



2024 IMPACT REPORT

JY TEXTILE TECHNOLOGY LIMITED

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ABOUT THE REPORT | 2024 IMPACT REPORT

ABOUT THE REPORT

This report summarises the company's strategies, practices, and vision on environmental, social, and governance (ESG) issues for the year 2024, showcasing our commitment to sustainable development and corporate social responsibility.

The company's General Manager holds ultimate responsibility for the overall management of related issues and is responsible for overseeing and coordinating the management of related risks, as well as the strategy and reporting on environmental, social, and governance matters. Through continuous evaluation, we have understood the potential impact and opportunities of environmental, social, and governance issues on the company's overall strategy, and reviewed the significance assessment results of these issues. This has allowed us to confirm the current management policies and concepts.

The specific evaluation process and results are detailed later in this report, which provides an in-depth disclosure of the company's environmental, social, and governance issues, including sustainable development, green production, safe operations, quality assurance, and responsible business practices. In 2023, the company continued to improve and set relevant environmental goals.

About The Report

This report is the "2024 Environmental, Social, and Governance Report" of Quanzhou Zhongxin Textile Co., Ltd., aimed at disclosing the company's annual performance in environmental, social, and governance (ESG) responsibilities, allowing customers to understand our performance and development direction in various sustainable development strategies. The company is responsible for the truthfulness, accuracy, and completeness of the content.

1.1 Report References

This report is prepared with reference to the "Guidelines for the Preparation of Corporate ESG Environmental, Social, and Governance Reports (T/SFIE 001–2024)" and the company's actual operational situation.

1.2 Report Scope

The time period covered by this report is from January 1, 2024, to December 31, 2024 (hereinafter referred to as the "Reporting Period"), focusing on the overall performance in environmental and social aspects. The content includes the company's main business of yarn, nylon-spandex, and polyester-spandex knitted fabric production and sales. The disclosed information comes from the company's official internal documents, archived reports, internal statistical data, and relevant official public records.



1.3 Report Principles

This report follows the principles of materiality, balance, quantification, and consistency in reporting.

- **Materiality Principle:** We have identified key issues and, according to the requirements of the "Guidelines for the Preparation of Corporate ESG Environmental, Social, and Governance Reports (T/SFIE 001–2024)," and based on our results, have determined the content and scope of this report.
- **Balance Principle:** This report includes both positive and negative information disclosures, ensuring fairness in reporting the company's environmental, social, and governance performance during the reporting period.
- **Quantification Principle:** The data scope and calculation methods used in this report are explained herein.
- **Consistency Principle:** Unless otherwise specified, the disclosure scope of this report should follow consistent disclosure and statistical methods as in previous years.





COMPANY PROFILE | 2024 IMPACT REPORT

COMPANY VISION

To create the unique JYT ecosystem, which integrates differentiated yarn technology, chemical dyeing and finishing technology, automated weaving workshops, waterless eco-friendly printing and dyeing technology, along with IT and Artificial Intelligence (AI) technologies. This ensures the sustainability of the entire production process, including energy usage and waste management. The goal is to establish a sustainable and distinctive JYT-exclusive ecosystem.

To become the leading manufacturer of environmentally friendly mechanical functional textiles and the preferred supplier for world-renowned brands. At the same time, the company aims to achieve sustainable growth and long-term operations by pursuing mutual benefits, customer satisfaction, and meeting the needs of shareholders and employees.

OUR GLOBAL LAYOUT



U.S. OFFICE

The primary responsibility is to liaise with clients in the Americas and maintain close communication with the headquarters of American high-tech material suppliers. The focus is on planning value chain projects starting from the raw materials side to serve global clients. Additionally, the team works with trend designers to create innovative fashion samples.

U.K. OFFICE

Mainly responsible for first-line communication with European clients and working closely with exhibitions and associations in key countries such as France and Germany to gather the latest fashion trends for development purposes.

VN / INA FACTORY

Technological innovation capabilities, watermark-free dyeing technology, the use of internationally advanced equipment, green product development, and the improvement of economic benefits. These are of significant importance for environmental protection and sustainable development. Production is planned to begin in 2026-2027.

SHANGHAI / SHENZHEN CHINA OFFICE

Responsible for overseeing sales in the domestic main market.

HONG KONG ASIA OFFICE

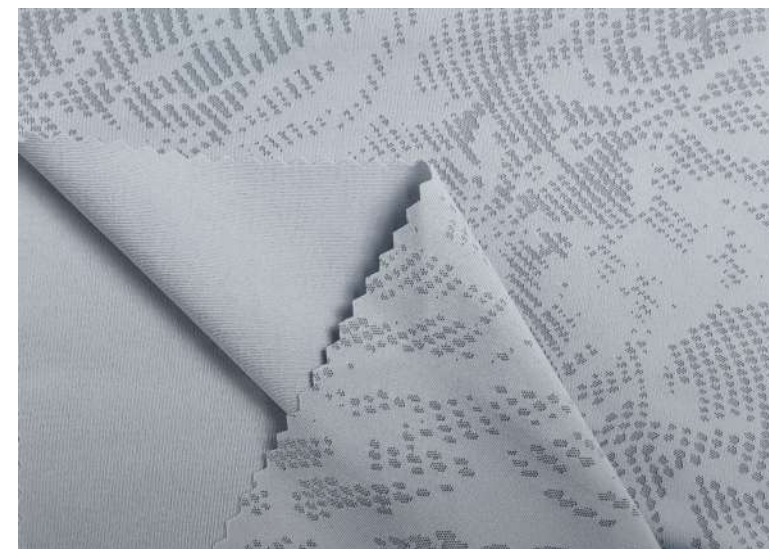
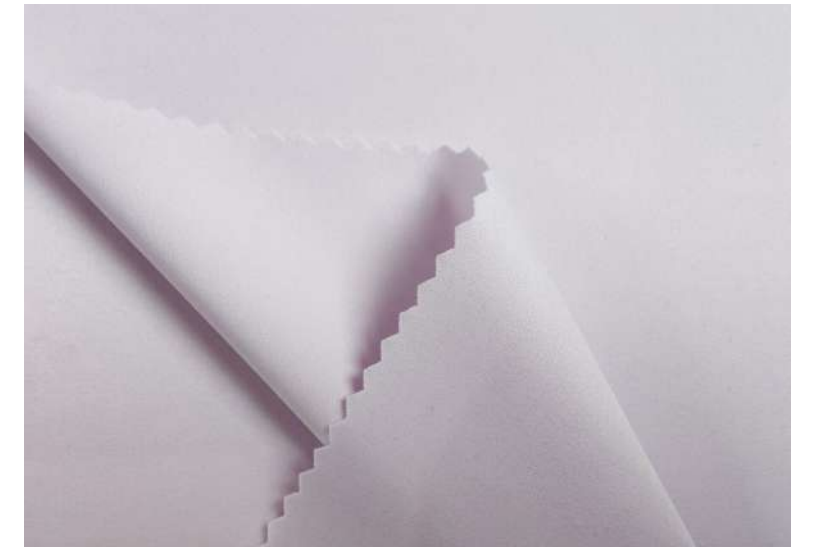
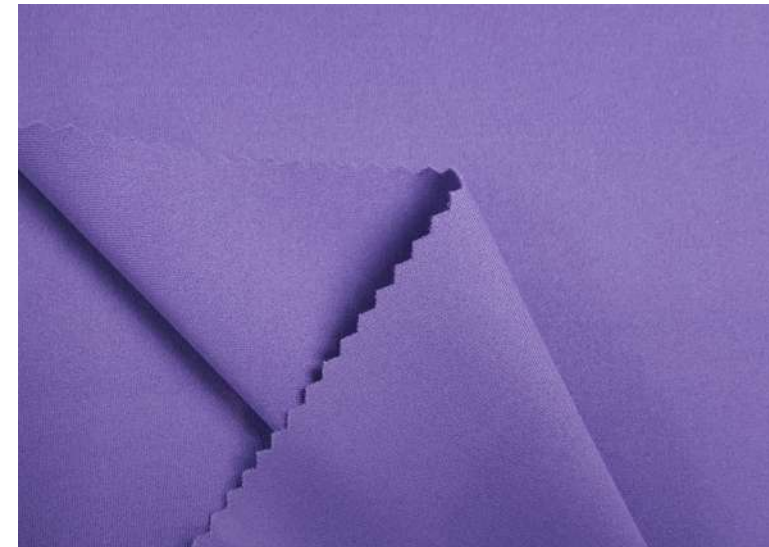
Mainly responsible for sales and project management in the Asia region. Integrates fashion trends from various divisions and makes market product trend forecasts.

