact." The final assessment results are derived by synthesizing the evaluations from diverse stakeholders and incorporating input from internal and external experts.
- Financial Materiality Assessment: Senior executives, heads of business and functional departments, and relevant experts are brought together to analyze the potential short-, medium-, and long-term impacts of each issue on the Company's financial position, operating results, and cash flow, based on two dimensions: "likelihood of the financial impact" and "severity of the financial impact."

Step 5 Reviewing and Approving Proposals

- By integrating the results of the impact materiality and financial materiality assessments, and through matrix analysis, we clarify the distribution of each issue across both dimensions. We then establish materiality thresholds based on the Company's strategic and risk management requirements to ultimately identify a list of high-priority issues with "dual materiality." This list is reviewed and approved by the Company's Board of Directors and serves as the substantive basis for the disclosures in this report.



Issues related to the E (environmental) dimension

- Pollutant discharge
- Waste disposal
- Circular economy
- Utilization of water resources
- Utilization of energy
- Response to environmental compliance management
- Climate change
- Ecosystem and biodiversity protection
- Green products*

Issues related to the S (social) dimension

- Employees
- Innovation-driven
- Technological Ethics
- Supply chain security
- Equal treatment of small
- Equal treatment of small medium-sized enterprises (SMEs)
- Data security and customer privacy
- Protecting society
- Contributing to rural revitalization

Issues related to the G (governance) dimension

- Due diligence
- Stakeholder communication
- Anti-commercial bribery and anti-corruption
- Anti-unfair competition
- Information disclosure*
- Corporate governance*

* China Jushi's characteristic issues in addition to the 21 core issues outlined in the Guidelines

ALIGNING WITH THE UNITED NATIONS SDGS

The Company is deeply committed to the United Nations Sustainable Development Goals (SDGs). In 2025, we identified China Jushi's contributions to the SDGs and aligned them with material ESG issues.

Information Disclosure Sections	SDGs	Material ESG Issues
THE CORNERSTONE OF GOVERNANCE Laying the Foundation for Efficient Operations		·Anti-commercial bribery and anti-corruption ·Anti-unfair competition ·Integrity building ·Information disclosure ·Corporate governance
WINGS OF INNOVATION Technology Empowering High-Quality Development		·**Innovation as the driving force*** ·Technology ethics
THE LIFELINE OF LOW-CARBON DEVELOPMENT Safeguarding the Foundation of Lucid Waters and Lush Mountains		·Pollutant discharge ·Circular economy ·Utilization of water resources ·Utilization of energy ·Environmental compliance management ·**Tackling climate change*** ·Ecosystem and biodiversity protection ·**Green products***
A FOREST OF TALENT Nurturing a Fertile Ground for Shared Growth		·**Employees***
A REALM OF HARMONY Uniting the Power to Do Good		·**Supply chain security*** ·Equal treatment of SMEs ·**Safety and quality of products and services*** ·Data security and customer privacy protection ·Social contributions ·Rural revitalization ·Due diligence ·Stakeholder communication

Note: Items in bold are ESG issues identified as financially material for this year; those marked with an asterisk (*) are ESG issues with dual materiality.

IMPROVING THE EFFECTIVENESS OF CORPORATE GOVERNANCE

The Company strictly adheres to the relevant provisions of laws and regulations such as the Company Law of the People's Republic of China and the Securities Law of the People's Republic of China, as well as the relevant provisions of the Articles of Association. It optimizes its institutional framework, improves its corporate governance structure, strengthens the leadership of the Party, deepens the momentum of reform, and comprehensively enhances governance effectiveness.

STANDARDIZED FRAMEWORK AND DILIGENT PERFORMANCE OF DUTIES

Completing the Reform of the Board of Supervisors

The Company has closely followed the full implementation of the Company Law of the People's Republic of China and the revision of its supporting regulations, efficiently completing the reform of the board of supervisors for listed companies and enterprises at all levels. The Company dissolved the Board of Supervisors and smoothly transferred its responsibilities to the Board of Directors' Audit Committee and the internal audit department.

Strengthening Market Value Management and Equity Management

The Company's largest shareholder, China National Building Material Company Limited, and its second-largest shareholder, Zhenshi Holding Group, have implemented two shareholding increase plans

First Shareholding Increase Plan

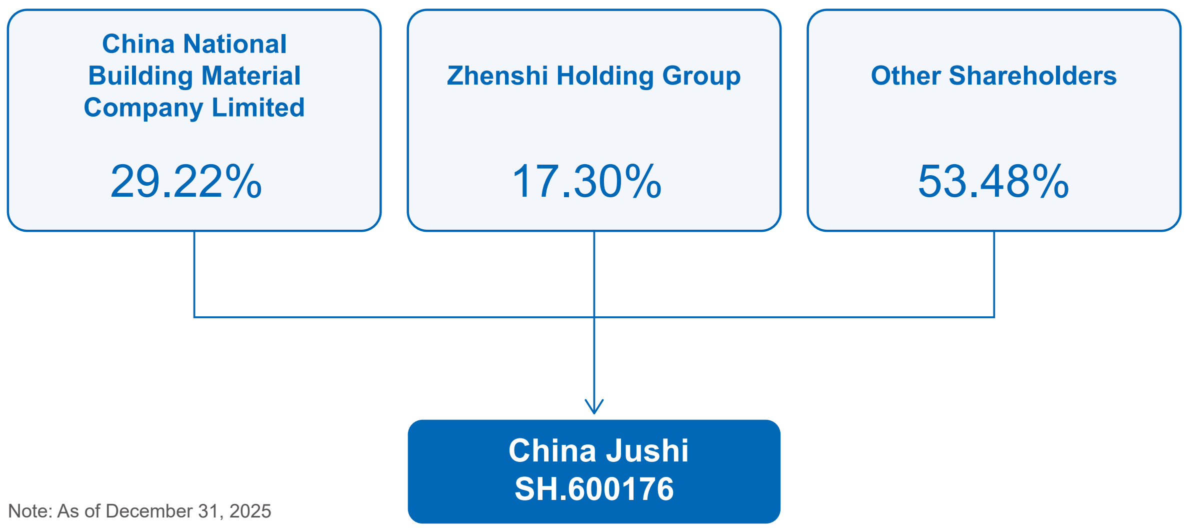
China National Building Material Company Limited has cumulatively purchased 89,913,017 additional shares, representing 2.25% of the Company's total issued share capital, for a total purchase price of RMB 999,996,000; Zhenshi Holding Group has cumulatively purchased 51,601,132 additional shares, representing 1.2890% of the Company's total issued share capital, for a total purchase price of RMB 600,059,600.

Second Shareholding Increase Plan

China National Building Material Company Limited plans to increase its shareholding over a 12-month period beginning November 29, 2025, with a total investment of no less than RMB 125 million and no more than RMB 250 million; Zhenshi Holding Group plans to increase its shareholding over a 12-month period beginning November 29, 2025, with a total investment of no less than RMB 550 million and no more than RMB 1.1 billion. As of March 3, 2026, Zhenshi Holding Group has completed this share purchase, acquiring a total of 51,272,813 shares for a total amount of RMB 1,099,989,500. The shareholding increase of China National Building Material Company Limited is still in progress.

Note: The Company does not have any "golden shares."

China Jushi's Shareholding Structure



Note: As of December 31, 2025

First Interim Dividend Payment

In 2025, the Company distributed its first interim dividend and planned to pay a cash dividend of RMB 0.36 per share to all shareholders for the full year, totaling RMB 1.435 billion. This amount represented 43.66% of the net profit attributable to shareholders of the listed company, setting a new record for the dividend payout ratio and allowing shareholders to share in the Company's growth.

Share Buybacks at an Appropriate Time

Based on its firm confidence in the Company's future prospects and recognition of its intrinsic value, and in order to effectively safeguard the interests of investors and enhance returns on capital, the Company reviewed and approved the Proposal on the Plan of Repurchase of Shares of the Company through Centralized Price Bidding in 2025. The Company agreed to repurchase its shares through centralized auction trading using its own funds and self-raised funds within 12 months from the date the Shareholder Meeting approved the repurchase plan. The shares repurchased in this transaction will be used for the Company's equity incentive plan.

As of November 24, 2025

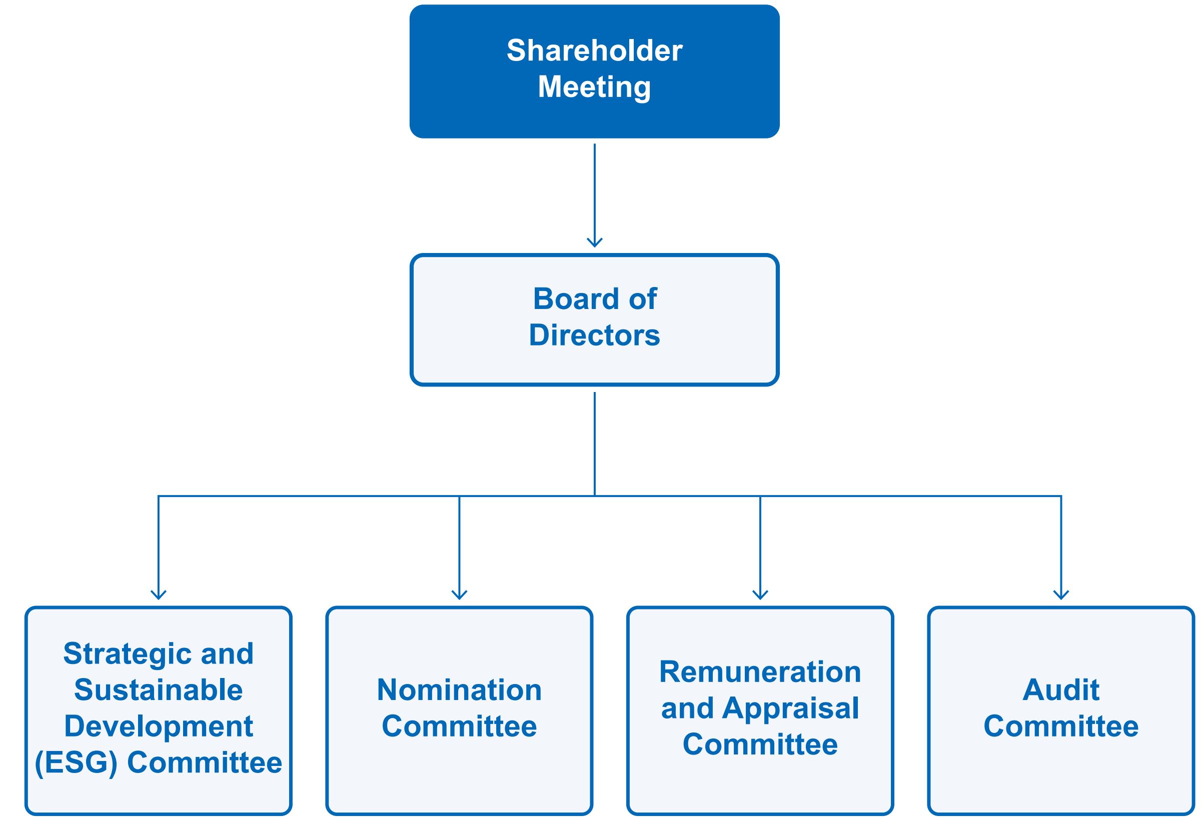
The Company had repurchased a total of 34,528,223 shares through the Shanghai Stock Exchange system via centralized price bidding. The repurchased shares represented 0.86% of the Company's total issued share capital.

Development of Medium- and Long-Term Incentive Plans

To further establish and improve the Company's long-term incentive mechanisms, attract and retain professional management talent and key personnel, fully mobilize their initiative and creativity, create an incentive structure that fosters mutual growth between employees and the Company, and enhance the cohesion and competitiveness of the core team, the Company has formulated the 2025 Restricted Stock Incentive Plan (Draft). The total number of restricted shares to be granted under the incentive plan shall not exceed 34,528,200 shares. The initial grant recipients include the Company's directors, senior management, R&D personnel, and key staff members, with a total of no more than 618 individuals, representing approximately 4.59% of the Company's total workforce as of the end of 2024. The proposed equity incentive plan is currently pending approval by the SASAC of the State Council.

Continuous Optimization of the Board of Directors' Structure

We have established a governance framework encompassing the Shareholder Meeting, the Board of Directors along-side its specialized committee, the Board of Supervisors, and high-level executives. We aim to ensure the orderly conduct of the Shareholder Meeting, the Board of Directors, and the Board of Supervisors, while precisely defining the boundaries between their respective powers and responsibilities.



BOARD OF DIRECTORS

Serving as the executive body of the Shareholder Meeting, the Board of Directors operates with considerable autonomy on behalf of the Shareholder Meeting. As of December 31, 2025, the Company's Board of Directors consisted of nine directors, including two executive directors, four non-executive directors, and three independent directors, who accounted for one-third of the total membership; there was one female director, representing 11.11% of the total membership. Directors are elected or removed by the Shareholder Meeting, and the positions of Chairperson and General Manager are held by separate individuals.

Name	Gender	Director Type	Audit Committee	Nomination Committee	Remuneration and Appraisal Committee	Strategic and Sustainable Development Committee	Experience
Liu Yan	Male	Chairperson, Non-Executive Director		√	√	√	
Zhang Yuqiang	Male	Vice Chairperson, Non-Executive Director		√		√	
Yang Guoming	Male	General Manager, Executive Director				√	
Shao Xiaoyang*1	Male	Executive Director				√	Experience in ESG management
Zhang Jiankan	Male	Non-Executive Director					
Shang Deying	Male	Non-Executive Director	√				
Wu Yajun	Male	Independent Non-Executive Director	√	√	√	√	
Zou Huiping*2	Male	Independent Non-Executive Director	√	√	√	√	Experience in accounting, financial management, and risk management
Liu Jiangning	Female	Independent Non-Executive Director		√	√	√	

Note: * 1 Director Shao Xiaoyang holds a master's degree and a doctorate. He previously served as Director of the Corporate Management Department at China National Materials Group Corporation Ltd., and as General Manager of the Safety and Emergency Response Department and the Corporate Management Department at CNBM, and has professional experience in ESG.
* 2 Director Zou Huiping formerly served as Deputy Director of the Finance and Assets Department and Director of the Audit Bureau at China Petrochemical Corporation (Sinopec Group); Director of the Audit Department and Supervisor at China Petroleum & Chemical Corporation; Supervisor at Sinopec Oilfield Service Corporation; Chairman of the Board of Supervisors at Sinopec Century Bright Capital Investment Limited; Chief Representative of the Sinopec Group Hong Kong Representative Office, and Regional Secretary of the CPC Committee and the Discipline Inspection Commission. He has experience in accounting, financial management, and risk management.

Shareholder Meetings, and meetings of the Board of Directors and Board of Supervisors held in 2025

Held six Shareholder Meetings

Reviewed, deliberated on, examined, or heard 31 proposals and reports

Held 18 meetings of the Board of Directors' special committees

Held 15 meetings of the Board of Directors, with an average attendance rate of 100%

Reviewed, deliberated on, examined, or heard 79 proposals and reports

In 2025, the Company systematically reviewed and completed a comprehensive revision and update of its Articles of Association and more than 20 supporting core policies, ensuring that its overarching governance framework aligns with the latest regulatory requirements.

Holding General Meetings for Managerial Personnel

SENIOR MANAGEMENT

The Company's Senior Management includes the General Manager, Deputy General Managers, Chief Financial Officer, and Secretary of the Board of Directors. The Company has one General Manager, who is appointed or dismissed by the Board of Directors; depending on actual needs, the Company may appoint a number of Deputy General Managers. The General Manager, Chief Financial Officer, and Secretary of the Board of Directors are nominated by the Chairperson and appointed or dismissed by the Board of Directors; other senior executives are nominated by the General Manager and appointed or dismissed by the Board of Directors. Directors of the Company may be appointed to serve concurrently as senior management, provided that no more than half of the total number of directors serve in such a capacity.

Investor Rights Protection

Establishing Systems and Expanding Channels

The Company has formulated and refined the Investor Relations Management System of China Jushi Co., Ltd. and is actively building an open, transparent, efficient, and convenient platform for investor relations communication. It offers diverse investor communication channels: performance briefings, collaborative research visits, strategy meetings, roadshows, as well as communication via phone calls, emails, E-interaction platforms, and WeChat groups for investors.

It has participated in more than 30 institutional strategy meetings, hosted over 2,000 investor visits, and answered more than 80 questions regarding business operations and development via the SSE e-interaction platform.

Clear Division of Work and Coordinated Communication

The Secretary of the Board of Directors, the Securities Affairs Representative, and the Securities Affairs Department are responsible for managing investor relations, organizing and coordinating communication with investors, and ensuring that investors have a voice in the Company's decision-making process.

The Company has established a dedicated department to collect, organize, and analyze investor relations-related information, and form a cross-departmental collaboration mechanism between the Securities Affairs Department and the finance, legal, R&D, investment, sales and other departments to provide reference and decision-making basis for the Company's Senior Management.

Regular Communication and Enhanced Disclosure

The Company has established the Information Disclosure Management System and the Accountability System for Material Errors in Annual Report Disclosures. It regularly publishes quarterly earnings reports and annual reports.

It has conducted four high-quality performance briefings, thereby offering investors more opportunities to gain a profound understanding of its operational situation and developmental strategies.

Proactive Feedback and Prompt Responses

We have established a swift and efficient feedback system to promptly address investor inquiries and suggestions related to our products, strategies, and management. This mechanism is carried out in such a way that Management members, including the president, respond to the aforementioned inquiries and suggestions, ensuring that the investors' rights and interests are thoroughly safeguarded.

Deepening Reforms and Stimulating Vitality

We have further advanced differentiated management of mixed-ownership enterprises and ensured that major tasks are completed to the required standards and within the required timeframe. In line with CNBM's plan, the Company promptly revised and implemented its Implementation Plan for Deepening and Upgrading the Reform (2023-2025) and related ledgers, fully completed all assigned tasks, achieved substantial results in improving the modern enterprise system with Chinese characteristics and optimizing market-oriented management mechanisms, and received an "Excellent" rating in the differentiated management and evaluation of mixed-ownership enterprises.

Holding a performance briefing

STRENGTHENING RISK PREVENTION AND CONTROL MEASURES

China Jushi is continuously refining its multi-tiered risk management system, prioritizing the development of a risk management culture, and striving to establish a comprehensive risk prevention and control mechanism that involves all employees and covers every stage of the process, thereby steadily enhancing its ability to prevent and mitigate risks.

COMPLIANCE MANAGEMENT AND LAW-BASED GOVERNANCE

Improving the governance system based on law and compliance

The Company established a Compliance, Internal Control and Risk Management Committee. In accordance with the Measures for Compliance Management of Central SOEs and the requirements of the ISO 37301 Compliance Management System, the Company revised and improved the Compliance Management System, established a compliance policy, and further refined the responsibilities of the Board of Directors, the Management, the Chief Compliance Officer, the Compliance Management Department, and business departments. The Company has appointed a General Counsel and Chief Compliance Officer. Through coordination led by the Legal and Compliance Department, in conjunction with regular oversight by the business and functional departments, as well as the prevention and control, audit, and disciplinary inspection departments, the Company has established a three-line-of-defense compliance management model.

Passing the ISO 37301 Compliance Management System certification

During the reporting period, China Jushi Co., Ltd. and Jushi Group Co., Ltd. obtained ISO 37301 Compliance Management System certification, covering numerous key areas within the scope of their business operations, including corporate governance, product liability, environmental protection, occupational health and safety, intellectual property, anti-bribery and anti-corruption, antitrust, unfair competition, labor and employment, finance and taxation, export controls, and economic sanctions.

Establishing a Mechanism for Collecting compliance information

Legal and regulatory information is published monthly in the Legal Bulletin. Each functional department regularly collects updates on laws and regulations within its area of responsibility on a quarterly basis. All units have established systems for the regular collection of compliance information and the reporting of compliance risks, and regularly compile the List of Compliance Risks. Any potential or actual compliance risk incidents are promptly reported to the Management.

Strengthening Self-assessments and Evaluations in the Area of Compliance

We conduct self-assessments of key contracts, major decisions, and the rate of legal reviews of rules and regulations; conduct self-inspections of contract management practices; conduct self-inspections of the implementation of policies and compliance control processes in relevant areas; review opportunities to optimize control mechanisms; and revise relevant policies.

STRENGTHENING CONTROL AND COMPREHENSIVE OVERSIGHT

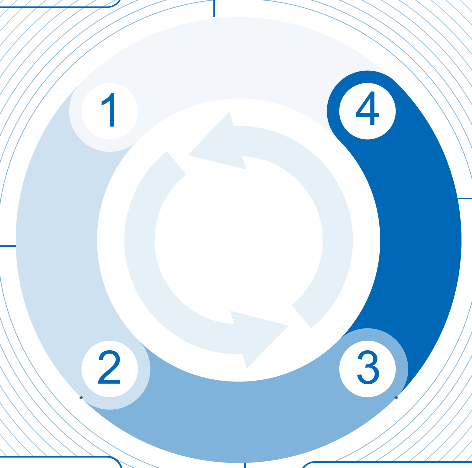
The Company has developed an Internal Control Manual that comprehensively covers all levels and activities of the organization, using a risk control matrix and business process diagrams to clearly define internal control management requirements for each business module. By establishing an internal control system, we provide reasonable assurance that the Company's operations and management are conducted in a lawful and compliant manner, that its assets are secure, and that its financial reports and related information are accurate and complete.

Internal Control Supervision and Evaluations and Self-assessments

The responsible department evaluates internal control procedures and their implementation for any deficiencies through monitoring and self-assessments, ensuring that the Company complies with policies, procedures, and regulatory requirements. In 2025, seven internal control supervision and evaluations and one full-level internal control self-assessment were conducted, identifying 118 internal control deficiencies. We have achieved full coverage of internal control supervision and evaluations for three consecutive years and full coverage of annual internal control self-assessments.

Review and Management of Internal Control Procedures

Internal control procedures are established in the form of management policies. A policy review plan is developed annually, and reviews are conducted every three years to ensure that internal control procedures are adequate and appropriate.



Rectification of Internal Control Deficiencies and Re-evaluations

The responsible units shall develop and implement corrective action plans for any internal control deficiencies that are identified and confirmed; the lead department shall conduct a re-evaluation of the corrective actions taken for the previous year's internal control deficiencies to ensure that they have been fully addressed; and a reassessment of external regulations or internal control conditions shall be conducted to evaluate the effectiveness of risk responses and the reasonableness of their design.

Internal Control Evaluations and Reporting

The department primarily responsible for internal control evaluations shall organize regular supervision and evaluations in accordance with the annual plan, assess the design and implementation of internal control procedures, summarize any deficiencies in these procedures, draw relevant conclusions, and report to Company's Management; a full-level internal control self-assessment shall be conducted annually, and a self-assessment report shall be prepared. Both the supervision and evaluation report and the internal control self-assessment report are submitted to the Company's Board of Directors and Audit Committee.

RISK MANAGEMENT & CONSOLIDATION OF THE LINES OF DEFENSE

The Company has developed the Implementation Rules for Risk Management, which define risk management policies, procedures, and functions. A Compliance, Internal Control and Risk Management Committee has been formed, with the Chairperson serving as its Director. The Committee is responsible for making decisions on major risk management matters. The Audit Department serves as the Company's risk management department, while each functional department is responsible for managing risks within its respective scope of responsibility.

A Closed-loop Risk Management System Based on Three Lines of Defense

The First Line of Defense	The Second Line of Defense	The Third Line of Defense
Daily risk management by business and functional departments	Risk monitoring by specialized departments such as those related to legal affairs and compliance	Closed-loop risk management mechanism: Discipline inspection, audit, and other departments implement risk supervision

Closed-loop Risk Management Mechanism

The Company has updated its Comprehensive Risk Management Record to incorporate ESG issues—including environmental protection, product safety and quality, health and safety, IT planning, and employee rights—into its comprehensive risk management framework, thereby achieving a closed-loop risk management system.

Identification and Collection

All branch factories, departments and subsidiaries continuously gather internal and external information in line with the Company's strategic and operational objectives, as well as its risk management requirements. The risk management department conducts interviews with the heads of various factories, departments and subsidiaries to establish a database of information based on the year's risk incidents and external risk cases.

In 2025, the Company compiled a list of 26 compliance risks and developed operational and business partner compliance risk identification tools, including the Internal and External Environmental Factors Identification Form and the Stakeholder Needs and Expectations Identification and Analysis Form.

Monitoring and Evaluation

We have established a risk monitoring indicator system, conducting quarterly monitoring of these indicators, analyzing any anomalies, and implementing quarterly monitoring for major risks to verify the effectiveness of the risk management plans that have been implemented. With regard to other risks listed in the Comprehensive Risk Management Record, each functional department is responsible for self-inspection and oversight of the implementation of risk response measures. The risk management department is responsible for conducting regular inspections of the implementation of risk control measures, and will issue notifications and conduct performance evaluations for units that fail to implement measures effectively and for functional departments that neglect their supervisory duties.

Summary and Archiving

Each department and subsidiary within the Company shall, in accordance with the Implementation Rules for Risk Management, complete the collection, identification, assessment, and response to risks on an annual basis. Following a unified review organized by the risk management department, this information shall be incorporated into the comprehensive risk management record.

Reflection and Improvement

Each year, the risk management department takes the lead, with the cooperation of all units, in conducting a self-assessment of the effectiveness of the risk management plan through the preparation of an annual risk management report. The risk management department organizes a unified review to evaluate risk mitigation measures. It also updates the relevant risk entries in the risk register—including their content, risk registration, and risk response measures—by referencing the risk incidents that occurred that year and case studies of external risks.

Audit and Evaluation

Based on the need to assess the current state of risk management, the Audit Department develops an annual audit plan each year to evaluate the effectiveness of risk management systems in key areas and for key individuals, and to propose recommendations for improvements where deficiencies in the systems or their implementation are identified. It conducts in-depth audits focused on key areas and critical positions, and ensures that all overseas subsidiaries are audited on a three-year rotation basis.

Identification of Emerging Risks

In 2025, the Company identified emerging risks, including anti-dumping and countervailing duty risks, risks related to external economic sanctions, and export control risks, and added them to its list of risks requiring attention. In particular, after the compliance department assessed the risks associated with export controls and determined that they would have a significant impact on the Company's core business, the Company took proactive measures—such as refining performance testing mechanisms and engaging in communication with industry associations and regulatory authorities—and successfully addressed the potential risks.

Mechanism for Deepening Risk Awareness

The Company has established specialized training programs in risk management, compliance, and internal controls, as well as a rotation system for employees to take on primary responsibilities. It has developed an annual training plan and organized training sessions on topics such as risk management, the 8th Five-Year Plan for Legal Popularization, work safety, and safety incidents to enhance awareness of risk identification and prevention. Each year, it engages an external law firm to conduct two specialized compliance and risk training sessions for the Governance, covering all members of the Board of Directors. In addition, each business department organizes risk management training for the management team tailored to risks in their specific areas.

Establishing a reporting and grievance email address

In 2025

the Company conducted a total of 123 training sessions on risk management and compliance, with participants including directors, senior executives, and employees.

Risk-Incentive Performance Evaluation Mechanism

The Company has established different risk management performance evaluation and incentive metrics for each department, linking risk management performance to employee compensation and performance reviews. Employees who fail in their risk management duties within their scope of responsibility and cause losses to the Company will face performance deductions; those who respond effectively to external risk incidents will receive appropriate rewards. In addition, it has established common assessment criteria for compliance risks to evaluate the implementation of compliance efforts and the response to compliance risks.

Risk management department	Safety & Environmental Equipment Department, branch factories, production subsidiaries	Quality & Process Department, branch factories, manufacturing subsidiaries, product R&D centers
Status of Risk Management Implementation: Completion rate of major risk control measures	Energy Consumption and Environmental Pollution Risk Management: Energy consumption per ton of glass fiber, wastewater discharge, carbon emissions	Product Quality Risk Management: Complaint rate per 1,000 tons of glass fiber

STRENGTHENING THE DEVELOPMENT OF BUSINESS ETHICS

The Company complies with relevant domestic and international anti-corruption policies and regulations, refines its integrity management mechanisms—including institutional controls, risk prevention, investigation and handling, and continuous improvement—and implements a range of measures to foster a culture of integrity. It is resolutely advancing compliance initiatives such as anti-corruption and anti-bribery efforts, and is committed to building a "corruption-free Jushi."

ADVANCING ANTI-CORRUPTION EFFORTS

The Company complies with laws and regulations such as the Criminal Law of the People's Republic of China, as well as international anti-bribery and anti-corruption regulations—including the United Nations Convention against Corruption and the U.S. Foreign Corrupt Practices Act—and the relevant laws and regulations of the countries and regions where it operates. It has publicly released the China Jushi Code of Business Conduct and Ethics and incorporated compliance with business ethics into the Domestic Distributor Management System, among other measures. It has further refined the Implementation Measures for Business Hospitality Management, strengthened conflict-of-interest management, and strictly regulated the business and entrepreneurial activities of executives' spouses, children, and their spouses. It has eliminated any instances of executives using their authority or influence to provide conveniences for the business operations of relatives or other related parties or to seek personal gain, and it is advancing the construction of integrity systems across all business processes in an integrated manner.

Conducting Integrity-building Efforts in a Tiered and Categorized Manner

- For leading officials, we have established integrity files and requires them to be updated regularly. During the reporting period, the Company had more than 600 newly promoted and newly appointed officials sign the Integrity Pledge for Leading Cadres. All mid-level officials were required to submit a personal statement on their professional integrity, detailing their conduct during the current term and making a commitment to maintaining integrity in their future work.
- For regular employees, we conduct regular integrity reminders and awareness campaigns to establish a comprehensive integrity training system that covers all staff members.
- For external partners, we require suppliers seeking inclusion in our qualified supplier database to sign a Business Ethics Agreement. We also distribute the Integrity Initiative for Close and Clean Cooperation to partners, clearly outlining the boundaries of business interactions and China Jushi's zero-tolerance stance toward corruption. Additionally, we conduct audits, oversight, and evaluations of suppliers.

STRENGTHENING INTEGRITY OVERSIGHT

Integrity Reporting Mechanism

The Company has established public channels for reporting concerns and receives tips regarding commercial fraud and corruption through internal and external reports, as well as through oversight and inspections. It provides round-the-clock, independent reporting channels, establishing a reporting network that includes email, telephone, and the "Integrity Window" information platform. It publicizes these channels to employees and third parties through platforms such as the Company's WeChat official account and website, and promotes them through training sessions at all levels. It allows anonymous reporting and requires strict confidentiality regarding the whistleblower's information. It designates dedicated personnel to contact whistleblowers, ensuring that only case handlers have access to their information, and explicitly prohibits any retaliatory actions against whistleblowers.

Establishing a reporting and grievance email address

In 2025, the Company had no lawsuits related to embezzlement.

Integrity Oversight Mechanism

The Company conducts regular inspections covering anti-corruption matters, organizing multiple departments—including discipline inspection, audit, human resources, and administration—to carry out these inspections. It addresses integrity issues, strengthens supervision and management, ensures that all subsidiaries are inspected at least once every five years, and conducts special inspections of subsidiaries that have not been inspected during the current year.

In accordance with the Measures for the Administration of Economic Responsibility Audits, the Company conducted audits of its principal executives regarding “the implementation of responsibilities related to Party conduct and clean governance in economic activities and compliance with regulations on integrity in professional conduct,” in line with cadre management authority and ownership relationships. Six economic responsibility audits were completed throughout the year, with plans to achieve full coverage of all subsidiaries once every three years.

