



Smart Manufacturing
Leading a Greener Future

2023

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Jinsanjiang (Zhaoqing) Silicon Material Company Limited

Stock code: 301059

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About the Report

Introduction

Jinsanjiang (Zhaoqing) Silicon Material Co., Ltd. (hereinafter referred to as "JSJ", "the Company," or "We") is pleased to release the 2023 Environmental, Social and Governance (ESG) Report ("the report"), aiming to provide stakeholders with information on JSJ's practices and performance in ESG aspects.

Basis of Preparation

The report draws on the GRI Sustainability Reporting Standards (GRI Standards) of the Global Sustainability Standards Board, and the United Nations Sustainable Development Goals (UN SDGs). At the same time, it is compiled in accordance with three guidelines of the Shenzhen Stock Exchange (SZSE), i.e. the Shenzhen Stock Exchange Social Responsibility Instructions to Listed Companies, the Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange, and the Shenzhen Stock Exchange Guideline No.2 on Self-Regulation of Listed Companies on the ChiNext Board.

Reporting Period

The report covers the period from January 1, 2023, to December 31, 2023. To enhance comparability of the report and provide forward-looking information, the reporting period of some content is moderately extended.

Information Source

The statistics and cases in the report are mainly derived from the Company's official documents, statistical reports and relevant public documents. The Company undertakes that there is no false record or misleading statement in the report, and bears responsibility for the truthfulness, accuracy and completeness of its content. The Board of Directors of the Company has approved the report and guaranteed that the report does not contain any false records, misleading statements or material omissions.

Access to the Report

The report can be viewed and downloaded on the official website of SZSE (www.szse.cn), the Company's website (<https://www.gz-silica.com>), and CNINFO (<http://www.cninfo.com.cn>).

For further inquiries or any questions or suggestions regarding the report, please contact the Company via email at ir@jsjgl.com.



Message from the Chairman



2023 marks the 20th anniversary of JSJ. It is also a year for JSJ to uphold craftsmanship and make positive changes. Looking back, JSJ has been forging ahead in the pursuit of excellence and staying committed to promoting both corporate and social progress. In the past year, we have walked hand in hand with stakeholders to uphold social responsibility and seek the coordinated development of economy, society and environment.

Driving Digital Transformation and Pursuing Excellence in Quality. JSJ consistently promotes IT-based industrialization and constantly improves production efficiency and quality stability by fully applying automated production, embedding intelligent data systems in key business processes and enhancing product quality systems. The Company also prioritizes production safety by providing employees with sufficient personal protective equipment and strengthening safety training every year, ultimately achieving "zero accidents" in 2023.

Embracing Innovation-Driven Approach to Empower Product Customization. JSJ firmly believes that scientific research and innovation are the key to stimulating product vitality. Focusing on the field of silica, we consistently introduce excellent talents to build the Guangdong Engineering Technology Research Center for Functional Silica. Additionally, we have established an "industry-academia-research cooperation" R&D platform with universities. By closely aligning customer needs with our research and development plans, we provide customers with customized products to improve our product competitiveness. Furthermore, the Company actively participates in the development of national standards, industrial standards and organizational standards in the silica sector, thereby promoting industry development.

Operating with Integrity and Earning the Trust of All Stakeholders. At JSJ, we uphold the service concept of "customer first and pursuit of excellence". We listen to the demands of our customers through various channels and provide them with professional and customized solutions. Besides, we value customer feedback as it enables us to improve customer satisfaction and gain their recognition. We also strictly follow laws, regulations, and customer requirements. We select responsible suppliers and strive to build an efficient, stable, and sustainable supply chain, thus jointly promoting the healthy development of the industry. Moreover, the Company has gained social recognition for persistent involvement in public welfare activities and enduring contribution to society.

Committed to Green Development to Jointly Building an Environmentally Friendly Ecosystem. JSJ is committed to sustainable development and integrates the concept into product design, factory design, production packaging and other processes. We are dedicated to pollutant reduction by disposing of wastewater, waste and exhaust gas during the production phase in strict compliance with relevant regulations. As a result, we have obtained the ISO 14001 Environmental Management System Certification. Furthermore, we actively explore resource recycling technologies and have achieved waste heat recovery, vapor recovery, and water conservation. In 2023, we were also awarded the provincial-level benchmark enterprise for water conservation. In addition, we focus on product ecological design and carbon footprint evaluation, promote "zero solid waste" and packaging material conservation. We are also applying clean energy to support the "dual carbon" goals with technology.