JAPAN CONSUMER WEAR EXPERIENCE RESEARCH INSTITUTE

Mainly responsible for studying consumer habits and ready-to-wear trends, and collaborating with raw material suppliers to develop differentiated yarn products.

Since its establishment, the company has fully implemented international management operations and investments. Our iconic JYT brand has always been a symbol of quality in the company's brand image.

PARTIAL FABRIC APPLICATION



THE SIX BELIEFS

The company's social responsibility certifications reflect its strength and have a profound impact on the survival and development of the business.

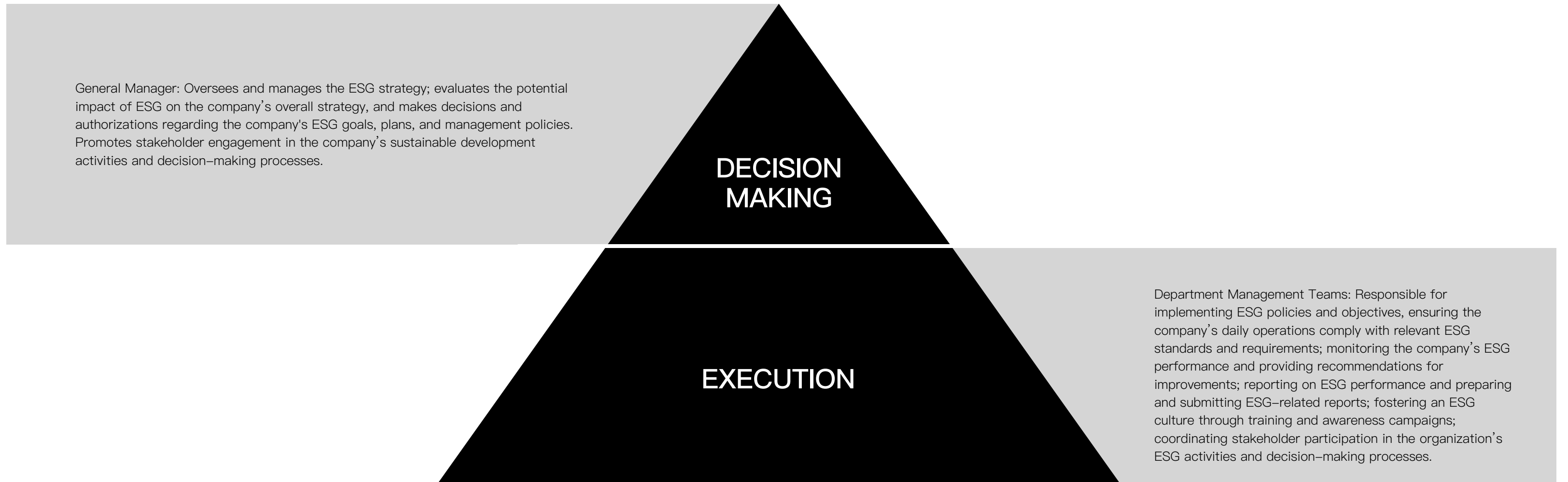


The background of the entire page is a complex, organic marbled pattern. It features a mix of vibrant green and pale, almost white, swirling shapes that resemble natural textures like stone or biological cells. The colors are layered and blended, creating a sense of depth and movement. The overall effect is both calming and dynamic, fitting for a report focused on environmental and social themes.

ESG MANAGEMENT AND PERFORMANCE | 2024 IMPACT REPORT

Zhongxin Company is committed to scientific management, focuses on environmental protection, and emphasizes corporate social responsibility. It aims to achieve harmonious development of the interests of government and regulatory agencies, suppliers and partners, employees, customers, and the public. The company actively collaborates with stakeholders to jointly promote its long-term sustainable development.

Zhongxin Company proactively adapts to new requirements for corporate sustainable development. It has formed a working group to actively prepare and compile its first Environmental, Social, and Governance (ESG) Report, overseeing and coordinating the comprehensive launch of ESG governance initiatives. The company is actively exploring and implementing new paths for sustainable development. To promote the effective implementation of ESG work, Zhongxin has established an ESG management structure, including a two-tier governance framework comprising the general manager and the management teams of various departments.

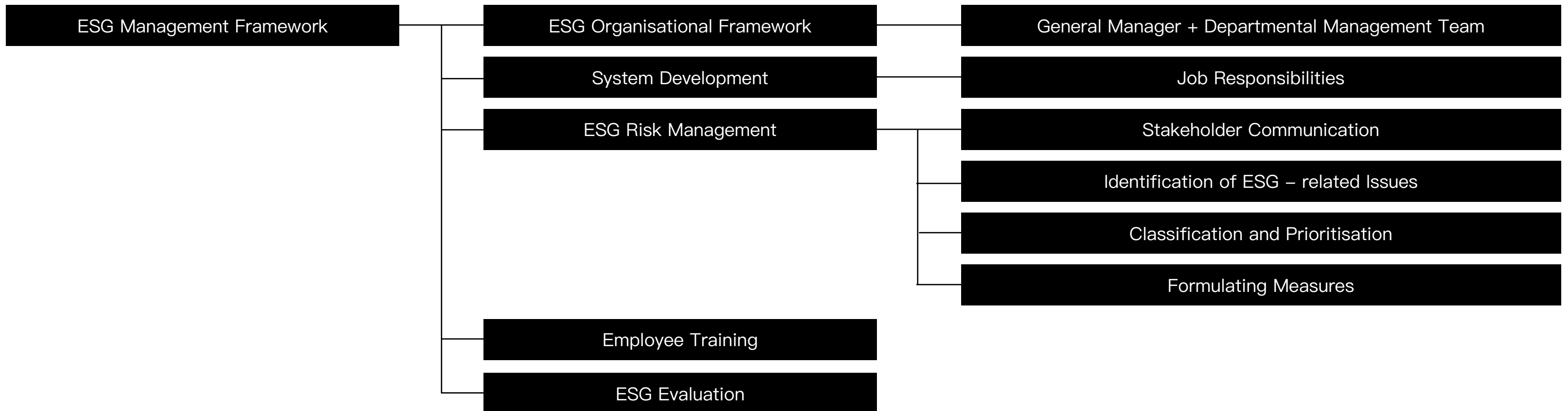


3.2 ESG FRAMEWORK AND POLICIES | ESG MANAGEMENT AND PERFORMANCE

The company's ESG management is aimed at long-term development, focusing on the three dimensions of Environment (E), Social (S), and Governance (G). Through strategic planning and governance structure construction by the decision-making body, as well as policy formulation, overall supervision, resource allocation, and departmental coordination at the execution level, a comprehensive management system is established to ensure effective governance of ESG matters. The company's ESG management framework is illustrated below:

Specific measures include:

- Establishing an ESG management system, including organizational structure and system development, to ensure the effective implementation of the ESG management framework and policies.
- Conducting ESG risk management by assessing ESG risks and opportunities, identifying material ESG issues through categorization and prioritization, and formulating corresponding measures.
- Regularly conducting employee training to raise awareness and understanding of ESG issues, effectively promoting the implementation of ESG management.
- Selecting relevant indicators from the three dimensions based on the company's actual situation for statistical analysis, showcasing our performance and achievements in ESG management.



The company has established ESG performance indicators based on the three fundamental dimensions of ESG management, the relevance and availability of data, and the characteristics of the industry.

GOVERNANCE DIMENSION	SOCIAL DIMENSION	ENVIRONMENTAL DIMENSION
<p style="text-align: center;">ANTI – CORRUPTION</p> <p style="text-align: center;">Embezzlement Litigation: 0 incidents</p>	<p style="text-align: center;">FAIR EMPLOYMENT</p> <p style="text-align: center;">Number of Illegal Workers: 0 Employee Turnover Rate: 7.9%</p> <p style="text-align: center;">TALENT DEVELOPMENT</p> <p style="text-align: center;">Training Coverage Rate: 100%</p> <p style="text-align: center;">SAFE OPERATIONS</p> <p style="text-align: center;">Occupational Health Accidents: 0 incidents Production Safety Accidents: 0 incidents Hazard Rectification Rate: 100%</p>	<p style="text-align: center;">Environmental Management System</p> <p style="text-align: center;">Environmental Emergencies: 0 incidents Hazard Rectification Rate: 100% Disclosure of Major Environmental Incidents: 0 incidents</p> <p style="text-align: center;">Pollution and Waste Management</p> <p style="text-align: center;">Compliance Disposal Rate of General Solid Waste: 100%</p> <p style="text-align: center;">Office Resource Usage and Consumption</p> <p style="text-align: center;">Electricity Consumption: 677.750 MW Water Consumption: 860t Proportion of Recycled Environmental Products: 70%</p> <p style="text-align: center;">Climate Change</p> <p style="text-align: center;">Greenhouse Gas Emissions: 386.52tCO₂</p>

The company continuously improves its communication mechanisms, placing high importance on communication with various stakeholders, and actively engages with governments, suppliers, customers, employees, and others.

- In terms of communication with employees, we regularly hold training sessions and seminars to keep employees informed about the latest company policies and measures, as well as to listen to their opinions and suggestions.
- For communication with customers and suppliers, we use customer feedback surveys and supplier evaluation mechanisms to understand their needs and expectations, continuously improving the quality of the company's products and services.
- In communication with governments and regulatory bodies, we actively respond to government policies and requirements.
- Through communication and interaction with all stakeholders, we aim to better understand and meet their needs and expectations, enhancing the company's reputation and value.



3.5 SUSTAINABLE DEVELOPMENT EFFORTS | ESG MANAGEMENT AND PERFORMANCE



In the current year, the company comprehensively considered the key concerns of both internal and external stakeholders, benchmarking against peers, analysing industry characteristics, and evaluating business development directions. Based on the scope of business operations, the expectations of internal and external stakeholders, and the global context of sustainable development, we identified 20 topics related to the company’s environmental, social, and governance (ESG) performance.

This survey confirmed that stakeholders place particular emphasis on three issues: energy consumption, occupational safety and health, and product quality. Based on the results of this survey, we aim to disclose in the report our management methods and performance regarding these topics, with the goal of demonstrating our ongoing efforts in sustainable development to all stakeholders.

SIGNIFICANCE OF ECONOMIC, ENVIRONMENTAL, AND SOCIAL IMPACTS							
			5	8			14
		6	9				
							10
			7			13	17
	16		11	3	12		18
2	20	4					
1			19		15		

1. Air Emissions
2. Wastewater Treatment
3. General Waste Management
4. Water Resource Consumption
5. Environmental Protection
6. Greenhouse Gas Emission Reduction
7. Hazardous Waste Management
8. Energy Consumption
9. Use of Recyclable Materials
10. Occupational Safety and Health
11. Prevention of Child and Forced Labor
12. Equal Employment Opportunities
13. Talent Management
14. Product Quality
15. Customer Consultation Protection
16. Community Investment
17. Supply Chain Management
18. Patents
19. Risk Management
20. Anti-Corruption

Impact on Stakeholder Assessment and Decision-Making

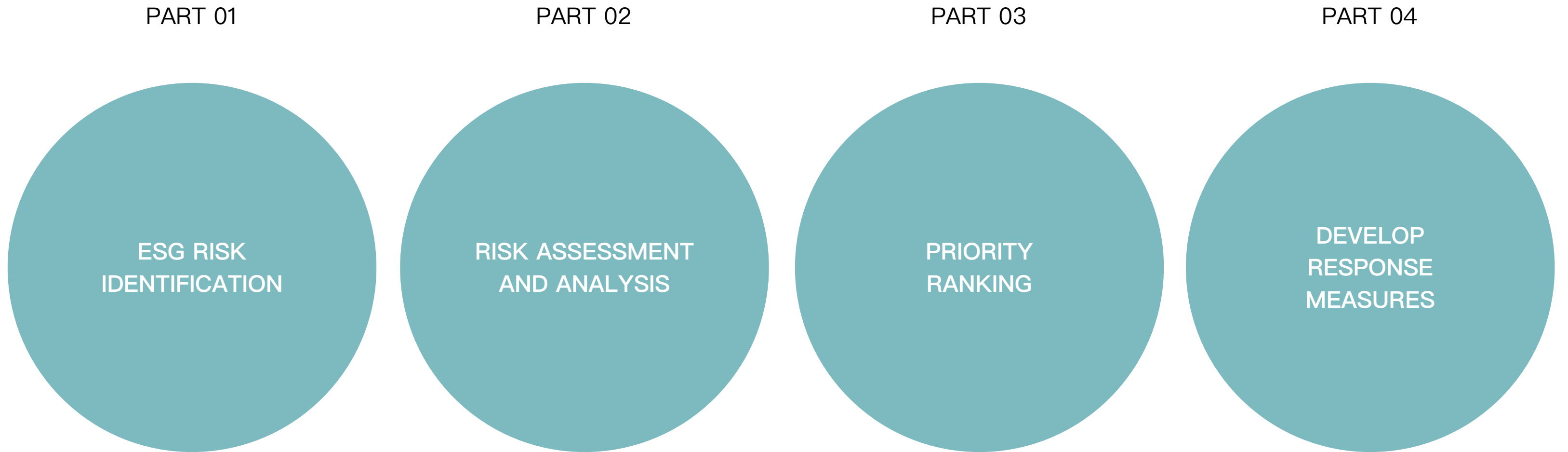
3.6 MATERIAL ISSUES | ESG MANAGEMENT AND PERFORMANCE



Through communication with internal and external stakeholders, we have identified the following key material issues: energy consumption, occupational safety and health, and product quality.