By reviewing regulatory records and examining reimbursement documents, **we conducted in-depth supervisory inspections of eight companies throughout the year, achieving full coverage of all eight subsidiaries.**

Promoting the Integrity Culture

The Company held a warning education conference, developed the "Integrity Drive" discipline and law course focusing on business ethics and anti-corruption risks, and widely promoted discipline and law awareness; it made full use of external discipline and law documentaries and organized employees to watch them; paying close attention to holidays such as the Spring Festival and National Day, the Company issued "Integrity During Holidays" notices before the holidays, achieving 100% coverage. The monthly integrity newsletter Corruption-free Jushi is published to feature the latest disciplinary and legal requirements, cautionary case studies, and updates on the Company’s disciplinary and legal outreach efforts; targeted educational sessions are conducted for key positions with concentrated authority and key personnel to foster a work environment characterized by integrity and fairness; and tools such as the Business Ethics Compliance Notice and the Integrity and Self-Discipline Pledge are dynamically utilized to ensure comprehensive integrity education and communication for all employees and contractors.

Organizing the China Jushi Integrity Culture Works Exhibition

Hosted and organized 13 training sessions on anti-commercial bribery and anti-corruption in 2025
All senior executives, 122 in total, (at all levels) participated in anti-commercial bribery and anti-corruption training
All employees, 22,423 in total, (all sub-levels) participated in anti-commercial bribery and anti-corruption training

No reports of corruption were received in 2025，There were no concluded embezzlement lawsuits filed against the Company or its employees
In 2025, there were no cases of employees violating the Code of Conduct (including embezzlement or bribery, discrimination or harassment, misuse of customer privacy data, conflicts of interest, money laundering, or insider trading)

PREVENTING UNFAIR COMPETITION

The Company strictly adheres to laws and regulations such as the Anti Unfair Competition Law of the People's Republic of China. It has formulated and implemented the China Jushi Code of Business Conduct and Ethics, and has established a compliance risk identification checklist and supporting departmental compliance manuals for areas such as antitrust and anti-unfair competition. The checklist is used to accurately identify risks, while the manuals clarify control responsibilities. The Company has implemented these measures through internal audits, management reviews, and external audits, establishing a closed-loop management mechanism that spans risk identification, behavioral controls, and continuous improvement.

The Legal and Compliance Department is specifically responsible for receiving reports of compliance issues, including acts of unfair competition. Moreover, the Company strengthens compliance management in areas such as bidding and tendering by enacting, revising, and strictly enforcing procurement control procedures and other policies. The Audit Department is responsible for overseeing implementation and handling any identified violations, such as bid-rigging, in accordance with regulations.

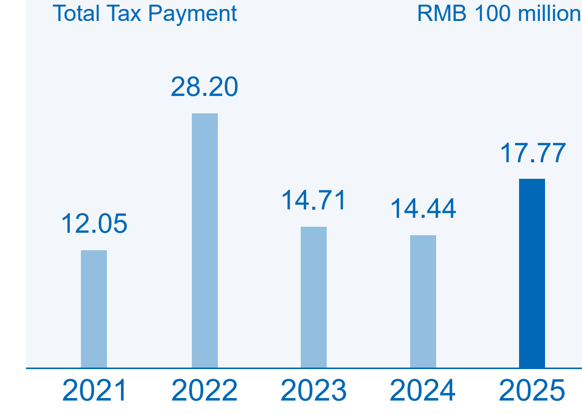
Holding a Business Ethics Compliance Briefing for Distributors

In 2025, the Company did not face any litigation or significant administrative penalties resulting from unfair competition

FULFILLING TAX OBLIGATIONS AND TAKING THE LEAD IN GREEN FINANCE

The Company adheres to the principles of "honest business practices and lawful tax payment," fostering a harmonious relationship between the tax authorities and taxpayers, and setting an exemplary path toward mutual benefit for both the tax authorities and the enterprise. The Company’s tax risk management system has been gradually refined, its oversight and improvement mechanisms have become increasingly mature, tax informatization efforts have progressed steadily, and tax management has improved significantly. As a pioneer in green finance, it successfully issued Zhejiang Province's first “sustainability-linked + technology innovation” bond.

Total Tax Payment in 2025: RMB 1.777 Billion



Total Tax Payment during the 14th Five-Year Plan Period

02

WINGS OF INNOVATION

Technology Empowering High-Quality Development

Guided by our mission to "contribute to high-quality development through material innovation," we closely follow industry trends, target the cutting edge of high-end and eco-friendly markets, and boldly position ourselves as a source of original technologies. We are committed to leveraging technology to empower high-quality development, foster new drivers of growth, and build new quality productive forces.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

DEVELOPMENT OF THE GOVERNANCE FRAMEWORK

The Company adheres to the philosophy that “innovation drives development” and firmly upholds the development approach that “promoting innovation means promoting development, and planning for innovation means planning for the future.” To strengthen top-level design and coordinated planning, improve management efficiency, enhance internal communication, and implement the five “commitments,” the Company merged the former Technology Innovation Committee and Management Innovation Committee to form the Innovation Management Committee. This committee is responsible for analyzing industry trends and formulating medium- to long-term innovation and management strategies, including breakthroughs in key core technologies, the development of major new products, significant management innovations, R&D in intelligent manufacturing and green low-carbon technologies, integrated innovation in production line design and the development of key equipment, as well as tackling major challenges and planning open competition projects. It is also responsible for the overall leadership and advancement of the Company’s management innovation capability and management standards. In 2025, the Innovation Management Committee announced 168 research projects.

In terms of R&D department structure, the Company has established a Science and Technology Development Center focused on innovation and technology management. Additionally, independent R&D departments have been set up for the Glass Research Center, Product R&D Center, Chemical R&D Center, and Electronic Glass Fiber Center, each responsible for the commercialization and implementation of innovative achievements.

STRATEGY-DRIVEN DEVELOPMENT

The Company has established advanced innovation mechanisms and platforms, continuously strengthened its research and development teams, achieved breakthroughs in proprietary technologies, and enhanced intellectual property protection. Through independent innovation, industry-academia-research collaboration, and supply chain synergy, the Company has overcome key challenges in the field of materials for emerging industries, leading the glass fiber industry toward high-end, intelligent, green, and integrated development.

ESTABLISHING TECHNOLOGICAL INNOVATION PLATFORMS

Highlighting its role as a State-certified Enterprise Technology Center, the Company has established five key pillars: an efficient organizational system, a strategic planning system, a support system, an open research system, and a knowledge-sharing system. These pillars form the foundation for 15 operational mechanisms, including project management, project execution, and performance evaluation and reward systems. The Company is committed to independent innovation and encourages innovation among all employees. It organizes original R&D through approaches such as open competitions and task assignments to enhance the Company’s core competitiveness. We allocate at least 3% of our operating revenue annually for R&D activities, encompassing scientific R&D and managerial innovation.

Thanks to its outstanding technological innovation capability and carefully strategically positioned high-quality patents, Jushi Group has risen to the 48th place on the list of the Top 500 High-Tech Enterprises by Innovation Capability and the 79th on the list of the Top 100 Most Innovative Enterprises in the province.

◎The Company operates 17 innovation platforms at the provincial level or above

◎5 at the national level
◎11 at the provincial level
◎1 overseas R&D institution
◎1 key industry laboratory

◎1 at the Jiaxing municipal level
◎1 product evaluation laboratory
◎4 high-tech enterprises
◎1 State-certified Enterprise Technology Center

BUILDING A TECHNOLOGICAL TALENT TEAM

The Company adheres to the principle that talent is its primary competitive advantage and has established key innovation groups, including research-oriented professionals, application-oriented professionals, technical managers, Jushi talent, and Jushi craftsmen, to drive innovation across the entire workforce. The Company has established a national-level corporate postdoctoral research station and developed a team of "in-house trainers." It has also formed partnerships with local technical colleges to conduct training, assessment, and talent placement programs, and has signed industry-academia-research cooperation agreements with Heilongjiang University, Hangzhou Dianzi University, Nanjing University of Posts and Telecommunications, China Building Materials Academy Co., Ltd., Nanjing Fiberglass Research & Design Institute Co., Ltd., and Shaoxing Vocational & Technical College.

The Company currently employs over 300 technical professionals engaged in the R&D of glass fiber products, research on glass-making raw materials and formulations, and the development of glass fiber equipment. More than 1,380 employees are involved in R&D activities, including over 200 technical staff from eight fields such as engineering, economics, accounting, and technology. It has formed an innovative team with a comprehensive range of disciplines and complementary expertise. An innovation incentive system has been created, along with the implementation of the the Four-Hundred Initiative and the establishment of the Major Innovation Projects Management System, the General Innovation and Improvement Projects Management System, the Patent Management System, and the Academic Paper Management System, etc. Furthermore, we include innovation achievements into our performance review framework, correlating R&D prowess with remuneration, and give various rewards to employees who make contributions to patents, software, and other intellectual property outputs.

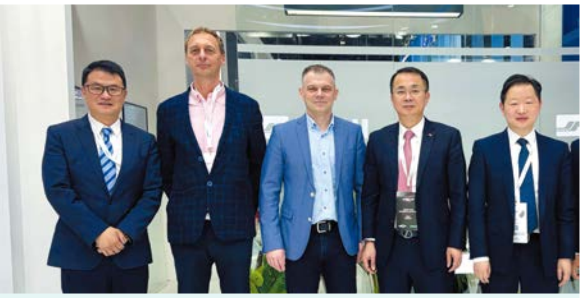
We have set up a dedicated budget of RMB 30 million for innovation incentives, granting rewards based on the assessment of innovation achievements. This provides our employees with an incentive system that is tied to the actual value they create.

Signed an enterprise-university-research institution cooperation agreement with Heilongjiang University

◎More than 300 technical professionals
◎More than 1,380 people participated in R&D activities
◎More than 200 technical staff members from eight fields, including engineering, economics, accounting, and technology

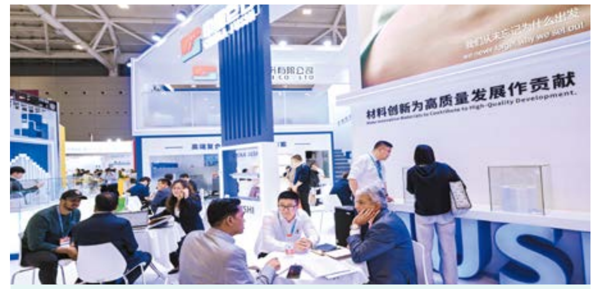
STRENGTHENING TECHNICAL EXCHANGES WITHIN THE INDUSTRY

The Company is actively engaged in technical exchanges and partnerships with customers and suppliers in the industry. Its collective vision with its partners is centered on propelling the sector of glass fiber composite materials to new heights. To achieve this, it reinforces the cooperation between enterprises, universities and research institutions for mutual growth.

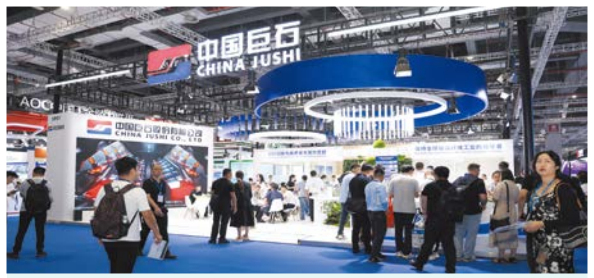


Mar 4–6, 2025: Participation in Paris Composites Show.

March 24-26, 2025: Attended the China International Wind Power Composites Summit Forum



April 15-18, 2025: Attended the CHINAPLAS International Plastics and Rubber Exhibition



September 16-18, 2025: Attended the 28th China Composites Expo

October 24, 2025: Hosted the Technical Lectures of China Jushi 31st Annual International Conference on Fiberglass

DIGITAL AND INTELLIGENT EMPOWERMENT FOR CHAIN-BASED DEVELOPMENT

The Company is fully committed to the concept of integrating the digital and physical worlds, leveraging artificial intelligence to drive high-quality development in the glass fiber industry. It actively promotes the deep integration of AI with its core business operations to support the industry's intelligent transformation and sustainable development. Focusing on three core areas—building an intelligent production system, establishing intelligent operational decision-making mechanisms, and fostering intelligent innovation capability—the Company has strategically planned and launched 16 specialized "AI + Glass Fiber" research projects. These initiatives are driving the iterative upgrading of production models, enhancing the quality and efficiency of operational decision-making, and achieving breakthroughs in R&D and design innovation. As a result, a number of practical, replicable, and propagable AI application scenarios have been successfully implemented, providing a practical benchmark for the intelligent development of the glass fiber industry. To lay a solid foundation for digital transformation and support the implementation of innovation and reform, the Company has established a dedicated Process and Data Department. This department has officially launched initiatives focused on process optimization and data governance, systematically streamlining business processes and standardizing data management practices. By continuously improving data quality and process efficiency, the department aims to provide a high-quality, reliable foundation for digital development and to enhance the accuracy and efficiency of ESG data management.

In addition, the Company places great emphasis on the pivotal role of talent in digital transformation and has launched a comprehensive initiative to build an AI talent matrix. By establishing an empowerment center at headquarters and scenario-based laboratories at various bases, the Company has created a dual-track development platform that combines theoretical training with practical application. Additionally, the Company has formed a core team of "intelligent manufacturing pioneers" to build a talent development system characterized by top-down coordination, efficient collaboration, and a well-defined career progression structure. Throughout the year, we successfully hosted the inaugural AI Innovation Month, as well as numerous AI skills training sessions and case study sharing sessions, attracting a cumulative total of nearly 800 participants. These initiatives effectively enhanced the digital literacy and AI application capabilities of our entire workforce, further solidifying the talent foundation for our digital and intelligent transformation, and providing sustained momentum for the Company's sustainable development.

Convened a Digital Intelligence Work Conference and Announced the "AI + Glass Fiber" Research Project

Launching AI Innovation Month

In the field of intelligent manufacturing, the Company uses its "pioneer factory" for yarn production as a core benchmark. By systematically replicating and promoting core intelligent manufacturing technologies and management strengths, the Company continuously enhances its overall intelligent manufacturing capabilities across the organization. This drives the development of "future factories," fostering synergistic progress between the roving and yarn production lines, while the establishment of "lighthouse factories" is proceeding in an orderly and steady manner. Following the designation of the Tongxiang and Jiujiang bases as "Excellent Intelligent Factories" in 2024, Jushi Chengdu successfully earned the national "Excellent Intelligent Factory" title in 2025, marking another significant breakthrough in intelligent factory development. Besides, Branch Factory No. 5's "5G Fully Connected Factory" was officially recognized as a national-level 5G factory, further expanding the scope of intelligent manufacturing applications. In addition, the Company has simultaneously launched initiatives to enhance both its lean and digital capabilities, focusing on the development of AI applications such as a three-tier early warning system for real-time management and root cause analysis of quality issues, to drive mutual empowerment and collaborative upgrades in both intelligent manufacturing capabilities and management efficiency.

The production bases in Tongxiang, Jiujiang, and Chengdu were successively certified as a National Excellent Intelligent Factory

National 5G Fully Connected Factory

In terms of process and data governance, the Company has continued to build on the achievements of its targeted initiatives. In 2025, a total of 31 recommendations for process optimization and data governance improvements were identified, 18 of which have already been implemented, effectively driving greater efficiency in business processes and more standardized data management.
In addition, the Company has fully established its global operational system, continuously optimizing the allocation of global resources and enhancing the efficiency of global operational coordination to support the steady advancement of its internationalization strategy. In addition, the Company is actively advancing the intelligent upgrade of administrative support functions by launching the development of an intelligent administrative support system. It is accelerating the implementation of human-machine collaboration in areas such as compliance review, risk identification, and daily administrative support, thereby effectively empowering employees to enhance their skills and improve work efficiency. In terms of building an industrial ecosystem, we will focus on promoting data sharing, value extraction, and collaborative upgrading within the ecosystem, and further refine the layout of the digital and intelligent industrial chain ecosystem.
In 2025, the Company continued to deepen interconnectivity and cooperation across the industrial chain, adding 12 new clients throughout the year to achieve data sharing and business integration with the Company, thereby continuously enhancing the level of interconnectivity. By the end of 2025, the Company's glass fiber industrial internet had successfully connected more than 370 upstream and downstream enterprises across the industry chain, covering the entire process from raw material supply and manufacturing to end-user applications. This has laid the groundwork for a digital ecosystem characterized by "collaboration, efficiency, symbiosis, and mutual benefit," establishing a solid foundation for the digital transformation of the glass fiber industry ecosystem and further strengthening the Company's leading role within the industry chain ecosystem.

RISK AND OPPORTUNITY MANAGEMENT

In the area of innovative development, the Company has identified risks related to low returns on R&D investment, intellectual property infringement, and technology ethics.

In 2025, the Company established a dedicated strategic innovation program as part of its innovation management system. This program focuses on major innovation projects that have a decisive impact on the Company's long-term development, the enhancement of its core competitiveness, or breakthroughs in the industry landscape. The Company actively plans and implements these projects to advance the research and development of disruptive technologies and achieve breakthroughs in key areas. To address the uncertainties associated with uncharted technologies, markets, or business models—as well as risks such as long R&D cycles, high failure rates, technical bottlenecks, and policy changes—the Company must invest significant capital, core talent, and cross-disciplinary resources to support the achievement of its long-term strategic goals.

During the innovation and R&D process, the Company focuses on managing and mitigating intellectual property risks. In accordance with the Analysis and Planning of Intellectual Property Layout for Core Glass Fiber Technologies (2023–2025), it has formulated a plan for filing core patents in key areas, prioritizing the quality of patent applications, which has led to a steady improvement in the quality of invention patent applications. By implementing an intellectual property strategy aligned with business and innovation strategies, the Company aims to enhance its global patent strength, establish a global patent advantage, and promote commercial success both domestically and internationally, while organizing global patent portfolios for relevant technologies; it also integrates intellectual property management into R&D projects to establish an innovation management-intellectual property management system within the Company. In 2025, the Company did not face any cases involving allegations of intellectual property infringement related to its products or services.

The Company places a strong emphasis on identifying and addressing risks related to technology ethics. In its research and technological applications, it strictly adheres to international standards and industry guidelines, actively establishing and implementing a responsible technology ethics management system. In particular, it strengthens oversight in areas such as algorithmic decision-making, data privacy, and use cases to ensure that AI applications are transparent, fair, and secure, thereby systematically mitigating ethical risks that may arise from the adoption of new technologies.

The Company is also actively seizing opportunities for innovation by establishing scientific and technological innovation platforms, creating industry exchange platforms, and building a team of technical talent. It is thoroughly identifying pain points in the glass fiber manufacturing sector and leveraging internal mechanisms such as Open Recruitment for Key R&D Tasks & Designation of Outstanding Talents as Project Leaders to drive the iteration of technologies and products. With a focus on exploring opportunities in clean technology, the Company is seeking greener, more efficient, and smarter growth drivers to support the sustainable development of both the Company and the industry.

TARGET PERFORMANCE OUTCOMES

The Company is delving deep into the frontiers of technological innovation. Focusing on breakthroughs in key core technologies and the goal of becoming a world-class enterprise, it has launched 100 major innovation projects and is accelerating the cultivation of new quality productive forces tailored to local conditions. The comprehensive R&D system is beginning to bear fruit, with joint innovation in new formulations, products, and processes advancing steadily. The number of granted patents has reached a new high, and the Company ranks first in the glass fiber industry in terms of the cumulative number of valid invention patents.

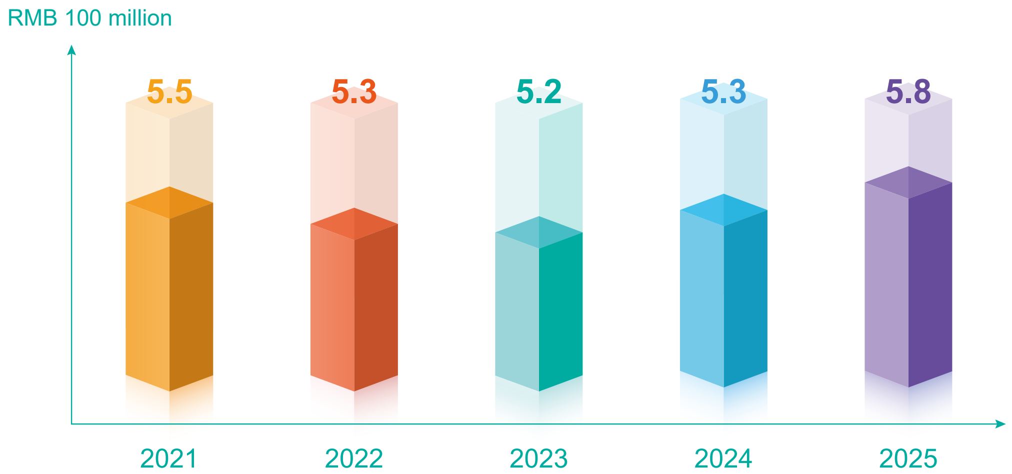
DEFINING THE OBJECTIVE AND DIRECTION

Addressing Customers' Sustainability Needs

- **We aim to widen the scope of applications, enhance product capabilities, and increase the added value of our offerings. Concentrating on the development of electronic yarn, wind power products, and reinforced thermoplastics, we are focused on R&D initiatives and refining our product assortment to boost the share of premium products in our portfolio.**
- **We conduct R&D with a focus on optimizing production processes, mechanizing operations, and automating equipment, with the goal of achieving intelligent production equipment and systematic digital and intelligent applications.**
- **We conduct technological research and development with resource conservation and environmental friendliness as our core objectives, steering the industrial ecosystem toward a greener future.**

Increasing Investment in R&D

In 2025, R&D spending reached RMB 580 million, an increase of RMB 50 million from the previous year, with greater investment directed toward specialty glass fiber and basic research projects.



R&D Expenditures During the 14th Five-Year Plan Period

PROMOTING THE DEVELOPMENT OF STANDARDS

Throughout the year, the Company participated in the formulation and revision of six national standards, five industry standards, and four group standards; it also contributed to the development of one international standard and the corporate standard Glass Fiber Chopped Strand. Determination of Glass Fiber Roving Fuzz was upgraded to a national standard and project approval has been granted.

- **6 national standards**
- **4 group standards**
- **5 industry standards**
- **1 international standard**

ACCELERATING THE COMMERCIALIZATION OF OUTCOMES

- We continue to advance the advancement, commercialization, publicity, and implementation of outstanding achievements to maximize their value.
- We strengthen industry research capabilities, keep pace with cutting-edge technological applications in the industry, promote the deep integration of industry, academia, research, and application, and support downstream customers in product development and testing.

In the reporting period, we achieved a 100% commercialization rate of innovative outcomes

Conducting an intellectual property management review

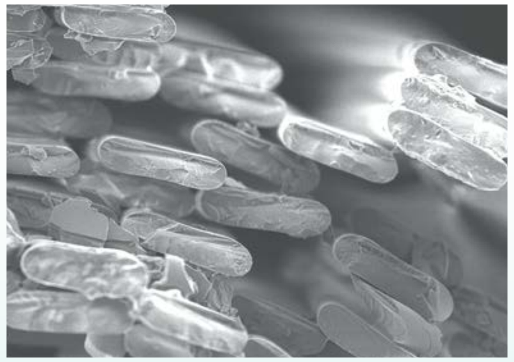
- Completed the identification and acceptance of 15 new products and technologies
- The China-Egypt Joint Laboratory for High Performance Fiberglass and Composites, a project aided by the Ministry of Science and Technology, passed its acceptance inspection
- CNBM's "open competitions for projects" on key core technology research and development, titled "Development of the Technology for Localizing Mineral Raw Materials for Overseas Glass Fiber Plants," passed its acceptance inspection
- Two Jiaxing Municipal Science and Technology Innovation Top Talent Projects passed its acceptance inspection

Project Name	Award
Glass fiber chopped strands for heat- and oxidation-resistant reinforced nylon	Zhejiang Provincial Excellent New Industrial Product
Glass fiber chopped strands for PP reinforcement in new energy vehicles	Excellent Products Made in Zhejiang Province
Warpage-resistant flat glass fibers for reinforced thermoplastics	First Batch of New Materials in Zhejiang Province
Development of an ultra-large glass fiber tank furnace with an annual output of 200,000 tons	CNBM First Prize of Technology Innovation Award
Glass direct roving for high-power offshore wind power applications	CNBM Second Prize for Scientific and Technological Progress
Localization of starch for G-series electronic-grade glass fiber sizing	CNBM Third Prize of Technology Innovation Award

The Company persistently drives the advancement, commercialization, publicity, and implementation of exceptional achievements to fully leverage their potential. Its focus is on enhancing the industry research competencies, following the latest technological application, and fostering a seamless integration of industry operations, academic insights, and research, along with real-world application. It also strives to support downstream customers through dedicated product R&D and testing services.

Case Study: Warpage-Resistant Flat Glass Fibers for Reinforced Thermoplastics Selected for the First Batch of New Materials in Zhejiang Province

In 2025, the warpage-resistant flat glass fibers for reinforced thermoplastics was selected for the First Batch of New Materials in Zhejiang Province. The flat glass fiber may appear to be an unremarkable thin strand, but it is actually a revolutionary "pioneer of unconventional shapes" that is widely used in products such as charging port housings for new energy vehicles, precision electronic connectors, and computer casings. To address the issues of foreign monopolies and high prices in the market, China Jushi formed a dedicated R&D team, which successfully developed the product after more than 700 days of research and development. After its launch, the product quickly won the favor and recognition of customers thanks to its stable and reliable performance.



03

THE LIFELINE OF LOW-CARBON DEVELOPMENT

Safeguarding the Foundation of Lucid Waters and Lush Mountains

We are building new quality productive forces through green development, continuously deepening our pursuit of green development, and establishing an integrated green intelligent manufacturing chain that encompasses procurement, production, sales, recycling, and logistics. We are committed to zero-carbon development, strengthening our carbon management system, and addressing the challenges of climate change through institutional innovation. By deeply integrating digitalization with green development, we have continuously enhanced our green development, thereby realizing its ecological "value," and built a modern glass fiber industrial system where humanity and nature coexist in harmony. In doing so, we have forged a path of high-quality development that is both vibrant with greenery and brimming with dynamic energy.

LAYING THE FOUNDATION FOR ENVIRONMENTAL MANAGEMENT

The Company is strengthening the overarching framework for environmental management, reinforcing its primary responsibility for ecological and environmental protection, enhancing supervision and inspection mechanisms, and ensuring compliance with environmental regulations. While focusing on its own operations, the Company is also committed to raising environmental awareness among internal and external stakeholders to comprehensively improve its ecological and environmental performance.

ESTABLISHING A MANAGEMENT ORGANIZATION STRUCTURE

The Company adheres to the principle of We adhere to the Four Non-Compromise Principles: we will never pursue development at the cost of environmental pollution, violation of laws and regulations, compromised occupational safety and health of employees, or resource waste and ecological damage. has established a standardized green environmental management system and a professional environmental protection team, and has set up a four-tier environmental management organization structure spanning from the Governance to the frontline sections.

There are a total of 134 full-time and part-time environmental protection officers.

The Four Non-Compromise Principles

- Never pursue development at the cost of environmental pollution
- Violation of laws and regulations
- Compromised occupational safety and employees' safety and health
- Health of employees, or resource waste and ecological damage.

The Company has incorporated environmental indicators—such as waste generation, pollutant discharge, and resource recycling—into the performance evaluation system for Top Management; it has directly linked key environmental indicators to Senior Management's performance reviews. This has strengthened the commitment to and sense of responsibility regarding environmental protection among the Management at all levels, while also motivating all employees to actively adopt innovative measures to drive the transition toward a green, low-carbon future.

Level 1	*The Strategy and Sustainable Development (ESG) Committee under the Company's Board of Directors serves as the top-level management representative for environmental and energy matters*
Level 2	*The Company established a functional management department for equipment and environmental protection to serve as the central coordinating body for environmental protection and equipment-related work across all branch factories and subsidiaries. The Company's vice president in charge of this area serves as the Level 1 management representative for environmental protection and energy*
Level 3	*Each branch factory/subsidiary shall establish an equipment and environmental protection office to oversee environmental protection efforts at the respective branch factory/subsidiary. Leaders from each production unit and relevant functional departments at headquarters shall serve as secondary management representatives for environmental protection and energy*
Level 4	*Part-time environmental protection officers from the section workshops serve as Level 3 management representatives for environmental protection and energy, ensuring that environmental protection policies and objectives are effectively implemented in production operations and providing feedback on environmental protection developments on the production floor*

PROMOTING THE DEVELOPMENT OF AN ENVIRONMENTAL PROTECTION SYSTEM

The Company is accelerating the development of its environmental protection management system for glass fiber production, continuously improving its energy management system, and enhancing the level of energy management. It has successfully passed the re-certification of its EHS system. In accordance with industry standards and the Regulations on the Administration of Pollutant Discharge Permits, the Company has revised relevant policies and procedures, including the Waste Gas Management System, Noise Management System, Wastewater Management System, Emergency Response Plan for Waste Gas Pollution Incidents, and Emergency Response Plan for Wastewater Pollution Incidents.

Completion of the Initial Surveillance Audit of the EATNS Carbon Management System

The Company completed the revision of its Carbon Management System in 2025, incorporating external standards such as the Requirements for Greenhouse Gas Emission Accounting and Reporting—Glass Fiber Manufacturers and the Greenhouse Gases—Methods and Requirements for Quantification of the Carbon Footprint of Products, the Company clearly defined for the first time the calculation methods for its Scope 1 and Scope 2 emission boundaries as well as the carbon emission levels of its main products. It updated documents such as the Carbon Review Report [*3] and the Greenhouse Gas Emission Source Inventory, and successfully passed the EATNS Carbon Management System surveillance audit.

Social Standard Development and Participation

In 2025, the Company took the lead in formulating the industry standard Energy Consumption Limits for E-Glass Fiber Electronic Fabrics per Unit of Product, filling a gap in the industry. Additionally, the China Fiber Glass Industry Association's group standard Technical Specifications for the Evaluation of Low-Carbon Products: Glass Fiber, in which the Company participated, was released and implemented, addressing the lack of low-carbon product standards in the industry. In addition, the Company participated in the formulation and revision of the national standard Energy Consumption Limits for Glass Fiber per Unit of Product and the building materials industry standard Greenhouse Gases—Methods and Requirements for Quantification of the Carbon Footprint of Products (Glass Fiber and Products). Leveraging various events and platforms, the Company proactively conducted policy interpretation and standard promotion across the entire industry, effectively driving the development and improvement of the energy consumption and GHG emissions standards system for the glass fiber industry.

THE REPORTING PERIOD

Total environmental protection expenditures during the reporting period amounted to RMB 221.6748 million
All six production bases passed the ISO 14001 Environmental Management System certification
Six companies passed the ISO 14001 Environmental Management System certification, accounting for 85.7% of all manufacturing legal entities at all levels

STRENGTHENING ENVIRONMENTAL PROTECTION SUPERVISION AND INSPECTION

The Company has conducted environmental compliance diagnosis through multiple channels, adopted the management approach of "environmental protection management problem list", and implemented differentiated management based on the rating results. It has developed emergency response plans for various levels of issues, and organized self-inspections and self-corrections on a monthly basis to ensure risks remain controllable.

IN 2025

Headquarters	Jushi Chengdu	Jushi Jiujiang
Environmental Credit Rating: A	**Environmental Protection Honest Enterprise**	**Outstanding Enterprise**
The highest level in Zhejiang Province	The highest level in Sichuan Province	The highest level in Jiangxi Province

[*3] *In accordance with the EATNS Carbon Management System, during the reporting period, the Company conducted reviews of carbon emissions, carbon assets, carbon trading, and carbon neutrality.*

Environmental Self-Inspections

The Company conducted comprehensive environmental self-inspections, developed an annual inspection plan, completed 15 specialized environmental and energy inspections as scheduled, carried out 201 internal environmental inspections, and achieved 100% coverage of inspections at domestic subsidiaries. Issues related to governance, operation and maintenance, and the management of solid and hazardous waste were comprehensively addressed, with a 100% rectification rate (within the specified timeframe).

