2023 TAIHU SHOW SILK
ENVIRONMENTAL,SOCIAL AND GOVERNANCE REPORT

CONTENT

Message from the Chairperson
Step into Taihu Show Silk Company Profile
Sustainable Development
Theme 1 Chinese Silk Showcasing the Charm of the Chinese Culture
Theme 2 Spirit of the Silkworm: Excellence in Silk
About This Report
Index Table

Part 1 Weaving a Comprehensive Framework for Steady Growth
15 Strengthening Comprehensive Framework for Steady Growth
18 Improving Organizational Governance
19 Corporate Governance
21 Compliance
22 Business Ethics
23 Pursuing Supreme Quality
24 Quality Management
25 Supplier Management, Customer Relations, Environment and Resource Management
26 Enhancing Service Experience
27 Customer Service
28 Responding to Customer Needs

Part 2 Crafting a Spectacle of Excellence for Multifaceted Value
32 Deepening Our Roots in Green Growth
33 Environmental Management
34 Green Operations
35 Green Products
36 Fostering a Culture of Efficiency
37 Human Capital Management and Development
38 Cultivating Unique Talent
39 Crafting a Vibrant Workplace
40 Contributing to Rural Revitalization
41 Contributing to Public Welfare

Message from the Chairperson

Dear Stakeholders:

We are pleased to release the sustainable development report of Taihu Show Silk for the year 2023. This report provides a comprehensive overview of our company's performance in environmental, social, and governance (ESG) aspects, showcasing our commitment to sustainable development and our efforts in creating value for our stakeholders.

In 2023, we maintained our focus on the silk industry while actively exploring new growth opportunities in the textile and apparel sectors. We have made significant progress in optimizing our product structure, enhancing our brand influence, and strengthening our market competitiveness. These achievements have laid a solid foundation for our company's long-term development.

In the area of environmental protection, we have taken several measures to reduce our carbon footprint and promote green production. We have implemented advanced wastewater treatment technology to ensure that our production wastewater meets stringent discharge standards. We have also actively promoted the use of renewable energy and implemented energy-saving and emissions-reduction projects in our production processes, significantly reducing our energy consumption and greenhouse gas emissions. We have also strengthened our management of hazardous waste and ensured its compliant disposal to minimize its impact on the environment.

In the area of social responsibility, we have prioritized the rights and interests of our employees and have implemented various measures to improve their working conditions and enhance their welfare. We have also actively participated in public welfare activities and have made contributions to poverty alleviation and education in the local community. We have also strengthened our supply chain management and have required our suppliers to adhere to ESG standards, promoting the sustainable development of the entire supply chain.

In the area of governance, we have further improved our corporate governance structure and have strengthened the supervision and management of our board of directors and senior management. We have also established a more transparent information disclosure mechanism to ensure that our stakeholders can obtain timely and accurate information about our company's performance and development. We have also strengthened our risk management and have established a comprehensive risk assessment and early warning mechanism to effectively prevent and control various risks.

We believe that sustainable development is not only a social responsibility but also a key to our company's long-term competitiveness. We will continue to adhere to the concept of sustainable development and will continuously improve our performance in environmental, social, and governance aspects. We will also actively explore new growth points and strive to create more value for our stakeholders.

We hope that this report will enable our stakeholders to better understand our company's performance in sustainable development and to better supervise our company's development. We also hope that this report will serve as a reference for other companies in the industry, promoting the sustainable development of the entire industry.

Finally, on behalf of the board of directors, I would like to express my sincere gratitude to all our employees, customers, suppliers, and all other stakeholders who have supported and cared for the development of Taihu Show Silk. We will continue to work hard and strive to create more value for our stakeholders.

Sincerely,

Chairman of the Board

Step into Taihu Show Silk Company Profile

Rapidly Recognized and Lauded, Silk Awards Set the Industry

Since its establishment, Taihu Show Silk has been recognized and lauded by various authoritative institutions and organizations for its high-quality products and its contribution to the silk industry. The company has received numerous awards and honors, including the "Jiangsu Province Famous Brand" and the "China Silk Industry Leading Enterprise" awards. These awards not only recognize the company's product quality and brand influence, but also its contribution to the development of the silk industry and its social responsibility. These awards have further enhanced the company's brand image and market competitiveness, laying a solid foundation for its sustainable development.

Second Multiple Honors for Well-Innovation

Taihu Show Silk has been recognized for its innovation capabilities and has received multiple awards for its innovation achievements. The company has been awarded the "Jiangsu Province Science and Technology Progress Award" and the "China Silk Industry Technology Innovation Award" for its technological innovation in silk fabrics and garments. These awards not only recognize the company's technological innovation capabilities, but also its contribution to the development of the silk industry and technology. For example, the "Jiangsu Province Science and Technology Progress Award" was awarded for the company's research and development of new silk fabrics and garments, which has significantly improved the quality and performance of silk products and has brought more choices and better experiences to consumers. The "China Silk Industry Technology Innovation Award" was awarded for the company's innovation in silk processing technology, which has improved the efficiency of silk processing and reduced the environmental impact of silk processing. These awards have further enhanced the company's technological innovation capabilities and have laid a solid foundation for its sustainable development.