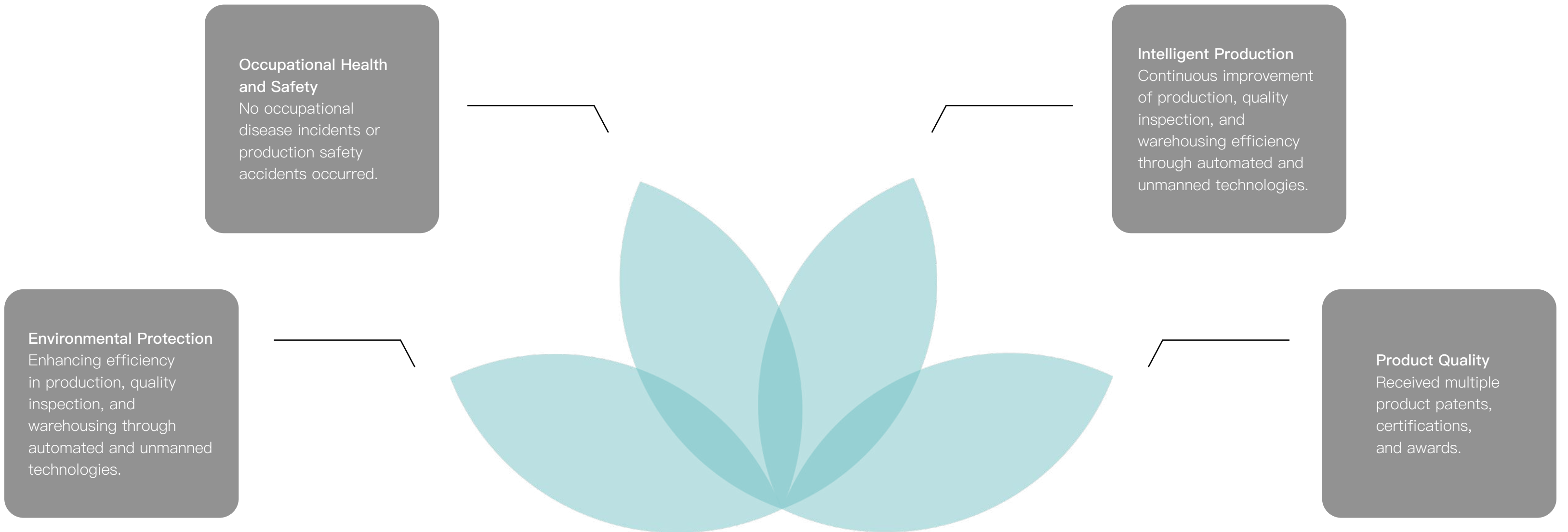
MATERIAL ISSUES AND RESPONSE MEASURES		
DIMENSION	MATERIAL ISSUES	RESPONSE MEASURES
Environment	Energy Consumption	Use advanced energy-efficient production equipment;
		Encourage employees to choose commuting vehicles for their daily commute to work;
		Implement staggered electricity usage across different regions;
		Advocate for green office practices, maintaining the room temperature between 24 and 26 degrees Celsius during the summer;
Social	Occupational Safety and Health	Strengthen employee education on occupational health and safety;
		Regularly inspect emergency supplies, and enhance employee emergency training and drills.
		Enhance employees' emergency response capabilities.
		Conduct hidden hazard inspections.
	Product Quality	Product quality inspection and control.
Automated production and raw material safety management.		

We have established a comprehensive risk identification and control system. The company’s ESG risk management process is as follows:



3.8 ACHIEVEMENTS AND HONORS | ESG MANAGEMENT AND PERFORMANCE

The company always upholds the principle of sustainable development, placing great emphasis on product quality and environmental safety. We have made notable achievements in ESG in the following areas:



3.9 FUTURE OUTLOOK | ESG MANAGEMENT AND PERFORMANCE

The company is committed to achieving sustainable development by incorporating this goal into our business strategy and operations. To accomplish this, we plan to integrate 5G with the industrial internet, focusing on 5G-enabled production line automation, predictive detection of yarn rotation and fabric quality, data collection and IoT integration for shaping equipment, visual inspection, and collaboration with robots such as palletises and AGVs. By leveraging 5G technology, we aim to continuously improve the efficiency of production, quality inspection, and warehousing processes. Additionally, the company is implementing an online recovery system for waste yarn to increase resource reuse.

In short, the company's vision is to become a leader in sustainable development through innovation and transformation, and to achieve our goals with clear measures and policies.





ENVIRONMENT (E) | 2024 IMPACT REPORT

4.1 ENVIRONMENTAL MANAGEMENT SYSTEM | ENVIRONMENT (E)

The company's HSE management policy is: "Scientific Management, Pragmatic Innovation, People-Oriented, Customer First, Environmental Protection, Pollution and Carbon Reduction, Hazard Elimination, Safety Assurance, Regulatory Compliance, and Harmonious Development."

For 2024, the company's environmental management goal is to avoid any sudden environmental incidents. While strictly adhering to the Environmental Protection Law of the People's Republic of China and other relevant laws and regulations, the company has established a comprehensive environmental management system.

In accordance with the Environmental Protection Responsibility System, the company has formed an Environmental Protection Leadership Group. This group is primarily composed of company executives and department heads, with the General Manager serving as the primary person responsible for all environmental management tasks. Departmental managers are tasked with identifying and rectifying environmental risks within their respective areas.

Through a range of preventative and control measures, the company strives to eliminate all environmental violations. At the same time, it is committed to continuously improving production processes, enhancing factory environmental quality, and reducing the environmental impact of its operations.



4.2 RESOURCE UTILIZATION AND PROTECTION | ENVIRONMENT (E)

The primary packaging materials for the company’s fabric products include cardboard boxes, along with iron pallets used for storage and transportation support. The company continually monitors regional regulations on packaging use and strives to optimize the design of environmentally compliant packaging, aiming to minimize the quantity of materials used.

The company actively promotes the use of recycled resources by maximizing the use of eco-friendly recycled paper in office areas. It also takes proactive measures to implement paperless office practices, reducing reliance on printed documents and thereby lowering resource consumption.

Seventy percent of the company’s products are made from recycled materials, including polyester regenerated from discarded plastic bottles, nylon derived from recycled waste yarns, recycled spandex, and fabrics produced from discarded fishing nets and plastic waste retrieved from the ocean.

The company has set energy-saving and emissions-reduction targets for 2024, emphasizing clean production and tight resource-use controls to minimize waste at the source and promote resource reuse. Over the course of the year, the company has continuously improved and optimized production processes, utilized advanced energy-efficient equipment, encouraged employees to commute using company shuttles, implemented off-peak electricity usage in various areas, and promoted green office practices.

The company’s water usage is minimal, primarily for restrooms, floor-cleaning machines, and equipment wipe-downs. In 2024, the office area’s water consumption totaled 860 tons.