Inspection coverage: 100% | Domestic subsidiaries | Rectification rate: 100%

External Inspection

The Company underwent an environmental inspection by local authorities, which covered various areas including environmental risk assessments, post-issuance supervision of pollution discharge permits, and industry-wide rectification and improvement efforts.

Production bases both domestically and internationally underwent a total of 69 external environmental inspections throughout the year, achieving 100% coverage of all bases and a record of zero issues.

The Company did not receive any environmental administrative penalties during the year.

Self-monitoring

In accordance with its self-monitoring plan, the Company has independently established advanced pollution control monitoring facilities to conduct real-time, dynamic monitoring of pollution control effectiveness across all domestic and international glass fiber production lines and manufacturing bases. All environmental data is transmitted in real time to the environmental supervision platform of the provincial-level competent authority, ensuring comprehensive environmental governance and monitoring with no blind spots. No instances of emissions exceeding standards occurred throughout the year.

Six companies conducted clean production audits and successfully passed the final inspection. Jushi Group Co., Ltd., Jushi Group Jiujiang Co., Ltd., and Jushi Group Chengdu Co., Ltd. have been included in the list of enterprises required to disclose environmental information in accordance with the law, and they strictly comply with the Administrative Measures for the Legal Disclosure of Corporate Environmental Information in disclosing such information*4.

Emergency Management

The Company has developed a dedicated Emergency Response Plan for Environmental Incidents and completed its filing, and has established the Management Measures for Reporting Environmental Accidents, the Emergency Response Plan for Wastewater Pollution Accidents, and the Emergency Response Plan for Air Pollution Accidents.

We organized 35 emergency drills simulating sudden environmental incidents—such as malfunctions in waste gas and wastewater treatment facilities, as well as leaks of wastewater, hazardous chemicals, and hazardous waste—and specialized environmental protection drills, with a total of over 300 participants, thereby enhancing our capacity to prevent and respond to environmental accidents.

*4 Website for environmental information disclosure

Jushi Group Co., Ltd.: *https://mlzj.sthjt.zj.gov.cn/eps/index/enterprise-more?code=9133048373030919X7&uniqueCode=b6827c06eea9e2cd&date=2024&type=true&isSearch=true*

Jushi Group Jiujiang Co., Ltd.: *http://qyhjxxyfpl.sthjt.jiangxi.gov.cn:15004/pilouxiangqing?id=d0e9c100b43d4ac08bade5a6bb57dd3e*
http://qyhjxxyfpl.sthjt.jiangxi.gov.cn:15004/pilouxiangqing?id=d3b61a4bcd0041b8aef094a3527fdbcd

Jushi Group Chengdu Co., Ltd.: *https://103.203.219.138:8082/eps/index/enterprise-more?code=9151011375877363XH&uniqueCode=ec94d0130a8b57a0&date=2024&type=true&isSearch=true*

RAISING ENVIRONMENTAL AWARENESS AMONG STAKEHOLDERS

In 2025

In 2025, we conducted more than 200 energy conservation and environmental protection training sessions at the corporate, branch factory, and section levels
The topics covered areas such as raising awareness, system development, and on-site management, with the aim of deepening environmental awareness among all employees
More than 10,000 people participated in environmental protection training
All employees participated in environmental protection training, with a total of over 20,000 training hours

Holding a safety and environmental protection work conference

Hosting a green supply chain ESG exchange session

We launched a series of activities for the "Strengthening Our Ecological Foundation, Building a Beautiful Jushi Together" Low-Carbon and Environmental Protection Month, including a knowledge contest, speech contest, photography contest, site visits and exchanges, special inspections, and a summary session. These activities attracted a total of over 8,000 participants.

In collaboration with the Tongxiang Society of Environmental Sciences, we hosted a special lecture on enhancing corporate green competitiveness. During the event, Jushi's green and low-carbon transformation plan was presented with the aim of boosting green competitiveness, better aligning with international markets, and promoting green and low-carbon transformation across the industry and society.

During the preparation of construction project plans, the bidding process, and supervision, the Company adopted standards that comply with environmental protection requirements. It has established the Waste Management System and the Supplier Quality Claim Management and Control Procedure, and signed agreements with suppliers, including the Stakeholder Environmental, Occupational Health, and Safety Agreements, the Undertakings Not to Use Environmentally Hazardous Substances, and the On-Site Construction Undertakings for Engineering Suppliers. It implemented routine oversight of suppliers' environmental, occupational health, and safety compliance, regularly organizing joint inspections and guidance with relevant departments. These efforts focused on verifying the implementation of suppliers' environmental, occupational health, and safety measures, and it promptly urged rectification of violations and impose penalties in accordance with regulations.

DEVELOPING CLEAN PRODUCTION MODELS

The Company has integrated the concept of green development into the full life cycle of glass fiber products. Specifically, it has implemented various measures across the entire chain of product R&D, product design, raw material selection, energy and water resources use, waste recycling, logistics and transportation, and product sales. Its goal is to achieve harmonious coexistence between glass fiber products and the environment.

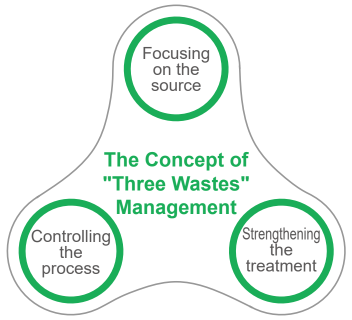
DEVELOPING GREEN PRODUCTS

Governance System

The Company has established a green product governance system overseen by the Board of Directors and the Management, clearly defining responsibilities at all levels to ensure that product development strategies align with the Company's overall ESG objectives. By establishing relevant management systems and processes, we assess and monitor the environmental impact of products throughout their entire lifecycle, promote the research, development, certification, and marketing of green products, and systematically implement our green development strategy.

Development Strategies

In product design and manufacturing, the Company has always adhered to the concept of "focusing on the source, controlling the process, and strengthening the treatment" in the management of "three wastes", and has endeavored to optimize its product structure. It has independently developed the boron-free and fluorine-free, high-modulus and high-performance E9 formulation. The formulation employs new raw materials, improving the physical properties of the products. For example, the Glass Research Center has developed high-melting-rate, low-carbon, energy-efficient, high-modulus glass fibers and a low-carbon, energy-efficient batch composition system. These innovations have significantly increased the overall proportion of easily fusible, low-carbon raw materials, effectively accelerating the glass melting process while reducing energy consumption and carbon emissions.



The Chengdu production base has fully implemented low-carbon raw material technologies. By optimizing formulations and raw material systems to reduce the use of carbonate-based raw materials, the base has cut annual emissions by approximately 11,000 tons of carbon dioxide.

The Chengdu production base reduced carbon dioxide emissions by approximately **11,000** tons throughout the year

In terms of product applications, the Company's products are widely used in the manufacture of wind turbine blades, providing raw materials for green electricity production to downstream enterprises, thereby supporting the development of the clean energy industry and contributing to the goal of "mitigating climate change." In addition, the Company has increased its investment in innovation, optimized production processes, and developed products that are recyclable, lightweight, and contribute to emissions reductions in downstream operations. For example, by applying these products in the automotive manufacturing industry, the Company is driving the trend toward vehicle lightweighting and reducing carbon emissions across the downstream value chain.

AVOIDING GREEN RISKS

In terms of risk management, the Company actively addresses challenges posed by increasingly stringent environmental regulations, shifting market demand, and technological advancements. By strengthening product life cycle assessments, the Company mitigates environmental compliance and market risks. Besides, it capitalizes on opportunities arising from the global green transition, leveraging the trend toward "carbon neutrality" as a driver for product innovation and market expansion. The Company develops products tailored to low-carbon sectors such as wind power, solar panel frames, and new energy vehicles, thereby increasing the proportion of green revenue.

Green products [*5] account for 100% of sales

100%

Green products account for 100% of the output

USING ECO-FRIENDLY PACKAGING

The Company has actively developed and tested eco-friendly, low-carbon packaging materials—such as molded pallets and recycled plastic pallets—and promoted the use of reusable pallets. To date, these pallets have been used more than 60,000 times, while reusable metal racks have been used 400,000 times and reusable plastic pipes 350,000 times, resulting in a cumulative carbon reduction of approximately 6,000 tons. In the future, we will further strengthen communication and collaboration with suppliers and customers, leverage our strengths as a leading enterprise in the supply chain, gradually increase the proportion of recycled packaging and transportation materials within the value chain, and develop composite pallets using innovative technologies.

We develop molded pallets made from waste wood (wood chips, sawdust, and straw). The wooden pallet design features thin panels and an optimized structure to reduce the amount of wood used. We promptly dispose of scrap and offcuts generated during the packaging material manufacturing process; 100% of waste paper is uniformly baled and handed over to professional recyclers for processing; 100% of waste plastic is pelletized and supplied to downstream enterprises for reuse; and 100% of waste wood is sold externally.

All waste paper is uniformly baled and handed over to professional recyclers for processing

100% of the recycled plastic pellets are supplied to downstream companies for use

100% of waste wood is sold to third parties for reprocessing

EXPANDING GREEN LOGISTICS

By optimizing transportation models and reducing carbon emissions across the supply chain, the Company has helped drive the low-carbon transition of the logistics sector and fully transitioned its non-road mobile equipment fleet to electric power by 2023.

In 2025, the Company partnered with logistics providers to implement green transportation initiatives, using new energy heavy-duty trucks to transport raw materials in place of the original diesel trucks, resulting in an annual reduction of nearly 75 tons of carbon dioxide emissions from transportation. The coverage of clean transportation at Huai'an Lianshui Glass Fiber Carbon-Neutral Intelligent Manufacturing Base has increased to 80%.

Green means of transport are adopted

This initiative can reduce annual transportation-related carbon dioxide emissions by nearly 75 tons
The coverage of clean transportation at Huai'an Lianshui Glass Fiber Carbon-Neutral Intelligent Manufacturing Base has increased to 80%.

*[*5] Green products refer to products manufactured using energy-efficient equipment, low-carbon and energy-saving raw material formulations, or recycled materials, as well as products used in sectors such as the new energy industry that drive society's transition to a low-carbon economy and contribute to climate change mitigation.*

REDUCING ENERGY CONSUMPTION

The Company is actively upgrading its existing production equipment to improve energy efficiency, prioritizing the replacement of motors with those rated at Grade I Energy Efficiency and installing energy-saving equipment. During the renovation and refurbishment process, we utilize high-efficiency equipment and promote the use of variable-frequency drives to reduce electricity consumption. We also reduce the consumption of purchased heat and natural gas through methods such as efficient waste heat recovery, new insulation measures, and load adjustment. Industrial parks are gradually implementing combined heat and power systems using compressed air, thereby reducing companies' electricity consumption by approximately 130 GWh annually.

Five companies passed the ISO 50001 Energy Management System certification, accounting for 71.4% of all manufacturing legal entities at all levels

All domestic glass fiber production bases passed the ISO 50001 Energy Management System certification

In the area of energy management, the Company leverages its company-wide energy conservation and emissions reduction forums to continuously promote the sharing of best practices in energy conservation, environmental protection, and low-carbon initiatives. It collects, organizes, and compiles exemplary measures and propagable outcomes, and regularly updates the Compendium of Energy Conservation, Emissions Reduction, and Waste Reduction Measures. The 2025 compilation includes a total of 70 outstanding energy-saving and emissions-reduction measures.

We actively participate in learning, training, and conferences on external carbon emissions management theory, while also organizing internal training sessions or communication forums related to carbon emissions.

In 2025

We achieved a comprehensive energy consumption of 0.47 tce per RMB 10,000 of output value in 2025 (based on comparable prices in 2024), representing a year-on-year decrease of 12.66%

The Company's energy mix primarily consists of primary energy (natural gas) and secondary energy (electricity and heat), supplemented by self-generated and self-consumed renewable energy; notably, Huai'an Lianshui Glass Fiber Carbon-Neutral Intelligent Manufacturing Base operates entirely on green electricity. For heating, the system primarily relies on waste heat recovery, supplemented by purchased industrial steam. In 2025, natural gas accounted for 60% of total energy consumption, and purchased electricity accounted for 35%.

2025 Performance in Energy Consumption [*6]

Indicator	2025	Unit
Electricity consumption	2,627,022	MWh
Of which: Purchased electricity	2,396,679	MWh
Of which: Electricity purchased from grids	2,316,812	MWh
Of which: Green electricity purchased	79,867	MWh
Of which: Consumption of self-generated power	230,343	MWh
Of which: Consumption of self-generated wind power	155,092	MWh
Equivalent to GHG emission reduction	127,330	tCO_2e
Of which: Consumption of PV power	75,251	MWh
Equivalent to GHG emission reduction	61,781	tCO_2e
Consumption of purchased heat	35,103	MWh
Total indirect energy consumption	2,662,125	MWh
Coal consumption	84,708	MWh
Natural gas consumption	4,177,884	MWh
Consumption of other energy sources [*7]	685	MWh
Total direct energy consumption	4,263,277	MWh
Total comprehensive energy consumption	6,925,402	MWh
Comprehensive energy consumption intensity	367	MWh/RMB 1 million in operating revenue
Comprehensive energy consumption for glass fiber	282.92	tce/t
Installed capacity of new energy	392	MW
Annual purchased green certificate electricity	155,092	MWh

*[*6] Energy usage data does not include bases in Egypt and the United States.*

*[*7] Refers to other direct energy sources such as gasoline, diesel, and liquefied petroleum gas.*

SCIENTIFIC WATER ABSTRACTION AND USE

The Company's water sources mainly include tap water, surface water, and reclaimed water.

The Company applies for water withdrawal permits in accordance with the law, optimizes and improves its production water usage models and maintenance processes, controls the proportion of recycled water, and adopts advanced technologies such as reclaimed water reuse, fully automated control systems, and rainwater harvesting and utilization systems to improve water resource utilization and eliminate water loss due to leaks, spills, and drips. It also conducts internal training on rainwater and wastewater management to enhance rainwater harvesting and wastewater reuse capabilities, and establishes sedimentation ponds at the source of production to improve wastewater reuse, thereby reducing water consumption.

In 2025

The recycling rate of water resources was about 97.69%

The results of the annual water resource audit show that, compared to 2024, the Company's water conservation rate remained unchanged in 2025

2025 Performance in Water Consumption [*8]

Indicator		2025	Unit
Total water withdrawal		7,990,345	t
Of which: Tap water		4,971,956	t
Of which: Surface water		3,018,389	t
Water withdrawal intensity		424	t/RMB 1 million in operating revenue
Total water discharge volume		2,627,811	t
Total water discharge volume by treatment method	Discharged after tertiary treatment	2,603,763	t
	Discharged after secondary treatment	24,048	t
Total water consumption		5,362,534	t
Circulating water consumption		337,343,761	t
Circulating water utilization rate		97.69	%
Water consumption in water-stressed regions [*9]		0	t

*[*8] Water usage data does not include bases in Egypt and the United States. All industrial and domestic wastewater from the Company is treated before being discharged into the municipal sewer system.*

*[*9] According to the WRI water risk map, regions facing water scarcity include Zhengzhou and Xinxiang in Henan Province, Xinjiang, and Gansu, among others.*

COMPREHENSIVE CONTROL OF EMISSIONS

The Company has strictly abided by relevant regulations, including the Emission Standard of Air Pollutants for Glass Industry, Standard for Pollution Control on Hazardous Waste Storage, and Technical Guidelines for Formulating Emergency Emission Reduction Measures for Key Industries in Heavily Polluted Weather. With a focus on supervision under the pollutant discharge permit system, it has consistently improved waste gas and wastewater treatment processes, vigorously promoted the application of new waste gas and wastewater treatment processes, and performed regular maintenance and inspections of the treatment equipment to ensure its normal operation.

During the reporting period

During the reporting period, we continued to comply with the emission requirements specified in the pollutant discharge permit, achieving a 100% compliance rate.

Clean Production Targets for the 15th Five-Year Plan

Target for 2030	
Wastewater Discharge Intensity of Reinforcement Yarn (t/t)	6.0% lower than the target set for the end of the 14th Five-Year Plan
Wastewater discharge/t of electronic yarn (t/t)	29.8% lower than the target set for the end of the 14th Five-Year Plan
Waste gas emissions/t of reinforcement roving (t/t)	10.3% lower than the target set for the end of the 14th Five-Year Plan
Waste gas emissions/t of electronic yarn (t/t)	19.5% lower than the target set for the end of the 14th Five-Year Plan

WASTE GAS TREATMENT

The Company strictly implements the Environmental Protection Law of the People's Republic of China and the Emission Standard of Air Pollutants for Glass Industry, rigorously strengthening oversight of waste gas treatment. It has voluntarily raised its standards in accordance with the Environmental Performance Rating Standards for Heavy Pollution Weather in the glass fiber industry. Notably, the intelligent base of Jushi Group Jiujiang Co., Ltd. successfully achieved an A rating, while Jushi Group Chengdu Co., Ltd. successfully passed the re-evaluation for Grade A performance.

We have adopted various advanced technologies to achieve harmless treatment by converting waste gas into nitrogen and water. These technologies include dry and wet treatment systems of waste gas, full-dry treatment system of waste gas, odor collection and treatment system, "activated carbon adsorption + catalytic oxidation", and denitration technology. With the advanced waste gas treatment technologies (dry and wet treatment systems of waste gas, and full-dry treatment system of waste gas), we have achieved pollutant removal efficiency exceeding 95%.

Contaminant Removal Efficiency Exceeded 95%

2025 Performance in Waste Gas Emissions *10

Indicator	2025	Unit
Total NOx emissions	690.55	t
Total SO_2 emissions	275.57	t
Total industrial PM emissions	30.72	t
Total VOC emissions	77.10	t

*10 Data on emissions does not include the bases in Egypt and the United States.

In the reporting period

The total emissions were below the limits specified in the emission permit, with a treatment efficiency of approximately 95%

The overall removal efficiency of malodorous pollutants was 71.2%

The average emission concentration of SO_2 was 84.0% lower than the industry standard

The average NOx emission concentration was 81.7% lower than the industry standard

WASTEWATER TREATMENT

The Company strictly adheres to national wastewater discharge regulations and water system inspection plans. It has installed a separate storm and sanitary sewer system and regularly conducts leak detection inspections. After treating industrial wastewater, the Company has implemented a purification system to enhance the reuse of treated water and ensure the integrity of the wastewater system.

The Company has improved the wastewater treatment process, and adopted a variety of technologies. These include reuse of reclaimed water, MBR membrane treatment and reverse osmosis treatment, diversion of rainwater and sewage, air flotation for pretreatment of wastewater, pretreatment + ABFT biological and physicochemical combined treatment. The treated wastewater meets Level III discharge standards as specified in the Integrated Wastewater Discharge Standard (GB8978-1996) and Level 1-A discharge standards as specified in the Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002). Through these improvements, it has achieved the standard-compliant discharge of wastewater and water recycling.

2025 Performance in Wastewater Discharge [*11]

Indicator	2025	Unit
Total industrial wastewater discharge	2,603,763	t
Total domestic wastewater discharge	24,048	t
Total COD discharge	303.06	t
COD emission intensity	0.104	kg/t of glass fiber
Total ammonia nitrogen emissions	5.90	t
Ammonia nitrogen emission intensity	0.002	kg/t of glass fiber
Wastewater discharge intensity	0.893	t/t of glass fiber

[*11] *Data on wastewater discharge does not include production bases in Egypt and the United States*

2025

The volume of wastewater, COD, and the concentration and total amount of ammonia nitrogen were all lower than that specified in the discharge permit.

The total daily wastewater treatment capacity exceeded 20,000 tons per day. Through reclaimed water reuse technology, wastewater discharge was reduced by nearly 3.75 million tons

Advanced wastewater treatment technologies reduced COD emissions by more than 6,240 tons, with the COD concentration 81.4% below national emission standards

SOLID WASTE TREATMENT

Reducing Waste Generation

The Company reduces waste generation by leveraging technological innovation, optimizing processes, and improving resource efficiency to minimize the waste of raw and auxiliary materials.

The Company has established short-term, medium-term, and long-term goals for waste reduction, aiming to reduce waste by 2% annually.

Regulating Waste Management

According to the 2025 Sustainable Development Report, the company standardized the management of waste warehouses and ledgers, used information technology to strengthen supervision, increased disposal efforts, increased transportation frequency, and classified solid waste. The Company handled waste in accordance with laws and regulations, verified the carrier's scope of business, licensing information, and technical capabilities prior to contracting, and ensured that the transport company implemented measures to prevent scattering, loss, and leakage during transportation. In addition, it implemented educational and awareness programs to enhance employees' awareness and capabilities regarding waste reduction and reuse.

Strengthening Waste Verification

The Company has established a solid waste audit plan and conducts regular solid waste audits. It performs comprehensive waste assessments covering multiple aspects, including "source separation, on-site management, record-keeping, and compliant disposal," to ensure 100% compliant management of solid waste. Currently, the Company entrusts the disposal and comprehensive utilization of its waste to external entities with the appropriate qualifications. Resource recovery is primarily achieved through waste-to-energy incineration, and the entire process is conducted in a lawful and standardized manner under a closed-loop management system.

Enhancing Waste Reuse

The Company has developed a dry powder recycling technology and has gradually increased the proportion of recycled material used in production, blending it directly into the mix. This has reduced dry powder consumption by 40%. All fine yarn Production Lines production lines and some roving production lines have achieved 100% dry powder recycling. The Company has successfully developed a circular processing system for waste fiber grinding that involves "pre-drying waste fiber + screening + pre-crushing + electromagnetic needle removal + grinding," achieving a 100% recycling rate for hard waste fiber. The Company has established short-, medium-, and long-term goals for waste recycling, aiming to increase the recycling rate by 2% annually.

2025

Approximately 9,278 tons of sludge were reused through the dry method, generating revenue of RMB 5.72 million

Approximately 35,090 tons of hard waste fiber were recycled, resulting in raw material cost savings of RMB 17.97 million

2025 Performance in Wastes [*12]

Indicator	2025	Unit
Amount of self-generated hazardous solid waste	1,306	t
Intensity of self-generated hazardous solid waste	0.07	t/RMB 1 million in operating revenue
Amount of self-generated non-hazardous solid waste	64,859	t
Intensity of self-generated non-hazardous solid waste	3.48	t/RMB 1 million in operating revenue
Comprehensive utilization volume of non-hazardous solid waste	64,862	t
Comprehensive utilization rate of non-hazardous solid waste	99	%
Solid and hazardous waste disposal rate and compliance rate	100	%

[*12] *Data on wastes does not include the bases in Egypt and the United States*

CREATING MODEL FACTORIES

Reducing Ambient Noise Pollution

The Company used advanced low-noise equipment to reduce noise levels at the source; for high-noise equipment, sound-absorbing enclosures and vibration-damping pads were installed. It assigned specialized personnel to conduct daily inspections, thereby enhancing equipment maintenance and upkeep, increased greenery on the factory premises by planting tall evergreen trees along the inner perimeter to maximize noise reduction, and implemented measures to reasonably mitigate resonance and noise superposition in specific areas based on sound intensity and frequency bands. It strengthened environmental education for employees, ensuring proper scheduling of work shifts, safe and careful handling of materials, and adherence to safe operating procedures.

The 2025 environmental noise monitoring at the plant boundary included measurements of peak sound levels in addition to previous tests, and no exceedance was found.

Strengthening the Control of Unorganized Waste Gas

The Company has established a list of sources of fugitive emissions and is working to reduce fugitive emissions at the plant boundary by strengthening control measures at these sources. To reduce odor emissions into the surrounding environment, the Company has revised its Waste Gas Management System to enhance on-site standards for the collection and control of fugitive emissions. It has also increased the power and efficiency of exhaust fans and conducts monthly environmental and energy inspections to ensure regular monitoring of fugitive emissions control measures.

Improving the Environmental Performance of Buildings

The Company is rolling out voice-activated lighting across all existing, new, and renovated factory buildings. In office areas and production areas where conditions permit, it prioritizes the use of natural ventilation and natural light to reduce energy consumption. For production areas with specific temperature and humidity requirements, it is taking advantage of the opportunity presented by the cold repair retrofit to install thermal insulation and heat-shielding facilities in accordance with green building standards, optimize and improve automatic temperature and humidity control capabilities, and enhance the energy efficiency of the buildings.

Building Benchmark Demonstration Factories

The Company continues to advance the ecological renovation of its factory grounds; 100% of suitable areas have been landscaped, resulting in a comprehensive improvement in the quality of the ecological environment.

In the reporting period

There were a total of 5 green factories, including 3 national-level green factories

The Company has been deeply committed to green development and the creation of a "zero-waste" environment, and in 2025, it was successfully selected for Zhejiang Province's first batch of "zero-waste" groups to be cultivated. In line with the development philosophy of "source reduction, process control, and end-of-life recycling," we have scientifically formulated medium- and long-term goals and implementation plans for waste-free development, systematically advanced the implementation of various tasks, and successfully passed the mid-term inspection conducted by the Department of Ecology and Environment of Zhejiang Province.

The Company has achieved significant results in its efforts to establish a green factory. The Tongxiang headquarters has been recognized as a provincial-level "zero-waste factory" and a municipal-level "exemplary zero-waste factory." Its zero-waste development practices were selected as a model case for the "Beautiful China Initiative" and were presented at the National "Zero-Waste City" Development Conference, where Jushi's experience was shared with the nation. The Chengdu and Jiujiang bases have been designated as municipal-level "zero-waste factories," and Tongxiang Leishi Mineral Powder Co., Ltd. has been recognized as a "zero-waste terminal," establishing a zero-waste development framework characterized by multiple demonstration sites and comprehensive coverage across the entire region.

ADDRESSING THE CHALLENGES OF CLIMATE CHANGE

In 2025, global climate governance accelerated, the Paris Agreement entered a critical phase of implementation, domestic energy conservation and carbon reduction policies continued to be strengthened, and the direction for improving energy efficiency and advancing green manufacturing in key industries became increasingly clear. As a global leader in the glass fiber industry, China Jushi has integrated climate-related risks and opportunities into its strategic and operational management systems. While strengthening its own energy-saving and carbon-reduction initiatives, the Company continues to promote the use of glass fiber materials in sectors such as wind power, lightweight transportation, and energy-efficient buildings. Through high-performance, low-carbon material solutions, China Jushi is helping downstream industries achieve a green transition.

GOVERNANCE

The Company continued to strengthen its ESG governance capabilities by establishing a dedicated committee under the Board of Directors to comprehensively oversee ESG management and supervision, including climate change matters; it issued the Notice on Adjusting the Company's Environmental, Social, and Governance (ESG) Organizational Structure to further clarify the functions of climate change management and supervision. It will incorporate climate change-related indicators, such as energy consumption and carbon emissions, into the performance evaluations of Top Management and the Management of relevant departments.

The Company's General Manager personally signed the Annual Energy Conservation, Carbon Reduction, and Environmental Protection Performance Responsibility Statement with the superior authority. The agreement consisted of quantitative assessments (accounting for 70%) and qualitative assessments (accounting for 30%). Within the quantitative assessments, energy conservation and consumption reduction indicators accounted for 10%, ecological and environmental protection indicators accounted for 20%, and green development and "dual carbon" indicators accounted for 40%.

Through its annual green development conference and biannual energy conservation and emission reduction exchange meeting, the Company addresses climate change response issues and works to further integrate climate change management with business development management.

CO_2

Energy conservation and consumption reduction indicators accounted for 10% of the total
Ecological and environmental protection indicators accounted for 20% 20% of the total score
Green development and "dual carbon" indicators accounted for 40% of the assessment criteria

STRATEGY

The Company closely monitors climate-related policy trends, industry practices, and patterns of extreme weather both domestically and internationally, and systematically considers climate-related risks and opportunities as key factors influencing its medium- and long-term strategy and business development. Based on its business structure and operational characteristics, the Company continuously identifies and assesses the potential impacts of climate change on its business model and value chain.
For the first time, the Company has incorporated scenario analysis into its management of climate-related risks and opportunities, further enhancing the systematic and forward-looking nature of its identification and assessment of such risks and opportunities. Building on this foundation, the Company continues to integrate climate considerations into its strategic planning, investment decisions, and day-to-day operations, thereby continuously enhancing its strategic adaptability and climate resilience across various climate scenarios.

DEVELOPING AN INVENTORY OF CLIMATE RISKS AND OPPORTUNITIES

Based on its business model and value chain characteristics, and taking into account industry trends and feedback from stakeholders, the Company systematically identifies and analyzes climate-related risks and opportunities. It clarifies their primary distribution across the Company's production operations and upstream and downstream value chains, compiles a list of climate-related risks and opportunities, and establishes a mechanism for continuous monitoring and dynamic management.

In 2025, a total of 16 categories of climate issues highly relevant to our business were identified, including seven categories of acute and chronic physical risks, four categories of transformation risks, and five categories of climate-related opportunities, providing a basis for strategic decision-making and resource allocation.

Risk and Opportunity Type	Risk and Opportunity Identification List	Risk and Opportunity Code [*13]
Acute physical risks	Extreme precipitation	P1
	Typhoon	P2
	Flood	P3
	Extreme heat	P4
	Extremely low temperature	P5
Chronic physical risks	Average temperature rise	P6
	Water scarcity	P7
Transformation risks	Policy and legal risks	T1
	Technical risks	T2
	Market risks	T3
	Reputational risks	T4
Opportunities	Resource efficiency	O1
	Energy sources	O2
	Products and services	O3
	Markets	O4
	Adaptability	O5

*[*13] Acute and chronic physical risks are denoted by "P," transformation risks by "T," and opportunities by "O."*

IMPACT ON BUSINESS MODELS AND VALUE CHAINS

Based on its business structure and operational characteristics, the Company analyzes identified climate-related risks and opportunities from three perspectives—in-house operations, the upstream value chain, and the downstream value chain—with a particular focus on how these risks and opportunities impact the Company's business model and value chain.