Comprehensive Recognition for Social Responsibility

Taihu Show Silk has been recognized for its social responsibility and has received multiple awards for its contribution to poverty alleviation and education in the local community. The company has been awarded the "Jiangsu Province Poverty Alleviation Through Industry Demonstration Enterprise" and the "Suzhou City Poverty Alleviation Through Industry Demonstration Enterprise" for its poverty alleviation through industry. The company has also been awarded the "Suzhou City Education Donation Enterprise" for its education donations. These awards not only recognize the company's contribution to poverty alleviation and education, but also its social responsibility. These awards have further enhanced the company's brand image and have laid a solid foundation for its sustainable development.

Over the past 38 years,

Taihu Show Silk has been recognized and lauded by various authoritative institutions and organizations for its high-quality products and its contribution to the silk industry. The company has received numerous awards and honors, including the "Jiangsu Province Famous Brand" and the "China Silk Industry Leading Enterprise" awards. These awards not only recognize the company's product quality and brand influence, but also its contribution to the development of the silk industry and its social responsibility. These awards have further enhanced the company's brand image and market competitiveness, laying a solid foundation for its sustainable development.

Honors & Awards in 2023

Top 100 Industrial Enterprises in Jiangsu Province
Jiangsu Federation of Industry and Commerce

Top 50 Private Enterprises in Jiangsu Province
Jiangsu Federation of Industry and Commerce

Top 50 Private Enterprises in Jiangsu Province in Terms of Tax Payment
Jiangsu Federation of Industry and Commerce

Top 50 Private Enterprises in Jiangsu Province in Terms of Total Assets
Jiangsu Federation of Industry and Commerce

Top 50 Private Enterprises in Jiangsu Province in Terms of Total Revenue
Jiangsu Federation of Industry and Commerce

Top 50 Private Enterprises in Jiangsu Province in Terms of Total Profit
Jiangsu Federation of Industry and Commerce

Top 50 Private Enterprises in Jiangsu Province in Terms of Total Employees
Jiangsu Federation of Industry and Commerce

Top 50 Private Enterprises in Jiangsu Province in Terms of Total Exports
Jiangsu Federation of Industry and Commerce

Top 50 Private Enterprises in Jiangsu Province in Terms of Total Research Investment
Jiangsu Federation of Industry and Commerce

Top 50 Private Enterprises in Jiangsu Province in Terms of Total Innovation Investment
Jiangsu Federation of Industry and Commerce

Top 50 Private Enterprises in Jiangsu Province in Terms of Total Patents
Jiangsu Federation of Industry and Commerce

Top 50 Private Enterprises in Jiangsu Province in Terms of Total Brand Value
Jiangsu Federation of Industry and Commerce

Top 50 Private Enterprises in Jiangsu Province in Terms of Total Social Contribution
Jiangsu Federation of Industry and Commerce

Top 50 Private Enterprises in Jiangsu Province in Terms of Total Growth Potential
Jiangsu Federation of Industry and Commerce

Top 50 Private Enterprises in Jiangsu Province in Terms of Total Comprehensive Strength
Jiangsu Federation of Industry and Commerce

Top 50 Private Enterprises in Jiangsu Province in Terms of Total Comprehensive Strength in Industry and Commerce
Jiangsu Federation of Industry and Commerce

Top 50 Private Enterprises in Jiangsu Province in Terms of Total Comprehensive Strength in Industry and Commerce in Suzhou City
Suzhou City Federation of Industry and Commerce

Top 50 Private Enterprises in Jiangsu Province in Terms of Total Comprehensive Strength in Industry and Commerce in Wuzhong District
Suzhou City Federation of Industry and Commerce

Top 50 Private Enterprises in Jiangsu Province in Terms of Total Comprehensive Strength in Industry and Commerce in Taihu Lake Area
Suzhou City Federation of Industry and Commerce

Top 50 Private Enterprises in Jiangsu Province in Terms of Total Comprehensive Strength in Industry and Commerce in Taihu Lake Area
Suzhou City Federation of Industry and Commerce

Sustainable Development Material Issues Analysis

The material issues analysis helps the company learn about its stakeholders' concerns and expectations, and prioritize its sustainable development efforts based on the impact on its business and stakeholders.

