



Jafron健帆

Health Technology for a Better World



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2024

ENVIRONMENTAL, SOCIAL AND
GOVERNANCE (ESG) REPORT 2024

Jafron Biomedical Co., Ltd.

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About This Report

Report Introduction

This is the inaugural Environmental, Social and Governance (ESG) Report published by Jafron Biomedical Co., Ltd. (“Jafron”, the “Company” or “we”). This report intends to disclose the Company’s ESG-related concepts, practices and performance for the 2024 reporting year in an objective, normative, transparent and all-inclusive manner.

Reporting Period

This report covers the period from January 1 to December 31, 2024 (the “reporting period”). In order to present more comparative and forward-looking reporting data, certain sections may include retrospective data or forward-looking statements. This report is published on an annual basis, which is consistent with the Company’s financial reporting cycle.

Reporting Guidelines

- United Nations Sustainable Development Goals (SDGs)
- *Guidelines No. 17 of Shenzhen Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report (Trial)*
- *Guidelines No. 3 of Shenzhen Stock Exchange for Self-Regulation of ChiNext Market Listed Companies – Sustainability Report*
- *Guidelines of China Enterprise Reform and Development Society on Sustainability Reporting for Chinese Enterprises (CASS-ESG 6.0)*
- Global Reporting Initiative (GRI) *Sustainability Reporting Standards* (“GRI Standards”)

Data Sources

The data disclosed in this report is derived from a range of sources, including internal operational records, publicly available data from government agencies, annual financial statements, internal statistics and third-party surveys. All financial figures are presented in Renminbi (RMB). In cases of discrepancies between this report and the financial statements, the latter shall prevail.

Reporting Boundary and Terminology

This report is specific to Jafron Biomedical Co., Ltd. along with its branches and subsidiaries. The scope of this report is consistent with that of the Company’s annual reports. In this report, unless the context otherwise specifies, the following terms shall have the following meanings:

Terminology

Abbreviation	Company Name
Jafron, the Company, we	Jafron Biomedical Co., Ltd.
Beijing Jafron	Beijing Jafron Medical Equipment Co Ltd.
Hubei Jafron	Hubei Jafron Biotechnology Co., Ltd.
ianfu Pharmaceutical	Zhuhai Jianfu Pharmaceutical Co., Ltd.

Confirmation and Approval

This report was approved by the Board of Directors of the Company for publication on April 15, 2025. The Board undertakes to supervise the preparation of this report, confirming that the contents of this report are true, accurate and complete in all material aspects, free from misstatements or misleading information.

This report is published in Chinese. The English version is a translation of the original Chinese text. In the event of any discrepancies, the Chinese version shall prevail.

Access To This Report

This report is available for review and download from the Company's official website (<https://www.jafron.com>), the website of Shenzhen Stock Exchange (<http://www.szse.cn>) and the website of cninfo (<http://www.cninfo.com.cn>), where you can find further insights about Jafron.

Message from the Chairman



External Appointments

Member, Guangdong Provincial Committee of the Chinese People's Political Consultative Conference (CPPCC)

Standing Committee Member, Zhuhai Municipal People's Congress

Executive Committee Member, All-China Federation of Industry and Commerce (ACFIC)

Vice President, Pharmaceutical Chamber of Commerce, ACFIC

Vice Chairman, Guangdong Federation of Industry and Commerce

Chairman, Zhuhai Federation of Industry and Commerce

Vice President, Guangdong Society for Promotion of the Guangcai Program

Honors

Expert Receiving Special Government Allowance from the State Council

Leading Talent of "National High-Level Personnel of Special Support Program"

National Innovation and Entrepreneurship Talent
Forbes China Best CEO 2021

Second Prize, National Science & Technology Progress Award

First Prize, Guangdong Science & Technology Progress Award

Guangdong May 1st Labor Medal Recipient

The year 2024 has been a pivotal chapter in Jafron's journey toward embedding sustainable development at the core of our operations. Amid the dynamic and complex global economic and environmental landscape, we have remained steadfast in our mission of "Health Technology for a Better World", embedding ESG principles into the very fabric of our corporate strategy and day-to-day operations. We are committed to delivering safer and more sustainable healthcare solutions to people around the world.

Over the past year, we were honored with the "People's Craftsmanship Technology Award" and recognized among the "2024 Healthy China Innovative Practice Cases". Leveraging our world-leading blood hemoperfusion with resin adsorption technology, we have continued to deliver "China's solution" across multiple therapeutic areas, including kidney, liver and critical diseases and poisoning. Our products are now distributed across more than 90 countries and used in over 8,000 hospitals, with more than 5 million cases of clinical application annually, bringing renewed hope to millions of patients worldwide. These achievements are the result of the collective dedication of our employees and the enduring trust of our partners, reaffirming the vitality of our business philosophy: "Building Excellence through Expertise, Winning through Quality and Serving with Integrity".

Throughout 2024, we maintained a strong commitment to green development across our research, development and manufacturing activities. Through continuous technological innovation and process optimization, we have worked to reduce resource consumption and minimize our environmental footprint while enhancing energy efficiency and promoting decarbonization practices. We recognize that safeguarding the planet is as vital as protecting human health. Looking ahead, we are determined to further explore low-carbon development pathways, leveraging technologies to contribute to the global pursuit of carbon peak & carbon neutrality and sustainable development.

Over the past year, R&D and innovation have remained at the heart of our strategy towards creating greater industrial values. Anchored by our proprietary "direct blood adsorption" platform technology, we have expanded its clinical applications from detoxification to treatment of kidney, liver and critical diseases. Going forward, we will continue to strengthen our R&D capabilities, actively exploring the transition from disease treatment to disease prevention. We aim to broaden the clinical application of hemoperfusion technologies to encompass preventive healthcare and health management, creating even greater value for global health.

Meanwhile, we have continued to cultivate a "Joyful Co-Win" corporate culture, underpinned by a "striver-centered" philosophy. We further enhanced our talent development and retention programs, allowing employees and shareholders to share the fruits of business development. We provide diverse training opportunities, clear career progression pathways and comprehensive support programs for new graduates in career development and everyday life. Our philosophy — "Maximizing Talent and Optimizing Resources for Shared Success and Prosperity" — remains a guiding force. Since our public listing in 2016, nearly a thousand key employees have shared in the Company's success through equity incentive plans and employee stock ownership plans, truly realizing the vision of shared growth and prosperity. In addition, we remain committed to maximizing shareholder value through cash dividends, share repurchases and increased shareholding by our controlling shareholders, aligning with best practices to deliver strong returns to our investors.

Looking ahead, Jafron will move forward with renewed resolve, embracing ESG principles, expanding healthcare accessibility, accelerating green transformation, and empowering our people to drive collective progress. We firmly believe that integrating business growth with the well-being of humanity is the only path to sustainable, long-term success. Let us join hands to safeguard life with craftsmanship and illuminate the future with technology.

" Dear friends, thank you for taking the time to read this report. On behalf of the Board of Directors of Jafron, I would like to extend my sincere gratitude for your ongoing support and trust in our company.

"

Jafron Biomedical Co., Ltd.
Chairman: Dong Fan

KPI Highlights 2024

Economic



Operating Revenue

RMB **2,677** million

Net profit attributable to shareholders of the parent company

RMB **820** million

Total Assets

RMB **5,383** million

Basic earnings per share

RMB **1.02** per share

Tax Payment

RMB **470** million

Environmental



Total investment in environmental protection

RMB **85,410,200**

Environmental training sessions

12 sessions

Waste disposal compliance rate

100%

Total greenhouse gas (GHG) emissions

19,309.47 tCO₂e

Packaging material recycling rate

56.92%

Social



Labor contract signing rate

100%

Social insurance coverage

100%

Employee health check-up coverage

100%

Training coverage

100%

Wok Safety Investments

RMB **4,336,500**

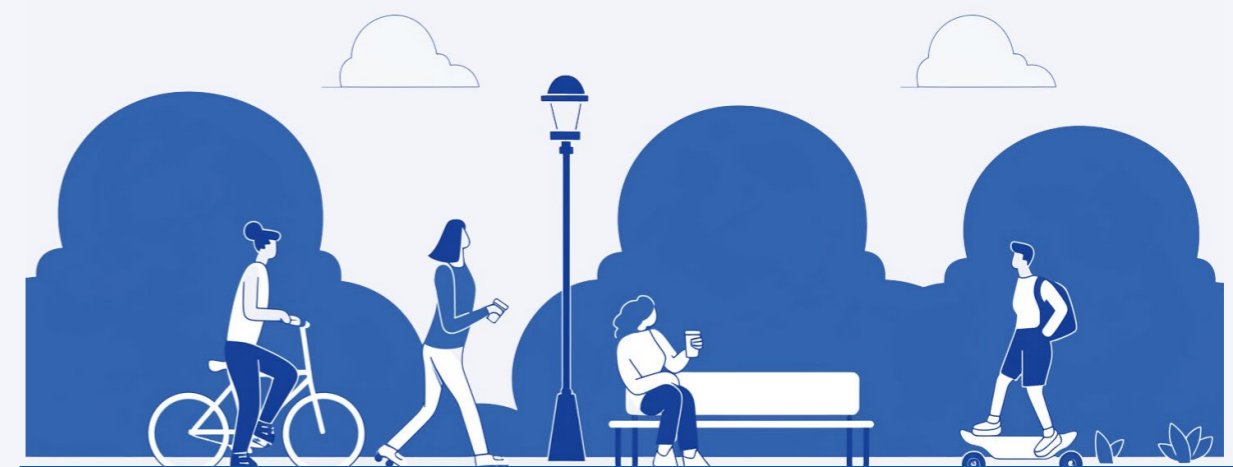
Public welfare investments

RMB **38,302,200**

R&D investments

RMB **240** million

Pass Rate

100%

About Us

I Company Profile

Founded in 1989, Jafron Biomedical Co., Ltd. is a company listed on the ChiNext Market of the Shenzhen Stock Exchange (A-shares) (Stock Code: 300529), specializing in the R&D, manufacturing and sales of biomedical materials and advanced medical devices. The Company's core business focuses on hemopurification products and technologies. The Company ranks among the top Chinese listed companies in the medical device sector by market capitalization. It has been recognized with prestigious awards such as the "Golden Bull Award for Best Investment Value" and "Top 50 ChiNext Listed Companies" for 4 consecutive years. In 2019, it was honored as the "Listed Company with Best Shareholder Return" and with China's Financial Annual Champion Award for ChiNext Market Listed "Competitive Enterprise". Jafron was also named one of the "Hurun China 100 Most Valuable Non-State-Controlled Healthcare Companies 2020". In the past three years alone, the Company has contributed nearly RMB 1.2 billion in taxes.

Jafron has earned numerous accolades, including: the Second Prize of the National Science & Technology Progress Award, the First Prize of Guangdong Science & Technology Progress Award, and Golden Bridge Award of China Technology Market Association; and it has been recognized as a Key High-Tech Enterprise under China's Torch Program, National Manufacturing Single-product Champion Demonstration Enterprise and National Technology Innovation Demonstration Enterprise. The Company has undertaken several major national and provincial science and technology projects,

including: two National Key New Product Projects, three Projects under China's Torch Program, National Industrial Revitalization and Technological Transformation Projects, National Major Scientific and Technological Achievements Commercialization Projects, 12th Five-Year Plan Science and Technology Support Program, Open Bidding for Selecting the Best Candidates Research Program, Guangdong Strategic Emerging Industry Core Technology Research Program. It has received approvals to establish National Enterprise Technology Center, Academician Workstation, Postdoctoral Research Workstation, Provincial Engineering Research Center, Provincial Key Enterprise Laboratory, Provincial Engineering Technology Development Center and Provincial Postdoctoral Workstation. Jafron was among the first companies in China and the second in Guangdong Province to pass the medical device GMP inspection. Its products have received CE certification and ISO quality system certification. The Company has been rated as a Class A Medical Device Manufacturer in Guangdong's Quality Credit Evaluation for 12 consecutive years. In 2019, Jafron was recognized as a "Model Enterprise in the Pharmaceutical Industry" in celebration of the 70th Anniversary of the Founding of New China.

At the core of Jafron's portfolio are its proprietary, world-leading hemoperfusion cartridges, blood purification equipments, and its pioneering clinical medical technologies such as direct blood adsorption, DPMAS, combined artificial kidney and HA+CPB technologies. Jafron's solutions are deployed across more than 6,000 hospitals in over 30 provinces throughout China, and are exported to over 90 countries worldwide, including Germany, the United Kingdom and Italy. These products and technologies play a critical role in treating severe and life-threatening conditions such as uremia, liver failure, poisoning and systemic lupus erythematosus. With a domestic market share exceeding 70%, Jafron's products save hundreds of thousands of patients each year.

Since the commissioning of its blood purification R&D and production facility (Jafron Science and Technology Park) in 2015, Jafron has expanded with three production bases in Zhuhai and new production and innovation centers in strategic regions including Beijing-Tianjin, Guangzhou-Shenzhen and Hubei Province. This geographic footprint supports a balanced industrial layout across South, Central and North China.

Looking forward, Jafron is advancing a holistic blood purification ecosystem that integrates medical devices, consumables, pharmaceuticals, insurance solutions, chronic disease management and healthcare services. This full-spectrum blood purification value chain will support the Company's evolution into a diversified, globally recognized healthcare group and its vision to "Become a World-class High-tech Medical Technology Group".

I Proprietary Products

Since launching its first HA series disposable hemoperfusion cartridge in 2002, Jafron has dedicated over 23 years to advancing adsorption technology. It currently holds 28 medical device registration certificates, including 25 Class III certificates, spanning across the industrial chain of both consumables and medical devices in the blood purification field.

Hemoperfusion Cartridges

Kidney Diseases

- HA Series Disposable Hemoperfusion Cartridges
- KHA Series Disposable Hemoperfusion Cartridges
- pHA Series Disposable Hemoperfusion Cartridges

Critical Diseases

- HA330 Disposable Hemoperfusion Cartridge for acute poisoning interventions
- HA380 Disposable Hemoperfusion Cartridge which is widely used in cardiac surgery, severe acute pancreatitis (SAP), multiple organ dysfunction syndrome (MODS), acute respiratory distress syndrome (ARDS), sepsis/septic shock, severe burns, etc.
- CA330 Cytokine Adsorption Column that is specifically designed to reduce cytokine levels in septic patients

Liver Diseases

- HA330-II and HA60 Hemoperfusion Cartridges
- BS330 and BS80 Disposable Plasma Bilirubin Adsorption Columns
- CA280 Cytokine Adsorption Column

Immunology

- HA280 Disposable Hemoperfusion Cartridge indicated for autoimmune diseases such as anaphylactoid purpura, psoriasis and rheumatoid arthritis
- DNA230 Immunosorbent Column indicated for systemic lupus erythematosus



Dialysis Products

Acute and chronic renal failure

- Comprehensive range of hemodialysis concentrates and powders, including high-potassium formulas, citrate-based solutions/powders, glucose-containing solutions, and solutions with varying calcium ion concentrations
- 13 specifications of High-flux Hemodialyzers
- 11 specifications of Low-flux Hemodialyzers



Blood Purification Equipments

Medical devices that provide extracorporeal circulation drive and safety monitoring for clinical blood purification

- DX-10 Blood Purification Machine
- JF-800A Hemoperfusion Machine
- Future F20 Hemoadsorption Equipment



Clinical Applications

Poisoning

- Pesticide poisoning
- Drug poisoning
- ...

Uremia

- Treatment and prevention of dialysis complications, including:
- Hypotension, arrhythmia, muscle cramp, hypoxemia, pruritus, air embolism, hemolysis, sleep disorders, subdural hematoma
 - ...

Liver Diseases

- Liver failure
- Hepatic encephalopathy
- Hyperbilirubinemia
- Cholestatic liver disease
- Perioperative treatment in liver transplantation
- ...

Critical Care

- Severe acute pancreatitis (SAP)
- Cardiac surgery
- Severe burns
- Trauma
- Sepsis/septic shock
- Acute respiratory distress syndrome (ARDS)
- Multiple organ dysfunction syndrome (MODS)
- ...

Estimated Market Potential

RMB 20+ billion

RMB 10+ billion

RMB 20+ billion

Proprietary Technologies

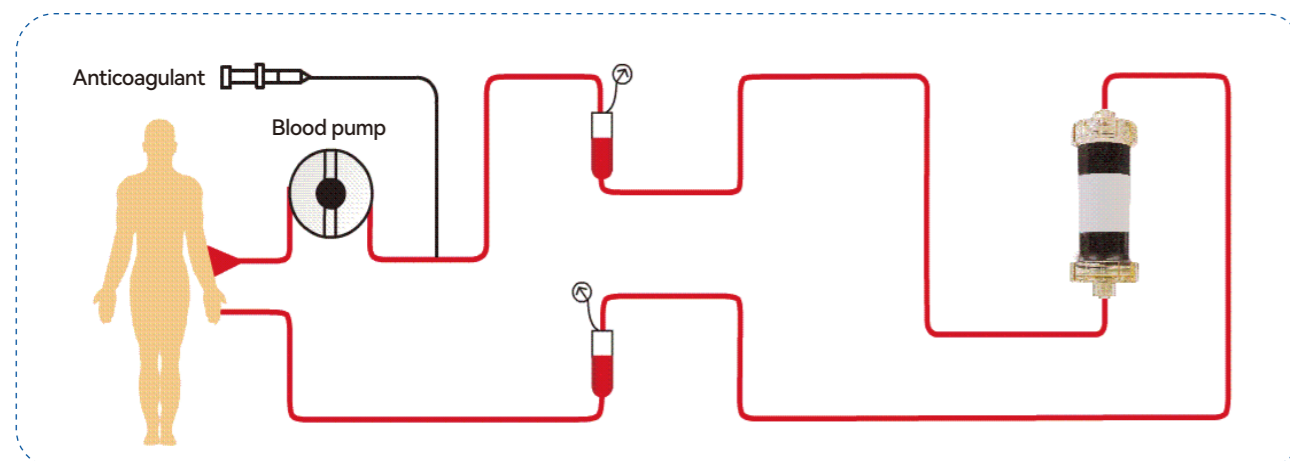
Direct Blood Adsorption: This blood purification therapy involves drawing a patient's blood into an external circulation system, where endogenous and exogenous metabolic waste, toxins and residual drugs are removed through adsorption by specialized resins within the hemoperfusion cartridge. Leveraging its expertise in encapsulation technology, carrier preparation, ligand engineering and medical-grade purification processes, the Company has developed adsorbents with outstanding biocompatibility, clinical-grade safety and specific adsorption performance, enabling safe direct contact with human blood.

Combined Artificial Kidney: This therapy combines hemoperfusion with hemodialysis to achieve broad-spectrum removal of uremic toxins. By integrating the complementary mechanisms of perfusion and dialysis, the system significantly enhances the clearance of medium to large molecules and protein-bound uremic toxins—offering a more effective solution than conventional blood purification methods.

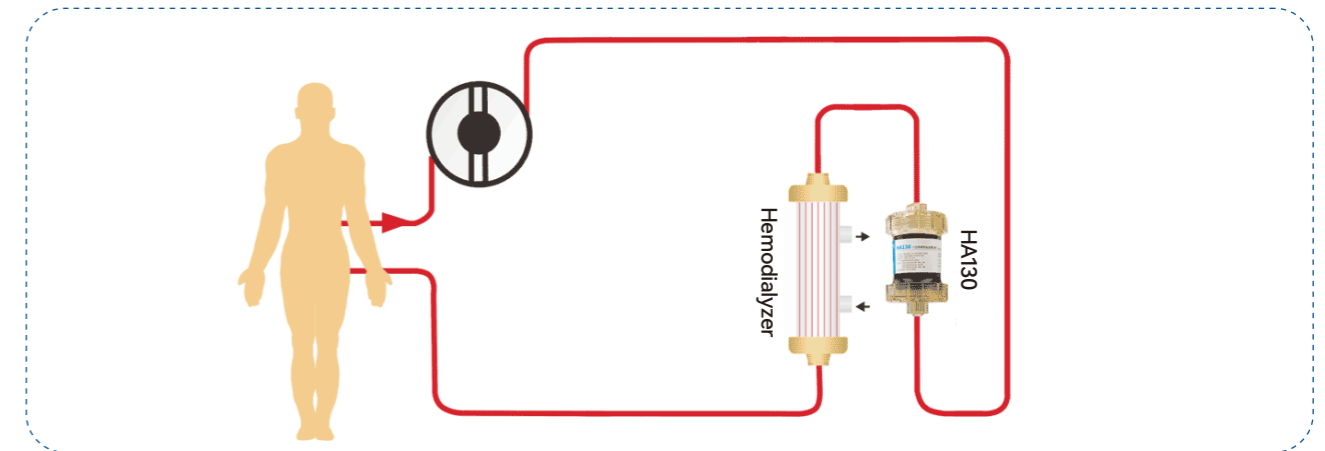
Double Plasma Molecular Absorb System (DPMAS): DPMAS is an innovative artificial liver therapy pioneered by Jafron. It combines two proprietary products—an ion-exchange resin-based bilirubin adsorption column (BS330) and a neutral macroporous resin-based hemoperfusion cartridge (HA330-II)—to create a synergistic blood purification effect. DPMAS can be used either independently or in combination with plasma exchange and other therapies. It enables rapid symptom relief, increases treatment success rates and improves prognosis outcomes. It is indicated for liver failure, hepatopulmonary syndrome and multiple organ dysfunction syndrome (MODS), regardless of etiology.

HA+CPB: This technique involves incorporating the HA380 Disposable Hemoperfusion Cartridge into a cardiopulmonary bypass (CPB) circuit. Blood is diverted from a side branch of the oxygenator through the cartridge and then returned to the reservoir. During this process, synthetic resins effectively adsorb inflammatory mediators generated during CPB treatment, helping to mitigate cytokine storm cascades. This significantly reduces systemic inflammatory responses during extracorporeal circulation in adult patients, stabilizes organ function and improves overall prognosis. The technology has been widely adopted in cardiac surgery and other treatment scenarios.