Type	Risk and Opportunity Code	Upstream Impact	Impact of In-house Operations	Downstream Impact	Solutions
Acute physical risks	P1	◎Disruptions in the extraction and transportation of raw materials have led to supply chain disruptions ◎Delayed supply by suppliers	◎Production lines have been temporarily shut down, and the factory buildings and equipment may have sustained damage	◎Operating costs have risen due to the suspension of downstream processing operations caused by extreme weather, and product transportation and delivery have been affected	◎Extreme precipitation: Strengthen the operation and maintenance of the park's drainage system and stockpile flood control supplies; monitor rainfall and flood conditions in real time; and promptly implement measures for drainage, flood containment, and evacuation.
	P2	◎Delays in the arrival of overseas raw materials by sea have led to a short-term increase in import costs	◎Coastal production bases may be damaged, leading to production halts and maintenance ◎Safety risks at overseas engineering projects are on the rise, leading to staff evacuations and project suspensions	◎Longer shipping lead times for downstream export orders	◎Typhoons: Closely monitor typhoon warnings regarding their path and intensity; secure outdoor facilities and buildings; and make advance arrangements for work suspensions, evacuation, and emergency duty shifts.
	P3	◎Mining operations have been disrupted, leading to a decline in raw material quality and higher procurement costs	◎Flooding at the production base has damaged production equipment and rendered inventory products waterlogged and unusable, while also making it more difficult to control environmental emissions	◎Supply chain disruptions have caused customers to switch to competitors	◎Floods: Improve the construction of flood control and water retention projects, as well as emergency drainage facilities; establish a coordinated mechanism for water level monitoring and early warning; and ensure the safe evacuation of personnel and the protection of critical infrastructure.
	P4	◎Power shortages and upstream power rationing have led to an unstable supply of raw materials	◎Increased health risks for employees and reduced efficiency in outdoor work (such as engineering and technical services)	◎The pace of development in downstream industries has slowed, and product demand is weak in the short term	◎Extreme heat: Optimize heatstroke prevention and cooling measures as well as work scheduling; strengthen inspections of equipment cooling systems; implement emergency heatstroke prevention measures; and reduce safety risks associated with working in high temperatures.
	P5	◎Price volatility for energy sources such as natural gas and coal has increased	◎Risk of freeze damage to production equipment, particularly rising costs for temperature control in precision manufacturing environments	◎Downstream customers' production has also been affected by the cold weather	◎Extremely low temperature: Strengthen measures to prevent cold damage and protect pipelines, ensure effective snow and ice removal and heating supply, and prevent low temperatures and freezing conditions from affecting production and facilities.
Chronic physical risks	P6	◎Regional water policies have become stricter, leading to higher costs for water used in raw material extraction	◎There are safety hazards in the employees' work environment; in particular, work efficiency declines and welfare costs rise in high-temperature areas ◎The decline in energy supply stability and the increased frequency of power rationing during the summer are affecting continuous production	◎Customer demand for green, low-carbon products is on the rise, while the market for energy-intensive traditional products is shrinking	
	P7	◎Water use for mining operations is restricted in some areas, and the stability of raw material supplies has declined	◎Glass fiber production requires large amounts of water, and water rationing policies could lead to reduced output	◎With new water restrictions in place, demand from downstream industries may slow	◎Develop a water resource emergency plan ◎Implement water recycling and water-saving process upgrades ◎Advance water risk assessment and collaborative management in supply chains
Transformation risks	T1	◎Stricter carbon footprint requirements are driving the emergence and selection of lower-carbon raw materials ◎Carbon costs are being passed on to upstream sectors, leading to rising raw material prices	◎Stricter regulatory requirements for existing products and services are prompting companies to invest in low-carbon technological innovations and purchase renewable energy certificates ◎Climate change has led to an increase in carbon-related levies both domestically and internationally	◎Exported products face higher carbon barriers	◎Strengthen the management of supplier carbon data and increase the proportion of low-carbon raw materials procured ◎Promote low-carbon technology upgrades and energy efficiency improvement projects ◎Optimize product portfolios and expand into low-carbon application markets

Type	Risk and Opportunity Code	Upstream Impact	Impact of In-house Operations	Downstream Impact	Solutions
Transformation risks	T2	◎Further development of low-carbon technologies is achieved; new fuels and energy-efficient equipment are replacing traditional operations at a faster pace	◎Stricter emissions and disclosure requirements will require companies to increase their investment in low-carbon and environmentally friendly technologies, such as carbon capture, utilization, and storage (CCUS) and alternative fuels	◎Growing demand in the downstream green building and new energy sectors is creating opportunities for high-value-added products	◎Promote the adoption of alternative fuels and energy-efficient equipment ◎Increase investment in research and development of low-carbon and environmentally friendly technologies ◎Strengthen capacity building in emissions reporting and disclosure to improve compliance
	T3	◎Rising prices for raw materials and energy, particularly electricity, coal, and carbon trading costs	◎Cost pressures are being passed on to product pricing, squeezing profits on traditional raw materials; as the market favors green and low-carbon products and projects, the Company is improving energy efficiency and developing new energy sources	◎Downstream customers are demanding more eco-friendly products, putting existing products at risk of being replaced	◎Strengthen monitoring of energy costs and analysis of carbon price trends ◎Optimize the energy mix and increase the share of clean energy ◎Promote special transformation of energy efficiency improvement, energy conservation and carbon reduction
	T4	◎Environmental performance is incorporated into procurement evaluations, and high-risk suppliers are being phased out	◎Reputational risks may increase if the Company's reputation is damaged due to its business conduct, if it is designated as a high-pollution enterprise, or if it commits environmental violations	◎Downstream customers prioritize suppliers with strong ESG performance	◎Incorporate environmental performance into supplier qualification and evaluation mechanisms ◎Strengthen the mechanism for rectifying and replacing high-risk suppliers ◎Strengthen ESG communication with the government and key clients
Opportunities	O1	◎More efficient production, transportation, and distribution processes effectively reduce fuel consumption during transportation	◎Use recycling technologies to reduce resource consumption and minimize the environmental impact of low-carbon operations and production	◎More efficient production, transportation, and distribution processes effectively reduce fuel consumption during transportation	◎Continue to advance energy-saving retrofits and optimize energy management, while gradually increasing the proportion of renewable energy used
	O2	◎Green energy suppliers will gain a competitive edge in the market by expanding into direct power supply through solar and wind power	◎The use of renewable energy can help reduce operating costs to some extent ◎Participate in the carbon trading market to unlock new sources of profit ◎Adopt new technologies to improve energy efficiency, reduce costs, and establish a first-mover advantage in the industry	◎The use of green energy enhances a company's brand image and meets the high-end market's requirements for suppliers with low carbon footprints	
	O3	◎Improve upstream mining and green mining technologies, as well as waste recycling technologies, to reduce the carbon footprint of products	◎Develop and expand high-margin products and services to meet market demand, enhance competitiveness, and increase revenue ◎Develop climate adaptation solutions to better adapt to market changes, understand market needs, and increase business revenue ◎Enhance competitiveness and create new growth opportunities by developing new products or services through research, development, and innovation ◎Investing in areas such as renewable energy and carbon offset projects, as well as engaging in green finance and issuing green bonds, may create new business opportunities and sources of revenue growth	◎Continuously developing low-carbon products, promoting the growth of green industries, and enhancing the competitiveness of products in terms of their green attributes and environmental footprint can generate additional revenue and benefits, helping the market adapt to shifting consumer preferences	◎In line with industry trends and customer needs, gradually enhance the capabilities in low-carbon processes, green products, and related technologies
	O4	◎Suppliers that meet green standards gain greater market opportunities and help improve the environmental performance of the supply chain	◎Take advantage of government incentive policies, such as carbon taxes, energy conservation, emissions reduction, and technological transformation, and seek government subsidies	◎Rapid growth in the downstream green building and renewable energy markets is driving demand for glass fiber products	◎Optimize green supply chain management and improve the evaluation of low-carbon suppliers ◎Strengthen the application of green technologies and enhance the low-carbon performance of products ◎Actively align with low-carbon and energy-saving policies
	O5	◎Reduced reliance on high-carbon energy and resources	◎Participate in renewable energy projects and implement energy efficiency measures; pursue energy substitution and diversification; and enhance the Company's ability to adapt to increasingly stringent external policies and regulatory requirements	◎By providing climate-resilient products and solutions—such as new weather-resistant materials—help downstream customers enhance their ability to mitigate physical climate risks and create new growth opportunities	◎Promote energy diversification and the use of alternative energy sources ◎Enhance the capacity for climate risk scenario analysis and response ◎Provide climate-resilient material solutions to downstream customers

FINANCIAL IMPACT OF CLIMATE RISKS AND OPPORTUNITIES

Current Financial Impact—Physical Risks

With regard to physical risks, we conduct a systematic identification and assessment of the current impact of acute and chronic physical risks on the Company, taking into account climate change trends. Overall, no acute physical risks that would have a significant impact on production operations were identified. Among chronic physical risks, the average temperature rise has been identified as a risk factor of moderate significance, primarily due to the impact of high temperatures on the working environment and occupational health of frontline employees.

During the reporting period, the Company took measures to address the situation, including providing heatstroke prevention and cooling supplies, emergency medical supplies, and beverages; strengthening management of work in high-temperature conditions; and organizing relevant emergency drills. Based on our assessment, the aforementioned risks have not had a material impact on the Company's operational continuity or asset security, nor have they had a material adverse effect on the Company's current operating and financial conditions.

In response to the risks associated with working in high temperatures caused by the average temperature rise, the Company continues to improve its heatstroke prevention and cooling measures. Every July, we organize a visit by senior executives to frontline high-temperature workstations to check on employees, understand their working conditions, and distribute heat-protection supplies. Moreover, we provide employees with necessary heatstroke prevention medications and beverages, and regularly organize "cooling relief" activities. The Company has also stepped up training on heat protection and first aid for heatstroke, refined its emergency response plans, and conducted drills to enhance employees' ability to cope with hot weather. **In 2025, the Company invested RMB 16.4323 million in high-temperature protection and related support measures.**

Current Financial Impact—Transformation Risks

With regard to transformation risks, the Company has identified one technical risk related to low-carbon technology upgrades and one market risk related to energy price volatility that could have a financial impact on the Company.

These two risks primarily stem from the accelerating pace of low-carbon technology innovation within the industry. If the Company's technological capabilities or retrofitting efforts lag behind, this could have a certain financial impact on the Company. In addition, rising raw material and energy prices require the Company to allocate resources toward energy transition to ensure stable production costs.

In the reporting period

The Company has conducted hydro-gen-blended combustion tests and invested approximately RMB 10 million in upgrading related equipment and facilities and conducting technical validation to enhance its capacity to adopt low-carbon technologies

RMB 9.88 million has been invested in PV construction to meet the needs of the energy transition

The matters described above have not had a material adverse effect on the Company's current operations or financial condition

Current Financial Impact—Opportunities

In terms of current financial impacts, the Company has identified three climate change opportunities—resource efficiency, market expansion, and resilience—that have financial implications for the Company.

During the reporting period, the Company achieved comprehensive benefits totaling RMB 170.78 million through the implementation of energy-saving and consumption-reduction projects, the advancement of green supply chain development, and the application of energy-saving and emission-reduction technologies, as well as through measures such as the commissioning of wind farms and the sale of green electricity. The aforementioned opportunities presented by climate change have generated positive economic returns for the Company while enhancing its market competitiveness and adaptability in the context of the low-carbon transition.

Expected Financial Impact—Physical Risks

The Company has incorporated climate scenario analysis into its climate risk identification and assessment process under the TCFD framework. Referencing the Shared Socioeconomic Pathway (SSP) shared by the United Nations' Intergovernmental Panel on Climate Change (IPCC), the Company selected two scenarios—SSP1-2.6 and SSP5-8.5—to conduct a systematic assessment of potential physical risks. Using a catastrophe risk model built on an external, professional third-party natural disaster risk assessment platform, we conduct a comparative analysis of exposure levels to major physical climate risks under various scenarios based on the latitude and longitude data of each operational site. We then perform weighted calculations incorporating the asset allocation of each site to more accurately reflect the extent to which physical risks impact the Company's overall operations.

In terms of time horizons, the Company conducts scenario analysis across three phases: short-term (0–5 years, through 2030), medium-term (5–10 years, through 2035), and long-term (10–35 years, through 2060). This analysis aligns with the Company's pathways to carbon peaking and carbon neutrality, as well as its phased capital investment plans, and is used to assess the potential financial impacts of climate-related physical risks on its business model and value chain at different stages. The Company identifies assets or business activities that receive a "significant" rating in scenario analysis as high-exposure items and develops targeted risk management and resource allocation measures at the corporate level. The results of the relevant physical risk scenario analysis are detailed in the table below.

Climate Scenarios

Physical Risk	RCP 2.6 / SSP 1			RCP 8.5 / SSP 5		
	Short-term	Medium-term	Long-term	Short-term	Medium-term	Long-term
P1	Negligible	Negligible	Negligible	Negligible	Negligible	Minor
P2	Negligible	Negligible	Negligible	Negligible	Minor	Minor
P3	Negligible	Negligible	Negligible	Negligible	Minor	Minor
P4	Minor	Minor	Negligible	Minor	Moderate	Significant
P5	Negligible	Negligible	Negligible	Negligible	Minor	Minor
P6	Minor	Moderate	Moderate	Moderate	Moderate	Significant
P7	Negligible	Negligible	Negligible	Negligible	Negligible	Minor

Based on the results of the physical risk scenario analysis, China Jushi's overall level of physical risk exposure across different scenarios and time horizons is generally low. Most climate-related physical risks remain at a low or negligible level in both the short and medium term, and their impact on the Company's production operations and asset security is generally manageable. Under the RCP 2.6/SSP1 scenario, the overall impact of physical risks is relatively moderate; only the average temperature rise associated with chronic physical risks rises from a slight to a moderate level in the medium and long term. The Company will address this by optimizing the management of high-temperature work, strengthening facility maintenance, and improving heatstroke prevention and cooling measures.

Under the RCP8.5/SSP5 scenario, as climate change intensifies, the average temperature rise—a chronic physical risk—is projected to have moderate impacts in the short and medium term, increasing to a significant level in the long term. Moreover, extreme heat—a type of acute physical risk—is projected to have a moderate impact in the medium term and a significant impact in the long term. The potential financial implications primarily stem from the fact that the Company may need to increase its investment in the medium to long term in areas such as facility cooling upgrades, protection of critical equipment, and enhancing high-temperature emergency management capabilities. These expenditures will mainly consist of operating and maintenance costs, aimed at mitigating the potential impact of high temperatures on employee health, equipment stability, and production continuity.

Expected Financial Impact—Transformation Risks and Opportunities

To assess the expected financial impact of transformation risks and opportunities on the Company's business and value chain in the context of climate change, the Company has adopted climate change scenarios published by the International Energy Agency (IEA), including the Net Zero Emissions (NZE) Scenario and the Stated Policies Scenario (STEPS).

The Company conducts a comprehensive assessment of the transformation risks and opportunities it faces across three time horizons—short-term (0–5 years, through 2030), medium-term (5–10 years, through 2035), and long-term (10–35 years, through 2060)—based on parameters and trend analyses published by the IEA. This assessment focuses on eight key parameters, including the compound annual growth rate of population, GDP, fossil fuel demand, crude oil prices, thermal coal prices, natural gas prices, carbon prices, and clean energy generation. This comprehensive assessment analyzes the potential financial impacts of these risks on the Company's operational model and value chain, providing a basis for phased risk management and resource allocation decisions.

Climate Scenarios

Transformation Risks and Opportunities	IEA NZE 2050			IEA STEPS		
	Short-term	Medium-term	Long-term	Short-term	Medium-term	Long-term
T1	Minor	Moderate	Moderate	Minor	Minor	Moderate
T2	Moderate	Minor	Moderate	Minor	Minor	Moderate
T3	Minor	Minor	Moderate	Minor	Moderate	Moderate
T4	Minor	Minor	Moderate	Minor	Minor	Moderate
O1	Moderate	Minor	Moderate	Minor	Minor	Moderate
O2	Moderate	Minor	Moderate	Minor	Minor	Moderate
O3	Minor	Moderate	Significant	Minor	Minor	Moderate
O4	Minor	Moderate	Moderate	Minor	Moderate	Moderate
O5	Minor	Moderate	Moderate	Minor	Minor	Moderate

Under the IEA STEPS scenario, the overall impact of various transformation risks and opportunities is relatively moderate in the short term, with "moderate" impacts predominating in the medium to long term; no significant systemic risks have emerged. The anticipated financial impact will primarily stem from ongoing operational and maintenance expenditures related to policy compliance, energy efficiency improvements, process optimization, and adjustments to the energy mix. This is expected to have a gradually increasing but generally manageable impact on the Company's cost structure; however, the associated pressures will be gradually mitigated through technological upgrades and management optimization.

Under the IEA NZE 2050 Scenario, as the global low-carbon transition accelerates, the impact of certain transition factors is expected to increase over the medium to long term.

Specifically, the market risk (T3) is assessed as having a "moderate" impact in the long term, while opportunities related to products and services (O3) have risen to a "significant" level in the long term, reflecting the structural opportunities arising from growing demand for low-carbon products. The Company expects to increase its investment in low-carbon processes, upgrades to key equipment, and the research and development of high-performance, low-carbon products over the medium to long term. These investments will have a phased impact on the scale of capital expenditures and the structure of asset allocation. Besides, the growing share of revenue from low-carbon products and improvements in resource efficiency will help optimize the revenue structure and profitability over the long term. Overall, the transformation risks faced by China Jushi under various scenarios remain generally manageable, and the opportunities present provide strong support for the Company's medium- to long-term development.

POLICIES AND MEASURES

Laying the Groundwork for Management

The Company is building a solid foundation for carbon emissions management, refining its overarching strategy, increasing investment, and driving a top-down approach to ensure that carbon emissions management is professional, systematic, and comprehensive.

2025

Total investment in green and low-carbon initiatives exceeded RMB 220 million
Accounted for approximately 1.45% of the total annual output value

Carbon Emissions Inventory

GHG emissions mainly come from the combustion of fuel gas (natural gas), purchased power, purchased heat and carbonate raw materials. Subsidiaries in various regions have begun assessing the cradle-to-gate carbon footprint of their main glass fiber products and have commissioned SGS to conduct the certification.

By 2025, Huai'an Lianshui Glass Fiber Carbon-Neutral Intelligent Manufacturing Base completed the calculation of the carbon footprint for its main products, obtained SGS certification, and disclosed the results to the public.

Case Study: Four Products from Jushi Group Huaian Co., Ltd.—Glass Fiber Direct Roving, Assembled Roving, Chopped Strands, and Chopped Strand Mat—Obtaining SGS Carbon Footprint Certification

Jushi Huaian's PCF carbon footprint has been verified by SGS, which has issued a certificate of emission values, thereby fully meeting the needs of international customers. The four products include glass fiber direct roving, assembled roving, chopped strands, and chopped strand mat, with cradle-to-gate carbon footprints of 0.54 tCO_2e, 0.50 tCO_2e, 0.50 tCO_2e, and 0.66 tCO_2e, respectively. The certificate indicates that the product carbon footprint report and supporting documents provided by Jushi Huaian have been verified by SGS and comply with ISO 14040:2006 Environmental management — Life cycle assessment — Principles and framework, ISO 14044:2006 Environmental management — Life cycle assessment — Requirements and guidance, ISO 14067: 2018 Greenhouse gas emissions — Product carbon footprint — Quantification requirements and guidance, and PAS 2050:2011 Specification for the assessment of GHG emissions associated with goods and services throughout their life cycle.

Establishing a Low-Carbon Management System

One center	Four platforms	Multiple cells
Company headquarters	Four production bases in Tongxiang, Jiujiang, Chengdu, and Huai'an	Building green and low-carbon management cells at all levels

Developing a Clear Action Plan

The Company has drafted and released the China Jushi Action Plan for Carbon Peaking and Carbon Neutrality, which outlines eight key tasks, five major supporting projects, and six supporting measures. The plan aims to achieve "carbon peaking" by 2027 and "carbon neutrality" by 2057. By monitoring green and low-carbon policies to identify development opportunities—such as growing demand for materials in the new energy sector, the expansion of green electricity applications, and price premiums for low-carbon products—the Company employs innovative measures to mitigate climate transition risks. These include switching to green electricity, promoting energy-saving technologies such as pure oxygen combustion, utilizing waste heat, and building carbon-neutral production bases. The Company focuses on developing low-carbon products for high-end applications such as solar and wind power, collaborates with its supply chain to reduce carbon emissions, and transforms climate challenges into a competitive advantage for green development.

Jushi Roadmap for Carbon Peaking and Carbon Neutrality

Carbon lowering
- ◎Further upgrades to the production process
- ◎Further improvements in equipment energy efficiency
- ◎Reuse of waste heat and energy

Carbon reduction
- ◎Use of low-carbon raw materials
- ◎Green electricity system
- ◎Use of non-fossil fuels
- ◎Green buildings and insulation

Carbon sequestration
- ◎Ecological carbon sink
- ◎Carbon capture and utilization
- ◎Waste recycling

Strengthening Low-carbon Incentives

The Company revised the General Innovation and Improvement Projects Management System, adding provisions related to carbon management, and simultaneously updated the project list to include new relevant projects. We encourage employees to submit proposals for internal energy-saving and carbon-reduction projects. These proposals will be evaluated and assessed, and rewards will be granted at the end of the year based on the extent to which the goals have been met.

In the reporting period

A total of 159 energy conservation and carbon reduction projects were evaluated across all levels	Saved 29,500 tce	Reduced carbon dioxide emissions by 84,700 tons

The Company has implemented an internal carbon pricing system to encourage the submission of internal carbon reduction projects related to raw materials. The base carbon price for monthly tracking of internal projects is set at RMB 20 per ton. At year-end, this price is adjusted based on regional and national average carbon trading market rates. In the assessment of project carbon reduction targets, this price is used to calculate the potential carbon pricing benefits the Company could derive from reductions in direct emissions (Scope 1).

2025

▼ **The carbon emission intensity per unit of reinforcement roving fell by 5.13% year-on-year.**

▼ **Carbon emissions per unit of electronic fabric decreased by 2.43% year on year**

Low-carbon Raw Material Substitution

The Company is accelerating the transition to low-carbon raw materials and continuously optimizing its glass formulations. In 2025, the new E6 low-carbon formulation with high melting yield and the E7 low-carbon/ zero-carbon formulation were successively rolled out at production bases in Tongxiang, Jiujiang, and Chengdu. By substituting carbonate raw materials, annual consumption of carbonates (limestone and soda ash) was reduced by nearly 35,000 tons, resulting in a reduction of over 15,000 tons in industrial CO_2 emissions. Currently, some production lines have achieved 100% low-carbon mineral powder production. In the future, the Company will further expand the upgrading and iteration of its glass formulations, striving to completely phase out the use of carbonate raw materials by 2030 and achieve a green transition and upgrade of its raw material structure.

Efficient Use of Energy

By implementing a series of measures and innovative technologies—including adjustments to burner distribution, control of the air-fuel ratio, preheating of fresh air, and recovery of waste heat—the Company has achieved a comprehensive improvement in fuel utilization efficiency. In 2025, the Tongxiang headquarters manufacturing base successively implemented technical upgrade projects for glass fiber production lines with annual capacities of 200,000 tons and 180,000 tons, respectively. These projects incorporated the latest production processes and intelligent solutions to increase the proportion of high-value-added products while reducing energy and resource consumption as well as pollutant discharge. Following the upgrades, energy consumption per unit of product decreased by up to 5%.

In 2025

A total of RMB 85.52 million was invested in technological upgrades and the replacement of energy-saving and environmentally friendly equipment
Saved 10,300 tce
Reduced carbon dioxide emissions by 26,800 tons

In addition, the Company has phased out outdated equipment, implemented new intelligent data acquisition systems, laid data communication lines, and broken down data silos across different production bases. These efforts have enhanced the digital capabilities of existing production lines and established automated real-time data collection and analysis capabilities for energy consumption at the production line section and equipment levels, laying the groundwork for the development of a comprehensive energy and carbon management system and a carbon footprint accounting platform that spans all production bases.

Optimizing the Energy Mix

In 2025

The Company deployed distributed solar power in accordance with the principle of "installing wherever possible and to the fullest extent possible." In recent years, the installed capacity of green energy has been increasing year by year:

Installed capacity of new energy: 392 MW
Annual electricity generation: nearly 740 GWh
Annual consumption of green electricity: 310 GWh
CO2 emissions to be reduced: approximately 200,000 t

The proportion of green electricity used in 2025 was nearly 12%

In particular, Jushi's Chengdu production base has constructed a large-scale distributed energy storage project with a total capacity of 15 MW/30 MWh, forming an "integrated PV-storage" system with the existing PV system. By balancing peak and off-peak electricity demand, the system effectively alleviates pressure on the power grid and is expected to smooth out more than 14 GWh of electricity consumption annually.

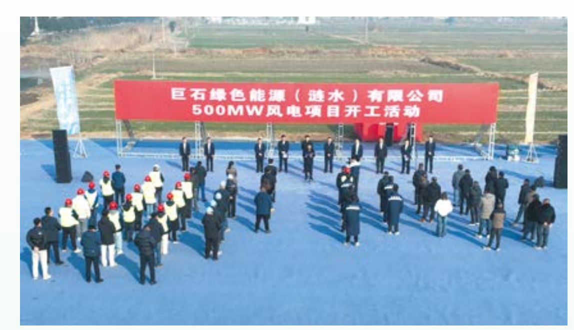
In 2025

The Company's wind farm projects and distributed solar projects participated in green power trading
Approximately 500 GWh of electricity were fed into the grid, and all green certificates generated from this electricity were traded on the market

In terms of distributed energy utilization, China Jushi has fully leveraged roof and site resources at its four domestic production bases to build PV power generation systems, with a cumulative installed capacity of 159 MW and annual self-consumption exceeding 140 GWh. In particular, the Tongxiang base took the lead in upgrading its PV system; by replacing high-power PV modules, the installed capacity was increased by approximately 6.9 MW, further improving overall power generation efficiency.

Case Study: Building a Closed-Loop Green Energy System to Lead the Glass Fiber Industry's Zero-Carbon Transition

Zhejiang Jushi New Energy (Huai'an) Co., Ltd. operates the 233-megawatt wind power project supporting Huai'an Lianshui Glass Fiber Carbon-Neutral Intelligent Manufacturing Base. Through various channels—including third-party supply contracts, open-market trading, and the State Grid's backstop guarantee—the Company has conducted green power transactions totaling over 500 GWh annually, achieving carbon emissions reductions of more than 400,000 tons. By the end of 2025, construction began on the 500-megawatt Phase II wind power project. Upon completion, it was expected to generate approximately 1.24 billion kilowatt-hours of electricity annually and reduce carbon emissions by 1 million tons per year, thereby establishing a carbon-neutral industrial micro-cycle.



All wind turbine blades used in this project are made from glass fiber produced in-house by Jushi. Some of the green electricity generated is used to power the base's own operations, while the remainder is fed into the national grid. This has created a complete industrial closed-loop—spanning glass fiber production, wind power applications, and the return of green electricity—pioneering a new path of coordinated development that integrates "glass fiber production, glass fiber utilization, and the use of green energy to supply high-performance glass fiber to the wind power industry."

In addition, in 2025, Huai'an Lianshui Glass Fiber Carbon-Neutral Intelligent Manufacturing Base successfully conducted combustion tests with 20% oxygen blending in furnaces. Through experiments it was verified that, with the natural gas blended with hydrogen at a ratio of 5% -30%, the relevant equipment operated stably and the experimental data met expectations. It has become the world's first glass fiber production base to master tank furnace hydrogen-blending technology and the corresponding combustion control processes, laying the foundation for promoting hydrogen production with clean energy and replacing traditional natural gas combustion processes.

RISK MANAGEMENT

The Company continuously monitors international and industry trends, promptly identifies and updates climate-related risks and opportunities—including those related to laws, policies, technology, and markets—and integrates them into its overall risk management framework. It identifies and document environmental risks at the facility on a regular basis, assesses their severity, and develops specialized environmental emergency response plans, which are updated every three years.

Step 1 *Compiling a List of Risks and Opportunities*

We systematically identify climate-related risks and opportunities in relation to our business, operations, and value chain structure. The identification process integrates national climate strategy guidelines, industry trends, and the global climate change context, while also taking into account the Company's historical operations and feedback from internal and external stakeholders, to comprehensively identify climate-related risks and opportunities and compile a list of climate risks and opportunities.

Step 2 *Prioritizing Risks and Opportunities*

Taking into account the likelihood of climate-related risks and opportunities, their potential impact on the Company's operations and financial performance, as well as an analysis of industry characteristics and input from external experts, we assessed the impact materiality of these risks and opportunities through a questionnaire.

Step 3 *Assessing Climate Resilience Using Scenario Analysis*

The Company is conducting an assessment of the climate resilience of its strategy and business model. In the climate resilience assessment process, the key uncertainties of primary concern stem mainly from differences in future macroeconomic conditions, policy orientations, energy mix, and technological development pathways reflected in various climate scenarios; these uncertainties have been addressed and reflected through scenario analysis. We dynamically adjust short-, medium-, and long-term strategies and business models in response to climate change trends; for example, we prioritize the selection and replacement of equipment with high energy efficiency and low energy consumption, gradually optimize the energy consumption structure, and enhance the Company's overall climate resilience in a sustained and incremental manner.

Step 4 *Identifying the Financial Impact of Significant Risks and Opportunities*

Based on the results of the risk and opportunity prioritization, as well as the magnitude of climate-related risks and opportunities under different scenarios, we conduct a financial impact analysis of significant risks and opportunities. We focus on the potential impacts of climate change on capital expenditures, operating and maintenance costs, asset security, and business continuity across different time scales.

Step 5 *Developing and Implementing Response Strategies and Measures*

By regularly assessing and reviewing the level of climate-related risks, we ensure that these risks remain within manageable limits and promote the integration of relevant management measures into our daily operations. Relevant measures include setting targets, adjusting strategic plans, continuously monitoring carbon emissions, tracking policy and regulatory changes, optimizing and investing in energy-efficient equipment, conducting regular employee training, and implementing strategies such as risk transfer or risk acceptance.

INDICATORS AND TARGETS

2025 Performance in GHG (Scopes 1 and 2) Emissions [*14]

Indicator	2025	Unit
Total GHG emissions	2,344,799	tCO_2e
Of which: Direct GHG emissions (Scope 1)	1,087,679	tCO_2e
Of which: Indirect GHG emissions (Scope 2)	1,257,119	tCO_2e
GHG emission intensity	124	tCO_2e per RMB 1 million in operating revenue

[*14] *Data on carbon emissions does not include bases in Egypt and the United States.*

Progress Toward the 14th Five-Year Plan Carbon Reduction Targets and Carbon Reduction Targets in the 15th Five-Year Plan:

Target for 2025	Progress in 2025	Target for 2030
Compared with the end of the 13th Five-Year Plan period	Compared with the end of the 13th Five-Year Plan period	Compared with the end of the 14th Five-Year Plan period
To reduce the comprehensive energy consumption for reinforcement roving by 3.6%	Exceeded the target by 20.8%	To reduce the comprehensive energy consumption for reinforcement roving by 24.15%
To reduce the comprehensive energy consumption for electronic yarn by 6.8%	Exceeded the target by 13.7%	To reduce the comprehensive energy consumption for electronic yarn by 20.31%
To reduce carbon emissions from reinforcement roving by 20.0%	A decline of 18.7%, falling short of the target The plan aims to further reduce carbon emissions from reinforcement roving production through measures such as raw material substitution, efficient energy use, and optimization of the energy mix	To reduce carbon emissions from reinforcement roving by 27.7%

In 2025, the Company adopted a financial control approach and used the Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard to conduct an inventory of its Scope 3 GHG emissions. During the year, the Company completed accounting for eight categories: procurement of goods and services; fuel and energy-related activities; business travel; employee commuting; upstream and downstream transportation and distribution; processing of sold products; and end-of-life treatment of sold products. Of the eight categories, Scope 3 emissions from purchased goods and services accounted for 89% of the total, fuel and energy-related activities accounted for 6%, and the remaining categories accounted for 5%.

2025 Performance in GHG (Scope 3) Emissions

Emission Category	Unit	GHG Emissions	Proportion of Emissions
Category 1: Purchased goods and services	tCO_2e	6,365,898.48	89.32%
Category 3: Fuel and energy-related activities	tCO_2e	428,824.88	6.02%
Category 4: Upstream transportation and distribution	tCO_2e	69,826.47	0.98%
Category 6: Business travel	tCO_2e	551.61	0.01%
Category 7: Employee commuting	tCO_2e	5,357.52	0.08%
Category 9: Downstream transportation and distribution	tCO_2e	92,321.61	1.30%
Category 10: Processing of products sold [*15]	tCO_2e	51,623.33	0.72%
Category 12: Handling of end-of-life products sold	tCO_2e	112,945.46	1.58%
Total	tCO_2e	7,127,349.37	100.00%

[*15] *During the reporting period, the GHG emissions from the processing of Category 10 products sold by China Jushi were calculated based solely on the GHG emissions generated during the processing of glass fiber fabrics and glass fiber pultruded panels required to convert sold glass fiber products into wind power products. Going forward, the Company will gradually improve and expand its system for tracking GHG emissions from the downstream processing of its sold products.*

IMPLEMENTING ECOLOGICAL PROTECTION MEASURES

The Company strictly adheres to ecological conservation principles in project site selection and planning. The project site fully complies with the requirements of the local government's access list and the list of key ecological spaces subject to control, and follows the ecological and environmental zoning control plan known as the "three lines and one list" (ecological protection red lines, environmental quality bottom lines, resource utilization ceilings, and the ecological and environmental access list). All construction projects at every stage are located within government-designated industrial zones, well away from ecological protection red lines.