Caring for Employee Growth with the Foundation of Putting Our People First. JSJ adheres to the business philosophy of "altruism and love, achieving dreams". We fully protect the rights and interests of employees. We actively implement compliance employment and provide employees with competitive salaries and benefits. We have established a comprehensive talent development system that aims to promote consistent growth of our employees. We also place great importance on employee care by ensuring that communication channels are in place, allowing us to listen to their voices. In addition, JSJ prioritizes the health and safety of employees, with a focus on strengthening occupational health and safety management to create a safe and healthy working environment. With these efforts, we aim to achieve mutual growth for both our employees and the Company.

—— Chairman Zhao Guofa

About JSJ

Company Profile

Company Business

Founded in 2003 and headquartered in Zhaoqing City, Guangdong Province, Jinsanjiang (Zhaoqing) Silicon Material Company Limited (Stock Code: 301059) was officially listed on ChiNext of Shenzhen Stock Exchange in 2021, being the first company in Zhaoqing to successfully go public through the registration system.

JSJ is committed to becoming a global leader in silicon materials and has been dedicated to the R&D, manufacturing and sales of silica using the precipitation method. The Company attaches great importance to product innovation and has established a team of talents mainly composed of PhDs and masters. Additionally, the Company is equipped with high-standard CNAS certified laboratories to ensure the Company's R&D competitiveness.

JSJ has successfully built a comprehensive global network of sales, production, and delivery, which empowers us to efficiently cater to diverse industries including toothpaste, food and cosmetics, batteries, silicone rubber, and defoamers by offering customized silicon materials. Our unwavering dedication lies in generating substantial value for customers.

JSJ has been successively honored with titles such as "Guangdong Provincial Level Enterprise Technology Center", "Guangdong Engineering Technology Research Center for Functional Silica", "Guangdong Province Innovation Method Promotion and Application Demonstration Cultivation Enterprise", and "Top 100 Chinese Household Chemical Companies". JSJ is currently the leading manufacturer of silica for toothpaste in China.