RESOURCE CATEGORIES	UNIT	2024 年
Electricity Consumption	Megawatt-hours	677.750

- **Introduction**

At our company, we fully understand the critical role that water plays in fabric production. As global water scarcity becomes an increasingly urgent issue, we are committed to implementing responsible water management strategies to safeguard this precious natural resource and contribute to sustainable development.

- **Current Status of Water Resource Utilization**

Currently, the water consumption in the fabric production process remains relatively high. Producing one meter of fabric can require significant amounts of water. Our company is actively evaluating current water usage practices to identify opportunities for reducing consumption, ensuring that our production processes become more efficient and environmentally friendly.

- **Future Outlook: Waterless Dyeing Technology**

To address the challenge of water resources, we are developing and promoting waterless dyeing technology. This innovative approach not only significantly reduces water usage but also minimizes wastewater generation during the production process. By adopting waterless dyeing methods, we aim to maintain fabric quality while lessening our dependence on water resources, contributing to environmental protection.



- **Water Recycling System**

Our company is implementing a water recycling system to maximize the efficient use of water resources. By recovering and reusing water from the production process, we can significantly reduce the consumption of fresh water. This system not only enhances our production efficiency but also minimizes our impact on the surrounding water environment.

- **A Commitment to Protecting the Planet's Environment**

As a responsible business, we are committed to adopting sustainable approaches in water resource management. We believe that reducing water usage not only helps protect ecosystems but also positively impacts the communities where we operate. Looking ahead, we will establish clear goals and continuously drive sustainable water resource utilization.

- **Conclusion**

Challenges and opportunities coexist in water resource utilization. Our company will continue to drive sustainable development in fabric production through technological innovation and management optimization. We look forward to collaborating with partners within and beyond the industry to contribute to protecting our planet's environment.



4.4 POLLUTION AND WASTE MANAGEMENT | ENVIRONMENT (E)



The company strictly complies with the Environmental Protection Law of the People’s Republic of China, the Air Pollution Prevention and Control Law, the Integrated Emission Standard of Air Pollutants, the Water Pollution Prevention and Control Law, the Water Quality Standards for Sewage Discharged into Urban Sewers, and all other applicable regulations and requirements from local environmental authorities. It fully manages all emissions generated during its production and operations. In 2024, the company did not receive any notices of illegal emissions or penalties from environmental authorities.

4.4.1 Wastewater Treatment

Our company, located in Jinjiang, Fujian, generates only small amounts of wastewater during production, primarily from equipment cleaning and floor mopping. This wastewater is processed through the Fujian Group’s wastewater treatment system, resulting in minimal impact on the external environment.

4.4.2 Waste Gas Treatment

Our company produces minimal waste gas during production, resulting in a negligible impact on the external environment.

4.4.3 Noise Management

In accordance with the Noise Pollution Prevention and Control Law, the company implements measures to control and manage production-related noise. Key steps include:

- Production Workshop: Keep doors and windows closed during production to minimize noise transmission to the external environment.
- Production Equipment: Conduct regular inspections and maintenance to ensure equipment runs smoothly and reduces noise caused by malfunctions.
- Factory Environment: Prohibit horn use by vehicles operating within company premises.

4.4.4 Waste Disposal

The company applies the principles of reduction, resource recovery, and harmless treatment for waste disposal. All general and household waste generated internally has been safely processed or collected for recycling.

WASTE GENERATION	UNIT	2024
Cardboard	Tons	11995
Plastic Bottles	Pieces	10711
Waste Bags	Tons	227.7
Waste Fabric	Tons	10315.3

4.5 CLIMATE CHANGE | ENVIRONMENT (E)

In accordance with the Greenhouse Gas Protocol (GHG Protocol), we have converted the greenhouse gas emissions resulting from energy consumption. In 2024, the company’s total greenhouse gas emissions amounted to 386.52 tons of CO2 equivalent, all of which came from indirect energy (Scope 2), representing 100% of the total.

CATEGORY		UNIT	2024 FACTORY AREA
Greenhouse Gases	Total Emissions	Metric tons of CO2 equivalent	386.52
	Scope 1	Metric tons of CO2 equivalent	0
	Scope 2	Metric tons of CO2 equivalent	386.52

The company actively explores identifying climate change risks and opportunities, gradually advancing green technologies and green products to achieve sustainable development.

Extreme Climate Risks

Extreme weather events (such as heavy rain and floods) can cause machinery damage and personnel injuries.

Measures: Prepare a company flood control emergency plan and take effective steps to prevent leaks and flooding during the rainy season.



Policy and Regulatory Risks

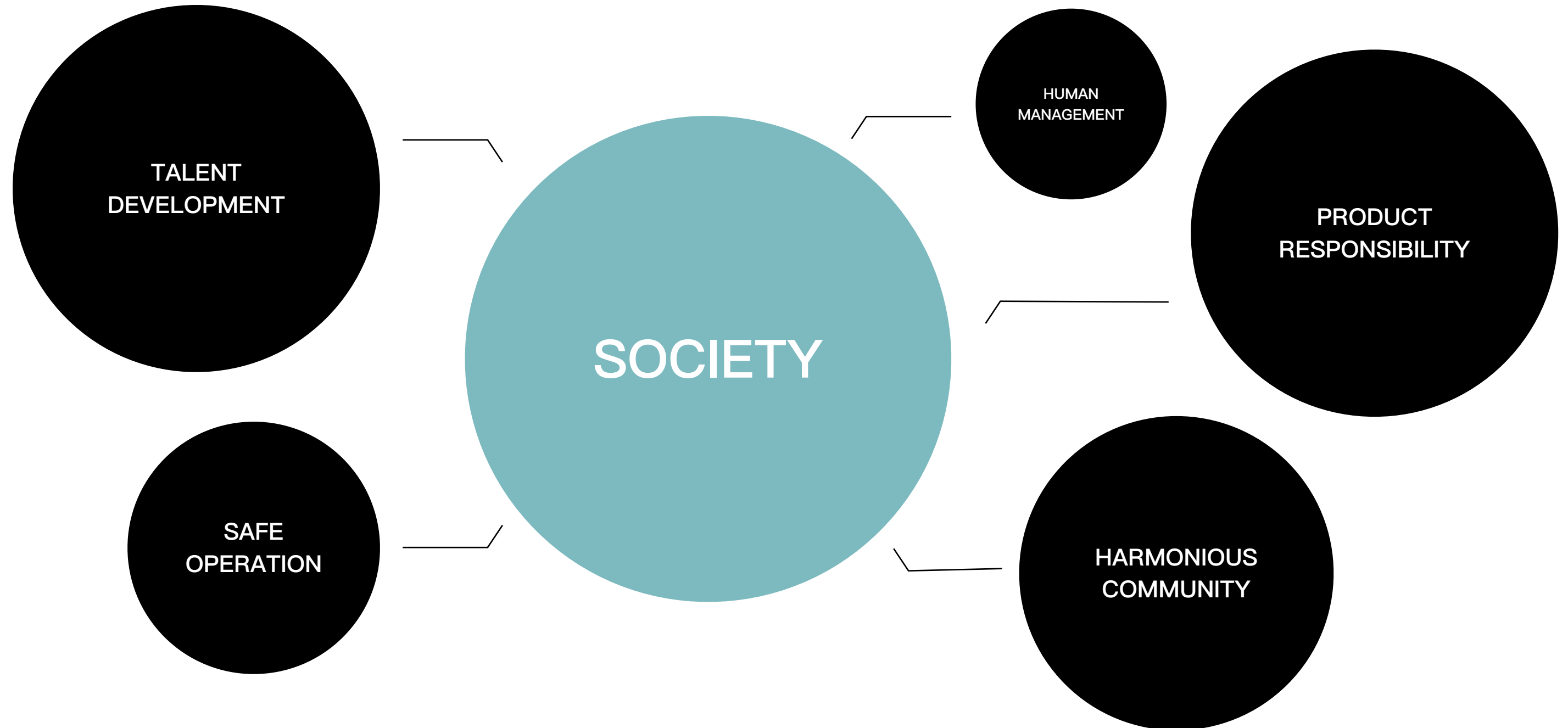
Industry policy adjustments may lead to changes in investment priorities.