Stakeholder Communication

Stakeholders	Expectations and Demands	Communication Methods	Communication Frequency	Communication Contents
Shareholders and Investors	Sustainable Development Corporate Governance Risk Management Business Performance Information Disclosure	Shareholders' Meeting Investor Relations Management Company Website Phone Consultation Email Letter Visit Performance Briefing Roadshow Reports Announcements	Shareholders' Meeting: Annually Investor Relations Management: Quarterly Company Website: Real-time Phone Consultation: Real-time Email: Real-time Letter: Real-time Visit: Quarterly Performance Briefing: Annually Roadshow: Quarterly Reports: Annually Announcements: Real-time	Business Performance Strategic Planning Risk Management Information Disclosure Shareholder Rights Investor Relations Corporate Governance Sustainable Development
Employees	Employee Rights and Interests Occupational Health and Safety Talent Development Employee Care Corporate Culture	Employee Meeting Employee Training Employee Care Employee Hotline Internal Email Internal Website Internal Publications Employee Activities Suggestion Box	Employee Meeting: Quarterly Employee Training: Monthly Employee Care: Quarterly Employee Hotline: Real-time Internal Email: Real-time Internal Website: Real-time Internal Publications: Monthly Employee Activities: Quarterly Suggestion Box: Real-time	Employee Rights and Interests Occupational Health and Safety Talent Development Employee Care Corporate Culture Business Performance Strategic Planning Risk Management Information Disclosure
Customers	Product Quality Customer Satisfaction Information Security Supply Chain Management Business Ethics	Customer Service Hotline Email Letter Visit Customer Satisfaction Survey Complaint Handling Product Exhibition Trade Show Company Website Social Media	Customer Service Hotline: Real-time Email: Real-time Letter: Real-time Visit: Quarterly Customer Satisfaction Survey: Annually Complaint Handling: Real-time Product Exhibition: Annually Trade Show: Annually Company Website: Real-time Social Media: Real-time	Product Quality Customer Satisfaction Information Security Supply Chain Management Business Ethics Product Innovation Customer Service Business Performance Strategic Planning Risk Management
Suppliers and Partners	Supply Chain Management Product Quality Business Ethics Information Security Environmental Management	Supplier Conference Supplier Training Supplier Audit Supplier Evaluation Supplier Hotline Email Letter Visit Company Website	Supplier Conference: Annually Supplier Training: Quarterly Supplier Audit: Annually Supplier Evaluation: Annually Supplier Hotline: Real-time Email: Real-time Letter: Real-time Visit: Quarterly Company Website: Real-time	Supply Chain Management Product Quality Business Ethics Information Security Environmental Management Supplier Rights and Interests Business Performance Strategic Planning Risk Management
Government and Regulatory Agencies	Compliance Business Ethics Information Disclosure Environmental Management Occupational Health and Safety	Government Meeting Government Training Government Inspection Government Hotline Email Letter Visit Company Website	Government Meeting: Quarterly Government Training: Monthly Government Inspection: Annually Government Hotline: Real-time Email: Real-time Letter: Real-time Visit: Quarterly Company Website: Real-time	Compliance Business Ethics Information Disclosure Environmental Management Occupational Health and Safety Business Performance Strategic Planning Risk Management
Industry Associations and Media	Industry Development Business Ethics Information Disclosure Brand Image Social Responsibility	Industry Meeting Industry Training Industry Exchange Industry Hotline Email Letter Visit Company Website Social Media	Industry Meeting: Quarterly Industry Training: Monthly Industry Exchange: Quarterly Industry Hotline: Real-time Email: Real-time Letter: Real-time Visit: Quarterly Company Website: Real-time Social Media: Real-time	Industry Development Business Ethics Information Disclosure Brand Image Social Responsibility Business Performance Strategic Planning Risk Management
Community and Public	Rural Revitalization Public Welfare Environmental Protection Employment Promotion Talent Cultivation	Community Meeting Community Training Community Exchange Community Hotline Email Letter Visit Company Website Social Media	Community Meeting: Quarterly Community Training: Monthly Community Exchange: Quarterly Community Hotline: Real-time Email: Real-time Letter: Real-time Visit: Quarterly Company Website: Real-time Social Media: Real-time	Rural Revitalization Public Welfare Environmental Protection Employment Promotion Talent Cultivation Business Performance Strategic Planning Risk Management

Theme 1 **Chinese Silk Showcasing the Charm of the Chinese Culture**

Deeply Rooted in Chinese Culture: Fusing Centuries of Traditional Essence

In one of the most iconic traditional scenes of the Chinese drama, the "Peony Pavilion" Kunqu Opera, the protagonist Du Liniang sings, "Beautiful scenery is wasted on the desolate walls, who will pity the fragrance and tenderness?" This poignant lament underscores the fleeting nature of beauty and the profound sadness of its neglect. The story, set against the backdrop of the Southern Song Dynasty, tells the tragic love story of Du Liniang and her lover, Liu Mengmei, who meet in a dream and fall in love, only to be separated by fate and ultimately reunited after death. The story is a testament to the power of love and the enduring nature of beauty, even in the face of adversity.

Silk has been an integral part of Chinese culture for thousands of years, woven into the fabric of its history, art, and literature. The story of Du Liniang and Liu Mengmei is just one of many examples of how silk has been used to express the deepest emotions and to create a sense of beauty and romance. The story of the "Peony Pavilion" is a reminder that even in the face of death, love can transcend boundaries and that beauty can be found even in the most unexpected places.

Little Jasmine (Du Liniang's Maidservant) in the Kunqu Opera "Peony Pavilion"

Carrying Forward the Fine Traditional Chinese Culture

Kunqu Opera "Peony Pavilion" Performance Scenes: "Pleasant Dreams" and "Searching for Dreams"

Visualizing the Charm of Ink Intermediary

Ink and wash painting, a cornerstone of Chinese art, has been a medium for expressing the artist's emotions and perspectives for centuries. The use of ink and wash allows for a wide range of expressions, from the boldness of a landscape painting to the delicate beauty of a flower or bird. The artist's brushstrokes can convey a sense of movement, energy, and emotion, creating a unique and personal interpretation of the subject matter.

The silk screen printing process, which involves the use of a stencil and a squeegee to apply ink to a surface, has been used to create a wide range of designs, from simple patterns to complex illustrations. The process allows for the creation of multiple copies of the same design, making it a cost-effective way to produce large quantities of printed material.

The combination of ink and wash painting and silk screen printing has been a popular technique in the world of textile design. The artist can use the ink and wash painting to create the design, and then the silk screen printing process can be used to transfer the design onto the fabric. The result is a unique and beautiful piece of textile that combines the traditional beauty of ink and wash painting with the modern convenience of silk screen printing.

Going Global: Unveiling Stunning Silk Aesthetics

We actively participated in the 2023 Guangzhou Fashion Week, showcasing our latest collection of silk products. The event was a great opportunity for us to showcase our commitment to quality and innovation in the silk industry.

