

**JACK 杰克**

2024

**Environmental, Social and  
Governance (ESG) Report**

Jack Technology Co., Ltd.



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# This Report

This Report discloses in detail the practices and performance of Jack Technology Co., Ltd. in the areas of economic, environmental, social and corporate governance responsibilities in 2024, aiming to communicate effectively with stakeholders and systematically respond to their expectations and requirements.

## Reporting period

This Report is an annual report, covering the period from January 1, 2024 to December 31, 2024.

## Scope

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

## Period

The period covered is from January 1, 2024 to December 31, 2024. To enhance the comparability and forward-looking nature of this Report, some contents are appropriately extended to the previous and subsequent years.

## Preparation basis

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

United Nations Sustainable Development Goals (SDGs)

Global Reporting Initiative Standards (GRI Standards) of Global Sustainability Standards Board

Guidelines for China's Corporate Social Responsibility Reporting (CASS-ESG 6.0) of Chinese Academy of Social Sciences

Guidance on Social Responsibility Reporting (GB/T 36001-2015) of China National Institute of Standardization

ISO 26000: Guidance on Social Responsibility (2010) of International Organization for Standardization

## Data description

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

## Title description

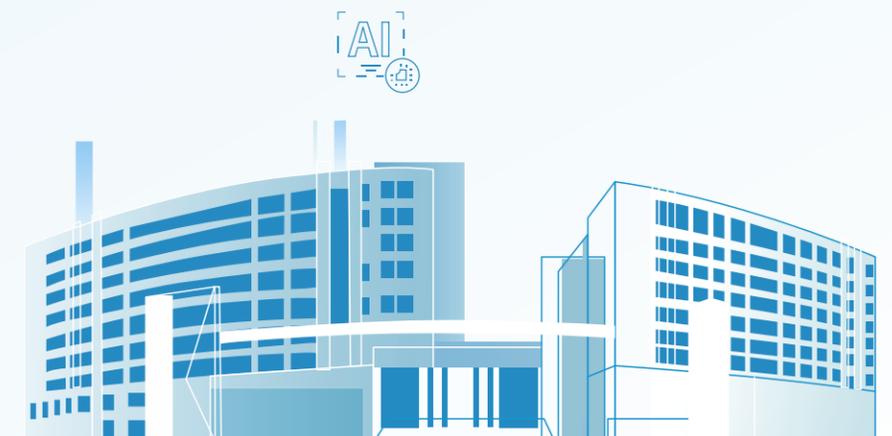
For the convenience of expression and reading, "Jack Technology Co., Ltd." is also referred to as "Jack", "the Company" or "we" in this Report.

## Reliability assurance

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

## Access method

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



# Message from the Chairman

The year 2024 witnessed the complex and volatile global economic situation, increasingly fierce market competition, and continuous breakthroughs in technological innovation. In such an era, Jack has always been firm in its mission that "intelligent connection for total solution grants intelligent garment manufacturing unlimited possibilities". Driven by innovation, with intelligent manufacturing as the core and sustainable development as the goal, Jack has promoted the industry towards higher quality, higher efficiency and more intelligence. Faced with the trend of global industrial chain restructuring, we have continuously optimized management models, deepened global supply chain collaboration, improved production efficiency, strengthened green manufacturing, and worked with partners in a more open manner to jointly create a sustainable intelligent manufacturing ecosystem.

### Innovation breakthroughs: build core competitiveness

Technological innovation is the core driving force for the Company's development. In 2024, we continued to develop key areas such as intelligent sewing, digital factories, and automated production lines. Through the hot product strategy, we successfully launched flagship products such as "A.M.H" and "Urus", leading the garment manufacturing industry into the era of intelligent quick response. We continued to accelerate SKU streamlining, improved R&D efficiency, optimized product structure, and promoted the development of the Company's products towards high-end, intelligent, and flexible. Meanwhile, we expanded into new business areas such as software and intelligent warehousing, and accelerated the layout of cutting-edge technologies such as humanoid robots, injecting new impetus into the Company's long-term growth.

In terms of management improvement, focusing on end-to-end business optimization, we accelerated the Company's digital transformation, and improved supply chain collaboration efficiency. At the same time, relying on Business School, we strengthened management system innovation, promoted management upgrades of upstream and downstream companies in the industrial chain, and empowered partners, to jointly create first-class comprehensive competitiveness of the industrial chain.

### Supply chain optimization: help industry collaborative development

A strong industrial chain system is the cornerstone of the Company's stable growth. In 2024, we comprehensively

deepened the reform of the industrial chain, optimized resource allocation through end-to-end high-quality management, and promoted the localization, intelligence and standardization of core components, to enhance the stability and efficiency of the industrial chain. In terms of industrial chain collaboration, we continued to optimize the global procurement system, strengthened partnerships, and built an efficient, flexible and sustainable industrial ecosystem with higher quality standards and faster response speeds. With a zero-defect quality management system, we enhanced quality awareness, and optimized manufacturing processes, to ensure that product quality reaches the world's leading level.

Meanwhile, we actively improved the service system based on customer needs, to provide more competitive solutions for global garment manufacturers. We further strengthened localized operations overseas, improved service capabilities in key markets such as Bangladesh, Cambodia, and Vietnam, optimized the logistics network, improved delivery efficiency, and helped customers reduce costs and increase efficiency, enhancing their market competitiveness.

### Green manufacturing: practice sustainable development

Low carbon and environmental protection have become important trends in the global manufacturing industry. In 2024, we continued to promote green manufacturing, comprehensively optimized production processes, improved energy efficiency, and reduced carbon emissions, contributing to the sustainable development of the industry. We carried out photovoltaic power generation projects, achieving 17.5015 million kWh

of electricity generation throughout the year, reducing 14,500 tons of carbon dioxide equivalent, and effectively reducing the Company's environmental impact. In addition, we actively adopted non-toxic and harmless green raw materials and environmentally friendly new materials, and accelerated green technology innovation such as green design, energy-saving manufacturing, and recycling, realizing a win-win situation of economic and environmental benefits.

### Responsibility-driven leadership: build a collaborative ecosystem

The success of a company is not only about commercial value, but also about social responsibility. Jack always adheres to the development concept of people first and value sharing, actively practices corporate social responsibility, and promotes the fair development of society and the healthy growth of the industry. In 2024, we continued to deepen the "filial piety culture". We not only engaged in public welfare undertakings through the Zhejiang Filial Piety Sewing Foundation, but also actively leveraged our own advantages to actively carry out a number of social responsibility projects such as rural revitalization, talent cultivation, and educational assistance, conveying the Company's warmth and contributing to the sustainable development of society. Meanwhile, we were committed to building a win-win industrial ecosystem. We worked with partners to promote technological innovation and intelligent manufacturing upgrades, so as to enhance the overall competitiveness of the industry, and contribute to the high-quality development of the global garment manufacturing industry.

### Looking forward to the future: work together to create brilliance

The year of 2025 is a critical year for Jack to achieve its goal of "Surpassing RMB 10 Billion, and then Accelerating Toward RMB 100 Billion", and a new starting point for promoting globalization, intelligence and sustainable development strategies. In the future, Jack will continue to deepen the Six Core Commitments, fully promote the Five Critical Campaigns, and accelerate the promotion of the three major growth curves, namely,

H1 intelligent single machine, H2-1 digital intelligent total solution, H2-2 green digital intelligent total solution, and H3 AI unmanned intelligent total solution, driving the Company to a new stage of intelligence, digitalization, and greening.

We will keep in mind the customer-centric approach, solve users' pain points and industry problems, focus on creating hot products, continue to innovate product categories, accelerate high-end breakthroughs, start with the end in mind, act with unwavering resolve to honor our users and uphold our industry, and move towards comprehensive and high-quality development through value marketing. The hardest road is the road to victory! Standing at a new starting point, we are willing to work hand in hand with global customers, partners, suppliers and all sectors of society to jointly promote high-quality and sustainable development of the industry and create a more brilliant future!



# Jack

## Company profile

### Company profile

Jack Technology Co., Ltd. (stock code: 603337), founded in 1995, is one of the companies with the largest production and sales scale and the strongest comprehensive strength in the global intelligent sewing equipment industry. The Company is the industry's only one with the intelligent manufacturing software system integrating PDM, APS, MES, WMS, and artificial intelligence. The Company is a service provider of intelligent total solutions for intelligent garment manufacturing that integrates software and hardware such as intelligent warehousing of clothing fabrics and accessories, intelligent cutting, AI scheduling and hanger system, intelligent sewing, intelligent sorting, and digital finished product warehousing. The company has more than 8,000 dealers worldwide, and a marketing network covering more than 170 countries and regions around the world, and serve many fields such as garment, shoe, luggage, furniture, leather, auto, and aviation.



The Company has more than **8,000** dealers worldwide



Marketing network covers more than **170** countries and regions around the world



## Outstanding performance

- Global sales ranks first in the industry for 14 consecutive years**

Jack is one of the global listed companies with the largest production and sales volume and the strongest comprehensive strength in the global intelligent storage and production equipment industry; the Company has more than 8,000 channels, and more than 600 suppliers in more than 170 countries; its global sales of industrial sewing machines have been ranked first for 14 consecutive years since 2010, export volume ranked first in the industry since 2011, and global sales ranked first in the industry since 2020\*
- Long-term investment in R&D, industry-leading patents**

In terms of R&D innovation, Jack insists on long-term high R&D investment; the Company cooperates in innovation with well-known universities, technology and innovation-based enterprises, and leading customers to continuously improve comprehensive R&D capabilities and iterate new products; the Company owns 3,254 valid patents and software copyrights, far leading the industry in terms of patent holdings.
- Achieve great results in international M&A, and promote development through collaborative R&D**

Jack acquired the world-renowned benchmark companies including Germany's Bullmer and TOPCUT, in 2009, and successively acquired several industry-leading companies such as Italy's Maica and Vibemac from 2017 to 2020, obtaining a number of world-leading technologies; the Company realizes R&D linkage among Germany, Italy and China, and builds a global technology platform, helping the Company develop rapidly.
- Attach great importance to the cultivation and retention of global talents**

Jack recruits local talents from all over the world, carries out customized training, and organizes employees to come to China for training and exchanges on a regular basis, helping employees improve their professional skills. At the same time, the Company builds a comprehensive incentive 3+3 system to improve the salary competitiveness of overseas employees in all respects. The Company also sets up an internal promotion channel for overseas talents and provides mentor guidance for employees to help them grow in their careers.
- Empower intelligent sewing machine manufacturing with the digital platform**

Jack has established the world's largest smart factory in the intelligent storage and production equipment industry, invested RMB 100 million to build the world's first intelligent production line for machine casings, and explored intelligent solutions for the entire sewing manufacturing process. The Company empowers manufacturing with AI, builds a full-scenario digital platform for enterprises, and continuously meets customer needs.
- Continuously empower suppliers to build a supply chain ecosystem**

Jack has pioneered the concept of strategic suppliers in the industry, and closely integrated the Company's overall development strategy with strategic suppliers. Through digitalization and management output, the Company continuously empowers the supply chain, improves suppliers' intelligent manufacturing and business management levels, and builds a supply chain ecosystem.
- Build an industry benchmark to help the transformation of intelligent garment manufacturing**

Jack insists on the customer-centric approach, deeply gains insight into customer needs, grasps industry trends, strengthens joint innovation with major customers, focuses on creating hot products, promotes the digital transformation of the garment industry, and empowers new quality productive forces.

\* Source from: Research of Frost & Sullivan, global and China sewing machinery associations, and industrial sewing product data disclosed by sewing companies

# Development history



# Events

## January 2024

- Jack held a signing ceremony for brand strategic cooperation with Dentsu, a world-renowned 4A advertising and communication group.
- RUAN Jixiang, the founder and Chairman of Jack, attended the "Longpan-2024 Asian Business University Annual Summit Forum" held in Hong Kong.
- Jack held its 2023 Annual Management Meeting with great fanfare. RUAN Jixiang, the founder and Chairman of Jack, delivered a keynote report entitled Focus on Creating Hot Products, Comprehensively Improve Efficiency; Develop New Business, Jointly Make Efforts to Break Through RMB 10 Billion, which for the first time proposed the guiding ideology of "Six Core Commitments and Four Critical Campaigns" for business transformation.



Longpan - 2024 Asia Business Academy Annual Summit

## February 2024

- RUAN Jixiang, the founder and Chairman of Jack, led all EMT members and core management staff of the first and second level departments to start the three-year "Jack Red Tour" again after the "65 New Long March" in 2004, with the first stop being Gutian, Longyan, Fujian.
- Jack and Shenzhen Siyu Vision Technology Co., Ltd. officially launched the MTM lean project together.



Jack's Revolutionary Journey

## March 2024

- Jack held the kickoff meeting for the Performance Excellence Project at its headquarters in Jiaojiang.
- Jack held a briefing on the Notice on 2024 Comprehensive Incentive System and Salary.
- The book Hidden Champion Jack, jointly planned and published by GEONOL CONSULTING and BLUE LION, was launched on platforms such as Dangdang, Taobao, JD.com, and Xinhua Bookstore.
- The national "2024 Vocational Capacity Building Symposium" was grandly held in Taizhou. Directors general and division directors of human resources and social security departments from provinces across the country visited Jack to learn about the construction of its skill-based wealth-creating enterprise.



Jack's Unveiling as a Hidden Champion

## April 2024

The Intelligent, Efficient, Digital Automatic Cutting Line jointly submitted by Jack and Bullmer and Zhejiang University won the first prize of the 2023 Science and Technology Progress Award of China National Light Industry Council.



Jack won the first prize of the 2023 Science and Technology Progress Award of China National Light Industry Council

## June 2024

Jack's 2024 global new product launch event under the theme of "To Be the King of Cross Seam" kicked off at the Chimelong International Exhibition Center, with more than 30 parallel venues in China, Cambodia, Vietnam and other countries, grandly launching a new product - "Urus", with order amount exceeding RMB 480 million within 5 hours.



Jack and Dassault Systèmes signed a strategic cooperation agreement

## July 2024

Jack and Crosby jointly launched a zero-defect system education project.

The China's Future Star Enterprises Annual Conference 2024, hosted by the China Entrepreneur Magazine, was held in Shanghai. RUAN Jixiang, the founder and Chairman of Jack, attended the conference and delivered a keynote speech entitled Stick to the Original Intention and Create the Future with Innovation.



Jack and Crosby jointly launched a zero-defect system education project

## August 2024

The theme release conference of Soul of the Enterprise: Excellent Cases of Corporate Culture in Zhejiang Province in 2023 was held in Hangzhou. Jack's corporate culture case, Culture as the Core: Promoting High-Quality Development of Enterprises, was selected as an excellent case of corporate culture construction in Zhejiang Province in 2023.



Jack's corporate culture case was selected as an excellent case of corporate culture construction in Zhejiang Province in 2023

September 2024

Yi Lianhong, former Secretary of the Zhejiang Provincial Party Committee, visited Jack to inspect the industrial Internet platform of the sewing industry and the construction of future factories, and learn about the development of digital empowerment of new quality productive forces. He praised Jack as a model of "sweet potato economy".

Jack ranked 78th on the 2024 List of 500 Private Enterprises with Invention Patents.

The grand relocation ceremony of Jack's headquarters in Hangzhou was held at the Linping Chamber of Commerce Building, with the theme of "Moving towards the New and Pursuing Dreams on the Way"



Leaders visited Jack

October 2024

Jack welcomed two heavyweight new members, Nick (American), a Ph.D. from Harvard University, and LI Yuanheng, a postdoctoral fellow from Harvard University.

The Supplier Conference of Jack was grandly held in Chizhou, Anhui. At the conference, the proposal to cancel acceptance on deviation and implement a supplier elimination mechanism was put forward for the first time.

Witnessed by Jack's global dealers and representatives from more than 100 garment enterprises, Frost & Sullivan, a world-renowned enterprise growth consulting firm, awarded Jack the certificate of "No.1 in Global Sales for 14 Consecutive Years".

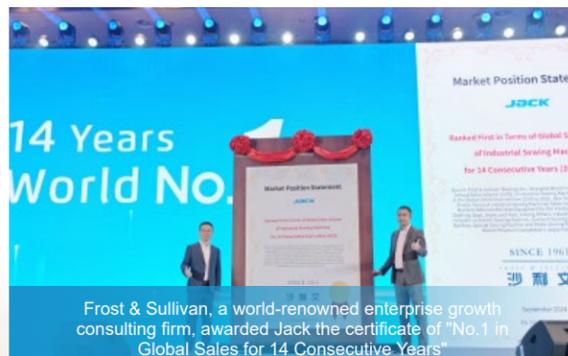
Wind, a well-known financial data and analysis tool service provider, released the 2023 ESG rating results, and Jack was rated "AA".

The Company was awarded the annual brand of 2024 Great Brand, becoming the only enterprise in the industry to receive this honor.

The Organization Department of the Zhejiang Provincial Party Committee announced the second batch of typical cases of provincial joint party building. Jack was selected as a case of "Joint Party Building in Sewing Industry Common Prosperity Red Chain of Jiaojiang District, Taizhou City" as a leading enterprise of the industrial chain.



Jack welcomed two new heavyweight members from Harvard University



Frost & Sullivan, a world-renowned enterprise growth consulting firm, awarded Jack the certificate of "No.1 in Global Sales for 14 Consecutive Years"

November 2024

The "Home in China · Changing Cultural and Economic Exchange Conference" was grandly held in Shanghai. Ruan Jixiang, the founder and Chairman of Jack, delivered a keynote speech entitled Jack's Path to Global Growth, which vividly demonstrated Jack's outstanding achievements and firm beliefs in the global market.

The Ministry of Industry and Information Technology officially announced the 2024 list of 5G factories, and Jack was successfully selected for its outstanding 5G technology application and intelligent manufacturing.

Zhang Zhenfeng, Deputy Governor of Zhejiang Province and Secretary of the Wenzhou Municipal Party Committee, led a Wenzhou municipal party and government delegation on an inspection tour to Jack. During the visit, he urged the Company to steadfastly leverage technological innovation as a growth driver, accelerate its transformation towards premium, intelligent and sustainable development models, and spearhead high-quality corporate advancement.



RUAN Jixiang, founder and chairman of Jack, delivered a keynote speech entitled Jack's Path to Global Growth



Jack was successfully included into the 2024 list of national 5G factories of the Ministry of Industry and Information Technology

December 2024

The second technology conference of Jack was grandly held at its headquarters in Hangzhou, attracting the participation of leaders of industry associations and many industry experts.

The 40th Anniversary Celebration and the 11th Council's 4th Expanded Meeting of the China Sewing Machinery Association were held in Beijing. Jack was awarded the title of "Meritorious Enterprise", and its President of Human Resources, Qiu Yangyou, and President of Product Team, Hu Wenhai were awarded the honorary title of "Advanced Individual".

The Economy and Information Technology Department of Zhejiang announced the second batch of Eagle enterprises in Zhejiang Province, including Jack, marking an important breakthrough for Jack in technological innovation, industrial development and market competitiveness.



Jack was awarded the title of "Meritorious Enterprise"

## Corporate culture

Jack takes Taizhou's Hehe culture and Dachen Island's reclamation spirit as its corporate culture genes. In long-term practical exploration, the Company integrates Chinese traditional cultural genes with Western management culture, considers corporate culture at a strategic level, enhances core competitiveness through corporate culture innovation, continuously enriches and improves the connotation of corporate culture, and actively practices customer-oriented culture, focusing & concentration culture, continuous change culture, hard working culture and filial piety and gratitude culture, injecting inexhaustible power and source into Jack's comprehensive and high-quality development.

The Company's senior leaders have always adhered to the mission of "intelligent connection for total solution grants intelligent garment manufacturing unlimited possibilities", pursued the vision of "becoming the most trusted partner in the global garment industrial chain", carried forward the corporate spirit of "harmony, integrity, fighting and rising", and adhered to the core values of "customer first, focusing & concentration, hard working, co-creation and sharing", creating value for customers, welfare for employees, market for suppliers, returns for shareholders, and benefits for society.

In 2024, Culture as the Core: Promoting High-quality Development of Enterprises, a corporate culture case of Jack, was selected as an outstanding case of corporate culture construction in Zhejiang Province in 2023.

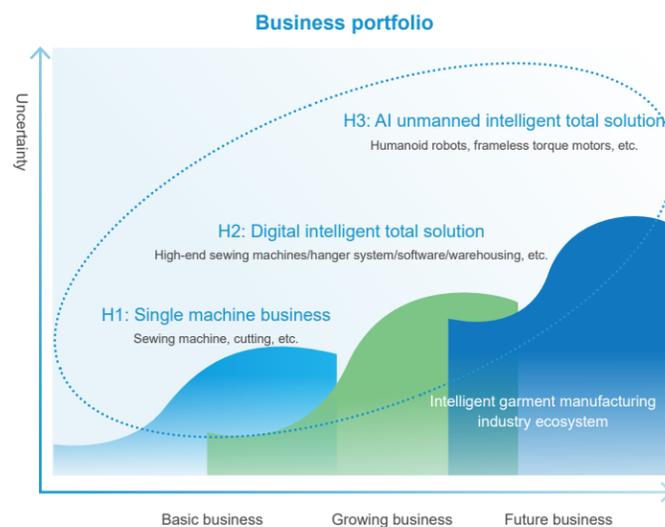
 <p><b>Mission</b></p> <p>"Intelligent connection for total solution grants intelligent garment manufacturing unlimited possibilities"</p>	 <p><b>Vision</b></p> <p>"Becoming the most trusted partner in the global garment industrial chain"</p>	 <p><b>Entrepreneurial spirit</b></p> <p>"Harmony, integrity, fighting and rising"</p>	 <p><b>Values</b></p> <p>Customer first Focusing &amp; concentration Hard working Co-creation and sharing</p>
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## Development strategy

Jack formulates medium- and long-term plans based on the corporate vision, mission and values, focusing on the main channel, customer value, and creation of hot products. With business portfolio as a guide and management system as a support, the Company builds product strength, marketing strength, organizational strength and operation strength in a coherent manner, promoting Jack's sustainable, high-quality and efficient growth.

### Strategic approach

Create hot products based on users, create value through innovation, build a vertical and horizontal industry ecosystem, and deeply serve global customers



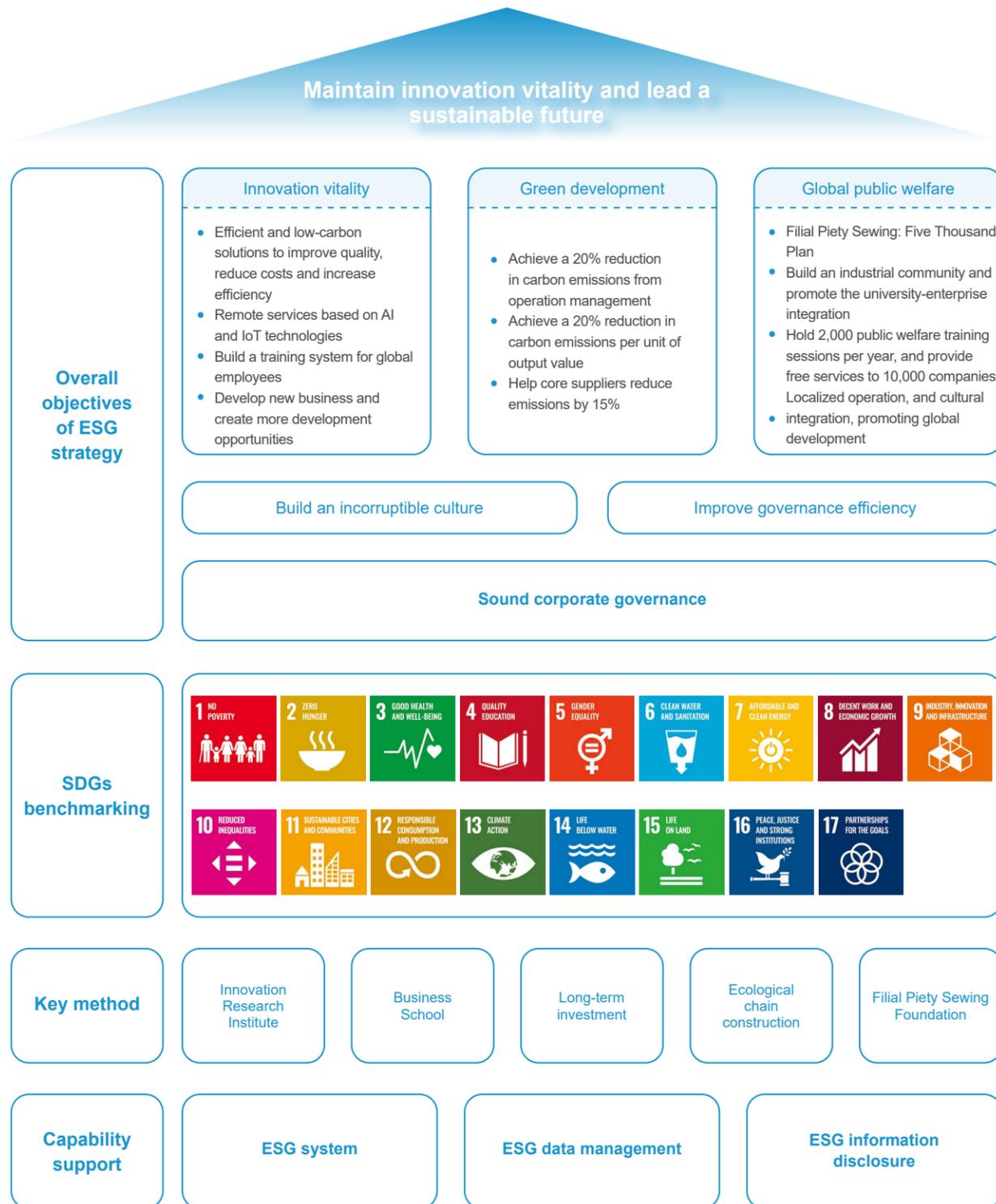
## Honors

<p><b>Single Champion Enterprise in Manufacturing</b></p> <p>April 9, 2024</p> <p>Ministry of Industry and Information Technology</p>	<p><b>National 5G Factory</b></p> <p>November 2024</p> <p>Information and Communications Administration of the Ministry of Industry and Information Technology</p>
<p><b>National Key R&amp;D Program (Intelligent Robot)</b></p> <p>December 23, 2024</p> <p>Industry Development and Promotion Center of the Ministry of Industry and Information Technology</p>	<p><b>Eagle Enterprise in Zhejiang Province</b></p> <p>December 18, 2024</p> <p>Economy and Information Technology Department of Zhejiang</p>
<p><b>Science and Technology Progress Award of China National Light Industry Council (First Award)</b></p> <p>February 26, 2024</p> <p>China National Light Industry Council</p>	<p><b>Chinese Brand Value Assessment (Strength of 893, brand value of RMB 2.284 billion)</b></p> <p>May 2024</p> <p>China Council for Brand Development</p>
<p><b>5G Fully Connected Factory in Zhejiang Province</b></p> <p>December 16, 2024</p> <p>Economy and Information Technology Department of Zhejiang</p>	<p><b>Manufacturing Quality Benchmark in Zhejiang Province</b></p> <p>December 27, 2024</p> <p>Economy and Information Technology Department of Zhejiang</p>
<p><b>Zhejiang Provincial Key Enterprise Research Institute</b></p> <p>December 31, 2024</p> <p>Economy and Information Technology Department of Zhejiang</p>	<p><b>500 Chinese Private Enterprises with Invention Patents in 2024 (No. 78)</b></p> <p>2024</p> <p>All-China Federation of Industry and Commerce</p>
<p><b>Top 100 Enterprises in Creativity in Zhejiang Province (No.24)</b></p> <p>December 19, 2024</p> <p>Zhejiang Intellectual Property Association</p>	<p><b>Red Dot Winner 2024 for Product S80 &amp; X5</b></p> <p>June 24, 2024</p> <p>Design Zentrum Nordrhein Westfalen</p>



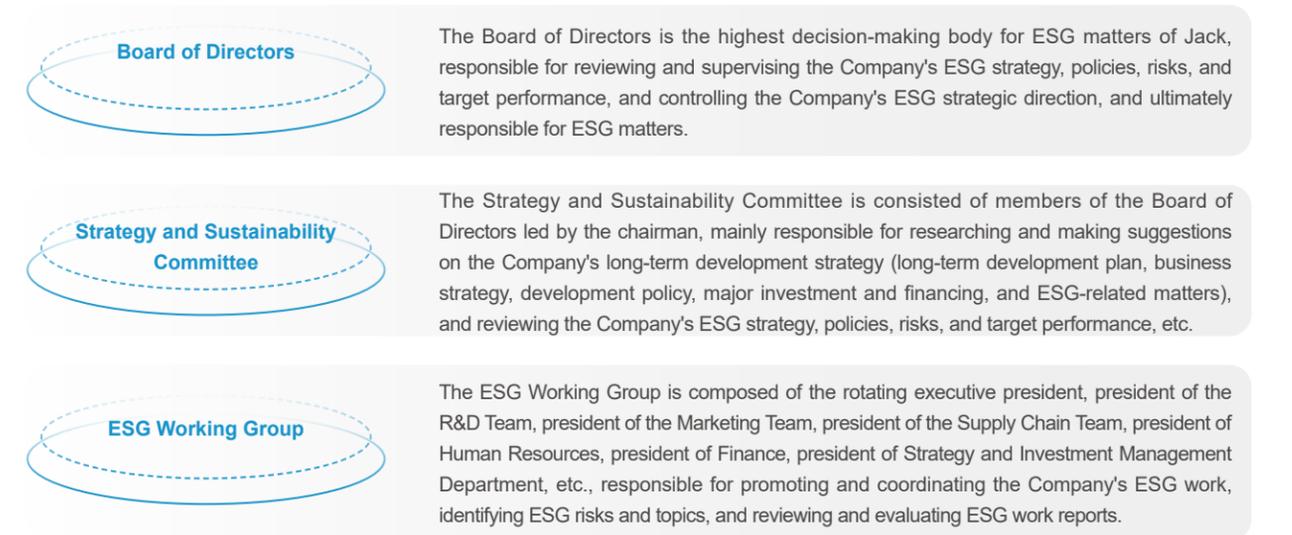
# ESG

## ESG strategy



## ESG concept and management structure

While promoting the pursuit of economic benefits, Jack also takes into account social responsibility and sustainable development. By identifying and evaluating the Company's business strategy, key risks, development opportunities, relevant laws and regulations, and stakeholder needs, and combining national policies and industry development directions, we have formulated ESG strategic guidelines, goals, and implementation paths.



ESG management framework

## ESG-related honors



Wind ESG "AA" rating in 2024



Selected as an excellent practice case of sustainable development of listed companies in 2024 by China Association for Public Companies



ESG Value Delivery Award for Listed Companies in 2024



Global 100 ESG Classic Cases of Zhejiang Enterprises in 2024

### ESG risk management

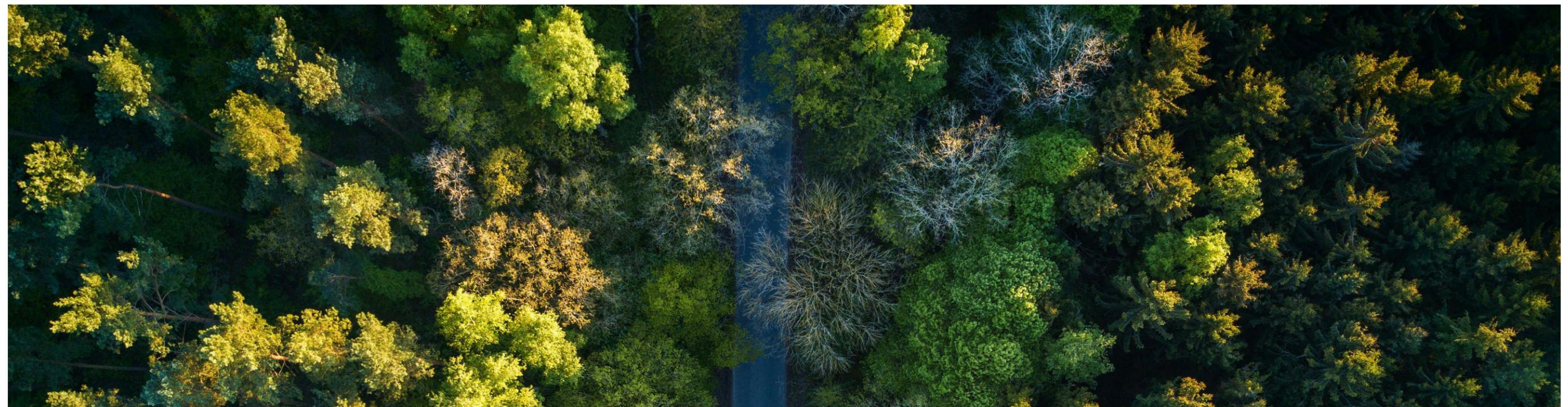
The Company attaches great importance to the significant impact that ESG risks may bring, and has incorporated ESG management into the Company's overall risk assessment and management system. The Company regularly assesses important ESG topics and reports them to the Board of Directors for review. The Board of Directors discusses and determines the Company's ESG risks and opportunities, regards the management and improvement of important topics as key ESG tasks and incorporates them into the Company's overall strategic planning.

### ESG performance and remuneration of senior officers

The Company has incorporated ESG performance into the performance evaluation indicators for senior officers, mainly including work safety (including but not limited to safety accidents and safety penalty incidents), environmental protection (including but not limited to pollutant emissions, energy efficiency management, and environmental penalties), anti-corruption, legal and compliant operations, and risk management, etc., such as the one-vote veto system for work safety, and the review and adjustment of performance assessment results and performance-based annual salary by members of the Major Accident Management Decision Committee (EMT), etc. In the future, the Company will continue to improve the sustainable development performance evaluation mechanism and strengthen the implementation of the sustainable development strategy, thereby ensuring the smooth and healthy operation of the Company and achieving sustainable development.

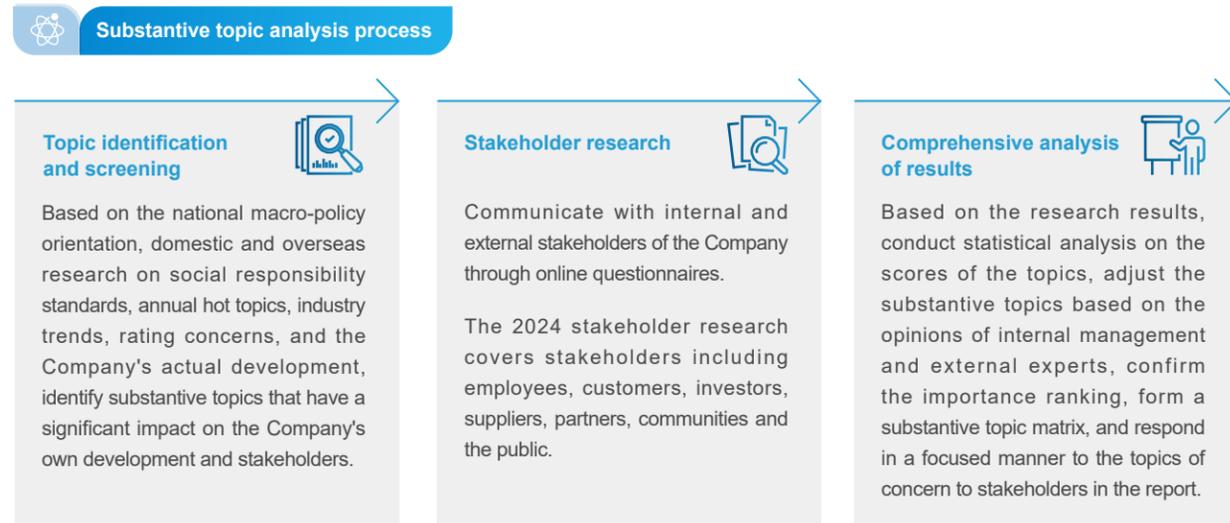
### ESG training

The Company holds ESG training from time to time to interpret ESG development trends and excellent practices and implement ESG in all relevant positions. Through various means such as internal employee training, corporate culture building, and exchange and learning of industrial excellent practices, the Company will continue to create a corporate culture of sustainable development and enhance ESG management capabilities.



## Substantive topic analysis

In order to further understand the expectations and requirements of stakeholders and guide the implementation of daily environmental, social and governance work, the Company actively invites stakeholders to participate in the assessment of substantive topics, sorts out topics that are important to the Company's business and stakeholders, and discloses them in detail in the report.



## Substantive topic matrix



## Stakeholder identification and communication

Jack attaches great importance to communication and exchanges with internal and external stakeholders of the Company, conducts dialogues with stakeholders through various channels, deeply understands the demands and expectations of stakeholders, strives for their trust and support, and promotes the continuous improvement of social responsibility management.

Stakeholder	Expectations and demands	Communication and response
Employees	<ul style="list-style-type: none"> <li>Employee remuneration and benefits</li> <li>Employee training and development</li> <li>Occupational health and safety</li> <li>Employee care and motivation</li> </ul>	<ul style="list-style-type: none"> <li>Equality and diverse hiring</li> <li>Protect employees' rights and interests</li> <li>Perfect salary system</li> <li>Smooth promotion system</li> <li>Rich employee activities</li> <li>Perfect health and safety system</li> </ul>
Partners	<ul style="list-style-type: none"> <li>Supplier management</li> <li>Dealer management</li> <li>Industry development</li> <li>University-enterprise cooperation</li> </ul>	<ul style="list-style-type: none"> <li>Responsible sourcing</li> <li>Supply chain management</li> <li>Sunshine procurement</li> <li>Win-win cooperation with dealers</li> <li>Industry cooperation and exchange</li> <li>Industry-university-research cooperation</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Product R&amp;D and innovation</li> <li>Product quality and safety</li> <li>Customers' rights and interests</li> <li>protectionData security and privacy protection</li> <li>Timely and professional service</li> </ul>	<ul style="list-style-type: none"> <li>Technological innovation</li> <li>Digital and intelligent transformation</li> <li>Quality assurance</li> <li>Customer feedback handling</li> <li>Customer satisfaction survey</li> <li>Information security management</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>Stable performance growth</li> <li>Shareholders' rights and interests protection</li> <li>Transparent information disclosure</li> <li>Complete risk control and compliance</li> </ul>	<ul style="list-style-type: none"> <li>Compliant operation</li> <li>Comprehensive risk management</li> <li>Regular and ad interim information disclosure</li> <li>Smooth investor communication channels</li> <li>Intellectual property protection</li> </ul>
Government and regulatory authorities	<ul style="list-style-type: none"> <li>Compliance with regulatory requirements</li> <li>Responding to national development policies</li> <li>Business ethics and anti-corruption</li> <li>Complete risk control and compliance</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with laws and regulations</li> <li>Cooperation in regulatory inspections</li> <li>Regular and ad interim information disclosure</li> <li>Strengthening publicity of integrity in professional practice and self-discipline</li> <li>Comprehensive risk management</li> </ul>
Community and the public	<ul style="list-style-type: none"> <li>Social and public welfare undertakings</li> <li>Rural revitalization</li> <li>Common prosperity</li> </ul>	<ul style="list-style-type: none"> <li>Volunteer activities</li> <li>Charitable donations</li> <li>Starlink Cloud alliance</li> </ul>

# Contribution to SDGs

the Company continuously carries out charity activities to return benefits to society. With a persistent pursuit for forging an influential brand with public welfare concern, it actively practices corporate social responsibility, and shares development results with the community.

Jack Shares adheres to the concept of "contributing to common prosperity" and plays a positive role in rural revitalization. It empowers rural development through industrial support, consumer assistance, poverty alleviation donations and other means.

The Company consistently adheres to a people-oriented approach, prioritizing employees' occupational health, psychological well-being, and life welfare, while safeguarding their democratic rights.

The Company has established a "Business School" to implement the concept of "using the best people to train better people" and focus on business operations to replicate and promote successful experience. Additionally, a business school training-to-action plan was formulated to provide all employees with training programs from induction to various development stages.