Policy: Innovate eco-friendly products in line with industry policy directions to enhance market competitiveness.



SOCIAL (S) | 2024 IMPACT REPORT

Social Responsibility Mission and Values: We are committed to being a responsible company that contributes to society and the environment through innovation and sustainable practices. Our social responsibility policy includes the following aspects:



5.2 HUMAN-CENTERED MANAGEMENT | SOCIAL (S)

The company is committed to maintaining a high level of corporate governance, consistently adhering to the principle of “people-oriented, making the factory a home, and developing together with employees.” We firmly believe that employees are the most important and valuable asset to the company, and their contributions are crucial to our success. We also offer good career development opportunities, actively advocate for a diverse and inclusive workplace environment, and implement long-term incentive programs to encourage top talent retention. We continuously invest in employee development, aiming to build a diverse, inclusive, and leading team.

The company strictly complies with national laws and regulations, local labor laws, and industry codes of conduct. We fully respect the diversity of our employees, follow the principle of equal opportunity, and ensure that factors such as nationality, ethnicity, religion, political affiliation, lifestyle, and dietary preferences do not affect recruitment, treatment, or promotion. Furthermore, the company provides a range of facilities and benefits for employees and their families, ensuring that employees have a harmonious and fulfilling work-life balance.

5.2.1 Compliance Employment

The company strictly adheres to the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China as well as other applicable regulations. During recruitment, the company carefully verifies all necessary qualifications of job candidates. The employment of child labor, forced labor, undocumented labor, or any other illegal workers is strictly prohibited. All potential employees are clearly informed about their job responsibilities, requirements, work location, wages, and any other relevant details. The company ensures that all employees possess legally authorized work permits and meet the local lawful employment standards.

If any violation of employment laws or standards is identified, the recruitment process is immediately terminated. In cases where current employees breach these rules or regulations, the company will take appropriate legal action.

The company signs labor contracts and confidentiality agreements with all employees. Employee wages comply with relevant national and local regulations, ensuring that the trial period pay for new hires is not below the local government-mandated minimum wage. Compensation is determined based on the position's importance, technical requirements, and skill level. Additionally, employees are compensated for tasks beyond their standard duties to maintain a high level of motivation and engagement.



5.2.2 Employee Benefits

Our company upholds a “people-oriented” management philosophy, placing high importance on employee welfare and quality of life. To create a harmonious and positive working environment, we have carefully designed and implemented a range of benefit policies and measures, including a comfortable workplace, free housing, self-service cafeterias, affordable work uniforms, free shuttles, and team-building activities. Additionally, we provide free parking facilities, a supermarket and parcel lockers in the living area, and various shops near the factory entrance. These conveniences cover clothing, dining, and other daily needs. Our self-service cafeteria significantly lowers employees’ meal costs.

We firmly believe that providing a safe, comfortable, and supportive living environment enhances employees’ health and well-being, which in turn supports the sustainable development of the company.



THE END OF 2024

Labor contract signing rate: 100%

Number of child labor incidents: 0

Number of forced labor complaints: 0

NUMBER OF EMPLOYEES BY REGION

NUMBER OF EMPLOYEES BY GENDER

NUMBER OF EMPLOYEES BY JOB LEVEL

NUMBER OF EMPLOYEES BY AGE GROUP

NUMBER OF EMPLOYEES BY SPECIALTY



● Mainland China Region ● Overseas Region

● Male ● Female

● Management ● Frontline Employees

● Below 35 ● 35 – 50 ● Above 50
(35 years old and older, but under 50 years old)

● Associate degree or higher ● Below associate degree

5.3 TALENT DEVELOPMENT | SOCIAL (S)

5.3.1 Comprehensive Training Mechanism

The company places great emphasis on employee training and strives to cultivate a learning-oriented organization. To enhance employees' job skills and professional competence, we provide vocational education that includes national laws and regulations, company policies, safety protocols, and operational techniques.

Training is structured at various levels: company-wide training, departmental training, job-specific training, and self-directed learning. The company ensures that all employees receive adequate training courses annually, supported by sufficient budgetary resources. In 2024, the company achieved a 100% training coverage rate for its employees.

5.3.2 Equal Development Opportunities

As an equal opportunity employer, the company does not discriminate against any individual on the basis of gender, age, marital status, race, or religious belief in hiring or employee evaluations. Compensation structures consist of fixed and variable components, with salary levels guided by performance and job value contribution. Comprehensive considerations include job value, performance, and skill level to ensure employees can fully realize their individual potential.

The company places significant emphasis on career planning, establishing a stepwise talent mechanism. Internal promotions are prioritized, opportunities are distributed equitably, and personal integrity is highly valued. By adhering to the principle of fair competition, we appreciate the unique abilities of each employee, recognize the value they bring to their respective roles, and provide them with a platform to fully showcase their talents. Through a comprehensive evaluation system, we aim to identify and promote the most capable individuals who also demonstrate strong personal integrity. During the reporting period, the company received no complaints regarding workplace inequality.



5.4 ACHIEVING SAFE OPERATIONS | SOCIAL (S)



The company places a high priority on employee occupational health and safety, continuously improving environmental and occupational health and safety management, and further advancing the implementation of the occupational health and safety system. Guided by the Work Safety Law of the People's Republic of China, the company consistently upholds the policy of "Safety First, Prevention Foremost, Comprehensive Governance."

During the reporting period, the company actively promoted standardization efforts, introduced new safety management methods and concepts, strengthened employee safety awareness, and promptly identified and eliminated potential hazards.

5.4.1 Occupational Health

The company strictly complies with the Law on Prevention and Control of Occupational Diseases of the People's Republic of China, the Work-Related Injury Insurance Regulations, and the Work-Related Injury Recognition Measures, as well as other laws and regulations in our operational locations. Comprehensive benefits are provided through the purchase of five types of social insurance for all full-time employees, including medical and work-related injury insurance, offering robust security and safety support.

The company's occupational health work plan and its implementation status for 2024 are as follows:

As of the end of 2024:
Coverage rate of employees under medical and work-related injury insurance: 100%.
Number of new occupational disease cases: 0.

Occupational Disease Prevention Work in 2024:
100% disclosure rate of occupational disease hazards to new hires.
Conducted safety and occupational health education and prevention training.
Timely procurement of necessary labor protection supplies and distribution to employees.
Promoted occupational health awareness through educational campaigns.