Showcasing at Milan Design Week

In the 2023 Milan Design Week, we showcased our latest collection of silk products in the Salone Tessile Pavilion. The event was a great opportunity for us to showcase our commitment to quality and innovation in the silk industry. The event was attended by a large number of visitors from all over the world, and we received a lot of positive feedback on our products.

Theme 2 **Spirit of the Silkworm: Excellence in Silk**

Sericulture, the art and science of cultivating silkworms for the production of silk, has been a cornerstone of Chinese culture for thousands of years. The process of sericulture involves the careful cultivation of mulberry trees, the hatching of silkworm eggs, the feeding of the silkworms with mulberry leaves, the spinning of the silk cocoons, and the harvesting of the silk. The silk is then processed into various products, such as fabric, thread, and yarn.

The silkworm is a fascinating creature with a complex life cycle. The silkworm goes through four stages of development: egg, larva, pupa, and adult moth. The larva stage is the most important stage for the production of silk, as the larva spins a cocoon made of silk to protect itself during the pupa stage. The silk cocoon is then harvested and processed to produce silk products.

Sericulture has a long and rich history in China, dating back to ancient times. The silk industry has been a major source of wealth and prosperity for China for centuries. The silk industry has also been a major cultural force, with silk being used in art, literature, and religion.

Today, Taihu Show Silk is a leading company in the silk industry, with a long history of sericulture and a commitment to quality and innovation. The company is committed to the sustainable development of the silk industry and to the preservation of the spirit of the silkworm.

Taihu Show Silk Company Profile

Organizational Power: Forging a Premier Pioneer Team

Taihu Show Silk Company Profile

Taihu Show Silk Company Profile

Developmental Drive: Promoting Innovative Growth and Shared Prosperity

Taihu Show Silk has been a leader in the silk industry for many years, and it has been committed to promoting innovative growth and shared prosperity. The company has been a pioneer in the use of new technologies and has been a leader in the development of new products. The company has also been committed to promoting shared prosperity by providing employment opportunities and supporting the local community.

Integrating Party Building with Business Development

The company has been committed to integrating party building with business development. The company has established a party committee and has been committed to promoting the development of the party committee and the company's business. The company has also been committed to promoting the development of the party committee and the company's business by providing training and support to the party committee.

Party Building Guides the Way for Innovative Development

Part 1

Weaving a Comprehensive Framework for Steady Growth

Strengthening Comprehensive Framework for Steady Growth

Improving Organizational Governance

Corporate Governance

Taihu Show Silk adheres to the principles of corporate governance, strictly complying with the relevant laws and regulations of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (Revised in 2023), the Guidelines for Standardized Operations of Listed Companies on the Shanghai Stock Exchange (Revised in 2023), the Guidelines for Standardized Operations of Listed Companies on the Shanghai Stock Exchange No. 1 - Standardized Operations of Listed Companies on the Main Board (Revised in 2023), and other relevant laws and regulations. The company has established a comprehensive governance structure, including the shareholders' meeting, the board of directors, the supervisory board, and the management. The company has also established a comprehensive internal control system, including the internal audit system, the risk management system, and the information disclosure system. The company has also established a comprehensive risk management system, including the risk assessment system, the risk control system, and the risk reporting system.

Governance System

Taihu Show Silk establishes a corporate governance structure consisting of the Shareholders' Meeting, the Board of Directors, the Supervisory Board, and the management. The shareholders' meeting is the highest authority of the company, responsible for decision-making on major matters such as the company's business plan, investment plan, and profit distribution. The board of directors is responsible for the company's strategic planning, risk management, and information disclosure. The supervisory board is responsible for supervising the board of directors and the management to ensure the company's compliance with laws and regulations. The management is responsible for the company's daily operations and management.

The Company complies with the Articles of Association and the Rules of Procedure of the Shareholders' Meeting and convenes the shareholders' meeting in accordance with the relevant laws and regulations. The company has established a comprehensive shareholder rights protection system, including the right to participate in the shareholders' meeting, the right to vote, the right to information, the right to supervision, and the right to sue. The company has also established a comprehensive investor relations management system, including the investor hotline, the investor email, the investor website, and the investor roadshow. The company has also established a comprehensive information disclosure system, including the annual report, the interim report, the quarterly report, the announcement, the press release, and the company website. The company has also established a comprehensive risk management system, including the risk assessment system, the risk control system, and the risk reporting system.

5 Consecutive ESG ratings upgrades

33 Consecutive years of ESG ratings

30 Consecutive years of CSR reports

27 Consecutive years of sustainability reports

5 Consecutive years of ESG ratings

1 Consecutive year of sustainability ratings

2 Consecutive years of CSR reports

Board Diversity

Board diversity is a key driver of corporate governance. The composition of our Board of Directors is carefully designed to ensure a balanced mix of expertise, experience, and perspectives, fostering informed decision-making and effective oversight. We actively promote gender diversity and cultivate a culture of inclusion, ensuring that all directors can contribute their unique perspectives and expertise. This approach enhances the Board's ability to address complex challenges and drive sustainable growth. The Board's composition is reviewed annually to maintain alignment with evolving governance standards and stakeholder expectations.

Investor Relations

Maintaining open and transparent communication with investors is the foundation of our investor relations strategy. We actively engage with institutional investors, analysts, and the broader investment community through various channels, including conferences, roadshows, and dedicated investor relations initiatives. This ongoing dialogue enables us to gather valuable insights into market trends and investor sentiment, while providing them with comprehensive information about our business performance, strategic initiatives, and long-term growth prospects. By fostering mutual understanding and building strong relationships with the capital market, we aim to enhance shareholder value and support the company's sustainable development.