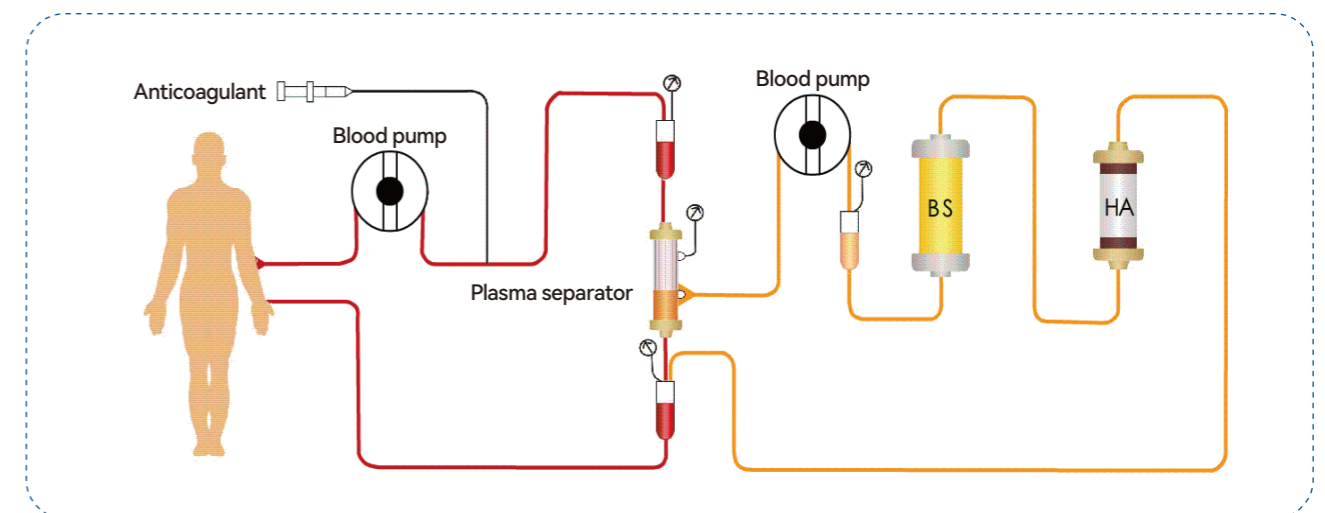
Direct Blood Adsorption



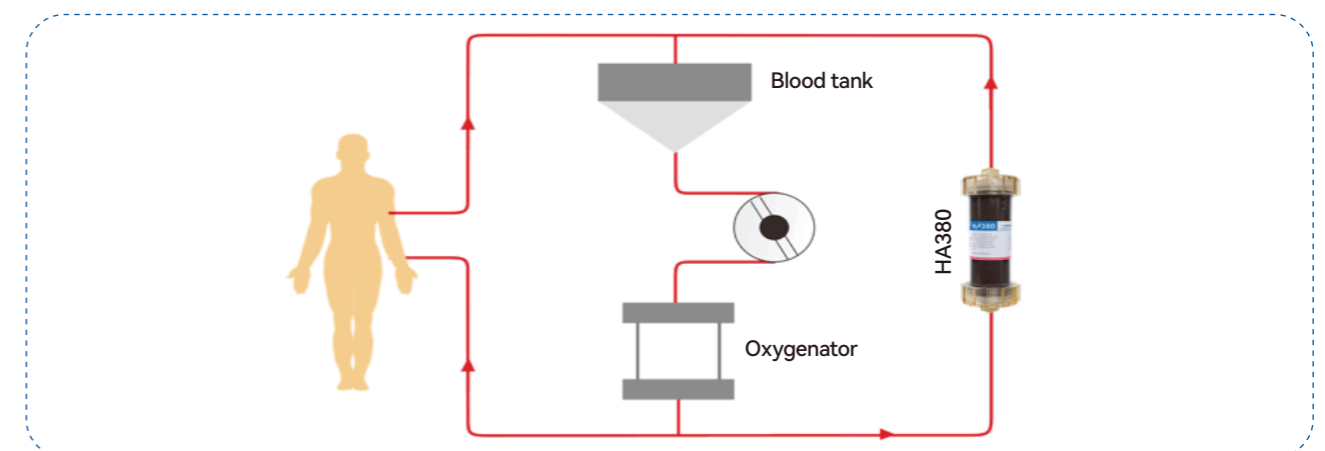
Combined Artificial Kidney



DPMAS®

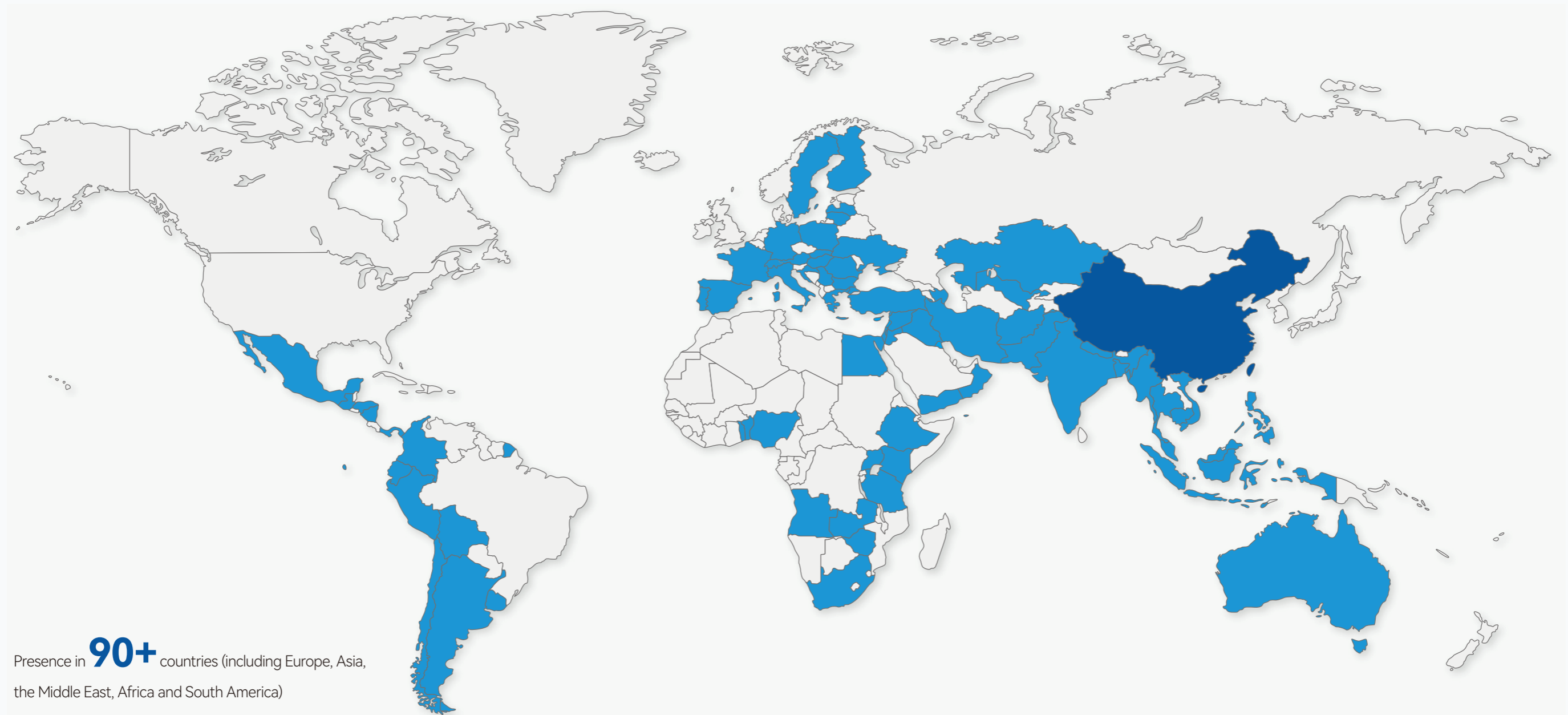


HA+CPB



| Global Footprint

Jafron's Global Footprint



Presence in **90+** countries (including Europe, Asia, the Middle East, Africa and South America)

Collaboration with **8,000+** hospitals worldwide

| Corporate Culture



Vision

Become a World-class High-tech Medical Technology Group



Mission

Health Technology for a Better World



Spirit

Think Before You Act; Persevere Without Retreat



Core Values

Innovation, Dedication, Advancing, Sharing



Business
Philosophy

Building Excellence through Expertise,
Winning through Quality and Serving with Integrity

I Development History



I Production Capacity & Strategic Footprint

Jafron's self-funded blood purification R&D and production facility (Jafron Science and Technology Park South Campus) was successfully completed and commenced operations in 2015, covering 32,000 square meters of land and a total floor area of 65,000 square meters. In 2021, the Jafron Science and Technology Park North Campus was completed and began production, occupying over 18,000 square meters of land and a total floor area of approximately 55,000 square meters. Connected to the South Campus via the "Jafron Bridge", the unified complex now stands as one of the world's largest and most advanced R&D and manufacturing centers for hemodialysis and hemoperfusion products and solutions, strengthening Jafron's position as a professional provider of comprehensive blood purification solutions.

In 2017, Jafron acquired Tianjin Standard Biological Preparation Co., Ltd., followed by the launch of Tianjin Jafron Biotechnology Co., Ltd. in 2018. Together, these two entities formed the Tianjin R&D and production base for blood purification products, specializing in the development, manufacturing and sales of dialysis powders, concentrates and related products.

In December 2021, the Company commissioned the Hubei Jafron Industrial Park which hosted several full value-chain blood purification projects, including the production of hemodialysis powder and concentrate. The park is positioned as a national benchmark for excellence in blood purification manufacturing, enabling Jafron to deliver more premium healthcare solutions to both domestic and global markets. With production bases now established in Zhuhai, Hubei and Tianjin, Jafron has completed a tri-regional industrial layout, strategically covering South, Central and North China.

The Jinding Industrial Park, developed by Jafron, spans nearly 90,000 square meters. The Phase I work, covering approximately 75,000 square meters of total floor area, was completed and operational in 2022. The Phase II work is planned to add another 120,000 square meters of construction area. Once fully completed, the park will focus on the production of hemoperfusion cartridges, nano-grade medical materials, hemodialyzers and plasma separators. It is poised to become one of the world's largest and most technologically advanced production bases for blood purification devices and consumables, laying a solid foundation for the Company's vision to "Become a World-class High-tech Medical Technology Group".

The Jianshu Core Hemopurification Material R&D and Production Base, located in Zhuhai Gaolan Port Economic Zone, is owned and operated by Jafron's subsidiary Zhuhai Jianshu New Materials Technology Co., Ltd. The company is positioned as a technology-driven, environmentally friendly chemical manufacturer. It operates two main project lines: strategic and profit-driven. The Phase I work focuses on the development of high-performance polymers and specialty high-value resins used in blood purification. The Phase II work focuses on high-end pharmaceutical and dye intermediates. The Phase I construction of the biomaterials (including resin and other raw materials) project was structurally completed in August 2022 and will soon incorporate fully automated, high-efficiency resin production lines. Upon completion, it will become a leading raw materials production base with top-tier automation and process capabilities in the fine chemical industry.

Jianfu Pharmaceutical, a subsidiary with its 10% equity owned by Jafron and controlled by the Company's ultimate beneficial owner, is developing a pharmaceuticals R&D and production base. Phase I of this project, spanning approximately 130 mu (about 86,700 square meters) and involving a planned investment of around RMB 1.5 billion, was structurally completed in 2023. Jianfu Pharmaceutical has already initiated R&D on multiple specialty medications for kidney diseases and is procuring state-of-the-art pharmaceutical equipment, aiming to build a first-class pharmaceutical research and production base in the near future.



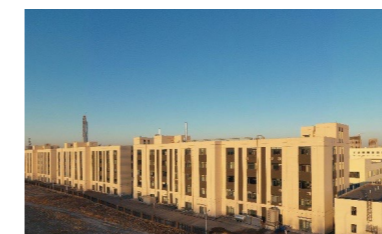
01

Jafron Science and Technology Park South Campus



02

Jafron Science and Technology Park North Campus



03

Tianjin Production Base



04

Hubei Production Base



05

Jinding Industrial Park



06

Jianshu New Materials Production Base (equity affiliate - under development)



07

Jianfu Pharmaceutical (under development)

| Certifications & Honors

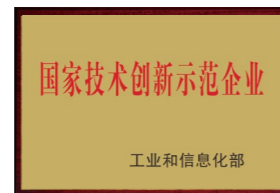
Key Accreditations



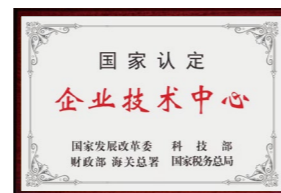
Champion in Single-product
Manufacturing



Key High-Tech Enterprise under
China's Torch Program



National Technology Innovation
Demonstration Enterprise



National Enterprise
Technology Center

Major Scientific Research Awards

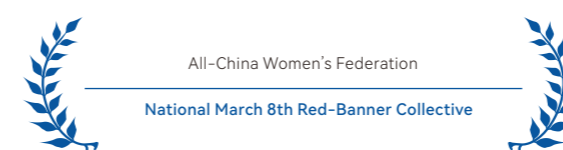
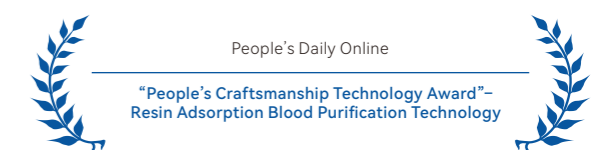
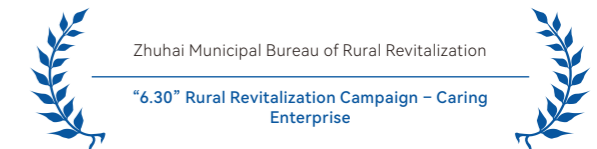
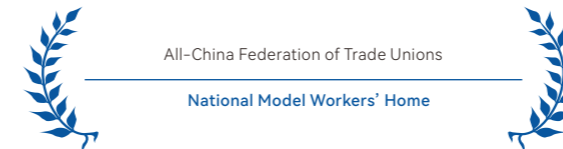


Second Prize of National Science &
Technology Progress Award



First Prize of Guangdong Science &
Technology Progress Award

| Corporate Honors Since 2024



Sustainability Governance

Jafron has remained steadfast in our mission of “Health Technology for a Better World”, embedding ESG principles into the very fabric of our corporate strategy and day-to-day operations. We are committed to delivering safer and more sustainable healthcare solutions to people around the world.

Sustainability Governance Framework

Stakeholder Engagement

Materiality Management

I Sustainability Governance Framework

Jafron has remained steadfast in our mission of “Health Technology for a Better World”, embedding ESG principles into the very fabric of our corporate strategy and day-to-day operations. We are committed to delivering safer and more sustainable healthcare solutions to people around the world.

The Board of Directors is responsible for overseeing and coordinating sustainability governance efforts. As part of the preparation of this inaugural ESG report, the Board Secretary’s Office led a cross-functional collaboration to collect, compile and review relevant data and practices. Through this process, the Company systematically assessed its ESG performance and practices, laying a strong foundation for continuous improvement of our ESG management system. Looking ahead, the Company will remain steadfast in its commitment to sustainability governance. We will continue to actively fulfill our ESG responsibilities, further embedding sustainability into all levels of our operations as we advance toward a more sustainable responsible future.

Case Study: ESG Training Initiatives

During the reporting period, Jafron hosted several ESG training sessions through in-house business studies and external training programs. Topics included “ESG Investment Best Practices in the Pharmaceutical Industry from an Active Equity Perspective”, “United Nations Advanced Seminar on Sustainable Development and ESG” and “Chinese Corporate ESG Report Rating Standards (2023)”, among others. These training initiatives have significantly enhanced internal awareness and understanding of ESG concepts and best practices.



I Stakeholder Engagement

The Company identifies the following stakeholders based on actual business operations: shareholders and investors, employees, customers, suppliers and partners, government or regulatory agencies, as well as social organizations or NGOs. We actively engage with these stakeholders through various channels to understand and respond to their expectations and concerns, ensuring mutual growth and long-term value creation.

Stakeholders	Expectations and Concerns	Communication and Response
 Shareholders and Investors	<ul style="list-style-type: none"> Operational compliance Transparent disclosures Return on investment 	<ul style="list-style-type: none"> Improving corporate governance Guaranteeing timely and accurate disclosures Strengthening investor relations management Improving profitability
 Employees	<ul style="list-style-type: none"> Protection of worker’s legal rights and interests Employee training and development opportunities Occupational Health and Safety 	<ul style="list-style-type: none"> Comprehensive compensation and benefits Clear training and career progression pathways Improving occupational health management and safety monitoring Employee care and engagement initiatives
 Customer	<ul style="list-style-type: none"> High-quality, safe products Reliable after-sales service Privacy protection 	<ul style="list-style-type: none"> Increasing R&D investments Robust product quality management Improving customer services Protecting customer information and privacy
 Suppliers and Partners	<ul style="list-style-type: none"> Win-win collaboration Honest operation Industry communication and exchanges 	<ul style="list-style-type: none"> Strengthening supplier engagement Transparent procurement Developing strategic partnerships
 Government or Regulatory Agencies	<ul style="list-style-type: none"> Operational compliance Tax compliance Regulatory cooperation Environmental compliance Rural Revitalization 	<ul style="list-style-type: none"> Fulfilling tax obligations Compliance with laws and regulations Enhancing environmental management Alignment with rural revitalization policies
 Social Organizations or NGOs	<ul style="list-style-type: none"> Community engagement Support for vulnerable groups Fulfilling Corporate Social Responsibility Health education Ethics in science and technology 	<ul style="list-style-type: none"> Ongoing community outreach Volunteer participation Charitable donations

I Materiality Management

Jafron employed assessment methodologies based on both global and domestic disclosure standards such as the *Guidelines No. 17 of Shenzhen Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report (Trial)* and GRI Standards, incorporating a dual analysis of both impact materiality and financial materiality to identify and assess material topics. The following table presents the specific steps of assessment:

	Material Issue Assessment Process	Analytical Approach
Step 1	Background Analysis	Assessed macro trends at the global level and within China's industrial landscape, and analyzed the Company's industry characteristics and business model to identify potential impacts, risks and opportunities the Company and its stakeholders currently face.
Step 2	Initial Issue Screening	Developed a pool of 22 material topics by drawing upon domestic and international sustainability rating methodologies along with best practices from industry peers, taking into account industry characteristics, market trends and the Company's business model.
Step 3	Materiality Assessment	<p>Impact Materiality Assessment Analyzed the extent to which the Company's performance on each topic significantly affects the economy, environment and society, and conducted a stakeholder survey, yielding 283 valid responses. Based on this, 14 topics were identified as having impact materiality.</p> <p>Financial Materiality Assessment Analyzed the results of the survey, focusing on the impact, dependencies and other relevant factors; and integrated expert judgment and risk assessment inputs from various departments into the process to identify and evaluate the risks and opportunities associated with each topic. This resulted in the identification of 4 topics holding financial materiality.</p>
Step 4	Issue Confirmation	Compiled a materiality matrix based on the results of Step 3, distinguishing those based on impact materiality and financial materiality and ensuring that all relevant topics are presented in a transparent, balanced and comprehensive manner.

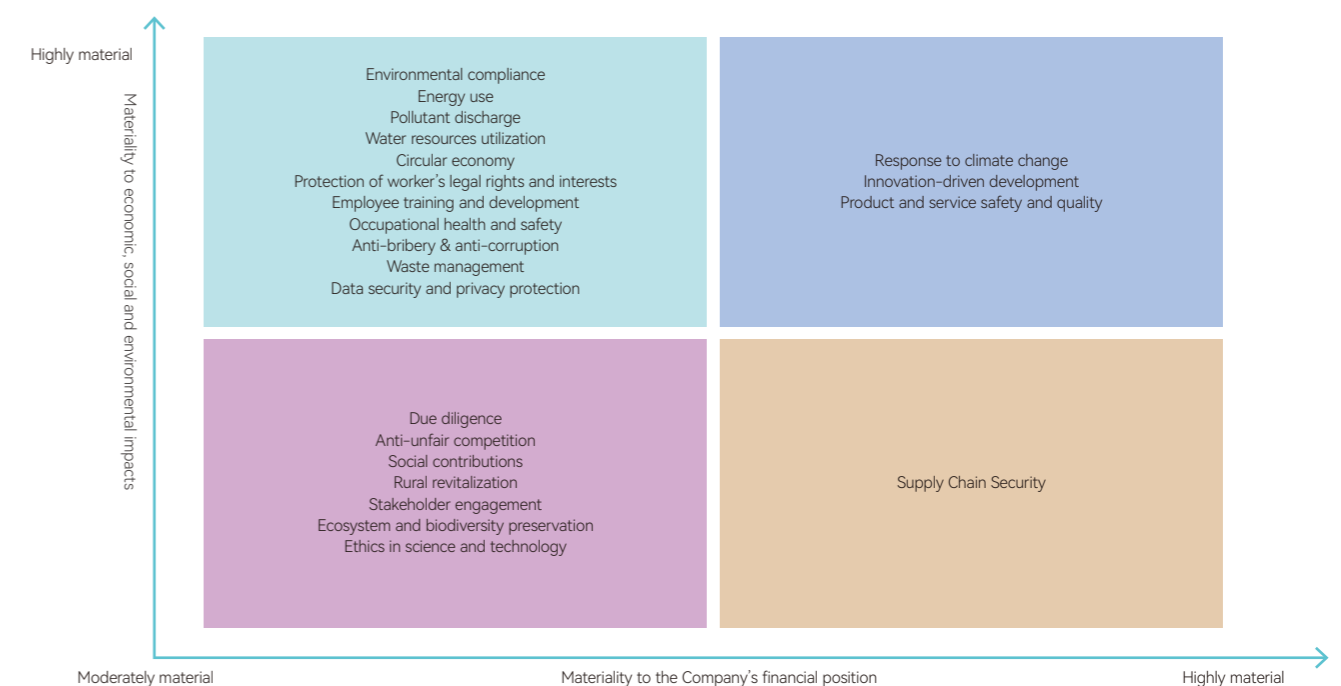


List of Material Topics

Environmental	Social	Governance
Environmental compliance	Protection of worker's legal rights and interests	Anti-bribery & anti-corruption
Response to climate change	Employee training and development	Anti-unfair competition
Energy use	Occupational health and safety	Due diligence
Water resources utilization	Innovation-driven development	Stakeholder engagement
Ecosystem and biodiversity preservation	Product and service safety and quality	
Pollutant discharge	Data security and privacy protection	
Waste management	Ethics in science and technology	
Circular economy	Supply chain security	
	Social contributions	
	Rural revitalization	

Materiality Assessment Results

Based on the above list of material topics, and following in-depth analysis of exchange guidelines and stakeholder survey responses, the Company has developed a materiality matrix using the dual lenses of impact materiality and financial materiality.



Crafting Excellence to Propel Industry Development Together

Driven by the core values of “Innovation, Dedication, Advancing, Sharing”, Jafron remains committed to technological innovation. It continually enhances product quality and safety management, improves customer service capabilities, safeguards data privacy and security and refines supply chain excellence, working collaboratively to propel industry development.

SDGs



Smart Innovation: Key to Technology-Driven Growth

Excellence in Quality: Our Foundation for Trust

Data Security and Privacy Protection

Stable Supply and Security Assurance

I Smart Innovation: Key to Technology-Driven Growth

Jafron remains committed to innovation-driven development, with sustained R&D investment, strengthened talent pipelines and platform building to enhance in-house R&D capabilities. Focusing on the field of blood purification, the Company continues to develop new technologies and products, explore broader applications and elevate its core competitiveness with the aim of contributing to the advancement of global health.

Innovation-driven Governance

The Company has established a suite of policies in accordance with domestic and international laws, technical guidelines and standards, including: *the Guidelines for New Product Development Project Planning*, the *End-to-End Process and Role Descriptions for New Product Development*, the *R&D Project Initiation Management Regulations* and the *R&D Project Closure Management Regulations*. These documents define the requirements and specifications for R&D planning, full lifecycle product development and project closure. The Company has also built a collaborative R&D organizational structure with clearly defined roles and responsibilities, supported by a project lifecycle management tool (PPM system), to foster the initiation of R&D projects, accelerate the development of new quality productive forces and enhance the industry’s core competitiveness.

During the reporting period, the Company established a new R&D and Innovation Center to further strengthen its innovation system and enhance overall innovation efficiency, ensuring that innovation outcomes align with the Company’s strategic needs and operational efficiency.

○ R&D and Innovation Platforms

The Company boasts strong in-house R&D capabilities and operates a comprehensive range of research platforms, including the National Enterprise Technology Center, Academician Workstation, Postdoctoral Research Workstation, Provincial Enterprise Technology Center, Provincial Engineering Technology Development Center, Provincial Engineering Research Center and Provincial Postdoctoral Workstation. In addition, it has established a Hemoperfusion Technology Research Institute and a Product Testing Center for Blood Purification, with a focus on the research of core and common technologies in the industry. The Testing Center has been accredited by China National Accreditation Service for Conformity Assessment (CNAS), providing robust technical support for the R&D platforms. Through continuous improvements in functionality and mechanisms, the Company has enhanced its innovation capabilities and accelerated the commercialization of research achievements, demonstrating its solid strength and forward-looking approach in scientific research and innovation.

4

National High-Tech Enterprises

1

National Enterprise Technology Center

1

National Technology Innovation Demonstration Enterprise

2

Specialized and Sophisticated Enterprise that Produces Novel and Unique Products

1

Champion in Single-product Manufacturing



CNAS Laboratory Accreditation Certificate

○ Innovative Talent Development

Jafron is committed to medical technology innovation and continuously strengthens its R&D talent pipeline. Through internal and external training, learning and case sharing, the Company broadens the knowledge of its R&D personnel, enhances their technical capabilities and improves their expertise. Targeted training resources are introduced based on specific needs, fostering vitality and building a well-structured, innovation-driven R&D team with the ultimate goal of bolstering the Company’s R&D capacities. As of the end of the reporting period, the Company employed a total of **486** R&D personnel, presenting **17.38%** of the workforce.

Innovation-driven Strategy

The Company closely monitors changes in the internal and external environment of the industry. It publishes quarterly Industry Insight Reports, identifying relevant factors such as national policies, competitive dynamics and technological developments. These insights help the Company proactively identify R&D-related risks and opportunities and develop responses aligned with its innovation strategy, thereby enhancing its competitive edge and maintaining its leading position in the industry.