The Company upholds the concept of diversity, equity and inclusiveness in strict compliance with the Law of the People's Republic of China on the Protection of Women's Rights and Interests, prohibiting discrimination based on gender, age, education, ethnicity, religion or physical condition. All employees are guaranteed equal employment and career development opportunities.

Attaching importance to water resource management, the Company implemented the water-saving concept of multiple uses and recycling of water, formulated the Management Regulations for Rational Use of Water, took a number of measures to reduce water resource consumption, and comprehensively promoted the efficient management and recycling of water resources.

The Company has always regarded energy conservation and emission reduction as an important measure for sustainable development, and has comprehensively promoted efficient resource utilization and environmental protection through technological innovation, equipment upgrades and green energy applications. In the process of environmental protection practice, the Company actively adopted non-toxic and harmless green raw materials and environmentally friendly new materials, broke through key technologies, and promoted green design. At the same time, the Company used smart equipment and intelligent connection solutions to improve the production efficiency of downstream industries, reduced resource waste, striving to achieve a win-win situation of economic and environmental benefits.

Guided by its value-creation paradigm, the Company is committed to building a comprehensive and efficient incentive system. Through scientific compensation management and performance evaluation mechanisms, the Company continuously optimizes its talent structure, achieving synchronous growth between individual careers and organizational objectives. Equity incentives closely align employees' interests with the Company's long-term development, enhancing their sense of belonging and responsibility.

Upholding the concept of openness and cooperation, the Company actively participates in exchanges and cooperation with various industry associations. By participating in various activities of industry associations, the Company not only has an in-depth grasp of industry development trends, but also explores cooperation opportunities with other companies, bringing new vitality to the development of the industry.

The Company is convinced that adhering to business ethics is the cornerstone of the Company's long-term development and the key to winning the trust of customers, employees and society. The Company upholds the principles of integrity, fairness, accountability, and transparency, establishing a strong reputation in the fiercely competitive market and driving sustainable societal development.

Jack Technology actively practiced its corporate social responsibility in biodiversity conservation and minimized the impact of production activities on the ecological environment through technological innovation and scientific management. The Company strictly abode by relevant laws and regulations on ecological protection, paid attention to ecological balance in project development and operation, and avoided damage to natural habitats.

The Company managed wastewater discharge in compliance with regulations, installed water meters in each workshop to implement daily water consumption measurement, controlled sewage treatment, and invested in the construction of sewage treatment stations to separate rainwater and sewage, ensuring that sewage discharge complied with local water pollution prevention and control regulations, and wastewater pollution to the environment was reduced.

In response to the country's "dual carbon policy", Jack Technology formulated and implemented climate change response plans and climate transformation plans to meet the challenges of climate change, striving to achieve carbon neutrality by 2060 based on its energy use, carbon emissions status and strategic development plans. The Company continued to contribute to global climate governance by practicing the concept of energy conservation and emission reduction, promoting the application of clean technologies and improving resource utilization efficiency.

The Company has established a strict quality management system to ensure that all employees take "doing things right the first time" as the principle in their daily work, and strive for excellence in every link from design, production to service, striving for zero-defect delivery. The Company regards quality not only as the lifeline of its products, but also as an important part of its core competitiveness. The Company is committed to providing customers with excellent product experience and long-term value, and continuously promoting the improvement of industry quality standards.

Jack Technology adopted green and low-carbon development as its core strategy, leveraging technological innovation, systematic equipment upgrades, and green initiatives to advance the R&D and application of carbon reduction technologies. By optimizing resource efficiency and reducing carbon emissions, the Company provided innovative sustainability solutions, reinforcing its leadership and commitment to the green transition while supporting China's carbon peak and carbon neutrality goals.

Attaching importance to the employment of persons with disabilities, the Company has launched the "Sunshine Home" initiative, providing dedicated positions and barrier-free facilities to ensure workplace accessibility and equal benefits for employees with disabilities. In addition, the Company has provided special care for pregnant employees, adjusted work arrangements, and optimized the working environment to ensure their health and safety during pregnancy. Through these initiatives, the Company aims at creating an equal, respectful and inclusive working environment for every employee, fulfilling its social responsibility and promoting harmonious development.

With the focus of "innovating the future through innovation" as its core, and the R&D concept of "insisting on innovation-driven and creating high-quality hot products", Jack has built a R&D system with a high strategic level.

Special topics

# Promote the hot product strategy and activate new quality productive forces in intelligent garment manufacturing

In the wave of intelligent and digital transformation of the garment industry, Jack continued to inject new quality productive forces into the industry with its forward-looking strategic layout and technological innovation. In 2024, the Company continued the upgrades for its product matrix through the "Hot Product Strategy". While consolidating the market leading position of "A.M.H" (hot product in 2023), the Company innovatively launched "Urus" hot product, which not only solved the industry's pain point of "Small Order Quick Response", but also promoted the transformation and upgrading of the garment industry from traditional manufacturing to intelligent manufacturing, helping customers maximize their values. In the future, Jack will continue to uphold the innovation-driven development concept, promote the garment industry to a higher level of intelligent manufacturing, and make contribution to the sustainable development of the industry.

## Hot product strategy: activate new quality productive forces in the garment industry

"A.M.H": small order quick response, leading the market trend

"A.M.H" is an intelligent production equipment launched by the Company after 5 years of research and development and an investment of over RMB 100 million to meet the rapid response needs of the garment industry. With the AMH fabric adaptive system, it can accurately identify fabrics and adjust parameters in real time; with the Nine-Brain Octopus AI chip, it achieves microsecond response and seamlessly switches sewing; with the powerful PowerApe motor, it achieves a comprehensive torque of up to 8.4 Nm through high torque density technology, and copes with complex sewing in combination with through-axis technology. It realizes the adaptability of small-order flexible and quick response, and significantly shortens the production delivery cycle. Since its launch, "A.M.H" has successfully helped many garment enterprises realize the transformation from traditional manufacturing to intelligent manufacturing, becoming a benchmark product for the industry's intelligent transformation.



## Win the market position of "No.1 in Global Sales for 14 Consecutive Years"

- On October 16, 2024, witnessed by overseas dealers around the world and with the authoritative certification of Frost & Sullivan, the President of Human Resources of Jack and the Executive Director of Frost & Sullivan China held a certification ceremony for "No.1 in Global Sales".

Source from: Frost & Sullivan completed the survey in September 2024 at the annual number of industrial sewing machines sold by major industrial sewing machine enterprises in the world between 2010 and 2023.



"Urus": Full speed cross seam, improving production efficiency

In the garment production under the mode of "small order quick response", fabric knots restrict efficiency and quality. The Company launched the "Urus" intelligent overlocker after 4 years of cooperation with top scientific research forces. It has an AI full-speed feeding system, and two core technologies: Presser Foot Transformer and Smart Rhino Feeding, supporting implementation of instructions based on the calculation parameters. The pressing force could be adjusted instantly and the feeding force could be accurately outputted, according to the different extreme characteristics of fabrics such as thick, thin, elastic and stiff. The product achieved great success once it was launched. It effectively solved the problems of cross seam, improving efficiency, reducing costs, and leading the intelligent transformation of garment production.

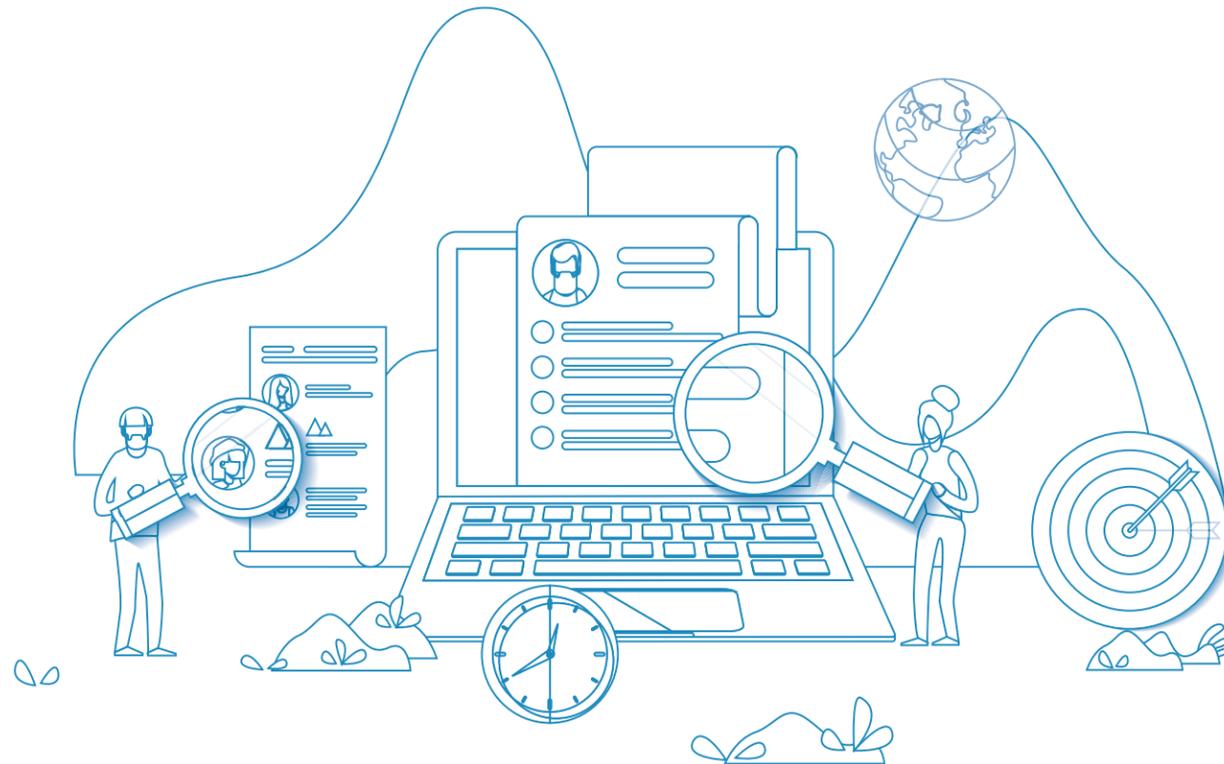


Urus' world record for the longest continuous sewing of multiple fabrics without thread breakage cross seam and machine stoppage.

- On November 27, 2024, under global attention and the strict supervision of the Forbes World Record Certification (FWRC), Jack's "Urus" continuously sewed 1,001.98 meters of extreme fabrics, setting a world record for the longest continuous sewing of multiple fabrics without thread breakage cross seam and machine stoppage.



"Urus" set a world record for continuous sewing by overlocker



Case: Global New Product Launch Event under the Theme of "To Be the King of Cross Seam"

On June 16, 2024, Jack held a global new product launch event under the theme of "To Be the King of Cross Seam" at the Guangzhou Chimelong International Exhibition Center, with more than 30 parallel venues in China, Cambodia, Vietnam and other countries. The live event attracted more than 1,000 representatives from garment enterprises, more than 100 global media and nearly 5 million online viewers.

At the event, the Company launched the "Urus" intelligent overlocker, marking the in-depth application of AI technology in the field of sewing equipment. In order to overcome the problems of traditional overlayers in processing mixed fabrics, such as jamming and needle breakage, Jack finally successfully launched "Urus" after 4 years of R&D under cooperation with top universities such as Stanford University, Chinese Academy of Sciences, Tsinghua University, and Zhejiang University.

During the live demonstration, "Urus" seamlessly handled thick, thin, elastic, and stiff fabrics without speed reduction, even when transitioning between materials with 100x thickness variations, which garnered enthusiastic acclaim from attendees. The order amount exceeded RMB 480 million within 5 hours after product launch, underscoring Jack's innovation strength and market influence in the sewing equipment field. Finally, the product launch event was reported by more than 30 media including Xinhua Net, People's Daily app, and Guangming Online, hailing "Urus" for empowering new quality productive forces.



Global launch of "Urus"

# 1

## Create quality with craftsmanship, and empower society with technological innovation

Through innovation assistance, promote the transformation of garment manufacturing from a labor-intensive industry to a high-tech and automated industry, to reduce waste and loss in the garment manufacturing process, and make garment manufacturing practitioners more comfortable and efficient.

R&D innovation driven

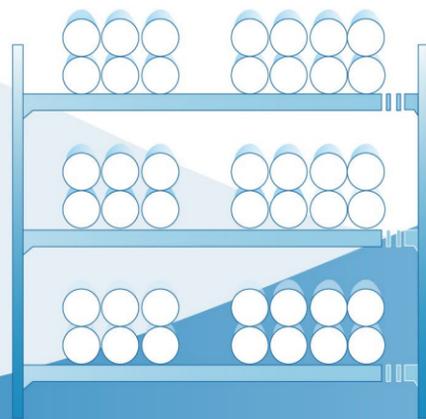
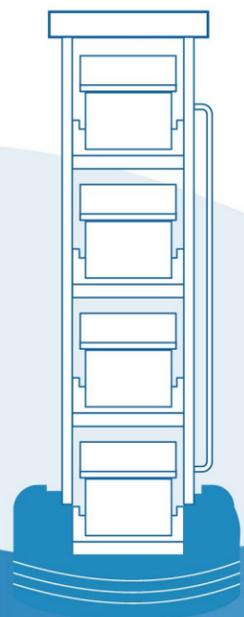
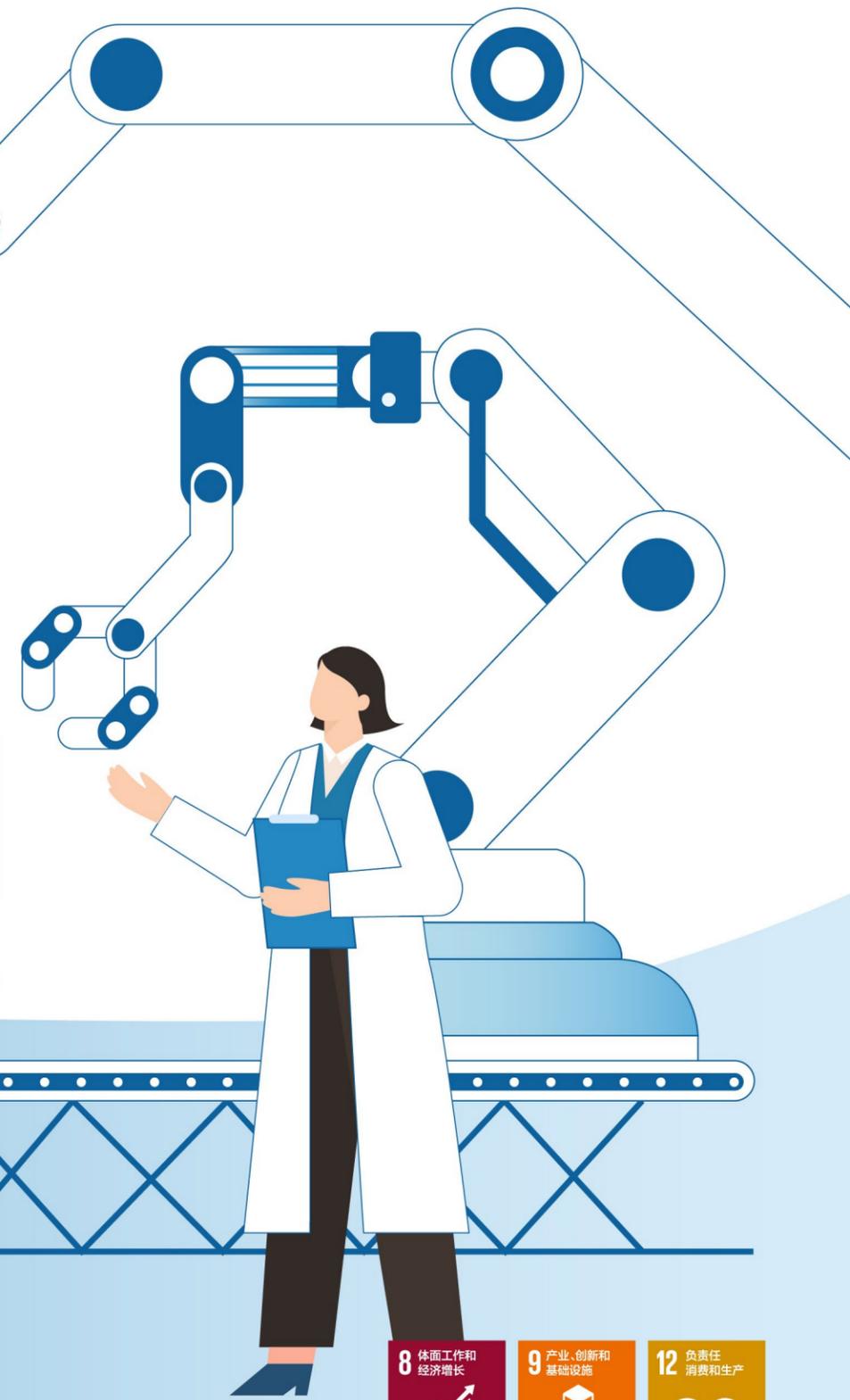
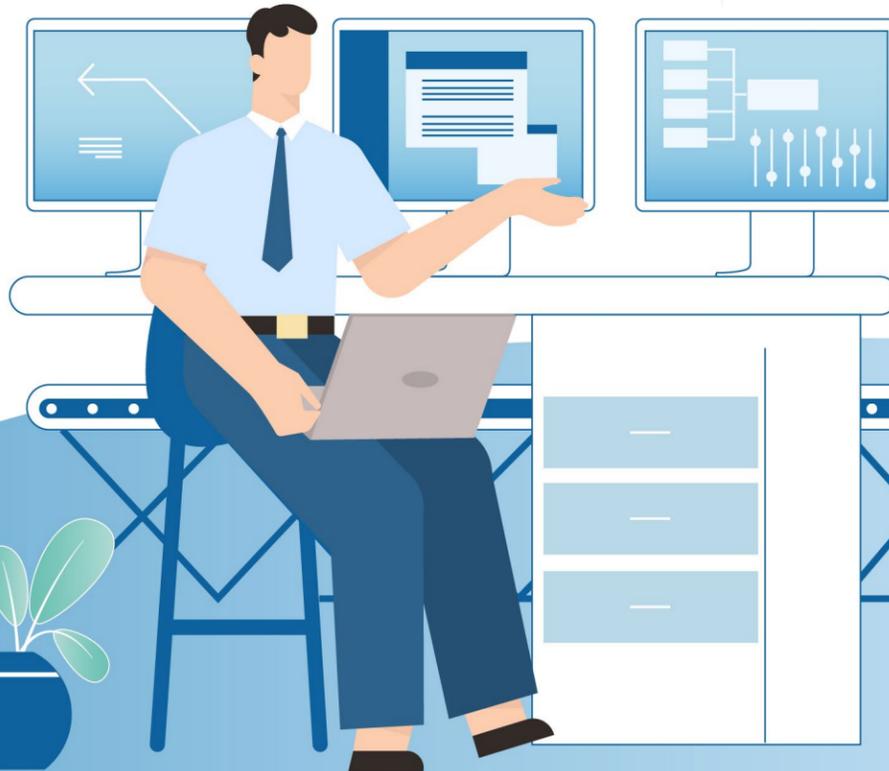
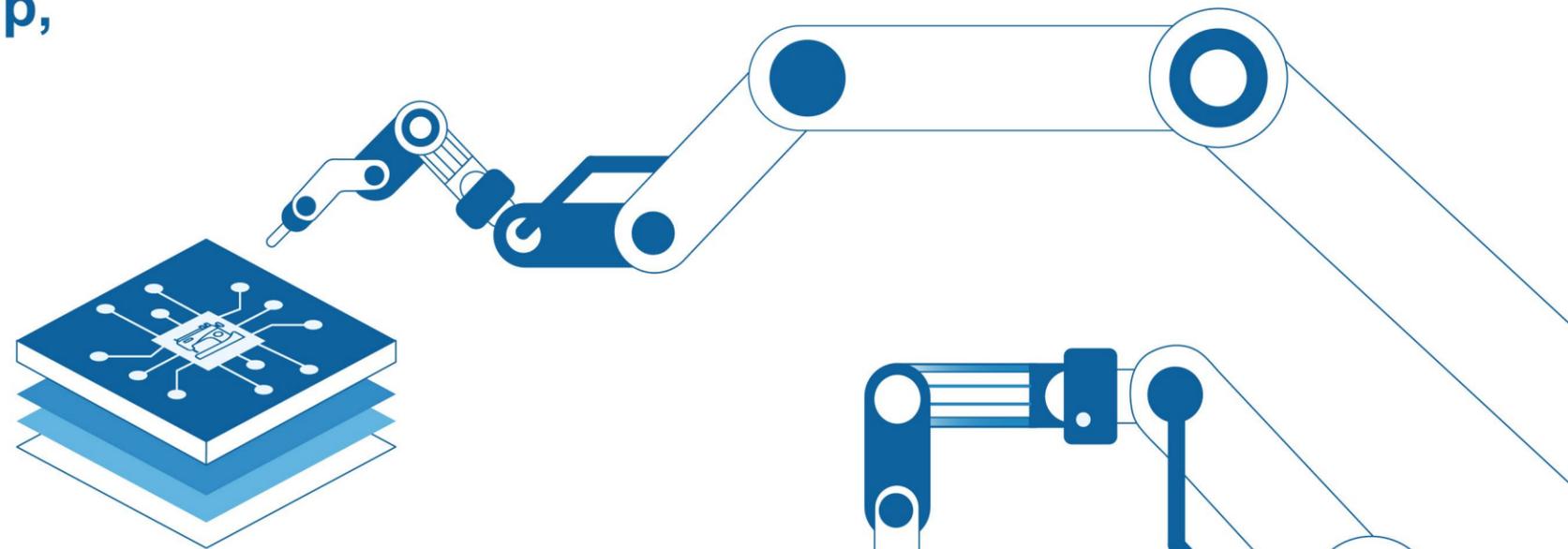
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Ensure product quality

36

Digital strategy

41



## R&D innovation driven

With the focus of "innovating the future through innovation" as its core, and the R&D concept of "insisting on innovation-driven and creating high-quality hot products", Jack has built a R&D system with a high strategic level. The Company is determined to increase its investment in innovation. The Company spends more than 7% of its sales revenue on R&D each year, and plans to increase this proportion to 10% in the next 3-5 years, fully demonstrating the Company's high attention and long-term commitment to technological innovation. In 2024, the Company achieved a number of technological breakthroughs in the field of intelligent sewing equipment, and launched revolutionary products such as Urus, bomber 5000, template machine M5/M9, hanger system Q7/V7, and auto-cutter S80/F80, etc., which significantly improved production efficiency and industry competitiveness.

### Key performance

As at the end of the reporting period,

the Company had a total of Including: invention patents of Utility model patents of Design patents of

 **2,705** patents

**1,125**

**1,334**

**246**

 Total number of software copyrights **549**

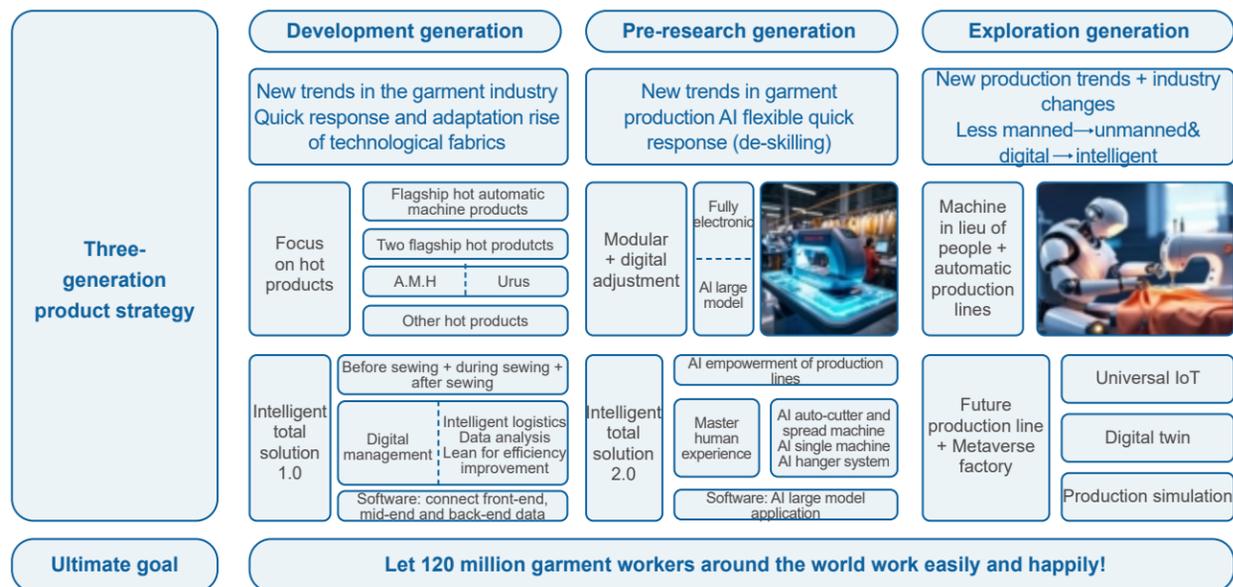
Number of invention patents applied to primary business **498**

Number of R&D personnel **1,289**

R&D investment amount **487.99** million

## R&D strategy and planning

Jack insists on long-term investment in innovation. The Company invests more than 7% of sales revenue in R&D every year, and will increase this proportion to 10% in the next 3-5 years, under the "433" strategy, of which 40% will be used for development generation, 30% for pre-research generation, and 30% for exploration generation. The investment in the exploration generation will increase by 0.5%-1% of the revenue, mainly used for humanoid robots, AI digital production lines and other areas. This strategy not only promotes the continuous iteration and upgrading of existing products, but also lays a solid foundation for the disruptive innovation of future technologies and the reconstruction of the industrial ecosystem, injecting strong impetus into the intelligent and digital transformation of the global manufacturing industry.



Develop the third-generation product strategy

## Management system and policy

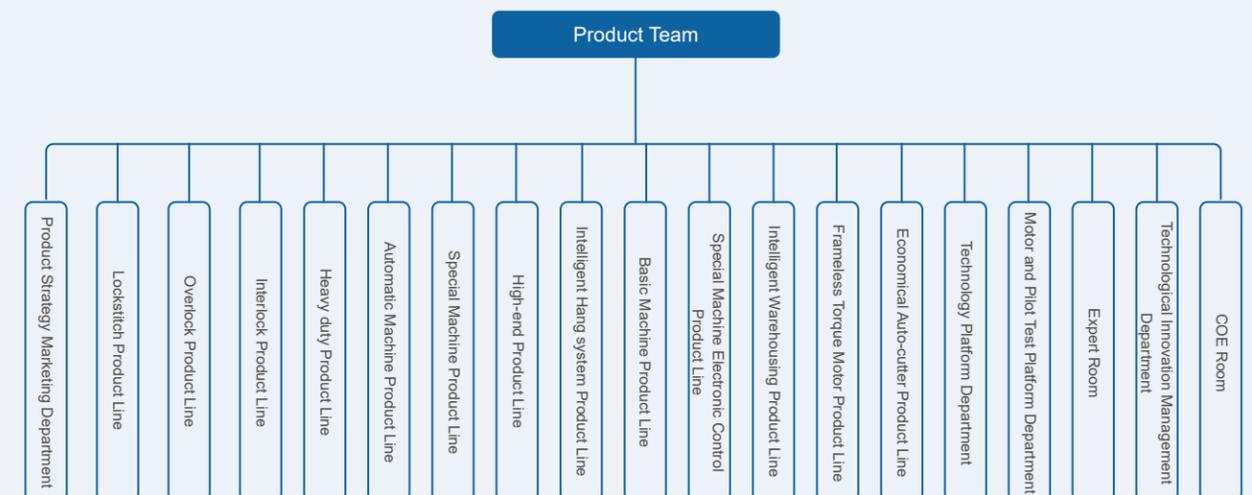
The Company has established a complete R&D management structure and system to support the implementation of its innovation-driven development strategy. The Company has built a global R&D network, with established 14 R&D centers covering multiple countries and regions including China, Germany, and Italy, and proposed innovation centers in Europe, the United States, and Japan, forming a R&D pattern featuring "global collaboration and resource sharing".

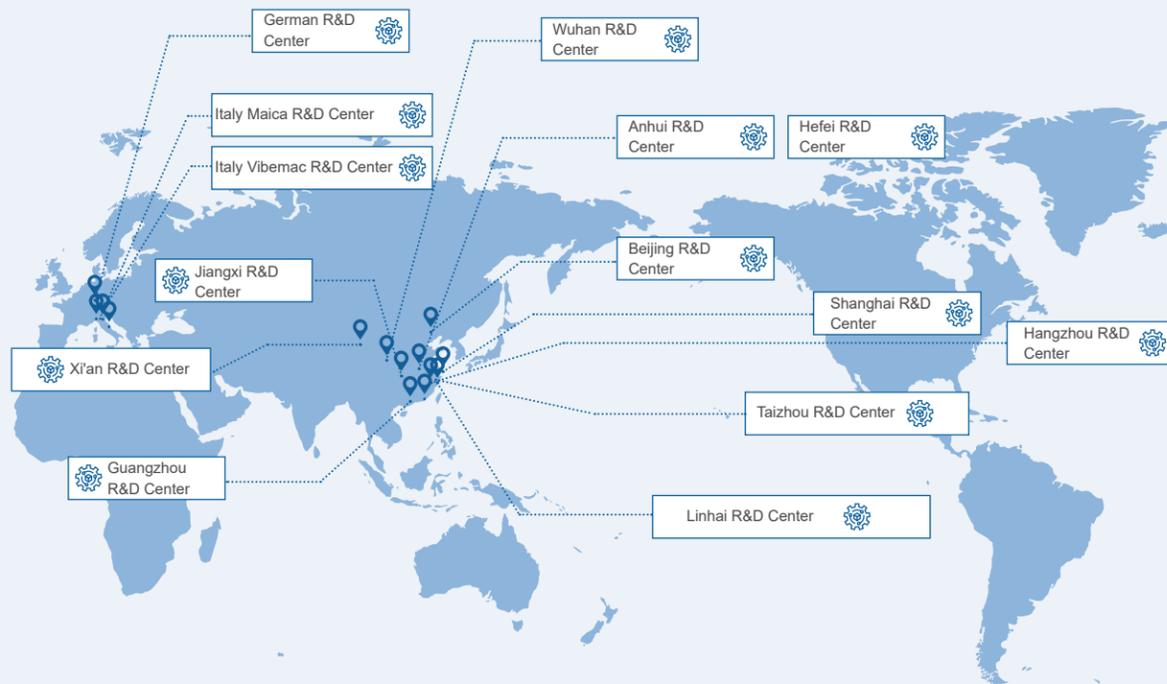
Based on a R&D model featuring global perspective, multi-professional integration, and multi-field collaboration, the Company promotes customer-centric product innovation. Through joint innovation with world-class customers, major universities around the world, and world-renowned technology-based enterprises, the Company accurately defines product needs and enables SP planning and CBB construction. Meanwhile, the Company builds a deeply interlocking system of technology and products to achieve a high degree of adaptation between product approval and development processes, increases talent and technology investment in the fields of automation and AI, and fully integrates AI, software, controllers and machinery through independent R&D and external cooperation, to create a triathlon that Jack controls independently. The Company continuously innovates new categories, redefines rules, solves users' pain points, creates greater value for customers, promotes the development of garment manufacturing towards small orders and unmanned operations, and enhances Jack's overall competitive advantage.

Relying on the IPD system, the Company deeply connects the product competitiveness shaping and market-oriented operation and builds a close coordination mechanism. With the help of a unique hot product development model, the Company effectively integrates innovation insight methodology, Sany value model and other tools to accurately identify and effectively solve customers' core pain points.

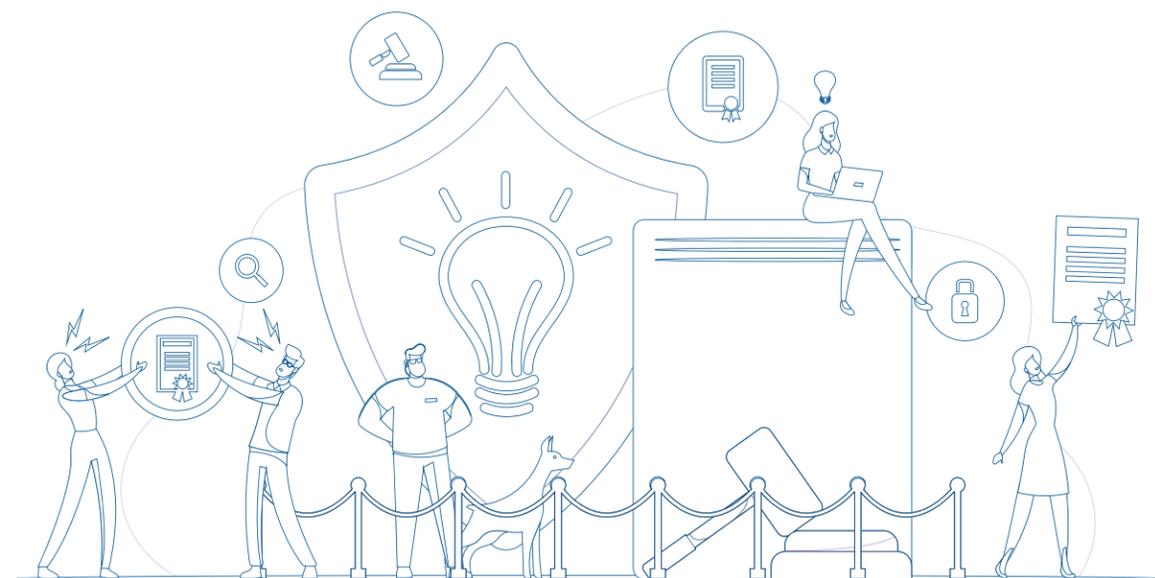
The Company develops a new generation of product life-cycle management PLM system in depth, and builds a unified R&D data platform to effectively integrate and manage the entire process data of products from demand planning, conceptual design, detailed design, production and manufacturing, sales, after-sales service to final delisting. By measuring and evaluating the indicators of R&D process management from demand to planning, technology to finished product development, the Company ensures the controlled design and development process, the advanced product technology and the reliable quality, and creates leading technology and hot products.

Through a complete R&D management system and innovation mechanism, the Company has not only achieved efficient transformation of technological achievements, but also continued to lead industrial technological innovation and provided intelligent and digital solutions for global customers.





Layout of R&D center



## R&D innovation incentive mechanism

The Company has always been committed to creating a scientific and diversified incentive mechanism for R&D personnel to fully stimulate their enthusiasm and creativity. Under the framework of the "comprehensive incentive 3+3 system", the Company has continuously improved its incentive system. This year, the Company took an important step to incorporate value evaluation into the assessment system, instructing R&D personnel to focus not only on technological innovation, but also on alignment with the Company's core values, and promoting synchronized growth resonance.



### Management measures for patent incentives

- Aim to encourage the application for patent rights of innovative achievements, improve the quality of invention patents, promote the implementation and application of invention patents, and motivate employees to actively apply for patents

### Technology development project award

- Aim to encourage R&D personnel to make positive contributions in the process of technology project R&D and mobilize the enthusiasm and creativity of all R&D personnel

### Commercial success reward system for product development

- Aim to motivate the work enthusiasm of members of the product development project team, encourage outstanding personnel to grow quickly, and promote the rapid development of the Company

### Flagship project award

- Aim to stimulate the enthusiasm and sense of urgency of the team, expedite the capture of strategic flagships, seize the initiative, promote the achievement of the Company's strategic goals, and enhance the cohesion and combat effectiveness of the team

### Innovation incentive system

## Intellectual property protection

The Company established a complete intellectual property policy system, including the Implementation Rules of Patents, the Management Measures for Patent Incentives, the Intellectual Property Emergency Response System and the Management Measures for Technical Secrets, to ensure standardized and systematized intellectual property work. The Company established a dedicated Intellectual Property Department with 9 full-time employees, fully responsible for patent mining, retrieval, review, application, analysis and avoidance, and held annual intellectual property training to continuously enhance employees' intellectual property awareness and professional capabilities. In addition, the Company obtained the intellectual property management system certification, and further strengthened the standardization and internationalization of intellectual property management, providing solid guarantees for the protection and transformation of technological innovations.



Intellectual Property Management System Certification

## Comply with scientific ethics

The Company's R&D activities do not involve artificial intelligence ethics, biotechnology or environmentally sensitive areas, and all technological improvements are centered around improving the production efficiency and sustainable development capabilities of the garment industry. The Company practices corporate social responsibility with a pragmatic and innovative attitude.

The Company fully understands that technological development must follow ethical principles, so the Company will uphold correct technological ethics to ensure that R&D activities are in line with human interests and values.



Core technology	Technical advantages
AMH fabric adaptive technology	Able to quickly sense fabric changes, and adjust the coordination between feeding force and puncture force in real time, adaptive to fabrics and the world's first system that can continuously sew different fabrics without adjusting the machine
Nine-brain Octopus AI chip technology	With intelligent AI algorithm, able to achieve intelligent perception and real-time response for different fabrics such as thick, thin, and elastic through multi-task parallel update calculations up to 10,000 times per second
Presser Foot Transformer technology	Solve core pain points of customers such as needle breakage over seam, skip stitch, and stitch crowding
Smart Rhino Feeding technology	Has the combined torque as high as 9.2N.m, and the precision of the feeding force controlled at 0.01N.m; like a sports car with excellent performance, whether it is straight-line acceleration or corner overtaking, able to match the optimal power output, ensuring accurate output of the feeding force according to the needs of the seam position at every 1 degree of 360 degrees
AI full speed feeding system	Able to perform multi-modal intelligent detection at a speed of 32,000 times per second, and calculate the best pressure-feed ratio once the fabric changes slightly Through Presser Foot Transformer, output the precise pressing force, and effectively cooperate with Smart Rhino Feeding technology to output the precise feeding force, achieving full speed cross seam
0 degree line technology	Relying on thread quantity model simulation and by optimizing the motion coordination of each mechanism, able to accurately control the movement state and tightness changes of stitches, minimizing sewing defects such as thread breakage and skipped stitches By using nano coating, able to reduce line resistance by 30%, and enhance wear resistance and rust resistance
Metis control technology	Through multi-axis interpolation and precise positioning, ensure cutting accuracy Through HSC high-speed cutting technology, fast positioning and sharpening technology, optimized control logic and other technologies, achieve ultra-high-speed cutting Through microsecond-level ultra-high-speed response, ensure precise execution of the control system
Short thread tail technology	With the ultra-short thread tail technology, able to achieve ultra-short thread ends by reducing the distance from the needle plate to the bottom shear, which solves the pain point of customers that the thread ends of high-end garment from straight buttonhole machines need to be repaired twice, improves garment production efficiency, and meets the needs of high-quality shirt sewing
Bottom thread detection technology	With the bottom thread detection technology, sense the bottom line capacity through the sensor and replace the bobbin in time; able to avoid sewing failures caused by insufficient bottom line margin and improve sewing quality and efficiency
DCP intelligent pressure sensing technology	The DCP intelligent pressure sensing device amplifies the change in fabric thickness through a mechanical device during sewing, senses it through a sensor, and automatically reduces the speed of the spindle motor at the time of approaching a seam, ensuring perfect stitches at the cross crotch

Products ☰

### A.M.H

Non-stop sewing of 100 styles daily



Products ☰

### Urus

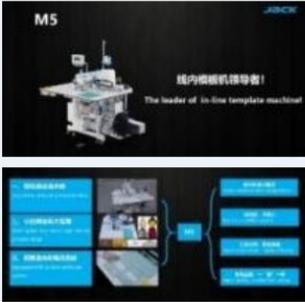
Full speed cross seam



Products ☰

### Template machine M5

Flexible intelligent manufacturing assembly line revolution



Products ☰

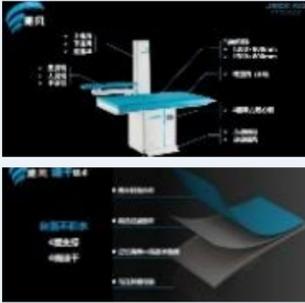
### Template machine M9



Products ☰

### Ironing table L5

A new benchmark for green intelligent manufacturing



Products ☰

### Interlock K7

New intelligent sewing technology



Products ☰

### Hanger system Q7

Enhanced efficiency in style changeover and throughput increase



Products ☰

### Auto-cutter S80

Precision cutting technology



Innovative product matrix for Intelligent sewing equipment

## Ensure product quality

Jack takes "zero defect - meeting customer requirements and doing the right things right the first time" as the core policy of quality management and fully implements the four basic principles of zero defect. The Company has established a strict quality management system to ensure that all employees take "doing things right the first time" as the principle in their daily work, and strive for excellence in every link from design, production to service, striving for zero-defect delivery. The Company regards quality not only as the lifeline of its products, but also as an important part of its core competitiveness. The Company is committed to providing customers with excellent product experience and long-term value, and continuously promoting the improvement of industry quality standards.