Investor Relations Channels

1. Regular investor roadshows and conferences
2. Investor relations hotline and email
3. Shareholders' meetings, investor presentations, research and other activities

Investor relations meetings: 10

Collaboration with institutions: 1

Annual investor roadshows: 2

Institutional investors participating in roadshows: 230

Institutional investors participating in conferences: 2

Research reports issued by sell-side analysts covering the company: 10

Business Ethics

We uphold the highest standards of ethical conduct and business integrity, with zero tolerance for bribery, corruption, and other unethical practices. Our comprehensive ethics framework encompasses robust policies, training programs, and monitoring systems designed to prevent misconduct and foster a culture of integrity throughout our organization.

Integrity Defense Line

The Integrity Defense Line is a dedicated channel for employees and stakeholders to report ethical concerns or suspected misconduct. This confidential reporting system ensures that all reports are handled with the utmost discretion and protection against retaliation. We encourage proactive reporting and provide clear guidelines on the types of issues that should be reported, including fraud, bribery, conflicts of interest, and violations of our code of conduct.

The Integrity Defense Line is managed by our Internal Audit department, which conducts thorough investigations of all reported cases. We maintain detailed records of all reports and investigations, ensuring accountability and continuous improvement in our ethical practices.

Integrity Defense Line reports: 9

Integrity training participants: 629

Integrity training hours: 1.5

Reporting and Complaint Channels

We provide multiple channels for employees and stakeholders to report concerns or complaints, including dedicated hotlines, email addresses, and online reporting platforms. These channels are designed to ensure accessibility and convenience for all users, while maintaining the confidentiality of the reporting process.

Reporting Channels

1. Integrity Defense Line (integrity@ecovacs.com)
2. Hotline: +86-571-28280000 (Monday to Friday, 9:00–17:00 (GMT+8), except public holidays)
3. Mailbox: No. 2 Jiuhuan Road, Jiangbei District, Ningbo, Zhejiang, China (Integrity Defense Line)
4. The Internal Reporting Platform provides the reporting channel and is accessible to employees and third-party stakeholders.

Complaints received: 0

Reports received: 0

Fair Competition

The company adheres to all relevant laws and regulations governing fair competition in the markets we operate in. We actively promote a level playing field for all market participants, ensuring that our business practices do not unfairly restrict competition or harm consumers. Our commitment to fair competition is reflected in our pricing strategies, marketing practices, and interactions with competitors and customers.

Fair competition training participants: 1,500

Tax Compliance

The company is committed to tax compliance and transparency in our tax practices. We maintain a robust tax governance framework that ensures accurate tax reporting and timely payments across all jurisdictions where we operate. We leverage advanced tax technology and maintain close relationships with tax authorities to ensure compliance with evolving tax regulations.

Tax payments in 2024, compared to 2023

Pursuing Supreme Quality

Quality Products

Management System

We implement a comprehensive quality management system to ensure consistent product quality across our operations. This system encompasses rigorous quality control measures, regular audits, and continuous improvement initiatives to maintain our high standards.

ISO 14001 Integration Certification

OHSAS 18001 Occupational Health and Safety Certification

High Quality, Safe and Reliable Products

Unique Products and Services

Quality Standards

We adhere to rigorous quality standards, including ISO 9001 certification, ensuring consistent product quality and customer satisfaction. Our quality management system encompasses all aspects of our operations, from product design and manufacturing to customer service. We regularly conduct internal audits and third-party assessments to maintain our certifications and identify areas for improvement.

Certifications and Performance Standards Developed in 2024

Quality Management	ISO 14001:2015
	ISO 14001:2015
Environmental Management	ISO 50001:2018
	ISO 50001:2018
Occupational Health and Safety Management	ISO 45001:2018
	ISO 45001:2018
Information Security Management	ISO/IEC 27001:2022
	ISO/IEC 27001:2022
Information Security Management	ISO/IEC 27701:2019
	ISO/IEC 27701:2019

Process Control

To ensure consistent quality and safety throughout our supply chain, we implement a comprehensive process control system that encompasses various aspects of our operations:

- **Supplier Management:** We conduct regular assessments of suppliers' capabilities, including their production processes, quality control systems, and compliance with relevant standards.
- **Production Monitoring:** We employ advanced manufacturing execution systems to monitor production processes in real-time, ensuring adherence to quality standards and enabling rapid identification and resolution of any deviations.
- **Quality Control:** We implement multi-stage quality control processes, including incoming material inspection, in-process quality checks, and final product testing to ensure that only high-quality products reach our customers.
- **Continuous Improvement:** We utilize statistical process control methods and root cause analysis to identify and address recurring quality issues, driving continuous improvement in our processes.

In the event of quality issues, we have established clear protocols for rapid response and resolution. These include immediate containment measures, root cause analysis, and implementation of corrective and preventive actions. We also maintain a robust product recall system to ensure the safety of our customers in the unlikely event of a product recall.

Customer feedback is an important source of quality information. We actively collect and analyze customer feedback through various channels, including surveys, online reviews, and direct interactions with our customer service teams. This feedback is integrated into our quality management system to drive continuous improvement in our products and services.

Our commitment to quality extends beyond our own operations to our supply chain. We work closely with our suppliers to ensure they meet our quality standards and provide support where needed to help them improve their capabilities.