Risks				
Risk Type	Description	Impact Period	Potential Financial Impact	Responses
Policy and regulatory risk	The medical device sector is subject to stringent government regulation. The Company must closely monitor changes in policies such as the <i>Regulations on the Supervision and Administration of Medical Devices</i> to ensure legal compliance. Failure to do so could result in penalties, lawsuits or other legal consequences.	Short- and medium-term	Increased operating costs	1. Closely monitor and study national and local policy and regulatory changes. 2. Timely adjust business strategies in response to market rule changes and regulatory updates induced by healthcare system reforms.
Technology upgrade risk	As R&D investment increases across the industry, new technologies and innovative products are likely to emerge in the near future. If the Company fails to keep pace with industry advancements or update its existing products in time, it may face adverse business impacts.	Medium-term	Decreased revenue	1. Prioritize the development of a robust R&D system, enhance forward-looking strategic planning in technology innovation, and increase investment in new product development aligned with market demand. 2. Continuously upgrade and optimize existing technologies. 3. Strengthen IP protection to prevent leaks and infringement.

Risks				
Risk Type	Description	Impact Period	Potential Financial Impact	Responses
Competition risk	With the rapid growth of the domestic hemoperfusion industry, expansion of existing enterprises and the entry of new players, competition is intensifying across the industry. Without continuous innovation in technology and product offerings, the Company may face a decline in market competitiveness.	Medium- and long-term	Market share and revenue loss	1. Continue to focus on principal businesses, persist in technological innovation, actively expand product portfolios, and drive technological transformation of products alongside upgrade of their applications. 2. Consistently enhance automation levels in production processes and IT-enabled management capabilities, develop Hemoperfusion Cartridge Manufacturing 4.0, and continuously strengthen integrated smart manufacturing capabilities.

Opportunity			
Opportunity Type	Description	Impact Period	Potential Financial Impact
Industrial upgrading and transformation	Technological innovation is a key driver of industrial upgrading. By introducing new technologies, processes and management approaches, the Company can help drive the industry towards higher-end and smarter development.	Medium- and long-term	Reduced production costs and improved production efficiency
Technological innovation and market leadership	Persistent R&D efforts and breakthroughs in core technologies, along with continuous development of new products, can help the Company significantly enhance its competitive strength, secure market leadership and garner substantial profit returns.	Long- term	Increased revenue

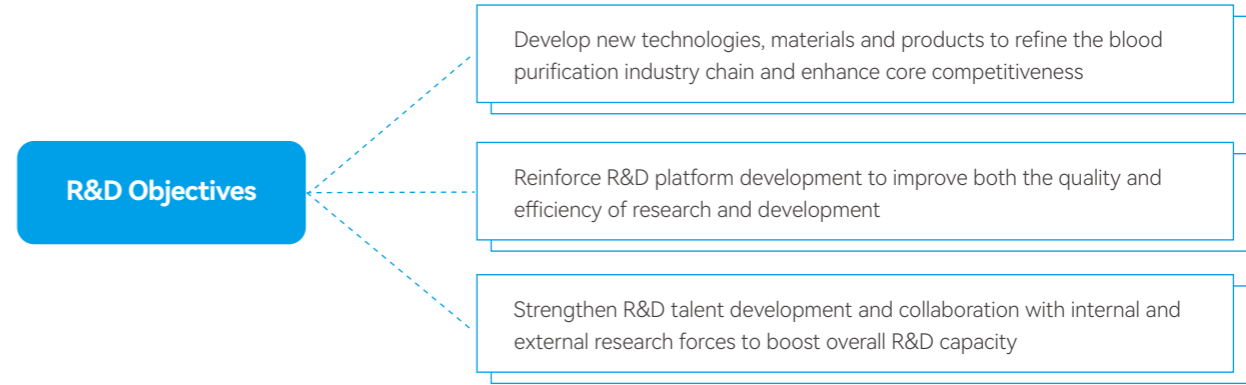
Short-term (within 1 year): Impact is rapid and temporary, typically lasting less than one year.

Medium-term (1–5 years): Impact is sustained and has significant influence over a period of one to five years.


Long-term (over 5 years): Impact is far-reaching and long-lasting, generally extending beyond five years.


Metrics and Targets

The Company adheres to its phased R&D strategy of “products in market, products in reserve and products under development”, and has formulated medium- and long-term plans to guide innovation. During the reporting period, the Company increased R&D investment, strengthened technical capabilities of its R&D team and continuously advanced the commercialization of scientific and technological achievements to support strategic goal execution.



2024 Progress

- 

R&D spending
RMB **240** million
- 

presenting
8.97% of total revenue
- By the end of the reporting period, the Company held **28** medical device registration certificates, including **25** Class III certificates.
 - In 2024, the Company acquired **one** new domestic registration certificate; HA series, BS series, CA series, KHA series and plasma separator series passed the CE (MDR regulation) certification.
 - In 2024, the Company filed a total of **53** patent applications and acquired **27** new granted patents (valid), including: **17** invention patents, **8** utility model patents and **2** design patents.
 - Total number of registered trademarks: **243** ; academic output: **1** paper published.



Key R&D Projects

Trial production Hemodialysis Product Development	Objective To develop a hollow fiber hemodialyzer to address toxin accumulation in ESRD (uremia) patients	Target Outcome Launch new products and obtain registration certificates; achieve internationally advanced technical standards; ensure compatibility with existing hospital equipment. Simultaneously develop new materials to reduce reliance on imported raw materials and enhance product performance.	Expected Impact on Future Development Enrich product portfolio and enhance core competitiveness
Registration filing Consumables for Blood Purification	Objective To develop universal and specialized tubing sets for use with equipment and other blood purification consumables	Target Outcome Launch new products to provide compatible consumables for various equipment and blood purification products.	Expected Impact on Future Development Enrich product portfolio and enhance core competitiveness
Trial production Plasma Adsorption Products	Objective To develop disposable blood/plasma adsorption products for clinical treatment of bilirubin adsorption, inflammatory mediators, autoimmune diseases, etc.	Target Outcome Develop new products and optimize existing products; obtain registration certificates or amendment approvals; achieve improved clinical efficacy.	Expected Impact on Future Development Enrich product portfolio and enhance core competitiveness
Trial production Hemoperfusion Products	Objective To develop disposable hemoperfusion cartridges for clinical treatment of endotoxin/cytokine removal	Target Outcome Develop new products and obtain registration certificates; support effective treatment of related diseases.	Expected Impact on Future Development Enrich product portfolio and enhance core competitiveness
Registration filing Blood Purification Equipment	Objective To develop continuous blood purification (CBP) equipment for clinical blood purification treatment	Target Outcome Support a wide range of blood purification clinical modes; provide extracorporeal circulation drive and safety monitoring for CBP, hemoperfusion, plasma adsorption and plasmapheresis.	Expected Impact on Future Development Enrich product portfolio and enhance core competitiveness
Basic research Product Upgrades and Iterative Development	Objective To launch upgraded products and introduce new material alternatives	Target Outcome Develop new materials to improve product performance; upgrade manufacturing processes to promote iterative improvements to existing products.	Expected Impact on Future Development Improve competitiveness of existing products, reduce costs and enhance efficiency

Product launched Equipment Performance Optimization	Objective To enhance equipment performance to better meet clinical needs	Target Outcome Optimize hardware and software to develop cost-effective equipment suited to domestic clinical applications.	Expected Impact on Future Development Enrich product portfolio and enhance core competitiveness
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Innovation-Driven Measures

○ Incentives for R&D Innovation

To effectively promote research, development and innovation, the Company has established policies such as the *Regulations on Incentives for R&D Projects* and the *Regulations on Incentives for R&D Ideas*. These mechanisms provide multiple layers of rewards—including project-based, patent-related and idea-based incentives—to recognize significant R&D achievements and contributions that facilitate innovation. The Company actively encourages both internal staff and external partners to propose innovative R&D ideas, fostering an environment conducive to the initiation of breakthrough projects. During the reporting period, the Company was granted **5** incentive awards, totaling RMB **311,000** along with patent-related incentives totaling RMB **72,300**.

○ Strengthening Industry-University-Research Collaboration

The Company actively leverages the intellectual resources of universities and research institutes, and has been approved to establish a comprehensive range of research platforms, including the National Enterprise Technology Center, Academician Workstation, Postdoctoral Research Workstation, Provincial Enterprise Technology Center, Provincial Engineering Technology Development Center, Provincial Engineering Research Center and Provincial Postdoctoral Workstation.

To further deepen the integration of industry, university, research and application, the Company has introduced several institutional policies, including the *Scientific Research External Collaboration Regulations* and the *Regulations on the Management of Postdoctoral Research Workstation*. These documents help regulate the management of external experts, research institutions and postdoctoral research workstations. In addition, we collaborate with academic and research institutions through joint laboratories, co-development initiatives, commissioned research, and joint postdoctoral training, effectively utilizing external research resources to improve R&D speed, quality and overall research capacity. The Postdoctoral Management Office is responsible for routine administrative matters such as recruitment, onboarding and completion procedures, and also plays a role in attracting high-level talent and facilitating collaboration.

across mobile research stations. The Company has established in-depth partnerships with institutions such as the Shenzhen Institutes of Advanced Technology, Chinese Academy of Sciences, Sun Yat-sen University Postdoctoral Research Workstation, Shenzhen National Innovation Center for Advanced Medical Devices, and Hexaell Biotech. These collaborations focus on joint technology development and enhancement of innovation capabilities.

In addition, we have co-founded a Multi-Organ Support Therapy (MOST) Expert Committee with several world-renowned experts in clinical research and critical care medicine. The committee aims to provide robust evidence and new solutions for the global clinical application of MOST.

Enhancing Industry Engagement

As a co-builder of the healthcare industry ecosystem, Jafron has actively participated in domestic and international academic conferences and trade exhibitions in fields such as nephrology, hepatology, critical care and sub-health. By participating in these events, the Company strengthens communication with peers, explores the latest industry developments, cutting-edge technologies and research outcomes, and shares knowledge and expertise to jointly advance technological progress and research in the medical device field—ultimately benefiting more patients. The Company also contributes to the development and publication of various industry standards and clinical guidelines, supporting the healthy and orderly growth of the industry and promoting sustainable development in partnership with other stakeholders.

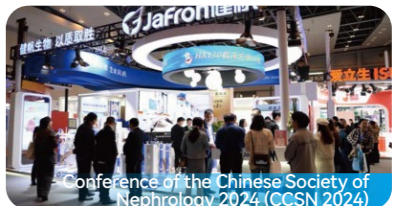
Participation in Standard/Guideline Development

Title	Type	Reference No.	Status
Disposable Plasma Bilirubin Adsorption Column	Industry Standard	YY 1290-2016	Published
Disposable Hemoperfusion Cartridge	Industry Standard	YY/T 0464-2019	Published
Guideline for Non-bioartificial Liver Support Systems in Treatment of Liver Failure: 2016 update	Guideline	Chinese Journal of Clinical Infectious Diseases, Vol. 9, No. 2, 2016-4	Published
Guidelines on the Management of Hepatic Encephalopathy in Cirrhosis (2018)	Guideline	Journal of Clinical Hepatology, Vol. 34, No. 10, 2018-10	Published
Guideline for Diagnosis and Treatment of Liver Failure (2018)	Guideline	Journal of Clinical Hepatology, Vol. 35, No. 1, 2019-1	Published
Blood Purification Standard Operating Procedures (2021 Edition)	SOP	/	Published

Participation in Industry Exchange Activities during the Reporting Period



Participation in Industry Exchange Activities during the Reporting Period



Intellectual Property Protection

The Company places great importance on intellectual property (IP) management and protection. In accordance with the *Patent Law of the People's Republic of China* and other relevant laws and regulations, and based on the Company's actualities, it has formulated the *Patent Management Regulations* to regulate patent application, incentives and maintenance activities. In addition, the Company has established a patent classification and evaluation system and built an information platform to support lifecycle IP management.

The Company has been certified under the GB/T 29490-2013 Intellectual Property Management System and has been recognized as a "National Intellectual Property Demonstration Enterprise".



The Company incorporates patent and trademark planning from the initial stages of product development. All patents undergo internal application, evaluation, review, infringement analysis and patent monitoring to ensure that each IP acquisition serves a clear commercial purpose and rests on a solid technical foundation. From project initiation to completion, patent infringement searches ensure a smooth path to market, while a dedicated legal team handles infringement disputes to safeguard the Company's technologies and products from infringement.

During the reporting period, no incidents of IP infringement were reported.

Ethics in science and technology

While committed to the research and development of medical devices, Jafron fully recognizes that its business operations involve key areas of ethics in science and technology, including but not limited to data privacy protection and the ethical review and responsible application of scientific research outcomes. The Company strictly complies with relevant laws and regulations to ensure a balance between technological innovation and social responsibility. During the reporting period, no incidents of major violations related to ethics in science and technology were reported.

Animal Experiments

The Company has established an Institutional Animal Care and Use Committee (IACUC). Its laboratory animal facilities within the Science Building are licensed for animal use. All animal experiments are conducted in strict compliance with the following regulations and guidelines: GB 14922-2022 Laboratory Animal—Microbiological and Parasitical Standards and Monitoring, GB 14923-2022 Laboratory Animals Genetic Quality Control, GB 14925-2023 Laboratory Animal—Environment and Housing Facilities, GB/T 39760-2021 Laboratory Animal—Guidelines for Euthanasia, Regulations on the Administration of Laboratory Animals, Guiding Opinions on the Humane Treatment of Laboratory Animals and GB/T 35892-2018 Laboratory animal—Guideline for ethical review of animal welfare. The Company has developed a comprehensive set of laboratory management systems and standard operating procedures to ensure that all production activities respect animal life and welfare and uphold public ethical standards.

Animal Experiments – Evaluation and Testing Center



Medical Device Clinical Trials

In the field of clinical trials for medical devices, the Company strictly adheres to the following regulatory and ethical standards: Regulations on the Supervision and Administration of Medical Devices, Regulations on the Administration of Registration and Filing of Medical Devices, Helsinki Declaration, and Administrative Measures for the Ethical Review of Life Science and Medical Research Involving Human. The Company ensures that all clinical trials align with the principles of protecting subject rights, data authenticity and risk controllability. Through ethical reviews, subject rights protection and data security management, the Company complies with both domestic and international laws and ethical standards, ensuring its scientific research activities are legal, safe, socially valuable and respectful of subject rights.

Core Compliance Requirements

 Ethical Review	All trial protocols are approved by the Ethics Committee and strictly follow legal and regulatory standards, ensuring informed consent, privacy protection and risk minimization for subjects.
 Data Security	Subject information is encrypted and handled with full traceability, used solely for research purposes.
 Quality Supervision	Clinical trials are conducted in accordance with the Regulations on the Supervision and Administration of Medical Devices, GCP (Good Clinical Practice) and other relevant guidelines, with interim reports submitted to regulatory authorities to ensure transparency and compliance.

Ethics Awareness Development

To enhance employees’ knowledge and skills in animal ethics, the Company conducts training on science and technology ethics through a combination of internal and external programs, based on its annual training plan. The training covers topics such as ethical principles for professionals, laboratory animal specifications, biosafety related to laboratory animals, and regulatory requirements for clinical trials of medical devices. We are committed to continuously improving our tiered training system, facilitating the transformation of ethical awareness into practical execution, and building a dual-driven mechanism of “Technological Innovation + Ethical Safeguards” to ensure a sustainable balance between research value and the rights of trial subjects.

Case Study: Jafron Organizes Specialized Training on Supervision over Clinical Trials of Medical Devices



Medical Accessibility

Jafron pioneered the use of resin as an adsorbent material and was the first globally to develop “direct blood adsorption” technology, offering innovative solutions for critically ill patients with conditions such as uremia, severe liver disease and lupus. These new technologies have enabled physicians to treat diseases that were previously considered untreatable, thereby creating significant social value. Jafron is also committed to expanding the global reach of its products to benefit more patients worldwide. Driven by technological innovation, the Company continues to invest in R&D to overcome technical bottlenecks and deliver more high-quality products and solutions, with the aim of improving treatment outcomes for patients. At the same time, we promote health education through channels such as the Jafron WeChat official account and the “Aduoduo” health management service platform, offering product knowledge sessions, expert lectures and real-world patient stories.



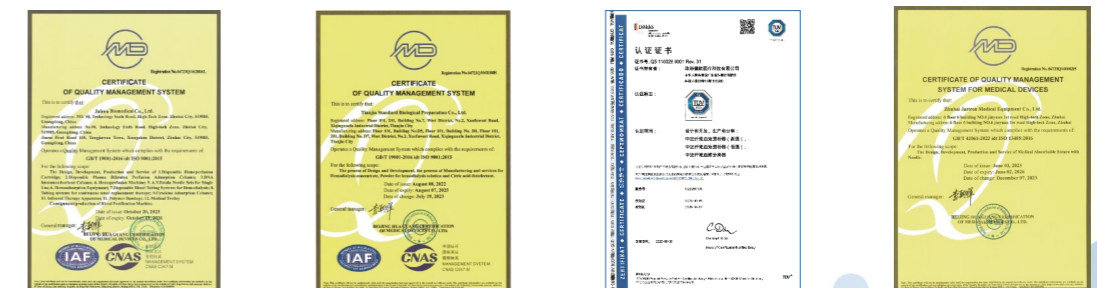
Excellence in Quality: Our Foundation for Trust

We operate under a robust quality philosophy: “rooted in precision, committed to quality, ensuring safety and efficacy, continuously improving, and delivering products and services that earn customer trust”. In alignment with the *Product Quality Law of the People’s Republic of China* and other relevant laws and regulations, we have developed a robust quality management system to safeguard the integrity of our products and services. During the reporting period, the Company reported zero major quality or safety incidents and received no large-scale quality-related complaints.

Quality Governance

The Company has built a comprehensive and standardized quality management system aligned with ISO 9001 and ISO 13485 quality management standards. Key internal governance documents — including the *Quality Manual*, *Product Assurance Control Procedures* and *Product Identification and Traceability Control Procedures* — provide structured guidance to ensure product quality. We’ve established a dedicated quality management organizational structure. The President, who serves as the designated executive accountable for the safety and quality of all medical device products, oversees all product quality-related work. Cross-functional teams work in concert to execute quality management tasks and drive continuous system improvement, thereby reinforcing our commitment to quality and customer satisfaction.

To date, the Company and its major subsidiaries have successfully obtained ISO 9001 quality management system certification and ISO 13485 medical device quality management system certification. During the reporting period, our HA and BS series disposable hemoperfusion cartridges obtained certification under the EU Medical Device Regulation (MDR), underpinned by rigorous clinical evidence and a mature quality system.



Quality Management System Certificate



Product and Service Safety & Quality Strategy

Risks				
Risk Type	Description	Impact Period	Potential Financial Impact	Responses
Regulatory risk	Hemoperfusion products are subject to rigorous regulatory oversight related to manufacturing, marketing authorization and corporate qualifications. Enterprises must swiftly adapt to evolving laws to ensure ongoing compliance.	Medium-term	Increased compliance and operating costs	<ol style="list-style-type: none">1. Conduct regular reviews of policies and regulations; ensure timely product certifications to ensure product compliance with established standards.2. Strengthen quality control through comprehensive quality management.3. Perform routine inspections and monitoring to identify potential quality issues.4. Provide quality training to enhance employee expertise in product knowledge and equipment operation.
Product safety risk	As our core product — the disposable hemoperfusion cartridge — comes into direct contact with human blood, the product safety is critical to patient lives and health. Any compromise in product safety may result in serious medical incidents, potentially harming brand reputation. This could lead to production halts, a loss of market share and a reduction in sales.	Medium- and long-term	Increased operating costs and decreased revenue	
Product quality or customer complaints	Post-sale quality issues or customer complaints, especially mass returns, can significantly undermine brand reputation and customer loyalty.	Short-term	Increased operating costs and reputational loss	

Opportunity			
Opportunity Type	Description	Impact Period	Potential Financial Impact
Market opportunity	Growing demand for higher safety and quality standards in medical devices offers the Company an opportunity to upgrade product offerings, elevate brand value and capture greater market share.	Medium- and long-term	Increased pricing, sales and revenue
Technological opportunity	The continued evolution of intelligent manufacturing and digital transformation enables the Company to enhance service quality and operational efficiency by leveraging automation and other technologies.	Medium- and long-term	Reduced production costs

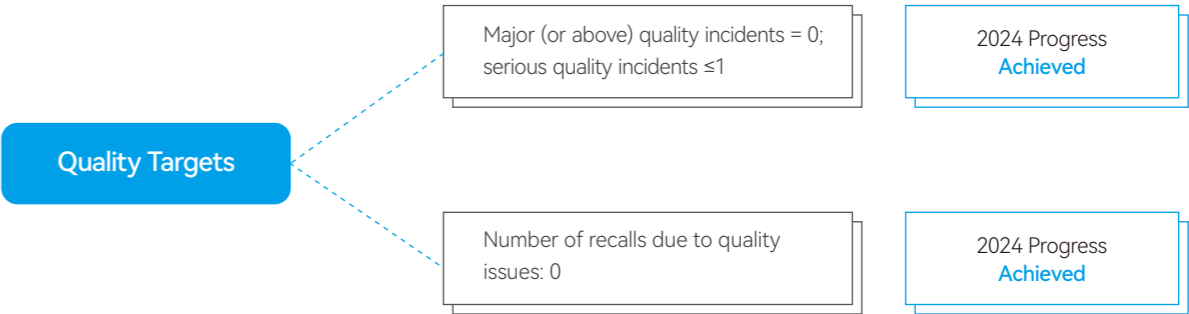
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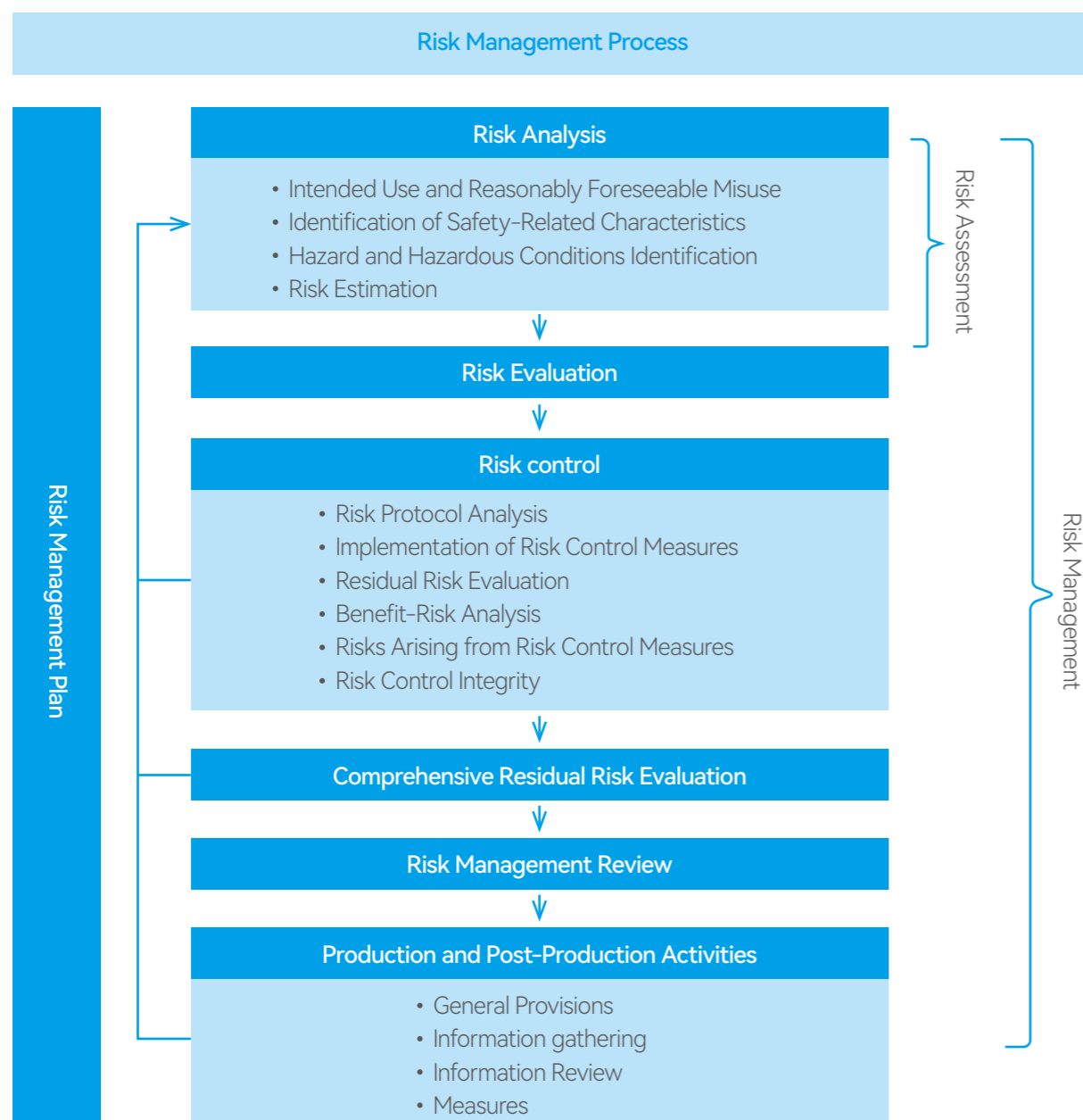
Metrics and Targets

The Company sets yearly quality management targets and closely tracks performance to ensure continuous improvement. Any identified gaps are addressed through timely corrective actions to strengthen our quality systems.