Four basic principles of zero defect

### Key performance



ISO9001 Quality Management System Certification

CCC Certification

Major honors

During the reporting period, the Company participated in the quality management innovation activity organized by the China National Light Industry Council, and was awarded the title of "National Excellent Quality Manager in Light Industry" for one person, the title of "National Trustworthy Team for Quality in Light Industry" for one team, and the title of "National Excellent Quality Management Team in Light Industry" for two teams.

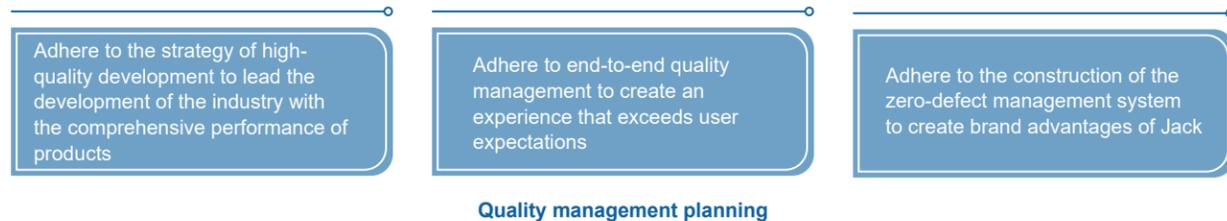
The Company participated in Taizhou City's 2024 Quality Innovation Achievement Release Conference and QC Group and Advanced Quality Method Application Competition, and won the First Award for QC Group Achievement Release with the Error Reporting of Template Machine E225.



List of winners in the evaluation and selection of excellent achievement report on quality improvement

Management strategy and planning

Jack takes "Eight Major Campaigns, Three Strategic Theaters" as the implementation pathway, comprehensively covering the eight modules of R&D and design, product quality, quality tools, process quality, parts quality, talent training, service quality and quality digitization, with a focus on the three areas of R&D, manufacturing and services. Through a systematic and refined quality management system, the Company is committed to making the "Jack Brand" synonymous with industry quality and continuously promoting the high-quality development of the Company.



Quality management objectives

With the core concept of "adhering to end-to-end quality management to build Jack's high-quality brand", the Company has formulated a 3-5 year quality strategy plan, clearly taking NPS (Net Promoter Score) and quality satisfaction as core quality goals, and breaking them down step by step to organizations and positions at all levels.

Performance indicator	Actual performance		
	2022	2023	2024
NPS	45	48	49
Customer satisfaction	8.36	8.52	8.85

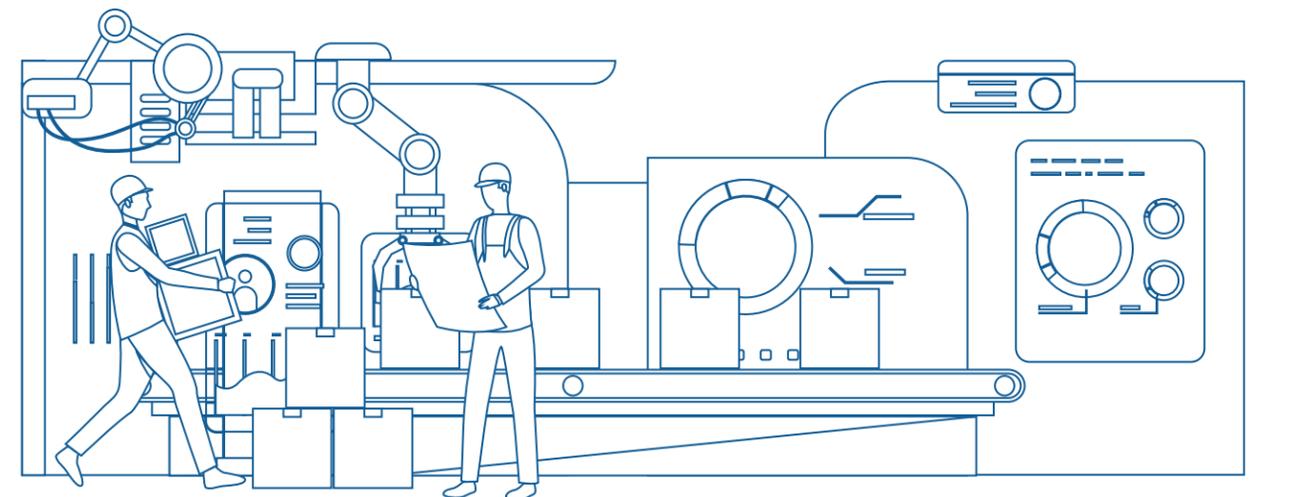
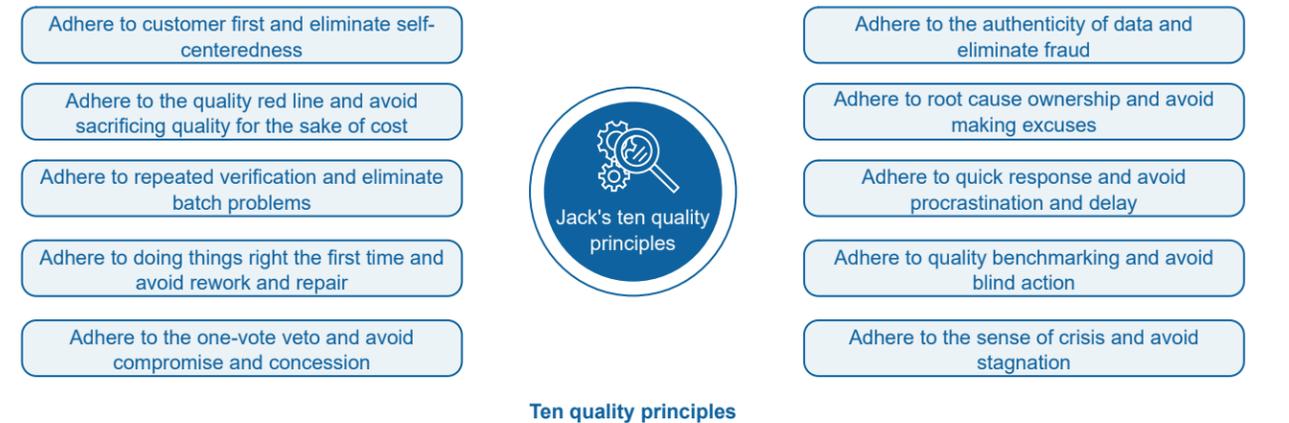
Management system and policy

The Company adhered to the customer-oriented principle, gained a deep insight into customers' expectations for product quality, strictly implemented internal regulations such as the End-to-End Quality Management Process, the Full Manufacturing Quality Management Process, the Management Regulations on Quality Red Line and the Non-conformity Control Management System, and continuously optimized the closed-loop management mechanism for quality issues to ensure continuous improvement in product quality. The Company set up a "Chief Quality Officer", implemented a "one-vote veto system for quality and safety", incorporated quality and safety performance into the assessment system for the Company's senior management, and established quality and safety KPIs at the workshop and job levels to achieve a deep binding of quality and safety with economic benefits and form a quality culture with the participation of all employees.

At the same time, the Company's Quality Process IT Department consisted of the Quality System Department, the Process IT Department and the Quality Management Department that work together to build a quality management system covering the entire process, ensuring the systematic, standardized and efficient quality management, and providing a solid guarantee for the Company to create high-quality products.

Quality red line management

In order to standardize the daily behavior of all employees, strengthen quality management and enforce strict work discipline, the Company formulated Jack's ten quality principles, ensuring the full implementation of the "customer-oriented" concept and instructing all employees to pay attention to work quality and product quality. At the same time, the principles require management staff at all levels to ensure no excuses and proactive root cause ownership during the problem-solving process, thereby increasing the enthusiasm, timeliness and effectiveness of problem solving.



## Product quality improvement

With systematic quality management as the core, Jack created an all-round quality improvement system. By implementing quality risk control, the Company identified and avoided potential risks in advance, and at the same time, promoted life-cycle quality management and achieved end-to-end quality monitoring from R&D to after-sales services. In addition, the Company encouraged all employees to participate in quality improvement and consolidated its market competitiveness by carrying out QCC (quality control circle) activities.

<b>Full-process zero-defect process review</b>	Carry out the same during the product development process to ensure the full implementation of quality standards.
<b>Introduction of the 16949 process system</b>	Use quality tools such as DFMEA (Design Failure Mode and Effects Analysis), PFMEA (Process Failure Mode and Effects Analysis), SPC (Statistical Process Control), and CP (Control Plan) to carry out quality planning, and focus on quality prevention management, to ensure stable quality performance at the time of mass production.
<b>Electronic control quality control upgrade</b>	Carry out the same during the product development process to ensure the full implementation of quality standards.
<b>Quality risk management</b>	Develop a Risk and Opportunity Response Plan and combine it with the risk and opportunity assessment analysis table to systematically manage quality risks.
<b>Life-cycle quality management</b>	<p><b>Quality control of raw materials:</b></p> <p>Establish a physical and chemical laboratory to conduct material analysis and physical and chemical analysis on each batch of raw materials. Require suppliers to provide a quality guarantee for each batch of raw materials.</p> <p><b>Quality control of production process:</b></p> <p>Establish process qualification conditions from six aspects: people, machines, materials, technology, environment and monitoring. Set up 77 quality control points in the six manufacturing links to strictly control the quality of the production process and ensure the quality stability of the product throughout its life cycle.</p>

### Quality management measures

#### Case: QCC (Quality Control Circle) Activities - Stimulating the Vitality of All Employees in Quality Improvement

The Company conducts a QCC (Quality Control Circle) publication activity every quarter. As at 2024, the Company successfully held 54 sessions. The Company held a total of 319 publications, including 109 publications in 2024, achieving economic benefits of approximately RMB 18 million. Through QCC activities, the Company created an atmosphere in which management staff at the team leader level or above proactively solve problems, promoting continuous quality improvement.



## Complaints management measures

The Company strengthened quality complaints management through various measures to protect customer interests and enhance corporate reputation. The Company formulated the Closed-Loop Quality Management Process, requiring a rapid response to external customer complaints within 4 hours, and realizing intelligent analysis through T-management and a digital cockpit. At the same time, the process clarifies the closed-loop management by six steps, namely, root cause analysis, measure execution, effect confirmation, standardization, single-point education and implementation confirmation, to ensure that problems are effectively resolved. In addition, the Company implemented hierarchical and graded management for major quality issues, and established a system for reporting bad news directly to senior management to speed up the handling of major customer complaints.

In 2024, the Company further upgraded the Jack's Product Recall System, refining the recall process and implementation method, and directly linking product quality performance with remuneration of senior officers to strengthen the quality responsibility awareness of all employees. Through digital tool empowerment, process optimization and management accountability mechanism, the Company effectively protected the rights and interests of consumers, significantly improved the Company's quality management efficiency and brand credibility, and set a quality management benchmark for the industry.

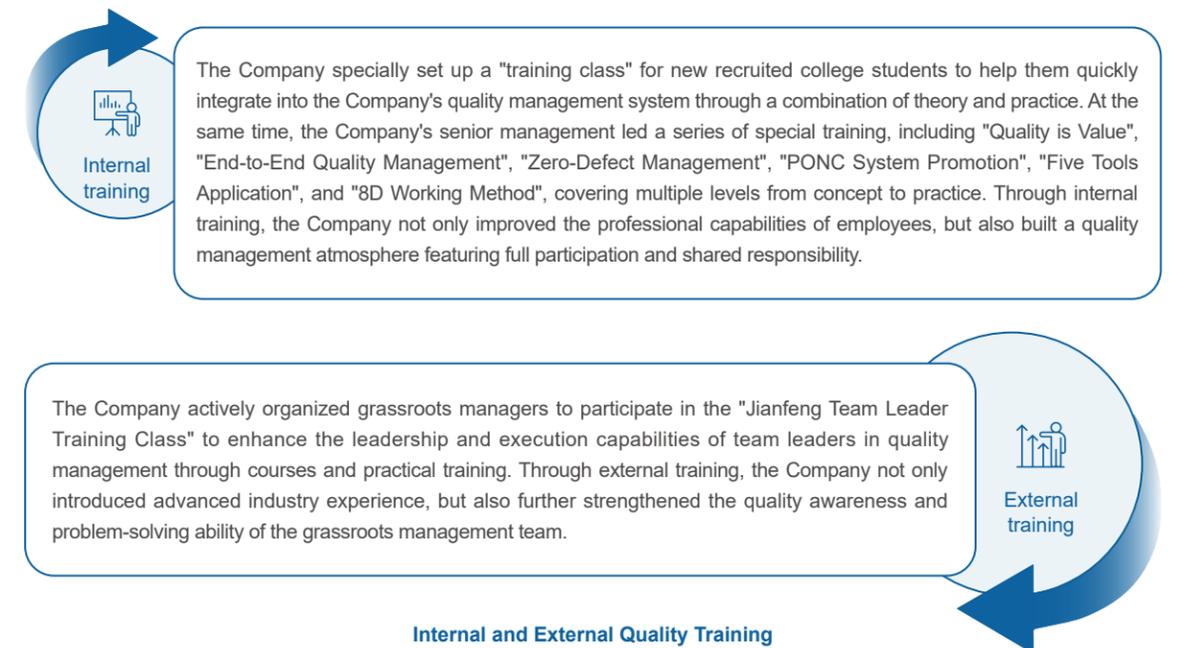
## Quality Culture Construction

Through internal and external training, "Quality Month" activities and other quality-related training, the company builds a quality management system with full participation, deepens the concept of "zero defect", improves quality awareness and execution, and builds corporate competitiveness. At the same time, the company extends quality culture training to suppliers to achieve coordinated quality improvement of the whole industrial chain.

### Case: Construction of Quality Training System

The Company systematically promoted the construction of a quality training system from both external and internal dimensions to comprehensively improve employees' quality management capabilities, and deepen the concept of quality culture.

Through a combination of external and internal training, the Company built a team with high-quality awareness and professional capabilities, laying a solid foundation for continuously improving product quality and corporate competitiveness.

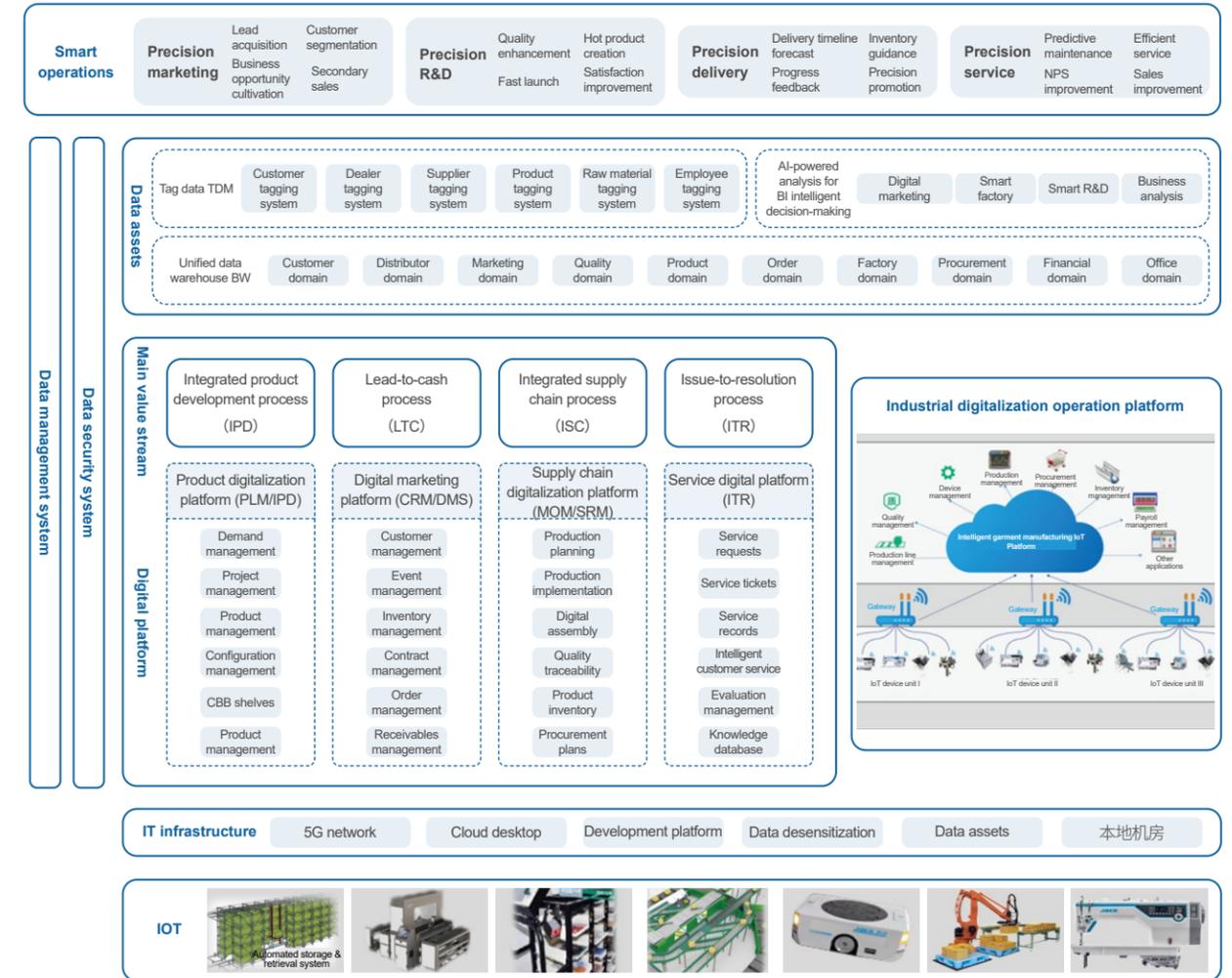


Case: "Quality Month" Event -- Building a Zero-Defect Quality Culture

To implement the company's "Zero-Defect Quality" development strategy, achieve steady improvement in product quality, enhance overall quality awareness among employees, refine Jack Technology's quality culture, strengthen quality execution at all levels, and boost market competitiveness, the Company organized the "Quality Month" Event in September 2024. Through diversified activities such as the "Quality Exposure Exhibition", "Quality Knowledge Competition", "Zero-Defect Debate Contest", "Defective Product Destruction Campaign", "Improvement Project Implementation" and "Quality Management Experience Sharing", the Company aimed to embed the principles of "quality management is everyone's responsibility" and "identify root cause through self-reflection" into the corporate ethos.



- One "root cause":** you are the root cause of all problems and the answer to all solutions; meanwhile, you are both the cause and the result
- Two "in-depths":** in-depth learning, which requires to translate learning capabilities into productivity; in-depth thinking, which requires to break cognitive inertia and expand intellectual boundaries
- Three "musts":** leaders must exemplify what they require employees to do; if employees struggle to meet standards, leaders must provide support; if employees make errors, leaders must make self-reflection



Digital strategy

The Company actively responded to the national digital transformation strategy by establishing a digital management and control system and building an integrated information management platform to comprehensively optimize business processes. In terms of information security, the Company has obtained ISO 27001 Information Security Management System Certification. It has set up a multi-layered protection mechanism, encompassing front-end access controls, mid-end transmission encryption, and back-end storage safeguards to ensure all-round data security. In addition, the Company conducted regular information security training and risk assessments to continuously elevate employee security awareness. This ensured dynamic optimization and efficient operation of the information security management system, providing a solid safety foundation for the Company's digital transformation and supporting sustainable business growth.

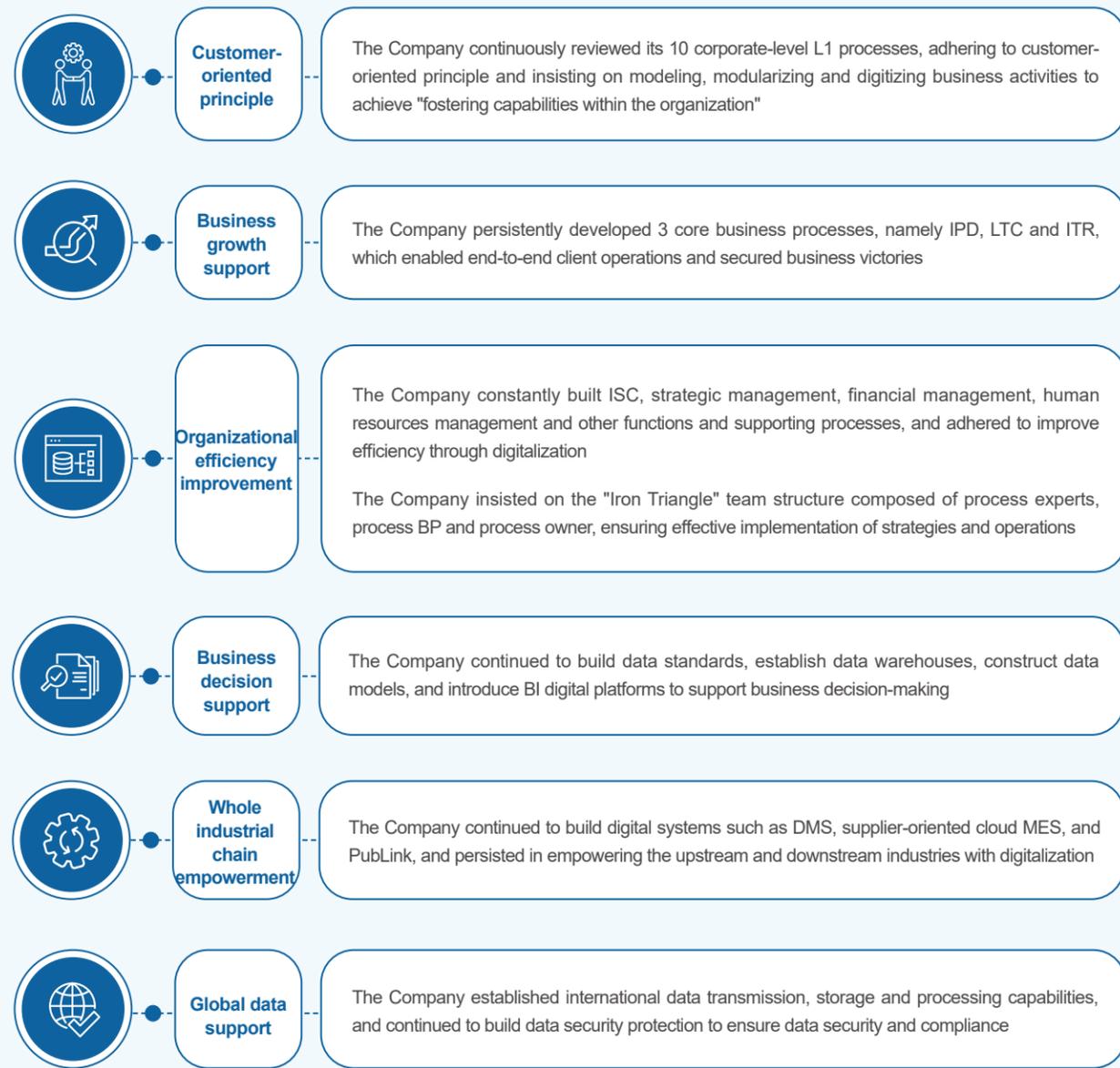
Major honors



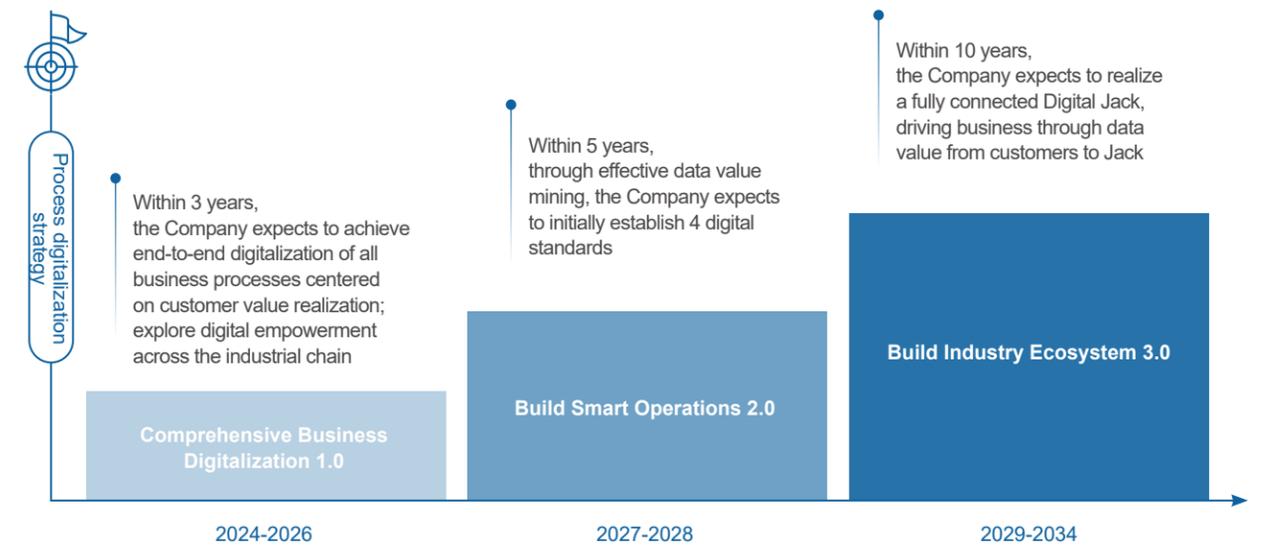
ISO27001 Information Security Management System Certification



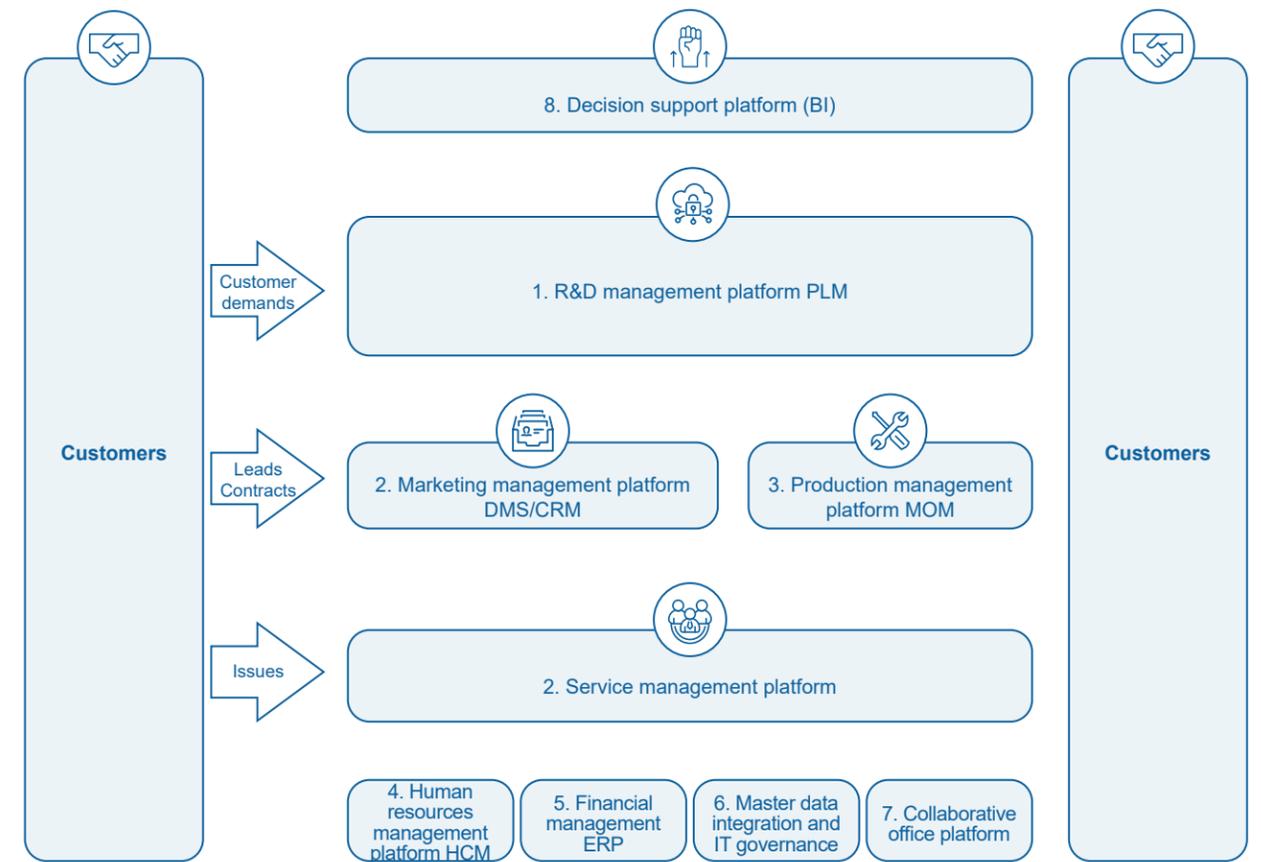
Guided by the strategic objectives of "customer-oriented principle, business growth incentive, organizational efficiency enhancement, and whole industrial chain empowerment", the company has comprehensively established a digitization control system. On the production side, the Company optimized resource allocation and refined operations by collecting and analyzing real-time data, thereby significantly improving product quality and capacity to ensure efficient delivery; In sales and marketing segments, the Company leveraged digital marketing tools to gain in-depth customer needs, precise target key consumer groups, and quickly respond to market dynamics, allowing the Company to tailor solutions for customers and improve customer satisfaction. In addition, the Company used the digital office system to break down departmental barriers, allowing efficient cross-departmental collaboration, and realizing improvement in organizational effectiveness and operating cost reduction. This approach not only delivered exceptional customer experiences but also drove sustained business growth and value creation across the entire industrial chain.



Process and digitalization strategy



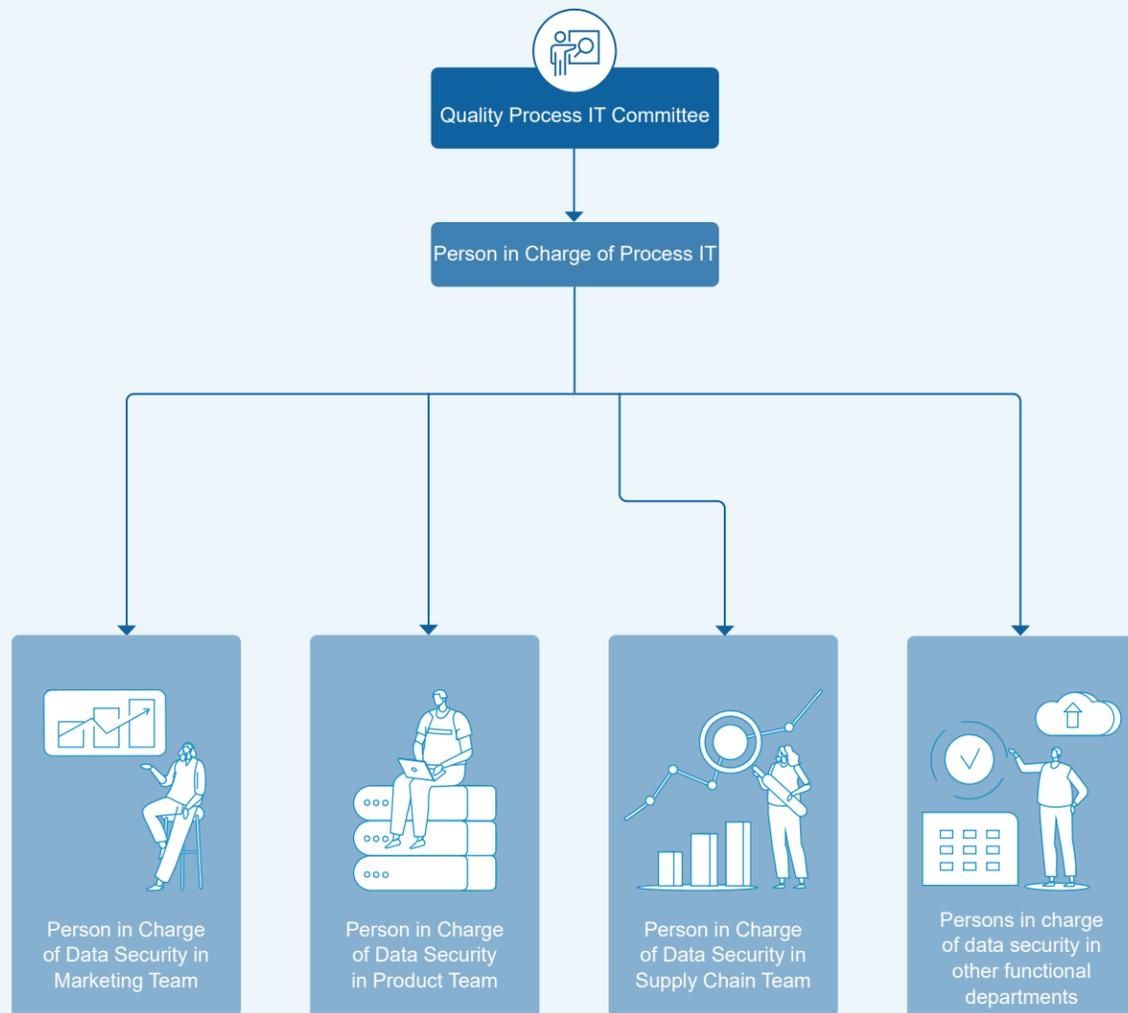
Digitalization Implementation Roadmap



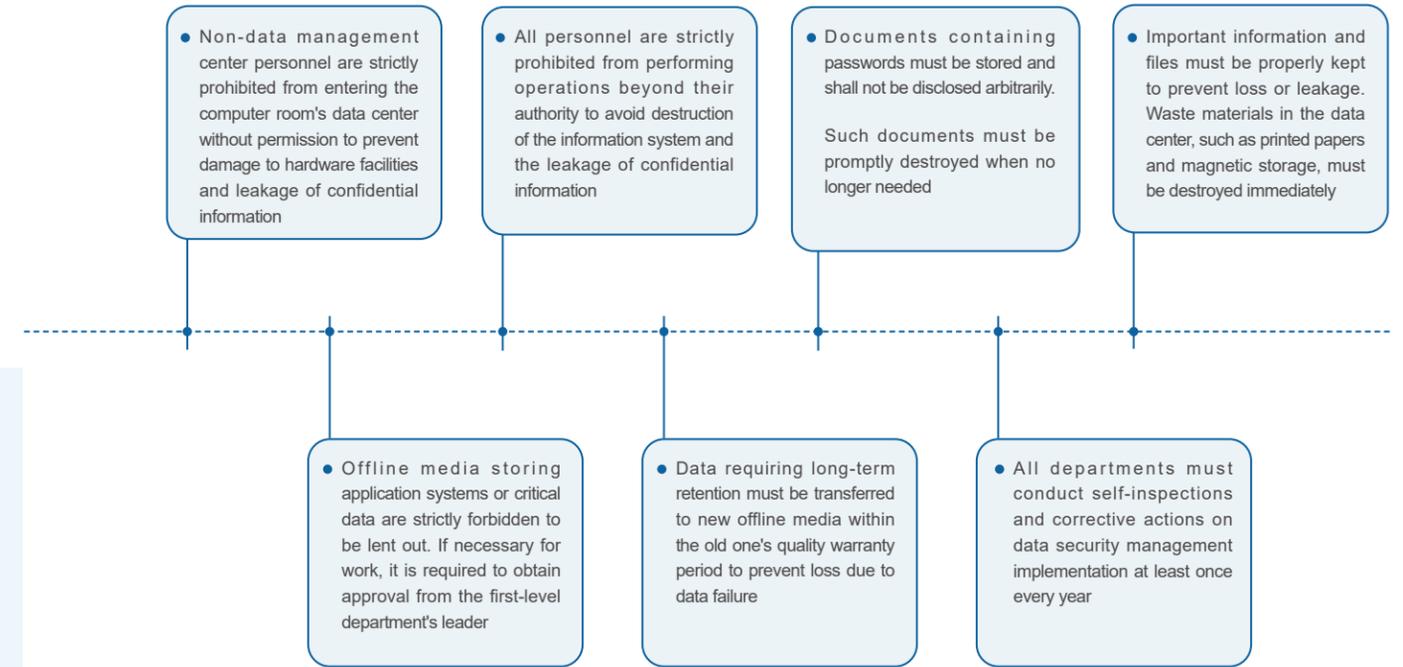
Process Integration Relationship Diagram and System Framework

## Data security management

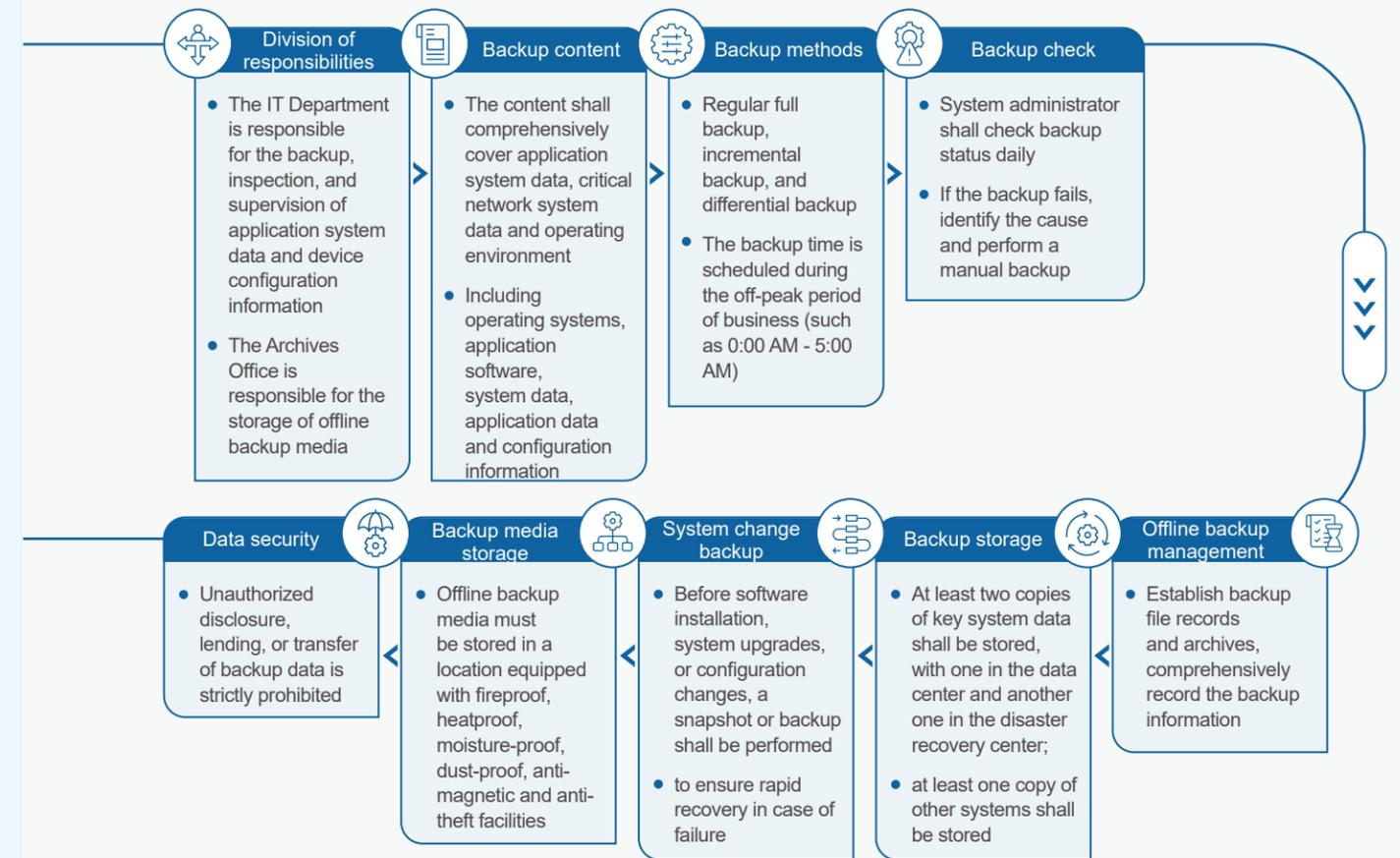
To strengthen information security management, standardize data security operations, enhance data protection capabilities, and safeguard data security while advancing digital construction, the Company established the Data Security Management Policy. The Policy encompasses full life-cycle management of data security, with explicit requirements for data backup management to ensure protection across all data processing stages. In addition, the Policy defined the specific requirements for organizational structure, management content and data backup, providing systematic guidelines and standardized operational basis for data security management, and laying a solid foundation for informatization development.