Quality training participants: 1,000

Quality training hours: 0

Quality training participation rate: 100

Quality training participation rate of employees in production: 100

Sophisticated and Comfortable Product

Catering to Various Scenarios

Smart Living

Smart Home, Smart Office, Smart Education, Smart Medical, Smart Elderly Care, Smart Hotel, Smart Factory, Smart Cities, Smart Transportation, Smart Agriculture, Smart Energy, Smart Water Conservation, Smart Environmental Protection, Smart Emergency Response, Smart Government Affairs, Smart Public Security, Smart Finance, Smart Business, Smart Tourism, Smart Sports, Smart Entertainment, Smart Culture

Smart Home, Smart Office, Smart Education, Smart Medical, Smart Elderly Care, Smart Hotel, Smart Factory, Smart Cities, Smart Transportation, Smart Agriculture, Smart Energy, Smart Water Conservation, Smart Environmental Protection, Smart Emergency Response, Smart Government Affairs, Smart Public Security, Smart Finance, Smart Business, Smart Tourism, Smart Sports, Smart Entertainment, Smart Culture

Deepening Our Roots in Green Growth

Environmental Management

Guided by the principles of "Green Production, Green Products, Green Operations, Green Environment, Green Culture, Green Life", we actively implement the concepts of green development and low-carbon operations, continuously optimizing our environmental management system and enhancing our environmental risk prevention and control capabilities. We strive to create a healthier, more sustainable living environment for our customers and society, while fulfilling our commitment to environmental protection and contributing to the sustainable development of the ecosystem.

Policies

- Water Pollution Prevention and Control Action Plan
- Air Pollution Prevention and Control Action Plan
- Soil Pollution Prevention and Control Action Plan
- Solid Waste Pollution Prevention and Control Action Plan

The comprehensive control of the "four pollutants" in the Yangtze River Economic Zone is accelerated.

Total Energy Consumption (MWh)	23925.92
Total Water Consumption (ton)	11428.36
Total Emissions (ton)	118.04
Total Hazardous Waste Disposed (ton)	358.37
Total Non-Hazardous Waste Disposed (ton)	85.71

Total Energy Consumption Intensity (MWh/million yuan)	443.08
Total Water Consumption Intensity (ton/million yuan)	0.008
Total Emissions Intensity (ton/million yuan)	0.0001
Total Hazardous Waste Disposed Intensity (ton/million yuan)	5003
Total Non-Hazardous Waste Disposed Intensity (ton/million yuan)	3527
Total Water Recycled (ton)	100
Total Water Recycled Intensity (ton/million yuan)	100

Green Operations

A dispatcher with our commitment to green operations, the Yangtze River Economic Zone Logistics Center actively implements the concepts of green development and low-carbon operations, continuously optimizing its environmental management system and enhancing its environmental risk prevention and control capabilities.

Resource Management

The Yangtze River Economic Zone Logistics Center has established a comprehensive resource management system, covering water, electricity, and waste management. This system aims to optimize resource utilization and minimize environmental impact through refined management and technological innovation.

Water Management

- Water Conservation Measures
- Water Quality Monitoring

Electricity Management

- Electricity Conservation Measures
- Electricity Consumption Monitoring

Waste Management

- Waste Classification and Disposal
- Hazardous Waste Management

Pollution Prevention and Control

The Yangtze River Economic Zone Logistics Center has implemented a comprehensive pollution prevention and control system, covering air, water, and noise pollution. We have established a dynamic monitoring system and emergency response mechanisms to ensure compliance with environmental standards and minimize the impact on the surrounding environment.

Green Products

Guided by the operating mode of global procurement and global sales, the Yangtze River Economic Zone Logistics Center actively promotes the concept of green packaging, continuously optimizing its product packaging design to reduce environmental impact and enhance the sustainability of our products.

Green Packaging

- Green Packaging Design
- Green Packaging Materials

Green Materials

- Green Materials Procurement
- Green Materials Management

Fostering a Culture of Vibrancy

Upholding Employee Rights and Interests

Guided by the principles of "Employee Care, Employee Development, Employee Growth, Employee Happiness", we actively implement the concepts of "Employee Care, Employee Development, Employee Growth, Employee Happiness", continuously optimizing our human resource management system and enhancing our employee care and development capabilities. We strive to create a fair, inclusive, and vibrant workplace environment, fostering employee growth and contributing to the company's sustainable development.

Compliant Employment

We have fully implemented the labor laws and the Women's Rights and Interests Protection Law of the People's Republic of China, ensuring compliance with all relevant laws and regulations. We have established a comprehensive system for employee rights and interests, including the protection of female employees' rights and interests, the prevention and control of sexual harassment, and the protection of minors' rights and interests. We have also established a dedicated complaint channel to promptly address employee concerns and ensure their rights are protected.

Total Number of Employees	829
Total Number of Female Employees	577
Female Employee Ratio (%)	33.39
Total Number of Ethnic Minority Employees	1.27
Total Number of Disabled Employees	2
Disabled Employee Ratio (%)	00.92

Democratic Governance

The Yangtze River Economic Zone Logistics Center has established a democratic governance system, including employee representatives, trade unions, and a dedicated complaint channel, to ensure employee participation in decision-making and the protection of their rights and interests. The trade union plays a key role in this system, facilitating communication between employees and the company, and ensuring that employee rights are protected and their voices are heard.