Risk Management

The Company has established the *Risk Management and Control Procedures*, creating a well-defined framework that outlines the risk management process and responsibilities. Its operations are guided by the principle of “avoiding risk where possible; minimizing risk where avoidance is not feasible; and actively monitoring and mitigating risk through corrective and preventive actions”. Through risk management, we ensure that all potential risks across the entire lifecycle of medical devices — from design and development to production, usage and disposal — are identified and controlled within acceptable thresholds.



Product Safety and Quality Management

○ Quality Lifecycle Management

We maintain an uncompromising commitment to quality management, embedding quality controls throughout the entire product lifecycle — from planning, design and development, procurement, manufacturing and delivery to after-sales services. To ensure consistent product quality that meets both customer expectations and regulatory requirements, we have implemented a suite of procedural documents, including the *Production Process Control Procedures* and *Product Protection Control Procedures*, to govern each phase of product realization with precision and rigor. In parallel, we deploy a multi-tiered inspection framework that includes incoming sampling, in-process sampling, engagement of third-party testing agencies, and warehouse entry and exit inspections to effectively detect and mitigate potential quality risks.

During the reporting period, the Company conducted **2** internal quality audits and arranged **6** third-party inspections.

○ Restriction of Hazardous Substances (RoHS)

In alignment with the European Union's RoHS directive which restricts the use of certain hazardous substances, we have developed the *RoHS Control Procedures* tailored to our operational context. This document governs hazardous substance management across all stages — from material procurement and manufacturing to packaging, storage and transportation — ensuring that all components, semi-finished goods and finished products comply with RoHS standards.

○ Product Quality Training

During the reporting period, we actively organized and conducted product quality awareness development and training programs in line with the 2024 Production System Training Plan. These programs covered a wide range of topics including product knowledge, adverse event monitoring, manufacturing quality, and applicable medical device regulations concerning facilities and equipment. The training aims to enhance employees' quality control skills and quality awareness, encourage full participation in quality management and mitigate the risk of contamination during pharmaceutical manufacturing, ultimately guaranteeing product safety and integrity.



Case Study: Quality Training Sessions



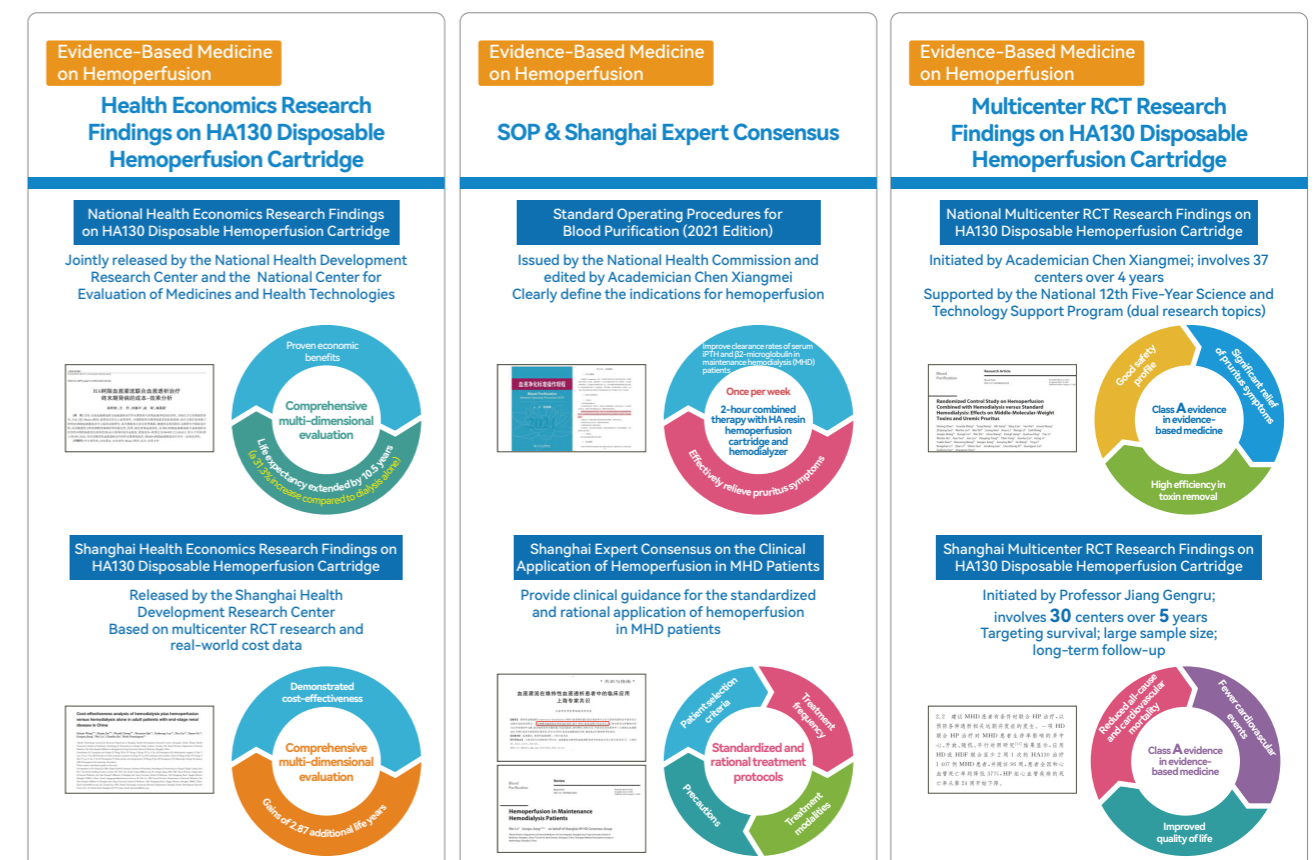
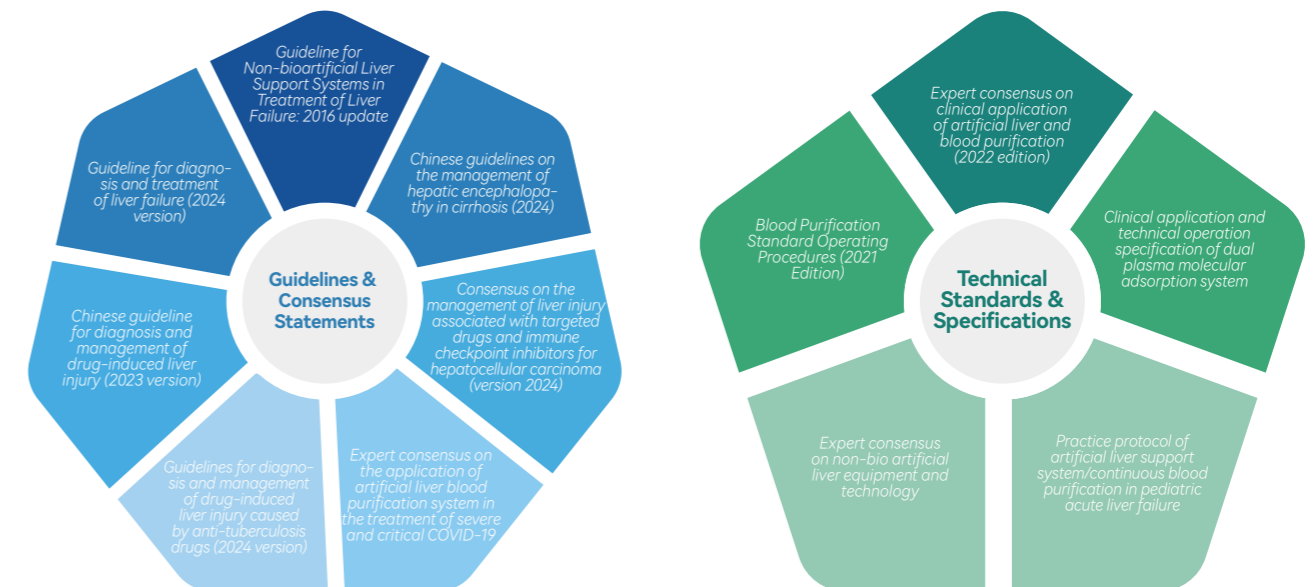
○ Non-conformance Control and Product Recalls

To ensure effective identification and control of non-conforming products and prevent unintended use or distribution of these products, we have established the *Non-Conformance Control Procedures* which clearly define the requirements for identification, documentation, segregation, evaluation and disposition of nonconforming items.

Additionally, we have implemented policies including the *Field Safety Notification*, *Product Recall* and *Information Disclosure Control Procedures* and the *Product Recall Control Procedures* to manage product safety communications and recalls. Cross-functional teams from Quality Management, Customer Service and Sales are responsible for issuing domestic field safety notices and executing recalls of medical devices. These teams conduct timely root cause analyses, provide supplemental information and guidance and implement corrective actions to ensure that any potentially defective products are promptly removed from the market — safeguarding the health and safety of patients and healthcare professionals.

○ Evidence-Based Product Validation

We actively engage in academic collaboration and promotion, accumulating substantial evidence-based data and clinical research findings in nephrology, hepatology and critical care to validate the safety, efficacy and cost-effectiveness of our products. These high-quality research outcomes provide a solid scientific foundation that supports product safety and helps increase market acceptance. Besides, these clinical researches empower healthcare professionals and patients with transparent and science-backed information, helping them make informed treatment decisions and deepening their trust in our products.



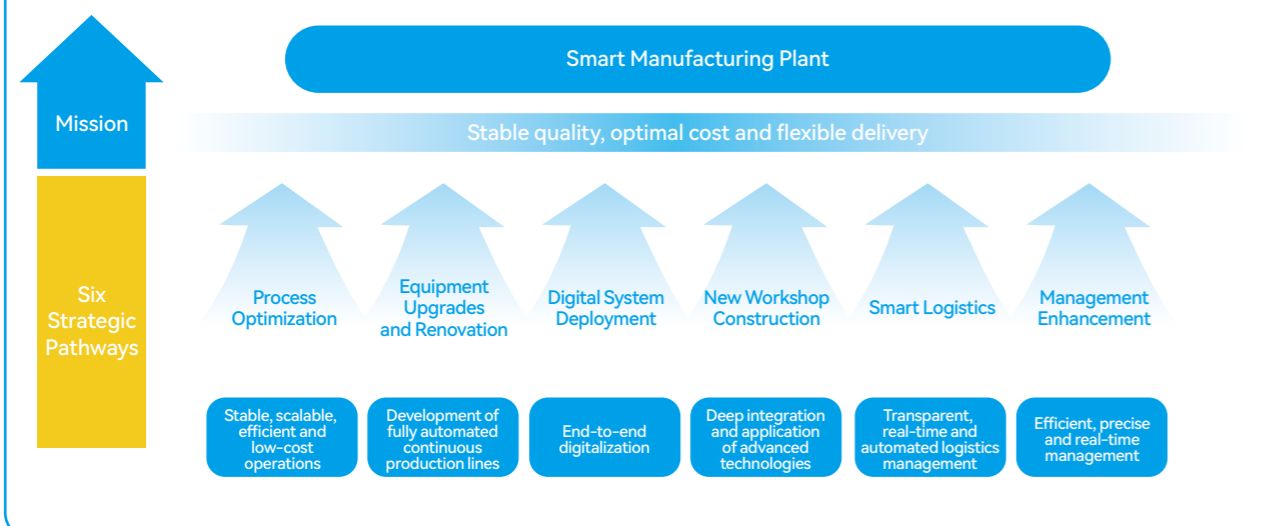
Digital and Intelligent Transformation

In alignment with our goals of enhancing quality, reducing cost and improving efficiency, we are accelerating the digital transformation of our hemoperfusion cartridge production line. By focusing on digitalization and intelligent manufacturing, we aim to standardize, automate, informatize and visualize our production processes, thus laying the foundation for developing new quality productive forces and building a highly automated workshop that embodies the distinctive strengths of Jaftron.

Case Study: Hemoperfusion Cartridge Manufacturing 4.0

Hemoperfusion Cartridge Manufacturing 4.0 initiative involves automated stages of hemoperfusion cartridge production, including breakthroughs in critical processes such as automated visual inspection, integrated drying and wrapping and improved cleaning cycles. We have advanced toward multi-process integration, enabling continuous flow production and smart logistics systems. We are also developing an integrated suite of digital management systems, including MES (Manufacturing Execution System), WMS (Warehouse Management System), QMS (Quality Management System) and LIMS (Laboratory Information Management System), to drive higher operational efficiency and realize true IT/OT convergence.

By advancing across six strategic pathways — process optimization, equipment upgrades and renovation, digital system deployment, new workshop construction, smart logistics and management enhancement — and leveraging 20 core technologies, we aim to significantly improve productivity, reduce costs, enhance product quality, shorten lead times and eliminate major safety hazards, ultimately creating a smart, efficient, cost-effective, high-quality, compliant and responsive digital factory for hemoperfusion cartridges.



Case Study: Specialized Training on Digital Empowerment

To support our digital transformation strategy and strengthen managerial awareness and capabilities in this area, we partnered with the General Manager of Midea Cloud Technology Co., Ltd, who led an intensive training course titled “Digital Operation Across the Full Value Chain”. This training targeted managers and key personnel in roles closely associated with digitalization.



| Customer-Centric Service with Dual-Engine Excellence

Customer service management

We place customer needs at the heart of everything we do and remain committed to earning customer trust and reputation with top-notch service. With a dual-engine approach that integrates both product quality and service excellence, we continue to optimize service workflows, elevate the customer experience and ensure that every client receives professional and attentive care. To continuously improve our service quality and customer satisfaction, we have established comprehensive protocols including the *Customer Service Management Policy*, the *Customer Feedback Response Control Procedures* and the *After-Sales Service Control Procedures*. These policies standardize our after-sales and customer feedback response processes, with our dedicated Customer Service Department responsible for handling inquiries, conducting satisfaction surveys and managing customer relations — continually strengthening our service management framework.

Professional Service Team

Established in 2002, our Customer Service Center is staffed entirely by female professionals with medical backgrounds. Through ongoing innovation and continuous improvement, we have professionalized and standardized our service delivery while also adding a human touch, thereby creating a signature service brand built on care and trust.

Upholding our service philosophy of “Sincerity First, Customer Above All”, the center serves over 300,000 customer interactions annually, promoting our original products across more than 6,000 hospitals nationwide and providing support to tens of thousands of healthcare professionals and patients. Our meticulous service and long-term dedication help us earn widespread trust and recognition from our customers. We are also pioneering innovative digital after-sales service platforms based on role-specific needs, enabling 24/7 online support to further enhance the customer experience. Our team provides full-cycle service — from pre-sales consultation and in-sale support to post-sales technical assistance — while also sharing cutting-edge academic insights and conducting extensive product service research to gather feedback and drive continuous product and service enhancement. Beyond technical support, we actively engage in patient care initiatives tailored to the needs of dialysis patients. Programs such as “Care

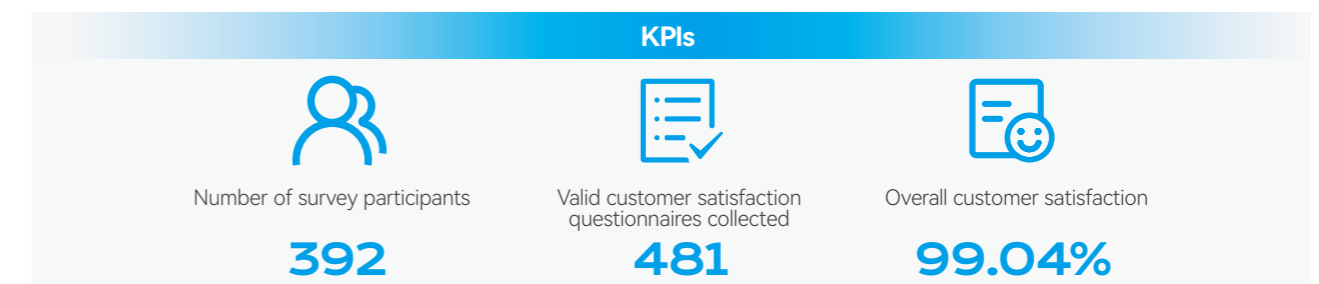


for Patients with Kidney Diseases” and “Gathering of Patients with Kidney Diseases” offer psychological and social support to patients, creating a warmer and more compassionate care environment.

Thanks to its outstanding achievements in customer care and corporate social responsibility, our Customer Service Center has been recognized with numerous national honors, including: National March 8th Red-Banner Collective, National Women's Meritorious Collective, National Women's Civilized Post and Guangdong Provincial Women's Civilized Post.

Satisfaction Management

The Company has established policies such as the *Customer Feedback Monitoring and Management Policy* to improve customer satisfaction. Through comprehensive and sample surveys, as well as feedback collection via WeChat official accounts, the Customer Service Department monitors and measures hospital client satisfaction with product usage. This process tracks customer satisfaction trends and builds strong customer relationships driven by client needs, aiming to enhance overall satisfaction and elevate corporate credibility.



Note: The overall customer satisfaction is calculated by averaging the following satisfaction measures—Adsorbent category: 99.06%, Equipment category: 98.96%, Tubing category: 100%, Plasma Separator/Dialyzer category: 97.18%, Bandage category: 100%.

Customer Complaint Handling

The Company places great importance on customer complaints and has established policies including the Complaint Control Procedure, Customer Complaint Reception and Handling Management Policy, and Hemoperfusion Product Complaint Control Procedure. The Quality Management Department organizes dedicated teams to investigate complaints, examining aspects such as product quality, relevance of the issue to the product, compliance in operational and logistics processes, etc. Based on the investigation, root causes are analyzed, the relationship to product quality or service is evaluated, and complaints are addressed promptly. Customer feedback and suggestions are processed in a timely manner and adopted as appropriate to further optimize the complaint resolution process.

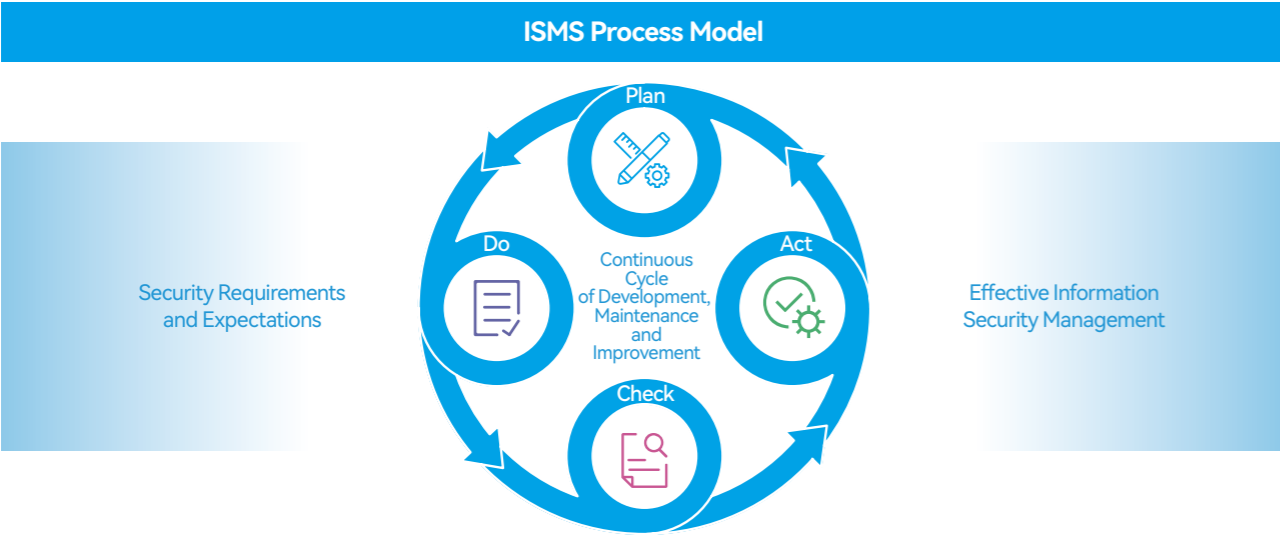
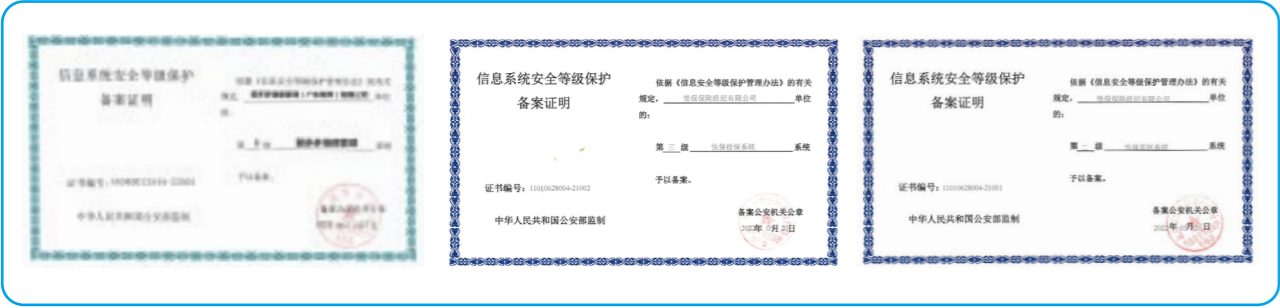


I Data Security and Privacy Protection

Robust data security and privacy protection form the foundation of trust and long-term cooperation between the Company and its business partners, clients and employees. The Company strictly complies with the *Cybersecurity Law of the People's Republic of China*, *Data Security Law of the People's Republic of China*, *Personal Information Protection Law of the People's Republic of China* and other applicable laws and regulations, continuously enhancing its information security and privacy protection framework to ensure the safety of data. During this period, there were no incidents of data breaches or customer privacy violations.

Information Security Management

The Company is committed to securing its data assets. It has enacted the *General Information Security Policy* and established an Information Security Department to oversee and maintain the ISMS (Information Security Management System). A tailored security framework is in place to ensure relevance, proper authorization, approvals and control in confidentiality management, preventing leaks of technical and commercial secrets and safeguarding core competitiveness. The Aduoduo Chronic Disease Management System and Yuebao Insurance System have passed Tier-3 protection certifications, while the Yuebao official website system has passed Tier-2 protection certification.



Information Security Protection

The Company has deployed the Data Loss Prevention (DLP) system to protect data security. Documents are categorized and classified based on confidentiality levels, with high-level confidential data under strict management. The IT Center enforces real-time encryption, tightly controls document export, upload and decryption permissions, and audits file transmissions and asset labeling. Sensitive documents are transmitted solely via corporate email under the high-risk access control protocol. And permission frequency is regularly reviewed; if it falls below threshold, access is revoked immediately to prevent data leaks, tampering, destruction or unauthorized access involving suppliers, customers or employees.

The Company conducts regular information security risk assessments for its critical business systems, organizing personnel to address cybersecurity vulnerabilities and high-risk issues. We simulate data recovery following system outages caused by external attacks and performs disaster recovery drills to enhance our emergency response capabilities for unforeseen incidents. Both internal and external information security practices are audited monthly and annually. Audit results are documented, and any non-compliance is promptly rectified through formal corrective action processes.