Data Security Management Organizational Structure



Data security management



Data backup

# 2

## Serve the global through intelligent solution Assist upgrading of intelligent garment manufacturing

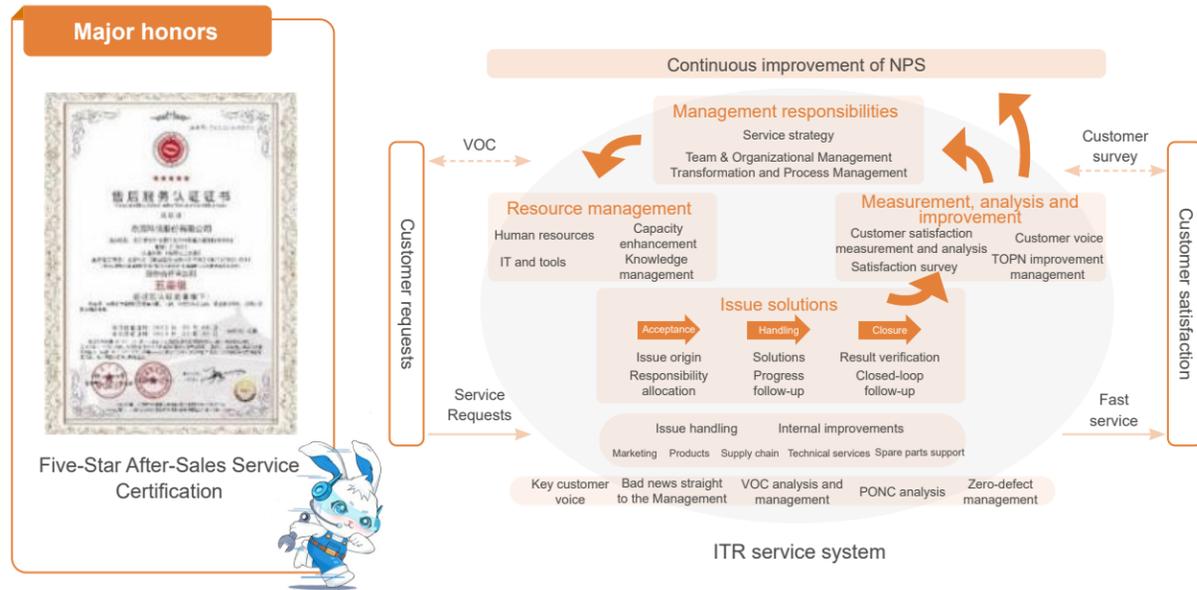
Jack aligns with global industrial transformation trends, adopting a long-term vision to build a sustainable supply chain system and enhance customer service levels. The Company ensures stable and efficient supply chain operations through strict supplier management and production optimization, continuously improving product quality and delivery capabilities. The Company adheres to the customer-oriented principle, continuously improves localized services, performs rapid demand response, and provides comprehensive service support. In addition, the Company actively cooperates with industry partners, sharing resources and deepening technological cooperation to advance industrial chain upgrades and jointly build an efficient and sustainable industry ecosystem.

Excellent customer services	49
Supply chain management	56
Help industry development	62



## Excellent customer services

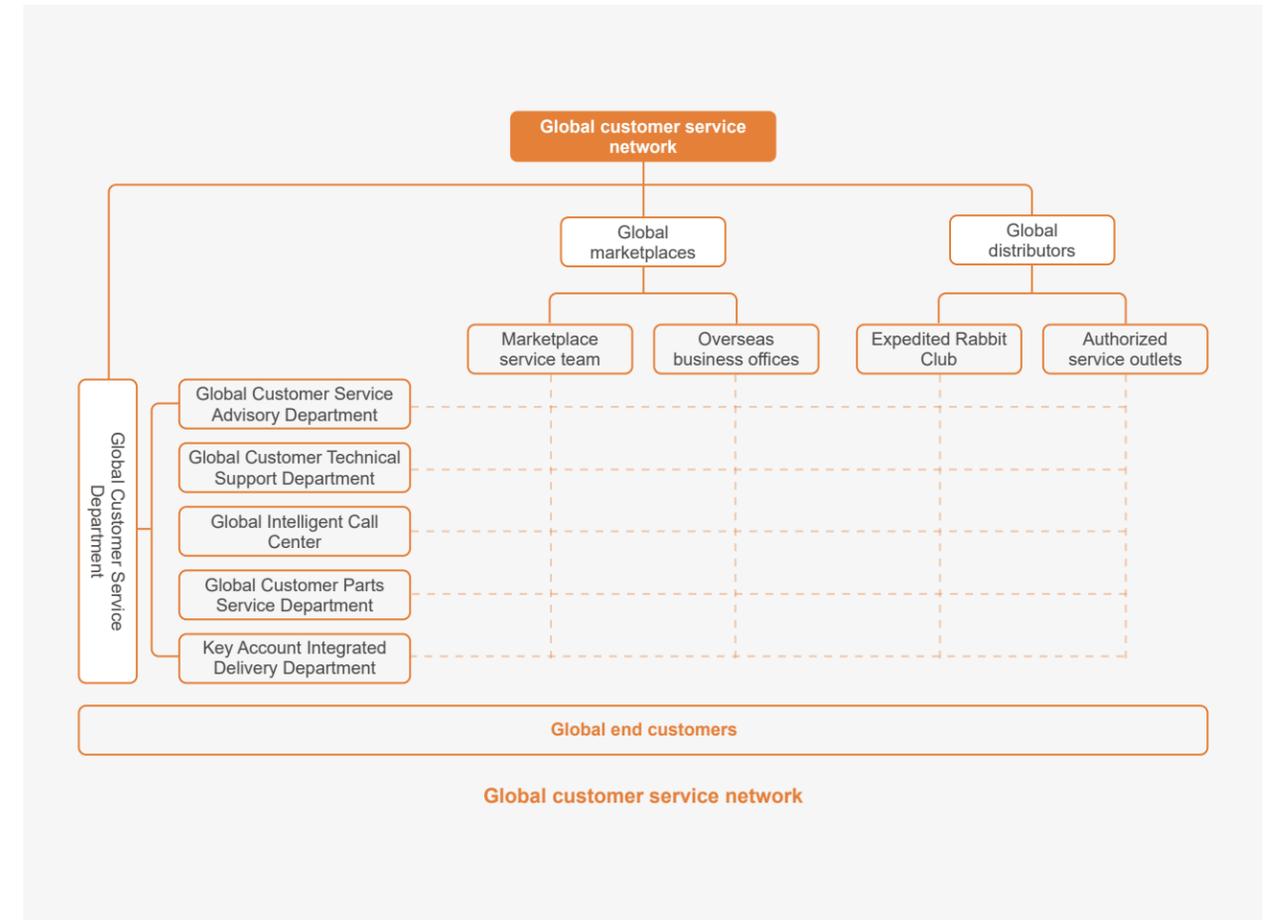
Exceptional customer service is a key driver in shaping the Company's brand image and strengthening market competitiveness. The Company deepens its ITR service system based on a customer-oriented approach. In 2024, the Company consolidated social repair resources to establish the "Expedited Rabbit" Club, building a localized "Three Fast" service network; established a three-tier remote expert system to achieve "local + cloud" dual service guarantees; created a "Bad News Straight to the Management" mechanism where critical issues trigger recalls; continued to conduct third-party NPS surveys, use data to drive continuous service optimization, and comprehensively improve customer satisfaction and brand competitiveness.



### Services support brands and create customer value

Strategic goals	Increase NPS by 2 points every year: building a service ecosystem combined with Innovation	
Strategic direction	Rapid Response Rate 100%	Service marketing
	<p><b>Timeliness:</b> build a three-in-one localized fast service system combining online-offline + predictive service platform to achieve "Three Fast" (10-minute response, 1-hour onsite arrival, 30-minute resolution)</p> <p><b>Professionalism:</b> excellent skills, high-quality parts, and satisfactory repairs</p> <p><b>Standardization:</b> systematic processes, standardized operations, visible procedures, transparent pricing</p>	<p><b>Service marketing model innovation:</b> focus on customer needs, create the "Expedited Rabbit Club" to establish one-hour service circles which can save customers money, time and hassle</p> <p><b>After-sales service:</b> develop popular spare parts, promote global adoption of OEM parts, advance fast service, value marketing and sustainable service</p>
Support	Process digitalization: create omni-channel digital service processes (ITR, global intelligent customer service, etc.)	
	Organization and talent: build a customer-oriented service organization and cultivate globalized, youthful, and versatile talent skilled in both service software and hardware.	

### Customer service strategy



## Customers' rights and interests protection

The Company adheres to a "customer rights first" principle, establishing a closed-loop full-process service system; strictly enforces the "Three Guarantees Policy" (warranty, replacement, refund); sets up a "straight to the Management" channel, ensuring "24-hour decision-making response" for customer issues and triggers "proactive recalls" for major quality issues; the Company continuously optimizes service through multi-channel complaint resolution and third-party surveys, building a dual-metric evaluation system featuring "NPS + customer satisfaction".

### Product recall

When a product defect meets the "recall mechanism" threshold, the Quality Committee immediately issues a recall. The Product Team led the rapid resolution for products, followed by the Service Department's follow-up to form a closed loop and ensure customer satisfaction.

## Customer Service Response

The Company has established a global service network, achieving full coverage of 10-minute response times for customer requests. For major quality issues, the Company has launched the "Bad News Straight to the Management" mechanism, with mid-to-senior management taking the lead, providing solutions within 7 days and closing the loop within 30 days. Through global deployment and flattened decision-making, the Company has built a service closed-loop featuring "rapid response - efficient handling - continuous optimization", ensuring ongoing improvement in customer service experience.

### Key performance

During the reporting period, the Company handled



**55,403** customer cases

With a customer feedback response rate of

**99.94%**

A first-time resolution rate of

**98.2%**



### Service response channels



7/24 Jack service hotline: 4008876858

WeChat service account: Jack Fast Service

International service email: sales@chinajack.com

Online customer service and AI Agent Xiao Jie:



## Professional services

The Company is committed to building professional customer service, launching the "Expedited Rabbit Club" to gather and empower social repair technicians. By enhancing their technical skills and establishing a collaborative support mechanism, the Company provides customers with the "Three Fast" services featuring fast response, fast on-site arrival and fast resolution. In addition, the Company has established a three-tier remote expert system, leveraging industry experts to offer timely and precise remote guidance, further expanding service coverage and convenience.

### Case: "Expedited Rabbit Club" Launched Nationwide, with "Three Fast" Services Boosting Comprehensive Customer Experience Upgrade

In 2024, the Company founded the "Expedited Rabbit Club", implementing a standardized service process of "10-minute response, 1-hour on-site arrival, and 30-minute resolution". At the same time, it launched a global skills competition, training and certifying over 2,000 repair technicians. Through the club and skills league, the Company enhanced technicians' service capabilities and professional level, strengthening customers' perception of the "Three Fast" services.



### Case: Technical Training + Remote Experts Continuously Empower Frontline Fast and Professional Services



## Customer satisfaction survey

The Company conducted ongoing customer satisfaction follow-ups via the Call Center, while entrusting third-party consultants for NPS-specific surveys to continuously gather improvement feedback, optimize product and service experiences, and systematically elevate customer satisfaction.

### Key performance



During the reporting period, the Company conducted **25** customer satisfaction surveys, sent over **10,000** questionnaires with a **95%** questionnaire return rate. The customer satisfaction rate reached **88.5%**.

## NPS Survey

In 2024, the company launched NPS surveys in China and India, with overall NPS performance remaining consistently high.

## Customer Satisfaction Improvement

The company holds annual customer satisfaction meetings with cross-functional teams (e.g., Product, Supply Chain) to discuss feedback and set improvement goals. Regular analysis of quality feedback and complaint resolution ensures open issues are tracked and corrected. For recurring issues, dedicated meetings are held to drive cross-departmental corrective actions and full resolution.



## Proactive service

The Company built an efficient service system centered on customer needs, regularly organizing service activities to listen to customer feedback and respond promptly. Through proactive on-site service inspections, designated "Monthly Service Days" and other activities, potential issues were resolved preemptively. In addition, the Company rapidly activated emergency protocols during unexpected events, providing immediate assistance to ensure stable operations of the customer business. Through continuously refined service systems and long-term technical support, the Company has earned customers' trust, reinforcing customers' brand loyalty.

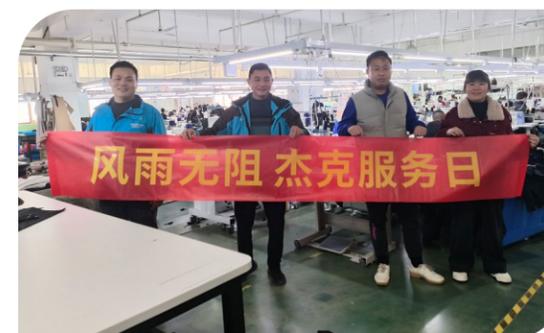
### Case: "Enhance Quality and Efficiency, Customer Reward" Initiative Launched, with Closed-loop Implementation from Skills Training to Process Breakthroughs

To address customers' challenges in complex manufacturing processes and talent recruitment, we established a systematic training program combining theoretical instruction, hands-on demonstrations and on-site guidance to help employees quickly master core skills. Through the "3+3+3 Global Process Inspection" Mode (3-day on-site diagnosis, 3-day intensive sampling, 3-day follow-up), the Company effectively resolved customers' process bottlenecks.



### Case: Service Inspection: Proactive On-site Inspection and Maintenance to Ensure Worry-free Production for Customers

The Company and dealer service teams conducted regular and proactive follow-ups with customers, dynamically monitored equipment operating conditions, and proactively dispatched engineers to perform on-site inspections, maintenance, and repairs. Through fast and attentive services, the Company ensured efficient and stable operations of the customers' equipment.



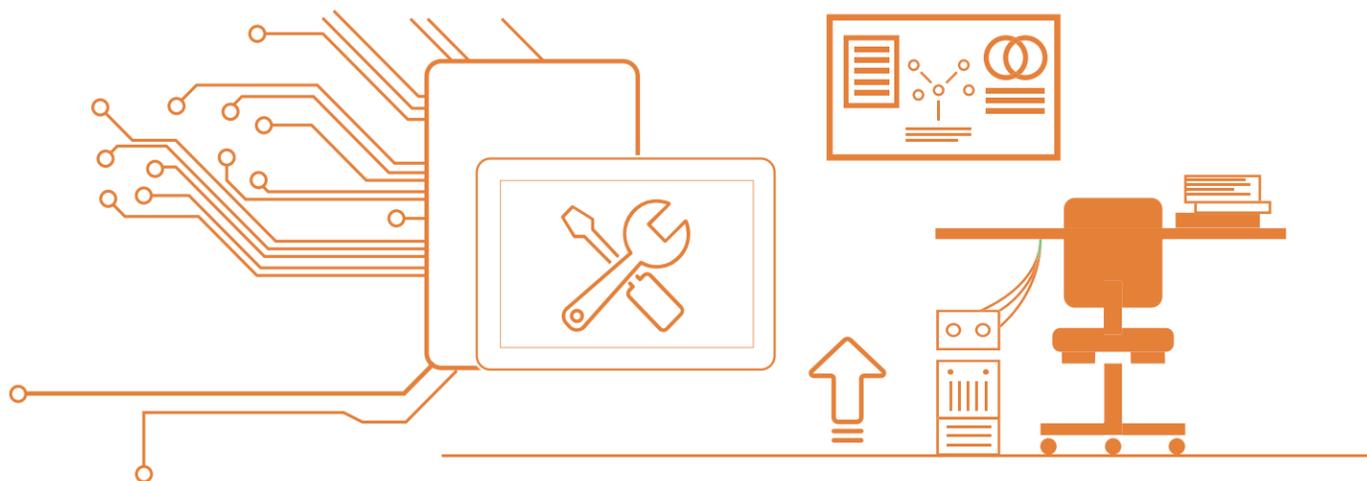
**Case: Disaster Response: Rapid Equipment Repair Enables Customers to Resume Production**

In August 2024 Liaoning Jianchang floods, the Company immediately activated the emergency plan and dispatched a professional team to the disaster area to check and repair equipment. The team checked and repaired nearly 1,000 damaged devices within 5 days, enabling customer to resume production rapidly. Concurrently, the team provided maintenance guidance and improved management level, minimizing customers' losses with efficient service and earning customers' recognition.



**Service accessibility**

With 8,000+ channels across 170+ countries and a 20,000+ member service team, the Company operates over 30 self-built service offices and has established a global knowledge base platform that integrates over 2,000 operational guides and troubleshooting solutions. Combined with the three-level remote expert system and 1-minute remote video response, the resolution rate reached 98%.



**Supply chain management**

Sustainable development of the supply chain is critically important for the Company, as it relates to resource stability, operational resilience, and market competitiveness. To mitigate supply chain risks and enhance management efficiency, Jack Technology strictly controls supplier onboarding, improves evaluation mechanisms, implements green procurement, and strengthens environmental and social responsibility audits. In 2024, through standardized management, digital supervision, and comprehensive reviews, the Company ensured supply chain compliance, efficiency, and sustainability, achieving synergistic development of economic and environmental benefits.

**New supplier development and onboarding**

To deepen strategic collaboration with suppliers and build a stable community of shared interests, the Company revised and improved the Supplier Management Regulations based on the Annual Supplier Conference and Strategic Supplier Meetings, achieving standardized management of supplier activities. Additionally, the Company optimized the Supplier Onboarding Process, established supplier onboarding principles to ensure new suppliers meet the Company's standards. For new suppliers' onboarding, the Company implemented a supplier capability assessment mechanism and developed the Supplier System Assessment Checklist, focusing on reviewing the electronic suppliers' compliance of raw materials and the effectiveness of green materials to ensure compliance with green procurement policies and achieve resource conservation and recycling. In 2024, 100% of newly onboarded suppliers underwent audits.

**Key performance**



During the reporting period, a total of **57** new suppliers were certified, of which **57** suppliers passed environmental, social, quality and other sustainable development-related system certifications, accounting for

**100%** of total.

**Sustainable centralized procurement control model**

The Company has established the Procurement Management Department, fully responsible for supplier sourcing, quality management, cost control and supplier ESG promotion. The Procurement Management Department ensures partners align with the Company's sustainable development goals through a strict supplier screening mechanism, while implementing a quality monitoring system to enhance supply chain stability. In addition, the department actively promotes suppliers to fulfill their ESG responsibilities, encourages green production, social responsibility practices and compliance operations, aiming to build an eco-friendly, efficient, and responsible procurement system and support the Company's sustainability.



Organizational Structure of Procurement Management Division

To optimize supplier management, the Company has established a standardized Supplier Evaluation, Guidance and Elimination Process Documentation, clearly defining the standardized procedures for supplier rating, quality guidance, and optimization & elimination, while embedding a risk management mechanism to identify and address potential risks. During evaluations, the Company's SQE organizes a professional team to conduct audits and guidance at suppliers' sites, conducting comprehensive assessments of their overall capabilities, with a focus on supply chain quality, delivery performance, and compliance risks. Ultimately, the Decision Committee determines whether to eliminate the suppliers based on audit results and risk assessment reports, ensuring efficient, reliable, and risk-controlled supply chain management.

In accordance with the QSA Supplier Audit Standards, Supplier Management Regulations and Supplier Delivery Audit Checklist and other relevant regulations, the Company has taken a series of measures to effectively control supplier risks. The Company further strengthens risk management capabilities by raising the review threshold for new suppliers, establishing a digital management system, and implementing a "one material, multiple sources" management strategy. The SQE members of the Company's Procurement Department conducts audits and evaluations on the environment, safety, personnel and other aspects of suppliers based on the annual audit plan and temporary plans. Suppliers failing audits are terminated from further cooperation. The implementation of these measures has significantly reduced supply chain risks and ensured stable business operations.

**Supplier policies and compliance risks**

- Supplier policies and compliance requirements are incorporated into the QSA Supplier Audit Standards as one of the audit criteria for new suppliers
- For existing suppliers, the Company has formulated an annual supplier audit plan. Suppliers failing to meet requirements will receive guidance and will be given a time frame for rectification. The Company will provide prioritized assistance or on-site guidance to suppliers failing to meet the standards after rectification.
- The Company has formulated the Supplier Delivery Audit Checklist based on the principle of "one material, multiple sources" to eliminate policy compliance risks
- The Company has established a digital system, ensuring clear and transparent supplier information

**Supplier production environment management risks**

- Supplier production environment management is incorporated into the QSA Supplier Audit Standards as one of the audit criteria for new suppliers
- Supplier production environment management is also incorporated into the Relevant Notification Letter regulations. The Company signs agreements with suppliers to make this as one of the qualification review requirements for new suppliers
- A Supplier 14001 System Certificate is required as one of the conditions for onboarding new suppliers

**Supplier personnel management risks**

- Suppliers' employee welfare, development channels, and training programs are incorporated into the QSA Supplier Audit Standards as one of the audit criteria for new suppliers.

**Supplier logistics risks**

- Suppliers are required to use standardized turnover boxes specified by Jack and the requirement has been included in the Supplier Management Regulations.
- When onboarding new suppliers, the Company will sign a Relevant Notification Letter signed with the supplier and strictly conduct qualification review to prevent the impact on the environment and society caused by material issues
- When onboarding new suppliers, the Company will include the logistics risks in the QSA Supplier Audit Standards as one of the audit requirements for new suppliers Supplier risk management countermeasures

**Supplier Risk Management Measures**

**Supplier ESG**

The company rigorously controls supplier access, implements green procurement, and conducts environmental and social audits to promote sustainable supply chain development, achieving a win-win outcome for both economic and environmental benefits. To ensure standardized management, the company adopts ISO 9001 and ISO 14001 standards and has established the "Jack Supplier Sustainable Development Management Regulations." Additionally, the company issues the "Stakeholder Notification Letter" to suppliers and relevant parties, clearly defining environmental management requirements. Through unannounced inspections, the company ensures corrective actions are implemented, guaranteeing environmental accountability. During supplier onboarding, 100% of suppliers in 2024 signed the "Relevant Acknowledgment Letter."

**Key performance**

During the reporting period,

**54** suppliers underwent social impact assessments.

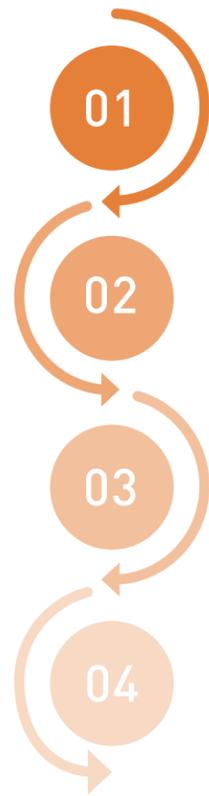
**111** suppliers underwent environmental protection assessments.

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



	Localized Suppliers	Supplier Environmental Awareness
<b>Goals</b>	Increase the proportion of local suppliers by 8%.	Increase the proportion of suppliers with ISO 14001 certification by 3%.
<b>policies</b>	Promote local economic growth and social stability by forming strategic partnerships with local suppliers.	Enhance environmental awareness, reduce pollution emissions, and elevate the industry's overall environmental standards.
<b>Commitments</b>	Under equal conditions, localized suppliers designated as Annual Key Supplier, Annual Excellent Supplier, or Annual Strategic Supplier will receive priority support in "precision production," technical guidance, and "5S" initiatives to jointly optimize and develop the supply chain.	For compliant suppliers, the company will propose corrective actions. For those failing or refusing to rectify issues that may lead to major environmental pollution or safety incidents, measures such as order reduction or supplier replacement will be enforced.
<b>Completion Status</b>	In the reporting period, the company had <b>243</b> main suppliers, including <b>146</b> localized suppliers ( <b>60%</b> ). Compared to 2023 ( <b>56.5%</b> ), the localized supplier ratio increased by <b>3.5%</b> .	Among the <b>243</b> main suppliers, <b>103</b> held ISO 14001 certification ( <b>42.39%</b> ), a <b>4.39%</b> increase from 2023 ( <b>38%</b> ).

**Supplier Goals, Policies, and Commitments**



**01** The products and related raw materials, production processes and services provided by suppliers shall comply (or strive to comply) with national, local, and industry environmental laws and regulations; reduce packaging materials while ensuring quality.

**02** For pollutants (wastewater, waste gas, solid waste, noise, etc.) that exceed the standard during production, activities or processes, make plans and take measures to meet national or local emission standards (with significant annual reductions until compliance is achieved).

**03** During the production and construction process, prioritize the use of low-pollution or pollution-free production processes, production and construction equipment, and advanced construction methods. It is prohibited to use production processes or production and construction equipment that have been banned by the state or local authorities. During the construction process, take necessary measures to reduce noise pollution and properly handle the waste at the construction site.

**04** Flammable, explosive, or toxic materials must be stored properly. Strictly observe relevant national laws, regulations and standards, and take preventive measures to ensure that practitioners possess required qualifications and professional skills, to prevent accidents such as fire, explosion or leakage during storage and transportation, and to avoid environmental pollution and safety accidents.

**Notification Letter to Relevant Parties**



**Case: Building an Industrial Park Ecosystem to Drive Regional Economic Prosperity**

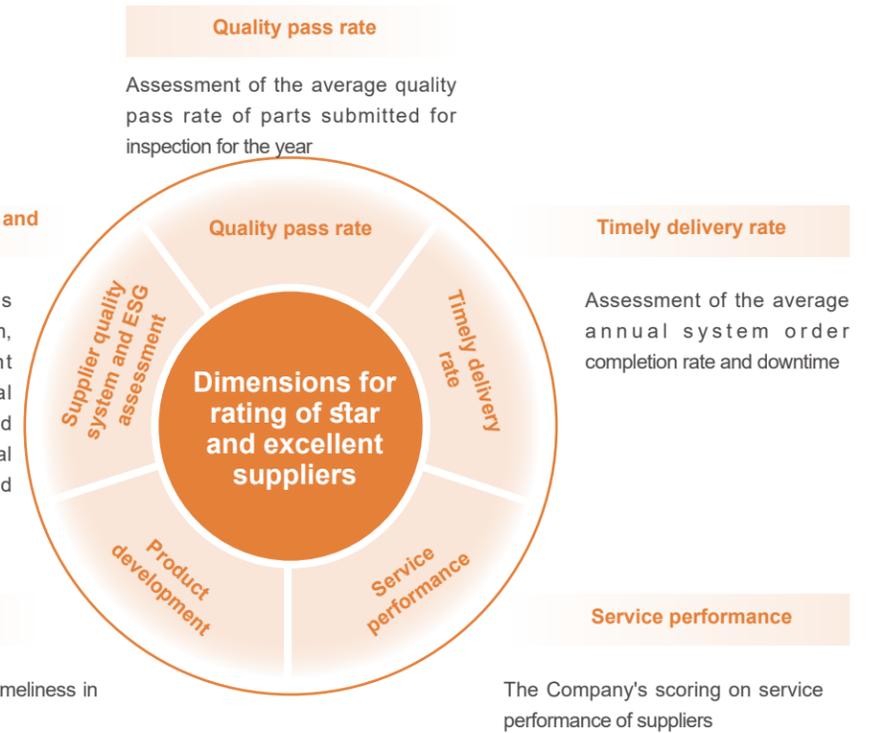
The Company established a supplier industrial park to optimize supplier management. By concentrating suppliers within the industrial park, it effectively reduced transportation costs for raw materials and components and facilitated close collaboration in areas such as production planning and inventory management. This aimed to ensure product quality, facilitate quality monitoring, achieve unified quality standards, promote innovation and technology exchanges, accelerate technology sharing, promote joint R&D, and enable mutual support and common development among suppliers, thereby building a more stable business network for the Company, and jointly promoting the prosperity and development of the regional economy.



**Key performance**



During the reporting period, the suppliers systematically advanced quality management training, quality awareness promotion, and quality counseling. Over **50** on-site supplier training sessions were conducted annually, alongside more than **2** large-scale supplier training programs, **3** supplier study and research activities, and **2** supplier workshops. These efforts empowered suppliers to improve lean practices, quality awareness, and digital-driven management, thereby achieving a comprehensive enhancement of the supply chain system.



**Case: 2024 Supplier Conference, deepening strategic cooperation to empower high-quality development of the supply chain**

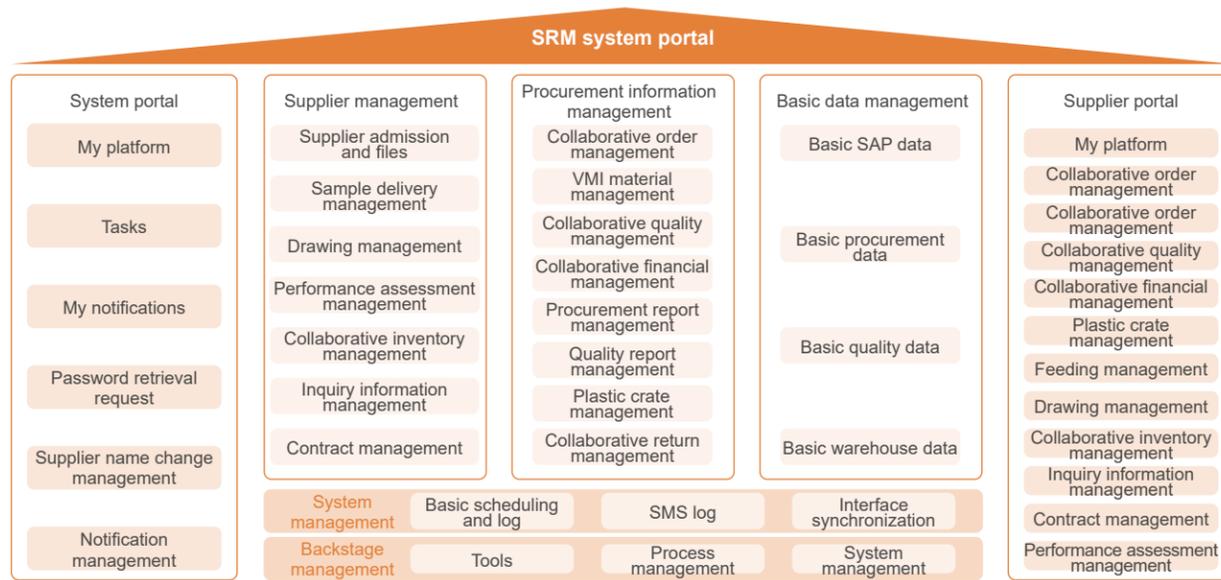
In October 2024, the Company organized a supplier conference to discuss the optimization and innovation of supply chain management with supplier representatives. A total of 213 suppliers nationwide attended the conference. The conference focused on deepening strategic exchanges and cooperation in five dimensions: supplier ESG system, quality, delivery, service, and new products. The conference promoted improvement of suppliers' capabilities in technology, quality, delivery and other processes. At the same time, it emphasized the improvement of suppliers' ESG management capabilities in green production, labor rights, compliance and anti-corruption management, etc., jointly promoting the sustainable development of both parties and laying the foundation for building a stable and efficient supply chain system.



**Digital empowerment of suppliers**

Upholding the concept of "long-term cooperation, mutual benefit and win-win results", and taking the SRM (supplier relationship management) system as the core, the Company comprehensively promotes the digital empowerment of suppliers. By building delivery collaboration modules such as supplier admission and exit, supplier evaluation, delivery, return, and quality inspection, the Company has achieved digital management of the entire supplier life cycle. This system not only improves the transparency and efficiency of the supply chain, but also strengthens collaboration with suppliers, ensuring efficient online operation of every link from admission to exit of suppliers, facilitating online management of the entire supply chain, and promoting efficient operation and continuous optimization of the overall business.





SRM supplier management system

## Sunshine procurement

The Company is committed to building a transparent and fair procurement system for comprehensively promoting supply chain compliance management, so as to advocate observation of fundamental principles of integrity, eliminate fraud, and work with suppliers to create a fair and sustainable supply chain ecosystem. The Company enters into anti-fraud agreements with all suppliers, with a signing rate of 100%. At the annual supplier conference, the Company strengthened anti-fraud advocacy and required all suppliers to sign an integrity commitment letter to enhance compliance awareness and implement transparent procurement.

In addition, the Company formulated the Material Bidding Process and related regulations to clarify the key points and operational requirements of bid opening, bidding and evaluation. By standardizing procedures and issuing tender documents, openness, transparency and fair competition are ensured in the procurement process, efficiently promoting compliance management.

### Case: supply chain anti-fraud oath ceremony, promoting supply compliance through integrity commitment

In January 2024, the Company organized an anti-fraud oath ceremony for supplier representatives and procurement department employees. All participants jointly studied anti-fraud policies and related regulations, and committed to upholding the fundamental principles of integrity, resisting commercial bribery and other misconduct, and fostering a fair and just business environment. The Company emphasized that it will continue to improve its anti-fraud system, have zero tolerance towards fraudulent behavior, and work together to build a clean supply chain ecosystem.



## Help industry development

The Company is deeply involved in the industry ecosystem, actively participating in standard-setting and the establishment of industry norms. Leveraging its professional expertise, it empowers industry development and sets new benchmarks for the sector. By actively participating in high-level industry conferences at home and abroad, the Company engages in forward-looking dialogues with leading global companies and experts to jointly chart the blueprint for the future of the industry. Moreover, the Company continues to expand its high-end cooperation network through joining a number of authoritative industry associations and leveraging multi-dimensional collaborative platforms, promoting industrial chain integration and innovation, and injecting new impetus into the high-quality development of the industry.

### Participation in standard preparation

Giving full play to its experience in the development of standardized management systems, the Company actively participates in the preparation and improvement of industry standards. By integrating internal resources and combining market demands, the Company not only participates deeply in standard preparation, but also plays a leading role in key links, leading the standardized development of the industry and contributing to improving the overall development level of the industry. Hu Wenhai, President of the Product Team, was honored the "National Advanced Worker in Standardization of Industrial Machinery Electrical System Industry in 2023" for his outstanding performance in standardization work.

#### Key performance

During the reporting period, the Company participated in the drafting of **23** standards (including project approval), including **5** national standards, **16** industry standards and **2** association standards.

Standard reference	Name	Classification	Role of the Company
GB/T 30420.1-2024	Sewing Machinery Terminology - Part 1: General Terminology	National standards	Main drafter
GB/T 30420.1-2024	Sewing Machinery Terminology - Part 1: General Terminology (English version)	National standards	Main drafter
GB/T 30420.3-2023	Sewing Machinery Terminology Part 3: Spreading and Cutting Machines Terminology (English version)	National standards	Main drafter
GB/T 30420.4	Sewing Machinery Terminology - Part 4: Functional Parts Terminology	National standards	Participated in
QB/T 2046-2024	Industrial Sewing Machine Test Method for Thread Tightening Rate of Single Needle Straight Line Lockstitch Machine	Industry standards	Main drafter
QB/T4391	Industrial Sewing Machine Feed-off-the-arm and Chain-Stitch Sewing Machine Head	Industry standards	Main drafter
QB/T 4304-2024	Industrial Sewing Machine Computer Controlled Pattern Sewing Machine	Industry standards	Participated in
QB/T2529-2024	Computer Controlled Simple Interlock Sewing Machine	Industry standards	Participated in
QB/T 2148-2024	Industrial Sewing Machine Medium Speed Zigzag Sewing Machine	Industry standards	Participated in
QB/T 4384.2	Test Method for Energy Consumption of Sewing Machines - Part 2: Post-bed machine	Industry standards	Participated in
QB/T 4384.3	Test Method for Energy Consumption of Sewing Machines - Part 3: Overlock Machines	Industry standards	Participated in
Plan No.20242287-T-604	Mechanical and Electrical Equipment - Sewing Machinery Digital Control System - Part 2: Data Dictionary	National standards	Participated in
Plan No.2023-0283T-QB	Preparation of the standard General Principles for Evaluation of Smart Parks in Light Industry	Industry standards	Main drafter
Plan No.2023-1699-QB	Seam Material Glue Dispenser	Industry standards	Participated in
Plan No.2023-1701-QB	Thread Trimming Machine	Industry standards	Participated in
Plan No.2024-1843T-QB	Inspection Rules for Sewing Machinery Products	Industry standards	Participated in
Plan No.2024-1844T-QB	Sewing Machine Terminology Control System Terminology	Industry standards	Participated in
Plan No.2024-1764T-QB	General Technical Requirements for Sewing Machine Frames	Industry standards	Participated in
Plan No.2024-1765T-QB	General Technical Requirements for Sewing Machine Tables	Industry standards	Participated in

Summary of standards that the Company has participated in the preparation

## Major industry events

Upholding the concept of openness and cooperation, the Company actively participates in exchanges and cooperation with various industry associations. By participating in various activities of industry associations, the Company not only has an in-depth grasp of industry development trends, but also explores cooperation opportunities with other companies, bringing new vitality to the development of the industry.

### Case: the Company joined hands with partners in the industry to promote the intelligent upgrading of Vietnam's garment industry

In August 2024, Jack Technology, together with the Vietnam Textile and Apparel Association and several companies, held the "Artificial Intelligence and Intelligent Manufacturing" Summit Forum in Vietnam. The event brought together more than 150 representatives from garment companies in China, South Korea and Vietnam to discuss the path of digital transformation in the industry. At the event, the Company spotlighted its smart sewing equipment such as the "A.M.H" products, shared digital practical experience, and exchanged views with brand owners on flexible production trends.



### Case: the Company organized a global distributor conference for exploring overseas markets

In October 2024, the Company organized an overseas distributor conference in Taizhou with the theme of "Blockbuster Products Create Value and Technology Wins the Future". The event attracted overseas distributors and representatives from over one hundred overseas clothing companies to deepen cooperation consensus through smart factory visits, hot product strategy discussions and other activities. During the event, the Company highlighted innovative products such as A.M.H and Urus series, as well as complete sets of intelligent connection solutions, further consolidating the Company's strategic partnership with global partners.



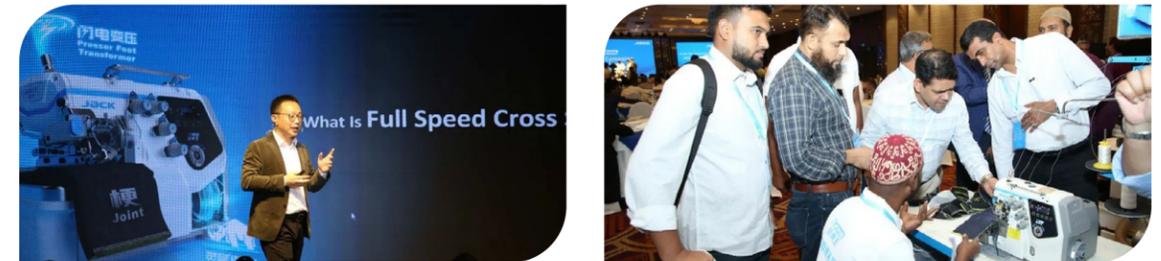
### Case: the Company held a global launch campaign for its Urus products, gaining wide recognition from the Cambodian textile industry

In June 2024, the Company successfully held a launch event in Cambodia as part of its global launch campaign for Urus products. At the event, through speed racing, off-road races (processing on extreme fabrics), and other activities, Urus intelligent sewing machines demonstrated supreme performance on various extreme fabrics and won unanimous praise from participants. The leaders of the association said that this product will provide important support for the sustainable development of the textile industry. Through this launch event, the Company not only showcased its technical strength in the field of sewing equipment, but also received extensive coverage from local media, effectively boosting the brand's international influence.