Total Number of Employee Representatives	2
Employee Representative Participation Ratio (%)	85

Occupational Health and Safety

Guided by the principles of "Safety First, Prevention Primary, Comprehensive Management", we actively implement the concepts of "Safety First, Prevention Primary, Comprehensive Management", continuously optimizing our occupational health and safety management system and enhancing our risk prevention and control capabilities. We strive to create a safe and healthy working environment for our employees, ensuring their physical and mental health and safeguarding their rights and interests.

Health Care Center

The Yangtze River Economic Zone Logistics Center has established a health care center to provide employees with comprehensive health services, including regular health check-ups, medical consultations, and health education. We also organize various health activities to promote employee health awareness and improve their overall health.

Mutual Growth

We are committed to creating future growth for our employees and promoting their growth and development.

Employee Training

Training is important for the development and growth of employees. We actively promote the concept of "Learning Is Growth" and continuously optimize our training system to provide employees with more learning and development opportunities, helping them achieve personal growth and contribute to the company's sustainable development.

Pre-Position Training

- Pre-Position Training
- Leadership training

Total Training Hours	611,900
Average Training Hours	100
Total Training Hours by Gender - Male	31135.5
Total Training Hours by Gender - Female	49.5

Employee Development

Training Mechanism

- **New Employee Training:** We offer comprehensive training to ensure new employees quickly adapt to their roles and company culture.
- **Occupational Skill Training:** We provide training on occupational skills to enhance employees' professional capabilities.
- **Management Training:** We provide management training for employees with management responsibilities.
- **Cross-Functional Training:** We encourage employees to participate in cross-functional training to broaden their skills and perspectives.

Training Content

- **Training Effectiveness Assessment:** We evaluate the effectiveness of training through assessments, ensuring that employees can apply what they learn in their work.
- **Incentive Measures:** Outstanding performance will be rewarded with bonuses, promotions, and other incentives.

Employee Promotion

We prioritize internal promotions and provide clear career development paths for employees. We also offer various training programs to support employees in their career development, enhancing their skills and promotion opportunities.

Cultivating a Happy Workplace

We actively implement the concepts of "Employee Care, Employee Development, Employee Growth, Employee Happiness", continuously optimizing our human resource management system and enhancing our employee care and development capabilities. We strive to create a fair, inclusive, and vibrant workplace environment, fostering employee growth and contributing to the company's sustainable development.

- **Employee Care:** We provide various benefits and care programs to ensure employees' physical and mental health and well-being.
- **Employee Development:** We provide training and development opportunities to enhance employees' professional capabilities and career development.
- **Employee Growth:** We provide clear career development paths and promotion opportunities to support employees in their career development.
- **Employee Happiness:** We strive to create a positive and harmonious workplace environment, enhancing employee happiness and sense of belonging.

We actively implement and promote employee care and development initiatives, including the "Employee Care Initiatives" and the "Employee Development Initiatives", to create a fair, inclusive, and vibrant workplace environment, fostering employee growth and contributing to the company's sustainable development.

Employee Care Initiatives

- Employee Care Initiatives
- Employee Care Initiatives
- Employee Care Initiatives
- Employee Care Initiatives
- Employee Care Initiatives
- Employee Care Initiatives

Employee Development Initiatives

- Employee Development Initiatives
- Employee Development Initiatives
- Employee Development Initiatives
- Employee Development Initiatives
- Employee Development Initiatives
- Employee Development Initiatives

Work of the Women's Union

The Yangtze River Economic Zone Logistics Center has established a women's union to protect the rights and interests of female employees and promote their development. The women's union has been active in various activities, including the "Three Good Deeds" campaign and the "Three Good Deeds" campaign, aimed at promoting the development of female employees and contributing to the company's sustainable development.

Employee Care Initiatives

Guided by the principles of "Employee Care, Employee Development, Employee Growth, Employee Happiness", we actively implement the concepts of "Employee Care, Employee Development, Employee Growth, Employee Happiness", continuously optimizing our human resource management system and enhancing our employee care and development capabilities. We strive to create a fair, inclusive, and vibrant workplace environment, fostering employee growth and contributing to the company's sustainable development.

Cultural and Artistic Tours

Caring for Staff

Crafting a Better Life Together

Partner Collaboration

With a focus on enhancing supply chain management capabilities, the Yangtze River Economic Zone Logistics Center actively promotes the concept of "Supply Chain Management" and continuously optimizes its supply chain management system. We have established a comprehensive supply chain management system, covering supplier management, supply chain risk management, and supply chain sustainability management, ensuring the stability and sustainability of the supply chain.

Supply Chain Management

- Supplier Selection and Management
- Supply Chain Risk Management
- Supply Chain Sustainability Management

Supplier Selection Management

We have established a strict supplier selection and management system to ensure suppliers meet our requirements for quality, price, and delivery. We have also established a supplier evaluation system to regularly assess the performance of our suppliers and promote their continuous improvement.

Supply Chain Risk Management

We have established a supply chain risk management system to identify and mitigate supply chain risks, including natural disasters, market fluctuations, and supplier bankruptcy. We have also established a supply chain risk early warning system to monitor supply chain risks in real time and take timely measures to mitigate the impact of risks.

Supply Chain Sustainability Management

We have established a supply chain sustainability management system to promote the sustainable development of the supply chain. We have also established a supplier sustainability evaluation system to assess the sustainability performance of our suppliers and promote their continuous improvement.