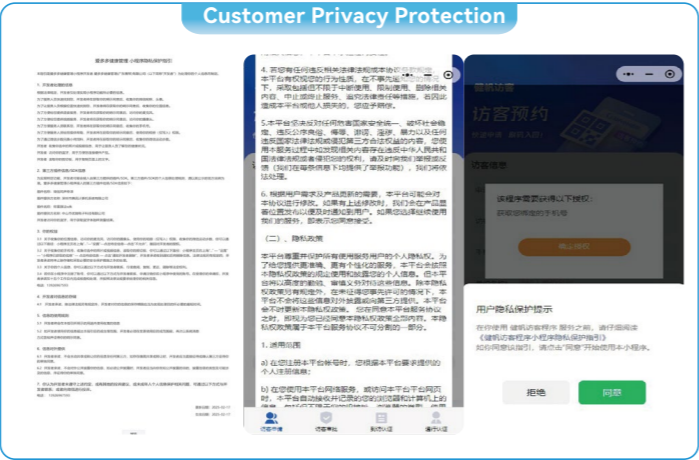
Information Security Training

The Company has developed a capability training program for part-time Information Support Specialists at branch offices. Through regular training sessions and assessments, we aim to equip officers with a comprehensive understanding of related regulatory expectations, hardware operation and basic maintenance, thereby enhancing their professional competencies in information security.



Customer Privacy Protection

The Company strictly complies with all applicable laws and regulations to safeguard customer data assets and uphold privacy. For systems such as Visitor Management, Aduoduo and Yuebao Insurance that collect external user data, we clearly disclose data collection practices and obtain user consent, while providing accessible privacy guidance. We are committed to respecting and protecting the personal and customer privacy rights of all users of our services. With a strong sense of diligence and prudence, we manage all collected personal information responsibly to prevent data security incidents and ensure the confidentiality and integrity of customer data.



Supply Chain Security Strategy

Risks				
Risk Type	Description	Impact Period	Potential Financial Impact	Responses
Supply chain disruption	Supplier capacity limitations or delivery delays may result in production setbacks and inventory shortages, affecting production schedules.	Short-term	Reduced revenue and profit; increased procurement costs	1. Build a strategic reserve of key raw material suppliers. 2. Deploy R&D staff to provide technical support and oversight; regularly review and monitor suppliers' quality standards to ensure product compliance. 3. Offer training to suppliers to help them enhance production processes and quality controls.
	Insufficient quality control by suppliers may lead to product defects, impacting company reputation and customer satisfaction and even leading to potential recalls and legal consequences.	Medium-term	Increased production costs	
Price volatility	Raw material shortages, regional pricing differences and market fluctuations may drive up material costs.	Short- and medium-term	Increased procurement costs	1. Adjust procurement strategies dynamically based on market trends. 2. Improve procurement timing strategies to optimize cost control.

Stable Supply and Security Assurance

The Company actively carries out procurement activities in accordance with a fully standardized supplier lifecycle management system, encompassing supplier onboarding, evaluation and exit procedures. We continue to strengthen our supply chain management framework and foster long-term, collaborative relationships with suppliers to mitigate procurement risks and ensure the continuity of production and operations.

Supply Chain Security Governance

We've established internal policies such as the *Procurement Control Procedures* and *Supplier Management Policy* to ensure centralized and standardized procurement management through our Procurement and Supply Center. Based on the needs of business expansion, we reorganized procurement operations in 2023 into multiple specialized procurement units, each independently handling the procurement of materials and services to meet growing operational needs.

To support the upskilling of procurement personnel in both operational and managerial dimensions, the Procurement and Supply Center has implemented a multi-dimensional training program, combining mentorship from senior managers with frontline training and best-practice sharing among high-performing team members. Formal assessments and incentive mechanisms are used to foster motivation and continuous improvement, contributing to the development of a "professional and efficient" procurement team and a "learning-oriented" workforce.

Opportunity			
Opportunity Type	Description	Impact Period	Potential Financial Impact
Digital supply chain transformation	Digital transformation enables the Company to build a more agile and resilient supply chain. Through intelligent forecasting and optimization, the Company can better anticipate market and supplier needs, swiftly adjust production and logistics strategies, and effectively manage disruptions to maintain operational continuity.	Medium-term	Reduced operating costs

Short-term (within 1 year): Impact is rapid and temporary, typically lasting less than one year.
Medium-term (1-5 years): Impact is sustained and has significant influence over a period of one to five years.
Long-term (over 5 years): Impact is far-reaching and long-lasting, generally extending beyond five years.

Enhancing Supplier Management

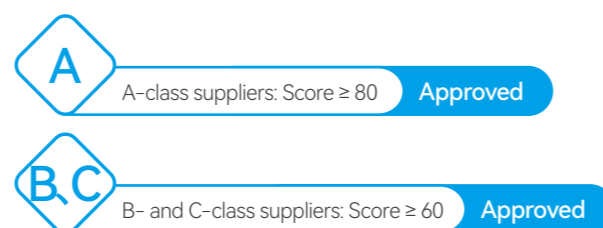
The Company has established a comprehensive supplier management system to oversee the entire lifecycle of supplier onboarding, evaluation and exit processes, enhancing the resilience of the Company's supply chain. We've developed the *Supplier Qualification Review Operating Procedures* which clearly outline the review and evaluation process for new suppliers to ensure that suppliers and the materials they provide meet the Company's quality standards and business requirements. Additionally, an effective dynamic evaluation system has been implemented, providing periodic and ad-hoc assessments of suppliers' overall strength, including qualifications, integrity, product quality, compliance with contractual obligations and service levels. This ensures timely, comprehensive and accurate evaluations of suppliers.

• Supplier Onboarding

The Company conducts qualification audits for suppliers of raw and auxiliary materials, including reviewing their quality management system documentation, self-inspection reports, valid inspection reports issued by accredited testing agencies and safety assessment materials. Suppliers are classified into three categories: A, B and C. For suppliers of special materials, detailed operational procedures are established to manage material quality audits and on-site assessments.

• Supplier Quality Evaluation

Once a supplier has passed the qualification audit or technical capability assessment, the Quality Department, in collaboration with relevant departments, organizes sample testing, on-site audits, machine testing, performance evaluations and biological assessments. These evaluations are documented in the Supplier Technical Capability Assessment Form.



• Annual Supplier Audits

Before any procurement, the Purchasing Department is required to verify whether the supplier meets the qualification audit requirements and confirm that the supplier's status and certification are up to date and valid. Procurement may only proceed after qualification assessment or certification renewal is completed. The Quality Management Department is responsible for preparing the Supplier Audit Plan each year. If any major quality issues were found with an A-class supplier in the previous year, a site audit must be conducted that year. For B- and C-class suppliers, the Quality Management Department will determine whether a site audit is necessary based on the supplier's product quality.

• Supplier Exit

Suppliers that fail to improve after being warned for poor raw material quality or other unsatisfactory behaviors will be disqualified and no longer be considered for future cooperation. Suppliers providing counterfeit or substandard products that cause severe impacts or major quality incidents will be blacklisted and permanently banned from cooperation.

Transparent Procurement

The Company has established the *Procurement Integrity Management Policy* which clearly defines the procurement management scope, procedures and requirements. All procurement staff are required to perform their duties in strict compliance with applicable laws and regulations. Prior to starting work, procurement personnel must sign the *Procurement Personnel Integrity Commitment*, agreeing to accept continuous supervision and inspection by the Company. This ensures fair, transparent and ethical procurement practices, maintains the integrity of procurement operations, protects the interests of the Company and fosters strong, lawful relationships with suppliers.

Case Study:

In December 2024, the Company conducted training for procurement personnel on relevant laws and regulations, including criminal law applicable to corruption and bribery, as well as case studies to raise awareness of procurement integrity and strengthen the management of ethical procurement practices.

Digital Empowerment

We are committed to building an intelligent supply chain management system. By adopting an integrated approach with the "Jafron Tao" self-developed purchase platform, OA and SAP, we bring together supplier management, procurement demand planning, inventory control and settlement into a unified system. This allows for real-time monitoring of inventory levels, data monitoring and analytics, significantly improving the responsiveness, flexibility and resilience of our supply chain. This digital transformation standardizes our procurement processes, enabling us to deliver more stable and efficient services to our customers while supporting the high-quality development of our industry value chain.

Intelligent Supply Chain Management System



Robust Governance: Strengthening the Foundation for Sustainable Growth

At Jafron, we remain true to our founding aspiration, continuously strengthening organization development, improving governance system and structure, and enhancing governance efficiency. We also place the utmost importance on compliance governance, steadfastly adhering to legal requirements, standardizing business practices, upholding the highest ethical standards and safeguarding shareholder interests, thereby laying a solid foundation for the long-term success of the Company.

SDGs

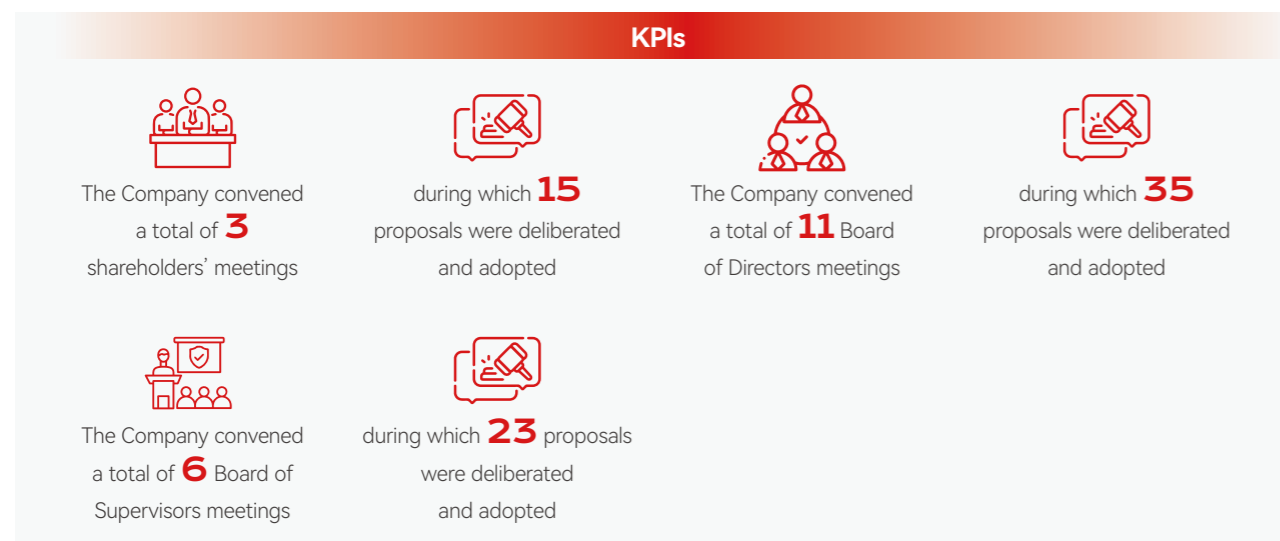


Corporate Governance: Driving Steady Progress
Enhancing Internal Control and Risk Management
Protecting Shareholder Interests: Prioritizing Investor Rights
Business Ethics and Corporate Values

I Corporate Governance: Driving Steady Progress

In line with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies* and other relevant laws and regulations, the Company has formulated and continually revises internal systems such as the *Articles of Association* to improve the internal governance framework, effectively protect the rights and interests of shareholders and other stakeholders and enhance corporate governance.

The Company has established a governance structure composed of the Shareholders' Meeting, the Board of Directors and its specialized committees, and the Board of Supervisors. This structure ensures that the roles and responsibilities of each governance body are clearly defined and promotes effective collaboration and checks and balances, with rigorous, transparent, democratic and fair decision-making procedures and rules of procedure, ensuring the Company's standardized operations and high-quality development.



Shareholders' Meeting

The Shareholders' Meeting is the Company's highest decision-making body. The Company has developed and implemented the *Rules of Procedure for Shareholders' Meetings* in accordance with the *Rules for the General Meeting of Shareholders of Listed Companies* and the Company's *Articles of Association*. These rules ensure that shareholders' meetings are convened and held according to the prescribed procedures, guaranteeing that all shareholders, especially minority shareholders, can exercise their voting rights fairly and effectively.

Shareholders' meetings employ a blend of in-person and online voting mechanisms, providing convenient access for investors to participate in the voting process. When major issues that may affect minority investors' interests are deliberated at a shareholders' meeting, votes are counted separately for minority investors, and a law firm is engaged to issue a legal opinion so as to effectively safeguard the participation and supervision rights of all shareholders.

Board of Directors

The Board of Directors is accountable to the Shareholders' Meeting and is responsible for reviewing major business matters and making decisions or submitting them for shareholder approval. The Company has established the *Rules of Procedure for the Board of Directors* and the *Work Rules of Independent Directors*, clearly defining the scope of the Board's authority and establishing well-designed operational mechanisms of the Board, including the procedures for convening and conducting Board meetings, deliberation rules, voting methods and decision-making. Independent directors are tasked with supervising potential major conflicts of interest between the Company and its controlling shareholders, actual controllers, directors and senior executives, ensuring that Board decisions align with the overall interests of the Company and protecting the legitimate rights of minority shareholders. The Board also provides professional and objective recommendations on business operations to improve the quality of decision-making.

The Board of Directors consists of **9** members, including **3** independent directors and **3** female directors. The members bring diverse expertise and extensive experience in fields such as biomedical sciences, finance and banking, enabling the Board to provide strong support for the Company's decisions from a broader perspective. This ensures that company decisions are scientifically sound and forward-looking.

The Board is supported by four specialized committees: the Audit Committee, the Nomination Committee, the Remuneration and Evaluation Committee, and the Strategy Committee. Independent directors comprise more than half of each committee, which enhances the Board's specialization and ability to perform duties and ensures that Board decisions are both scientifically sound and procedurally compliant. During the reporting period, the Company convened a total of **8** specialized committee meetings, with **17** resolutions deliberated and adopted.

Board of Supervisors

The Board of Supervisors serves as the Company's highest supervisory body and is accountable to the Shareholders' Meeting. All supervisors perform their duties in accordance with the *Articles of Association* and the *Rules of Procedure for the Board of Supervisors*. They supervise the Company's significant matters, financial position and the legal and compliant performance of duties by directors and senior executives in an effort to enhance corporate governance. The Board of Supervisors is composed of **three** members, including **one** employee representative.

Director, Supervisor and Senior Officer Compensation Management

The Company reviews the annual compensation plans for directors, supervisors and senior officers each year in accordance with its *Articles of Association* and the *Rules of Procedure for the Remuneration and Evaluation Committee under the Board of Directors*. The remuneration for external directors, independent directors and external supervisors consists mainly of fixed allowances, while the remuneration for internal directors, internal supervisors and senior officers is based on the Company's earnings, performance of their duties and completion of their annual performance goals. For senior officers, the Company has established a performance-based compensation and incentive system that links remuneration to Company performance. This approach incorporates a system of rewards and penalties based on performance evaluation, effectively reducing management costs, improving management efficiency and motivating senior officers to increase their productivity. This enhances the cohesion within the organization and provides a strong foundation for its long-term and stable development.

I Enhancing Internal Control and Risk Management

Internal Audit

The Company has developed a suite of policies such as the *Internal Audit Management Policy* and *Work Rules of Internal Audit* in compliance with the *Audit Law of the People's Republic of China* and *China's Internal Auditing Standards* to regulate internal audit practices and strengthen internal controls. We've established the Legal and Audit Supervision Center to perform the internal audit function, develop annual audit plans, implement internal management of audits and execute audit projects, ensuring reduced operational risks through robust internal control management. During the reporting period, the Company's Legal and Audit Supervision Center exercised duty of care and diligence to issue **10** internal audit reports. There were no significant or material internal control deficiencies, and the Company maintained effective internal controls in all material aspects in accordance with the enterprise internal control standards and relevant regulations.

Risk Management

The Company is fully committed to managing risks in a proactive manner, ensuring compliance with all relevant laws and regulations. We apply a risk-oriented principle to define key business units, operations, matters and high-risk areas for internal control evaluation. In addition, we've developed policies such as the *Public Opinion Management Policy*, establishing a fast emergency response mechanism to promptly and properly address situations that may affect the Company's stock price, commercial reputation and normal business operations, thereby protecting the legitimate interests of investors.

Related Party Transactions

The Company has established the *Related Party Transaction Management Policy* and the *Special Policy for Preventing Fund Embezzlement by*

the Controlling Shareholders and Their Related Parties to protect the rights and interests of investors, especially minority shareholders. These policies clearly define the rules for identification of related parties and the procedures and disclosure requirements for related party transactions and regulate the flow of funds between the Company, its controlling shareholders, actual controllers and related parties, ensuring compliance and transparency in such transactions. During the decision-making process for related party transactions, the Company strictly follows the necessary deliberation procedures, ensuring that related directors and shareholders abstain from voting on related party transactions, and that related party transaction information is disclosed in a timely and accurate manner.

Tax Management

The Company remains committed to tax compliance, including compliance with the *Law of the People's Republic of China on the Administration of Tax Collection*, the *Enterprise Income Tax Law of the People's Republic of China* and the *Individual Income Tax Law of the People's Republic of China* and other tax laws. We continuously optimize our tax management system and enforce strict management practices to ensure the continuity and effectiveness of our tax operations and minimize tax risks. In 2024, the Company paid a total of RMB **470** million in various taxes in full compliance with the law.

Operational compliance

The Company places great emphasis on operational compliance, continuously improving its compliance framework and actively guarding against and mitigating various compliance risks. In February 2024, the Company formally launched its compliance system development, appointing a Chief Compliance Officer to oversee the system development and operation. The Company is committed to increasing compliance inputs and integrating compliance management into business operations, thus ensuring legal compliance in all business activities and achieving the goal of "strengthening internal controls, preventing risks and promoting compliance". This establishes a comprehensive and all-encompassing compliance risk prevention mechanism throughout the organization.



I Protecting Shareholder Interests: Prioritizing Investor Rights


Investor Relations Management

At Jafron, we highly value investor relations. In line with the *Guidelines for Investor Relations Management of Listed Companies*, the *Rules Governing the Listing of Stocks on the ChinNext Market of Shenzhen Stock Exchange* and other relevant laws and regulations, we have established the *Investor Relations Management Policy* to regulate investor relations management, with the ultimate goal of fostering stable and enduring relationships with investors.

We engage actively with investors through a variety of communication channels, including the corporate website, irm.cninfo.com.cn, investor hotlines and earnings briefings. We carefully consider investor feedback and respond promptly and accurately to their inquiries, thereby protecting investors’ right to know and building investor trust and alignment.

Information Disclosure

In accordance with the *Company Law of the People’s Republic of China*, the *Securities Law of the People’s Republic of China*, the *Measures for the Administration of Information Disclosure by Listed Companies* and other applicable laws and regulations, we have established policies such as the *Information Disclosure Management Policy*, *Material Information Internal Reporting Procedures* and *Accountability Mechanism for Material Errors in Annual Reports* to ensure rigorous governance of disclosure content, timing and channels. We are committed to timely, accurate, complete, clear and comprehensible disclosures that are free of misstatements, misleading information or material omissions.



the Company released **127** interim reports

During the reporting period

ranking among the top **25%** of industry peers for disclosure frequency

We published **4** periodic reports in 2024

voluntarily released **6** additional announcements, demonstrating our commitment to information transparency.

Dividend Policy and Shareholder Returns

We are committed to delivering reasonable returns to our shareholders through a scientifically sound profit distribution mechanism. Our dividend policy is designed to ensure transparency, protect the rights of minority shareholders to information and participation and their legitimate interests. We formulated the *Three-Year (2023–2025) Shareholder Returns Plan* to ensure the consistency and stability of profit distribution. Since going

public, we’ve issued dividends for **eight** consecutive years, with cumulative cash dividends totaling RMB **2.951** billion, which is 2.09 times the combined total raised through IPO and subsequent refinancing. This reflects a cumulative payout ratio exceeding **60%**. In September 2024, we completed the cancellation of RMB 500 million in repurchased shares from our first share buyback program (initiated in 2021). Including this cancellation, total shareholder returns through dividends and share repurchases reached RMB **3.451** billion since our 2016 IPO, resulting in a cumulative payout ratio of more than **70%**.

To further strengthen market confidence and uphold shareholder value, we completed a second share repurchase program in April 2024, repurchasing nearly RMB 500 million worth of shares. Additionally, in 2022, our controlling shareholder or actual controller, Mr. Dong Fan, increased his personal stake in the Company by RMB 200 million to drive the Company’s sustainable, steady and sound development, demonstrating his strong confidence in our long-term growth and intrinsic value.

In April 2025, the Board of Directors approved the *Resolution on 2024 Profit Distribution Plan*, proposing a cash dividend of RMB **8** (tax-inclusive) for every 10 shares held, based on the total share capital registered on the distribution record date (excluding shares held in the repurchase account, without distributing bonus shares or capitalizing reserves.

Cash Dividend Track Record over the Past Three Years			
	2021	2022	2023
Cash Dividend per Share(RMB)	0.90	0.67	0.40
Total Cash Dividends Distributed (RMB 10,000)	71,698.54	53,523.97	30,978.65
Payout Ratio (as % of Net Profit Attributable to Shareholders of the Listed Company in Consolidated Financial Statements (%))	59.91	60.17	70.97

Protection of Creditor Rights

The Company is firmly committed to safeguarding the legitimate rights and interests of its creditors. We diligently fulfill all contractual obligations in strict accordance with the terms agreed upon, fostering positive cooperative relationships with our creditors. During the private placement of convertible bonds, the Company adhered to all relevant regulatory requirements by fully disclosing bond investment risks. We engaged accredited third-party rating agencies to conduct credit assessments of both the Company and the bonds, enabling creditors to make informed decisions based on a clear understanding of our operational performance and bond risks. These measures are designed to protect the lawful rights and interests of creditors.

I Business Ethics and Corporate Values

Anti-bribery & Anti-corruption

Jafron strictly complies with applicable laws and regulations, including the *Interim Provisions on the Prohibition of Commercial Bribery*, and maintains a zero-tolerance stance toward commercial bribery and corruption. We are committed to promoting a culture of integrity, ethical conduct, diligence and accountability throughout the organization. To reinforce our anti-bribery & anti-corruption framework, we issue Integrity Notifications to all bidding entities and require all procurement personnel to sign the Commitment to Integrity. These initiatives ensure that procurement practices remain fair, transparent and ethical.

During the reporting period, the Company achieved a **100%** compliance rate in signing ethics-related declarations. There were no reported incidents involving material violations of ethical business conduct, no cases of corruption, and no litigation related to bribery.

Anti-unfair Competition

The Company adheres to the *Anti-Unfair Competition Law of the People's Republic of China* and other relevant laws and regulations. We are committed to creating and maintaining a well-regulated market environment that promotes fair competition. Internally, we continuously enhance our governance systems to prevent unfair competition. We prohibit unreasonable restrictions on partners and avoid discriminatory treatment of customers in order to foster a healthy and competitive marketplace. To further support fair competition, we require our suppliers to sign a Non-Disclosure Agreement, affirming their commitment to safeguarding commercial and technological secrets shared during cooperation. During the reporting period, the Company recorded no incidents of unfair competition or other violations of relevant laws or regulations.

Responsible Marketing

The Company actively promotes responsible marketing practices in accordance with the *Advertising Law of the People's Republic of China* and other related laws and regulations. We ensure that all marketing activities are lawful, truthful and transparent, with a clear focus on protecting consumer interests and maintaining market order. In 2024, the Company conducted **26** training sessions on responsible marketing. These sessions equipped employees with the knowledge and techniques to accurately and objectively communicate product and service information, minimizing the risk of consumer misunderstanding due to misleading messaging.

No violations of marketing regulations occurred during the reporting period.

Case Study: Responsible Marketing Training



Complaint and Whistleblower Mechanisms

The Company has established the *Whistleblowing Policy* for the purpose of strengthening internal oversight and preventing malpractice or misconduct. This policy provides multiple secure reporting channels—such as a dedicated phone line and email address—through which employees and stakeholders can report suspected misconduct or regulatory violations. Reports are reviewed and investigated by the Legal and Audit Supervision Center. Verified cases are handled in accordance with applicable laws, regulations and the Company's internal policies. We are also committed to protecting the identity and safety of whistleblowers. All personnel involved in case handling are required to maintain strict confidence regarding the identity of the whistleblower. Individuals who provide substantiated reports may be eligible for rewards.

Whistleblower Reporting Channels

Hotline:
0756-3619947

Email:
shenjijiancha@jafron.com



Advancing Low-Carbon Practices and Promoting Green Healthcare

Jafron is committed to supporting China's carbon peak and carbon neutrality goals, fully embracing the principles of green development. We focus on reducing carbon emissions and enhancing resource efficiency through technological innovation, management optimization and industrial upgrading. In our operations, we prioritize the optimization of energy mix and the adoption of energy-saving and emission-reduction technologies, striving to transition our production processes to low-carbon and sustainable practices.