5.4 ACHIEVING SAFE OPERATIONS | SOCIAL (S)



5.4.2 Strict Safety Management

The company’s production safety efforts comply with the Work Safety Law of the People’s Republic of China and the Fire Prevention Law of the People’s Republic of China, along with other national laws and regulations. In 2024, the General Manager took the lead in overseeing all production safety-related tasks, while each department handled the implementation of safety measures within their areas of responsibility. This ensured the efficient execution and effective operation of the company’s safety protocols.

WORKPLACE SAFETY MANAGEMENT		EMERGENCY RESPONSE	
<p>In 2024, the company’s safety production work included:</p> <ul style="list-style-type: none"> • Developing and updating various internal safety documents, improving standardization efforts; • Enhancing the risk classification management and hazard identification systems, promptly rectifying identified issues; • Preparing on-site response plans for emergencies, ensuring effective visual management of emergency scenarios; • Organizing safety education and training sessions, along with emergency drills, for company employees; • Providing employees with necessary labor protection equipment; • Handling the reporting and approval of workplace injuries, and coordinating with relevant departments to analyze safety incidents. 		<p>To handle various emergencies, the company has developed emergency plans and on-site response protocols based on actual conditions, including the Special Emergency Plan for Typhoon Prevention, the Special Emergency Plan for Production Safety Incidents, and the On-Site Response Plan for Production Safety Incidents.</p>	
PROVISION OF SAFETY AND HEALTH EQUIPMENT	SAFETY EDUCATION	CONDUCTING HAZARD INSPECTIONS	
<p>The company ensures that protective supplies, including masks, gloves, and first-aid kits, are distributed on time every month in the workshop. On-site facilities such as fire extinguishers and indoor and outdoor fire hydrants are provided, offering comprehensive protection for personnel involved in all stages of production.</p>	<p>The company establishes an annual safety training plan and implements it as required. Throughout the year, various safety training sessions are conducted, including safety training for management personnel, as well as fire and emergency training for employees. Departments and workshops provide three-level safety education and specialized skills training for new employees. Different training methods are tailored to different positions. Workshop teams conduct routine safety training and operational briefings during meetings, and production safety incidents are reviewed in analysis meetings to develop preventive measures.</p>	<p>In 2024, the company prepared safety inspection checklists for each department and workshop, based on actual conditions and higher-level requirements. These checklists clearly define inspection responsibilities at various levels, the frequency of inspections, and the specific rectification requirements. Workshop supervisors oversee the correction of hazards, ensuring that all relevant units address issues completely and thoroughly, thereby reducing the likelihood of future incidents.</p>	

5.5 FULFILLING PRODUCT RESPONSIBILITIES | SOCIAL (S)



The company has established an intelligent manufacturing strategy as a core driving force, integrating it into efforts to promote high-quality development. It is committed to becoming a globally recognized supplier of warp-knitted and weft-knitted fabrics, producing healthy, green, and high-quality products that benefit society.

To improve product quality, the company has implemented various measures, including rigorous product quality inspection and control, automated production processes, and enhanced raw material safety management.

5.5.1 Enhancing Product Quality

Brand value is a core measure of a brand's competitiveness and an important indicator for evaluating product quality. As modern market systems continue to mature and product competition intensifies, the impact of high-quality products on brand value and business growth has become increasingly evident. We are committed to continuously improving the quality and safety of our products, refining our brand development strategy, and providing our customers with superior products.

In 2021, the company was recognized as a high-tech enterprise. Our product quality management has been certified under the ISO 9001 Quality Management System and has earned multiple environmental product certifications.

YEAR	CERTIFICATE	CERTIFICATE NUMBER
2020 / 07 / 20	Environmental Product Certification	CU1010729GRS – 2021 – 00038208
2022 / 03 / 31	ISO 9001 Quality Management System Certification	23222Q202916R0S
2022 / 07 / 20	Environmental Product Certification	CU1010729GRS – 2022 – 00150595
2023 / 07 / 24	Other Voluntary Industrial Product Certifications	BEKO108840
2024 / 07 / 26	Other Voluntary Industrial Product Certifications	BJ015206672

5.5 履行产品责任 | Social (S)

The company's products have received numerous honors, including:



China Popular Fabrics / Excellent Award
JY – XM21113 Anti-UV Fabric



China Popular Fabrics / Innovation Award
JY – XM2T1979 Denim Rhapsody



China Fashion Fabrics Contest / Excellent Award
JY – XM2T1979 Three-Dimensional Floral Jacquard
JY – XM2T1926 Three-Dimensional Starry Double-Sided Jacquard

5.5 履行产品责任 | Social (S)

The company's products have received numerous honors, including:



Shanghai PD Exhibition / Best Sustainability Award
JY – XML21179



Shanghai PD Exhibition / Best Fabric Finalist Award
JY – XM21118 Anti-UV Dual-Color Cooling Fabric



2024 Rhino Smart Manufacturing / Sun Protection Top Product – Performance Leadership Award
JY – XMT1944 Ultra-Cooling Anti-UV Jacquard Fabric



ISPO Functional Textile Trend Award
JY – XG21038 / DRI-TECH
JY – XMT1944 / Sun Protection

5.5 FULFILLING PRODUCT RESPONSIBILITIES | SOCIAL (S)



The company's products have received numerous honors, including:



5.5 FULFILLING PRODUCT RESPONSIBILITIES | SOCIAL (S)



The company's products have received numerous honors, including:



5.5 FULFILLING PRODUCT RESPONSIBILITIES | SOCIAL (S)

5.5.2 Automated Operations

Throughout 2024, the company consistently advanced 5G intelligent innovations, integrating 5G with the industrial internet. Key initiatives included combining 5G with production line automation, predictive detection of yarn rotation and fabric quality, data collection and IoT integration for shaping equipment, visual inspection, and coordination with robots such as palletizers and AGVs. Leveraging 5G technology, the company achieved continuous improvements in efficiency across production, quality control, and warehousing processes.

5.5.3 Reliable Sourcing

As a trusted brand among consumers, the company consistently applies rigorous standards when sourcing raw materials and carefully selects high-quality contractors and suppliers to ensure product quality. During supplier selection, we review their business qualifications, product quality, credit ratings, and legal history to guarantee compliance in procurement and supply processes. Each supplier undergoes a comprehensive evaluation covering material quality, supply stability, safety, and environmental performance.

In assessing and regulating suppliers' social responsibility practices, the company encourages active participation in safety and environmental initiatives, requiring adherence to relevant environmental and energy regulations set by the country and local authorities. Suppliers with any concerns are encouraged to communicate with us through multiple channels to ensure the practicality of these measures and requirements, thus maintaining a strong and positive relationship between the company and its suppliers.

The company's procurement team promptly ends relationships with poor-performing suppliers, placing them on a permanent blacklist. Even with long-term suppliers, we continuously conduct assessments and explore new regions and potential partners to keep our database up-to-date.



5.5 FULFILLING PRODUCT RESPONSIBILITIES | SOCIAL (S)

5.5.4 Achieving Efficient Innovation

The company places great importance on protecting its own intellectual property while also respecting the intellectual property of our business partners. Over the past year, we secured 8 new utility model patents.

5.5.6 Harmonious Community

In addition to focusing on the growth of the company and its employees, we also deeply care about the development of the local town and community. The company provides financial assistance to those in need and regularly organizes employee participation in voluntary activities such as caring for the elderly, supporting the community, and protecting the environment, thereby serving as a model for building a well-rounded and harmonious community.