There are no sensitive areas such as drinking water source protection zones, drinking water intake points, water-related nature reserves, or scenic spots near the Company's shipping terminal. Furthermore, the site is located far from important wetlands, habitats for key protected and rare aquatic species, natural spawning grounds, feeding grounds, overwintering grounds, and migration routes, as well as fishery waters such as natural fishing grounds and aquatic genetic resource conservation areas, ensuring that the project does not cause disturbance to these critical ecological areas.

Organized the 2025 National Ecology Day Event, which attracted over 1,000 participants

The Company strictly implements environmental impact assessments for all new, renovated, and expanded projects, giving full consideration to the impact on biodiversity. In accordance with the requirements of these assessments, it strives to minimize damage to the ecological environment and, through landscaping of the plant site, preserve and integrate with the existing local ecosystem to the greatest extent possible.

The Company operates a total of 40 production and operational sites, covering a total area of 4.25 million square meters

100% implementation of biodiversity risk assessments

No areas with a high biodiversity risk have been identified

During the reporting period, the Company organized a Tree Planting Day event titled "Continuous Efforts in Planting and Protecting Greenery—Building a Green Home for Jushi Together," with the aim of increasing green space in the city and its surrounding areas through tree planting and afforestation. A total of 524 saplings were planted, with over 500 people participating.

The Company has developed a soil and water conservation plan to protect the river's morphology and ecosystem, ensuring that the project coexists in harmony with the natural environment. For new wind power projects constructed in 2025, we placed a high priority on ecological conservation and commissioned professional organizations to conduct surveys of ecological conservation areas.

During the reporting period, the Company partnered with the government and local wildlife conservation associations to launch public welfare campaigns including the "Guard the Home of Birds, Paint the Future of Phoenixes Together," "Phoenix Lake," and "Bird Week." Twenty families of employees and their children participated in the event, serving as a vivid illustration of China Jushi's commitment to biodiversity conservation and its dedication to demonstrating corporate social responsibility.

04

A FOREST OF TALENT

Nurturing a Fertile Ground for Shared Growth

We adhere to a people-oriented approach, fully respect and protect the rights and interests of our employees, focus on establishing and refining a talent development mechanism centered on the “Four Teams,” strengthen our care for employees, and provide multiple channels for democratic communication, We have established robust occupational health management mechanisms and formulated and implemented the six-aspect action plan for common prosperity—comprising “substantial income, secure livelihoods, robust career growth, solid labor protections, spiritual fulfillment, and genuine social responsibility”—to advance and grow together with our employees.

IMPROVING GOVERNANCE MECHANISMS

ORGANIZATION STRUCTURE FOR HUMAN CAPITAL MANAGEMENT

The Company adheres to a modern corporate governance system, establishing a three-tier structure with clearly defined responsibilities and accountability at every level:

The Governance

The Board of Directors and its Remuneration and Appraisal Committee are responsible for setting the strategic direction for human resources, reviewing medium- and long-term incentive policies and compensation plans for key senior executives, and ensuring that human capital management aligns with the Company's overall strategy and the interests of shareholders.

The Management

The General Manager (the senior executive in charge of human resources) and the Human Resources Department are responsible for translating the Governance's strategies into specific plans, policies, and annual objectives; coordinating the design and implementation of talent recruitment, training and development, performance management, and compensation and benefits systems; and providing guidance and oversight for human resources activities across all business units.

The Execution

The human resources departments of all subsidiaries and branch factories are responsible for the day-to-day implementation of the Company's human resources policies and procedures, including the recruitment and placement of frontline employees, the implementation of team performance management, the maintenance of employee relations, and the execution of employee development initiatives, to ensure that human capital management initiatives are effectively implemented for every employee.

ORGANIZATION STRUCTURE FOR HEALTH AND SAFETY MANAGEMENT

The Company has established a work safety committee, created a well-defined work safety management organization structure with clear lines of authority and responsibility, and implemented a comprehensive work safety accountability system. This has resulted in a work safety management system centered on the Decision-making Level, with the Management serving as the hub and the Execution forming the foundation.

Decision-making Level

The Work Safety Committee, led by the General Manager, 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 that enterprise safety officers are required to fulfill under the Law of the People's Republic of China on Work Safety.

The Management

One Director of Work Safety shall be appointed. The head of each unit and subsidiary shall serve as the primary safety officer, responsible for work safety management in their respective areas.

The Execution

Each functional department and section is responsible for implementing specific risk management measures and conducting regular hazard identification and rectification; primary-level units designate safety officers to be responsible for on-site inspections, safety training, and emergency response.

We have established a safety management organization with the Tongxiang headquarters as the center, covering all bases in China's Jiujiang, Chengdu and Huai'an, as well as in Egypt, the United States and other places. Each branch/subsidiary maintains its own safety management organization, which operates independently while still under the supervision of the headquarters.

86 full-time safety officers

109 part-time safety officers

27 registered safety engineers
Continued expansion of the safety team

INCORPORATION OF KEY PERFORMANCE INDICATORS INTO SENIOR EXECUTIVE PERFORMANCE EVALUATION

In terms of employee rights protection and development, employee satisfaction has been incorporated as a key performance indicator in the annual performance evaluation of the Company's General Manager. The 2025 employee satisfaction target was 4.70 out of 5, and the actual score achieved was 4.79.

By signing a work safety responsibility statement, the Company has deeply integrated safety performance into the compensation incentive system for senior executives, establishing a safety accountability system that balances authority with responsibility and provides long-term incentives. The "veto clause" has been implemented regarding senior executives' fulfillment of their duties in work safety: Any fatal work safety accident resulting in liability will result in the immediate revocation of that year's performance bonuses and eligibility for awards and honors, as well as the initiation of accountability procedures, with those responsible for the accident facing demotion or dismissal. In addition, key performance indicators—such as the injury rate per 1,000 employees and the rectification rate for safety hazards—as well as performance requirements related to work safety meetings, work safety inspections, safety training, and emergency drills will be linked to senior executives' performance bonuses; key work safety indicators, such as the injury rate per 1,000 employees and safety-related accidents, will be incorporated into the General Manager's compensation evaluation.

DEFINING DEVELOPMENT STRATEGIES

The Company adheres to a people-centered approach, values the equal rights and interests of each employee, and strives to stimulate the vitality of its employees to break new ground. We remain committed to our founding principle of aligning with our employees and growing together with them. We have established a "comprehensive talent management" system to foster mutual growth between individuals and the Company, thereby building a world-class talent pool. Moreover, we prioritize health and safety in our business operations, continuously improve our occupational health and safety management systems, and implement daily preventive measures, inspections, and oversight. This creates a stable environment for the Company's high-quality development and fosters a healthy and comfortable atmosphere for our employees' work and daily lives.

EQUAL EMPLOYMENT, DIVERSITY AND INTEGRATION

Attaching Importance to and Safeguarding the Legitimate Rights and Interests of Employees

The Company strictly complies with laws and regulations such as the Labour Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Social Insurance Law of the People's Republic of China, the Provisions on the Prohibition of Using Child Labor, the Regulations on Paid Annual Leave for Employees, the Special Rules on the Labor Protection of Female Employees, the Law of the People's Republic of China on the Protection of Women's Rights and Interests, and the Law on the Protection of Persons with Disabilities. It has issued the Human Rights Policy Statement and the Occupational Health and Safety Policy Statement. It continuously improves its HR regulations, including recruitment management and compensation and benefits, to ensure the lawful, compliant, and equitable employment of staff, while eliminating discrimination and prohibiting child labor. It has developed the Procedures for the Prohibition of Discrimination and Harassment, the Procedures for the Prohibition of Child Labor and Remedial Actions, and the Procedures for Employee Complaints and Whistleblowing to provide employees with channels for redress and ensure timely remedial action. Besides, it works hand in hand with supply chain partners to fulfill shared responsibilities.

With the exception of the U.S. subsidiary, which hires employees in accordance with local laws and regulations, the Company has a 100% employment contract signing rate.

The Company respects employees' rights to rest and leave, consistently upholding the management philosophy of "respecting employees' central role and safeguarding their fundamental rights." It incorporates regulations on working hours and guarantees for rest and leave into the core scope of its corporate social responsibility, and optimizes and refines company Attendance Management System and Compensation and Benefits Management System, among other regulations. It has established maximum working hour limits, built a scientific and reasonable working hour management system, and implemented a monitoring mechanism for working hours and overtime to prevent excessive overtime. It provides employees who work overtime with compensatory time off or overtime pay, striving to achieve a virtuous cycle of efficient work and healthy living.

The Company resolves labor disputes through a process of negotiation (settlement), mediation, arbitration, and litigation. If the Company proposes to terminate an employment contract upon its expiration or proposes a mutually agreed termination, the Company will strictly comply with the 30-day notice period stipulated in the Labor Contract Law of the People's Republic of China and pay the employee severance pay.

CREATING A DIVERSIFIED, INTEGRATED, AND EQUAL WORKING ENVIRONMENT

The Company respects the unique qualities of each employee. In terms of recruitment, regularization, promotion, and resignation, it treats all employees equally, regardless of their race, nationality, gender, religion, sexual orientation, age, or physical condition. It firmly opposes any form of targeted discrimination and has established complaint procedures and channels to address any such issues.

The Company is committed to fostering a fair, equitable, and discrimination- and harassment-free work environment. Through clear policies, accessible reporting channels, rigorous investigation and resolution mechanisms, and comprehensive training initiatives, it safeguards employees' legal rights and interests, promotes workplace harmony and diversity, and fosters an inclusive culture. It conducts anti-discrimination and anti-harassment training as part of new employee onboarding, has established reporting platforms such as an employee suggestion box and a hotline, and carries out routine oversight and enforcement of disciplinary regulations.

The Company places a strong emphasis on inclusive development and adheres to the principle of localized management. Adhering to the principle of "cultivating localized, specialized, and market-oriented overseas talent", it has established and improved the system for the employment, use, post-specific assessment, rewards and punishments of overseas employees, to attract and cultivate outstanding overseas talent.

The localization rate of employees at the Egyptian subsidiary is 98.17%

The localization rate of employees at the U.S. subsidiary is 88.3%

The overall localization rate of employees at overseas manufacturing subsidiaries is 97%

OFFERING A VARIETY OF WELFARE BENEFITS

The Company complies with relevant domestic laws and the laws of the countries where its overseas subsidiaries are located, pays employee compensation in full and on time, and contributes to pension, medical, work-related injury, maternity, and unemployment insurance for 100% of its employees in China; it also contributes to the housing provident fund for employees in China who have completed their probationary period (six months).

In China, the Company strictly adheres to the Special Rules on the Labor Protection of Female Employees and relevant local policies in the employees' respective regions.

In accordance with the law, the Company implements the relevant paid leave arrangements for maternity and paternity leave. Female employees are entitled to no less than 158 days of paid maternity leave, and male employees are entitled to no less than 15 days of paid paternity leave. Employees who have been with the Company for at least one year and have a child under the age of three (born in compliance with legal requirements) are eligible for 10 days of parental leave each year. These policies apply to full-time employees currently on the payroll who meet the statutory requirements, covering 100% of the eligible workforce.

Domestically, in addition to ensuring employees' statutory leave entitlements, the Company has expanded its range of discretionary leave options to meet actual needs. The Company has established a system of leave, including paid annual leave, sick leave, marriage leave, maternity leave, personal leave, parental leave, and only child parent care leave. Specifically, employees who have been with the Company for at least one year and are from single-child families where one parent is 60 years of age or older are entitled to five days of paid parental leave per year to care for their parents.

We provide employees with various benefits and allowances, including annual seniority allowances, high-temperature allowances, meal allowances, and health retreat allowances. We also offer flexible time-off arrangements based on work requirements to ensure employees' rights to rest and vacation; we organize New Year celebrations, provide support for the families of overseas employees and employees facing financial difficulties, and offer holiday greetings; we provide family-friendly programs, team-building activities, birthday meals, psychological counseling, and health checkups, and have established supporting facilities including cultural and sports facilities, employee dormitories, and a cafeteria; we have established a Diligent Study Award to recognize employees' children and promote a spirit of diligence and progress.

As of the end of the reporting period

A total of 14,095 employees were enrolled in insurance plans other than the five statutory social insurance schemes, such as supplemental medical insurance.

- Jushi Huaian has established a suggestion box, a community service center, "five small" workshops, and an equipment room. It standardized service standards for car washing, haircuts, and other services, and provided subsidies to the Trade Union, thereby effectively improving service quality and employee satisfaction.

- Jushi Chengdu has established a national-level employee activity center equipped with a nursing room, a basketball court, a gym, badminton courts, a soccer field, and a reading lounge, ensuring that employees have access to a variety of recreational activities.


Conducting visits to primary-level units


Opening a "common prosperity" vegetable garden


Presenting the Diligent Study Award to employees' children


Organizing primary-level cultural performances


Organizing parent-child activities


Organizing the Trade Union's cultural and sports activities

CARING FOR FEMALE EMPLOYEES

In 2025, the Company officially became a signatory to the Women's Empowerment Principles of the UN Women. It places a high priority on the career development and empowerment of female employees, is committed to fostering an atmosphere of equality, diversity, and openness, strives to create equal opportunities for women across all areas of the Company's reform and development, and promotes women's greater involvement in corporate governance.


Honoring outstanding female employees


The roving assembling workshop at Jushi Chengdu was awarded the title of National Model Women's Collective

Each year, the Company signs a Collective Agreement on the Special Protection of Female Employees to implement a special protection mechanism for female employees during pregnancy, childbirth, and the breastfeeding period. During pregnancy, working hours are reasonably scheduled, and extended working hours or night shifts are prohibited; maternity leave, parental leave, and breastfeeding breaks are provided to safeguard female employees' right to take leave; "Mommy Care Rooms" and "Carnation Service Stations" have been established to provide convenient facilities for female employees who are breastfeeding; health checkups are arranged for female employees, and maternity insurance premiums are paid in full in accordance with the law.

In the reporting period

We provided support to 105 employees with special needs and assisted employees facing financial difficulties, with total expenditures amounting to RMB 180,000
Assistance was provided to 47 children of employees facing financial difficulties to help with their education, or rewards were given to employees whose children were admitted to school, with total expenditures amounting to RMB 130,000
We assisted four employees with critical illnesses, with total expenditures amounting to RMB 250,000
We hosted and organized 178 employee events, reaching a total of 21,756 participants

MAKING THE MOST OF EMPLOYEES' TALENTS AND APPOINTING EACH ONE FOR A RIGHT ROLE

We participated in 65 job fairs throughout the year and hired 3,515 new employees
688 employees were transferred internally or hired externally

We hired 4 PhDs, 20 master's degree holders, and 5 candidates with overseas education and work experience
Graduates from universities under the "Double First-Class" Initiative account for 52.6% of the talent pool

The Company encourages employee growth by establishing four major career advancement pathways, as well as a comprehensive job grading system and promotion mechanism; it implements professional title and skill level evaluations and adopts a dual-track career system to facilitate employees' career development.

It has established a personnel selection and appointment mechanism that ensures "the capable are promoted, the average step aside, and the incompetent are removed," and continued to refine the competitive selection process, performance appraisal system, innovation incentive program, job competency matrix, and comprehensive employee evaluation system to foster a culture of excellence and competition.

Administrative Position Channel	Technical Position Channel	Craftsman Promotion Channel	Employee Promotion Channels
Company executives	Professional Chief Engineer	Senior Chief Technician	
Directors	Professional Deputy Chief Engineer	Master technician	
	Senior Technical Position	Advanced Chief technician	
	Deputy Senior Director Technical Position	Deputy enior Chief technician	
Principals at factory /department level	Director Technical Position	Chief technician	
Deputies at the factory/ department level	Deputy Director Technical position	Deputy director technician	
Principals at the section level	Professional Technical position	Professional technician	Senior Supervisor
Deputies at the section level	Deputy professional technical position	Minor major technician	Supervisor
			High Specialist
			Intermediate Specialist
			Junior Specialist

The Company has established a streamlined internal job rotation system. Under the talent development system of "assignments to higher-level units, secondments to lower-level units, internal training, external training, and cross-functional collaboration," employees may participate in learning and exchange programs at other internal units or in different roles. They may also apply for other open positions through internal recruitment channels and, upon passing an interview, transfer to a new role within the organization, thereby ensuring that every employee's potential is fully realized, talents are optimally utilized, and their contributions yield tangible results.

CAREFUL CULTIVATION FOR COMMON DEVELOPMENT

Developing a Targeted Training System

Guided by the principle of "studying the spirit of the Party's founding to strengthen the Party membership, studying the spirit of scientists to strengthen the scientific and technological innovation team, studying the spirit of entrepreneurs to strengthen the cadre team, and studying the spirit of craftsmanship to strengthen the staff team," the Company is building its Party membership, cadre team, scientific and technological talent pool, and staff team. Taking the talent cultivation project under the theme of "Turning Stone into Gold" as the starting point, the Company has established the "Five Stones, Five Professionals" talent development system, providing comprehensive training support.

The Company designed training programs for management, technical, and skilled personnel through initiatives such as mentoring programs, skills competitions, interactive exchanges involving both internal and external training, innovation exchanges, cultural salons, special lectures, and QC presentations, with the aim of cultivating well-rounded professionals.

- The Company organized 22 benchmarking sessions with leading enterprises such as Hikvision, SAIC Volkswagen, Covestro, Evonik, and Estun, and conducted study programs on the spirit of scientific research. These initiatives reached over 200 senior executives and key personnel, effectively enabling them to absorb cutting-edge management concepts and practical experience.

Building a High-quality Industrial Workforce

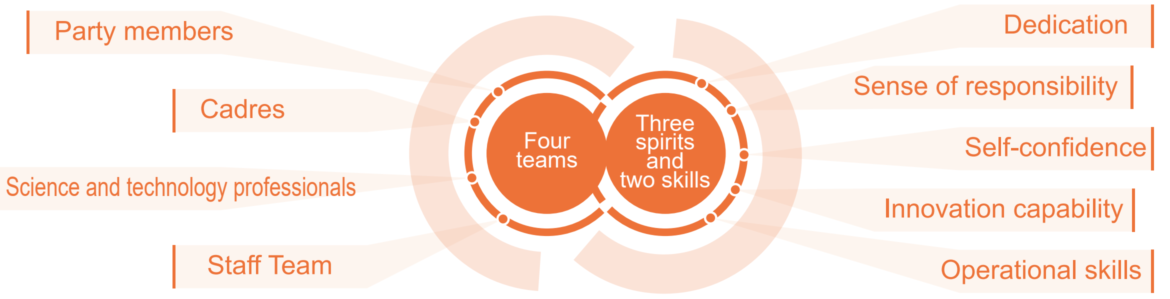
The Company is comprehensively deepening reforms to strengthen its industrial workforce, actively promoting the transition from "workers" to "craftsmen." It aims to certify no fewer than 100 highly skilled professionals to lead the training of 1,000 junior and intermediate workers, with the goal of gradually cultivating 10,000 craftsmen. The Company is establishing a high-skilled employee development system based on "three spirits and two skills," namely dedication, the sense of responsibility, and self-confidence, combined with operational skills and innovation capability.

- Launching the First “Four-Region” Skills Competition

The Company conducted training for glass fiber product workers covering professional ethics, job-specific knowledge, and technical skills, with each participant completing an average of over 100 training hours. As a result, 241 employees obtained Level 3 or higher certifications, 14 employees were awarded senior or associate senior professional titles through formal evaluation, and 168 employees successfully passed the self-evaluation process for intermediate and lower-level professional titles. More than 100 domestic skilled workers participated in the first “Four-Region” Skills Competition, which covered five skill categories—fiber drawing, roving assembling, inspection and packaging, chemical processing, and chopping.

- Open Competition for Mid-Level Management Positions: Recruiting Talent Without Prejudice

- Launching the "Mighty Energy, Powerful Voice" thematic promotional events and strengthen the development of the "Four Teams"



The Company has forged a path for cultivating innovative talent by establishing a rolling evaluation mechanism based on “work performance + innovation achievements” and a dynamic management system known as the “Jushi Talent Pool,” thereby continuously building a five-tiered team of innovators comprising good talent, outstanding talent, exceptional talent, leading talent, and commanding talent.

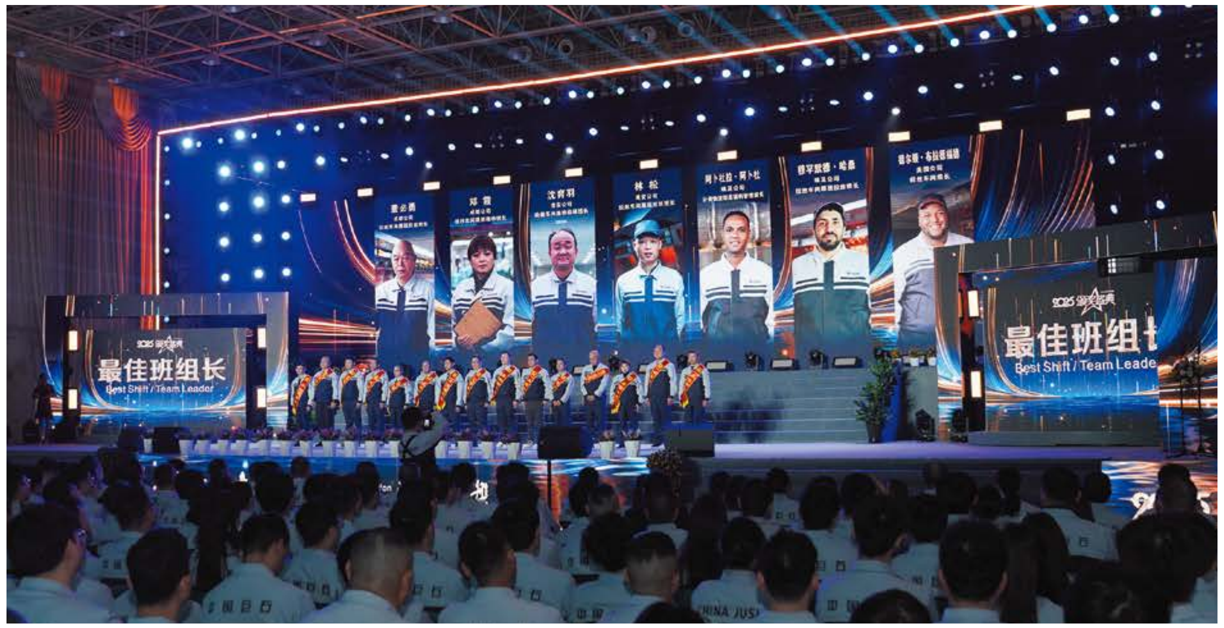
By refining a cadre management mechanism characterized by “clear strategic guidance, practical outcomes, and reasonable decision-making and execution,” the Company has cultivated nine national-level professionals, including recipients given special awards from the State Council, national technical experts, national-level master artisans from central SOEs, and national advanced manufacturing technology and basic process professionals; as well as 23 provincial-level professionals, such as outstanding engineers, special-class technicians, and master craftsmen. Additionally, the Company has established multiple master workshops and innovation studios.

- Hosting a Symposium on the Exchange of High-Level Talent

2021-2025

Independently recognized more than 5,000 skilled workers specializing in glass fiber and related products
Skilled workers accounted for more than 47% of the industrial workforce
Held 250 skill competitions at all levels in 2025, involving 4,086 participants

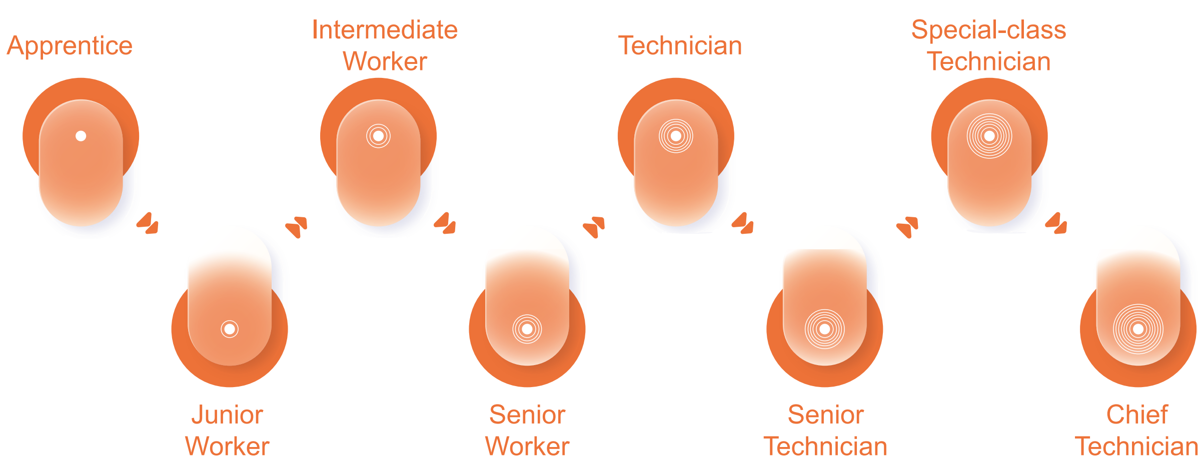
The Company is deepening its mechanisms for cultivating and developing skilled glass fiber craftsmen, leading the way in building a workforce of industrial workers; it vigorously promotes the spirit of model workers, the spirit of labor, and the spirit of craftsmanship, and annually recognizes outstanding individuals through an “awards ceremony” to set exemplary standards for the broader industrial workforce.



Hosting the 2025 Annual Awards Ceremony

Encouraging the Pursuit of Qualifications and Certifications

The Company is authorized to independently certify vocational skill levels and professional technical titles, and encourages employees to apply for such certifications. It also encourages employees to obtain various job-related professional qualifications, such as Certified Safety Engineer and Certified Public Accountant certifications, to enhance their professional capabilities and career competitiveness. By implementing the "New Eight-Level" vocational skills grading system and fully leveraging the advantages of our independent evaluation process, it has successfully certified six employees as Special-class Technicians in Zhejiang Province and one as a Special-class Technician in Sichuan Province.



VALUING TALENT, PURSUING COMMON PROSPERITY

Adhering to the philosophy of "collaborative striving, mutual growth, and shared prosperity," the Company has implemented a compensation system that integrates a base salary structure with performance-based pay, innovation incentives, and medium- to long-term incentives. By continuously advancing compensation reforms, the Company has energized its team and ensured sustained growth in employee income.

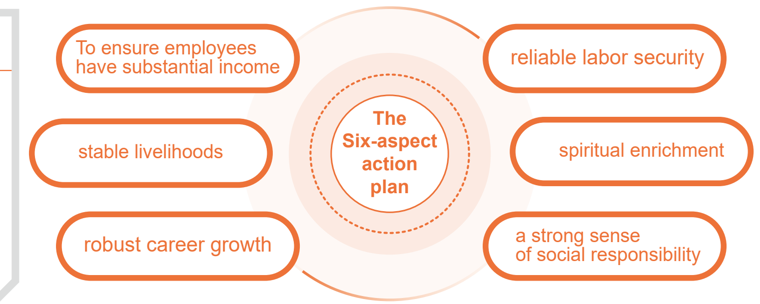
Implementing the Six-Aspect Action Plan

The Company continues to implement the six-aspect action plan—which focuses on ensuring employees have "substantial income, stable livelihoods, robust career growth, reliable labor security, spiritual enrichment, and a strong sense of social responsibility"—so that all employees can share in the fruits of the Company's development. We review employee compensation annually based on the per capita disposable income in the Company's location to ensure that employees achieve a decent standard of living. Implementing the Six-Aspect Action Plan for Shared Prosperity: Working Hand in Hand with Employees for a Prosperous Future was awarded the prize of Outstanding Achievement in Chinese Enterprise Reform and Development.

In the reporting period

Per capita income of employees has increased for many consecutive years

Per capita disposable income of employees is 70% higher than the per capita disposable income for Zhejiang Province



Promoting a Competency-based Wage Mechanism

The Company has integrated various characteristic mechanisms of Jushi, including incentives for innovation projects, job evaluation and employment of skilled workers, position benefits of highly skilled workers, allowances based on skill level, and education allowances. Moreover, it has developed, executed, and enforced a special collective contract on competency-based pay.

Signing a specialized collective agreement on competency-based wages

Strengthening the Guiding Role of Performance

As of the end of the reporting period

All employees underwent regular performance and career development assessments

All employees received performance-based variable compensation

The Company adheres to a dual approach of universal pay raises for all employees alongside performance-based pay adjustments, implements comprehensive performance management, and places greater emphasis on differentiated pay increases based on metrics such as performance and innovation.

Throughout the year, it conducts regular and ad hoc assessments, including goal-setting and performance reviews, multidimensional employee performance evaluations, team/department performance evaluations, and one-on-one employee meetings. It provides all employees with fair performance evaluation results, which are directly reflected in their compensation and incentives.

Implementing a Range of Incentive Tools

The Company has implemented an excess profit-sharing plan designed to incentivize core personnel in management, technical, marketing, and business roles who have signed employment contracts with China Jushi, have worked continuously in their positions for at least one year, and have a direct and significant impact on the Company's business performance and sustainable development. The number of employees eligible for this incentive shall not exceed 30% of the total number of active employees.

WORKPLACE SAFETY AND EMPLOYEE HEALTH PROTECTION

Building a Safety Control System

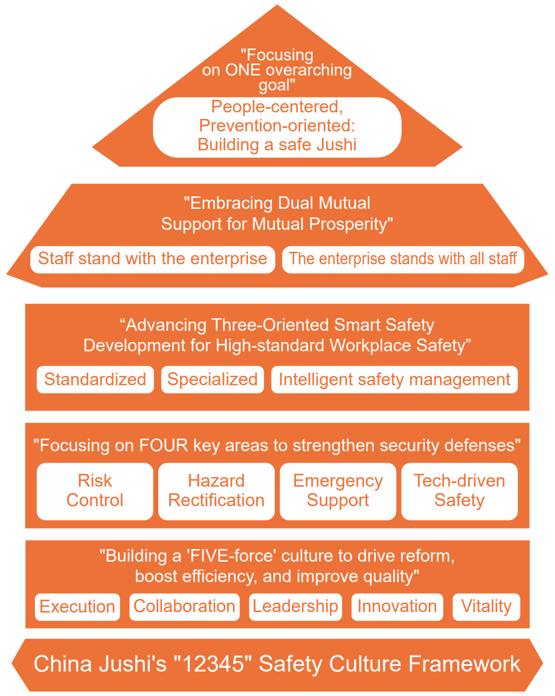
The Company has strengthened its work safety and occupational health management system, dynamically refined its work safety management policies and operating procedures, gradually enhanced the level of IT-based safety oversight, leveraged the effectiveness of technical and mechanical safeguards, and implemented centralized, top-down management of occupational health and work safety matters.

In the reporting period

Throughout the year, a total of six safety-related policies and management standards were established or revised, along with 154 operating procedures

Seven companies passed ISO 45001 Occupational Health and Safety Management System certification The occupational health and safety system now covers all production bases both domestically and internationally

In 2025, the Company launched its "12345" safety culture system, which covers multiple key aspects of safety management—including top-level design, mid-level implementation, and primary-level practices. This system helps enhance safety prevention and control capabilities, effectively curb the occurrence of various safety incidents, and tangibly safeguard the lives and physical well-being of employees, while laying a solid foundation for the Company's sustainable development.