SDGs



Response to Climate Change

Environmental Compliance and Low-Carbon Initiatives

Circular Economy and Green Development

I Response to Climate Change

Climate change has become a critical global issue with far-reaching implications for both the economy and society. We actively monitor evolving policies at home and abroad, integrating low-carbon principles throughout our operations to proactively address the challenges and capitalize on the opportunities brought by climate change.

Governance

We recognize the importance of climate change and are dedicated to advancing climate-related governance. The Board of Directors leads the efforts to address climate change, with the responsibility for reviewing and approving ESG reports, including matters related to climate change. Our subsidiaries and relevant functional departments work in close collaboration to implement energy-saving and emission-reduction initiatives, minimizing carbon emissions and other pollutants in our operations, with the ultimate goal of mitigating climate change impacts.

Strategy

We actively engage in climate risk analysis and response, identifying both physical and transition climate risks specific to our business context. We assess their potential impact periods and financial implications, taking targeted actions based on the nature of each identified risk.

Transition Risk				
Risk Type	Description	Impact Period	Potential Financial Impact	Responses
Policy and regulatory risk	As climate change policies continue to evolve, failure to develop and implement strategies aligned with these regulations may expose the Company to compliance risks.	Short- and medium-term	Increased compliance and operating costs	Monitor and analyze national and regional climate-related regulations to ensure the Company remains compliant with the latest environmental laws and regulations.
Technology risk	Addressing climate change and reducing carbon emissions may require new equipment, technology or process upgrades. If these solutions fail to meet expectations, it could increase investment costs.	Medium-term	Increased production costs and R&D investments	<ul style="list-style-type: none">Undertake energy efficiency upgrades.Perform thorough evaluations before launching new projects or investing in new technologies.
Market risk	Shifting consumer preferences towards low-carbon products, combined with potential price increases for raw materials due to climate change, could impact production costs and revenues.	Medium-term	Reduced production costs and revenue	Invest in the development of low-carbon, environmentally-friendly products; adjust procurement strategies dynamically based on market trends.
Reputational risk	Stakeholders' growing interests on green development could damage the Company's reputation if we fail to meet their expectations.	Short- and medium-term	Reputation and revenue loss	<ul style="list-style-type: none">Prioritize ESG management and practices, ensuring timely disclosure of climate-related initiatives and performance.Build a strong green brand image, reducing carbon emissions to meet stakeholder expectations.

Short-term (within 1 year): Impact is rapid and temporary, typically lasting less than one year.

Medium-term (1–5 years): Impact is sustained and has significant influence over a period of one to five years.

Long-term (over 5 years): Impact is far-reaching and long-lasting, generally extending beyond five years.

Opportunity	
Opportunity Type	Description
Products and services	Climate change has driven growing demand for low-carbon, environmentally responsible products. By developing eco-friendly medical products and enhancing product performance, the Company is well-positioned to respond to evolving market demands, boost brand image, strengthen its competitive advantage and expand revenue streams.
Resource efficiency	Optimizing production processes and adopting high-efficiency equipment or energy management systems can significantly enhance resource utilization, lower operational costs, and reduce carbon emissions.

Management of Impacts, Risks and Opportunities

The Company manages climate-related risks and opportunities through a structured approach encompassing identification, assessment and mitigation.

Identification

Guided by the disclosure framework recommended by the Task Force on Climate-related Financial Disclosures (TCFD), Jafron identifies the physical and transition risks as well as potential opportunities associated with climate change. These are defined and described with reference to internal operations, industry dynamics and shifts in domestic and international policy landscapes.

Assessment

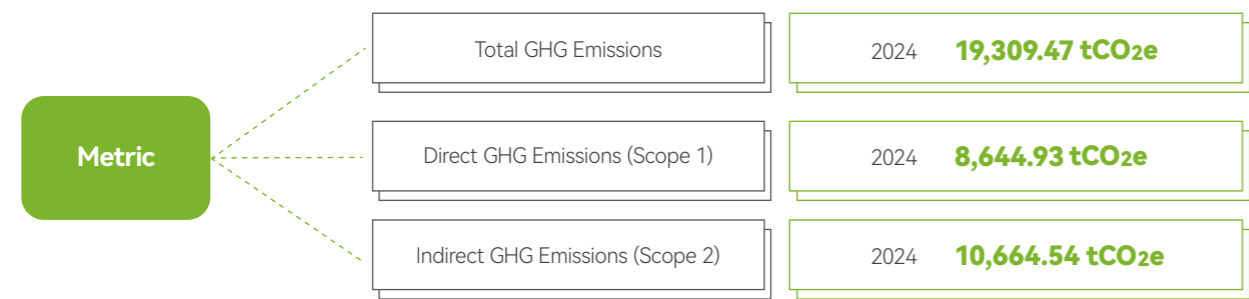
Identified risks and opportunities are systematically evaluated in terms of contributing factors, potential financial impact and anticipated impact period.

Mitigation

Based on the assessment results, we develop and implement targeted actions to mitigate climate-related risks and capitalize on related opportunities.

Metrics and Targets

To strengthen climate governance, the Company has adopted a set of key metrics to assess and manage climate-related risks and opportunities. Greenhouse gas (GHG) emissions is a core metric in this evaluation. GHG emissions are monitored regularly to track progress toward climate goals and assess the effectiveness of response measures in support of the Company’s transition towards low-carbon, eco-friendly development and China’s carbon peak and carbon neutrality goals.



Note 1 Reported GHG emissions include Scope 1 (direct) and Scope 2 (indirect) emissions, which are calculated in accordance with the GHG Emissions Accounting and Reporting Guidelines for Industrial Enterprises (Other Sectors).

Note 2 Scope 1 emissions cover natural gas consumption; Scope 2 emissions include purchased electricity (sourced from China Southern Power Grid). Natural gas emissions are calculated based on a conversion factor of 1 m³ of natural gas equivalent to 1.20 kg of standard coal by energy content.

Environmental Compliance and Low-Carbon Initiatives

Environmental Management System

The Company operates in strict compliance with the *Environmental Protection Law of the People’s Republic of China* and other applicable laws, regulations and industry standards. We have developed the *Environmental Management Policy*, supported by a dedicated environmental management system led by the EHS Department. This system defines clear roles and responsibilities for environmental management, ensures appropriate staffing based on operational needs and enforces strict environmental controls over the generation and discharge of pollutants and waste from our business operations to ensure full compliance with environmental laws and regulations. We remain committed to cleaner production practices and strict adherence to environmental protection laws, energy conservation and emissions reduction requirements. We strive for continuous improvement of our environmental performance by promoting resource efficiency and pollution control. These efforts contribute to a cleaner, comfortable and healthy workplace.

During the reporting period, the Company did not incur any administrative penalties for violations of environmental laws or regulations, nor were there any material adverse environmental impacts.

To strengthen the environmental awareness and capabilities of EHS personnel at all levels, the Company developed and implemented the *2024 Capability Enhancement Program for EHS Personnel*. This program included thematic training sessions, knowledge-sharing workshops, hands-on operational practice and corresponding evaluations—helping to ensure our EHS personnel can effectively fulfill their responsibilities and support the Company’s compliance objectives and EHS efforts.

Case Study: Environmental Training Sessions



KPIs

Total investment in environmental protection
RMB **85,410,200**

Environmental training sessions
12

Environmental training participants
105 person-times

Total training hours
97 hours

73

74

Environmental Risk Management

○ Environmental Impact Assessment

The Company conducts environmental impact assessments for all new, renovation and expansion projects in strict accordance with the requirements of the *Environmental Impact Assessment Law of the People’s Republic of China*, the *Regulations on the Environmental Protection Management of Construction Projects* and other applicable laws and regulations. Each project is required to submit an EIA report or form for approval by local ecological and environmental authorities and must complete pollutant discharge registration and environmental acceptance as stipulated. During the reporting period, the Company successfully completed the environmental acceptance review for the Clean Room, R&D Laboratory Building Expansion and Alcohol Recovery Process Upgrade Project at the Zhuhai Jafron Science and Technology Park.

○ Emergency Response Management

Jafron has developed a robust emergency response framework in line with the *Emergency Response Law of the People’s Republic of China* and the *National Environmental Emergency Response Plan*. This includes the preparation and filing of the following documents: Contingency Plan for Environmental Emergencies, Environmental Emergency Risk Evaluation Report and Environmental Risk Assessment Report. All documents have undergone expert review and have been approved by the competent environmental authorities. Production units have established a tiered early warning and emergency response system tailored to their operational context. Real-time monitoring of pollutant discharges ensures swift intervention in the event of anomalies. In addition, the Company has developed a Contingency Plan for Environmental Pollution Incidents to enhance emergency response and rescue capabilities. These measures aim to minimize the impact of environmental incidents, protect employee safety and preserve the surrounding ecological environment. The Company conducts regular emergency drills, documents the results, analyzes deficiencies, and continuously updates and improves its response plans based on lessons learned.

○ Hazard Identification and Remediation

The Company has established a comprehensive and structured hazard identification and remediation system that spans production and operation, safety management, equipment maintenance and environmental protection. The EHS Department conducts routine inspections of production areas, operational processes and management systems to timely identify environmental hazards and areas for improvement. Identified issues are addressed promptly, promoting a culture of ongoing, structured and data-driven risk management. During the reporting period, the Company voluntarily conducted **five** environmental risk assessments and submitted the assessment results through the Environmental Emergency Regulatory System of Guangdong Province. All assessments confirmed the absence of any environmental hazards.

Pollution and Waste Management

The Company strictly adheres to the *Law of the People’s Republic of China on Prevention and Control of Atmospheric Pollution*, the *Law of the People’s Republic of China on Prevention and Control of Water Pollution* and the *Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Wastes*, as well as related implementation standards. We focus on enhancing pollution control and implementing scientific waste management to ensure that all pollution prevention and control activities are conducted in full compliance with applicable laws and regulations. Through routine monitoring, semi-annual inspections and engagement with third-party testing agencies or by entrusting qualified third parties for waste disposal, we ensure that all wastewater, air emissions and solid waste produced during our operations are disposed of in line with both national and local legal requirements and environmental protection standards. During the reporting period, our wastewater and air emissions treatment systems remained fully operational, and no emissions exceeded regulatory limits.

○ Wastewater Management

The Company manages wastewater discharge in accordance with the *Water Pollutant Discharge Limits of Guangdong Province* (DB44/26-2001). We implement effective collection measures and strictly enforce the separation of rainwater and wastewater to prevent soil contamination. Wastewater is carefully controlled at the source: waste solvents, experimental waste liquids, toxic and hazardous wastewater and wastewater containing heavy metals are separately collected and disposed of, with no direct discharge into the industrial wastewater system. The wastewater treatment team maintains detailed records, including treatment operations and maintenance logs, and ensures that discharge is regularly monitored to meet all relevant standards.

Treatment Process	Treatment Capacity for 2024
Iron Carbon + Acid-Base Neutralization + Anaerobic + Aerobic + Precipitation + MBR Treatment	141,383 tons

Wastewater Discharge Data (selected)	
Metric	2024
Total Wastewater Discharges	141,383 tons
Wastewater Pollutant Discharge by Type (selected)	
Chemical Oxygen	1.829 tons
Ammonia Nitrogen	0.011 tons
Total Phosphorus	0.004 tons

○ Air Emissions Management

The Company’s air emissions primarily arise from production activities and boiler operations. We implement efficient collection measures and appropriate treatment processes in line with national and local air quality standards. Our air emissions treatment facilities management team oversees the operation and maintenance of air emissions treatment facilities, ensuring regular inspection and monitoring and adherence to environmental discharge standards.

Air Emissions Treatment Facilities		Treatment Process	
Process Exhaust Treatment Facility		Alkaline Spray + Water Spray + Activated Carbon	
Sewage Works Odor Treatment Facility		Alkaline Spray + UV Decomposition + Activated Carbon	

Air Emissions (selected)	
Metric	2024
Total Air Emissions	53,336,500 m³
Air Emissions by Type (selected)	
Nitrogen Oxides	7.85 tons
Sulfur Dioxide	0.19 tons
Volatile Organic Compounds	3.78 tons
Particulates	0.17 tons



○ Waste Management

The Company strictly complies with the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Wastes* to ensure the proper classification, safe storage and lawful disposal of both general and hazardous waste. We are subject to oversight by local environmental authorities and our EHS Department. Recyclable general industrial solid waste is collected and sold centrally, while non-recyclable industrial waste is stored in designated areas with appropriate labeling and classification. Qualified third-party disposal organizations are engaged for waste management, and hazardous waste disposal is subject to an annual plan, with prior approval obtained via the hazardous waste management platform for each transfer.

Waste Categories	
General Solid Waste	Industrial Solid Waste (Non-recyclable)
	Industrial Solid Waste (Recyclable), Construction Waste, Kitchen Waste
Hazardous Waste	Waste Activated Carbon, Waste Solvents, Laboratory Waste

Waste Data	
Metric	2024
Quantity of General Waste Generated	661.64 tons
Quantity of General Waste Disposed	373.08 tons
Quantity of Hazardous Waste Generated	121.82 tons
Quantity of Hazardous Waste Disposed	121.82 tons
Waste Recycling Rate	36.83%
Waste Disposal Compliance Rate	100%

Hazardous Waste Discharge by Type	
Waste Organic Solvents	106.538 tons
Waste Activated Carbon	13.019 tons
Laboratory Waste	0.667 tons
Waste Empty Drums	1.6 tons

○ Noise Management

We strictly adhere to noise emission limits and implement proper measures to manage and reduce noise pollution from our operations in line with the *Law of the People's Republic of China on the Prevention and Control of Noise Pollution* and the *Emission Standard for Industrial Enterprises Noise at Boundary* (GB12348-2008). For operations with significant noise levels, we continuously improve equipment, processes and technical solutions to reduce noise. Additionally, we monitor new equipment prior to operation, ensuring noise reduction measures are in place to prevent excessive emissions.

I Circular Economy and Green Development

Energy Management

The Company's energy consumption during production and operations primarily consists of purchased electricity from the grid and externally sourced natural gas. We strictly adhere to the *Energy Conservation Law of the People's Republic of China* and other applicable laws and regulations, and are committed to the principle of rational and efficient energy use. To that end, we have established the *Energy Management Policy* that sets clear guidance for all departments on standardized energy use practices. In addition, we've established a dedicated Energy Conservation Office staffed with certified energy managers, supported by a technical advisory group and an energy-saving task force. This office centrally manages the Company's energy usage, conducts annual assessments of energy-saving initiatives and carries out regular inspections for inefficiencies or waste. Accountability mechanisms are in place to ensure violations are investigated and rectified, reinforcing a culture of continuous energy efficiency improvement.

KPIs



Natural Gas Consumption
3,998,230 m³



Total Purchased Electricity
27,564,089.96 kWh



Photovoltaic Power Generation¹
1,725,780 kWh



Total Energy Consumption²
8,397.60 tce

Note 1 The solar power project was commissioned in March 2024; data reflects the period from March through December 2024.

Note 2 Total energy consumption includes natural gas, purchased electricity and solar-generated electricity. Natural gas emissions are calculated based on a conversion factor of 1 m³ of natural gas equivalent to 1.20 kg of standard coal by energy content.

To optimize our energy mix and reduce reliance on fossil fuels, the Company continues to invest in on-site solar power generation projects. In parallel, we implement a range of energy efficiency upgrades and have rolled out a centralized energy management system to enhance monitoring and control of electricity usage. These measures have led to measurable improvements in energy efficiency, reduced energy consumption and lower operating costs.

Case Study: Solar Power Generation Project

In 2024, Jafron completed the installation of rooftop photovoltaic systems at three manufacturing facilities in the South and North Campuses of Jafron Science and Technology Park and the Jinding Industrial Park in Zhuhai National High-tech Industrial Development Zone, Guangdong Province. The total installed capacity reached 1,579.05 kW. The project was completed and connected to the grid in March 2024 and is expected to generate approximately 1.723 million kWh annually, delivering an estimated RMB 350,000 in electricity cost savings each year.



Energy Efficiency Retrofitting Projects

Control of Average Electricity Tariffs for Chillers

Leveraged night-time cooling storage and dynamic seasonal scheduling (specifically, adjusting peak/off-peak discharge and replenishment cycles) to reduce average electricity tariffs for chillers

Savings in 2024
RMB **50,000**

Wastewater Treatment Cost Control of Sewage Works

(1) Implemented dynamic management of anaerobic pools to prevent acidification and reduce caustic soda use;
(2) Scheduled batch wastewater treatment, exhaust fan and aeration system operations based on capacity, prioritizing off-peak electricity use to minimize electricity charges;
(3) Explored the optimal balance between steam consumption and system stability to reduce steam usage

Savings in 2024
RMB **640,000**

Lean Production Optimization

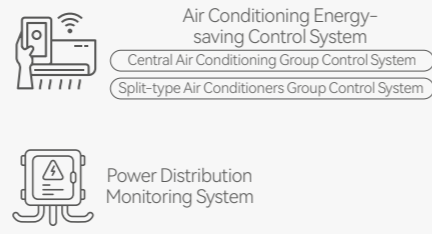
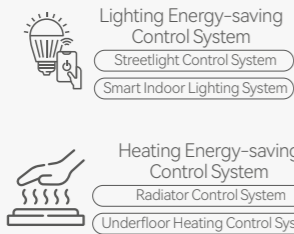
Streamlined production scheduling and enabled continuous material feeding to reduce electricity and natural gas consumption

Savings in 2024
RMB **500,000**



Smart Energy Management System at Jinding Industrial Park

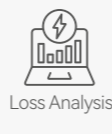
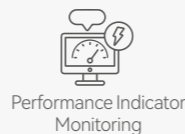
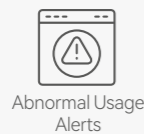
Energy Monitoring



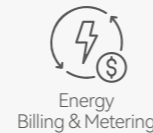
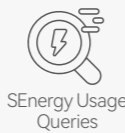
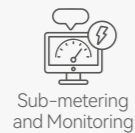
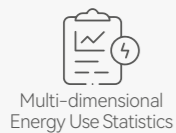
Energy Diagnostics



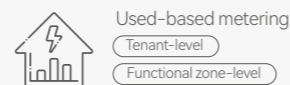
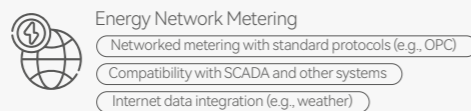
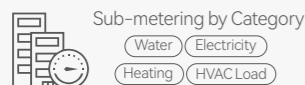
Consumption Supervision



Consumption Monitoring



Energy Usage Data Acquisition

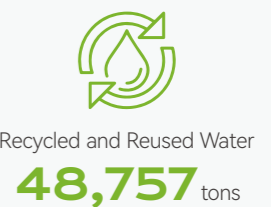


Water Resource Management

The Company primarily sources water for its operations from municipal supplies. Adhering to the principles of “conservation, scientific management and recycling”, we manage water usage from the source, closely monitor consumption throughout the process and strive for maximum efficiency in water resource utilization. We proactively introduce advanced water-saving technologies and equipment, upgrading water-intensive production processes through closed-loop systems, wastewater treatment and water reuse infrastructure. These measures enhance water recycling rates, reduce dependence on freshwater withdrawals and lower overall water consumption during production.

In December 2023, the Company was officially certified as a Municipal-level Water-Saving Enterprise by Zhuhai Municipal Water Authority and Zhuhai Municipal Bureau of Industry and Information Technology.

KPIs



Water Conservation Projects	Water Savings in 2024
Boiler Condensate Recovery Project	13,091 tons
Greywater Reuse Project	9,188 tons



Condensate Recovery



Greywater Reuse

Material Use

The Company’s production processes involve the use of key materials such as raw and auxiliary substances as well as paper and plastic packaging. We continuously refine material handling procedures, enforcing strict controls over storage, transportation, requisition and usage of materials. A categorized storage and labeling system is in place, supported by documentation and inventory control procedures to ensure traceable and compliant material management across all stages. We have implemented a range of measures to boost material efficiency, reduce packaging volume and minimize environmental impact.

FSC Certification of Packaging Cartons



Material Efficiency Initiatives

Recycling	Resin barrels used for raw material packaging are collected, cleaned by suppliers and reused for resin storage.
Lightweighting	Without compromising protective performance, we have switched from premium boxes to corrugated packaging, replaced foam linings with EPE (expanded polyethylene) and thermoformed trays, and reduced the wall thickness of cylindrical container, which significantly reduce paper material usage.

KPIs



Total Packaging Materials Used
8,432.32 tons



Paper Packaging
8,158.35 tons



Plastic Packaging
273.97 tons



Reused/Recycled Packaging Materials
4,800 tons



Packaging Material Recycling Rate
56.92%

Green Office

Jafron is committed to fostering a low-carbon, environmentally friendly and efficient workplace. Green practices are integrated into all aspects of day-to-day operations. We actively promote paperless workflows by encouraging digital documentation and reducing paper usage so as to reduce resource use. We also strive to optimize the management of office equipment and promote the use of energy-efficient office equipment, including LED lighting, low-power printers and computers, helping to foster a green office culture.



People-Oriented Development and Social Harmony

Guided by our core value of “shared success”, Jafron is committed to a people-first approach, striving to foster a workplace that is equal, inclusive and diverse. We rigorously safeguard employee rights, invest in high-quality talent development systems, promote employee well-being and actively fulfill our corporate social responsibilities—all in pursuit of a better future for our employees and society at large.

SDGs



Compliant Employment Practices and Fair Opportunities

Empowering Employees with Wellbeing and Fulfillment

Career Development and Talent Cultivation

Occupational Health and Safety First

Compassion in Action, Advancing Public Welfare

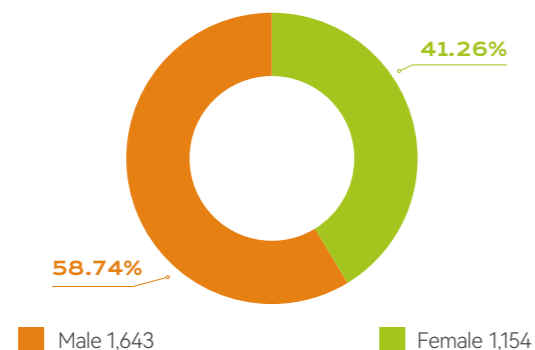
I Compliant Employment Practices and Fair Opportunities

The Company upholds principles of fairness and transparency to build harmonious labor relations. Equal opportunities are provided in recruitment, compensation and career development. Our robust management system ensures a compliant and equitable work environment, where employees' legal rights and interests are fully protected.

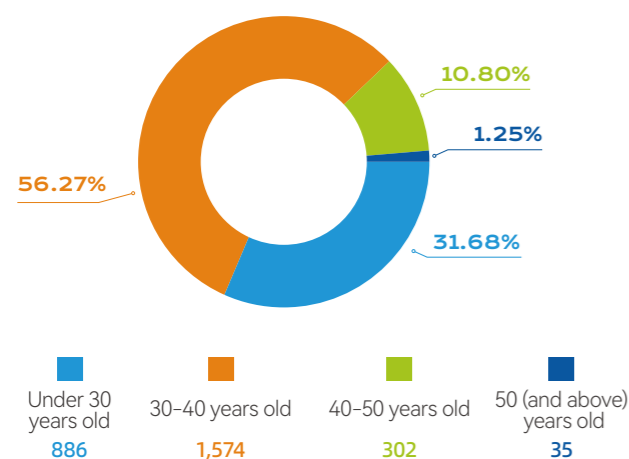
We've formulated various internal policies such as the *Recruitment Management Policy*, *Labor Contract Administration Policy*, *Employee Position Transfer Policy* and *Internship Management Regulations* in strict compliance with the *Labor Law and Labor Contract Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China* and other relevant laws and regulations. These policies establish standard recruitment and employment procedures and uphold the principles of fairness, impartiality and transparency in recruitment. We firmly oppose all forms of employment discrimination and the use of child labor.

As of the end of the reporting period, the Company employed **2,797** personnel, with a **100%** labor contract signing rate.