### Case: the Company brought two best-selling products, namely A.M.H and Urus, to the Myanmar exhibition, and won wide acclamation and enhanced its international influence

In December 2024, the Company brought a complete set of intelligent connection solutions to the Myanmar International Textile & Garment Machinery Exhibition. With the excellent performance and innovative technology of star products such as "A.M.H" and "Urus" products, the Company attracted attention of many customers and media. In addition, "Urus" products stunned the audience with a world record of 1001.98 meters, winning wide recognition and fully demonstrating the Company's intelligent manufacturing strength and international influence.



### Case: the Company held a new product launch event in Bangladesh, and A.M.H and Urus series won high recognition

In September 2024, the Company held a new product launch event in Bangladesh, spotlighting its smart sewing equipment such as "A.M.H" and "Urus", attracting the attention of many local large clothing company leaders. "Urus" sewing machines demonstrated continuous sewing of complex fabrics at the event, showing excellent stability and efficiency, and earned rounds of applause. This launch event not only demonstrated the Company's technical strength, but also injected strong impetus into the high-quality development of Bangladesh's garment industry.



### Case: the Company participated in the Frankfurt Exhibition in Germany, making a new breakthrough in brand internationalization and technical cooperation

In April 2024, the Company participated in the Frankfurt International Exhibition in Germany with its international brands including Bullmer, Vibemac and Maica.



**Case: on-site meeting with leaders of human resources and social security nationwide, leading the industry toward a new trend with the achievements of expertise-based wealth creation**

In 2024, the national "2024 Vocational Capacity Building Work Symposium" was held in Taizhou. Leaders such as directors and section chiefs of the Department of Human Resources and Social Security from provinces across the country visited Jack to learn about the development of Jack's expertise-based wealth-creating enterprise. As the main site for visiting, the Company showcased relevant achievements of expertise-based wealth creation to the whole country.



**Case: the Company attended the 7th World Zhejiang Entrepreneurs Convention and became a new benchmark for high-quality development**

In November 2024, the Company was invited to attend the 7th World Zhejiang Entrepreneurs Convention held in Hangzhou as an outstanding corporate representative. At the "Eagles Soaring" Zhejiang Entrepreneurs Embarking on A New Journey Ceremony, the Company's representatives took the stage, showcasing the Company's outstanding achievements in innovation-driven and high-quality development, while embodying the heritage and evolution of the Zhejiang Entrepreneurial Spirit.



**Case: the Company's representative delivered a speech at the National Light Industry Exchange Conference as a representative of Zhejiang enterprises and was highly praised by the All-China Federation of Trade Unions Zhejiang Provincial Committee**

In June 2024, as the only corporate representative from Zhejiang Province, the Company participated in the national demonstration and exchange activity held in Danyang, Jiangsu. The event was aimed at deepening the building and reform of the industrial worker team in the light industry and promoting the development of new quality productive forces through trade unions. At the conference, the Company shared its innovative practices and experience in building an industrial workforce and improving productivity, which was highly recognized by all parties present.



**Case: honored as "Meritorious Member", demonstrating the Company's contribution to the industry**

In December 2024, the Company was awarded the title of "Meritorious Member" of the China Sewing Machinery Association at the 40th Anniversary Commemoration Conference of the China Sewing Machinery Association and the 4th Expanded Meeting of the 11th Council. This honor is a full recognition of the Company's long-term contribution to the development of the industry and reflects the Company's status and influence in the industry.



**Membership of associations**

Name of associations	Title
China National Garment Association	Vice President
China Textile Planning Research Association	Chairman
China Sewing Machinery Association	Vice Chairman
Zhejiang Veterans Support Association	Executive Vice President
The Listed Company Association of Zhejiang	Vice President
Youth Entrepreneurs Association of Zhejiang	Vice President
Zhejiang New Generation Entrepreneurs Association	Vice President
Zhejiang Federation of Industry and Commerce	Standing Committee Member
Taizhou Import and Export Enterprises Association	President
Taizhou Sewing Equipment Industry Association	President
Taizhou Association for Party Affairs Responsible Persons in New Economic Organizations and New Social Organizations	President
Taizhou Human Resources Service Association	President
Taizhou Merchants Research Association	Rotating President
Taizhou Federation of Industry and Commerce	Vice Chairman
Taizhou Federation of Enterprises, Taizhou Entrepreneurs Association	Executive Vice President
Taizhou New Generation Entrepreneurs Association	Executive Vice President
Taizhou Youth Entrepreneurs Association	Vice President
Taizhou RCCK Enterprise Association	Vice President
Taizhou Bay New Area Youth Entrepreneurs Association	President
Jiaojiang District Youth Entrepreneurs Association	President
Jiaojiang District New Generation Entrepreneurs Association	President



# 3

## Build a thriving team together Pool wisdom to power dreams

Attaching great importance to protecting the rights and interests of employees, the Company is committed to developing a harmonious and inclusive corporate culture. Through a complete talent training system, the Company provides employees with diversified growth paths and career development opportunities. Meanwhile, the Company prioritizes employee well-being by establishing comprehensive health care facilities, organizing regular health check-ups and wellness initiatives. We are committed to creating a safe, healthy, and comfortable working environment, ensuring all-round protection of the rights and interests of employees and supporting mutual growth between employees and the enterprise.

Protect employees' rights and interests	69
Talent Training and Development	75
Care for employees' health	80



## Protect employees' rights and interests

The Company is committed to creating a fair and transparent employment mechanism to ensure that the rights and interests of employees are fully protected. The Company upholds a talent philosophy of "pragmatism, self-motivation, and positive energy", offering flexible work models, personalized career development paths and internal innovation incentives. This enables every employee to maximize their strengths in the right role. Through a sound welfare system, career development support and innovation incentives, we provide employees with a broad space for growth. In addition, attaching importance to pragmatism, self-motivation and positive energy, the Company is committed to creating a positive working environment and to enhancing employees' sense of happiness and belonging.

**Key performance**

The Company's average salary income this year was about

RMB **144,800**

Per capita income was about

RMB **895,400**

Demonstrate solid work ethic with hands-on approach, exceptional endurance in challenging situations, strong execution capabilities, and unwavering resilience

**Our talent philosophy**

- Pragmatism: Demonstrate solid work ethic with hands-on approach, exceptional endurance in challenging situations, strong execution capabilities, and unwavering resilience
- Self-motivation: Be positive and enterprising, proactive, have a sense of achievement and ambitions
- Positive energy: Be confident, optimistic and highly stress-resistant

### Distinctive Practices

<p><b>Flexible working mode</b></p> <p>Eligible professionals are allowed to work remotely with a focus on deliverable-based evaluation, enhancing operational flexibility</p>	<p><b>Personalized career development planning</b></p> <p>We design individualized career development paths aligned with employees' competencies, interests, and strengths.</p>	<p><b>Internal innovation mechanism</b></p> <p>We incentivize intrapreneurship by providing corporate resources for employee-initiated ventures, with profit-sharing upon success to drive innovation</p>	<p><b>Iron triangle team</b></p> <p>We form cross-functional teams to tackle breakthrough projects, capitalizing on core competencies to elevate solution-delivery capacity and collaborative performance.</p>
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## Recruitment

The Company has built a talent supply system through multiple channels such as campus recruitment, social recruitment and internal recruitment, promoting employment of local talents and special groups, and contributing to community development. Additionally, we have formulated the Management Regulations for Talent Recruitment in accordance with the Company Law of the People's Republic of China, the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China to standardize the recruitment process and ensure fair and just employment opportunities.

90% of our new hires are high-achieving graduates from campus recruitment



**Key performance**

During the reporting period

Total number of employees

**7,163**

Number of new employees

**1,561**

Employee turnover rate was

**10%**

Proportion of labor contracts signed

**100%**

**Employee structure**

**Gender structure of employees**

- Number of male employees: 4,873
- Number of female employees: 2,290

**Age distribution of employees**

- Number of employees of 41-50 years of age: 1,750
- Number of employees of 50 years of age and above: 984
- Under 30: 2,028
- 31-40: 2,401

**Education background**

- Below Bachelor's degree: 5,719
- Bachelor's degree: 1,300
- Master's degree: 11
- Doctoral degree: 133

## Diversity and equality

The Company upholds the concept of diversity, equity and inclusiveness in strict compliance with the Law of the People's Republic of China on the Protection of Women's Rights and Interests, prohibiting discrimination based on gender, age, education, ethnicity, religion or physical condition. All employees are guaranteed equal employment and career development opportunities. Attaching importance to the employment of persons with disabilities, the Company has launched the "Sunshine Home" initiative, providing dedicated positions and barrier-free facilities to ensure workplace accessibility and equal benefits for employees with disabilities. In addition, the Company has provided special care for pregnant employees, adjusted work arrangements, and optimized the working environment to ensure their health and safety during pregnancy. Through these initiatives, the Company aims at creating an equal, respectful and inclusive working environment for every employee, fulfilling its social responsibility and promoting harmonious development.

### Case: our employment plan for people with disabilities offered tailor-made positions for equitable workplace integration

Attaching great importance to the disabled group in employee recruitment, the Company actively provides them with equal employment opportunities. So far, 90 disabled people have been recruited. The Company tailors suitable positions for each disabled employee based on their characteristics and abilities, and strives to create a well-equipped working and living environment for them to meet their daily needs. Additionally, necessary rehabilitation support is given to help them better integrate into society.



## Protection of the rights and interests of employees

The Company attaches great importance to the protection of the rights and interests of employees in strict compliance with laws and regulations to ensure that the legitimate rights and interests of every employee are fully respected and protected, such as the Law of the People's Republic of China on the Protection of Minors, the Regulations on Paid Annual Leave for Employees, the Regulations on Work-related Injury Insurance and the Regulations on the Prohibition of Child Labor. The Company strictly prohibits child labor and forced labor and safeguards employees' rights to free choice of employment, freedom of association and collective bargaining, while maintaining zero tolerance for discrimination or harassment to ensure an equitable workplace.

Our onboarding system integrates automated ID verification with manual audits, implementing dual safeguards against underage employment. If an employee is found to be under the age of 16, his/her work will be immediately stopped and necessary assistance provided. In addition, employee separation procedures strictly adhere to voluntary principles, with multi-tiered confirmation dialogues to safeguard departing employees' legitimate rights and interests throughout the offboarding process. In addition, the Company has established a variety of complaint channels, such as the "I have something to say" employee feedback QR code and mailbox in each factory, strictly prohibiting forced labor and ensuring that the rights and interests of employees are safeguarded and fully protected.



### Key performance



During the reporting period, the Company maintained

**zero**

instances of child labor employment

**No violations**

of laws and regulations on child labor and forced labor

## Compensation incentives

Guided by its value-creation paradigm, the Company is committed to building a comprehensive and efficient incentive system. Through scientific compensation management and performance evaluation mechanisms, the Company continuously optimizes its talent structure, achieving synchronous growth between individual careers and organizational objectives. Equity incentives closely align employees' interests with the Company's long-term development, enhancing their sense of belonging and responsibility. By fostering a fair, transparent, and dynamic work environment, the Company continuously enhances employees' sense of fulfillment and motivation, achieving shared value creation between talent and the enterprise.

The Company has established the Management Regulations on Compensation Incentives and the Compensation Incentive System, adhering to the philosophy of "shared rewards, enabling dedicated employees to co-create and share alongside the Company, with compensation and opportunities favoring outstanding employees". Compensation followed the principle of "role-based grading, grade-based pay, person-position matching, and pay changes with role changes". Through the "3+3" comprehensive incentive system, the Company enhances employees' sense of gain through salaries, bonuses, performance sharing and equity incentives. In terms of non-material incentives, the Company provides employees with growth opportunities, respect and recognition through training, activities, and performance appraisals, thereby fully stimulating their enthusiasm and creativity.

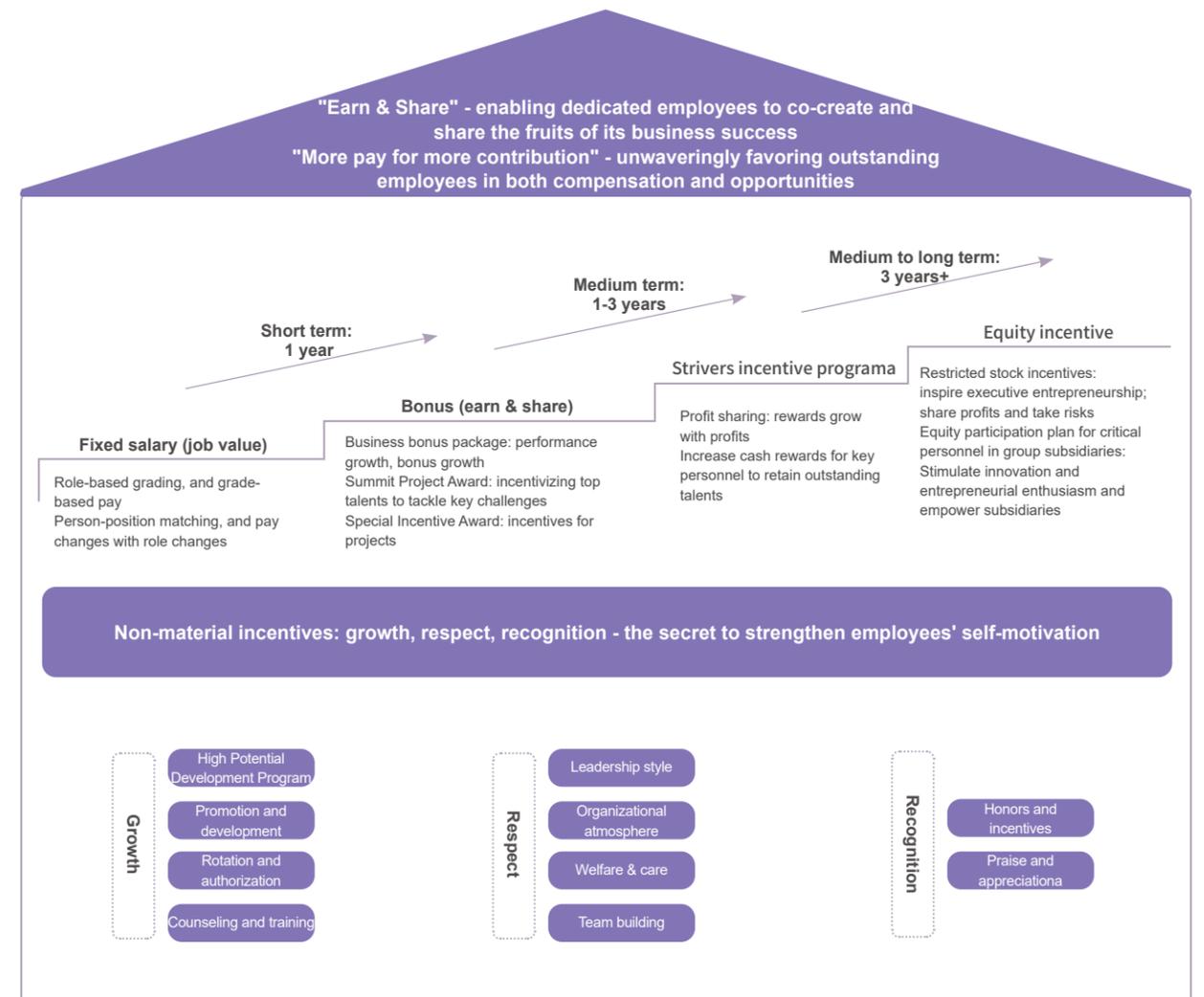
### Key performance



During the reporting period, the Company issued employee incentive bonuses and personal dividends totaling

RMB **175.54** million

### Comprehensive compensation incentives



3+3 Incentive System

Growth, honor and compensation

A three-dimensional incentive approach - "material & compensation, opportunity & growth, recognition & honor" - to ignite both organizational and employee motivation.

Salary, bonus and shareholding

A three-tier incentive structure - "short-term fixed salary & bonus sharing, medium-term Strivers Incentive Program, and long-term equity incentives & new venture partnership mechanisms" - to enable employees to co-create and share the fruits of the business success of the Company.

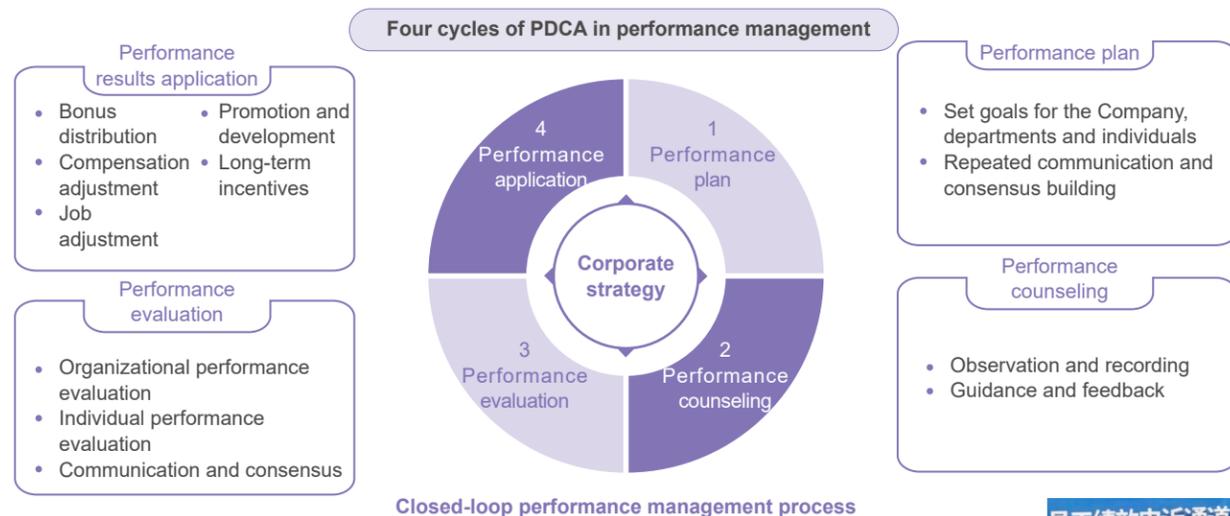


We adhere to the principle of "high returns for high performance", unwaveringly favoring "employees with outstanding performance" in both rewards and opportunities.

Performance management

To improve organizational efficiency, stimulate employees' potential and achieve strategic goals, the Company formulated the Performance Management System and established a closed-loop performance management process. Through scientific goal setting, process tracking and results evaluation, performance management helps the Company optimize resource allocation, improves employees' work efficiency, and provides clear direction and support for employees' career development.

Performance management is a management process, not just performance evaluation!



If an employee disagrees with the performance director's evaluation results or believes that they are unfair, he or she may file a complaint with the Performance COE of the Human Resources Department and submit written complaint materials. The Human Resources Department will organize an investigation, including peripheral interviews and collecting opinions from directors and political commissars, and submit the results of the investigation to the department AT for review. If performance results need to be adjusted, they will be handled according to the principle of "up and down". The Human Resources Department will provide feedback on the investigation results to the employee within one week of receiving the complaint.



Equity incentive

We have introduced equity incentive measures to grant equity or options to core employees, management and outstanding talents, closely tying their personal interests to the long-term development of the Company. This measure enhances employees' sense of belonging and responsibility, stimulates team enthusiasm, and helps the Company attract and retain outstanding talents, creating greater value for shareholders.

Key performance

The third phase of the Employee Stock Ownership Plan in 2021

The total funds raised were RMB 154.2 million, with financing funds and self-raised funds at a ratio of 1:1.

They held 4,397,901 shares of the Company and covered 569 employees, including 564 below senior management, accounting for

99.12% of the total number, and is still in the vesting period.

Number of employees covered

569



Among them, employees below senior management

564

Restricted Stock Incentives Plan in 2023

① The number of shares granted for the first time was 8.192 million. The first grant price was RMB 10.62 per share, and the number of employees granted for the first time was 263, including 257 below the senior management, accounting for 97.72% of the total number. ② The reserved grant quantity was 495,000 shares. The reserved grant price was RMB 10.12 per share, and the reserved grant quantity was 38, all of whom are non-senior management.

Number of first batch of grantees

263



Among them, employees below senior management

257

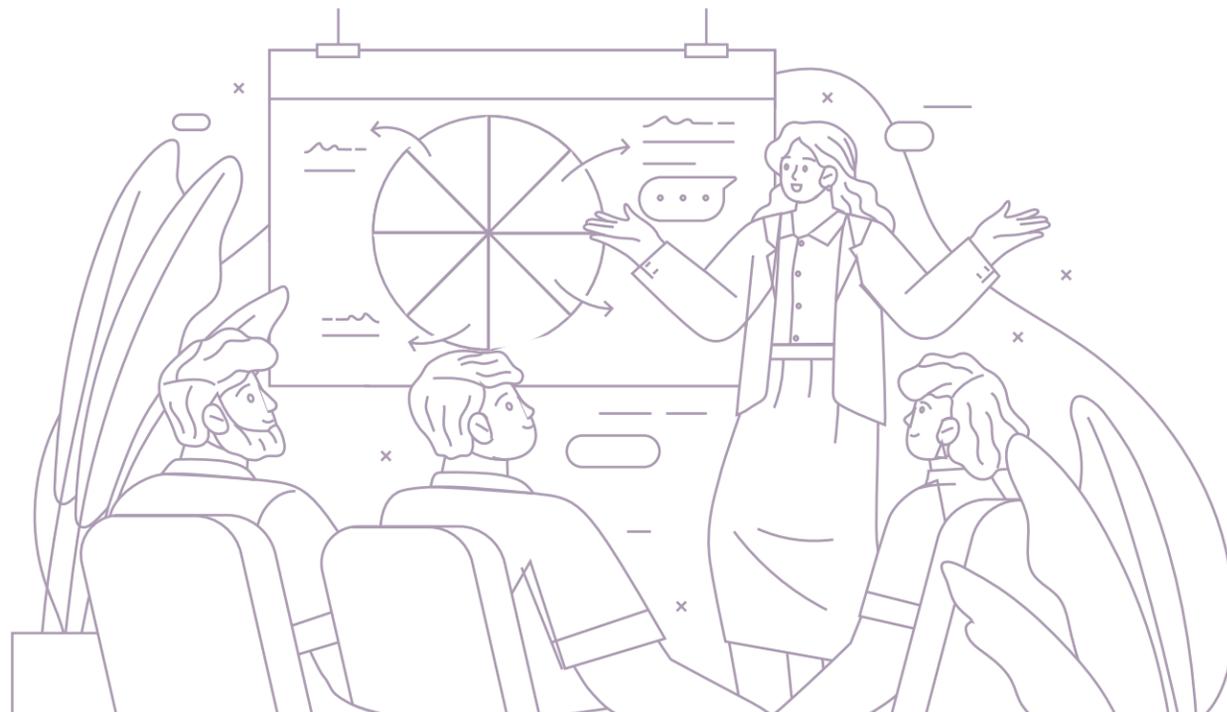
# Talent Training and Development

## Staff training

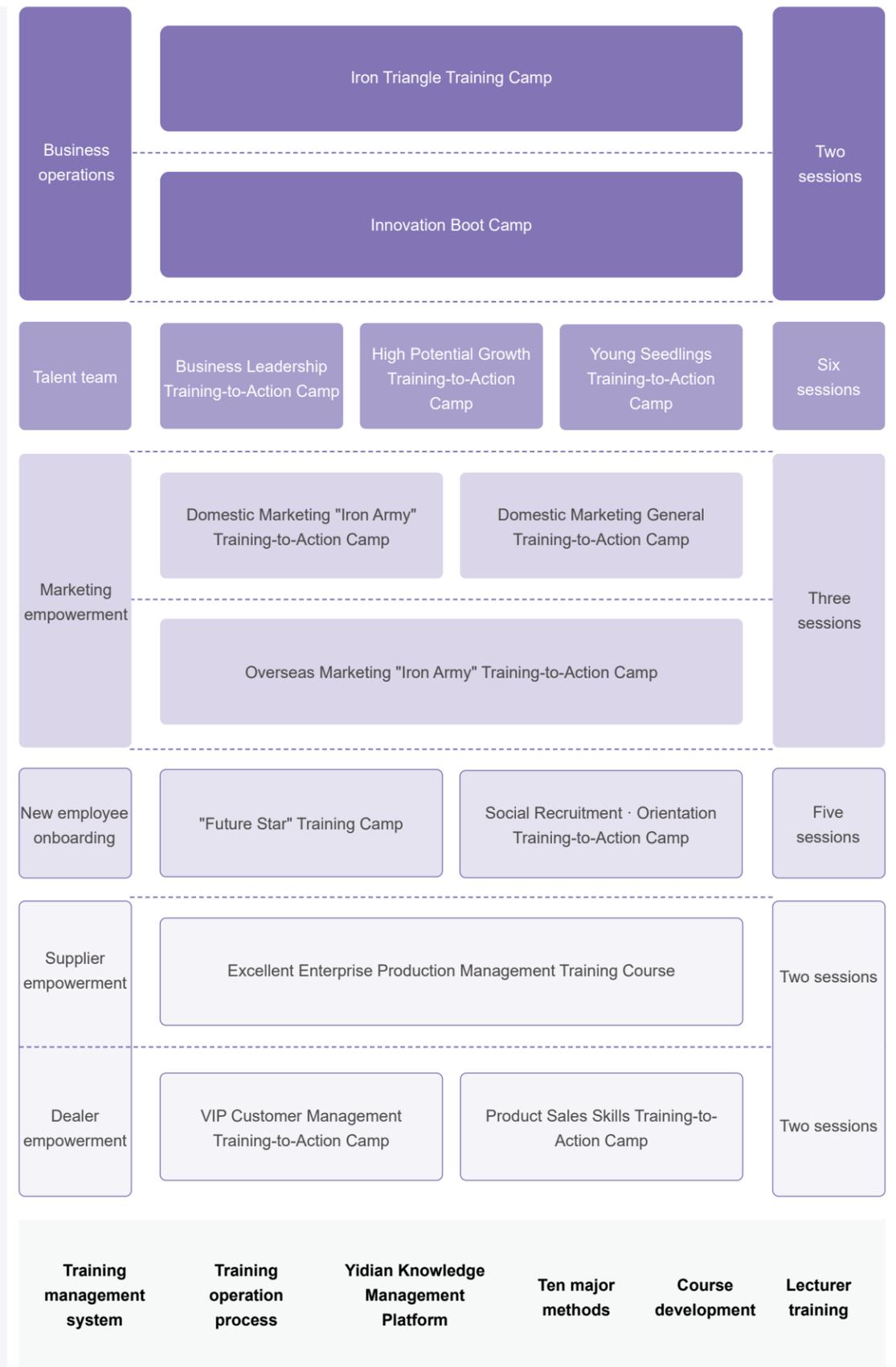
The Company has established a "Business School" to implement the concept of "using the best people to train better people" and focus on business operations to replicate and promote successful experience. Additionally, a business school training-to-action plan was formulated to provide all employees with training programs from induction to various development stages. The training system covers different levels and positions, aiming to comprehensively enhance the professional capabilities and comprehensive quality of employees. Additionally, the business school closely integrates with the Company's key projects and implements hierarchical management to ensure that the training content aligns perfectly with business needs, which not only helps employees grow, but also promotes the realization of the Company's strategic goals, forming a virtuous circle of talent training and business development.

### Key performance

During the reporting period



### Business School Training-to-Action Plan



Case: held the Orientation Training Camp to help new employees recruited from society integrate into the team

To help new employees quickly integrate into the team and improve their job competency, the Company successfully organized in 2024 four orientation training sessions, covering a total of 160 employees, with a total learning duration of 1,600 hours. Covering various aspects such as company culture, business processes, professional skills and professional qualities, the training adopted diversified teaching methods, including classroom lectures, case analysis and practical drills, which effectively improved the comprehensive abilities of new employees and laid a solid foundation for their future work.



Case: held the High Potential Talent Training Camp to empower growth and stimulates potential



In 2024, the Company successfully organized the High Potential Talent Training Camp, with a total of 3 sessions. 110 employees participated in the training, with a total learning duration of 1,760 hours. Through systematic course setting and practical drills, the training helped trainees improve their strategic thinking, business capabilities and leadership, enhancing their job competence.

Case: held the Business Leadership Training Camp to enhance strategic thinking and leadership

In 2024, the Company successfully organized the Business Leadership Training Camp, with 2 sessions attracting a total of 70 trainees. The total training duration reached 1,680 hours. Focusing on business strategy, leadership improvement and decision-making ability training, the training helped trainees grow into business leaders with a global vision and innovative thinking.



Other training



Employee development

The Company established a multi-level talent training system, improved career channel management, and defined the development direction of employees. Through echelon construction and optimization of the cadre management system, we promoted the growth of management, professional and technical talents, enhanced team competitiveness and corporate adaptability, and ensured the long-term and stable operation of the Company.

**Encourage employees' growth and development through multiple channels**

Based on the position value matrix, a M-series and P-series dual-channel rank management system is formed to show paths for employees' career development

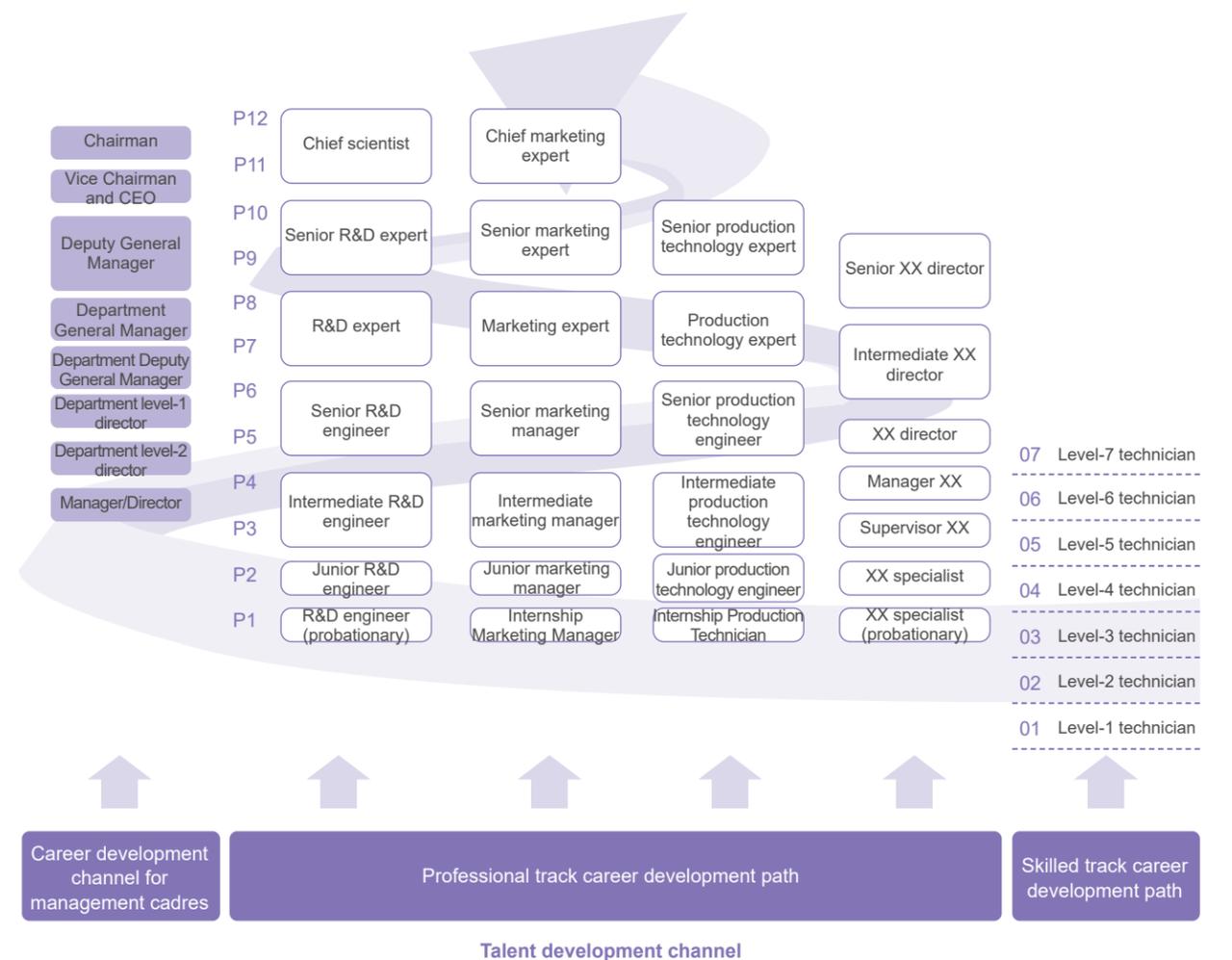
**Multi-faceted talent training mechanism**

Focusing on the echelon construction of the talent team and based on the Company's strategic roadmap, we formulated a talent growth path to accelerate the training of management, professional, technical and other reserve and cadre echelons and to enhance the sustainable competitiveness of the talent team.

**Cadre management and construction**

A preliminary cadre management system was established, focusing on mechanisms such as cadre rotation and performance-based elimination to cultivate well-rounded leaders. This initiative aimed to address the growing demand for versatile cadres driven by business expansion, enhance the vitality of the leadership team and strengthen rapid adaptability to evolving external environments

Employee career development



## University-enterprise cooperation

University-enterprise cooperation is an important way to promote enterprise development and talent training. The Company actively carries out collaborative innovation cooperation with colleges and universities to strengthen the connection between industry and education and to jointly cultivate high-quality talents. Through technological breakthroughs and resource sharing, we explore diversified collaboration models to drive industry advancement and contribute to society.

### Other colleges and universities

- Harvard University
- Stanford University
- Tsinghua University
- Zhejiang University
- Shanghai Jiao Tong University
- Huazhong University of Science and Technology
- Central South University
- Donghua University
- Jiangnan University
- Zhejiang University of Technology
- Jilin International Studies University
- Wuhan Polytechnic University

### Local colleges and universities

- Taizhou University
- Taizhou Vocational and Technical College
- Taizhou Technician College

### University-enterprise cooperation

#### Case: university-enterprise collaborative innovation and cooperation promoted the high-quality development of intelligent manufacturing in textile and apparel industry

In 2024, the Company signed the "University-Enterprise Collaborative Innovation and Cooperation Agreement" with Changzhou Vocational Institute of Textile and Garment, with both parties committing to strengthen industry-education integration and establish substantive operational mechanisms. Through joint talent training, technological research and teaching resource development, the Agreement aimed to promote the integration of vocational and general education, industry and education, and science and education. The cooperation provided support for intelligent manufacturing of textile and apparel industry, especially in jointly building technology innovation and application platforms, further promoting university-enterprise cooperation and industry development.



## Care for employees' health

The Company consistently adheres to a people-oriented approach, prioritizing employees' occupational health, psychological well-being, and life welfare, while safeguarding their democratic rights. In accordance with the relevant provisions of the Labor Law of the People's Republic of China, the Trade Union Law of the People's Republic of China, the Trial Measures for Collective Wage Negotiation, etc., the Company established a comprehensive Regulations on Occupational Safety and Health to ensure the work safety of employees, provide diversified welfare policies and cultural and entertainment activities, strengthen employee cohesion, prioritize democratic management, encourage employees to actively participate in company management, and build a harmonious and stable corporate environment.

In order to implement the main responsibility for work safety as mandated by the Work Safety Law of the People's Republic of China and other laws and regulations, improve its intrinsic safety standards, prevent work safety accidents, and build a long-term mechanism, the company formulated a medium-to-long-term development plan on occupational safety and health in accordance with the Enterprise Commitment on Safety. Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era in work safety, the Company adheres to the concept of safety development, upholds the principle of "Safety first, prevention foremost, and comprehensive management," and follows the guidelines of "People-Oriented" and "Whoever is in charge bears responsibility." We implement national work safety laws, regulations and mandatory standards, strengthen supervision, management, and performance evaluation, and enhance safety management standards. We also embrace the philosophy of "Life first, health priority, hygiene compliance, and environmental protection in sync", thereby solidifying the safety foundation for the stable and sustainable development of the Company.

### Occupational health and work safety objectives



**Strengthen the implementation of principal responsibilities**

- Carry out in-depth actions to implement the main responsibility for work safety.
- Strengthen the work foundation and improve the level of intrinsic safety.
- Prevent accidents and establish long-term mechanisms.

**Improve safety management systems**

- Strengthen the responsibility system and system building.
- Improve safety regulations and systems, and adhere to the principle of no production unless it is safe.
- Strengthen the responsibilities of leaders and team members at all levels, and improve systems and operating procedures.
- Implement safeguard measures and carry out risk identification, inspection and rectification of hidden dangers.
- Sign safety responsibility agreements at each level to clearly define rewards and punishments.
- Improve the systems and records for hidden danger investigation and control, major hazard source monitoring, education and training, etc.

**Efficiently investigate and manage hidden dangers**

- Establish a working mechanism for identifying and rectifying hidden dangers.
- Implement the "Five In-Place Measures" by ensuring that all employees fulfill their responsibilities for hidden hazard investigation, rectification, and management.
- Establish a system for evaluating the effectiveness of hidden danger rectification and subsequent assessment.
- Those who fail to rectify hidden dangers shall be held accountable.

**Deepen team safety construction**

- Strictly implement the "three regulations" and regularly maintain testing equipment.
- Establish a competition and assessment mechanism for team leaders.
- Carry out "zero accident" activities and promote the construction of safety culture.

**Optimize employee safety training**

- Develop annual training plans and ensure funding.
- Ensure that personnel are certified and qualified before taking up their posts.
- Sign the labor contract strictly.

**Promote safety standardization**

- Improve safety standards systems and assessment and incentive mechanisms.
- Deepen the construction of work safety standardization.

**Strengthen the prevention and control of occupational hazards**

- Improve occupational safety and health facilities and equipment.
- Carry out declaration of occupational hazard projects.
- Strengthen education, equip with protective equipment, and conduct regular health checks.

**Build a work safety early warning mechanism**

- Establish a dynamic monitoring and early warning system.
- Conduct regular risk analysis and assessment, and issue early warning information in a timely manner.
- Report major hidden dangers to the regulatory authorities in a timely manner.

**Improve the emergency plan mechanism**

- Effectively align emergency plans with government counterparts and carry out regular drills.
- Give on-site management personnel the decision-making power to suspend production and evacuate personnel.
- Those who fail to evacuate personnel in a timely manner shall be held accountable for legal liability.

**Promote innovation in safety technology**

- Carry out research and development of safety technology and rectify dangerous processes.
- Promote applicable technologies, new equipment, new processes and new standards.
- Improve the level of automated production.

**Build a safety information platform**

- Build a multifunctional safety informatization platform.
- Use big data analysis to accurately identify risks.
- Build a safety education and training module to improve training effectiveness.
- Set up information sharing and communication functions to create a new landscape of safety management with the participation of all employees.

**Key points for work safety**

**Occupational health and safety**

The Company always puts the occupational health and safety of employees first. We established a complete occupational health and safety management system, effectively preventing safety accidents and ensuring the work safety of employees through comprehensive measures such as risk identification, emergency drills, and safety training.