China Jushi's "12345" Safety Culture Framework

The Company strictly implements the principle of "assigning equal responsibilities to Party and administrative units, and charging each staff member with another responsibility in addition to his/her prescribed duty," clarifies responsibilities at all levels, and has its principal leaders spearhead routine safety hazard inspections to strengthen the organizational foundation. In its management practices, the Company uses the creation of "model work safety lines" as a benchmark to establish replicable and propagable safety standardization models; it strives to become a "benchmark unit for work safety" to set exemplary standards. It strictly adheres to the inspection requirements of "conducting inspections directly at the spots with no written notifications, no reminding, no report, and no accompanying," and promotes the establishment of a normalized mechanism for self-inspection and self-correction of safety hazards by all employees.

Building on this foundation, the Company leverages its risk classification and control system to conduct dynamic inspections of safety hazards, implement targeted remedies, and ensure their elimination within specified timeframes, thereby establishing a self-improving, prevention-oriented closed-loop management system. To enhance the effectiveness of its management and control systems, the Company is actively developing an intelligent safety supervision platform that uses data analytics to monitor key risks in real time and issue intelligent alerts.

Defining Work Safety Responsibilities

The Responsibility Statement for the Management of Work Safety Objectives has been signed at every level, from the General Manager down to primary-level employees, to ensure that safety responsibilities are fully implemented across all departments and at every level.

In 2025

A total of 13,013 safety responsibility statements were signed, achieving a 100% signing rate.

The Company integrates contractor employees into its unified safety management system and enters into an EHS Management Agreement with them in advance. Once contractor employees begin providing services on company premises, their respective units sign a detailed Work Safety Management Agreement with the dispatching entity to clarify respective safety responsibilities, ensure the completion of on-site safety training and technical briefings, and enforce strict process supervision, control, and evaluation to guarantee the effective implementation of safety measures.The Company has established a tiered system of work safety responsibility statements, deeply integrated safety performance into the compensation incentive system for senior executives, and established a safety accountability system that balances authority with responsibility and provides long-term incentives. The "veto clause" has been implemented regarding senior executives' fulfillment of their duties in work safety: Any fatal work safety accident resulting in liability will result in the immediate revocation of that year's performance bonuses and eligibility for awards and honors, as well as the initiation of accountability procedures, with those responsible for the accident facing demotion or dismissal.The Company links senior executives' performance bonuses to key metrics—such as the injury rate per 1,000 employees and the rate of safety hazard rectification—as well as performance requirements related to work safety meetings, work safety inspections, safety training, and emergency drills. It has included key work safety indicators, such as the rate of work-related injuries per 1,000 employees and accidents attributable to safety negligence, in the General Manager's performance evaluation.

A work safety meeting was held as the "first lesson" on safety

Strengthening Hierarchical Risk Control

We organize training sessions on risk classification and control for safety officers and safety managers from all departments, and conduct a comprehensive review of risks related to the Company's equipment and facilities, personnel roles, and on-site environments. We have formulated prevention and control measures at different levels, created and displayed position-specific risk notification cards, and formulated and issued daily checklists to ensure "double prevention" and full coverage.

Increasing Investment in Work Safety

In accordance with the requirements of comprehensive budget management, expenditures on work safety shall be uniformly included in the annual budgets of each department to ensure that safety funds are effectively allocated. Actual expenditures on work safety totaled RMB 48.4694 million.

Conducting grassroots-level safety inspections

Carrying out Key Work Safety Actions

We continue to implement the three-year campaign to address the root causes of work safety issues. Focusing on "one overarching goal," we will achieve "six sub-goals for improvement" and carry out "eight major initiatives." We will strengthen safety education and risk management, deepen the development of a dual-prevention mechanism combining risk classification and control with safety hazard identification, actively establish a "five-in-one" long-term risk management mechanism, and ensure that safety responsibilities are fully implemented.

During the reporting period

A total of 9,509 safety hazards were identified, with a 100% rectification rate.

- **Develop innovative regional safety models and establish model safety factories to ensure that safety standards are effectively implemented**
- **Launch the summer and winter 100-day safety competitions**
- **Continue to carry out the campaign to recognize individuals and teams with "zero violations"**
- **The "Thunder Action" for safety hazard inspections, guided by the six principles of "speed, awareness, practicality, comprehensiveness, rigor, and strictness," is comprehensively advancing the thorough review, inspection, and rectification of work safety. The campaign aims to achieve a dynamic zero-tolerance policy for major safety hazards, effectively curb "three violations" (violations of work procedures, labor discipline, and safety regulations), resolutely prevent accidents such as explosions, fires, and workplace fatalities, and proactively prevent accidents from occurring**

Safety awareness training for new college students

Emergency first aid training

Firefighting skills competition

Security guardian challenge

Award ceremony for the 100-day safety competitions and regional safety model initiative

Carry out full-process simulation training exercises for limited space operations

Development of a Secure and Intelligent Information Platform

The Company is actively advancing the development of an intelligent safety management system. It has established an intelligent work safety management system at its intelligent manufacturing base in Tongxiang, which encompasses four core management areas and 22 functional modules. Leveraging real-time AI monitoring technology, the system provides immediate alerts for safety risks. To date, the system has processed more than 10,000 AI-generated video risk alerts, with a 100% resolution rate for identified safety hazards. In addition, the Company will fully implement the plan to upgrade intelligent management technologies and simultaneously advance the development of work safety management systems at its subsidiaries in Chengdu, Jiujiang, and Huai'an.

Implementing Occupational Health and Safety

The Company has developed the Management System for Personal Protection Equipment. Based on the types and severity of occupational hazards employees encounter at their work sites, the Company provides appropriate personal protective equipment. The system clearly defines the standards for equipment provision, distribution schedules, usage guidelines, and supervision and evaluation requirements. The system is updated and refined every six months to establish a closed-loop management mechanism characterized by "pre-event standardization, in-process control, and post-event review." Production units should regularly provide training, guidance, and instruction to employees on the proper use of personal protection equipment, and conduct routine inspections to ensure that the equipment is worn correctly and provides effective protection.

With regard to occupational hazard testing, the Company strictly adheres to relevant laws and regulations, including the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, as well as industry standards. It conducts annual occupational hazard testing on a regular basis, commissioning legally qualified third-party testing agencies to perform comprehensive and systematic testing of key hazards—such as dust, toxic and harmful gases, and noise—at all work sites. It maintains detailed records of occupational hazard testing, properly archives test reports, and ensures traceable management of the testing process.

The Company strictly implemented the "three-simultaneity" requirements for occupational health and safety, successfully completed the work related to the Jushi Group's Line 202 renovation project, and passed the final inspection. In terms of noise control, we hold quarterly special meetings to promote the combined use of automatic bobbin unloading devices in the fiber drawing section and noise-reducing sliding doors. In the storage tank area of the chemical preparation section, we have replaced pneumatic diaphragm pumps with electric pumps to eliminate noise at the source. We have also intensified inspections in areas that already meet standards, such as the chopping section, to consolidate these results, while simultaneously conducting regular noise measurements and maintaining detailed records in high-noise areas.

In terms of protective measures, the Company employs a combination of engineering protection measures and personal protection equipment. By selecting low-hazard raw materials and installing ventilation and dust extraction systems, the Company controls hazards at the source. Additionally, it provides employees with certified dust masks, earplugs, and other personal protection equipment to establish a robust protective barrier. Besides, the Company leverages its occupational health and safety management system to conduct training on system standards for management personnel and specialized training on occupational disease prevention and control for key units, thereby enhancing the prevention and control capabilities of all employees.

During Occupational Disease Prevention and Control Awareness Week, the Company organized a series of promotional activities centered on the theme of "Caring for Workers' Mental Health." These activities took various forms, including banners, digital displays, social media posts, expert lectures, and quizzes. More than 6,000 employees participated in the online quiz, which effectively raised their awareness of safety precautions and comprehensively improved the Company's occupational health management standards.

During the reporting period

A total of 59,035 people participated in occupational health and safety training

There were no cases of occupational disease at the Company throughout the year

FULL PARTICIPATION AND AWARENESS RAISING

Carrying out Safety-themed Activities

The Company organized a variety of activities, including a safety-themed short video contest, a safety pledge signing ceremony, a safety knowledge competition, screenings of safety awareness videos, "safety letters to family," safety briefings before and after shifts, a firefighting skills competition, fire emergency drills, fire safety quizzes, and a "hands-on" firefighting training workshop.

In the reporting period

A total of 103 safety-themed activities were carried out

13,669 people participated in safety-themed activities

Conducting Safety Education and Training

Guided by its "12345" safety culture framework, the Company has deeply integrated safety principles into every stage of its production and operations. Through a series of specialized initiatives and ongoing education and training, it has established a safety management system characterized by "full participation, comprehensive coverage, and end-to-end control."

During Work Safety Month, it organized activities such as a fire safety skills competition for mid-level managers, emergency first aid training, and a safety guardian challenge; during Fire Safety Awareness Month, it added new activities such as "Fire Safety Trivia Quiz" and "Spot the Fire Hazards". It also conducted emergency drills simulating high-rise building fire evacuations, rescuing people trapped in an elevator, and food poisoning incidents.

In the reporting period

917 safety education and training sessions

162 specialized emergency response drills

A total of 63,401 participants were trained

Fire emergency response drill

Emergency drill of rescuing people trapped in an elevator

MANAGING RISKS AND OPPORTUNITIES

The Company has established a cross-functional governance structure that fully integrates employee concerns into its strategic and operational processes. Through institutionalized and data-driven management, it systematically identifies, assesses, and monitors risks (such as labor compliance, safety hazards, and lack of diversity), while simultaneously transforming investments in areas like equal employment, career development, and health and safety into strategic opportunities to enhance employee engagement, strengthen organizational resilience, and drive innovation.

FOSTERING OPEN COMMUNICATION AND ADDRESSING EMPLOYEES' DEVELOPMENT NEEDS

The Company continues to promote democratic management by enacting the Implementation Measures for the Regulations on Workers' Congresses, with the aim of creating a platform that fosters unity, facilitates consultation and deliberation, ensures effective communication across all levels, and serves the staff. It actively gathers employee concerns and suggestions, analyzes and evaluates them to identify key factors affecting employee rights, satisfaction, and motivation, and implements solutions to address these issues.

Approaches to democratic management

Trade Union	Talent symposium
Workers' congresses	Symposium for newly appointed cadres
Solicitation of employees' opinions	Staff representative symposium
Employee hotline	Orientation for new college students

On January 18, 2026, Jushi convened the second session of the Fifth Workers' Congress, which reviewed and adopted the "Resolution of the Second Session of the Fifth Workers' Congress of China Jushi Co., Ltd."

The Company's Committee of the Trade Union serves as the working body of workers' congresses and oversees their daily work.

The Company and the Trade Union engage in collective bargaining on six major categories of matters, including the signing of employment contracts, compensation, working hours and leave, insurance and benefits, occupational safety and health, and vocational training, and sign a collective agreement.

Regular workers' congresses are held, during which staff representatives listen to and review the General Manager's work report, business policies, collective wage negotiation proposals, employee benefits, and other matters, participate in and review the Company's economic accountability plan, evaluate and supervise middle-level and senior management, and make recommendations regarding rewards, disciplinary actions, appointments, and dismissals.

Workers' congresses have established specialized working groups on safety education, business management, employee welfare, and democratic evaluation of cadres, as well as a proposal review committee. Staff representatives are directly elected by individual Trade Union branches and consist of workers, technical staff, managers, leading cadres, and representatives from other sectors, with worker representatives constituting no less than 50% of the total number of staff representatives.

94% of employees in China were Trade Union members
Signed four collective agreements, including the Collective Agreement, the Collective Agreement on Wages, the Collective Agreement on the Special Protection of Female Employees, and the Collective Agreement on Competency-Based Wages
Collective agreements in China were signed by staff representatives and covered all employees
Employee satisfaction survey coverage rate: 85%
Employee satisfaction rates exceeded 97% across all categories, including gender, age, job level, and ethnic group

With the support of the local government, Jushi Chengdu has pioneered the establishment of a corporate workstation dedicated to resolving labor disputes. It has refined a working mechanism characterized by “Party committee leadership, Trade Union participation, departmental coordination, and multi-stakeholder collaboration.” By fully leveraging the Trade Union’s role as a bridge connecting the Company with its workforce, Jushi Chengdu is actively exploring new approaches to prevent and resolve labor disputes. It upholds the lawful rights and interests of its employees in accordance with the law, ensuring that employee concerns are addressed promptly within the company and resolved at the workshop level. This approach delivers direct, on-site services for employee rights protection and promotes the development of harmonious labor relations.

Full-chain Coverage to Strengthen Human Rights Risk Management

We conduct systematic human rights risk assessments for projects involving potential human rights issues such as labor practices, occupational health, inequality, and discrimination, covering seven production and operations units across the Company’s six major production bases. If any safety hazards are identified, we will take a systematic and planned approach to address them through measures such as policy refinement, training and education, audit oversight, and optimization of the grievance mechanism.

In the future, the Company plans to collaborate with businesses across the entire supply chain to launch an initiative for the protection of workers’ rights, committing to upholding all statutory rights of employees, eliminating all forms of forced labor, prohibiting the use of child labor, protecting employee privacy, and eliminating employment discrimination.

There were no incidents of child labor or forced labor throughout the year, nor were there any major labor disputes
No complaints were received regarding discrimination against job applicants or employees

IDENTIFYING RISKS, ADDRESSING HAZARDS, AND ENSURING SAFETY

The Company prevents occupational health risks at the source by establishing systematic policies and mechanisms. It continuously refines its policies, such as the Management Measures for the Prevention and Control of Occupational Diseases, and conducts regular system audits to identify and address any shortcomings, ensuring the effective operation of the policy framework. During project construction and renovation, it strictly adheres to the "three-simultaneity" principle for occupational health, installs supporting facilities such as ventilation, dust removal, and noise reduction systems, and provides and monitors the use of compliant personal protection equipment for workers in hazardous positions, thereby reducing occupational hazards through both engineering and management measures.

By leveraging digital platforms and routine monitoring mechanisms, the Company has achieved a refined and forward-looking approach to occupational health management. By establishing an occupational health management platform, it has implemented computerized management of the "six major records." Moreover, it combines third-party and internal testing to continuously monitor occupational hazards in the workplace, and holds regular thematic meetings to promote the adoption of new technologies, ensuring that it maintains a dynamic understanding of risk factors and implements preventive measures in a timely manner.

The Company encourages all departments to pursue innovations in occupational health and safety, and to enhance the entire workforce’s awareness and capabilities in prevention and control through activities such as awareness weeks and quizzes. It strictly enforces occupational health risk assessments and internal monitoring mechanisms, promotes emission reduction initiatives, and maintains strict quality control over personal protective equipment. By organizing regular health checkups for employees and strengthening on-site supervision, the Company effectively safeguards the health of its employees.

In the reporting period

The Company conducted 1,358 safety inspections

Identified and addressed 9,509 safety hazards

Conducted 314 safety hazard inspections

The rectification rate reached 100%

IMPROVING PERFORMANCE

EMPLOYEE-RELATED PERFORMANCE METRICS

Number of Employees

Indicator		2025	Unit
Total number of employees		14,341	Person
Total number of employees by gender	Male employees	11,816	Person
	Of which: Number of male employees in STEM [*16] positions	3,011	Person
	Female employees	2,525	Person
	Of which: Number of female employees in STEM positions	389	Person
	Number of employees in STEM positions	3,400	Person
Total number of employees by ethnic group	Han employees	11,788	Person
	Ethnic minority employees	2,553	Person
Total number of employees by position level	Senior executives at various companies	63	Person
	Of which: Number of female employees	2	Person
	Of which: Number of male employees	61	Person
	Of which: Number of employees from ethnic minorities [*17]	3	Person
	Mid-level employees	635	Person
	Of which: Number of female employees	51	Person
	Of which: Number of female employees in revenue-generating positions [*18]	1	Person
	Of which: Number of male employees	584	Person
	Of which: Number of male employees in revenue-generating positions	28	Person
	Of which: Number of employees from ethnic minorities	66	Person
	Ordinary employees	13,643	Person
Total number of employees by age	Under 30	3,158	Person
	30 to 50	9,501	Person
	Above 50	1,682	Person
Total number of employees by region	Chinese mainland	12,213	Person
	Hong Kong, Macao and Taiwan	1	Person
	Overseas	2,127	Person

*[*16] Refers to positions related to the fields of science, technology, engineering, and mathematics.*
*[*17] Refer to employees other than those of Han Chinese.*
*[*18] Refer to positions that directly generate revenue for the Company, such as sales roles, and does not include support functions such as human resources, IT, and law.*

Indicator		2025	Unit
Employee turnover rate by gender [*19]	Male employees	18.14	%
	Female employees	19.72	%
Employee turnover rate by age	Under 30	29.58	%
	30 to 50	16.74	%
	Above 50	7.02	%
Employee turnover rate by region	Chinese mainland	16.43	%
	Hong Kong, Macao and Taiwan	0	%
	Overseas	29.90	%
Employee turnover rate by position level	Senior employees	1.59	%
	Mid-level employees	1.42	%
	Ordinary employees	19.29	%
Voluntary turnover rate by age [*20]	Under 30	26.47	%
	30 to 50	14.80	%
	Above 50	6.48	%
Voluntary turnover rate by region	Chinese mainland	14.04	%
	Hong Kong, Macao and Taiwan	0	%
	Overseas	29.90	%
Voluntary turnover rate by position level	Senior employees	1.59	%
	Mid-level employees	1.42	%
	Ordinary employees	17.16	%
Total number of new hires		3,515	Person
Of which: Male employees		2,818	Person
Of which: Female employees		697	Person
Of which: Employees under 30		1,563	Person
Of which: Employees aged 30 to 50		1,951	Person
Of which: Employees aged 50 and above		1	Person
Of which: Senior executives from various companies		0	Person
Of which: Mid-level employees		0	Person
Of which: General employees		3,515	Person
Of which: Number of Han employees		2,892	Person
Of which: Number of employees from ethnic minorities		623	Person
Number of internal transfers or internal job applications		688	Person
Percentage of internal transfers or internal job applications		16.37	%

*[*19] The turnover rate is calculated as the total number of employees who left during the year divided by the number of employees on the books at the end of the reporting period.*
*[*20] The difference between the voluntary turnover rate and the turnover rate is primarily attributable to employees who have retired or had their employment contracts terminated due to violations of rules or discipline.*

Total investment in employee training: RMB 13.29 million
The training participation rate reached 100% across all employee categories, including gender, age, ethnic group, and position level

Participation rate by training type for employees at all levels:

指标		2025	Unit
Safety and environmental training	Senior employees	100.00	%
	Mid-level employees	100.00	%
	Ordinary employees	100.00	%
Skills and business training	Senior employees	76.19	%
	Mid-level employees	96.22	%
	Ordinary employees	100.00	%
Management training	Senior employees	100.00	%
	Mid-level employees	100.00	%
	Ordinary employees	48.97	%

The average number of training hours per person, broken down by gender, age, ethnic group, and position level, all exceeded 36 hours, with that of senior employees reaching 43 hours

IMPLEMENTATION OF WORK SAFETY OBJECTIVES

During the 14th Five-Year Plan period, the Company reduced its target "workplace injury rate per 1,000 employees" from 1.8‰ to 1.5‰, with this figure remaining below 1‰ for three consecutive years.

In the reporting period

Throughout the year, the Company recorded no fatalities in work safety accidents among its own employees, no work-related fatalities among outsourced employees, and no work-related fatalities among stakeholders during construction projects; the fatality rate per 1,000 employees was 0
There were no fires, explosions, major safety incidents, public order incidents, or criminal cases throughout the year
The average severity rate for work-related injuries for the year was kept below 105 days per person
The lost-time injuries frequency rate (LTIFR) was 0.7327 *21
The contractor's LTIFR was 0
All annual safety management goals were achieved

2026 Work Safety Goals (Including Outsourced Employees)

- **Zero fatalities in work safety accidents among in-house employees, outsourced employees, and other parties involved during the construction period (Note: Accidents deemed not attributable to the Company by government authorities, traffic accidents, and sudden illnesses occurring during working hours that result in death within 48 hours despite medical treatment were not included in the performance evaluation)**
- **There were no occupational diseases**
- **There were no accidents resulting in serious injury**
- **There were no administrative penalties for work safety**
- **There were no fire accidents, explosions, or food poisoning incidents resulting in direct economic losses exceeding RMB 100,000**
- **There were no other types of safety-related accidents resulting in direct economic losses exceeding RMB 500,000**
- **There were no negative public opinion incidents related to work safety**
- **The incidence rate of work-related accidents attributable to negligence was kept within 1.5‰ of the total workforce**

*21 *The number of work-related injuries used to calculate the work-related injury incidence rate per million work hours is based on the number of work-related injuries that have been approved under the work-related injury insurance program.*

05

A REALM OF HARMONY

Uniting the Power to Do Good

We are working to boost confidence and expectations, improve the quality of our operations, provide high-quality products and services to our customers, fulfill our product responsibilities, unlock customer value, and safeguard customer rights. We are committed to responsible marketing and responsible procurement, enhancing the resilience of our industrial and supply chains, and joining forces to use “the nation’s finest materials” to help build “materials worthy of a great nation.”

REMAINING COMMITTED TO EXCELLENCE AND CONTINUING TO DELIVER COMPETITIVE PRODUCTS

We always adhere to the value orientation of quality first. Embracing the "12350" quality management model, we endeavor to advance the modernization of our quality management, establish premium projects, produce high-quality products, and build a benign ecosystem.

ESTABLISHING A QUALITY MANAGEMENT SYSTEM

We appoint a chief quality officer to assume overall responsibility for the supervision and management of product quality and safety.

Holding a kick-off meeting for the Year of Quality Improvement

IMPLEMENTING QUALITY IMPROVEMENT MEASURES

The Company complies with the requirements of product quality laws and regulations, including the Product Quality Law of the People's Republic of China, the EU RoHS Directive, and the EU REACH. Each year, we conduct third-party product testing in accordance with customer needs to ensure compliance with their requirements, and we proactively work to replace materials with environmentally friendly alternatives.

Promoting systematic quality management

We develop quality information systems such as SAP, OA, MES, barcode systems, SCADA, and LIMIS to input, collect, and analyze quality data. We implement quality control across raw materials, development, pilot production, mass production, and marketing, ensure the preparation of PPAP documents such as DFMEA, PFMEA, and CP, advance the standardization of work procedures, technical standards, and management standards, and promote the integration of management systems. The Company holds certifications for ISO 9001, ISO 14001, ISO 45001, ISO 5001, ISO 10012, ISO 7025, GB/T 23001, GB/T 29490, and others. All of the six global glass fiber production bases have obtained ISO 9001 quality management system certification. Among them, the headquarters of Jushi Group, as well as our U.S. and Egyptian subsidiaries, have also obtained IATF 16949 automotive quality management system certification to further meet the quality management requirements of our automotive customers.

Implementing whole-process quality supervision

The Company fully implements a "three-pronged approach to quality" and enforces the "555 mass production" quality risk control system for raw materials and products. We conduct process monitoring from incoming raw material inspections through physical sampling, analytical monitoring, and QC inspections, to final factory inspections of finished glass fiber products covering physical properties, characteristics, and packaging, and finally to delivery inspections covering packaging, vehicle condition, and loading. By combining technical standards with methodological standards, we standardize process parameters and standard operating procedures (SOPs) while continuously advancing automation, information technology, and error-proofing measures. We also ensure thorough product review and evaluation to achieve comprehensive oversight and audit of the entire production process.

Strengthening the mindset of prioritizing quality

2025 was designated as the Company's Year of Quality Improvement. Focusing on "core markets, core customers, and core products," and guided by the principles of "full employee participation, lean management, and continuous improvement," the Company carried out a comprehensive quality improvement initiative under the theme of "fostering a culture of quality, implementing innovative improvements, promoting lean management, and sharing quality achievements." The initiative concentrated on resolving typical and critical issues, refined long-term quality control mechanisms, and enhanced the Company's quality standards and market competitiveness. This year, quality training continued to be expanded and deepened, covering all aspects of quality control. A total of 294 training sessions were conducted, resulting in a comprehensive enhancement of quality awareness among all employees.

Organizing innovative quality actions

In 2025, the Company pioneered the supply chain innovation fund model and established its first "Juxing Fund". The qualification rate of raw ore reached a record high, and the control system for self-made raw materials was comprehensively improved. The quality assessment was further optimized, the assessment mechanism was comprehensively optimized in terms of process control, customer complaints, degradation losses, quality managers, etc., and quality reward and punishment levers were used to enhance the motivation for quality improvement. The Company established and implemented a multi-dimensional quality information collection mechanism to convert customer needs into internal quality improvement projects. In 2025, 106 quality improvement projects were approved, with a total reward amount of more than RMB 1.2 million.

This year, the Company effectively advanced the steady improvement of quality for its major global strategic customers, with no major quality issues occurring throughout the year.

PREVENTING PRODUCT QUALITY RISKS

The Company requires strict control throughout the entire process—including product design, procurement, production, after-sales service, and disposal—to ensure that the quality of its products and services meets all relevant standards and complies with requirements for health, safety, and the protection of life, property, and the living environment.

The Company has established long-term partnerships with international testing organizations such as UL, SGS, Intertek, and TOV, as well as international certification bodies including DNV (Norway), LR (UK), ABS and the FDA (U.S.), BKI (Indonesia), ACS (France), KTW (Germany), and CCS (China), to provide product testing and certification services.

The Company strictly enforces job-specific quality standards and evaluation systems, and implements a "one-strike-and-you're-out" mechanism for quality and safety; it strictly adheres to reporting and emergency response procedures for major quality incidents and assumes liability for quality-related damages; it implements product quality and safety risk management, monitoring and analyzing quality and safety risks associated with key products and processes, issuing timely warnings regarding quality risks, and promptly proposing remedial measures for major quality and safety hazards to ensure early detection, early assessment, and early resolution of quality and safety risks.

ACHIEVING PRODUCT QUALITY OBJECTIVES

In the reporting period

The percentage of products the Company must recall for safety and health reasons was 0

There were no lawsuits related to the safety and health of our products and services

SINCERE COOPERATION IN ENHANCING THE RESILIENCE OF BOTH CHAINS

We have established a global marketing network, continuously improved customer service, and bolstered communication mechanisms. Through these efforts, we aim to shape Jushi into an enterprise that satisfies customers, gains trust of suppliers, and instills confidence in operators.

The Company has joined the China Fiber Glass Industry Association, the China Electronic Materials Industry Association, the China Building Materials Federation, the China Composites Industry Association, and the China Association for Quality Inspection to further elevate the overall level of the industry and foster mutual development with upstream and downstream enterprises.

GLOBAL RESPONSIBLE MARKETING

Following the principle of "building markets before factories," the Company has established a global marketing network and industrial layout. It has implemented the BEST marketing model—comprising "brand marketing, eco-friendly marketing, service marketing, and technology marketing"—to support a transnational business model characterized by "supplying domestic markets from domestic bases, supplying foreign markets from foreign bases, supplying foreign markets from domestic bases, and supplying domestic markets from foreign bases." This approach has created a global production and sales structure in which domestic bases complement one another, overseas bases interact with one another, and domestic and overseas bases support one another.

Cross-border business model

- Supplying domestic markets from domestic bases
- Supplying foreign markets from foreign bases
- Supplying foreign markets from domestic bases
- Supplying domestic markets from foreign bases

Global Responsible Marketing

- Domestic bases complement one another
- Overseas bases interact with one another
- Domestic and overseas bases support one another

In 2025

Overseas revenue: RMB 6.273 billion

Total overseas profit: Over RMB 586 million

Transnationality index: 23.21%

The Company now operates 12 overseas sales companies, along with two overseas production bases in Egypt and the United States, boasting a total annual production capacity exceeding 450,000 tons abroad. It has established a complete global marketing network and strategic production footprint and cemented long-term and stable cooperative relations with customers across over 100 countries and regions including North America, the Middle East, Europe, Southeast Asia, and Africa.

Leveraging the advantages of its global footprint, the Company has diversified its supply chain across domestic and international production bases to mitigate market risks. It has increased the proportion of supplies from Egypt for its core markets, thereby enhancing product competitiveness and reducing supply chain risks associated with issues such as maritime transport.

Case Study: The 31st Annual International Conference on Fiberglass—Building a Community with a Shared Future for the Industry

During the reporting period, China Jushi hosted the 31st Annual International Conference on Fiberglass under the theme "Green Intelligence Leads a Mutually Beneficial Future," providing 1,000 global partners with platforms including an opening ceremony, a press conference, a supplier conference, business exchange sessions, and technical seminars. The Company also released an ESG promotional video titled "Making Fibers for a Better World"; through factory tours, an ESG achievements exhibition, promotional videos, and themed performances, the Company worked with global stakeholders to build a high-quality community with a shared future for the glass fiber industry.

China Jushi 31st Annual International Conference on Fiberglass

Signing strategic partnership agreements with global clients

Presenting a commemorative cup to the American Bureau of Shipping to mark the 30th anniversary of the partnership

Celebrating the 20th anniversary of the Cooperation Project with PD in Germany

SUSTAINABLE INVESTMENT DECISIONS

In its investment decision-making process, the Company places a high priority on sustainability factors, treating them as one of the core criteria for evaluating new projects, and is committed to harmonizing commercial value with social and environmental responsibility.

The Company conducts detailed due diligence prior to making any investment decisions regarding greenfield projects. ESG due diligence is a core component of this process, primarily covering the three key areas of environmental, social, and governance.

Environment	The review focuses on the project's environmental compliance and risks (such as EIA approval status, historical pollution, ecological protection red lines, and carbon emission intensity), energy mix, water resource and waste management plans, as well as the potential for applying green technologies.
Society	It focuses on stakeholder engagement, cultural adaptation, labor rights (including the proportion of local and female employees), infrastructure sharing, supplier selection, and community contributions.
Governance	It assesses ESG governance structures, the establishment of dedicated roles, clearly defined policies and evaluation mechanisms, risk monitoring and reporting capabilities, and contingency plans.

Sustainable investment initiatives are led by the Investment Strategy Department, in collaboration with internal specialized departments such as the Equipment & Environmental Protection Department, the Administrative Security Department, and the Human Resources Department, and involve third-party experts as needed. Before launching an investigation, the team dynamically generates a customized due diligence checklist based on the project type and local conditions to ensure that all major ESG issues—including environmental compliance, community relations, and labor rights—are addressed.

During the on-site due diligence process, various departments conduct a joint analysis of the issues identified and, based on their nature and impact, clearly categorize them as "deal-breaking red lines," "key items requiring correction," or "areas for improvement." For non-critical issues, they will continue to monitor them throughout the project implementation phase to ensure that corrective and optimization measures are effectively implemented, thereby systematically managing ESG risks.

PROTECTION OF CUSTOMER RIGHTS AND INTERESTS

We standardized the sales business process to accurately capture and understand customer needs while preventing potential risks in sales. Moreover, we strengthened the confidentiality management of customer information, established and improved the Customer File Management System in a standardized manner, and strictly implemented the confidentiality requirements stipulated by this system.

Personnel handling customer information strictly observed the requirements and regulations in the Confidentiality Management System. We earnestly fulfilled our duties and responsibilities regarding confidentiality, rigorously protected customer privacy, and consciously safeguarded the safety and interests of the Company.