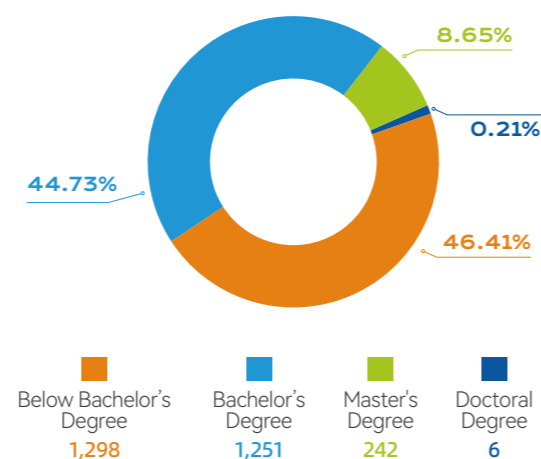
Number of Employees by Gender



Number of Employees by Age



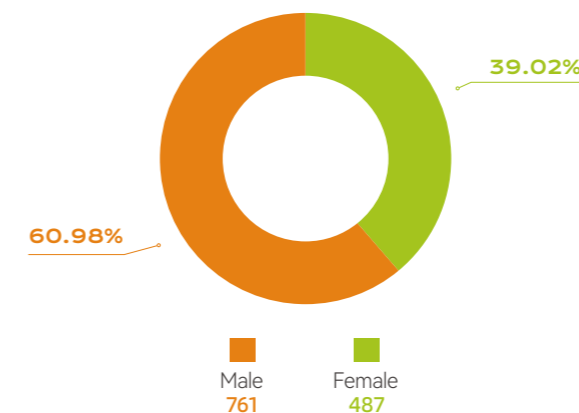
Number of Employees by Education



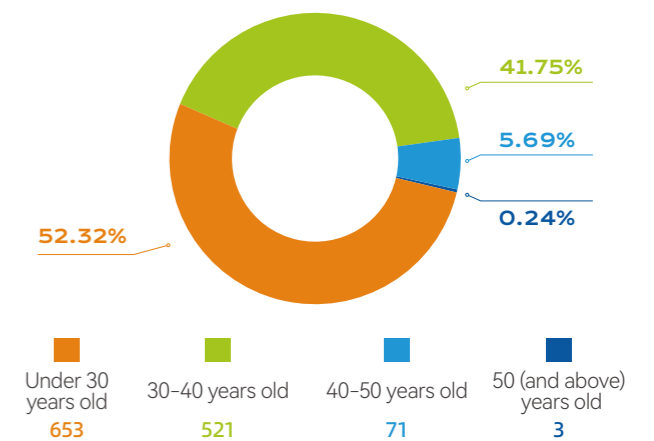
Each year, the Company recruits through multiple channels, including campus recruitment, social recruitment and internal referrals. We also offer job opportunities to military veterans and persons with disabilities, ensuring equal access and injecting fresh talent to support long-term business growth.

During the reporting period, **1,248** new employees joined the Company.

Number of New Hires by Gender



Number of New Hires by Age



I Empowering Employees with Wellbeing and Fulfillment

By focusing on enhancing our employees' sense of achievement, wellbeing and security, we are building a happiness-oriented organization—one that serves as both a fulfilling place to work and a platform for personal and professional growth. Our efforts have earned us multiple honors, including: National Model Enterprise for Harmonious Labor Relations, Pilot Enterprise for Employee Wellbeing in Guangdong Province, National Model Workers' Home, Pilot Unit for Wellbeing-Oriented Enterprises in Zhuhai City, and Selected Pilot Unit for Enhancing Employee Quality of Life.



Diversity and Inclusion

We champion diversity, equity and inclusion as core values of our corporate culture. We are committed to creating a workplace that respects individual differences and ensures equal opportunity regardless of ethnicity, race, gender or religious belief. Every employee is treated with dignity and fairness.

KPIs

Number of Employees with Disabilities	Number of Employees from Ethnic Minorities	Percentage of Employees from Ethnic Minorities
8	120	4%

The Company places strong emphasis on safeguarding the legal rights of female employees. We uphold equal pay for equal work and offer a full range of leave benefits such as maternity, nursing and marriage leave for female employees. We have also introduced dedicated facilities including lactation rooms, women's rest lounges and "Care Rooms for Moms" to foster a more comfortable and supportive working environment for women. To support women's mental wellbeing, we regularly invite external experts to conduct counseling sessions, providing on-site support to help employees manage stress and maintain a healthy work-life balance.

Case Study: Care Rooms for Moms

The Company has established "Care Rooms for Moms" equipped with nursing supplies and designed for use by pregnant and breastfeeding employees. During the reporting period, these facilities were recognized by Zhuhai City as an Outstanding Model for Workplace Amenities.



KPIs



Female Representation
in Management

30%



Employees Who Took
Maternity Leave

99



Return-to-work Rate
Post-maternity Leave

100%



Employees Who Took
Parental Leave

48



Return-to-work Rate
Post-parental Leave

100%

Democratic Governance

We strongly value democratic governance and open communication with employees. Since establishing our labor union in 2003, we have implemented a series of democratic management systems, including: *Employee Participation Policy*, *Collective Bargaining Policy*, *Union Leadership Open Office Hours Policy* and *Labor Dispute Mediation Policy*.

Our labor union plays a pivotal role in protecting employees' rights and fostering democratic engagement, guided by the "Three Represents" ideology. Through mechanisms such as the Employee Representative Assembly, collective bargaining and labor dispute resolution, we ensure that employees have a voice in decisions that affect their interests. Matters concerning employee welfare are communicated transparently via the internal OA system to safeguard employees' right to know. To further enhance transparency, the Company has progressively established robust information communication channels. We host regular employee discussion forums and surveys to gather feedback, and has installed a "President's Suggestion Box" to encourage the submission of ideas and concerns. Constructive suggestions are reviewed and actively implemented. By fully leveraging the labor union's role as a bridge, we proactively safeguard employees' rights to information, oversight and participation, fostering mutual growth and harmonious labor relations between the Company and its workforce. As of the end of the reporting period, 100% of our employees were registered union members.

Case Study: Employee Discussion Forums



○ Employee Complaints Mechanism

We have established transparent complaint mechanisms governed by formal policies such as the *Employee Communication & Feedback Policy* and the *Resolution on Establishment of the Labor Union's Legal Supervision Committee*. These policies define the roles, channels and responsible parties for handling complaints. Employees can submit complaints through confidential channels such as email or telephone. All cases are handled promptly with strict confidentiality and feedback is provided in a timely manner.

We have also established a legally compliant Labor Dispute Mediation Committee and an early-warning system for labor risks. Additionally, we collaborate with external legal service providers to offer comprehensive legal consultation and support for our employees.

Compensation and Incentive Programs

We have developed robust systems to ensure fair and performance-based compensation, guided by our *Compensation Management Policy* and *Performance Evaluation Policy*. These policies define clear standards and processes for performance reviews and compensation, ensuring fairness and transparency across the organization.

To attract, retain and motivate top talent, we benchmark employee compensation against leading industry standards and have implemented a long-term incentive mechanism. Since our IPO in 2016, we have launched eight equity incentive plans, benefiting nearly 1,000 employees.

Comprehensive Employee Benefits

We have established a diverse and comprehensive benefits system designed to enhance employees' happiness and sense of belonging. In full compliance with legal requirements, the Company provides all employees with social insurance and housing fund contributions as well as statutory leave. We also extend workplace injury and commercial accident insurance to interns and post-retirement contract employees. During the reporting period, we further revised our *Attendance and Leave Management Policy* to strengthen time-off practices, safeguard rest and leave entitlements and eliminate the risk of forced labor.

KPIs

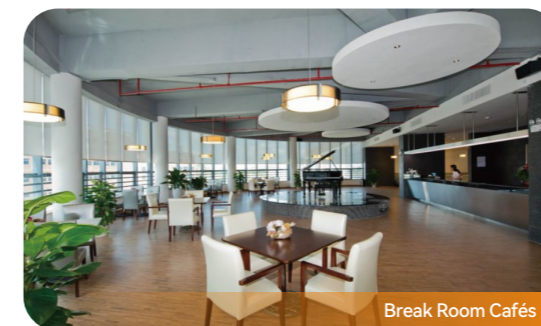


In 2024, our social insurance coverage reached

100%

We place the highest priority on employee health and wellbeing, striving to meet the diverse needs of our workforce. We provide comprehensive logistical support across office, dining, housing, recreation, and commuting services—ensuring employees enjoy healthy, positive, and secure working and living environments. In our office spaces, we have created comfortable and relaxing zones including cafés, break rooms, nap lounges, and reading corners (“Employee Book House”) to help relieve stress. We promote a healthy eating culture with a variety of in-house restaurants offering diverse cuisines—from Northern and Sichuan-Hunan flavors to Western meals—catering to the dietary preferences of employees from different regions. We also provide on-site accommodation through the Jafon Apartments, built to hotel-grade standards, as part of our employee housing benefits. Additionally, we have developed multifunctional wellness venues featuring gyms, badminton courts, table tennis rooms, basketball courts, billiards lounges, and yoga studios. Corresponding employee clubs are formed around these facilities, with regular events organized to encourage healthy lifestyles and team spirit. For everyday convenience, an on-campus supermarket operates with monthly shopping subsidies for employees. To support commuting needs, we maintain a dedicated transport team and have developed an internal carpooling app to facilitate ridesharing for employees living across various city districts.

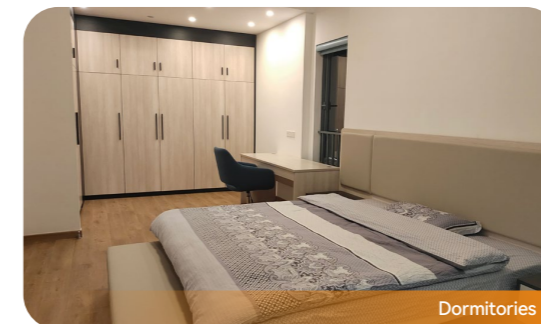
Workplace Amenities



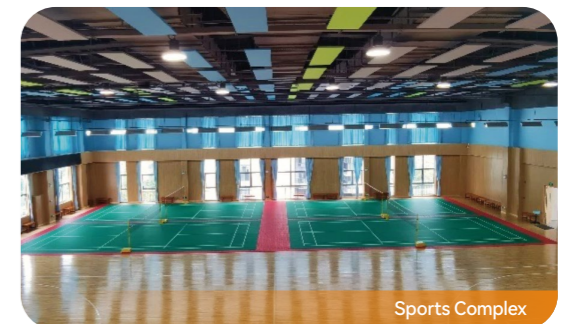
Break Room Cafés



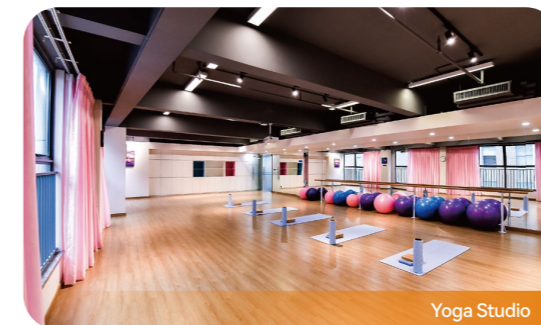
Dining Facilities



Dormitories



Sports Complex



Yoga Studio



Gym

Employee Activities

We believe in maintaining a healthy work-life balance and organize a range of recreational and celebratory events throughout the year, such as the Jafron Festival, employee recognition ceremonies, family carnivals, year-end galas and club competitions. These activities not only provide opportunities for relaxation and socialization but also foster team cohesion, a strong sense of belonging and overall employee satisfaction.

Since 2007, the Company has celebrated employees who have been with us for 10 years or more. In recognition of our successful restructuring and independent development, we designated the third Saturday of each July as the Jafron Festival—an employee holiday marked by festive events and cultural celebrations. Over the years, the Jafron Festival has become a key part of our corporate culture.

Case Study: 18th Jafron Festival

On July 27, 2024, we held our 18th Jafron Festival under the theme “Charting a Course Toward the Future” at the Zhuhai Workers’ Cultural Palace. The celebration was streamed live across the Company’s subsidiaries, creating a shared experience. In gratitude for their long-standing service, employees with 5, 10, 15, 20 and 25 years of tenure were honored with special awards. A vibrant program of performances drew rounds of enthusiastic applause from the audience.



Case Study: 2024 Family Carnival



Case Study: Club Competitions

Table Tennis Championship



Badminton Tournament



Basketball Match



Case Study: “United in Spirit, Reaching New Heights” Retreat

A joint initiative between the labor union and our main hemoperfusion cartridge manufacturing site brought 400 frontline employees and managers together for a restorative retreat themed “United in Spirit, Reaching New Heights” focusing on team-building and employee wellness.



Case Study: “Together as One – Jafron Cup” at the 4th Zhuhai United Front Sports Games

On June 8, 2024, the closing ceremony of the 4th Zhuhai United Front Sports Games themed “Together as One – Jafron Cup” was held at the Jinan University Zhuhai campus. Hosted by the United Front Work Department of the CPC Zhuhai Municipal Committee and co-organized by the Zhuhai Federation of Trade Unions and Jinan University, the event welcomed over 1,700 athletes from 33 teams across the city. Jafron proudly participated as the only corporate representative team.



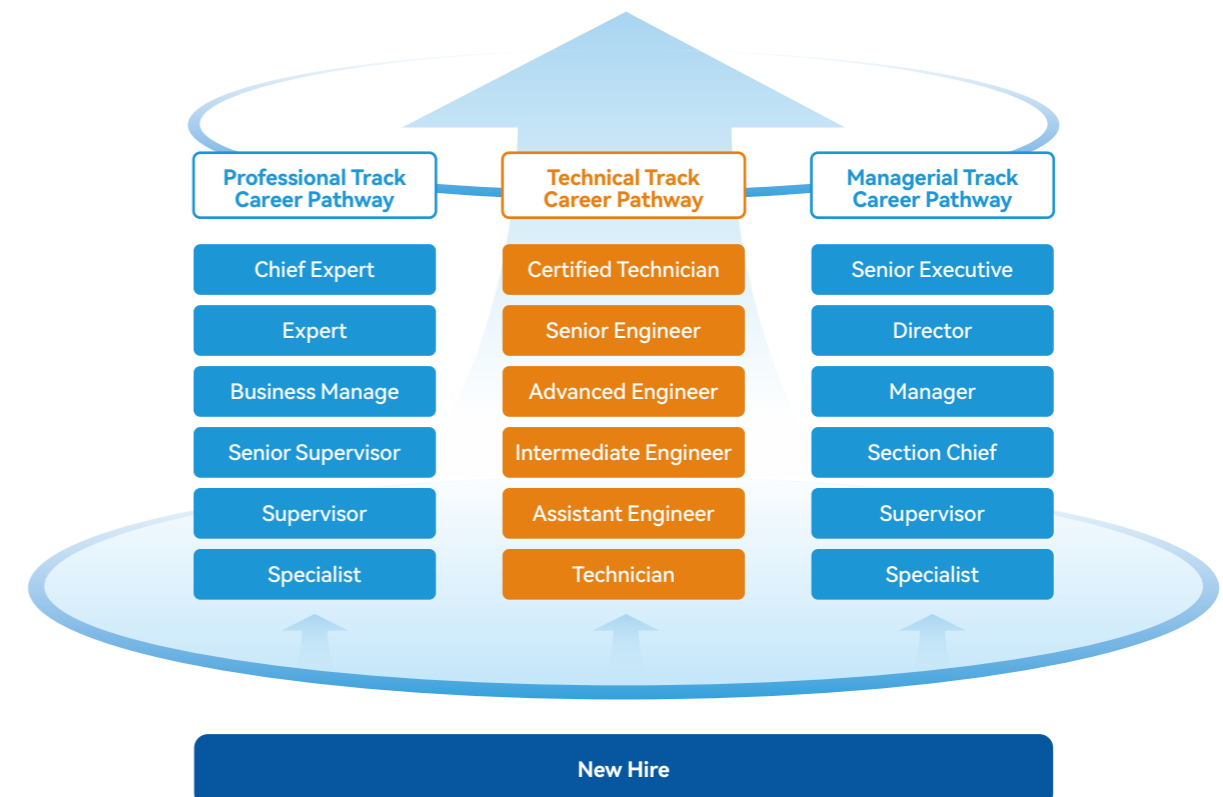
Employee Care and Support

We are committed to fostering a harmonious, inclusive and supportive workplace where employees can thrive both professionally and personally. Each year, we organize mental health seminars and offer on-site counseling services to help employees manage stress and maintain emotional wellbeing. The Company also supports employees facing financial hardship through a structured assistance program governed by the *Employee Hardship Relief Policy*. This mechanism is regularly improved to provide timely and effective support for employees in need. During the reporting period, the labor union secured RMB 10,800 in medical mutual aid subsidies from Guangdong Province for two employees. One employee received RMB 3,000 per quarter in hardship assistance.

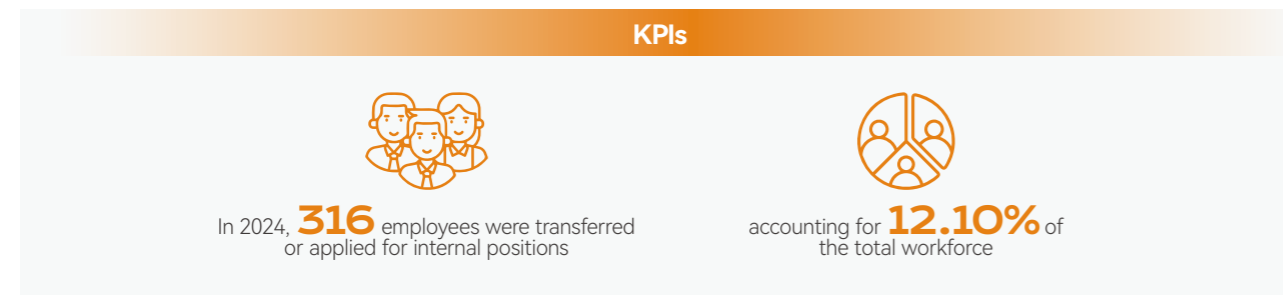
Career Development and Talent Cultivation

Promotion Management

The Company has established a comprehensive internal career development management mechanism. Employees are encouraged to choose a career path that aligns with their strengths and professional orientation—whether in professional, technical or management tracks. By providing clear and scientific promotion pathways, the Company supports employees in realizing personal growth while contributing to the Company’s overall value, fostering a harmonious and mutually beneficial environment.



To better support the implementation of the Company's strategic plans and help achieve business goals at all levels, while enhancing the performance of management personnel, the Company has introduced the *Jafron Management Track Learning and Evaluation Optimization Program*. This program sets differentiated assessment, incentive and feedback mechanisms for employees, aiming to identify and nurture potential internal management talent at various levels and strengthen the talent pipeline.

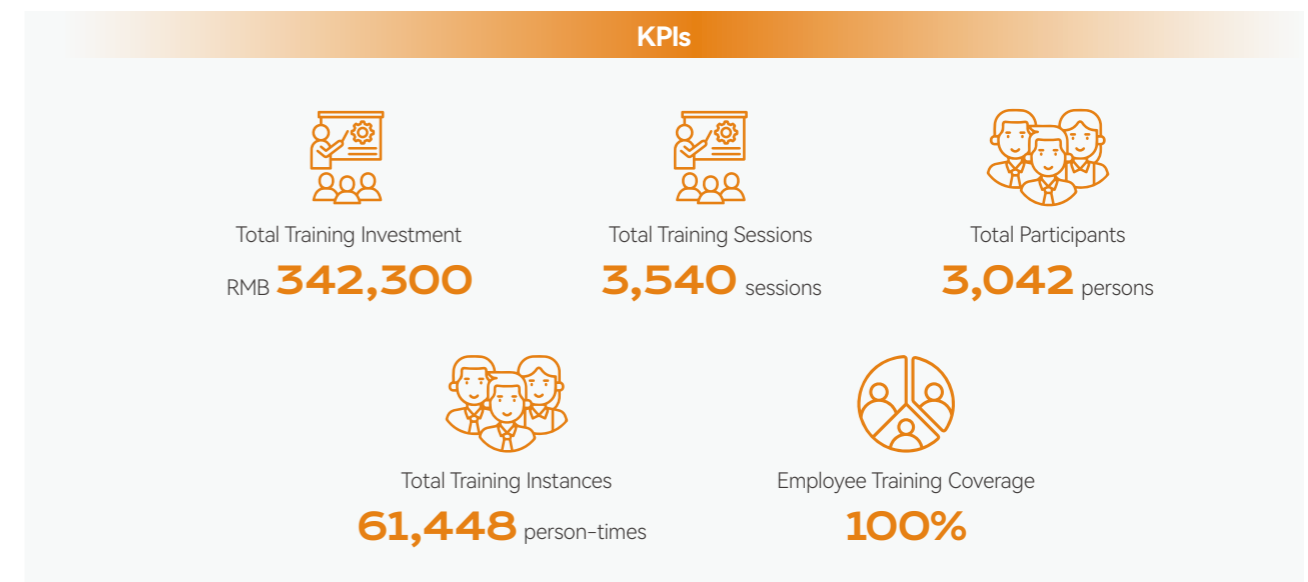


Employee Training

Talent is the primary driving force of enterprise development. The Company places strong emphasis on talent cultivation and development by establishing a comprehensive, multi-level training system. It provides specialized training across different functions—from frontline production to R&D and management—supported by a well-established pool of instructors. The goal is to fully unlock employee potential, enhance overall competencies, and empower employees in their roles to advance the Company's talent development strategy.



To support employee development, the Company offers internal trainer-led courses and the Xuanxing 2.0 Learning Platform. This platform provides diverse learning environments, comprehensive digital management and data visualization tools to promote knowledge transfer and talent development within the organization, serving as a foundation for enterprise training and talent management.

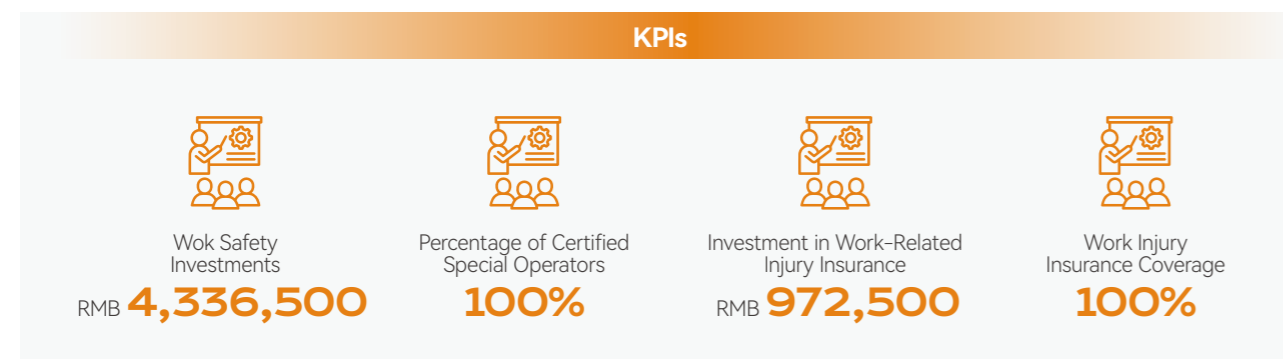


I Occupational Health and Safety First

Safety Management System

The Company strictly complies with the *Work Safety Law of the People's Republic of China*, Law, the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases* and other relevant laws and regulations. It has established systems such as the *Work Safety Accountability System*, *Work Safety Reward and Penalty System* and *Occupational Health Management Policy* to standardize the entire process of occupational health and safety management. In line with the “dual responsibility for one position” and the principle of “those who oversee industries, businesses or production must also control work safety”, the Company has formed a Work Safety Committee and a subordinate EHS Department to strengthen leadership in safety management. A sound occupational health and safety system has been put in place. The Company requires all relevant personnel to sign work safety responsibility statements and implements five-tier differentiated safety compliance awards for each unit. Safety performance is included in the annual KPIs of unit heads and in monthly assessments for each unit’s safety staff to ensure all management and employees take accountability for safety and meet safety targets.

Throughout the reporting period, the Company experienced no major safety incidents.



Safety Risk Management

The Company has formulated policies such as the *Jafron Work Safety Information Reporting System*, *Jafron Hazard Identification and Rectification System* and *Risk Classification and Control System for the Hemoperfusion Cartridge Manufacturing Plant*. These policies support a standard, ongoing risk identification process. Methods such as LS and LEC are used to assess risk, analyze the likelihood and consequences of accidents, determine hazard levels, and produce tools such as risk heat maps, hazard identification and assessment tables, and risk classification control ledgers. Preventive measures are implemented with ongoing monitoring and adjustment to ensure that safety measures are effectively enforced and risks are minimized. To prevent occupational diseases, the Company and its subsidiaries conduct regular testing for occupational hazards in the workplace, gaining timely insights to reduce the incidence of work-related illnesses.