**Key performance**

During the reporting period



Input of the Company in employee work-related injury insurance  
RMB **3.28** million

Employee work-related injury insurance coverage rate  
**100%**

Number of general accidents  
**0**

Occupational disease incidence  
**0**

**No**  
fatal and serious injury accidents

**No**  
food poisoning incidents

Signing rate of safety responsibility agreements  
**100%**

Safety-certified utilization rate  
**100%**

Certification rate of special operation personnel and special equipment operators  
**100%**

Effective configuration rate of fire-fighting equipment and facilities  
**100%**

Completion rate of periodic inspection of special equipment  
**100%**

The percentage of principal persons in charge and safety management personnel holding certificates  
**100%**

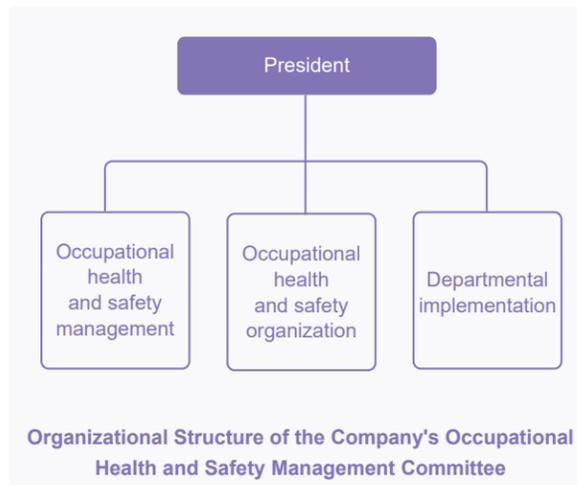
Physical examination rate of employees entering positions with occupational hazards  
**100%**



Major honors



The Company has passed ISO45001 Management System certification



Organizational Structure of the Company's Occupational Health and Safety Management Committee

Case: organized safety training activities to enhance employees' safety awareness

Attaching great importance to work safety, the Company formulates a comprehensive safety training program at the beginning of each year, encompassing three-level safety education training, job transfer and reinstatement training, and special operation personnel training. It also designs targeted training courses based on the actual risks of the workshops to ensure that the training aligns nicely with the actual work requirements, effectively enhancing employees' safety awareness and operational skills.



Key performance

In 2024, the Company conducted **7,500** combined training hours in occupational health and work safety, delivering an average of **1** training hour per employee.

Each team conducts two team activities every month. During the reporting period, more than **2,000** team activities were carried out, more than **60** training sessions were conducted, and the completion rate of team activities was **100%**.

**100%** of new employees successfully completed the three-level safety education program, and **100%** of active production personnel fulfilled their occupational safety training requirements.

Health risk identification and control

- **Risk identification and assessment:** To conduct risk identification in an all-round way, the Company compiled the Hazard Identification and Risk Assessment Record Form and the List of Major and Priority Hazard Sources, and formulated control measures and inspection standards to ensure that risks were under control.
- **Safety inspection and rectification:** Through daily inspections, pre-holiday inspections, comprehensive inspections, professional inspections and seasonal inspections, we thoroughly checked for safety hazards, rectified problems in a timely manner and formulated long-term measures to prevent them from happening again.

Emergency plans and risk drills

- **Emergency plan formulation:** Based on the risk identification results, the Company formulated special emergency plans and on-site disposal plans and compiled them into a manual to ensure that emergency response had rules to follow.
- **Emergency drills:** In 2024, the Company organized more than 150 comprehensive, special and on-site emergency drills, covering various scenarios such as electric shock accidents and mechanical injuries, enhancing the emergency response capabilities of all employees.

Safety incident handling and improvement

- **Incident handling process:** We have established a complete occupational health and safety incident handling process. After an incident occurs, detailed information must be reported to the Company Group on Wechat and recorded through the Eye on Safety system. An investigation will be conducted in workshops or departments to identify the causes and corrective measures proposed to ensure that the responsibility for the incident is clear and rectification measures are in place.

Occupational health and safety management measures



Protect employees' mental health

Attaching great importance to the mental health of its employees and providing all-round psychological support through a series of professional initiatives, the Company is committed to creating a good working environment where understanding and support coexist, helping employees to develop spiritually and enhancing their sense of happiness and work enthusiasm.



Carry out mental health management training to popularize mental health knowledge among employees



Set up a psychological counseling service room for employees to provide them with professional psychological counseling and guidance services, helping them solve psychological problems encountered at work and in life and relieving their psychological pressure

Management measures for employees' mental health

## Care for employees and activities

Attaching great importance to the physical and mental health and living conditions of its employees, the Company is committed to building a complete welfare system and care mechanism, providing employees with diversified welfare policies, thoughtful services and colorful cultural activities, enhancing employees' sense of belonging and team cohesion, and creating a harmonious and progressive corporate atmosphere.

### Welfare & care

Based on the in-house Management Regulations on Welfare, the Management Regulations on Loans for House Purchase, the Management Regulations for Vehicle Allocation, and the Management Regulations on Attendance and Vacations, the Company provides employees with a rich and diverse range of benefits, including statutory benefits and company-specific benefits to enhance employee loyalty and enthusiasm and improve team responsibility and cohesion.



**Insurance benefits**

- Social insurance: five insurances and one fund
- Commercial insurance: including accident insurance, business trip accident insurance, hospitalization medical assistance, major disease insurance, etc.



**Health benefits**

- Health check-up: Provide a comprehensive health check-up for middle and senior management every year for early detection and treatment and ensure the health of employees
- Daily health check: Set up points for height, weight and blood pressure measurement, and provide daily first aid equipment and regular medicines, so that employees can follow their health conditions in time



**Vacation benefits**

- Including statutory holidays, annual leave, personal leave, sick leave, marriage leave, bereavement leave, maternity leave, paternity leave, breastfeeding leave, miscarriage leave, childcare leave, nursing leave, family visit leave, etc.



**Care and welfare**

- Holiday benefits, birthday benefits, marriage benefits, childbirth benefits, employment anniversary benefits, employee benefits, children's schooling, retirement benefits, etc.



**Special benefits**

- Filial piety fund, honor incentives, car allocation benefits, housing loans

#### Case: provided honors to employees to enhance cohesion

In order to stimulate employees' enthusiasm for work, enhance team cohesion and set a benchmark example, the Company has established a multi-level and multi-dimensional honor incentive program, which recognizes the contributions and values of employees in all aspects through the issuance of honorary certificates, bonuses and gifts. In 2024, the Company carried out 227 honor incentives and 685 employees won awards. The awarding of employee honorary incentives helps to create a positive working atmosphere, provides employees with a platform for personal growth and career development, demonstrates the Company's attention and care for outstanding talents, and further enhances employees' sense of belonging and honor.



#### Case: helped employees in need to show the warmth and care of the Company

The Company consistently attaches importance to the living conditions of employees, actively fulfills its social responsibilities, provides assistance to employees in difficulties in various ways, and helps employees overcome difficulties, which enhances employees' sense of belonging and identity with the Company and strengthens cohesion, conveying the Company's care and warmth.

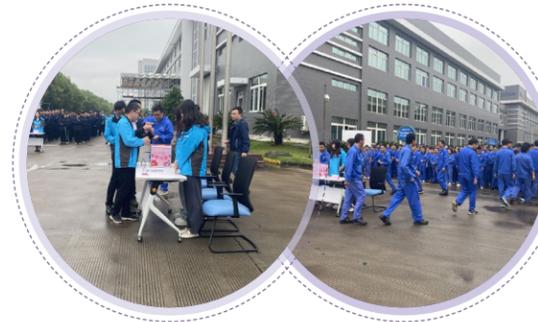
Help employees in need



In 2024, Linhai Factory provided financial aid to 12 employees in need, totaling RMB12,000



In March 2024, temporary assistance was provided to Zhongbang employees in need, totaling RMB3,000



In April 2024, the labor union organized all employees to donate money to an employee with cancer, raising a total of RMB30,450



The Jiaojang Factory labor union established a file to help employees in need and provided financial assistance to 1 employee through the Golden Autumn Scholarship, totaling RMB26,500

Case: Jack Sunshine Home was established to help disabled employees integrate into society

Actively implementing employment support policies for the disabled, we have established the Sunshine Home equipped with functional areas such as working area, rehabilitation area and rest rooms, offering daily care, auxiliary employment and rehabilitation treatment services for disabled employees. We also assign dedicated employees to teach them to do simple manual work, provide them with free accommodation, and pay social insurances and housing provident fund for them, ensuring that they have fixed monthly income and guiding them to be strong, independent, dignified and disciplined. They are also organized to watch movies and receive festival condolences, living colorful spare time life. By the end of 2024, we had recruited more than 90 disabled employees. In view of our outstanding performance in supporting the disabled, we have been recognized by government leaders at all levels in Taizhou city and Jiaojiang district, and won the title of provincial "Advanced Collective for the Disabled".



Care for employees in every aspect of life

- The cozy dormitories are equipped with soft beds, tidy supplies, air conditioning, fans and other facilities to ensure comfort in all seasons
- The clean canteen provides nutritionally balanced, delicious meals every day, taking into full consideration the dietary habits and needs of employees with disabilities
- Convenient bathing facilities fully meet their daily needs

Building a barrier-free working environment

Personalized rehabilitation training

- Add multifunctional rehabilitation beds, standing frames, balance bars, walkers and other advanced equipment to exercise limb functions
- Professional rehabilitation therapists develop personalized training plans based on the individual condition of each disabled person to help improve their language and cognitive abilities.

Case: visited disabled employees to demonstrate our sense of responsibility

On the 33rd International Day of Persons with Disabilities in December 2024, we organized special activities to show our warmth and care by visiting and comforting disabled employees in various factories. The heads of the Company's factories sent gifts to disabled employees to encourage them to be optimistic and self-reliant, which demonstrated the Company's care and attention to special employees.



Case: The activity of "Sending Flowers to Living Lei Feng" has been held for 12 consecutive years

As of 2024, Jack Technology had carried out the activity of "Sending Flowers to Living Lei Feng" for 12 consecutive years. "Lei Feng Day" has become the cultural IP of the Company. A total of 1,867 flowers from Jiaojiang Headquarters, Linhai Factory, Xiachen Factory, Taizhou Bay Factory, Hangzhou R&D Center, Beijing R&D Center, Xi'an R&D Center, Shanghai R&D Center, Wuhan R&D Center, Jack Machine Tools, and Jiangxi Intelligent were sent out in 2024. The flower-sending activity is of great significance in that it carries forward Lei Feng's spirit. The initiative has brought delightful surprises and profound inspiration to employees, embodying the spirit of "Living Lei Feng" to rekindle collective memories and reflections on this iconic role model. By showcasing real-life examples of selflessness, it awakens the innate kindness and dedication deep within individuals, thereby inspiring a renewed commitment to altruism and social contribution.



Case: Annual Factory Anniversary Carnival & Outstanding Employee Commendation Ceremony

Every year, Jack holds a factory anniversary carnival, factory anniversary party and New Year's Day party with the participation of all employees, featuring rich activities, wonderful programs and many prizes. At these events, outstanding employees and advanced teams in various fields are commended and invited to share the fruits of corporate development.



Other employee care activities:

Attaching importance to the welfare of its employees, the Company is committed to actively carrying out various types of employee care activities, creating a warm working atmosphere and promoting the physical and mental health and career development of employees.

Care for employees' health



Holiday care



Special care



Cultural and entertainment activities

In order to foster a vibrant, united, and harmonious work environment, the Company prioritizes not only comprehensive employee benefits but also actively curates diverse recreational and cultural activities. These initiatives are designed to empower staff in achieving sustainable work-life integration while enhancing collective well-being.

Case: organized cultural and entertainment activities to enrich employees' lives

We continued to enrich the employees' spare time, improve their comprehensive abilities, enhance their sense of gain, happiness and belonging, and inject vitality into the Company's development by holding a variety of activities such as annual meetings, traditional festival celebrations, single employee gatherings, and basketball games.

Festivals and themed events



Sports competitions



Employee interest cultivation



## Democratic management and communication

In accordance with the relevant provisions of the Labor Law of the People's Republic of China, the Trade Union Law of the People's Republic of China, the Trial Measures for Collective Wage Negotiation, the Regulations on Rewards for Rational Suggestions, etc., we formulated and improved the democratic management system, established a special committee for democratic management, standardized the democratic management work, built various forms of employee communication platforms, unblocked democratic communication channels, fully mobilized the enthusiasm of employees, regularly organized employee seminars and member meetings at all levels, continuously iterated the Company's system based on employee feedback, conducted employee satisfaction surveys, and effectively protected employees' rights to know, participate, express and supervise, thereby promoting the healthy development of the Company.

In August 2024, the Fourth Membership Congress of Bullmer' and Zhejiang Zhongbang' Trade Unions was held to elect new members of the trade union team.



In October 2024, 326 representatives of the Sixth Employees' Congress were elected, the First Session of the Sixth Staff and Workers' Congress of Jack Technology Co., Ltd. was held, and 49 company systems were reviewed and approved.



In December 2024, the Fourth Staff and Workers' Congress of Tuoka Benma' and Zhejiang Zhongbang' Trade Unions was held to review and vote on the Company's various management systems.



The Company carries out democratic management activities



### Key performance

In 2024	The Company issued	The questionnaire response rate was	The overall satisfaction of the Company's employees was
	<b>6,474</b> employee satisfaction questionnaires	<b>77.78%</b>	<b>91.42%</b>
	Compared with 2023, satisfaction increased	Employees' confidence in the Company's future development was	
	<b>4.67%</b>	<b>87.13%</b>	

#### Case: built a new democratic management mechanism and standardized democratic management work

In order to deepen democratic management of the enterprise, build harmonious and stable labor relations, and safeguard the legitimate rights and interests of both parties in labor relations, the Company established a special committee for democratic management and further promoted the system of the Staff and Workers' Congress. The Committee works under the leadership of the Company's Party Committee and consists of 11 members, including 1 director, 3 deputy directors and 7 members. It is mainly responsible for collective wage negotiations, labor law supervision, handling of employees' proposals and other matters assigned by the Staff and Workers' Congress. The Democratic Management Committee is committed to protecting the rights and interests of employees, improving the Company's internal governance capabilities and decision-making transparency, and promoting the healthy development of the Company.

#### Case: opened up an online complaint channel to collect employees' opinions

In order to standardize the handling process of employees' suggestions and complaints and ensure that employees' opinions and suggestions can be responded to quickly and effectively, the Company's launched the Employees' Suggestions and Complaints Process on its in-house platform. In 2024, a total of 69 processes were received. The handling results were promptly fed back to the employees who made complaints or suggestions, and the results of rectification were tracked regularly to ensure that the problems were effectively resolved.

# 4

## Build a green homeland and contribute to the development of ecological civilization

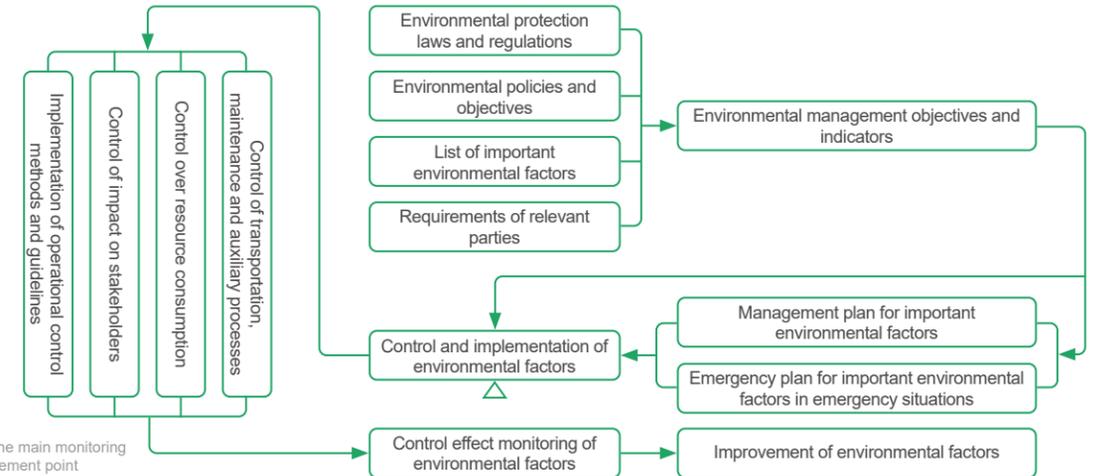
Jack Technology Co., Ltd. adheres to its social responsibility and environmental commitment, consistently prioritizing ecological protection as the core strategy for sustainable development. Upholding the "Green, Low-Carbon, and Smart" philosophy, the Company is dedicated to building a resource-efficient and environmentally friendly enterprise. Through technological innovation, process optimization, and green design, we comprehensively advance energy conservation and emission reduction, contributing to the development of ecological civilization. Actively fulfilling our social responsibilities, we drive the green transformation of our industry, contribute to building an eco-friendly homeland, and achieve harmonious coexistence between humanity and nature.

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# Environmental compliance management

Jack Technology upholds the environmental vision that "environmental protection is the shared responsibility and mission of all humanity", and firmly adheres to the environmental management philosophy of "no emissions, minimal emissions; preventing pollution, reducing pollution, and purifying the environment". With the goal of achieving "zero-emission" green production, the principle of "eliminating pollutants at the source", and the commitment to "cleaner production", the Company formulated the Control Procedure for Environmental Factor Identification and Evaluation, the Control Procedure for Environmental Operation, the Emergency Plan for Sudden Environmental Events, the Management System for Environmental Pollution Accidents and other rules and regulations. Starting from grasping environmental protection projects, improving and optimizing production processes, adjusting process flow layout, changing operation methods, and controlling unorganized dust, Jack Technology continuously optimized environmental management processes, regularly conducted management reviews and environmental protection training, and ensured that all activities in the project development and production process met environmental protection requirements. Efforts were made to comprehensively promote emission reduction and pollution reduction, and to build a resource-efficient and environmentally friendly enterprise.



Note: △ is the main monitoring and measurement point

Environmental Management and Operation Control

## Key performance

 <p>Annual standardized solid waste disposal rate</p> <p><b>100%</b></p> <p>Environmental complaints and environmental incidents</p> <p><b>Not occurred</b></p>	<p>Compliance rate of "three wastes" emissions</p> <p><b>100%</b></p> <p>Violations of environmental laws and regulations</p> <p><b>Not occurred</b></p>
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The Company won "National Green Factory" title

## Major honors



The Company has achieved ISO 14001 Environmental Management System certification, covering its subsidiaries Tuoka Benma, Zhongbang Electromechanical, Jack Intelligent)

## Environmental training

In order to enhance employees' awareness of environmental protection, the Company formulated the Management System for Environmental Protection Training to standardize the content and assessment mechanism of environmental protection training. Through on-site lectures, self-study video lectures and other forms, it vigorously carried out environmental protection training at all levels, and popularized the Pollution Prevention and Control Law for Solid Wastes, the Air Pollution Prevention and Control Law, the Water Pollution Prevention and Control Law and other legal requirements and environmental protection knowledge to employees, enhanced employees' environmental protection awareness, and effectively prevented and reduced the occurrence of various environmental accidents and violations.

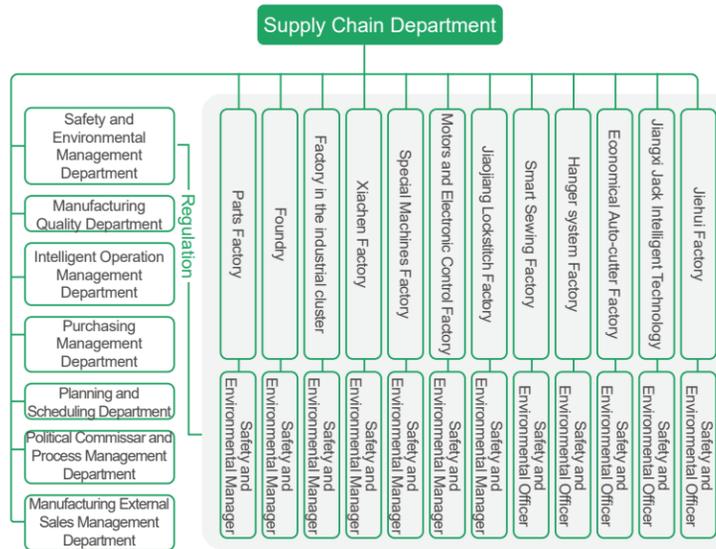
## Key performance

In 2024, the Company's factories carried out more than **50** environmental protection training sessions

The Company's safety and environmental protection staff training coverage rate reached **100%**

## Environmental governance framework

The Company formulated the Control Procedure for Environmental Operation and the environmental management assessment and incentive system, incorporated environmental management goals into the employee and management assessment system, linked the achievement of goals with performance bonuses and job promotion, and encouraged all employees to participate in environmental management. The headquarters of the Company has set up the Safety and Environmental Management Department to coordinate safety and environmental work. Each factory is equipped with a safety and environmental manager to implement dual-line management, and has set up hazardous waste warehouse managerial personnel and sewage station managerial personnel to ensure that responsibilities are fulfilled. Through institutional guarantees and organizational implementation, efforts were made to promote continuous improvement of the Company's environmental performance.



Organizational structure of environmental management

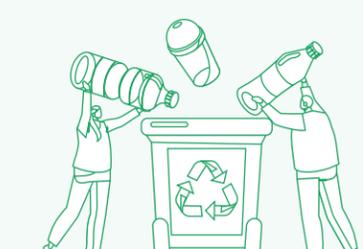
## Green operation

The Company vigorously promoted green operations and online office. In 2024, more than 1,000 carbon emission reductions were achieved through online meetings. It achieved paperless on-site inspections through APP, reduced wood resource consumption, and cooperated with local environmental management departments and environmental supervision departments to strengthen internal and external environmental awareness publicity, and carried out environmental protection activities with remarkable results, continuously contributing to creating green environment.



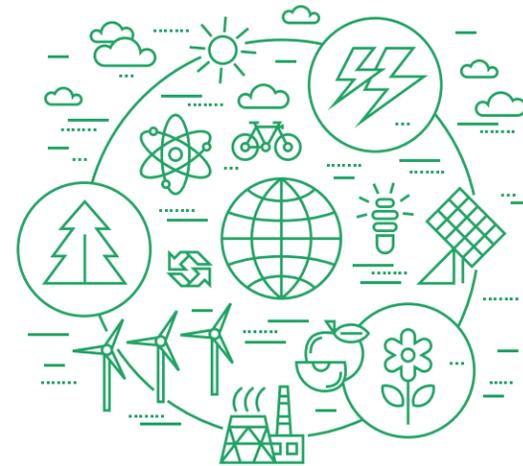
## Key performance

The Company promoted green operations by vigorously advocating for remote work, with virtual meetings achieving a carbon reduction of over **1,000** metric tons annually



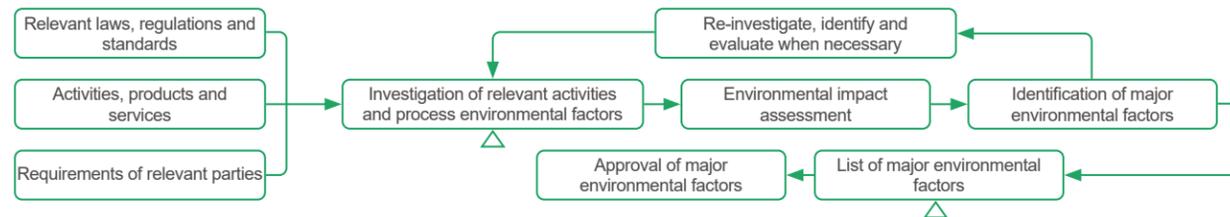
## Environmental risk management

The Company comprehensively implemented environmental risk identification and control measures. For potential environmental emergencies across all factories, it formulated the Emergency Response Plan for Sudden Environmental Incidents and the Management Regulations for Environmental Pollution Accidents, systematically monitored and assessed latent environmental risks. Through multi-format safety inspections, the Company thoroughly investigated environmental hazards and promptly took effective measures to prevent and mitigate the environmental impact of emergencies. In addition, the Company regularly conducted environmental emergency drills for employees to improve emergency response capabilities, ensuring that environmental risks were systematically managed, and the stability and sustainability of production operations were guaranteed.



### Identification of major environmental factors

The Company formulated the Identification and Control Procedure for Environmental Factors and the Management Regulations for Environmental Testing, established an environmental factor and hazard source evaluation team, followed the "hazard identification - implementation of control - safety evaluation - continuous improvement" cycle management model to identify and control various environmental factors that may arise in product production, service provision and related activities, conducted quantitative analysis of major hazard sources, took effective control and governance measures, and systematically managed safety risks.

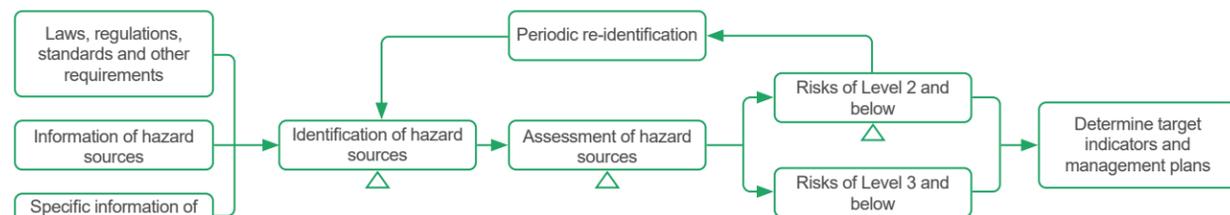


Note: △ is the main monitoring and measurement point

Identification and evaluation process for environmental factors

### Control of hazard sources

The Company formulated documents such as the Control Procedure for Identification and Evaluation of Hazard Sources and the Management Regulations for Risk Identification, Evaluation and Grading Control to comprehensively identify, evaluate and control hazards to ensure that production activities were safe and controllable.



Identification and Assessment Process of Hazard Sources

Aspects involved	Recognition methods	Adverse effects	Prevention, control and improvement measures
<b>Product environmental protection and safety</b>	Product Quality Law, customer complaints	Impact on life and property	Designed strictly in accordance with national standards to ensure that product quality and safety comply with the Safety Technical Requirements and national standards; Control the selection of product parts materials, control material properties, and strictly follow high standards when designing products
<b>Environmental protection</b>	The Company formulated the Control Procedure for Environmental Factors Identification and Evaluation and the Environmental Factors Survey and Evaluation Form to identify and control all environmental factors that may be involved in the process of providing products and services and on related occasions.	Environmental pollution caused by sewage, wastewater, waste gas, noise and solid waste	<ol style="list-style-type: none"> <li>1. Implement ISO14001 management system</li> <li>2. Operate wastewater treatment equipment to centrally treat wastewater and ensure it meets compliance standards</li> <li>3. Update environmental protection devices to improve workshop environment</li> <li>4. Install soundproof glass in some areas</li> <li>5. Entrust a professional qualified company to treat solid waste</li> </ol>
<b>Energy conservation and comprehensive utilization of resources</b>	Energy consumption indicator monitoring; waste recycling and water recycling	High energy consumption, waste of resources and occupation of social public resources	<ol style="list-style-type: none"> <li>1. Introduce clean production projects</li> <li>2. Reduce resource consumption, save energy and improve the environment through process improvement</li> <li>3. Eliminate the original cleaning line and build a new energy-saving cleaning line</li> <li>4. New low-loss transformer</li> <li>5. Save electricity by improving lighting</li> <li>6. Implement energy conservation and consumption reduction, and strengthen the recycling of water, electricity and gas</li> </ol>
<b>Public health</b>	Environmental hygiene and prevention of infectious diseases	Potential risks to public health	Implement the 'Emergency Response Plan' to control

Major environmental factors and hazard source control measures

### Environmental emergency drills

In order to enhance employees' ability to cope with environmental risks, the Company formulated an environmental emergency plan and organized multiple environmental emergency drills to ensure that employees can promptly identify and properly handle environmental emergencies.

#### Key performance

 <p>In 2024, the Company completed</p> <p><b>2</b></p> <p>comprehensive emergency drills, including solid waste dispersion, sewage leakage, hazardous waste leakage, etc.</p>	<p>Organized and participated in</p> <p><b>29</b> environmental emergency drills</p>	<p>Trained</p> <p><b>580</b> employees</p>
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### Biodiversity conservation

Jack Technology actively practiced its corporate social responsibility in biodiversity conservation and minimized the impact of production activities on the ecological environment through technological innovation and scientific management. The Company strictly abode by relevant laws and regulations on ecological protection, paid attention to ecological balance in project development and operation, and avoided damage to natural habitats. During the production process, efforts were made to reduce interference with the surrounding ecosystem by optimizing process flow, reducing waste emissions, and promoting green factory construction. In the future, the Company will continue to deepen the application of technology, explore more solutions to support biodiversity conservation, and contribute to protecting the earth's biodiversity.

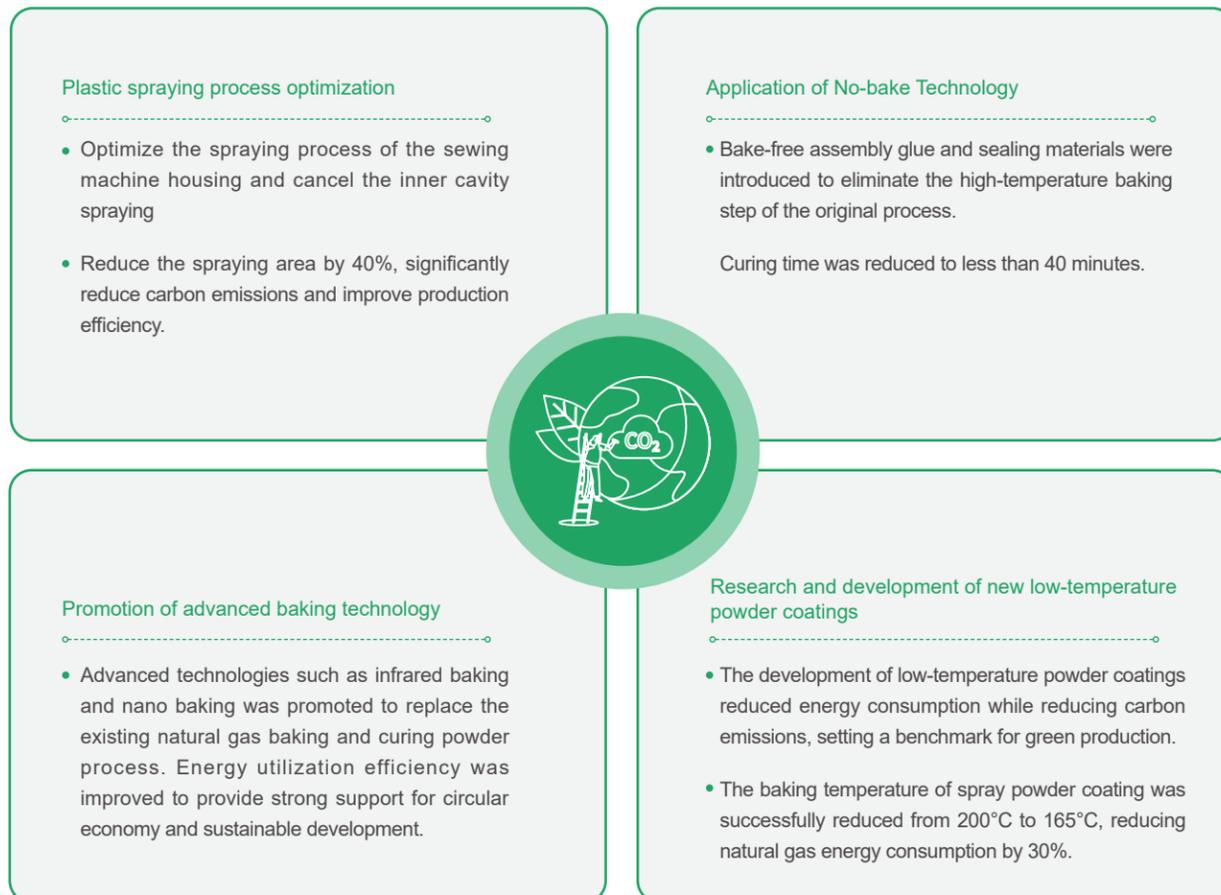
## Cleantech opportunities

Jack Technology adopted green and low-carbon development as its core strategy, leveraging technological innovation, systematic equipment upgrades, and green initiatives to advance the R&D and application of carbon reduction technologies. By optimizing resource efficiency and reducing carbon emissions, the Company provided innovative sustainability solutions, reinforcing its leadership and commitment to the green transition while supporting China's carbon peak and carbon neutrality goals.



## Carbon reduction technology research and development

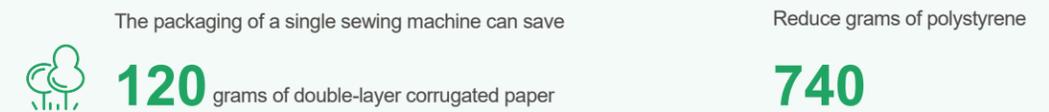
The Company established and implemented policies for carbon peak & neutrality, energy conservation, and efficiency management. Through energy-saving equipment adoption, process optimization, and green design, we comprehensively advanced low-carbon initiatives to reduce emissions and accelerate our green transition.



## Green design

Guided by the goal of reducing the impact on the environment and providing sustainable development, the Company formulated documents such as the Related Notices, the Management Regulations for Suppliers and the Supplier System Inspection Checklist. The Company established a comprehensive management system for raw and packaging materials, vigorously promoting green packaging. By optimizing supply chain management, adopting eco-friendly materials, and implementing energy-saving technologies, we actively advanced product green design to deliver sustainable packaging that met consumer expectations. While ensuring product quality, we optimized packaging materials to reduce resource consumption and environmental impact, advancing the Company's sustainable development.

### Key performance



## Green innovation

The Company has always regarded green innovation as an important driving force for sustainable development, fully implemented the concept of green production, and actively fulfilled its environmental protection responsibilities, promoting the widespread application of energy-saving and environmental protection technologies through technological research and development and equipment upgrades, and continuing to lead the green transformation in the industry.



### Servo motors and motor control systems

- The Company successfully applied frameless direct-drive permanent magnet motors (including energy-efficient models) along with matching sensorless servo control technology utilizing field-oriented control (FOC). This innovation has been implemented in our industrial sewing machines with remarkable energy-saving results.



### Smart sewing technology

- The Company actively developed intelligent sewing equipment, applied technologies such as the Internet of Things, intelligent control, and sensor visual recognition systems to sewing machines, and upgraded traditional sewing products into automatic sewing units, leading the development direction of intelligent sewing equipment.



### Built-in application

- The innovation integrates built-in frameless motor technology, clean sewing processes, and IoT-enabled solutions.
- These applications can save more than 30% of electricity and more than 40% of sewing machine threads every year, effectively extending the service life of sewing machines.



### Energy-saving ironing table

- The Company cooperated with Huazhong University of Science and Technology to develop energy-saving ironing tables.
- The research and development of energy-saving ironing tables has increased energy utilization efficiency by 45%. A single ironing table can save 1,800 kWh of electricity per year. The product passed the inspection of the National Center for Quality Inspection of Sewing Machines and was named "New Industrial Product in Zhejiang Province" in August 2023.

### Green innovation practice

# Combating climate change

In response to the country's "dual carbon policy", Jack Technology formulated and implemented climate change response plans and climate transformation plans to meet the challenges of climate change, striving to achieve carbon neutrality by 2060 based on its energy use, carbon emissions status and strategic development plans. The Company continued to contribute to global climate governance by practicing the concept of energy conservation and emission reduction, promoting the application of clean technologies and improving resource utilization efficiency.



### Use of clean energy

- The implementation of distributed photovoltaic power generation has significantly reduced CO emissions.
- The Company continued to expand its distributed photovoltaic infrastructure, further increasing the utilization rate of green energy across operations.



### Accurate energy allocation

- Foundries in the industrial cluster implemented photovoltaic energy integration to reduce electricity consumption, specifically targeting high-power equipment and energy-intensive processes



### Carbon emissions monitoring

- The operational carbon emissions of each unit were monitored and carbon emissions data were summarized and reported on a regular basis

Actions taken in 2024 to achieve the dual carbon goals

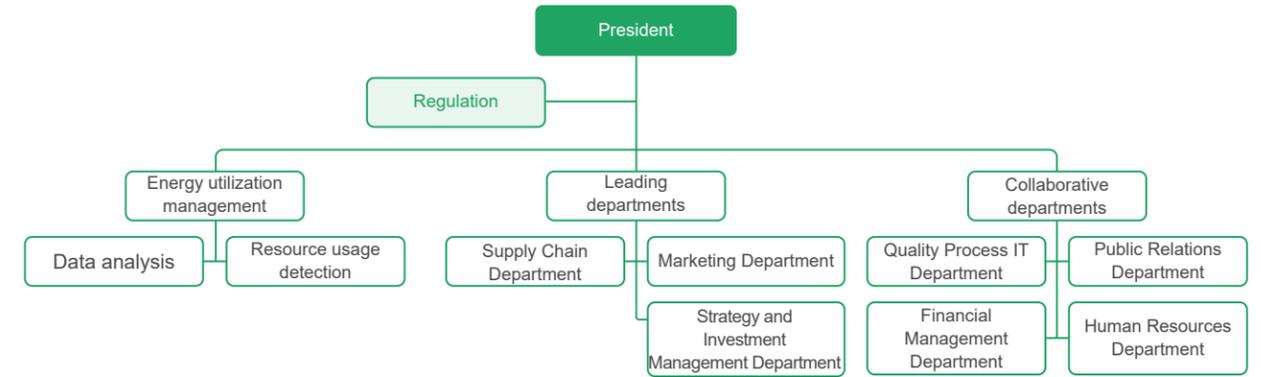
## Efficient use of energy

In order to strengthen energy management, reduce energy consumption and improve energy utilization, the Company formulated a number of regulations, including the General Principles of Energy Management, the Energy Management Responsibilities, the Energy Consumption Assessment Methods, the Management Regulations for Raw Materials and Power Consumption Quota and the Management Regulations for Rational and Economical Use of Electricity in accordance with relevant laws and regulations, energy policies and management standards, and in combination with the actual production and energy consumption conditions. It established an energy-saving leadership group to be responsible for energy management, formulated and approved energy management systems and measures, supervised employees' implementation, increased the proportion of energy efficiency assessment and the intensity of rewards and punishments, and enhanced employees' energy-saving awareness through internal publicity, and standardized the energy use process across the Company. All this helped achieve efficient energy management and promoted the achievement of energy conservation and emission reduction goals.

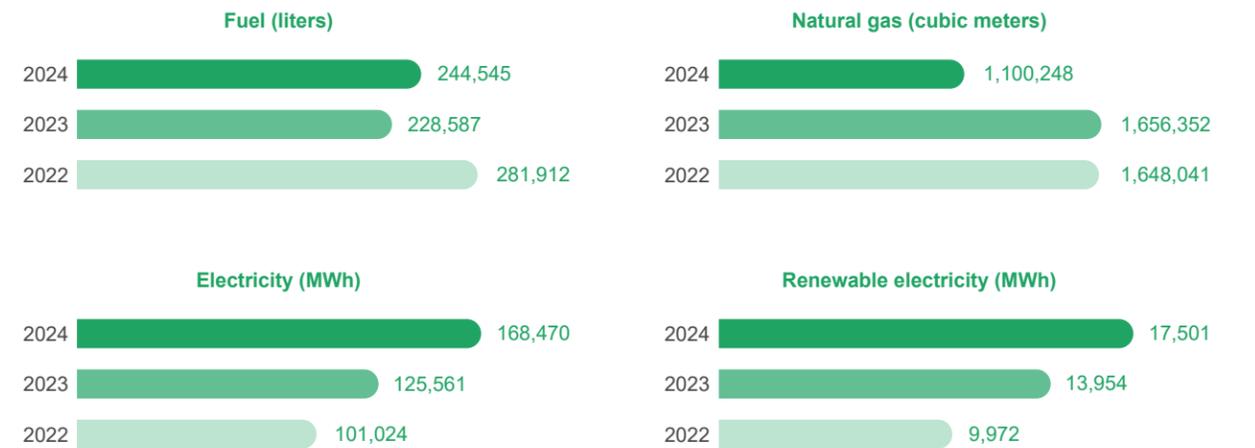
### Key performance



During the reporting period, the Company actively implemented various energy-saving and carbon-reduction measures, strictly managed energy consumption, carried out reliable and accurate measurement, improved energy utilization efficiency and reduced energy consumption. During the reporting period, the Company's comprehensive energy consumption was **22,377.87** tons of standard coal, the energy intensity was **0.04** tce/10<sup>4</sup> yuan revenue, the total greenhouse gas emissions (scope 1 + scope 2) were **2,119,662.54** tons of carbon dioxide equivalent, and the annual plan was to save **5.054** million kWh of electricity. In the next year, the Company's electricity consumption will decrease by **3%** year-on-year.