SAFEGUARDING CUSTOMER PRIVACY

Through its IT initiatives, the Company has developed a dedicated customer profile management module for customer information management. This has replaced the traditional offline paper-based data collection process with an online submission system. Access permissions are configured based on job roles and employee levels, thereby enhancing control over the confidentiality of customer information.

There were no customer privacy breaches or information security incidents in 2025.

Information Security Management System

The Company has established a digital transformation leading group, with the Company's General Manager serving as the group leader and the deputy General Manager in charge of the Digital Technology Center serving as the executive leader. It comprises three working groups: the System Planning Group, the Process and Data Group, and the Information Security Group; it has formulated the Information Security Control Procedures, the Information Security Risk Emergency Response Procedures, and the Management Regulations for the Use of Computer Equipment and Software, which apply to all employees.

The Company's ERP and MES systems have obtained Level 3 Information Security Protection Certification, while the SS0 unified identity authentication system and barcode system have obtained Level 2 Information Security Protection Certification.

Problem Identification and Early Warning

The Company has established an information security incident response platform and an IT operation and maintenance platform to display internal cybersecurity issues in real time on large screens and issue early warnings. These platforms are integrated with the operations ticket system. During the reporting period, the Company handled five security incidents through this platform, all of which were addressed and mitigated at the initial stage, resulting in no substantial impact.

Employees may contact the Information Technology Center via phone, WeCom, email, or other means to report information security issues. Depending on the severity of the reported issue, the center will handle it in accordance with the Information Security Risk Emergency Response Procedures.

Offensive-Defensive Exercises, Penetration Testing, Vulnerability Scanning

The Company continues to strengthen its information security systems and organizes a series of activities during Cybersecurity Awareness Week. Every year from September to November, it engages third-party firms to conduct offensive and defensive drills, penetration tests, and vulnerability scans to simulate hacker attacks and defensive responses; it also conducts its own phishing email drills on a quarterly basis.

In the reporting period

Conducted eight cybersecurity drills

Based on the results of the drills, 16 corrective actions were implemented

Completion rate of rectification: 100%

Information Security Requirements for Third Parties

When the Company issues a request for proposals for digital investment projects, it sets forth clear information security requirements. Suppliers are required to sign the Data Ownership and Protection Agreement and the Supplier Security Undertaking. During the project testing phase, all required tests must be conducted in accordance with specifications, and a Digital Investment Project Testing Report must be provided. Prior to the project's launch, the supplier must submit a Security Baseline Inspection Report, a Penetration Testing Report, and a Source Code Audit Report to the Operation and Maintenance Department of the Digital Technology Center for security verification. The Digital Technology Center evaluates the overall status of the project and issues the Software Development Security Rectification Confirmation Form to ensure that information security inspections and remediation measures have been fully implemented.

Performance-based Mechanism

As the primary unit responsible for the Company's information security, the Digital Technology Center ensures that the economic responsibility contracts signed by managers at all levels include specific requirements and incentive and disciplinary measures related to information security. For employees involved in cybersecurity incidents, the Company will also report such incidents during information security audits and impose penalties, thereby ensuring that all employees are held accountable for information security.

Information Security Training

In the reporting period

Cybersecurity awareness training for new hires: 16 sessions per year

Industrial control system cybersecurity training for mid-to-senior management personnel: once a year

Specialized training on phishing email attack and defense drills: 4 times per year

Security awareness training on preventing email scams from overseas companies: once a year

COMPLAINT MANAGEMENT SYSTEM

The Company has established a comprehensive customer complaint management system. At the institutional level, it has issued regulatory documents such as the Comprehensive Performance Evaluation Management Standards for Sales and Supply Staff and the Customer Follow-up Management Regulations to clearly define the responsibilities and standards for handling complaints. In terms of channel development, the Company has established a multi-channel communication network encompassing telephone, fax, email, written correspondence, website messages, in-person visits, trade shows/annual conferences/industry events, field visits, and the WeChat official account Jushi Sale, ensuring that customer requests are addressed across all channels.

In terms of process management, the Company conducts quarterly analyses of complaint trends, customer visit results, quality issues at each stage, and the rate of corrective actions resolved; based on these findings, it develops targeted improvement measures. The Company has established a quality improvement project team to drive specific initiatives. For complaints involving suppliers, the Company strictly follows the Supplier Management and Control Procedures to extend product and service improvements to relevant parties, thereby ensuring a closed-loop management process.

- **We received 21 complaints regarding our products and services throughout the year, all of which were properly addressed and responded to**
- **The complaint rate for yarn was 0.039 complaints per one million meters, a year-on-year decrease of 0.001 complaints per one million meters**
- **The complaint rate for roving was 0.005 complaints per 1,000 tons, a year-on-year increase of 0.003 complaints per 1,000 tons**
- **The overall pass rate for the product was 100%**

REALIZING CUSTOMER VALUE

The Company gains deep insights into customer needs, fully explores customer value, and continuously communicates its achievements in product sustainability to its broad customer base, emphasizing core strengths such as carbon emissions control to earn market recognition through its green competitive edge. Thanks to this eco-friendly value proposition, numerous strategic and major clients have designated the Company as a preferred partner, effectively solidifying long-term partnerships.

Addressing Customers' Sustainability Needs

Through collaborative initiatives such as the "Shuangshi R&D Initiative," the "Juyi Fund," and the "Jujin Fund," the Company has deepened industry exchanges, established close partnerships with leading enterprises across various sectors, effectively promoted its latest R&D products, and proactively listened to clients' cutting-edge needs, thereby achieving efficient alignment between supply and demand.

In 2025, the Company further strengthened its channel capabilities by developing the Domestic Distributor Management Regulations. Through institutionalized and standardized management measures for distributors, the Company implemented its sales model of "direct sales as the primary channel, supplemented by distribution, with complementary strengths." The Company holds an annual domestic distributor conference, during which it signs the Distributor Commitment Agreement and the Domestic Distributor Code of Business Ethics with its distributors. It also conducts specialized training sessions for distributors to systematically communicate the Company's product value system and market strategies, guiding distributor partners to collectively adhere to high ethical standards. By extending the Company's ESG philosophy and sustainability requirements to the front lines of the market, the Company significantly strengthens the Jushi brand's industry influence and customer recognition, while promoting the coordinated development of the channel ecosystem.

Holding the "Juyi Fund" Award Ceremony

Convening Domestic Distributors' Conferences

The Company periodically distributes customer satisfaction and product quality feedback surveys to specific customer segments. Customer satisfaction is measured strictly in accordance with the China Customer Satisfaction Index (CCSI), a systematic and comprehensive model that covers six key structural variables: brand image, quality expectations, perceived quality, perceived value, customer satisfaction, and customer loyalty.

PROMOTING GREEN CONSUMPTION

The Company is working with its yarn (electronic fabric) customers to systematically promote the use of recycled packaging materials. It has formulated and implemented the Implementation Measures for the Recycling of Yarn Product Packaging, while simultaneously establishing technical standards and SOPs for recycled products, clearly defining requirements for the specifications, cleaning, and temporary storage of recycled plastic tubes. By entering into recycling agreements with customers and guiding them on standardized operational procedures, we have significantly reduced the difficulty customers face in disposing of waste packaging materials. This has established a two-way, collaborative, and sustainable model characterized by "corporate guidance and customer participation," enabling the simultaneous achievement of resource recycling and carbon reduction goals.

The Company is working with roving customers to accelerate the transition to green logistics. It is actively promoting the replacement of traditional solid wood pallets with plastic and molded pallets. By adopting a dual-track approach—combining the rental of shared plastic pallets from logistics providers with the promotion of molded pallets—the Company is optimizing packaging solutions. Concurrently, it has established a supporting recycling management system that clearly defines the responsible parties and processes for pallet circulation, cleaning, and return to the factory. This effectively reduces wood consumption and carbon emissions during transportation, helping customers achieve a low-carbon upgrade of their supply chains.

In response to our customers' key demands for sustainability and carbon reduction, the Company has successfully obtained PIR certification for the recycling of glass fiber products. We have already achieved large-scale recycling and reuse of certain glass fiber products and are systematically promoting these solutions to domestic and international customers. We have established partnerships with some customers, driving carbon reduction across the supply chain through technological innovation and providing a practical model for the industry's green transition.

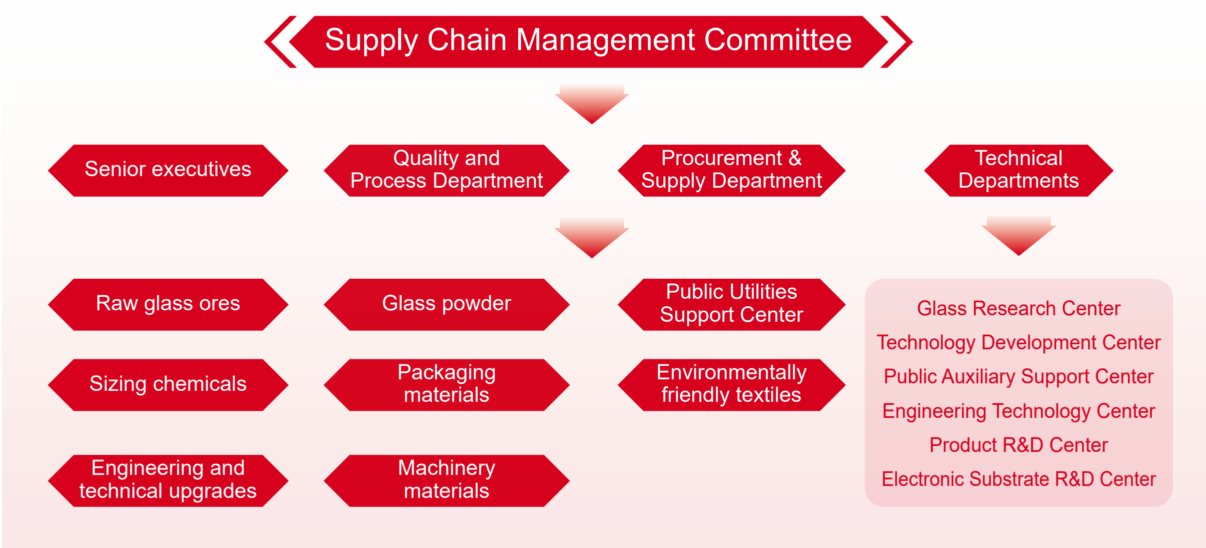
A total of 350,000 plastic tubes were recycled throughout the year, which is equivalent to reducing the use of 875,000 paper tubes, thereby cutting down on the consumption of wood pulp and the disposal of used paper tubes.

STABILIZING SUPPLY RELATIONS

The Company has established a responsible supply chain, implemented SRM and the Jushi Zhicai Mall, and consistently promoted a transparent procurement model based on "fairness, openness, and impartiality." The entire supplier management process—including supplier development, sample management, and quota setting—has been fully integrated with SAP and streamlined through online approval via OA. The Company dynamically analyzes supply risks for raw and auxiliary materials, formulates clear development plans for high-risk raw materials, establishes new types of supplier partnerships, expands its network of strategic partners, and ensures the stable operation of the supply chain.

ORGANIZATION STRUCTURE

Sustainable supply chain management is overseen by the Board of Directors and the Sustainability Committee within the scope of ESG. The Management has established a supply chain management committee, which is fully responsible for supplier management. The committee comprises senior executives, a quality and process department, a procurement & supply department, and technical departments (Glass Research Center, Technology Development Center, Public Auxiliary Support Center, Engineering Technology Center, Product R&D Center, and Electronic Substrate R&D Center). It oversees eight working groups: raw glass ore, glass powder, basic chemicals, wetting agent chemicals, packaging materials, environmentally friendly textiles, engineering and technical upgrades, and machinery materials. The Quality and Process Department and the Procurement & Supply Department carry out the day-to-day operations of supplier management in accordance with the Supplier Management and Control Procedures.



MANAGEMENT STRATEGY

Strengthen Institutional Mechanisms

The Company has developed the Procurement Management Control Procedure to clarify procurement management processes, standardize procurement requirements, and ensure the secure, sufficient, and high-quality supply of materials needed for production and construction. The Company has developed the Supplier Management and Control Procedures, which comprehensively standardizes raw material supplier management processes—including supplier development, evaluation, supervision, assessment, and quota control—based on eleven key management principles: classification management, evaluation of core/routine/general raw materials, risk assessment, quota management, qualification management, development management, agreement signing, roster management, audit management, dynamic monitoring, and performance evaluation and recognition. This ensures that raw material supplier quality management and procurement activities are compliant and under control, thereby effectively managing raw material quality.

Strict Access

The Company requires suppliers of raw and auxiliary materials to provide the relevant administrative licensing qualifications and corporate management qualifications in accordance with the classification requirements during the onboarding process, and conducts supplier audits. The Supply Chain Management Committee reviews and approves the onboarding based on the supplier's qualifications and the results of the audit.

ESG Considerations in Supplier Access

The Company requires suppliers to sign the Supplier Code of Conduct (covering labor and human rights, health and safety, anti-discrimination, bribery and corruption, and child labor) as well as the Raw Materials Supplier Agreement (covering quality assurance, confidentiality, counter-terrorism, business ethics, the prohibition of hazardous substances, and environmental and occupational health and safety for stakeholders).

The Company requires suppliers to provide ESG-related permits, certifications, and documentation, including discharge permits, environmental impact assessment reports, supplier environmental information questionnaires, ESG reports, carbon emissions data, green product certifications, carbon footprint assessments, energy management systems, environmental management systems, and occupational health and safety management systems.

The Company requires suppliers to complete a self-assessment using the Supplier On-site Audit Form. The Company's audit team conducts on-site audits of suppliers as appropriate. The audit criteria cover a range of ESG requirements, accounting for approximately 8% of the weighted evaluation. Suppliers are required to promptly address any ESG-related issues identified during the audit. Suppliers posing significant operational, environmental, or supply risks will be subject to a veto.

The Company requires suppliers to complete a self-assessment by filling out the Supplier Green and Low-Carbon Survey Form. The supply chain team will conduct a comprehensive assessment of green and low-carbon capabilities based on the information provided (out of a total of 10 points). Suppliers with a score of 7 or higher will be designated as green and low-carbon suppliers and will be eligible for priority in business development and procurement. Suppliers with a score below 7 will be designated as non-green and low-carbon suppliers and will be required to develop a plan to enhance their green and low-carbon capabilities and complete the necessary improvements within a specified timeframe.

The Company explicitly promotes green procurement in its procurement control procedures, giving priority to renewable and biodegradable materials as well as certified green products, gradually increasing the proportion of green procurement, and encouraging the implementation of green supplier management. It improves the ESG evaluation mechanism for material suppliers, incorporates ESG requirements into processes such as bidding and negotiations, strengthens ESG capacity-building for key suppliers, and guides suppliers to conduct carbon audits and provide relevant data.

The Company has established compliance targets for suppliers regarding green and low-carbon practices and is driving improvements in this area to gradually increase the number of suppliers meeting ESG standards. It is actively promoting suppliers' efforts to implement green and low-carbon initiatives. It requires both new and existing suppliers to accelerate the development of carbon emission control measures in accordance with the national "dual carbon" policy and to achieve carbon peaking and carbon neutrality within their organizations as soon as possible.

The Company includes social responsibility clauses in its contracts with suppliers; for example, it has incorporated Safety and Personnel Management clauses into all installation and contracting agreements to clearly define requirements for suppliers regarding labor management and the protection of human rights.

PERIODIC EVALUATIONS

The Company conducts quarterly and annual evaluations of suppliers, assessing their supply performance, operational status, business qualifications, after-sales service, fulfillment of social responsibilities, and environmental risks. Based on the evaluation results, the Company implements measures such as prioritizing procurement, continuing procurement, suspending supply, and terminating supply to ensure suppliers comply with the Company's supplier management requirements. In accordance with the audit management principles set forth in the Supplier Management and Control Procedures, an annual on-site audit plan covering no fewer than 20 suppliers shall be prepared.

Convening a suppliers conference to build a new model of cooperation

In the reporting period

Conducted an annual evaluation of the 920 active raw material suppliers across four locations in China: Tongxiang (headquarters), Jiujiang, Chengdu, and Huai'an

Carrying out on-site compliance audits of 22 raw material suppliers

Suppliers rated D would have their supply qualifications revoked

The Company has established a complaint and reporting mechanism for workers at supplier facilities. The Jushi Supplier Social Responsibility Reporting Mechanism Information Form is posted at supplier sites to monitor for violations of the Jushi Supplier Code of Conduct, including forced labor, labor discrimination, wage arrears, occupational health and safety hazards, environmental pollution, embezzlement and bribery, and the use of child labor. Upon receiving a relevant complaint or report, the Company will investigate within seven workdays and publicly disclose the results of its investigation.

ENSURING STABILITY

The Company leverages new forms of partnership to foster long-term, in-depth collaboration with suppliers that possess high-quality resources and strengths in technology and innovation, thereby advancing joint innovation and strengthening its supply chain advantages. The Company currently has six suppliers with whom it has established new partnership agreements, as well as 21 strategic suppliers. These partners have played a vital role in ensuring the supply of key raw and auxiliary materials, thereby establishing an open and collaborative "1+N" innovation platform.

TRANSPARENT PROCUREMENT

The Company is actively promoting the implementation of transparent procurement practices. It has published the China Jushi Code of Business Ethics and Conduct on its official website, which outlines the Company's ethical standards, fundamental policies, and guidelines for business conduct, and clearly specifies the channels for reporting violations. The procurement SRM system includes a link to the supplier agreement, which sets forth provisions covering 12 aspects of integrity and self-discipline.

In the reporting period

Contract signing rate for new suppliers: 100%

Combined contract signing rate for new and existing suppliers: 80%

Supply Chain Ethics Monitoring and Auditing

In accordance with the Supplier Management and Control Procedures, we have developed an annual on-site audit plan covering no fewer than 20 suppliers. We will treat the Company's internal anti-corruption control mechanisms as a key audit criterion to urge suppliers to resolutely implement long-term anti-corruption measures, monitor the conduct of relevant personnel at China Jushi, and ensure transparent cooperation between both parties.

We conduct regular special inspections of procurement and subcontracting operations through methods such as telephone interviews. We dispatch working groups to project sites to conduct in-depth assessments of the effectiveness of suppliers' integrity management through on-site visits, face-to-face interviews, and document reviews, thereby strengthening integrity oversight and management across the supply chain.

We conduct regular integrity interviews with key personnel in the procurement department, organize meetings on compliance management and integrity risk warnings for key procurement projects, and regularly provide education on professional integrity and conduct warning sessions to ensure that key personnel fulfill their duties and responsibilities.

We conduct occasional supplier follow-ups or supplier forums to discuss and understand the integrity of our employees during business dealings, thereby promoting joint efforts with suppliers to uphold integrity.

During the reporting period, integrity inspections were conducted on 920 active raw material suppliers
705 companies signed the Business Ethics Agreement, accounting for 76.63% of the total

CAPACITY BUILDING

- The Company organized a training session for all procurement staff on the Procurement Control Procedures to educate them on how to promote green procurement, prioritize renewable and biodegradable materials as well as certified green products, gradually increase the proportion of green procurement, and encourage the implementation of green supplier management. In addition, it strengthens ESG capacity-building for key suppliers, guides them in conducting carbon audits and providing data, and works with them to build a responsible, green, and efficient supply chain. **During the reporting period, 100% of procurement staff across all regions completed sustainable procurement training.**

- The Company conducts regular surveys of its suppliers to assess and update their ESG compliance status and develops improvement plans for them. It promotes ESG improvements among suppliers through technical exchanges and assistance, and incorporates these efforts into annual and quarterly evaluations. Based on the evaluation results, the Company implements dynamic control measures to enhance suppliers' sustainability performance. Moreover, it strengthens ESG capacity-building for key suppliers by providing them with technical support and peer benchmarking analysis to help them improve their performance and address areas for improvement, and guides them in conducting carbon inventories and submitting data.

The Company also strengthens communication with suppliers on green, low-carbon, and ESG management, sharing best practices in ESG management within the industry, and promoting mutual progress.

- China Jushi has established green logistics partnerships with Covestro and Ingredion

RISK ASSESSMENT

The Company has established a supply chain risk management mechanism that covers the entire lifecycle of raw materials and suppliers, focusing on the potential impact of stable raw material supply and the performance capabilities of key suppliers on production operations and business continuity. By systematically identifying risks, implementing tiered management, and taking proactive measures, the Company mitigates supply disruptions and related operational risks.

Identification and Assessment of Raw Material Risks

The Company conducts systematic risk assessments of raw materials, taking into account both the supply risks associated with the global market and the materiality of these materials to its internal production operations. The risk assessment covers three dimensions—severity, frequency, and future trend projections—and takes into account risk factors specific to individual countries, industries, and commodities. A comprehensive risk assessment of all raw materials is conducted annually.

Based on the results of its risk assessment, the Company implements a tiered management system for raw material risks, classifying raw materials with a high risk of supply or operational disruption into categories such as Class I (A), Class I, Class II, and Class A as high-risk materials, thereby providing a basis for subsequent supplier management and risk mitigation.

In the reporting period

Conducted a supplier risk assessment of 1,326 raw material suppliers—both active and inactive—listed on the qualified supplier rosters for our four bases in China: Tongxiang (headquarters), Jiujiang, Chengdu, and Huai'an
The risk assessment findings indicate that no high-risk suppliers were identified in the ESG risk module

Supplier Grading and Risk Assessment

Based on a risk assessment of raw materials, the Company evaluates suppliers by considering two key factors: procurement capabilities (industry standing, economies of scale, market share, and management capabilities) and supply risks (including quality risks, delivery risks, and collaboration risks). Through evaluation, suppliers are categorized into four main groups: "strategic suppliers," "leverage suppliers," "general suppliers," and "bottleneck suppliers." Specifically, these include:

Strategic Suppliers

Strategic suppliers are industry leaders or rank in the upper-middle tier, with strong economies of scale and advanced management practices. They maintain high standards in R&D, labor rights, and environmental protection, resulting in low operational risk, demonstrate strong capabilities in quality control, product quality, and traceability, resulting in low quality risk, and exhibit excellent delivery management and high service standards, fully meeting incremental demand and posing minimal delivery and partnership risks.

Leverage Suppliers

Leverage suppliers rank in the middle of the industry, with good economies of scale and strong management capabilities. They rank in the middle in areas such as R&D, labor rights, and environmental protection, and pose minimal operational risks. They demonstrate strong capabilities in quality control, product quality, and traceability, and pose minimal quality risks. With effective delivery management and high service standards, they are well-positioned to meet growing demand and pose minimal delivery and partnership risks.

General Suppliers

General suppliers rank in the lower-middle tier of the industry, with average economies of scale and management standards. They perform at a lower-middle level in R&D, labor rights, and environmental protection, with moderate operational risks, and demonstrate average capabilities in quality control, supply quality, and traceability, resulting in moderate quality risks. They exhibit average delivery management and service levels, generally meeting incremental demand, and posing moderate risks related to delivery and collaboration.

Bottleneck Suppliers

Bottleneck Suppliers are unstable in terms of industry standards, economies of scale, and management capabilities. With limited R&D capacity and certain environmental risks in specific industries, they pose significant operational risks; with weak capabilities in quality control, supply quality, traceability, and labor rights, they pose significant quality risks; with average delivery management and service attitude, they cannot meet the increased demand under Jushi's quality standards, posing significant delivery and partnership risks.

Risk Classification-Based Management Decisions and Responses

Based on the results of raw material and supplier risk assessments, the Quality and Process Department organizes relevant working groups under the Supply Chain Management Committee to conduct a systematic analysis and jointly formulate the development plan for high-risk raw material suppliers and the supplier audit plan for the coming year.

In terms of supplier audit management, at the end of each year, the Company takes into account factors such as the results of raw material risk assessments, supplier risk assessments, the quality performance of raw materials during the year, the importance of raw materials, the results of annual and quarterly supplier evaluations, and the progress of new supplier development, and formulates and implements a supplier audit plan with a focus on the following scenarios:

Strategic suppliers and bottleneck suppliers of raw materials classified as Class I(A) and Class I	**Suppliers with an annual performance rating of C or a quarterly performance rating of D**	**Other suppliers deemed, based on a comprehensive assessment, to pose a high risk in terms of supply or quality**

The Company conducts on-site audits to systematically evaluate the quality consistency and supply capabilities of relevant suppliers, thereby reducing the risk of supply disruptions.

Risk Management and Dynamic Monitoring

In terms of risk response and dynamic management, the Company fully considers the potential impact of environmental policies, emergency response measures, public safety, and public health on the continuous supply of raw materials. It has incorporated the principle of geographic diversification into its supplier development and selection processes, and has implemented stricter control requirements for core raw materials and bottleneck suppliers classified as Class I(A) risks.

In accordance with the quota management principles outlined in the Supplier Management and Control Procedures, the Company defines the structure of its supplier portfolio based on the results of raw material risk assessments, and implements quota allocation and dynamic monitoring in accordance with the findings of supplier risk assessments. The Company conducts inspections and issues notifications regarding any actions that do not comply with quota management requirements, and implements corresponding quality-based reward and penalty evaluations.

In addition, through a quarterly raw material quality coordination mechanism, the Company brings together functional departments, technical teams, procurement units, and end-user departments to jointly evaluate the effectiveness of initiatives to replace imported materials with domestic alternatives and to substitute purchased raw materials with in-house produced ones. For raw materials identified as posing supply risks, the Company promptly develops and implements contingency plans to ensure supply, clarifies responsibilities, and drives relevant units to ensure full implementation, thereby continuously enhancing the resilience and stability of the supply chain.

PERFORMANCE INDICATORS

With the goals of ensuring stable supply chain operations and maintaining controllable risks, the Company establishes key performance indicators (KPIs) for supply assurance management at the beginning of each year and continuously monitors and evaluates procurement and supply chain operations. The relevant performance indicators and their achievement status are as follows:

Jushi filled its "shopping cart" at the China International Import Expo

Supply Security and Procurement Efficiency

- ◎On-time procurement rate for machinery materials: 94.57%
- ◎On-time procurement rate for raw materials: 100%
- ◎Qualification rate for incoming raw materials: 98.49%
- ◎Number of newly developed risky raw material suppliers throughout the year: 12
- ◎Number of bottleneck suppliers at year-end: 20

Supplier Sustainability Management

- ◎Completion rate of suppliers' green action improvement is: 42.75%
- ◎Completion rate of suppliers' carbon footprint work: 30.19%
- ◎Suppliers' ESG report publication completion rate: 60%

During the reporting period, a survey of the green and low-carbon capabilities of 920 active raw material suppliers across four locations—Tongxiang (headquarters), Jiujiang, Chengdu, and Huai'an—was conducted using the China Jushi Supplier Green and Low-Carbon Survey Form. According to the statistics, the supplier green and low-carbon compliance rate for 2025 was 60.43%, meeting the annual target of 60%.

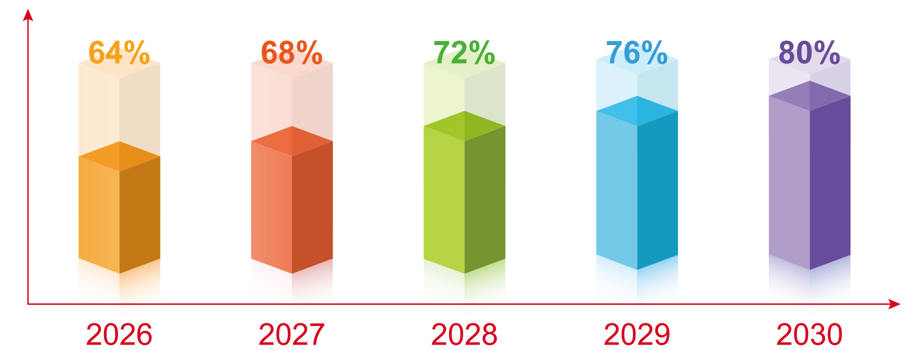
For non-green and non-low-carbon suppliers, we have identified and selected 131 target suppliers to be included in the Jushi Supplier Green and Low-Carbon Capability Enhancement Program. This program primarily involves three initiatives: promoting supplier green initiatives, supplier carbon footprint reporting, and supplier ESG reporting, with the aim of improving supplier compliance with green and low-carbon standards.

In the reporting period

Conducted a survey on the green and low-carbon capabilities of 920 raw material suppliers

The compliance rate for suppliers' green and low-carbon initiatives was 60.43%, meeting the annual target of 60%

Supplier Green and Low-Carbon Compliance Rate: Annual and Medium- to Long-Term Targets (15th Five-Year Plan)



Supplier Performance in 2025

Indicator		2025	Unit
Number of suppliers with whom the Company has established long-term partnerships (Note: This refers to active raw material suppliers listed in the qualified supplier directories for the Company's four domestic bases in Tongxiang (headquarters), Jiujiang, Chengdu, and Huai'an, whose annual procurement value exceeds RMB 0)		920	Supplier
Number of long-term suppliers by location	Chinese mainland	871	Supplier
	Hong Kong, Macao and Taiwan	7	Supplier
	Outside China	42	Supplier
Of the total number of suppliers with whom the Company has established long-term partnerships, the number of suppliers that have undergone the Company's environmental and social risk screening and management		920	Supplier
The number of long-term suppliers, selected and managed through the Company's environmental and social risk screening process, that were assessed as having a significant negative impact		0	Supplier
Among the suppliers with whom the Company has established long-term partnerships, the number of suppliers participating in supplier training and capacity-building programs		111	Supplier
Of which: Number of suppliers that have undergone the Company's environmental and social risk screening and management		111	Supplier
Number of ESG training sessions conducted for suppliers or ESG training workshops held with suppliers		2	session
Number of suppliers certified under quality, occupational health and safety, environmental, or energy management systems		385	Supplier
Number of suppliers with whom we do not have long-term partnerships (Note: This refers to raw material suppliers listed on the qualified supplier rosters for our four bases in China—Tongxiang (headquarters), Jiujiang, Chengdu, and Huai'an—who are not currently supplying materials, i.e., those with an annual procurement amount of RMB 0)		406	Supplier
Of which: Number of suppliers that have undergone the Company's environmental and social risk screening and management		406	Supplier

WORLDWIDE PUBLIC WELFARE BRAND GOODWILL GLOBAL AND CREATING CORPORATE VALUE

Guided by the philosophy of "Making Fibers for A Better World", the Company has systematically built the Goodwill Global With "Boundless Love" at its core and a focus on "harmonious development," the Company has established a responsibility framework comprising eight specialized initiatives: special care, common prosperity, cultural mutual learning, human rights protection, future development, full-chain green growth, joint efforts in safety, and community co-construction. This framework drives the evolution of the corporate social responsibility brand toward greater systematization and globalization, achieving the synergistic advancement of both corporate growth and social value.

CHARITABLE DONATIONS: SPREADING WARMTH

Donations to External Parties During the Reporting Period

Donated approximately RMB 6.03 million in charitable funds and supplies

Of this total, approximately RMB 5.43 million was in the form of monetary donations, and approximately RMB 600,000 was in the form of in-kind donations

Over RMB 3.88 million allocated for rural revitalization 22 assistance projects

Charitable Organization Development During the Reporting Period

Charitable organizations have extensively carried out public welfare activities such as consumption-based poverty alleviation and charitable assistance. A total of 6,893 people generously donated through the online charity platform, raising a total of RMB 326,100 in charitable funds. The initiatives provided support and assistance to 459 individuals. The volunteer team at the Tongxiang headquarters has participated in over 235 volunteer service events, with a total of 4,821 volunteer hours contributed.