O Hazard Identification and Remediation

The Company actively conducts safety inspections and hazard identification, maintaining detailed ledgers for each facility’s operation, maintenance and updates. All functional departments ensure closed-loop safety management, promptly addressing and correcting issues to reduce potential safety risks. During the reporting period, the hazard rectification rate was **100%**.



Construction Safety Checks



Post-holiday Comprehensive Factory Safety Inspections

O Emergency Response Plan

The Company places a strong emphasis on work safety and has established the *Emergency Response Plan for Work Safety Accidents*. This includes a structured emergency response organization comprising an Emergency Command Center, Emergency Rescue Team, Communication and Liaison Group, Security and Evacuation Team, Medical Aid Group and Logistics Support Team. Based on the type and severity of potential safety incidents, assessments of worker exposure, and analysis of potential site conditions, a three-tier emergency response mechanism has been established to enhance preparedness and organizational response capability. Regular emergency drills are conducted to minimize the consequences and impact of potential incidents. During the reporting period, the Company conducted **69** safety emergency drills.

Case Study: Annual Comprehensive Emergency Drill at Jafron Industrial Park

To evaluate the practical implementation of emergency response protocols and assess the leadership, coordination and decision-making capabilities of key personnel during major incidents, Jafron’s EHS Department conducted a comprehensive emergency drill at Jafron Industrial Park on December 27. The exercise aimed to enhance employees’ emergency response skills in fire suppression and evacuation.



Safety Management Measures

Occupational Health Screenings

The Company prioritizes employee health and has established the *Personnel Health Management Policy*. Each year, we offer free health check-up plans tailored to different employee categories and maintain detailed health records, with one file per employee. This allows for early detection of potential health risks, timely medical intervention and professional health management advice. A health cabin equipped with self-service diagnostic equipment has been installed to enhance employee health services.

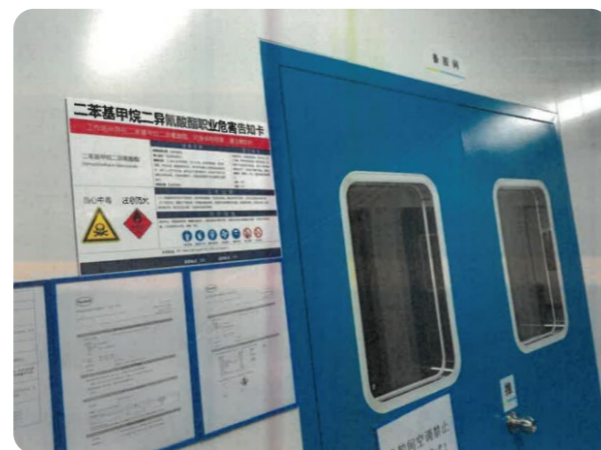
The Company also conducts regular screening for metabolic diseases like cardiovascular conditions and high cholesterol, particularly for employees over 40, using diagnostic tools such as metabolic disorder analyzers and lipid profile tests. Employees showing early signs of metabolic abnormalities are offered preventative treatments using in-house blood purification products. Follow-up results show a significant reduction in chronic disease risks. During the reporting period, **100%** of employees received health check-ups.

Stakeholder Safety Management

The Company has implemented several systems to ensure standardized and full-process management of outsourced engineering and construction projects, including the *Outsourced Engineering Management Policy*, *Project Management Policy* and *Construction Safety Management Regulations*. These documents specify the responsibilities of contractors and related parties. We conduct regular safety training and assessments for them to prevent incidents and ensure project safety and quality.

Occupational Health Protection

The Company strictly enforces regulations on occupational disease prevention to safeguard employees' full right to know. We use clear warning signs, distribute hazard notification letters and provide lists of hazard-prone positions and personnel to inform workers about potential risks such as noise, high temperatures, UV radiation and dust exposure. Employees are required to undergo occupational health training and to properly use and maintain personal protective equipment. This ensures employees are aware of occupational hazards and are equipped to protect their health proactively.



Safety Culture Development

Each year, the Company organizes various awareness and training activities to strengthen its safety culture. These include EHS knowledge contests, expert-led risk inspections and workshops, a "Spot the Hazard" employee engagement campaign, firefighting skills competitions, and customized safety initiatives by individual departments. These efforts aim to improve the safety skills of personnel, raise awareness, and build a robust culture of safety.



I Compassion in Action, Advancing Public Welfare

Social Welfare Initiatives

Jafron remains steadfast in its commitment to social responsibility, extending warmth and support to vulnerable groups through diverse initiatives in education, medical assistance, poverty alleviation and disaster relief. Through these efforts, it contributes to global health advancements and sustainable social development. During the reporting period, the Company was honored as an Outstanding Case of Corporate Social Responsibility among Chinese Private Enterprises for its innovative approach to charitable models driven by compassion, and received accolades such as the “Red Cross Society of China Dedication Medal” and “Outstanding Contribution to Charitable Giving Award”. These recognitions reflect broad societal appreciation for the Company’s long-standing dedication to social good.

KPIs



In 2024, the Company contributed
RMB **38,302,200**
to public welfare and charitable programs.

Honors and Awards



Red Cross Society of China
Dedication Medal



“Outstanding Contribution to Charitable Giving Award”

During the reporting period, the Company provided material donations to disaster-affected regions such as Henan and Meizhou, delivering practical aid to local residents. It also made financial donations to education development foundations at Sun Yat-sen University and Nanjing University to support educational advancement. Additionally, initiatives like the “One-Meter Dream Space” program and employee participation in voluntary blood donation activities demonstrate the Company’s ongoing commitment to giving back to society through concrete action.

Case Study: “Jafron” Sets Sail — Women’s Federation Supports the ‘One-Meter Dream Space’ Program

To help build a child-friendly city in Zhuhai and embrace the concept of “seeing the world from a one-meter perspective”, the Company launched the Jafron-Zhuhai Happy Home – “My One-Meter Dream Space” public welfare program. The program aims to foster a nurturing environment for children, particularly those from single-parent or underprivileged families, to support their educational and personal growth.



Case Study: Voluntary Blood Donation

On September 20, Jafron headquarters located in Zhuhai National High-Tech Industrial Development Zone hosted a voluntary blood donation event. A total of 131 employees donated 43,950 milliliters of blood, which will be used for medical rescue efforts across Zhuhai and is estimated to meet the city’s clinical blood needs for two days. This initiative underscores Jafron’s strong sense of corporate social responsibility and its commitment to lifesaving causes.



Safeguarding Health

During the reporting period, leveraging its internal resources, Jafron actively contributed to the medical and healthcare sector through donations to medical foundations, equipment donations and targeted aid, helping advance the healthcare sector and improve access to affordable healthcare for more individuals.

Case Study: Donation of RMB 1 Million to Support Medical Development in Yuanling County, Huaihua City

On September 13, Jafron donated medical supplies valued at RMB 1 million to Yuanling County, Huaihua City. The donation included top-quality home-made equipment such as the DX-10 Blood Purification Machine and JF-800A Hemoperfusion Machine, intended for use in critical care and emergency detoxification. This effort supports the county in improving its healthcare capabilities and providing better health security for its residents.



Case Study: RMB 333,000 Donation to Support 4,000 Uremia Patients in Huanggang City

As a socially responsible listed company, Jafron has consistently adhered to its philanthropic mission for years, courageously embracing its duties and actively engaging in public welfare endeavors. From 2022 to 2024, the Company donated RMB 1 million to support uremia patients in Huanggang City, including RMB 333,000 in 2024 alone, benefiting over 4,000 local patients.



Case Study: RMB 200,000 Donation to Support Children with Autism

On June 1, 2024, during the "Children's Day Care & Love Pairing Initiative" hosted by the Zhuhai Women's Federation, Jafron donated RMB 200,000 to the Federation's charitable foundation. The funds support the "Lighting the Stars: Love Makes Us Not Alone" project, which provides families with children on the autism spectrum with financial aid, professional guidance, rehabilitation subsidies, and psychological support.



Rural Revitalization

In alignment with China's new-era rural revitalization strategy, Jafron is taking concrete actions to fulfill its commitment to supporting the revitalization of rural communities. By proactively contributing to the consolidation of poverty alleviation achievements and the comprehensive advancement of rural development, the Company is helping to build a stronger, more inclusive society.

Case Study: "6·30" Rural Revitalization Event

In 2024, Zhuhai City launched the "6-30 Rural Revitalization Event" under the theme "Consolidating Poverty Alleviation Achievements, Advancing Rural Revitalization". Actively responding to the government's call, Jafron pledged RMB 10 million during the event, demonstrating its firm dedication to the rural revitalization cause. This significant contribution supports targeted assistance efforts and regional cooperation, further reinforcing the long-term impact of poverty alleviation work.



Summary of KPIs

Economic

KPI	Unit	2024
Operating revenue	RMB 100 million	26.77
Net profit attributable to shareholders of the parent company	RMB 100 million	8.20
Total assets	RMB 100 million	53.83
Basic earnings per share	yuan/share	1.02
Tax payment	RMB 100 million	4.70

Governance

KPI	Unit	2024
Number of legal training sessions	Sessions	100
Compliance rate in signing ethics-related declarations	%	0
Reported bribery or corruption incidents	Cases	66
Number of the management participating in anti-bribery and anti-corruption training sessions	Persons	528
Total duration of anti-bribery and anti-corruption training delivered to the management	Hours	292
Number of employees participating in anti-bribery and anti-corruption training sessions	Persons	2,336
Total duration of anti-bribery and anti-corruption training delivered to employees	Hours	4

Environmental

Response to Climate Change

KPI	Unit	2024
Total GHG emissions ¹	RMB 10,000	19,309.47
Direct GHG emissions (Scope 1) ¹	tCO ₂ e	8,644.93
Indirect GHG emissions (Scope 2) ¹	tCO ₂ e	10,664.54
Natural gas consumption	10,000 m ³	399.823
Total purchased electricity	kWh	27,564,089.96
Photovoltaic power generation ²	kWh	1,725,780
Total energy consumption ³	tce	8,397.60

Note 1 Reported GHG emissions include Scope 1 (direct) and Scope 2 (indirect) emissions, which are calculated in accordance with the *GHG Emissions Accounting and Reporting Guidelines for Industrial Enterprises (Other Sectors)*. **Note 2:** Scope 1 emissions cover natural gas consumption; Scope 2 emissions include purchased electricity (sourced from China Southern Power Grid). Natural gas emissions are calculated based on a conversion factor of 1 m³ of natural gas equivalent to 1.20 kg of standard coal by energy content.

Note 2 The solar power project was commissioned in March 2024; data reflects the period from March through December 2024.

Note 3 Total energy consumption includes natural gas, purchased electricity and solar-generated electricity. Natural gas emissions are calculated based on a conversion factor of 1 m³ of natural gas equivalent to 1.20 kg of standard coal by energy content.

Environmental Compliance

Metric	Unit	2024
Total investment in environmental protection	RMB 10,000	8,541.02
Major administrative penalties imposed by competent ecological and environmental authorities and other relevant departments for environmental violations	Cases	0
Amounts of major administrative penalties imposed by competent ecological and environmental authorities and other relevant departments for environmental violations	RMB 10,000	0
Environmental training sessions	Sessions	12
Environmental training participants	Person-times	105
Total training hours	Hours	97

● Pollutant Discharge

KPI	Unit	2024
Air emissions	m³	5,333.65
Nitrogen Oxides (NOX)	tons	7.85
Sulfur Dioxide	tons	0.19
Volatile Organic Compounds (VOC)	tons	3.78
Particulate Matter (PM)	tons	0.17
Wastewater Discharges	tons	141,383
Chemical Oxygen Demand (COD)	tons	1.829
Ammonia Nitrogen (NH3-N)	tons	0.011
Total Phosphorus (P)	tons	0.004

● Waste Management

KPI	Unit	2024
Quantity of general waste generated	tons	661.64
Recycling rate of general waste	%	43.61
Quantity of general waste disposed	tons	373.08
Quantity of hazardous waste generated	tons	121.82
Quantity of hazardous waste disposed	tons	121.82
Total waste recycled	tons	288.56
Waste recycling rate	%	36.83
Waste disposal compliance rate	%	100
Waste liquids (HW06)	tons	106.54
Waste activated carbon (HW49)	tons	13.02
Waste organic solvent (HW49)	tons	0.67
Waste empty drums (HW49)	tons	1.6
Sludge	tons	373.08

● Water Resources Utilization

KPI	Unit	2024
Total water consumption	tons	753,795
Freshwater withdrawal	tons	705,038
Recycled and reused water	tons	48,757

● Material Use

KPI	Unit	2024
Total packaging materials used	tons	8,432.32
Paper packaging	tons	8,158.35
Plastic packaging	tons	273.97
Reused/recycled packaging materials	tons	4,800
Packaging material recycling rate	%	56.92

■ Social

● Innovation-Driven Development

KPI	Unit	2022	2023	2024
R&D investments	RMB 10,000	25,390.82	24,537.87	24,009.32
R&D spending as a percentage of total revenue	%	10.21	12.79	8.97
Total R&D team size	Persons	603	544	486
R&D personnel as a percentage of total workforce	%	20.08	22.59	17.38
Total patent applications	Patents	50	50	53
Patents granted (valid)	Patents	41	37	27
Granted invention patents	Patents	13	22	17
Granted utility model patents	Patents	26	15	8
Granted design patents	Patents	2	0	2
Total trademarks	Patents	196	239	243
Published papers	Patents	0	0	1
Number of Specialized and Sophisticated Enterprise that Produces Novel and Unique Products	/	2	2	2
Number of National High-Tech Enterprise	/	4	4	4
Number of National Enterprise Technology Center	/	0	1	1

◎ Product Safety and Service Quality

KPI	Unit	2022	2023	2024
Product pass rate	%	100%	100%	100%
Frequency of internal quality audits	Audits	2	2	2
Third-party inspections	Inspections	2	4	6
Product recall volume	Pcs.	0	0	0
Including: product recalls associated with safety and health concerns	Pcs.	0	0	0
Amount of loss resulting from major product- or service-related safety or quality incidents	RMB 10,000	0	0	0
Quality training participants	Person-times	/	/	4,953
Total quality training hours	Hours	/	/	24,672
Total quality training sessions	Sessions	/	/	20
Number of survey participants	Persons	686	517	392
Customers participating in surveys as a percentage of total customer base	%	0.71	0.62	0.65
Valid customer satisfaction questionnaires collected	Copies	686	517	481
Overall customer satisfaction ¹	%	98.93%	98.99%	99.04%
Complaint resolution rate	%	/	/	100

Note 1 The overall customer satisfaction is calculated by averaging the following satisfaction measures—Adsorbent category: 99.06%, Equipment category: 98.96%, Tubing category: 100%, Plasma Separator/Dialyzer category: 97.18%, Bandage category: 100%.

◎ Supply Chain Security

KPI	Unit	2022	2023	2024
Total number of suppliers	Suppliers	376	400	459
Incidents involving major supply chain risk and implications	Cases	0	0	0

◎ Data Security and Privacy Protection

KPI	Unit	2022	2023	2024
Incidents involving breaches of customer data	RMB 10,000	0	0	0
Substantiated complaints concerning breaches of customer privacy and losses of customer data	Cases	0	0	0
Total number of confirmed incidents involving leakage, theft or loss of customer data	Cases	0	0	0
Number of data security/customer privacy protection training sessions	Sessions	6	8	9
Data security/customer privacy protection training coverage	%	100	100	100
Average training hours completed per employee on data security/customer privacy protection	Hours	3	8	18

◎ Social Contributions

KPI	Unit	2022	2023	2024
Public welfare investments ¹	RMB 10,000	1,480.35	2,613.96	3,830.22

Note 1 Includes both monetary and in-kind donations, with in-kind donations measured at fair value.



🕒 Labor Rights and Interests

KPI	Unit	2022	2023	2024
Labor contract signing rate	%	100%	100%	100%
Number of temporary employees	Persons	0	0	0
Number of part-time employees	Persons	0	0	0
Total number of employees	Persons	3,003	2,408	2,797
Number of employees with disabilities	Persons	0	0	8
Number of employees from ethnic minorities	Persons	39	41	120
Percentage of employees from ethnic minorities	%	1%	2%	4%
Including: number of employees by gender				
Female	Persons	1,216	990	1,154
Male	Persons	1,787	1,418	1,643
Including: number of employees by age				
Under 30 years old	Persons	755	729	886
30-40 years old	Persons	1,829	1,384	1,574
40-50 years old	Persons	364	255	302
50 (and above) years old	Persons	55	40	35
Including: number of employees by education				
Below Bachelor's Degree	Persons	1,469	1,063	1,298
Bachelor's Degree	Persons	1,322	1,140	1,251
Master's Degree	Persons	205	197	242
Doctoral Degree	Persons	7	8	6
Including: number of employees by geographical region				
Mainland China	Persons	3,000	2,406	2,794
Hong Kong, Macau, Taiwan	Persons	1	1	2
Overseas	Persons	2	1	1
Number of new hires	Persons	1,350	296	1,248
Including: number of new hires by gender				
Female	Persons	581	105	487
Male	Persons	769	191	761
Including: number of new hires by age				
Under 30 years old	Persons	589	157	653
30-40 years old	Persons	680	118	521
40-50 years old	Persons	79	19	71
50 (and above) years old	Persons	2	2	3

Including: number of new hires by geographical region				
Mainland China	Persons	1,349	296	1,245
Hong Kong, Macau, Taiwan	Persons	1	0	2
Overseas	Persons	0	0	1
Female representation in management	%	39%	34%	30.0%
Employees who took maternity leave	Persons	84	100	99
Return-to-work rate post-maternity leave	%	100	100	100
Employees who took parental leave	Persons	0	65	48
Return-to-work rate post-parental leave	%	/	100	100
Social insurance coverage	%	100	100	100
Percentage of employees underwent regular performance evaluations and career development assessments	%	100%	100%	100%
Labor union membership rate	%	/	/	100%
Employee engagement score	5-point scale	4.07	3.94	4.03
Employee participation rate in engagement survey	%	72.15%	68.64%	77.21%
Number of employee departures	Persons	1,222	880	858
Total employee turnover ¹	%	28.9%	26.80%	23.50%

Note 1 Total employee turnover = (Annual total departures) / (Annual total departures + Total number of employees at year-end)

🕒 Employee training and development

KPI	Unit	2022	2023	2024
Total investment in employee training	RMB 10,000	14.60	34.45	34.23
Total training sessions	Sessions	1,229	2,026	3,540
Total participants	Persons	3,294	2,643	3,042
Total training instances	Person-times	27,473	26,562	61,448
Total training hours	Hours	78,726.6	75,933.39	92,872.26
Average hours of training per employee per year	Hours/person	23.9	28.73	30.53
Employee training coverage	%	100%	100%	100%

Occupational Health and Safety

KPI	Unit	2022	2023	2024
Total safety incidents	Cases	0	0	0
Work-related fatalities	Persons	0	0	0
Total number of work-related injuries	Persons	/	/	3
Lost days due to work injury	Workdays	/	/	48
Hazard inspection rectification rate	%	100%	100%	100%
Number of emergency drills conducted	Sessions	50	91	69
Wok safety investments ¹	RMB 10,000	/	/	433.65
Investment in safety training ¹	RMB 10,000	/	/	6.6
Number of work safety training sessions	Sessions	72	64	110
Total training instances	Person-times	11,433	11,581	12,779
Total training hours	Hours	12,413	13,042	13,430
Safety training coverage	%	/	/	100%
Safety risk mitigation training coverage	%	/	/	100%
Percentage of certified special operators	%	100%	100%	100%
Investment in work-related injury insurance	RMB 10,000	50.28	62.62	97.25
Work injury insurance coverage	%	100%	100%	100%
Employee health check-up coverage	%	100%	100%	100%
Rate of occupational disease hazard detection	%	100%	100%	100%
Compliance rate for occupational disease hazard monitoring	%	100%	100%	100%
Number of new cases of new occupational diseases	Cases	0	0	0

Note 1 Wok safety investments and investments in safety training are estimated figures.



Index of Metrics

Guidelines No. 17 of Shenzhen Stock Exchange for Self-Regulation of Listed Companies – Sustainability Report (Trial)

Disclosure Requirements	Reference Section
Response to Climate Change	Advancing Low-Carbon Practices and Promoting Green Healthcare – Response to climate change
Pollutant Discharge	Advancing Low-Carbon Practices and Promoting Green Healthcare – Environmental Compliance and Low-Carbon Initiatives
Waste Management	Advancing Low-Carbon Practices and Promoting Green Healthcare – Environmental Compliance and Low-Carbon Initiatives
Ecosystem and Biodiversity Preservation	Not Involved
Environmental Compliance	Advancing Low-Carbon Practices and Promoting Green Healthcare – Environmental Compliance and Low-Carbon Initiatives
Energy use	Advancing Low-Carbon Practices and Promoting Green Healthcare – Circular Economy and Green Development
Water Resources Utilization	Advancing Low-Carbon Practices and Promoting Green Healthcare – Circular Economy and Green Development
Circular Economy	Advancing Low-Carbon Practices and Promoting Green Healthcare – Circular Economy and Green Development
Rural Revitalization	People-Oriented Development and Social Harmony – Compassion in Action, Advancing Public Welfare
Social Contributions	People-Oriented Development and Social Harmony – Compassion in Action, Advancing Public Welfare
Innovation-Driven Development	Crafting Excellence to Propel Industry Development Together – Smart Innovation: Key to Technology-Driven Growth
Ethics in science and technology	Crafting Excellence to Propel Industry Development Together – Smart Innovation: Key to Technology-Driven Growth
Supply Chain Security	Crafting Excellence to Propel Industry Development Together – Stable Supply and Security Assurance
Equal Treatment of SMEs	Not Applicable
Product and Service Safety and Quality	Crafting Excellence to Propel Industry Development Together – Excellence in Quality: Our Foundation for Trust Crafting Excellence to Propel Industry Development Together – Customer-Centric Service with Dual-Engine Excellence
Data Security and Privacy Protection	Crafting Excellence to Propel Industry Development Together – Data Security and Privacy Protection
Employees	People-Oriented Development and Social Harmony – Compliant Employment Practices and Fair Opportunities People-Oriented Development and Social Harmony – Empowering Employees with Wellbeing and Fulfillment People-Oriented Development and Social Harmony – Career Development and Talent Cultivation People-Oriented Development and Social Harmony – Occupational Health and Safety First
Due diligence	Crafting Excellence to Propel Industry Development Together
Stakeholder Engagement	Sustainability Governance – Stakeholder Engagement
Anti-bribery & anti-corruption	Robust Governance: Strengthening the Foundation for Sustainable Growth – Business Ethics and Corporate Values
Anti-unfair Competition	Robust Governance: Strengthening the Foundation for Sustainable Growth – Business Ethics and Corporate Values

Feedback

Thank you for taking the time to read the Environmental, Social and Governance (ESG) Report 2024 of Jafron Biomedical Co., Ltd. We sincerely value your feedback and welcome any suggestions or insights you may have regarding our sustainability practices and ESG performance. Your input plays a critical role in helping us continuously enhance our sustainability practices and performance. To that end, we kindly invite you to complete the feedback form below and return it to us via one of the contact methods listed. We are grateful for your continued support in our journey toward sustainable development.

Feedback channel



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Which of the following stakeholders is most relevant to you in relation to Jafron?

- ☐ Employee ☐ Customer ☐ Shareholder/Investor ☐ Supplier ☐ Government or Regulatory Agency
- ☐ Academic or Research Institution ☐ Media/General Public
- ☐ Other (please specify): _____

1.How would you rate this year’s ESG report overall?

- ☐ Excellent ☐ Good ☐ Average ☐ Below Average ☐ Poor

2.How would you rate this report’s accuracy, clarity and completeness?

- ☐ Excellent ☐ Good ☐ Average ☐ Below Average ☐ Poor

3.How would you evaluate the readability of this report?

- ☐ Excellent ☐ Good ☐ Average ☐ Below Average ☐ Poor

4.Does the report adequately reflect the Company’s significant impacts on the economy, society and the environment?

- ☐ Excellent ☐ Good ☐ Average ☐ Below Average ☐ Poor

5.How would you assess this report’s logical reasoning, content organization and layout design?

- ☐ Excellent ☐ Good ☐ Average ☐ Below Average ☐ Poor

6.Which topics in this year’s ESG report most captured your attention?

7.What additional information would you like to see in future ESG reports?

8.Do you have any further comments or suggestions regarding our ESG report or sustainability initiatives and practices?