Organizational Structure of the Energy Utilization Management Committee



**Optimization of iron chips collection and management**

Optimize the iron chip collection process in the metalworking workshop. By centrally managing iron filings and placing them in a designated area in the workshop, forklifts can collect them in one go, significantly reducing the number and duration of forklift operations, reducing energy consumption and carbon emissions, and improving production efficiency.

**Real-time cloud monitoring of air compressors**

The air compressor cloud monitoring system was launched to monitor gas consumption, equipment status and air pressure data in real time, effectively reducing energy waste and saving 570,000 KWH of electricity per year, providing an intelligent solution for efficient energy utilization.

**Online monitoring on the Energy IoT Platform**

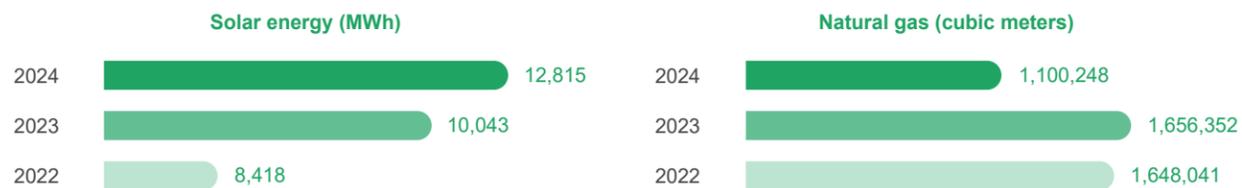
The Company monitored the usage of all transformers online and combined them with energy storage equipment to maximize resource utilization.

Energy efficient utilization and management measures

## Clean production and use of clean energy

Jack Technology attaches great importance to clean production and actively responds to government deployment. Based on the Audit Manual for Enterprise Clean Production and the Audit Methods for Clean Production, the Company established a clear concept of clean production, standardized clean production audit work, and achieved sustainable development of environmental, economic and social benefits. At the same time, the Company regarded the use of clean energy as an important measure to promote green production and sustainable development. Through technological innovation and management optimization, it comprehensively promoted the use of clean energy such as solar energy and natural gas, significantly reduced carbon emissions and alleviated environmental pressure.

### Key performance



### Case: Promoting green factory construction and promoting sustainable development

In order to practice the development philosophy of "green, low-carbon and smart", the Company is actively committed to promoting the construction of green factories. The Company vigorously developed photovoltaic power generation projects and added distributed photovoltaic facilities. It adopted the green energy utilization model of "photovoltaic power generation + electric energy storage" to continuously carry out technological innovation and application optimization. Due to site limitations, photovoltaic power generation only accounted for 10% of the total electricity. However, the introduction of photovoltaic power generation projects played a significant positive role in reducing carbon emissions and alleviating environmental pressure, and greatly increased the proportion of use of clean energy. In the future, the Company will further increase the utilization rate of green energy, promote the optimization of energy structure, ensure that the power factor meets the standards, continue to uphold the concept of green development, and continuously advance environmental protection practices.



### Key performance



In 2024, the Company's total installed photovoltaic capacity in the factory area reached **13.93** MW, with an additional energy storage capacity of **4,000** KW, photovoltaic power generation of **17.5015** million kWh, usage of **150,968,510** kWh, clean energy accounting for **7.04%** of total energy, and carbon emissions reduced by **14,500** tons of carbon dioxide equivalent.

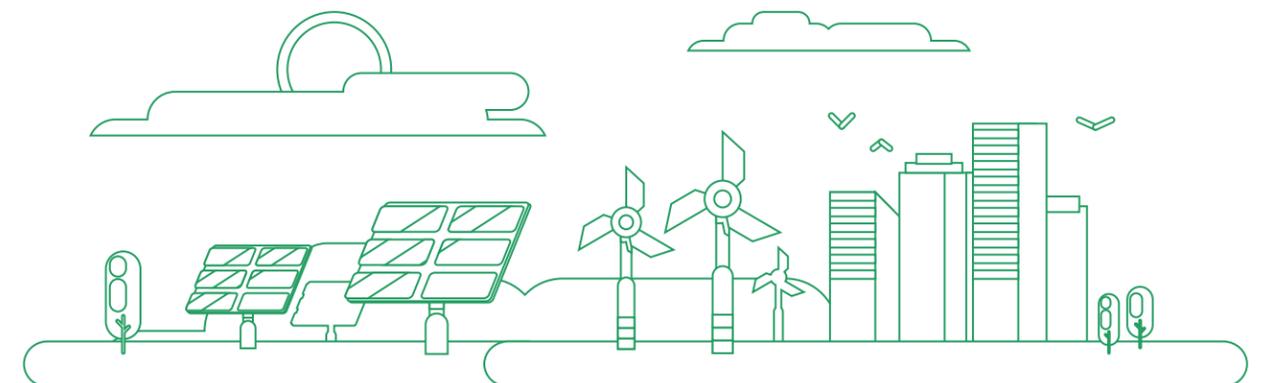
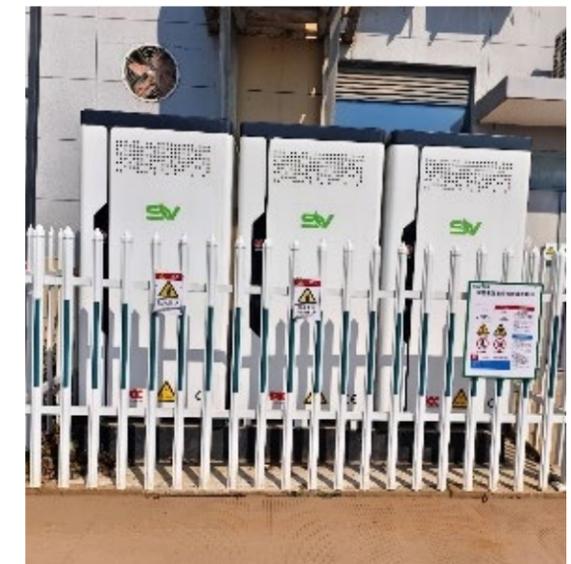
### Case: Digitalization empowers green smart factories and achieves energy delicacy management

The Company deployed an advanced digital energy management system to achieve comprehensive real-time monitoring of the energy consumption and equipment operating status of the entire factory. The system can display equipment status, energy consumption data and photovoltaic power generation efficiency in real time, helping managers to accurately grasp energy consumption and optimize energy use. By monitoring the conversion efficiency and use of clean energy (such as photovoltaic power generation), the Company significantly improved the utilization rate of clean energy. By combining virtual manufacturing and AI prediction technology, the Company further optimized energy configuration, reduced energy consumption costs, and provided support for decision-making through data performance analysis, thus promoting the sustainable development of green smart factories.

### Case: Deploying an advanced energy storage system to achieve efficient energy management

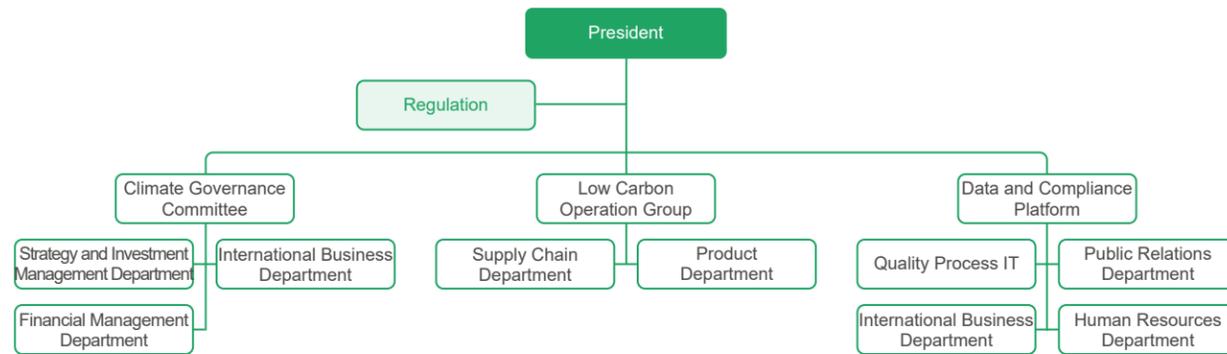
The Company achieved efficient and intelligent energy management by deploying an advanced energy storage system. The system uses PACK built-in BMU to monitor the cell voltage and temperature in real time, and forms a two-level control architecture with BMS to ensure safe and efficient operation of the battery pack. Through intelligent scheduling, the system discharges during peak electricity hours to reduce electricity costs. At the same time, it participates in the grid frequency regulation service to create additional revenue, significantly improves energy utilization efficiency while achieving both economic and environmental benefits.

During the reporting period, the Company deployed a total of 41 energy storage cabinets, each with a power of 100KW. The total system power reached 4,100KW, the total electricity was 4,200KWh, and the estimated annual income was RMB 4.1 million. The income mainly came from various application scenarios such as peak-valley electricity price arbitrage, grid frequency regulation and backup power supply.



## Climate change management

The Company established a complete management mechanism for responding to climate change, and followed the Energy Management Responsibilities, the General Principles of Energy Consumption Management Regulations, the Gas Management System, the Management Regulations for Reasonable Electricity Use and Electricity Conservation and other systems to systematically respond to climate change. Led by senior leaders and coordinated by core departments, a sustainable development committee was established, and independent positions were set up to use intelligent systems to supervise carbon emissions and energy consumption to ensure that violations were corrected in a timely manner.



Organizational Structure of the Company's Climate Change Strategy Committee

## Climate Change Management System

The Company established an integrated climate risk monitoring and reporting system to integrate climate-related risks with other risk information and achieved centralized management and sharing of risk data. Climate risk management status was reported to the management and the Board of Directors regularly to provide a basis for strategic decision-making. The Board of Directors regularly monitored climate response strategies and results and controlled the progress of major projects. The management formulated implementation plans based on the Board of Directors' strategies, promoted energy conservation and emission reduction, technological research and development, and employee training to ensure the efficient operation of the management mechanism.

## Management of climate change risks

The Company attaches great importance to the impact of climate change on strategy, operations and finance. Based on the framework of the International Standards for Sustainable Disclosure of Financial Reports No.2 - Climate-related Disclosure (IFRS S2) issued by the International Sustainability Standards Board (ISSB), the Company systematically identified climate risks and formulated response measures to reduce the negative impact of climate change and ensured the stability of business operation.

### Establishment of a sustainable development strategy promotion team

To ensure the effective implementation of the climate strategy, the Company established a sustainable development strategy promotion team, formulated and supervised the implementation plan, strengthened employee training, and set up a special reward fund to encourage all employees to participate in climate risk management and sustainable development work.

### Optimize supply chain management

The Company gave priority to working with low-carbon suppliers to jointly carry out energy-saving and emission reduction projects, optimized logistics, transportation and operations management, and reduced carbon emissions in the supply chain.

### Improve the comprehensive risk management system

The Company incorporated climate risks into its comprehensive risk management system, formed a closed-loop management of "identification - assessment - response - improvement", defined its vision and goals for sustainable development, and promoted low-carbon transformation of its business.

Management measures for climate change risks

## Identification of climate risks and countermeasures

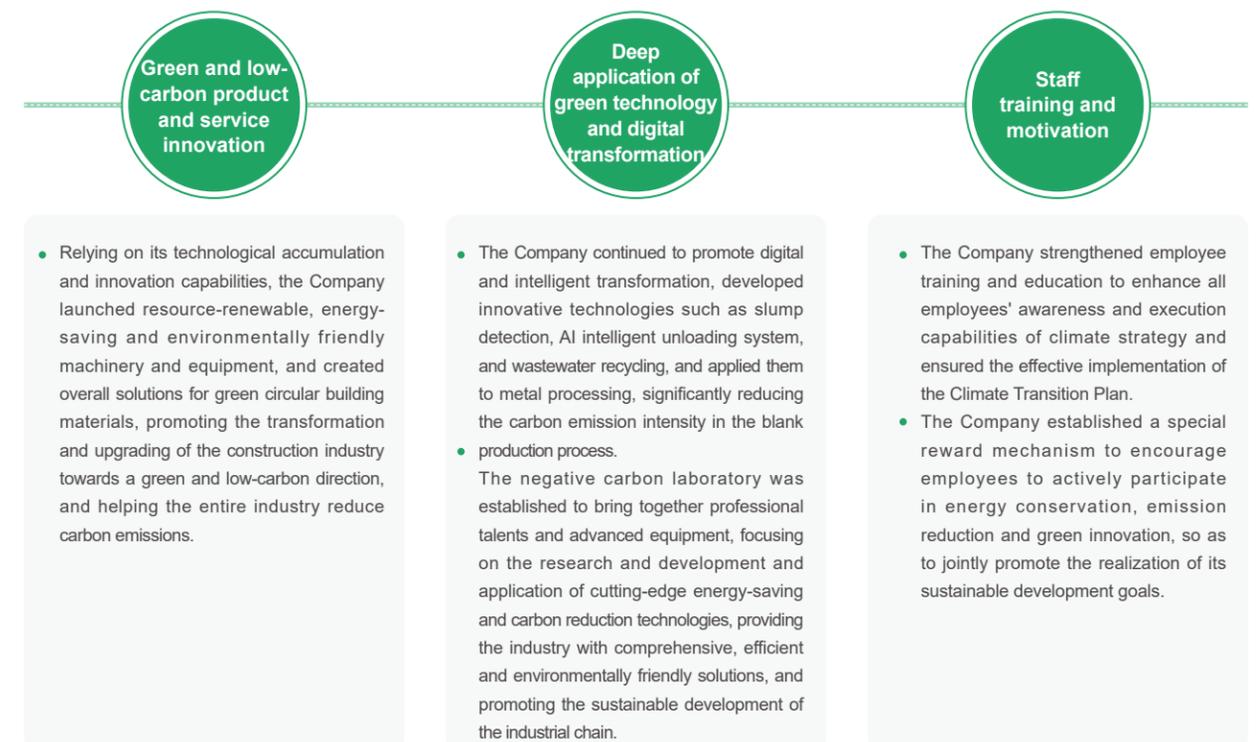
The Company assessed climate adaptability through scenario analysis, simulated operating conditions under different policies, technologies and market conditions, and flexibly adjusted strategies to maintain product competitiveness. Through systematic climate change management, the Company effectively reduced climate risks, provided innovative solutions for the industry's green transformation, and demonstrated its leadership and sense of responsibility in addressing climate change.



Formulate business model adjustment strategies to adapt to climate change at different stages

## Climate Transition Plan

The Company deeply practiced the green and low-carbon concept, actively built a sustainable and recycling model, integrated sustainable development into every link of production operations, reduced its own carbon emissions through technological innovation and digital means, comprehensively promoted greenhouse gas (GHG) emission reduction actions, and contributed to the realization of sustainable development.



Implementation measures for the Climate Transition Plan

**Case: Responding to climate change risks - the construction and practice of the Company's typhoon emergency response mechanism**

The Company's main production base is located in the coastal area of Taizhou, Zhejiang. The area is exposed to climate change risks all year around such as typhoons and strong winds, heavy rains and storm surges caused by typhoons. To deal with these potential threats, the Company established a comprehensive typhoon emergency response mechanism and further reduced risks by purchasing insurance.

**Analysis of historical data**

According to historical records, a total of five typhoons have had a significant impact on the area where the Company is located in the past 50 years. Among them, three typhoons made direct landfall in the area, namely Typhoon No. 23 in 1989, Typhoon No. 9 "Matsa" and Typhoon No. 15 "Khanun" in 2005. There were two other typhoons that did not make direct landfall but still had a significant impact on the local area. They were "Yunna" in 2004 and "Lekima" in 2019. Statistics show that on average, the area where the Company is located encounters a significant typhoon every 10 years.

Among them, Typhoon Lekima in 2019 was the most recent typhoon event that had a significant impact on the local area, but it had limited impact on the Company's overall operations and financial condition.

Finally, the Company effectively reduced the impact of typhoons and other climate change risks on production and operations by building a typhoon emergency response mechanism and purchasing insurance. This practice not only reflected the Company's foresight in risk management, but also provided valuable experience for other enterprises in coastal areas. In the future, the Company will continue to optimize its climate risk management system, further enhance its ability to respond to extreme climate events, and provide solid guarantees for sustainable development.



**Energy conservation and emission reduction practices**

The Company has always regarded energy conservation and emission reduction as an important measure for sustainable development, and has comprehensively promoted efficient resource utilization and environmental protection through technological innovation, equipment upgrades and green energy applications. In the process of environmental protection practice, the Company actively adopted non-toxic and harmless green raw materials and environmentally friendly new materials, broke through key technologies, and promoted green design. At the same time, the Company used smart equipment and intelligent connection solutions to improve the production efficiency of downstream industries, reduced resource waste, striving to achieve a win-win situation of economic and environmental benefits.

**Key performance**

<p>In 2024, the Company's employee transportation emissions was approximately</p>  <p><b>0.89</b> tons of carbon dioxide per person</p>	<p>The proportion of new energy forklifts increased to</p> <p><b>39.3%</b></p>	<p>new energy-saving industrial fans were added</p> <p><b>10</b></p>
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**Equipment upgrade and process optimization**

**Elimination of high-energy-consuming equipment:** The Company gradually eliminated old and high-energy-consuming equipment and introduced high-efficiency and energy-saving production machinery, significantly reducing energy consumption. For example, the Dongfeng line saved a lot of electricity costs by optimizing energy-saving modes and reducing equipment standby energy consumption.

**Improvement of production technology:** The Company made fine improvements to production technology, optimized the production process, reduced resource waste, and improved energy efficiency.

**Green energy application and equipment improvement**

**Promotion of new energy forklifts:** In 2023, the Company had 58 forklifts, of which 21 were electric forklifts, and new energy accounted for 36.2%. In 2024, 3 new battery forklifts were added, and the proportion of new energy forklifts increased to 39.3%, further reducing the use of fossil energy.

**Energy-saving and cooling equipment:** The Company encourages the use of energy-saving industrial fans instead of air conditioners. In 2024, 10 new industrial fans were added to significantly reduce energy consumption.

**Energy transformation of the plastic spraying workshop:** The Company gradually phases out diesel heating equipment. It explored biomass pellet fuel in 2015, and fully transformed to natural gas in 2020, significantly reducing carbon emissions.

**Supplier collaboration and green procurement**

**Building the Supplier Industrial Park:** By building a supplier industrial park, the Company optimized supply chain management, reduced transportation costs, promoted technological innovation and resource sharing, and contributed to the sustainable development of the regional economy.

**Green Procurement Policy:** The Company formulated the Supplier Management Regulations, gave priority to cooperating with low-carbon suppliers, promoted the green transformation of the supply chain, and reduced carbon emissions.

**Supplier qualification review:** The Company formulated the Notice to Relevant Parties, defined the requirements for energy conservation and emission reduction, constrained suppliers through the SRM system, promoted their transformation, and achieved scale effects of energy conservation and emission reduction.

**Supplier information management:** The Company carried out online data management, defined the VMI operation and management model, set a reasonable delivery cycle for suppliers, reduced unnecessary transportation actions and carbon emission behaviors in transportation, and realized the scale effect of energy saving and emission reduction across supply chains.

**Energy management system application**

The Company used the energy management system to monitor and analyze energy consumption in real time, accurately located energy waste points, and achieved rational allocation and efficient use of energy through regulation. For example, the Company adjusted equipment operating time and power in time to reduce unnecessary energy consumption.

**Practical measures for energy conservation and emission reduction**

## Pollution emission control

Jack Technology formulated and improved the Management Regulations for Environmental Testing and the Management Regulations for Environmental Pollution Accidents and other systems. Through measures such as improving design, using clean energy and raw materials, and adopting advanced processes and equipment, it reduced or avoided the generation and emission of pollutants in the production process. It rewarded employees who performed well in pollution control and emission reduction, and continuously standardized the information reporting procedures and emergency response processes for sudden environmental accidents to prevent environmental pollution accidents and improve the level of pollution emission control.

### Key performance



In 2024, the number of times the Company's factories' wastewater and air emissions did not meet the requirements was **0**, the number of times the noise exceeded the standard was **0**, and the standardized disposal rate of general industrial solid waste and hazardous waste reached **100%**. No environmental complaints or major hazardous chemical leakage accidents occurred during the reporting period. During the reporting period, the Company conducted commissioned monitoring more than **140** times, and the monitoring frequency and results were in compliance with the requirements of the Pollutant Discharge Permit.

## Wastewater treatment

The Company managed wastewater discharge in compliance with regulations, installed water meters in each workshop to implement daily water consumption measurement, controlled sewage treatment, and invested in the construction of sewage treatment stations to separate rainwater and sewage, ensuring that sewage discharge complied with local water pollution prevention and control regulations, and wastewater pollution to the environment was reduced.

Unit	Chemical oxygen demand (COD) Kg	Ammonia nitrogen content (NH3-N) Kg	Total nitrogen content (TN) Kg	Total phosphorus content (TP) Kg	Total wastewater discharge 10,000 cubic meters
Jiaojiang Factory	10.02	0.10	2.39	0.02	0.04
Xiachen Factory	96.2	0.91	22.94	0.17	0.43
Jack Intelligent	168.06	3.45	46.48	0.73	0.77
Tuoka Benma	46.63	0.31	9.15	0.12	0.22

Statistics of industrial wastewater discharge from the Company's factories in 2024

### Case: Optimizing wastewater treatment solutions to promote green production

The Company's high-end sewing equipment intelligent manufacturing center built in Jiaojiang District achieved efficient wastewater treatment through scientific planning and advanced technology. The wastewater of the project mainly came from the degreasing, cleaning, silanization, phosphating and other links in the production process. The pollution factors included COD, total nitrogen, total phosphorus, fluoride, etc. Therefore, the "oil separation adjustment + coagulation sedimentation + A2/O" process was adopted to ensure that the wastewater met the municipal sewage network connection standards after treatment. The design followed the principle of high-starting-point planning and high-standard construction, and adopted imported control and testing instruments with stable performance to ensure the stability and efficiency of the system. In addition, the Company also paid attention to the rationality of equipment selection and layout, adopted intelligent automatic control systems, realized functional zoning, facilitated operation and management, and achieved standard sewage discharge.

## Treatment of waste gas

The Company standardized the management of waste gas emissions generated by the production workshops of each factory, introduced advanced equipment, optimized treatment processes, and comprehensively improved the level of waste gas treatment.

Unit	Nitrogen oxide (NOx) emissions Kg	Volatile organic compounds (VOCs) emissions Kg	Particulate matter (PM) emissions Kg	Total exhaust emissions 10,000 cubic meters
Jiaojiang Factory	314	82	1,334	11,232
Xiachen Factory	0.21	0	1,048.78	5,280
Jack Intelligent	2,236.20	2,337.64	9,384	421,752
Tuoka Benma	136	929.88	2,477	2,043
Jack Technology Casting	0	0	25,925	52,758

Statistics on air pollutant emissions from the Company's factories in 2024

### Case: Introducing an oil mist collection system to optimize the waste gas treatment process

In the oil mist management of the metalworking workshop, the Company introduced an oil mist collection system to effectively reduce the oil mist emissions generated by processing equipment during high-deep cutting. The system collects oil mist centrally and converts it into liquid for post-treatment, significantly improving workshop air quality, protecting employee health, and reducing medical costs and production losses that may be caused by health problems.

As of December 2024, all production lines had been fully equipped with oil mist collection systems, the workshop environment had been significantly improved, employee work efficiency had been raised, and waste gas emissions had been greatly reduced. The introduction of the oil mist collection system not only created a safe and healthy working environment for employees, but also further improved the Company's pollutant control level, reflecting the Company's continuous efforts in environmental protection and demonstrating its sense of social responsibility.

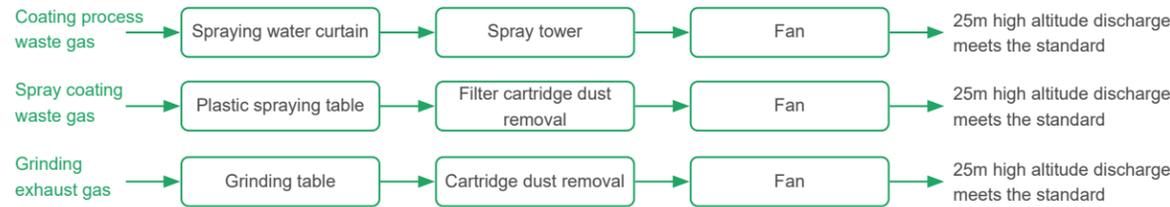


### Case: Optimizing the coating process to achieve zero VOCs emissions

The original plastic spraying production line produced a certain amount of VOCs, which needed to be treated with activated carbon adsorption and desorption catalytic combustion equipment. Therefore, the Company optimized the coating process. The optimized electrostatic powder spraying production line process produces almost no VOCs, achieving the goal of reducing VOCs emissions from the source, and completely solving the VOCs emission problem. After the powder is recovered and dusted, the exhaust gas generated meets the indoor emission standards, and the exhaust gas is not directly discharged into the external environment. After the electrostatic powder spraying line was put into use, no hazardous solid waste such as paint residue and waste paint cans was generated, achieving a win-win situation of economic and environmental benefits.

Case: Waste gas was treated in Jiaojiang factory to promote clean production

In order to achieve standard exhaust gas emissions, the Company's Jiaojiang factory designed, optimized and modified the original exhaust gas treatment plan. The project treated waste gas generated by spraying, plastic spraying, grinding and other processes to ensure that the treated waste gas complied with relevant pollution emission standards such as the Emission Standards of Air Pollutants from Industrial Coating Processes and the Comprehensive Emission Standards of Air Pollutants. Through closed collection, water spraying, filter cartridge dust removal and other technologies, particulate matter and volatile organic compounds in exhaust gas can be effectively removed. At the same time, the factory installed high-efficiency fans and spray towers to optimize the exhaust gas treatment process and to reduce energy consumption and operating costs. In 2024, the factory's waste gas treatment system operated stably, with an emission compliance rate of 100%, significantly improving the air quality in the factory and its surrounding areas.



Process Flow Chart for Waste Gas Treatment in Jiaojiang Factory

Solid waste management

The Company formulated the Management Procedure for Solid Wastes to implement full process control of solid waste from generation, collection, storage, transportation, utilization, and disposal. It disposed of hazardous waste by signing disposal contracts with qualified third parties, strictly controlled hazardous waste, prevented solid waste from polluting the environment, and realized the resource utilization, harmlessness, and reduction of various types of solid wastes.

Unit	Total amount of non-hazardous waste	Total amount of hazardous waste	Total waste generation
	Tons	Tons	Tons
Jiaojiang Factory	1,473.89	134.25	1,608.14
Xiachen Factory	763.55	51.37	814.92
Jack Intelligent	1,345.95	153.08	1,499.03
Tuoka Benma	54.33	52.43	106.77

Statistics on air pollutant emissions from the Company's factories in 2024

Iron powder briquetting

The Company used briquetting machines to briquette iron powder to reduce the risk of dispersion and ensure the safe storage and transportation of solid wastes.

Recycling of waste packaging barrels

The Company signed a recycling agreement with suppliers to recycle and reuse waste packaging barrels, significantly reducing the generation of waste packaging barrels and promoting resource recycling.

General waste discharge and reduction management

Management of hazardous wastes and chemicals

The Company strictly implemented national hazardous waste management requirements, and through the Management Regulations for Solid Wastes, conducted full-process control over the storage, transportation, use and disposal of hazardous solid waste, reduced the environmental impact of hazardous waste, and provided solid guarantees for green production.



Storage of hazardous waste

In strict accordance with national regulatory requirements, warehouses for storing hazardous waste were set up in each factory to ensure the safe storage of hazardous waste and reduce the impact on the environment.



Transportation of hazardous waste

Use safe and compliant transportation methods to ensure that hazardous waste does not leak during transportation, further reducing the impact on the environment.



Disposal of hazardous waste

The Company cooperated with qualified third parties and signed hazardous waste disposal contracts to ensure the compliance of the treatment of hazardous waste.

Management process for hazardous solid waste

Case: Reducing the use of toxic and hazardous raw materials and improving environmental management

In order to reduce the use of toxic and hazardous substances, reduce pollution emissions from the source, and promote its environmental protection level, the Company put forward rectification suggestions for suppliers who did not meet the supply requirements. For suppliers who failed to comply with or refused to rectify and may cause serious environmental pollution accidents or major safety accidents, the Company took measures such as reducing orders and replacing suppliers to exert influence.

Key performance

As of the end of 2024, the Company had a total of **243** main suppliers, **103** of whom held ISO14001 system certificates, accounting for **42.39%** an increase of **4.39%** compared to 2023.

Case: Standardizing the management of dangerous goods warehouses

To ensure production safety, the Company implemented strict and standardized management of hazardous goods warehouses. In accordance with relevant laws and regulations, the Company formulated a complete dangerous goods management system covering storage, use, transportation and emergency response. The warehouse is equipped with explosion-proof lighting fixtures and a ventilation system to ensure a safe environment. Dangerous goods were stored in categories and clearly labeled, with dedicated personnel responsible for daily inspections and record keeping. Through standardized management, no safety accidents occurred in the Company's warehouse for hazardous materials, which provided solid guarantees for production operations and demonstrated the Company's high attention and sense of responsibility for hazardous materials management.



## Efficient use of resources

Taking circular economy as its core strategy, the Company optimized production processes, invested in the construction of advanced sewage treatment facilities, established an internal resource recovery system and promoted green procurement and the efficient use and recycling of resources, reduced environmental pollution and production costs, and laid a solid foundation for its sustainable development.



### Water resource utilization

Attaching importance to water resource management, the Company implemented the water-saving concept of multiple uses and recycling of water, formulated the Management Regulations for Rational Use of Water, took a number of measures to reduce water resource consumption, and comprehensively promoted the efficient management and recycling of water resources.

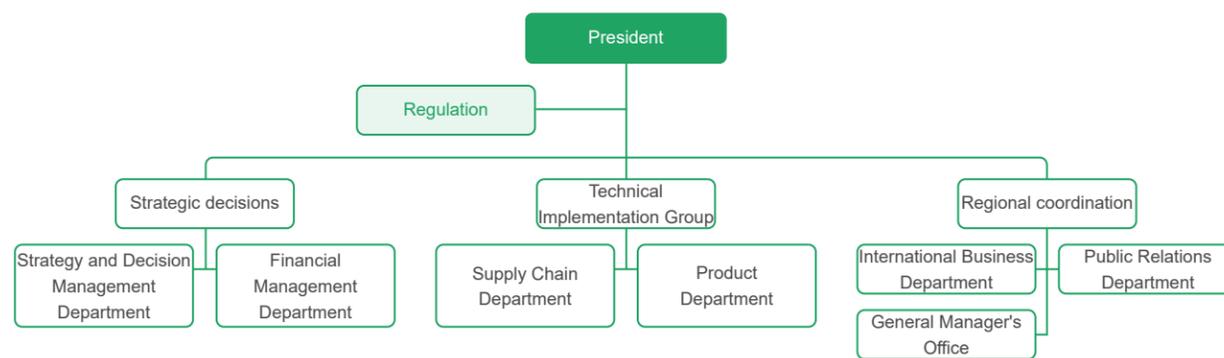


**Key performance**

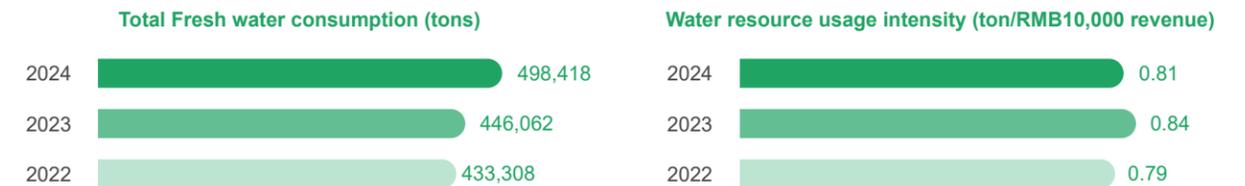
In 2024, the Company used a total of **4,261,418** tons

The circulating water volume was **3.763** million cubic meters

The recycling rate reached **88.3%**



Organizational Structure of the Water Resources Utilization Management Committee



#### Application of water-saving equipment

- The headquarters' administrative building was equipped with a constant pressure water saver, reducing water consumption by 50%. It is expected to save 800 cubic meters of water throughout the year.
- The pre-degreasing retention tank was equipped with a water circulation filter to quickly filter impurities every day, extending the service life of the tank, saving 25% of water consumption, and increasing the service life of the tank and cleaning stability.
- Water resource circulation system: build advanced sewage treatment facilities to purify production wastewater, and reuse it for workshop cleaning, equipment cooling and other links after it meets production water standards, greatly reducing the amount of fresh water used, alleviating the water pressure caused by production expansion, and reducing costs for water consumption.

#### Process Optimization

- Eliminating the reamer cleaning process can save 50 tons of water per month.
- The surface treatment process was changed from immersion to spraying, reducing water consumption by 50% and silane consumption by 15%.
- A centralized cutting fluid management station was established in the workshop, equipped with high-precision filtration equipment to achieve recycling of cutting fluid, saving 3,000-4,800 cubic meters of water each year.

#### Water-saving technology practice

## Circular economy

The Company incorporated the concept of circular economy into its development strategy, established an internal resource recycling system, optimized production processes and promoted green procurement and the efficient use and recycling of resources, and minimized resource waste and environmental pollution.

**Total mass or volume of materials used in production and packaging (tons/cubic meters)**



**Recycling rate of materials used in production and packaging (%)**



**Including: use of non-renewable materials (ton/cubic meter)**



**Including: production material recovery rate**



**Including: use of renewable materials (ton/cubic meter)**



**Including: packaging material recycling rate**



**Paper (kg)**



### Case: Reducing the amount of sewing machine blanks and effectively reducing raw material consumption

In order to respond to the call for environmental protection, reduce resource waste and lower carbon emissions, the Company improved the production and processing flow of sewing machine blanks. By optimizing drawing design, reducing the initial processing allowance of blanks, and using mold repair to control blank allowances, the Company effectively solved the problems of large processing allowances in traditional processes, large energy consumption and carbon emissions in subsequent processes. After mold repair, the average weight of the A5E-A case blank was reduced by 0.18 kg. The improvement in the allowance of sewing machine blanks enabled the Company to achieve significant economic benefits in raw material and tool consumption, reduce production costs, increase profit margins, reduce resource waste and carbon emissions, and further improve production efficiency, laying a solid foundation for the Company to achieve the goals of green manufacturing and circular economy.



### Case: Promoting the supplier standard turnover boxes and helping the supplying side to achieve energy conservation and emission reduction

The Company is committed to establishing a mutually beneficial and win-win strategic partnership with suppliers. In response to the country's call for energy conservation and emission reduction, the Company conducted management of suppliers' turnover boxes and formulated unit cargo control regulations in accordance with the relevant requirements of the Management Regulations for Suppliers. By promoting the use of standardized turnover boxes, the Company improved logistics efficiency and reduced the frequency of supplier transportation. By reusing empty turnover boxes, the Company reduced resource waste and achieved resource recycling.

**Key performance** In 2024, the utilization rate of supplier turnover box reached **100%**

#### Establishment of an internal resource recycling system

Special waste and scrap recycling points were set up in each factory to collect and classify recyclables such as metals, plastics, and paper. By cooperating with professional recyclers, the Company achieved the resource reuse of waste, such as recycling scrap metal into production materials, reducing the cost of raw material procurement and the amount of waste disposal.

#### Green procurement policy

The Company established a supplier capability assessment mechanism for the introduction of suppliers and formulated the On-site Audit Standards for QSA Suppliers to review whether the supplier's environmentally friendly materials have undergone periodic validity confirmation. This is used as an important threshold for the introduction of suppliers to implement green procurement policies and ensure the environmental protection and recycling of resources. The audit rate of newly introduced suppliers reached 100% in 2024.

#### Optimization and upgrading of production processes

Environmentally friendly large cyclone spray equipment was used to transform the powder spray equipment, and the recycling rate of powder coatings was increased to 90%. The assembly process reduces excessive consumption of glue. The through holes of the crimping device seat, bottom thread clamp, and casing holes are changed to blind holes, and the countersink depth of the fixed knife screw holes is improved. The process improvements effectively protect the health of employees and reduce the emission of harmful components in glue.

**Process optimization helped the Company to achieve circular economy**

# 5

## Standardize corporate governance Lay a solid foundation for enterprise development

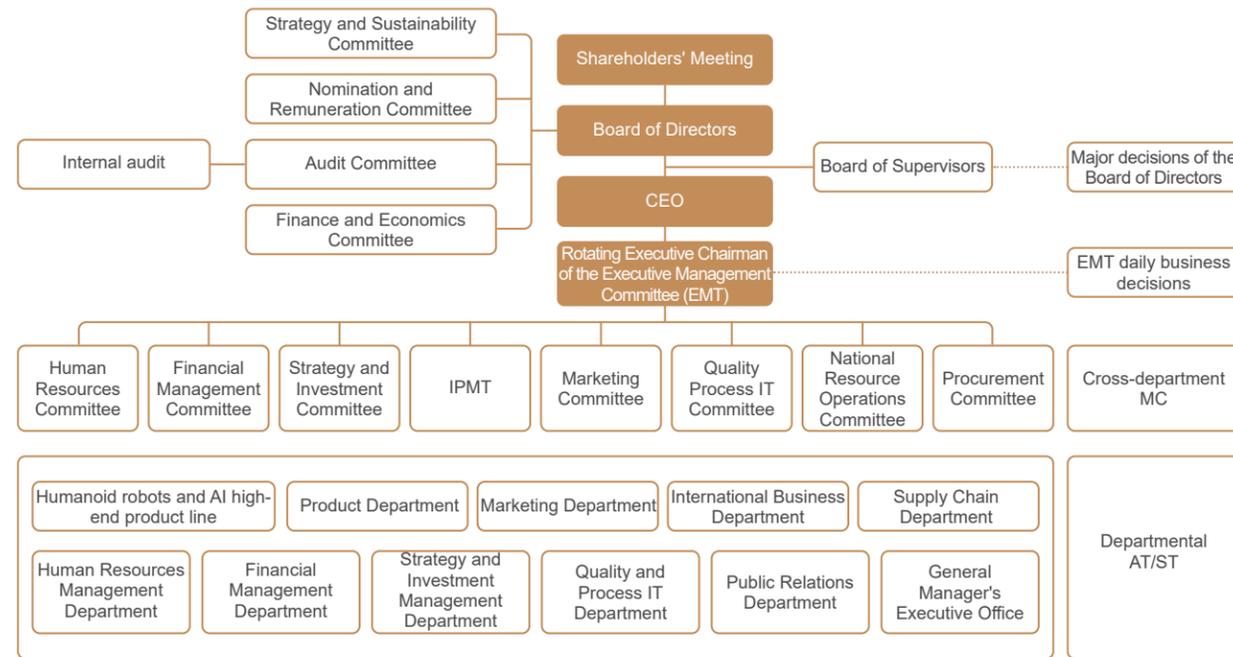
The Company focuses on standardizing corporate governance and continuously optimizes its operating mechanism to ensure efficient coordination among the Shareholders' Meeting, the Board of Directors, and the Board of Supervisors; Strengthen the transparency of information disclosure and protect the rights and interests of investors; strictly implement tax management to ensure compliance with regulations. By improving the Company's governance system, we have laid a solid foundation for enterprise development, driven the Company forward steadily, and provided solid guarantees for achieving high-quality development.

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Strengthen internal control of risks	123
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Party building management	127



## Efficient governance operations

In strict accordance with the relevant laws, regulations and normative documents such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China and the Guidelines for the Articles of Association of Listed Companies, the Company strives to optimize the corporate governance structure, standardize the operation of the Shareholders' Meeting, the Board of Directors, and the Board of Supervisors, improve the information disclosure system, strengthen investor relations management, and continuously enhance the level of corporate governance.



The Financial Management Committee consists of the Risk Management Subcommittee, Accounts Receivable Management Subcommittee, Inventory Management Subcommittee, and Cost Management Subcommittee.