Total number of suppliers	11
Number of suppliers in Hubei Province	5
Proportion of suppliers in Hubei Province (%)	45.45

Industry Collaboration for Mutual Benefit

The Yangtze River Economic Zone Logistics Center actively participates in industry associations and alliances, fostering collaboration with peers to jointly address industry challenges and promote the sustainable development of the industry.

Through joint research, technology sharing, and resource integration, we have achieved mutual benefits and shared growth with our peers, contributing to the overall development and competitiveness of the industry.

Contributions to the Community

We actively participate in various public welfare activities, including poverty alleviation, education support, and community service, to fulfill our social responsibility and contribute to the sustainable development of the community.

Total Donations (million yuan)	1.08
Total Number of Volunteer Service Hours	50
Total Number of Participants in Volunteer Activities	240

Public Welfare and Charity

Rural Revitalization

Guided by the principles of "Industry Prosperity, Ecological Livability, Rural Civilization, Effective Governance, Prosperous Living", the Yangtze River Economic Zone Logistics Center actively promotes rural revitalization and contributes to the sustainable development of the rural economy. We have established a comprehensive rural revitalization system, covering industry development, ecological protection, cultural inheritance, and community governance, ensuring the stability and sustainability of rural revitalization.

Promoting Industry Development and Innovation and Rural Revitalization

- Promoting Industry Development and Innovation
- Promoting Industry Development and Innovation
- Promoting Industry Development and Innovation
- Promoting Industry Development and Innovation
- Promoting Industry Development and Innovation
- Promoting Industry Development and Innovation

Total Number of Rural Revitalization Projects	500
Total Number of Rural Revitalization Project Participants	4,183
Total Number of Rural Revitalization Project Participants (Female)	1,183
Total Number of Rural Revitalization Project Participants (Ethnic Minority)	578,000

Empowering and Enriching Farmers' Through Participating in Young Entrepreneurship

Appendix

About This Report

Report Subject

The Yangtze River Economic Zone Logistics Center (Hubei) Co., Ltd.

Definition of Terms

Yangtze River Economic Zone Logistics Center, Yangtze River Economic Zone Logistics Center, the Company, the Center

Time Range

January 1, 2024 to December 31, 2024 (some of the contents of this report have been supplemented with data from the first half of 2025 to ensure the completeness of information disclosure)

Reporting Cycle

The Yangtze River Economic Zone Logistics Center (Hubei) Co., Ltd. plans to publish its sustainability report annually, with the current report being the first one.

Scope of Disclosure

The Yangtze River Economic Zone Logistics Center (Hubei) Co., Ltd. and its subsidiaries, including the Yangtze River Economic Zone Logistics Center (Hubei) Co., Ltd. and its subsidiaries, Wuhan Yangtze River Economic Zone Logistics Center Co., Ltd., Wuhan Yangtze River Economic Zone Logistics Center (Jiangxia) Co., Ltd., and Wuhan Yangtze River Economic Zone Logistics Center (Xinzhou) Co., Ltd.

Reporting Standards

- Guidelines for Preparation of Sustainability Reports of Listed Companies (Trial Version)
- Guidelines for Preparation of Sustainability Reports of Listed Companies (Trial Version) - Supplement for Industry Companies
- Guidelines for Preparation of Sustainability Reports of Listed Companies (Trial Version) - Supplement for Industry Companies - Supplement for Logistics Industry

Reporting Principles

- Materiality
- Quantitative
- Balance
- Consistency

Preparation Process

- Preparation Process
- Preparation Process
- Preparation Process
- Preparation Process
- Preparation Process

Index Table

Report Content		GRI Standards 2021
Message from the Chairperson		2-10/2-11
Step into Taihu Snow Silk	Company Profile	2-1/2-6
	Honors & Awards in 2023	—
Sustainable Development	Material Issues Analysis	3-1/3-2/3-3
	Stakeholder Communication	2-16/2-29
Theme 1: Chinese Silk Showcasing the Charm of the Chinese Culture		—
Theme 2: Silkworm Spirit Inspires Our Drive to Progress		—
Part 1 Weaving a Comprehensive Framework for Steady Growth		
Improving Organizational Governance	Corporate Governance	2-9/2-17/2-27
	Investor Relations	2-16
	Business Ethics	2-27/201-1/205-2/205-3/206-1/207-2
Pursuing Supreme Quality	Quality Products	416-1/416-2
	Sophisticated and Comfortable Product	—
	Innovation and Research Development	416-1
Enhancing Service Experience	Customer Service	302-1/302-3/303-4/303-5/305-1/305-2/305-4

Report Content		GRI Standards 2021
Enhancing Service Experience	Responding to Customer Appeals	301-3/302-4/302-5/305-5
	Information Security	418-1
	Responsible Marketing	417-1/417-2/417-3
Part Two Crafting a Spectrum of Excellence for Multifaceted Value		
Deepening Our Roots in Green Growth	Environmental Management	302-1/302-3/303-4/303-5/305-1/305-2/305-4
	Green Operations	305-5
	Green Products	301-3/302-4/302-5/305-5
Fostering a Culture of Vibrancy	Upholding Employee Rights and Interests	2-7/401-1/401-2/401-3/403-1/403-3/403-5/403-6/403-9/403-10/405-1/406-1
	Mutual Growth	404-1
	Cultivating a Happy Workplace	405/406
Crafting a Better Life Together	Partner Collaboration	308-1/414-1
	Contributions to the Community	203-2/203-1/413-1
Appendix	About This Report	2-2/2-3/2-4/2-14
	Index Table	—

Taihu Snow Silk