Actively Organizing Volunteer Activities During the Reporting Period

- **The Company established a total of 38 volunteer organizations or groups**
- **There were approximately 5,000 employee volunteers**
- **Provided approximately 6,000 hours of volunteer services**
- **Participated in or supported a total of 17 activities related to the protection of the rights of women, children, or people with disabilities**
- **A total of over RMB 160,000 was invested to support various volunteer activities**

CARING FOR SPECIAL GROUPS

The Company actively supports vulnerable groups by organizing donation and outreach activities for social welfare organizations such as the Zhejiang Provincial Disabled Persons' Federation and welfare homes, as well as local Red Cross chapters, public relief organizations, charitable associations, and public welfare institutions. In addition, it engages in volunteer activities with local communities, including veterans, children's welfare homes, sanitation workers, and flood control personnel, to promote harmonious development.

Case Study: Implementing a Rehabilitation Program for Children with Disabilities to Expand the Scope of Medical Assistance

The Company has partnered with Jiaxing Kangci Hospital, the Tongxiang Municipal Health Bureau, and the Tongxiang Red Cross Society to jointly implement the Rehabilitation Project for Children with Disabilities, which has already provided rehabilitation assistance to 57 children. The project not only serves children with local household registration in Tongxiang but also provides support to children from regions such as Hunan, Chongqing, Jiangsu, Ningxia, Guizhou, and Yunnan. This initiative expands medical assistance from regional aid to cross-regional collaborative relief, thereby enhancing the professionalism and sustainability of the public welfare project.

Over the past two years, the total amount donated has reached RMB 386,000

Case Study: Visiting "Sun Village" to Support the Growth of Children

During the reporting period, Jushi Jiujiang visited the Sun Village children relief center in Duchang, Jiangxi Province to carry out a charitable donation campaign, donating RMB 100,000 to the center to support its efforts to assist underprivileged children. The center is a private charitable organization dedicated to helping children, registered with the local civil affairs bureau. Established in June 2007 and located in Dagang Town, Duchang County, Jiujiang City,

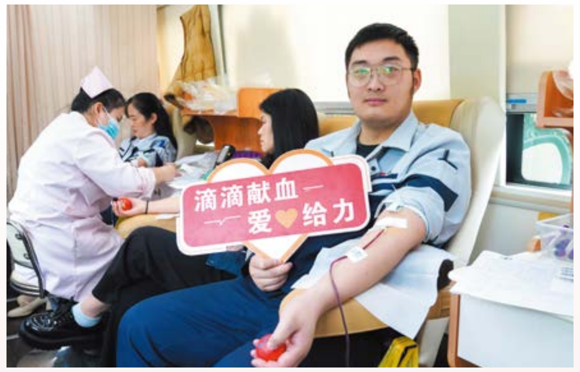
Jiangxi Province, the center has assisted more than 2,300 children in need from over a dozen provinces and municipalities across the country over the past 18 years. It currently has 456 children enrolled.

PROVIDING MEDICAL ASSISTANCE

Jushi is actively involved in the healthcare sector, contributing to medical causes through blood drives and donating medical equipment—such as automated external defibrillators—to the community to support the development of local healthcare facilities.

Case Study: Donating Blood to Save Lives

In 2025, the Company's charitable initiatives expanded once again, with employee blood drives held at the Tongxiang headquarters and in Jiujiang (Jiangxi), Chengdu (Sichuan), and Huai'an (Jiangsu). This nationwide charity drive drew enthusiastic participation from over 230 company employees, who collectively donated more than 90,000 cc of blood. ***During the reporting period, the Company's total blood donations exceeded 90,000 cc, and from 2021 to 2025, the cumulative total of blood donations has surpassed 340,000 cc.***



Case Study: Donating AEDs to Build a Community First Aid Network and Enhance Life-Saving Capabilities of Primary-level Units

During the reporting period, the Company donated AED devices to the Fuxing Community in Tongxiang and facilitated the installation of these devices across all 30 residential complexes within the Wutong Sub-district. The devices were installed in key locations with high foot traffic where they are easily accessible, and were integrated into the local emergency response network to help establish a community emergency response network capable of ensuring the "golden four minutes." Taking the equipment donation as an opportunity, the Tongxiang Red Cross Society simultaneously established the team of "Wutong Sub-district Community First Aiders" and provided professional training in AED operation and CPR to community volunteers. Currently, the first group of more than 100 certified first aiders has begun providing regular services in various communities, helping to upgrade community emergency response capabilities from equipment-based support to professional-level support.

LOOKING TO THE FUTURE

In 2025, the Company launched a series of school-enterprise collaboration initiatives to promote the development of family education among its employees. It donated funds, school supplies, daily necessities, air conditioners, office equipment, and other materials to Tongxiang Shimen Road School, Chengdu Dawan High School, Lianshui County Economic Development Zone Experimental School, the African Hope Primary School, and the East Point Chinese School in South Carolina, United States. These efforts aimed to improve the physical infrastructure of rural primary schools, provide scholarships to outstanding students, and implement targeted assistance programs.

In 2025

Established one special scholarship program	**Involved one institution Number of students receiving scholarships: 20**	**Total scholarship amount: RMB 100,000**

Case Study: Enhancing the Incentive Mechanism of the "Limi Fund" to Improve the Quality and Effectiveness of Educational Assistance

In 2025, Jushi Chengdu made a second investment of RMB 1 million in the "Limi Fund," with plans to implement the initiative over 10 years, allocating RMB 100,000 annually to reward outstanding performance. During the reporting period, a total of 50 students were awarded various honors under this scholarship program, including the Outstanding Student Award, Star of Progress Award, Star of Learning Award, and Star of Innovation Award, with each recipient receiving a scholarship of RMB 2,000.

Case Study: Promoting School-Enterprise Collaboration to Build a Happy Educational Consortium

In 2025, China Jushi partnered with Tongxiang No. 9 Middle School to organize the "Tongxin Juli" Education Consortium event, providing parent-child education support to employees' families. The Company is a major employer of parents of students at Tongxiang No. 9 Middle School, with more than 60 employees' children currently attending the school. To support the cultivation of family values and education, the Company has established a parent-child activity room. Each year, through initiatives such as Children's Day events, family open day, and the establishment of the Diligent Study Award, the Company provides tangible support for employees' family life.

SUPPORTING LOCAL DEVELOPMENT THROUGH CONCERTED EFFORTS

The Company has consolidated the achievements of poverty alleviation and support rural revitalization. In 2025, the Company continued to donate RMB 3 million to CNBM's "Shanjian Public Welfare" Fund, partnered with local communities and villages to carry out regular donation activities, and organized procurement initiatives for specialty agricultural products as part of the rural revitalization effort.

In addition, the Company contributed RMB 500,000 to the Charitable Common Prosperity Fund, partnered with Yancong Village in Aba Tibetan and Qiang Autonomous Prefecture, Sichuan Province, to carry out the "Ten Thousand Enterprises Helping Ten Thousand Villages" initiative, and made targeted donations to villages around Qingquan Town to support infrastructure projects such as the "Brightness Project."

Case Study: "We Built a House for the Villagers"

In Paifang Village, Qingquan Town, a brand new small bungalow adds a touch of warmth in the sun. With the installation of the final roof beam, the new home of 75-year-old Li Jiyang and his wife Ye Wanrong was officially completed with the assistance of Jushi Chengdu. This house, bearing the warmth of Jushi, not only provides shelter for the elderly couple but also serves as a model of corporate efforts to support rural revitalization.

The couple's former home had developed numerous cracks due to foundation subsidence, and they were unable to raise the funds needed for repairs on their own, leaving the safety of their home at risk. Upon learning of this situation, Jushi Chengdu collaborated with the government of Qingquan Town to conduct multiple on-site inspections, develop and refine a plan, and decide to jointly fund the construction of a custom-built home for the elderly couple. They also provided moving services for the two seniors. The new home is spacious and tidy, with all utilities connected, representing a significant improvement over their previous living conditions and providing a secure foundation for the elderly couple's future life.

CREATING JOBS AND EXPANDING EMPLOYMENT OPPORTUNITIES

The Company continues to improve its accessible work environment by constructing barrier-free access routes at select production bases to facilitate entry and exit for people with disabilities, thereby creating convenient and safe working conditions for this special group.

In 2025

Established a total of 10 entrepreneurship and internship bases
Offered 92 internship positions for students

In 2025, the Company provided employment opportunities for 111 employees with disabilities and demonstrated care and concern for their work and personal lives. Since the launch of the supported employment base for people with disabilities established in Lishui in partnership with the Ruchang Group, the initiative has helped this community integrate into society quickly. Covering sectors such as daily living, services, and food production, the program has established channels for product processing, sales, transportation, and storage, as well as the technical expertise required for production and operations, thereby providing new employment pathways for people with special needs.

RESPECT FOR DIFFERENCES AND DIVERSIFIED INTEGRATION

Jushi Egypt Creating a Label of Diversity and Integration Along the Silk Road

During the reporting period, Jushi Egypt fostered a harmonious social environment and enhanced the professional value of its employees. It provided customers with greater product value, and contributed to the fulfillment of its international social responsibilities.

SUPPORTING LOCAL INDUSTRIAL UPGRADING

As the industrial manufacturing project in Egypt with the largest investment, most advanced technology and equipment, and fastest construction pace from China to date, Jushi Egypt has filled a gap in the glass fiber manufacturing industry across the Middle East and North Africa, propelling Egypt to become the world's fourth-largest producer and exporter of glass fiber.

In the reporting period

Total investment: USD 1 billion
Annual design capacity: 360,000 tons
Total tax paid for the local area: USD 46.12 million
Export revenue generated for the local area: more than USD 2.09 billion

Established relationships with nine glass-making raw material suppliers
Purchased over 400,000 tons of glass-making raw material ore powder annually
Annual procurement needs for production materials: nearly 600 million Egyptian pounds

95% of the glass fiber produced is exported to Africa, North America, and other regions, driving the rapid development of the local glass fiber industry. This has effectively stimulated related upstream sectors—such as mineral raw material processing and packaging material manufacturing—as well as downstream industries including wind power generation, glass fiber products, pipe manufacturing, bathroom fixture production, and logistics. As a result, a large number of supporting upstream and downstream enterprises have established operations in Egypt.

Through the Sino-Egyptian Joint Laboratory, Jushi is engaging in collaborative innovation to address the needs of Egypt's glass fiber industry and promote the local application of key raw materials and core technologies. In response to the unique characteristics of local ore resources and variations in formulations, the glass formulation R&D team at the Company's headquarters developed a brand-new glass formulation tailored to Egypt's resource conditions. The team also provided a full suite of glass fiber production technology, thereby promoting the efficient utilization of Egypt's local mineral resources within the country's production system.

Through cross-border technical collaboration and systematic technology transfer, the Company has not only achieved self-reliance in key aspects of Egypt's glass fiber production but has also cultivated a pool of local industrial engineers and technical professionals. This has helped Egypt make a leap forward in its glass fiber industry—building it from the ground up—while driving the optimization and upgrading of the local industrial structure, thereby creating a development model where technological empowerment and industrial co-construction advance in tandem.

CULTIVATING TALENT BASED ON LOCAL CONDITIONS

Jushi remains committed to advancing the localization of its corporate culture, respecting cultural diversity and integrating into local communities in its overseas operations, while deepening its practices in "localized" management and "cross-cultural" integration. Building on this foundation, Jushi Egypt has established a systematic talent development framework, continuously refining its local talent pipeline to create a tiered, categorized "pyramid-style" training mechanism.

Strengthened "language + skills" development for frontline employees

Enhanced comprehensive management skills for mid-level managers

Enhanced strategic leadership development for senior executives

Offering language classes

Holding skills competitions

Signing Ceremony for the Mentoring Program Between Chinese and Egyptian Masters and Apprentices

The Company adheres to a training model in which "Chinese masters guide local apprentices." For 12 consecutive years, it has dispatched more than 100 technical and managerial staff members to Egypt to provide mentorship and guidance. The Company incorporates the results of this training into the annual performance evaluations and performance metrics of the Chinese mentors, thereby reinforcing accountability and a results-oriented approach.Under systematic guidance in key areas such as business management, technological innovation, and construction quality, the proportion of local mid-to-senior-level managers at the Company has steadily increased in recent years. This has gradually fostered a self-sustaining capacity within the mid-level management team, strengthened the endogenous development capabilities of overseas operations, and built a high-quality workforce of industry professionals with both technical expertise and managerial skills in the local market.

Creating approximately 2,000 jobs
Creating approximately 3,000 jobs

CREATING A DIVERSIFIED AND INTEGRATED ENVIRONMENT

The Company continues to improve its employee welfare system by building employee dormitories and convenience stores, providing shuttle buses for commuting, and equipping the premises with a medical clinic and comprehensive medical facilities, thereby creating safe and convenient living conditions for employees. In addition, facilities such as prayer rooms, halal cafeterias, coffee shops, gardens, gyms, and basketball courts will be provided to meet the daily needs of employees from diverse religious and cultural backgrounds.

The proportion of local employees: Over 98%
The proportion of localization in the middle layer: 76%
The proportion of local senior executives: 43%

- The halal restaurant received praise from employees

- Hosting the World University Chinese Competition

To promote multicultural integration, the Company fosters an inclusive and harmonious work environment through activities such as family open houses, cultural integration programs, employee soccer leagues, table tennis tournaments, and Eid al-Fitr celebrations. We tailor our arrangements to accommodate the dietary habits and daily routines of employees from different religious, ethnic, and national backgrounds, ensuring that our Egyptian employees truly feel respected and cared for in both their work and personal lives.

- Holding the 5th "Building Dreams in Egypt: Families and the Company Together" Employee Family Open Day, which featured parent-child activities, fun quizzes, and cultural performances to enhance employees' families' understanding of and connection to the Company

- The Chinese Bridge Club visited Jushi Egypt to conduct cultural exchange activities, during which both parties explored opportunities to jointly organize on-campus job fairs, career experience camps, and a bilingual talent incubation platform

CONTRIBUTING TO INTERNATIONAL POVERTY REDUCTION EFFORTS

In 2025, Jushi Egypt continued to expand its local charitable initiatives by visiting the Africa Hope Primary School to provide educational support. The Company donated school supplies and daily necessities to the school to improve its facilities, benefiting hundreds of students.The school has long served African refugee children, who have relatively limited access to educational resources. Since its establishment, Jushi Egypt has carried out educational support initiatives for nine consecutive years, donating school desks, uniforms, textbooks, food, and other supplies to schools and orphanages, with total charitable contributions exceeding 2.5 million Egyptian pounds. Through sustained and consistent charitable contributions, the Company actively engages with local communities, helps improve educational conditions and the well-being of residents, and fulfills its corporate social responsibilities on the global stage.

- Donation to the Africa Hope Primary School to support international education-based poverty alleviation

- Donation to an Egyptian orphanage

- Organizing Ramadan Charitable Donation Initiatives

RESPECT FOR DIFFERENCES AND DIVERSIFIED INTEGRATION: Jushi USA Driving the Development of the Local Composites Industry

Jushi USA is a major manufacturing investment project in Richland County, South Carolina. It has effectively promoted local employment, community development, and industrial economic growth, gradually establishing a mature and propagable international operational model, and continuously setting a benchmark and serving as a showcase for Chinese enterprises expanding overseas.

- Construction area: 80,000 square meters
- Covered an area of 157 acres
- Total investment: USD 380 million
- Annual design capacity: 96,000 tons
- Established relationships with 13 glass-making raw material suppliers
- Purchased over 119,000 tons of glass-making raw material ore powder annually
- Annual procurement needs for production materials: USD 32 million

Jushi USA has directly promoted the development of upstream and downstream industrial chains of local composite materials, including upstream mineral development industry, mineral raw material processing industry, construction industry, packaging material processing industry, energy industry and downstream transportation industry. As the United States is a major consumer of composite materials worldwide, the establishment of Jushi USA will enable the Company to better serve local composite manufacturers and drive the rapid development of the composite materials industry.

Implementing Localized Management Based on Local Conditions

Jushi USA has established a platform for equal communication and mutual respect. It recruited senior executives, middle managers, and frontline employees from the local area, conducted internal selections for Star of the Month and Outstanding Employee of the Year, and fostered a culture of "competing, learning, catching up, and surpassing."

Mentoring Program Between Chinese and U.S. Masters and Apprentices

Directly created approximately 300 jobs
Indirectly created over 600 jobs
Localization rate: 90%

In response to cultural differences between China and the United States, the Company has adopted a philosophy of respect and inclusivity, fostering mutual integration and enrichment between Jushi's culture and local cultures. It has established a platform for equal communication and mutual respect, allowing employees to personalize their workspace. The Company has also organized events with strong local flavor—such as Factory Open Day, Winter Gala, and Western-style Holiday Greetings—to continuously promote cultural integration.

Community Co-construction: Fulfilling Overseas Social Responsibilities

Jushi USA actively fulfills its corporate social responsibility by empowering employees and benefiting local communities, growing alongside its employees and advancing together with the community. It actively collaborates with local schools and nonprofit organizations to host events, and by organizing school tours and corporate outreach activities at its facilities, it fosters a positive public perception of the company.

Jushi USA Volunteer Corps

- 22 registered volunteers
- Since its establishment three years ago, it has organized a total of 48 charitable events
- Service duration: over 550 hours
- Over 300 people participated in various activities during the reporting period
- Since the establishment of the factory, more than USD 24,000 of charity materials and donations have been donated

The United States has a profound community volunteer culture, and Jushi USA employees embrace these activities as part of their lifestyle, helping their communities grow and thrive. The "Volunteer Corps" established by Jushi USA carries out activities such as home repairs, community service, and donations of supplies to demonstrate its commitment to the local community. The organization has developed an annual plan for volunteer activities, improved volunteer management, and established a recognition program for outstanding volunteers, all with the aim of better integrating into the community, serving its residents, and contributing to its development.

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Independent Assurance Statement

Introduction

TÜV Rheinland (Shanghai) Co., Ltd., a member of TÜV Rheinland Group (hereinafter "TÜV Rheinland" or "We"), was entrusted by China Jushi Co, Ltd. (hereinafter "China Jushi" or "the Company") to conduct an independent third-party assurance of the 2025 Sustainability Report (hereinafter, "Report"). The Report disclosed China Jushi's sustainability information for the fiscal year 2025 (from 1 January 2025 to 31 December 2025).

Responsibilities

China Jushi is not only responsible for the preparation of sustainability report and the collection and reporting of sustainability information in accordance with applicable reporting standards but also has the obligation to implement and maintain effective internal control of information and data to support the report compilation process.

TÜV Rheinland implements sustainability information assurance activities under a quality management system that complies with the requirements of the ISO/IEC 17029:2019 Standard and adheres to the TÜV Rheinland Global Code of Ethics and Compliance Program. Our assurance service follows the principles of independence and impartiality and does not participate in the preparation of the Report of China Jushi. The assurance project was implemented by a team with expertise and assurance experience in the corresponding sustainability issues. The role of TÜV Rheinland is to carry out independent assurance work in accordance with the assurance agreement and the agreed scope of assurance work, and to make independent and impartial professional judgments on sustainability reporting.

Assurance Standard

TÜV Rheinland undertook assurance work for specified performance indicators (see Appendix in this statement) and non-financial qualitative information (including materiality assessment, stakeholder engagement, topics management related to material impacts, risks and opportunities (IRO), etc.) selected by China Jushi in accordance with the AccountAbility AA1000 Assurance Standard 3rd edition (AA1000AS v3) on a Type-2 and Moderate level.

Assurance Objectives

The purpose of the assurance was to provide management of China Jushi and stakeholders concerned with the Company's sustainability information and performance with an independent view of the assurance, including that we review and assess the content of the report adherence to the AA1000AP (2018) Assurance Principles (including inclusivity, materiality, responsiveness and impact), and review and evaluate the reliability and quality of specified performance information.

Assurance Criteria

The following assessment criteria (including reporting frameworks or standards) were used in undertaking the work:

- The Global Reporting Initiative (GRI) the Sustainability Reporting Standards (GRI Standards)
- SASAC Guidelines to the State-owned Enterprises on Better Fulfilling Corporate Social Responsibilities
- Self-Regulatory Guidelines No. 14 for Companies Listed on Shanghai Stock Exchange - Sustainable Development Report (Trial)
- Self-Regulatory Guidelines No. 4 for Companies Listed on Shanghai Stock Exchange - Preparation of Sustainability Report (2026 January Revision)
- The United Nations Sustainable Development Goals (UN SDGs)
- Greenhouse Gas Accounting System Enterprise Accounting and Reporting Standards (GHG Protocol)
- Adherence to the AA1000AP AccountAbility Principles, i.e., *Inclusivity, Materiality, Responsiveness, and Impact*

Methodology

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Our assurance activities and procedures include:

- Interviewing with management to understand and assess key processes, systems and internal controls for operations and sustainability management.
- Interviewing with key personnel responsible for sustainability execution to understand the non-financial information reporting system, including the collection, integration and reporting of specified performance data and non-financial qualitative information, and to evaluate the data integration process at the group level.
- Applying analytical procedures to review the reasonableness of the data.
- Testing the source of information based on the sampling principle to check the accuracy of the data.
- Observing and inspecting the management process of information and data on the operation and sustainability performance of the company's manufacturing unit in Zhejiang, China, based on the sampling principle.
- Reviewing the consistency and reliability of specified performance indicators and quantitative and qualitative information within assurance scope.
- Collecting and inspecting supporting evidence to assess the extent to which relevant disclosures within the scope of the assurance engagement and sustainability reporting support and adherence to AA1000AP assurance principles.
- Reporting assurance observations or recommendations to give the company's management an opportunity to correct errors before the assurance process is completed.

Limitations

TÜV Rheinland planned and executed the verification in accordance with the scope of the assurance agreed upon and obtained evidence information and necessary explanations to provide the basis for the conclusion of the assurance in accordance with the moderate level of AA1000AS v3. The nature and extent (scope) of the procedures involved in moderate level assurance engagement are lower than those required to obtain high level assurance.

Forward-looking information relates to events and actions that have not yet occurred and may never occur. Actual results are likely to be different because expected events often do not occur as expected. We did not guarantee the availability of forward-looking information.

The information and performance relating to the assurance is limited to the disclosure of the contents of this Report. Our assurance did neither cover annual financial reports and financial data and nor cover other topics or matters that are not related to sustainability topics beyond the scope of this assurance.

Conclusions

Based on the above assurance procedures implemented and the evidence obtained, we believe that:

- 2025 Sustainability Report of China Jushi adhered to the AA1000AP AccountAbility Principles.
- Sustainability information was prepared in accordance with Self-Regulatory Guidelines No. 4 for Companies Listed on Shanghai Stock Exchange - Preparation of Sustainability Report (2026 January Revision).
- Specified performance indicators (see Appendix) and non-financial qualitative information (including the assessment of material issues) within the scope of the assurance were evaluated and there were no material misstatements.

TÜV Rheinland shall not bear any liability or responsibility to a third party for perception and decision on China Jushi based on this Assurance Statement.

Adherence to the AA1000AP AccountAbility Principles

Inclusivity

China Jushi has identified six key stakeholder groups, including governments, shareholders/investors, employees, customers, partners, communities, and NGOs. The Company focused on community complaints and the inclusion of vulnerable groups, including the establishment of a special care mechanism. Evidence showed that in 2025, the Company collected feedback from stakeholders through stakeholder questionnaires, analysed and evaluated them, for providing relevant basis for the assessment of double materiality.

Materiality

China Jushi adopted a double materiality assessment framework, combined with internal and external questionnaire

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surveys, to identify core issues, and evaluated related issues from the two dimensions of "impact materiality" and "financial materiality". The materiality matrix showed the double materiality issues of the year (e.g., green products, supply chain security, climate change, etc.). The Board of Directors reviewed and confirmed the results of the above matrix.

Responsiveness

China Jushi has a variety of communication channels with key stakeholders, covering compliance supervision and government policy exchanges, supplier training and audits, and community complaint and grievance handling mechanisms. Evidence indicated that the Company has set clear strategies and quantitative targets for significant risks and opportunities (e.g., climate change, supply chain security). This report disclosed data on key performance indicators (e.g., greenhouse gas emissions, water use, waste management, etc.), with historical comparability of environmental data to give timely response to significant concerns of stakeholders.

Impact

China Jushi attached great importance to the environmental and social impact assessment of its operations, especially community impact and supply chain impact. The Company identified climate risks and opportunities, evaluated the impact of climate on business in combination with scenario analysis, and specified countermeasures (such as green power substitution, etc.). We recommend that China Jushi continue to deepen the financial impact analysis of double materiality issues.

Disclosure of Specified Performance Information

TÜV Rheinland reached conclusions on the verification of reliability and quality of specified performance information (see Appendix) based on Type-2 and Moderate level assurance engagement:

- TÜV Rheinland observed that China Jushi has established and implemented relevant internal control systems and processes, as well as collected and aggregated reliable source data related to selected specific performance indicators through management systems or platforms.
- During the verification process, all minor errors identified have been corrected. We believe that the data finally presented within the scope of the assurance is accurate. We recommend that China Jushi continue to improve the level of data governance (including internal data verification) at the group and operational levels.

A full management report was submitted to management of China Jushi for consideration, detailing the findings and recommendations for continuous improvement of the sustainability report.

Daniel Pan
Technical Manager of Corporate Sustainability Services
TÜV Rheinland (Shanghai) Co., Ltd
Shanghai, China, 16 March 2026

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Appendix:

Selected specific performance indicators in the table as follows:

Indicator (s)	Unit
Environment	
Total SO_2 Emissions	ton
Total No_x Emissions	ton
Total Particulate Emissions	ton
Direct GHG Emissions (Scope 1)	tCO2e
Indirect GHG Emissions (Scope 2)	tCO2e
Total Water Extraction	ton
Total Water Discharge	ton
Total Coal Consumption	MWh
Total Electricity Consumption	MWh
Purchased Green Electricity	MWh
Self-Generated Wind Power Consumption	MWh
Self-Generated Photovoltaic Power Consumption	MWh
Non-Hazardous Waste Utilization Rate	%
Social	
Fatal Accidents Involving Internal Employees	case
Lost Time Injury Rate (LTIFR) (1 Million Working Hours) of Employees	-
Number of Suppliers Who Have Established Long-Term Cooperation with the Company	-
Total Number of Employees in STEM	person
Governance	
Coverage of Employees in Anti-Commercial Bribery and Anti-Corruption Training	%

INDEX OF INDICATORS

Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)		Sections in This Report
Chapter I General Provisions	Articles 1-4	Full text
	Article 5	Strengthening Sustainable Development Management
	Article 6	Report Preparation and Release
	Articles 7-8	Full text
	Article 9	Strengthening Sustainable Development Management
	Article 10	Full text
Chapter II Disclosure Framework for Sustainability Information	Articles 11-19	Strengthening Sustainable Development Management Wings of Innovation: Technology Empowering High-Quality Development Addressing the Challenges of Climate Change A Forest of Talent: Nurturing a Fertile Ground for Shared Growth Remaining Committed to Excellence and Continuing to Deliver Competitive Products Stabilizing Supply Relations
Chapter III Environmental Disclosure Section 1 Climate Response	Articles 20-28	Addressing the Challenges of Climate Change
Chapter III Environmental Disclosure Section 2 Pollution Control and Ecosystem Protection	Article 29	Developing Clean Production Models
	Article 30	Developing Clean Production Models Addressing the Challenges of Climate Change
	Article 31	Developing Clean Production Models
	Article 32	Implementing Ecological Protection Measures
	Article 33	Laying the Foundation for Environmental Management
Chapter III Environmental Disclosure Section 3 Resource Utilization and Circular Economy	Article 34	Developing Clean Production Models Addressing the Challenges of Climate Change
	Article 35	Developing Clean Production Models Addressing the Challenges of Climate Change
	Article 36	Developing Clean Production Models
	Article 37	Developing Clean Production Models
Chapter IV Social Disclosure Section 1 Rural Revitalization and Social Contributions	Articles 38-40	Worldwide Public Welfare Brand Goodwill Global and Creating Corporate Value

Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)		Sections in This Report
Chapter IV Social Disclosure Section 2 Innovation-Driven Development and Technology Ethics	Articles 41-42	Wings of Innovation: Technology Empowering High-Quality Development
	Article 43	China Jushi's core business involves the production, manufacturing, and sale of glass fiber products. It does not engage in scientific research, technology development, or other activities in areas sensitive from a perspective of technology ethics
Chapter IV Social Disclosure Section 3 Suppliers and Clients	Articles 44-45 Articles 47-48	Sincere Cooperation in Enhancing the Resilience of Both Chains
	Article 46	As of the end of the reporting period, China Jushi's balance of accounts payable (including notes payable) did not exceed RMB 30 billion, accounted for no more than 50% of total assets, and the Company has not disclosed any information regarding overdue payments to small and medium-sized enterprises through the National Enterprise Credit Information Publicity System
Chapter IV Social Disclosure Section 4 Employees	Articles 49-50	A Forest of Talent: Nurturing a Fertile Ground for Shared Growth
Chapter V Corporate Governance Information Related to Sustainable Development Disclosure Section 1 Sustainability-Related Governance Mechanisms	Article 51	Strengthening Sustainable Development Management
	Article 52	Sincere Cooperation in Enhancing the Resilience of Both Chains
	Article 53	Strengthening Sustainable Development Management
Chapter V Corporate Governance Information Related to Sustainable Development Disclosure Section 2 Business Conduct	Articles 54-56	Strengthening the Development of Business Ethics
Chapter VI Supplementary Provisions and Interpretation	Article 57	Index of Indicators
	Article 58	Independent Verification Statement
	Articles 59-63	Full text

Feedback and Suggestions

Thank you for your attention and support for China Jushi's ESG work. Please fill out the questionnaire below and fax or mail it back to us. If the space provided is insufficient, please attach additional sheets. If you prefer to respond electronically, please scan the QR code on the right and leave a message for the "China Jushi" WeChat official account. We will continuously improve and enhance our work based on your feedback and suggestions.

Your evaluation of this report is as follows

Overall Report Evaluation	☐Excellent	☐good	☐Average	☐Poor	☐Very Poor
Content Richness	☐Excellent	☐good	☐Average	☐Poor	☐Very Poor
Suitability of Page Count	☐Excellent	☐good	☐Average	☐Poor	☐Very Poor
Aesthetic Design	☐Excellent	☐good	☐Average	☐Poor	☐Very Poor
Language Friendliness	☐Excellent	☐good	☐Average	☐Poor	☐Very Poor

What do you believe is the core of China Jushi's responsibility fulfillment?

☐Responsible Governance ☐Operational Performance ☐Technological Innovation ☐Environmental Protection

☐Employee Care ☐Corporate Citizenship

Which aspect of ESG management do you think we should strengthen further?

☐Information Collection ☐Organizational Structure Development ☐Talent Cultivation ☐Performance Evaluation

☐External Communication ☐Stakeholder Management ☐Public Welfare Planning ☐Annual Report Quality

☐Social Responsibility Research ☐Othe ______

What is your position in participating in our opinion collection?

☐Government Department ☐Institutional Investors ☐Minority Shareholder ☐Financial Institutions

☐Industry Association ☐Suppliers ☐Customer ☐Peer companies

☐Partner ☐ESG Professional Institution ☐Public Welfare Organization ☐Media

☐Senior Management of your Company ☐Company Employee ☐Others ______

In what way would you prefer to learn about our responsibility fulfillment information?

☐Paper Report ☐Official Website ☐WeChat Public Account

☐Social Responsibility Professional Media ☐Others ______

What content would you like to see in the China Jushi ESG report?

______

Which aspects of China Jushi's future performance are you more concerned about?

______

Other comments and suggestions?

______

To facilitate communication with you and promptly respond to your comments and suggestions, please provide your contact information. We will keep it properly and will not disclose it externally.

Name ______ Age ______ Occupation/Working Department ______

Gender ☐Male ☐Female Department / Position ______ Contact Addres ______

Phone Number ______ Postal Code ______ Email Address ______