### Three-Board governance

The Company has formed a corporate governance structure consisting of the Shareholders' Meeting, the Board of Directors, the Board of Supervisors and the managers in accordance with the law. This structure ensures a clear division of responsibilities, mutual checks and balances, coordination, and complementarity. In addition, the Company has formulated the Rules of Procedure for the Shareholders' Meeting, the Rules of Procedure for the Board of Directors, the Rules of Procedure for the Board of Supervisors and the Work Rules for the General Manager to define the responsibilities and powers, and work procedures of the Shareholders' Meeting, the Board of Directors, the Board of Supervisors and the management team to ensure the separation of decision-making, execution and supervision. Meanwhile, the Board of Directors has set up four special committees, namely Audit, Finance, Nomination and Remuneration, and Strategy and Sustainable Development, to fully ensure that the Company's decision-making level is scientific and efficient.

**Effectiveness of the Board of Directors**

As the Company's decision-making body, the Board of Directors is responsible for the Shareholders' Meeting, playing a key role in corporate governance. The Board of Directors operates in accordance with relevant laws and regulations and the Company's Articles of Association, and conscientiously implements the resolutions of the Shareholders' Meeting. The Company continues to improve the working mechanism of the Board of Directors, and clearly defines the selection and obligations of directors, the performance and performance evaluation of directors, the composition and responsibilities of the Board of Directors, the rules of procedure of the Board of Directors, laying a solid foundation for the efficient role of the Board of Directors. The Company has established and improved a two-way communication mechanism between independent directors and current corporate leaders, further laying a solid foundation for building a scientific, rational and efficient Board of Directors.

## Diversity of the Board of Directors

As the core decision-making body for the Company's operations and management, the Board of Directors bears the significant responsibility of being accountable to the Shareholders' Meeting. To ensure that the Board of Directors' decision-making process is both scientific and reasonable, the Company prioritizes the diversity of the members of the Board of Directors, which is reflected in gender, age distribution, industry experience, professional ability and many other relevant dimensions. Such a diverse background not only provides the Board of Directors with rich and diverse perspectives, but also lays a solid foundation for it to make forward-looking and optimal decisions, effectively ensuring the long-term and stable development of the Company.

**Key performance**

During the reporting period, the Board of Directors consisted of **9** directors

These included **3** independent directors and **2** female directors

The proportion was as high as **33%**

The proportion was **22%**

Such composition not only demonstrated the Company's emphasis on independence and gender equality, but also further enhanced the comprehensiveness and inclusiveness of the Board of Directors.

### Information disclosure

In accordance with the provisions of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Administrative Measures for Information Disclosure of Listed Companies, the Shanghai Stock Exchange Listing Rules, and the Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 2 - Information Disclosure Management, and in conjunction with the requirements of the Company's Articles of Association, the Company has formulated the Information Disclosure Management System to regulate corporate information disclosure practices, properly fulfill information disclosure obligations, and effectively safeguard the legitimate rights and interests of the Company, shareholders, creditors, and other stakeholders.

**Key performance**

During the reporting period, the Company disclosed a total of **85** announcements

Non-public announcement online documents **70**

Rated for six consecutive years by the Shanghai Stock Exchange as Grade **A** in information disclosure

**Major honors**

CAPCO (China Association for Public Companies) Company Secretary Performance Rating: 4A

2024 Best Governance Construction Award for Listed Companies

## Investor exchange

Attaching great importance to investor relations management, the Company is committed to standardizing investor research processes and maintaining sound investor relations. We actively receive investors through channels such as the company website, e-mail, dedicated telephone and the Shanghai Stock Exchange e-interactive platform. In addition, the company holds performance briefings on a regular basis to answer questions of concern to investors, and promotes the company's core values to institutional investors by participating in reverse roadshows and strategy meetings to enhance its image in the capital market. In addition, we also organize investors to visit the Company (including but not limited to exhibition halls, workshop production sites, etc.) to enhance investor participation and further improve the Company's governance level.

### Key performance

Performance briefings held during the reporting period	On-site surveys of institutional investors	Theme Strategy Meeting	Reverse roadshow
<b>4</b>	<b>103</b>	<b>13</b>	<b>26</b>
On-site reception	Visit benchmark factories	Covering investors	
<b>1</b>	<b>1</b>	<b>500+</b>	



## Tax management

The Company attaches great importance to tax management, strictly adhering to tax laws and regulations. We have established a robust internal tax control system, optimized tax planning strategies, ensured full tax compliance, effectively mitigated tax risks, and thereby fostered the Company's steady and sustainable development.

### Key performance

Tax compliance trainings organized during the reporting period	Tax knowledge contest
<b>12</b>	<b>1</b>
Tax disputes	Selected annually as tax Class A enterprise, tax export demonstration enterprise.
<b>0</b>	<b>A</b>

### Major honors



Enterprise with a tax payment of more than RMB100 million in 2024



- Tax compliance**

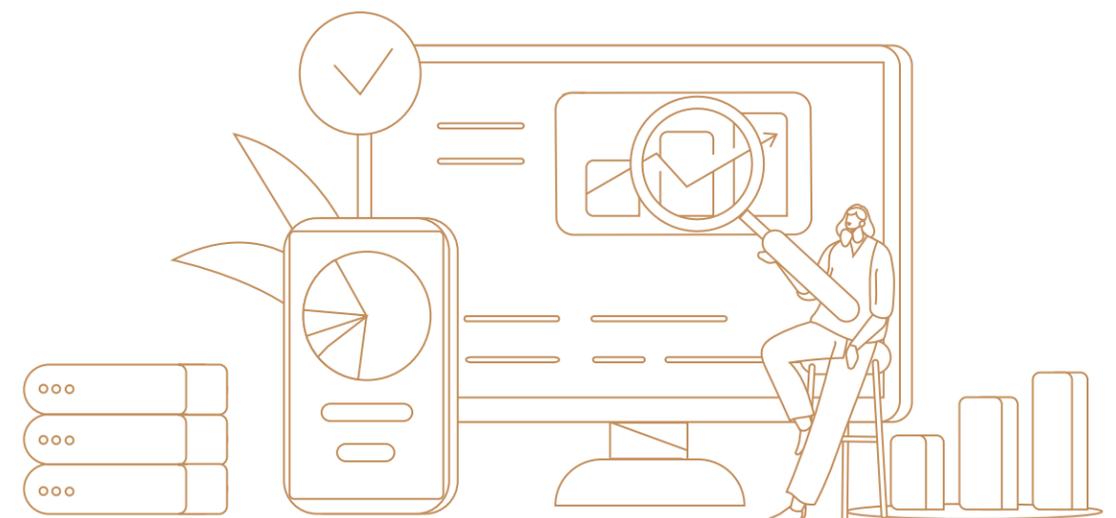
The Company strictly complies with national tax laws and regulations, fulfills its tax obligations in good faith in accordance with the law, and has been consistently rated as a Class A taxpayer annually. It actively fulfills its obligations for withholding and remitting taxes, with no instances of tax concealment, underreporting, misreporting, tax evasion, or fraudulent practices. The Company regularly hires a professional accounting firm to conduct special tax audits every year.
- Tax transparency**

In accordance with the BEPS principles, the Company hires professional third parties to conduct related transfer pricing analysis and dual-pillar training to ensure compliance with international tax burdens.
- Tax management system and internal control system**

The Company has established a tax risk management process and a special bill review post to ensure the compliance of invoices and the rationality of business. The Company has also established a tax risk map to avoid various tax risks in advance, and improve employees' tax compliance awareness through daily tax policy push and training.
- Organizational structure and responsibilities**

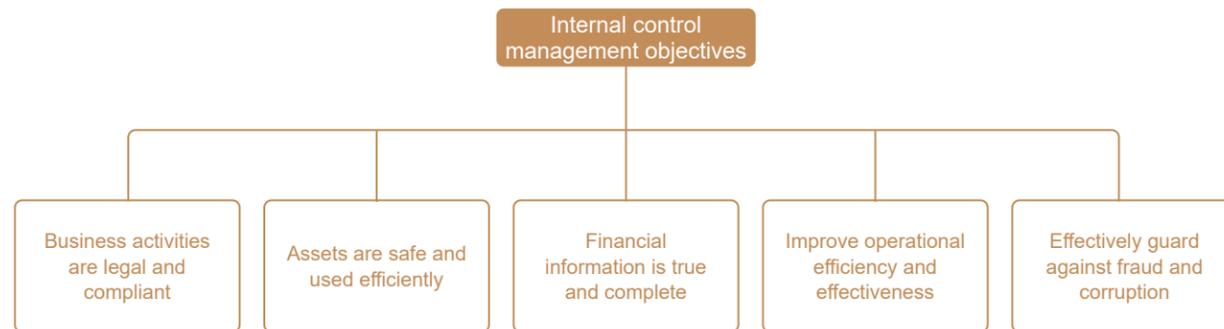
The Company has established Tax Department, Legal Department, and Audit Department, with the Tax Director, Legal Director, and Audit Director responsible for tax compliance, legal compliance and operational integrity, respectively. The three departments work together to conduct compliance irregular reviews of taxes, vouchers and contracts on a monthly basis.

### Tax management principles



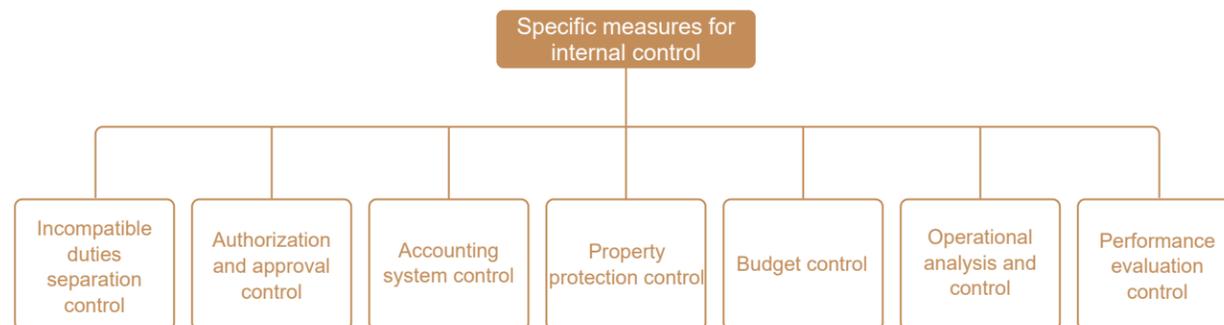
## Strengthening internal control of risks

In accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Accounting Law of the People's Republic of China, the Basic Standards for Enterprise Internal Control, the Shanghai Stock Exchange Listing Rules, the Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 1 - Standardized Operations, and other relevant laws, regulations, as well as the Company's Articles of Association, the Company has formulated the Internal Control Management System, established a compliance and risk control framework, developed a risk inventory, and defined operational red lines to enhance management efficiency, strengthen risk prevention capabilities, mitigate and resolve risks, promote standardized operations and sustainable development, and protect the legitimate rights and interests of investors.



### Risk internal control management objectives

In order to strengthen risk management and ensure sound operation and sustainable development, the Company has formulated the Risk Management System to define the processes of risk identification, assessment, response and monitoring. Internal control measures include separation of incompatible duties, authorization and approval, accounting system control, property protection, budget control, operational analysis and performance evaluation to comprehensively prevent risks. The organizational structure of risk management has clear responsibilities at all levels and operates in a coordinated manner to ensure the effective operation of the risk management system and provide guarantee for the Company's long-term and stable development.

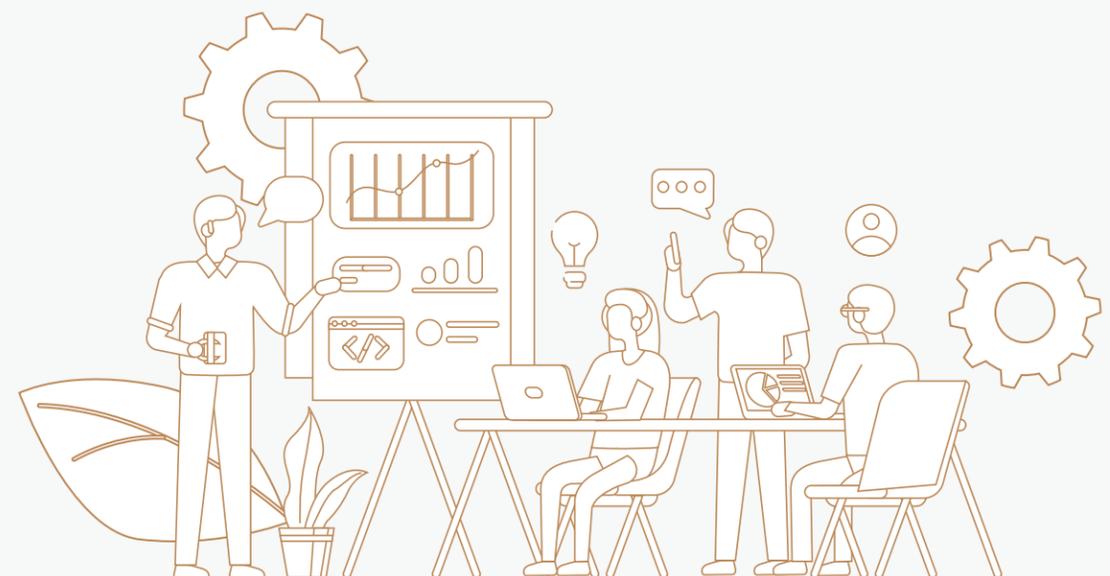


### Specific measures for internal control



### Case: legal compliance training strengthened corporate risk management and enhanced employees' risk awareness

In 2024, the Company carried out a number of training activities around compliance management: marketing and advertising compliance training was held in February, "Trade Secret Protection" training was carried out in April, and foreign-related legal compliance training was organized in August. In addition, laws and regulations in the fields of securities, law, and auditing were shared from time to time throughout the year to continuously strengthen employees' compliance awareness.



## Adhere to business ethics

The Company is convinced that adhering to business ethics is the cornerstone of the Company's long-term development and the key to winning the trust of customers, employees and society. The Company upholds the principles of integrity, fairness, accountability, and transparency, establishing a strong reputation in the fiercely competitive market and driving sustainable societal development. In order to effectively prevent operational and management risks, encourage employees to actively participate in corporate governance, and promptly monitor and report possible internal bribery, illegal acceptance of kickbacks, improper benefits, fraud, operational defects or violations, we have specially formulated the Anti-Commercial Bribery and Anti-Corruption System to ensure that the Company operates in accordance with laws and regulations.

The Company prioritizes anti-corruption and anti-bribery governance for its business partners. Through initiatives such as Supplier Annual Conferences, irregular training sessions, and on-site awareness campaigns, it extensively promotes its Anti-Corruption and Anti-Bribery Policy. Additionally, by signing the Integrity Commitment Agreement, distributing A Letter to Partners, conducting short video campaigns, and paying regular site visits, the Company actively conveys its commitment to ethical practices and clean business conduct. In 2024, the signing rate of supplier integrity commitment agreements/commitment letters/integrity contracts reached 100%. Supplier Management System: set relevant requirements for supplier access, such as legality, compliance, and honest operation. A Letter to Partners details the strict prohibition of all forms of corruption and bribery. The Company also launched anti-corruption, bribery and corruption awareness campaigns for the immediate family and friends of staff members who have strong ties with business partners, and regularly visited business partners to spot-check for any non-compliance.

### Case: anti-corruption seminars guided the enterprise to practice business ethics

The Company held a general management cadre meeting at the Jiaojiang headquarters on January 22, 2024 to provide integrity and self-discipline training, where all management cadres present took oaths. An anti-corruption seminar was held at Linhai Factory on July 19, 2024 and at the headquarters of the Company on July 24, 2024 respectively. The Company's senior management set an example by taking the lead in swearing and signing a commitment to integrity and self-discipline. The anti-corruption seminars further strengthened employees' awareness of integrity, improved the Company's compliance management level, further consolidated our corporate culture, and laid a solid foundation for the sustained and stable development of the Company.



## Reporting and complaints

To encourage the reporting of non-compliant conduct and safeguard the rights and interests of whistleblowers, the Company has established the Whistleblower Protection System. Employees can report anonymously by phone, letter, email, WeChat or in person. The Company strictly maintains the confidentiality of whistleblower information and prohibits any disclosure of such information or retaliation against whistleblowers. The Company rewards meritorious whistleblowers and imposes strict penalties for malicious allegations, thereby ensuring the fairness and transparency of the whistleblowing mechanism and advancing compliance-driven corporate development.



### Reporting or complaint channels

<p><b>Protection of whistleblowers</b></p> <p>The Company shall protect whistleblowers from retaliation, provided that they act in good faith, hold a reasonable belief in the accuracy of the information, abstain from false allegations, and are not motivated by personal interests.</p>	<p><b>Confidentiality</b></p> <p>Those who accept reports and conduct investigations must strictly maintain confidentiality, must not disclose the whistleblower's information or the content of the report, must properly keep the materials, and must not reveal the whistleblower's identity.</p>	<p><b>Reward mechanism</b></p> <p>Meritorious whistleblowers will be rewarded and their personal information shall not be disclosed without their consent.</p>
<p><b>Duty to report</b></p> <p>The whistleblower must be responsible for the content of the report. If it is a false accusation or defamation, he or she will be warned, expelled or handed over to judicial authorities depending on the circumstances.</p>	<p><b>No retaliation</b></p> <p>No department or employee may retaliate against whistleblowers. Violators will be warned, dismissed or handed over to judicial authorities for prosecution.</p>	<p><b>Dealing with violators</b></p> <p>Investigators who violate confidentiality regulations or perform their duties impartially will be warned, dismissed or handed over to judicial authorities depending on the circumstances.</p>

### Whistleblower protection and penalties for violations

## Anti-unfair competition

The Company strictly abides by the Anti-Monopoly Law and the Anti-Unfair Competition Law, adheres to the principles of "voluntariness, equality, fairness and integrity", and is committed to maintaining a fair and orderly business environment and fair competition order in the sewing equipment industry.

### Case: antitrust training enhanced corporate compliance in market competition and drives sustainable development

In December 2024, the Company organized an antitrust training session to enhance understanding of competition laws and regulations, strengthen compliance awareness, and prevent monopolistic behavior through case analysis and regulatory interpretation. The training session helped the Company identify potential risks, establish internal monitoring mechanisms, ensure fair competition in the market, and promote the healthy and sustainable development of the Company.





# 6

## Contributing to common prosperity, and returning benefits to society

Jack Shares adheres to the concept of "contributing to common prosperity" and plays a positive role in rural revitalization. It empowers rural development through industrial support, consumer assistance, poverty alleviation donations and other means. In addition, the Company continuously carries out charity activities to return benefits to society. With a persistent pursuit for forging an influential brand with public welfare concern, it actively practices corporate social responsibility, and shares development results with the community.

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## Contributing to rural revitalization

The Company actively shoulders social responsibilities and contributes to rural revitalization. It has effectively promoted targeted poverty alleviation and regional economic development through a number of initiatives, including supporting management of designated wheat fields in Henghechen Village, Xiachen Street, making targeted donations to Dongdi Township, Nayong County, Guizhou Province, and carrying out consumer assistance in Seda County. In addition, through the Common Prosperity Workshop program, the Company facilitates nearby employment for local residents, contributing Jack's force in realizing common prosperity.

### Key performance



During the reporting period, the Company participated in

**14**

programs concerning rural revitalization

### Case: supporting management of wheat fields to contribute to rural revitalization

The Company actively plays the exemplary and leading role of local elites, and has supported the management of 10 acres of designated wheat fields in Henghechen Village, Xiachen Street. Through resource integration and industrial driving, it helped villagers increase their income. In this way, the Company contributed to rural revitalization, achieved a win-win result in economic and social benefits, and injected new vitality into rural development.



### Case: targeted donations stimulated endogenous dynamic in rural areas

In an active response to the national call, the Company made targeted donations to Dongdi Township, Nayong County, Guizhou Province, supporting local development policies with practical actions and helping to consolidate and expand local development achievements. Through precise allocation of funds and resources, the endogenous dynamic of rural areas was stimulated, achieving a win-win result of social harmony and economic development.



### Case: Seda County Consumption Assistance — Joining Hands to Build a Rural Revitalization Dream

The company actively carries out consumption assistance initiatives in Seda County, its paired support region. By purchasing local specialty products and promoting tourism resources, it has effectively stimulated the local consumer market. These efforts not only generate tangible economic benefits for Seda's farmers and herders but also robustly advance the sustainable development of local industries, injecting strong momentum into the implementation of the rural revitalization strategy.



### Case: setting up the Common Prosperity Workshop to support people with disabilities and low-income groups

Employment and income increase for farmers. Through innovative employment models, the Company established a common prosperity workshop in Jiaojiang District, Taizhou City, Zhejiang Province, providing jobs for disabled and low-income farmers. Through collaborative operation of automation equipment, the production efficiency was significantly improved while the average monthly income per worker exceeded RMB3,000. In the future, the Company will strive for further development by enhancing party building, upgrade and improve the Common Prosperity Workshop, contribute to common prosperity, and shoulder more social responsibilities.



## Give back to society

The Company adheres to the concept of "returning benefits to society and spreading love" and actively participates in public welfare undertakings. The Company donated money to the Charity Federation to set up an education fund to support poor students, and donated to the Zhejiang Veterans Support Association for the cause of caring for veterans. Before every festival, the Company arranges visits to economically challenged groups for delivering warmth and care. For its years of public welfare contributions, the Company has won many public welfare honors, highlighting its active undertaking of social responsibilities.

### Key performance



During the reporting period, the number of the Company's participation in volunteer activities reached

**hundreds of** person-time



Average volunteer activity duration per person

**3** hours

### Major honors

In September 2024, the Company was awarded the title of Demonstration Enterprise in "Honoring Teachers and Prioritizing Education" by the Jiaojiang District Committee and District Government, demonstrating the Company's support and contribution to education and its good social image in this respect.





**Donation to the Charity Federation**

The Company donated RMB 5 million to the Jiaojiang District Charity Federation for various charities, poverty relief and other activities, contributing to Taizhou's high-quality development and building of a pilot city for common prosperity.



**Donation to the Education Foundation**

The Company donated RMB 3 million to the BiXin Education Foundation to support economically challenged teachers and students and reward outstanding teachers and students. It also visits primary and secondary schools to deliver care before the Teachers' Day every year, contributing to the development of education.



**Donation to the Zhejiang Veterans Support Association**

The Company donated RMB 300,000 to the Zhejiang Veterans Support Association, showing care for veterans with practical actions, contributing to supporting the military and caring for servicemen families, and fostering a social atmosphere that respects servicemen.



**Pre-holiday visits and donations**

Before the Spring Festival, the Company visited the Xiachen area, extended festive greetings to the elderly who live alone, and gave them New Year gifts to convey social warmth and love.



**Emergency rescue operations**

In August 2024, Jianchang County, Liaoning Province suffered severe floods. Many customers there had their equipment damaged and faced the risk of production suspension. The Company promptly launched an emergency response mechanism and coordinated closely with local governments, rescue teams and customers to provide technical support and equipment maintenance services in a timely manner to ensure that customer factories resumed operation as soon as possible.



# Build a public welfare brand

Through the Zhejiang Filial Piety Sewing Foundation's "Sewing Love for Thousands of Families" and "Doing Good Together" public welfare programs, the Company has vigorously shouldered social responsibility and delivered humanistic care. In 2024, the Company upgraded the "Doing Good Together" program to the "Jack Charity League" to further motivate enthusiasm for charity, promote the charity cause, carry forward traditional culture, and convey love and hope.

## Filial Piety Sewing Foundation

Committed to the mission of "spreading filial piety around the world and filling the world with kindness", Zhejiang Filial Piety Sewing Foundation fully promoted the "Five Thousand Programs" in 2024. By integrating corporate culture, social responsibility and humanistic care, it promoted high-quality development of charity, carried forward the spirit of filial piety and kindness, conveyed love and hope, and helped build a warm and sustainable society.



The "Sewing Love for Thousands of Families" public welfare program has been extensively carried out in many places across the country with a total of **30** sewing volunteers recruited. In 2024, **7** sewing activities were carried out, providing sewing services to more than **800** elderly people, and sewing more than **1,500** pieces of clothing in total. Moreover, the foundation launched the "Filial Piety Sewing Class" to help children inherit traditional crafts and cultivate filial piety. Joining hands with the community to build "Charity Sewing Homes" to pass on warmth to every corner of the society. The Sewing Love for Thousands of Families program won the Excellence Award in the 2024 Taizhou City New Era Civilization Practice Project Competition.



The "Sewing for a New Life" program has successfully helped **2** disabled people regain their confidence in life and **1** disabled college student land a job.



The Smart Sewing Workshop donated equipment worth RMB **1.01** million to Changzhou Vocational Institute of Textile and Garment for economically challenged students to study and complete their education.



As of December 2024, the total assistance funds of the Filial Piety Sewing Foundation have reached RMB **3.5** million, covering **105** families in need, providing educational support to more than **990** targets, and providing assistance to **hundreds of** elderly people. Zhejiang Filial Piety Sewing Foundation was rated as a **4A-level social organization in Zhejiang Province**.



## Jack Charity League

While developing itself, the Company has always been enthusiastic about public welfare and actively delivers benefits to the community. The Company formulates detailed plans for public welfare activities every year. Through public welfare programs such as Doing Good Together, mobile charity markets, and volunteer public welfare actions, it wholeheartedly fulfills corporate social responsibility and conveys humanistic care.

In 2024, the Company continued to upgrade public welfare programs, further stimulated public welfare enthusiasm, and promoted high-quality development of charity. By carrying forward traditional culture and conveying love and hope, the Company has made significant contributions to the sustainable development of society.

### Key performance



Since 2023, the "Doing Good Together" charity program has carried out **5** charity donation activities at the Jiaojiang headquarters, Linhai factory, Xiachen factory, Taizhou Bay Cluster Area factory and supplier Qiangxin Machinery Technology (Laizhou) Co., Ltd. These events were publicized through WeChat public accounts, video accounts, etc. to attract more upstream and downstream people in the industrial chain to participate. All proceeds from the programs have been donated to the Zhejiang Filial Piety Sewing Foundation.



During the reporting period, the Company participated in **14** public welfare programs concerning rural revitalization, common prosperity, support for targeted Western regions, education support, community development, caring for the elderly, charity sales, Sunshine Home, and Doing Good Together. More than **1,000** persons participated, with an average of **1.8** hours per person participating in public welfare activities. The total amount of donations in cash and materials approached RMB **1.9** million.



## Key performance

Indicator classification	Name of quantitative indicator	Unit	2024
<b>Society</b>			
Number of employees	Number of employees	/	7,163
Number of new employees	Number of newly-recruited employees	/	1,561
	Number of newly-recruited full-time employees	/	1,561
Number and proportion of employees by gender	Number of female employees	/	2,290
	Number of male employees	/	4,873
	Proportion of female employees	%	32
	Proportion of male employees	%	68
Number and proportion of employees by employment type	Number of full-time employees	/	7,163
	Proportion of full-time employees	%	100
Number and proportion of employees by age	Number of employees aged 30 and below	/	2,028
	Number of employees aged 30-50	/	4,151
	Number of employees aged 50 and above	/	984
	Proportion of employees aged 30 and below	%	28
	Proportion of employees aged 30-50	%	58
	Proportion of employees aged 50 and above	%	14
Number of employees by educational background	Number of employees with bachelor's degree or below	/	5,719
	Number of employees with a Bachelor's degree	/	1,300
	Number of employees with a Master's degree	/	133
	Number of employees with a doctoral degree	/	11
Number of employees by rank	Number of senior management staff	/	104
	Number of mid-level management staff	/	263
	Number of junior management staff	/	595
	Ordinary employees	/	6,201
R&D department personnel	Total number of R&D personnel	/	1,289
	Proportion of R&D personnel	%	18
Number and proportion of employee resignations	Number of employee resignations	/	751
	Employee turnover/resignation rate	%	10
	Number of voluntary resignations	/	751
	Voluntary employee resignation rate	%	10
Salary	Average salary	RMB 10,000	14.48
	Per capita income	RMB 10,000	89.54
Protection of basic rights and interests	Employee social security payment coverage rate	%	100
	Number of employees with difficulties in unit revenue assisted	Employees per million revenue	0.0008
Discrimination	Confirmed incidents of discrimination	/	0
Forced labor	Confirmed incidents of forced labor	/	0

Indicator classification	Name of quantitative indicator	Unit	2024
Child labor	Confirmed incidents of child labor	/	0
Employee satisfaction survey	Total copies of employee satisfaction questionnaires distributed	/	6,474
	Questionnaire response rate	%	78
	Employee satisfaction results	%	91.42
Health and safety training and drills	Total hours of occupational health and production safety training	Hours	7,500
	Total training hours per person	Hours	1
	Number of safety drills (fire, toxic gas leak, etc.)	/	150
安全生产投入	Total investment in production safety	RMB 10,000	2,020.43
	Proportion of total investment in production safety against operating revenue	%	0.33
	Amount of employee work-related injury insurance investment	RMB 10,000	328
	Employee work-related injury insurance coverage rate	%	100
Work-related injury	Number of employees injured at work (serious injury or above)	/	0
	Number of work-related deaths (if none, fill in 0)	/	0
	Number of work-related deaths per unit of revenue	Employees per RMB 100 million revenue	0
	Number of workdays lost due to work-related injuries	Day(s)	963
	Number of workdays lost due to work-related injuries per unit of revenue	Days per RMB 1 million revenue	0.16
	Occupational disease incidence	%	0
	Employee lost time injury frequency rate	%	0.34
	Injury rate per working hour	% per million working hours	1.34
Supplier security	Number of suppliers injured at work (minor injuries or above)	/	0
	Number of work-related deaths of suppliers (if none, fill in 0)	/	0
	Total hours of supplier safety training	Hours	100
Employee training hours	Total training hours	Hours	49,026
	Average training hours per person	Hours	6.84
	Total training hours for female employees	Hours	15,585
	Average training hours for female employees	Hours	6.81
	Total training hours for male employees	Hours	33,441
	Average training hours for male employees	Hours	6.86
	Total training hours for senior management	Hours	1,680
Average training hours for senior management	Hours	16.15	
Staff training assessment	Total number of training sessions throughout the year	/	2,300
	Annual training expenditure	RMB 10,000	1,088
	Number of employees trained	/	7,163
	Employee training coverage	%	100

Indicator classification	Name of quantitative indicator	Unit	2024
Suppliers in general	Number of main suppliers	/	243
Supplier category management	Raw materials	/	194
	Equipment	/	36
Supplier tier management	Non-production	/	13
	Number of tier-1 suppliers (direct suppliers)	/	234
Supplier assessment	Number of non-tier-1 suppliers (indirect suppliers)	/	9
	Supplier assessment coverage	%	100
Sustainable procurement	Supplier assessment pass rate	%	100
	Percentage of suppliers who have signed a supplier code of conduct	%	97.94
	Percentage of suppliers that have signed clauses that include environmental and labor requirements	%	97.94
	Number of suppliers that have conducted social impact assessments	/	54
	Number of suppliers that have conducted environmental impact assessments	/	111
	Number of suppliers identified as having actual and potential significant negative social impacts	/	0
	Number of suppliers identified as having actual and potential significant negative environmental impacts	/	0
Production quality	Proportion of purchasers within the Company who have received sustainable procurement training	%	100
	Product qualification rate	%	99.43
	Number of product recalls	/	1,200
	The product recall rate was	%	0.039
Intellectual property rights	Amount of damages caused by major safety and quality accidents related to products and services in the year	RMB 10,000	0
	Holding of trademarks, etc.	/	669
Accounts payable and outstanding	Amount of overdue payment	RMB 10,000	0
	Amount of overdue payments to SMEs	RMB 10,000	0
R&D investment	R&D expenditure	RMB 10,000	48,799.02
	Proportion of total R&D expenditure against operating revenue	%	8.01
	Proportion of R&D staff	%	18.00
Intellectual property rights	Total Valid Patents Held	/	2,705
	Invention Patents	/	1,125
	Utility Model Patents	/	1,334
	Design Patents	/	246
	Accumulated Software Copyrights Obtained	/	549
Customer service	Customer feedback response speed	/	Response within 10 minutes
	Customer feedback response rate	%	99.94

Indicator classification	Name of quantitative indicator	Unit	2024
Customer service	Customer complaints	/	67
	Cumulative customer service	/	55,403
Customer satisfaction survey	Total number of customer satisfaction questionnaires distributed	/	11,000
	Total number of customer satisfaction questionnaires returned	/	10,450
	Total number of valid customer satisfaction questionnaires returned	/	10,450
	Questionnaire response rate	%	95
	Results of customer satisfaction survey	%	88.5
Data security and customer privacy	Number of confirmed incidents of data security	/	0
	Specific amount involved in incidents of data security	RMB 10,000	0
	Number of training sessions for data security and customer privacy protection	/	970
	Number of relevant emergency drills	/	1
	Number of confirmed incidents of customer privacy breach	/	0
	Specific amount involved in incidents of customer privacy breach	RMB 10,000	0
<b>Environment</b>			
Environmental management	Total investment in environmental management	RMB 10,000	921.78
	Proportion of total investment in environmental management against operating revenue	%	0.15
	Number of violations of environmental laws and regulations	/	0
	Amount of major administrative penalties imposed by relevant departments such as the ecological environment department due to environmental incidents during the reporting period	RMB 10,000	0
Energy	Diesel consumption	L	244,545
	Natural gas consumption	Cubic meters	1,100,248
	Power consumption	MWh	168,470
	Total amount of purchased electricity	MWh	150,969
	Amount of renewable electricity generated and consumed	MWh	17,501
Air pollutant emissions	Solar energy consumption	MWh	12,815
	Total exhaust emissions	10,000 cubic meters	493,065.87
	Nitrogen oxide (NOx) emissions	Kg	2,686.41
	Volatile organic compounds (VOCs) emissions	Kg	3,349.52
Water pollutant discharge	Particulate matter (PM) emissions	Kg	40,168.78
	Total wastewater discharge	10,000 cubic meters	1.46
Water resource management	Total water consumption	Tons	4,261,418
	Water use intensity	Tons per RMB 10,000 revenue	6.99
Waste disposal	Total waste generation	Tons	4,028.85
	Of which: total amount of hazardous waste	Tons	391.13
	Of which: total amount of non-hazardous waste	Tons	3,637.72
Raw materials and packaging materials management	Total mass or volume of materials used in production and packaging	Tons per cubic meter	5,834.4
	Of which: non-renewable materials used	Tons per cubic meter	2,203.2

Indicator classification	Name of quantitative indicator	Unit	2024
Raw materials and packaging materials management	Renewable materials used	Tons per cubic meter	3,631.2
	Recycling rate of materials used in production and packaging	%	95
	Of which: production material recovery rate	%	95
	Of which: packaging material recycling rate	%	95
<b>Governance</b>			
Board of Directors	Total number of Board of Directors members	/	9
	Number of female directors	/	2
	Number of non-independent directors	/	6
	Number of independent directors	/	3
	Proportion of female directors on the Board of Directors	%	22
	Proportion of executive directors on the Board of Directors	%	67
	Proportion of independent directors on the Board of Directors	%	33
	Proportion of independent directors on the Audit Committee	%	67
	Proportion of independent directors on the Compensation Committee	%	67
	Proportion of independent directors on the Nomination Committee	%	67
	Proportion of independent directors with a tenure of more than 6 years	%	0
	Proportion of independent directors who serve as independent directors in more than 3 listed companies	%	0
	Number of meetings of the Board of Directors attended by all directors	/	10
	Number of meetings of the Audit Committee of the Board of Directors	/	4
	Number of meetings of the Nomination and Remuneration Committee of the Board of Directors	/	3
	Number of meetings of the Strategy Committee of the Board of Directors	/	1
	Average attendance rate of the Board of Directors	%	100
	Number of directors attending less than 75% of meetings	/	0
	Minimum attendance requirement for each director	%	100
	Average tenure of members of the Board of Directors	Year(s)	4.12
Standard deviation of age of directors, supervisors and senior managers	Year(s)	6.26	
Board of Supervisors	Number of meetings of the Board of Supervisors	/	7
Shareholders' Meeting	Number of Shareholders' Meetings	/	3
Equity and shareholders	Executive shareholding ratio	%	0.75
	Stock pledge ratio	%	0
<b>Economy</b>			
Total assets		RMB 10,000	785,320.96
Operating revenue		RMB 10,000	609,365.38
Profit before tax (PBT)		RMB 10,000	90,163.45

## Index of Indicators

Level-1 topic	Level-2 topic	Related chapters
Combating climate change	Management of risks and opportunities related to climate change	Combating climate change
	Assess the adaptability of the Company's strategy and business model to climate change	Combating climate change
	Transformation plans and measures to address climate-related risks and opportunities, and progress	Combating climate change
	Provide greenhouse gas emissions in different scopes by category	Combating climate change
	Provide greenhouse gas emissions by category	Combating climate change
	Methods for calculating greenhouse gas emissions	Combating climate change
	Practices in reducing Greenhouse gas emissions	Combating climate change
Pollutant emissions	New technologies, products and services that are conducive to reducing carbon emissions and achieving carbon neutrality	Cleantech opportunities
	Information of pollutant discharge	Pollution emission control
	Pollutant discharge and treatment	Pollution emission control
	Impact on the group	Pollution emission control
Waste disposal	Administrative penalties	Pollution emission control
	Amount of waste	Pollution emission control
Ecosystem and biodiversity conservation	Information of treatment	Pollution emission control
	Exit	No, the Company's operations do not involve biodiversity destruction
	Protective measures within the area	No, the Company's operations do not involve biodiversity destruction
	Protective and restoration measures	No, the Company's operations do not involve biodiversity destruction
	Biological genetic resources	No, the Company's operations do not involve biodiversity destruction
Environmental compliance management	Product life cycle impact	No, the Company's operations do not involve biodiversity destruction
	Risk management	Environmental compliance management
	Emergency	Environmental compliance management
Energy utilization	Administrative penalties	Environmental compliance management
	Status of use	Efficient use of resources
	Clean energy	Combating climate change
Water resource utilization	Conservation target	Efficient use of resources
	Status of use	Efficient use of resources
Circular economy	Conservation target	Efficient use of resources
	Goal-oriented plan	Efficient use of resources
	Specific measures	Efficient use of resources
Rural revitalization	Progress	Efficient use of resources
	Corporate strategy	Contributing to rural revitalization
	Specific measures	Contributing to rural revitalization
	Work results	Contributing to rural revitalization

Level-1 topic	Level-2 topic	Related chapters
Social contribution	Contribution	Give back to society
Innovation Driven	Strategic goals	R&D innovation driven
	Specific situation	R&D innovation driven
	R&D results	R&D innovation driven
	Innovation impact	R&D innovation driven
Scientific and technological ethics	Field of work	R&D innovation driven
	Internal management	R&D innovation driven
	Violations	No, the Company's research and development does not involve any violation of scientific and technological ethics
	Training and promotion	No, the Company's research and development does not involve any violation of scientific and technological ethics
Supply chain security	Risk management	Supply chain management
	Support measures	Supply chain management
	Improvement measures	Supply chain management
Treat small and medium-sized enterprises equally	Unpaid amount	Not involved
	Specific situation	Adhere to business ethics
Ecosystem and biodiversity conservation	Exit	No, the Company's operations do not involve biodiversity destruction
Product and service safety and quality	Management system	Ensure product quality
	Quality certification	Ensure product quality
	Major accidents	Ensure product quality
	After-sales service	Ensure product quality
	Accessibility	Ensure product quality
Data security and customer privacy protection	Management system	Digital strategy
	Security incidents	Digital strategy
	Customer privacy protection	Digital strategy
	Leakage	Not involved
Employees	Employee recruitment	Protect employees' rights and interests
	Occupational health and safety	Care for employees' health
	Career development and training	Talent training and development
Due diligence	Due diligence progress	ESG governance
Stakeholder communication	Communication system	ESG governance
	Suggested channels	ESG governance
Circular economy	Goal-oriented plan	Efficient use of resources
Anti-commercial bribery and anti-corruption	Management system	Adhere to business ethics
	Risk assessment	Adhere to business ethics
	Training performance	Adhere to business ethics
	Event	Not involved
Anti-unfair competition	Management system	Adhere to business ethics
	Administrative penalties	Not involved

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