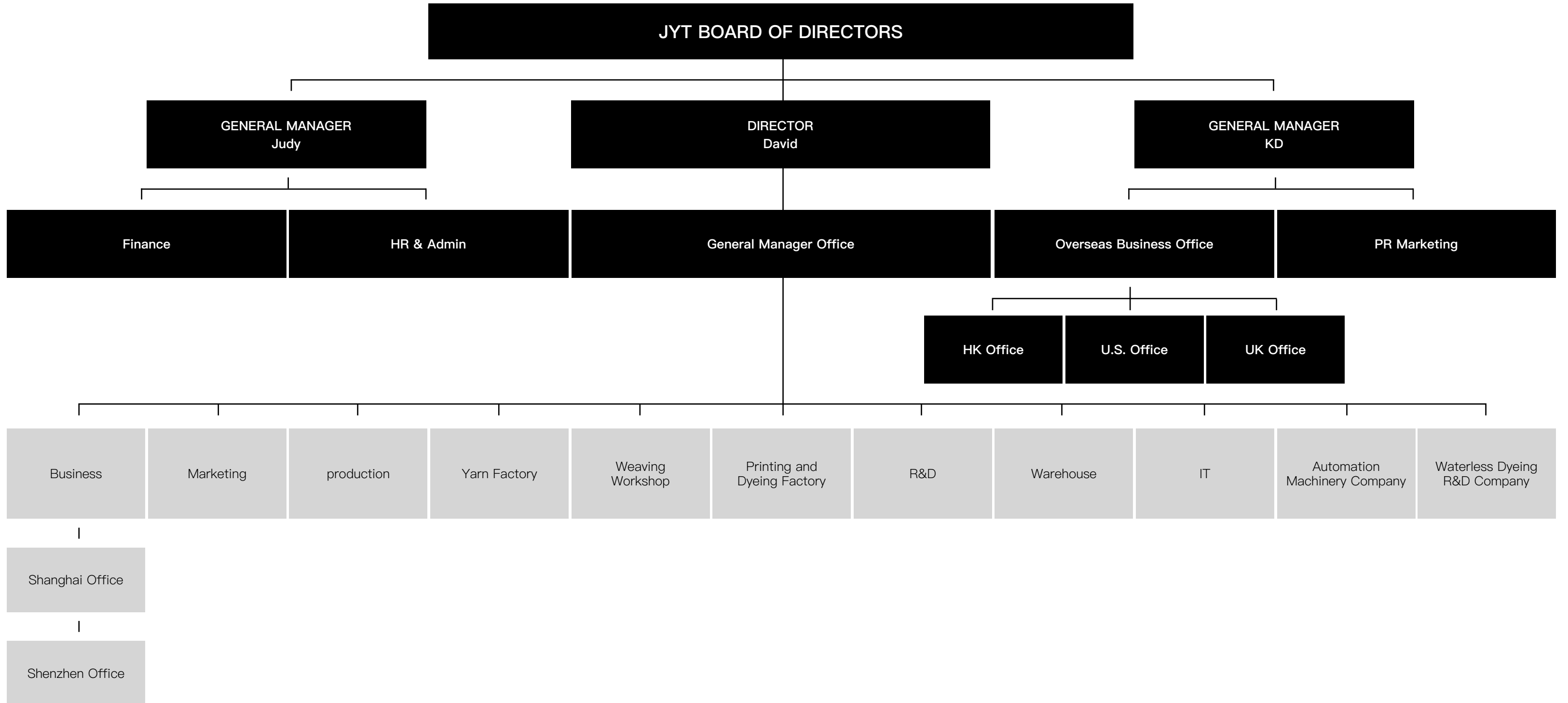
GOVERNANCE (G) | 2024 IMPACT REPORT

The company adheres to all applicable laws, regulations, industry standards, and ethical norms, including those concerning environmental protection, labor rights, anti-bribery, and anti-corruption. The organizational structure comprises two levels of management—the general manager and departmental leadership—ensuring clear divisions of responsibility, checks and balances, and coordinated operations. This framework provides strong support for the effective execution of major decisions and the orderly conduct of day-to-day business. Our compensation policies and systems are designed to ensure that employees receive fair pay and have access to motivating incentives.

COMPENSATION SYSTEM		
COMPENSATION STRUCTURE	COMPENSATION DECISION PROCESS	PERFORMANCE-LINKED COMPENSATION
<p>Our compensation structure includes a base salary and performance bonuses. The base salary is stable and determined by the employee’s grade and responsibilities. Performance bonuses are tied to individual performance and the achievement of work goals.</p>	<p>Our compensation decision process is grounded in strict policies and procedures. First, we develop a compensation strategy to ensure our pay policies align with market standards. Next, we regularly survey market compensation levels to maintain competitiveness. In addition, performance bonuses are determined based on employees’ job performance and performance evaluations.</p>	<p>Our compensation policy is closely tied to performance. We believe that a well-structured compensation policy enhances employee satisfaction and retention, driving the company’s sustainable development.</p>



6.1 GOVERNANCE AND STRUCTURE | GOVERNANCE (G)



6.2 COMPLIANCE AND RISK | GOVERNANCE (G)

To foster a fair, competitive, and fully legal business environment, the company is committed to maintaining a high level of transparency, integrity, and accountability. We strive to prevent any occurrences that could harm the interests of our clients or the public, and we have zero tolerance for bribery, extortion, fraud, or money laundering. In 2024, no corruption lawsuits were reported against the company or its employees.

RISK MANAGEMENT SYSTEM	MANAGEMENT ORGANIZATION	INTERNAL CONTROL SYSTEM
<p>Implemented a comprehensive risk management system, encompassing risk identification, assessment, monitoring, and response.</p>	<p>The General Manager is responsible for overseeing and coordinating the company’s risk management efforts.</p>	<p>This includes controls over financial reporting, operational activities, and legal compliance. The company regularly conducts internal control self-assessments and audits to ensure continuous improvement and effectiveness.</p>

During the reporting period, the company did not identify any major internal control deficiencies, significant deficiencies, major operational losses due to regulatory violations, or major legal or compliance risk events.



6.3 MANAGEMENT AND OPERATIONS | GOVERNANCE (G)



To create a fair and legally compliant business environment, the company is committed to maintaining high standards of transparency, integrity, and accountability. We take every measure to prevent incidents that could harm our clients or the public. Bribery, extortion, fraud, and money laundering are not tolerated under any circumstances. In 2024, the company received no corruption-related lawsuits against itself or its employees.

The company strictly complies with all relevant anti-corruption laws in China, including the Criminal Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, and the Interim Provisions on Prohibition of Commercial Bribery. These laws also serve as the foundation for the company's internal integrity guidelines, administrative policies, and regulations.

The company has established various guidelines and procedures that clearly outline ethical and legal standards, ensuring that no corrupt practices occur during business activities. These measures fully protect the personal, property, work, democratic, and reputational rights, as well as other lawful interests, of whistleblowers and complainants. The General Manager is designated as the specific individual responsible for receiving complaints and reports, and, based on the nature of the case, can decide to form an independent investigation team or refer the matter to local regulatory authorities.





THANK YOU

2024 IMPACT REPORT
JY TEXTILE TECHNOLOGY LIMITED