Corporate Building



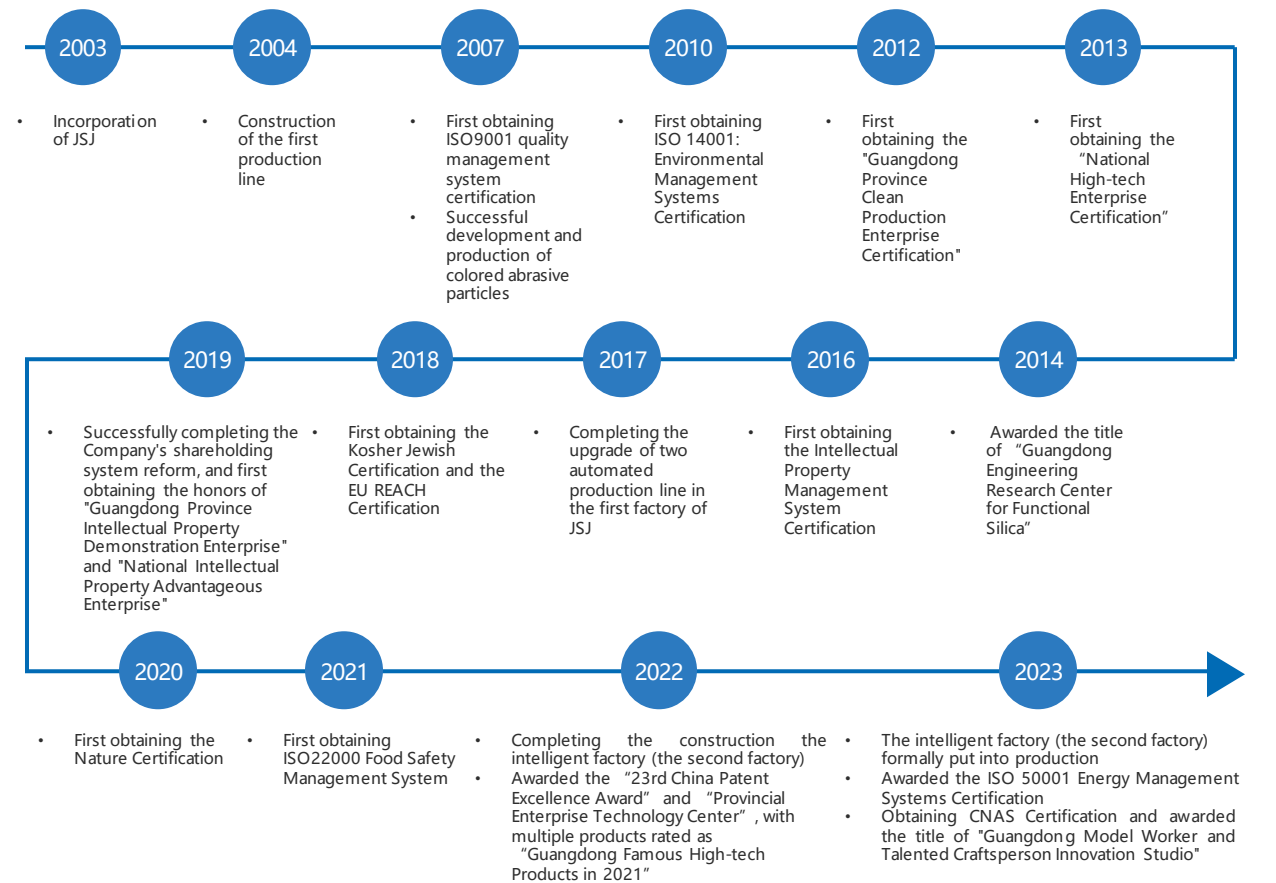
New Factory

Our Culture

JSJ places great importance on the construction and inheritance of corporate culture. We have formed a corporate culture consisting of corporate vision, corporate mission, corporate values and service philosophy, which continuously guiding, motivating, restraining, and influencing all employees to promote the Company's stable and sustainable development.

<p>Our Vision</p> <p>Emerging as a prominent global frontrunner in the field of silicon materials</p>	<p>Our Mission</p> <p>Customizing silicon materials Creating value for customers Realizing the dream for employees Contributing to the society</p>	<p>Our Values</p> <p>Customer-oriented Innovation-driven Making Unremitting Efforts Adhering to Self-inspection</p>	<p>Our Service Philosophy</p> <p>Customer first Pursuit of excellence</p>
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Growth Journey



Key Performance Indicators

Environmental Performance	Total GHG	Comprehensive energy consumption per unit product	Compared to 2022, comprehensive energy consumption per unit product has decreased by
	29,206.36 tCO ₂ e	0.34 tonnes of standard coal	19%
Social Performance	Installed power capacity of photovoltaic power generation equipment in the factory	Number of flexible freight bags saved	Industrial solid waste generated achieved
	1,972.35 Kilowatt	16,001	100% Harmless treatment
	Products recalled	Production safety accidents	Corruption cases
	0	0	0
	Intellectual property rights litigations	Total authorized patents	R&D investment
	0	130	17,103,521.37 RMB
	Total number of employees	The proportion of employees trained	Total donation in the last three years
	274	100%	164,600 RMB

Corporate Honors

Number	Honors	Issuer
1	Provincial Enterprise Technology Center	Department of Industry and Information Technology of Guangdong Province
2	Guangdong Engineering Technology Research Center for Functional Silica	Department of Science and Technology of Guangdong Province
3	Guangdong Model Worker and Talented Craftsperson Innovation Studio	Guangdong Federation of Trade Unions
4	Guangdong Province Innovation Method Promotion and Application Demonstration Cultivation Enterprise	Guangdong Province Productivity Promotion Center
5	National Intellectual Property Advantageous Enterprise	China National Intellectual Property Administration
6	23 rd China Patent Excellence Award	People's Government of Guangdong Province
7	Guangdong Province Contract-abiding and Credit-worthy Enterprises	China National Light Industry Council
8	Top 100 Chinese Household Chemical Companies	Top 100 Chinese Household Chemical Companies Selection Committee
9	Guangdong Province Clean Production Enterprise	Department of Industry and Information Technology of Guangdong Province
10	Specialized and Sophisticated SME of Guangdong Province	Department of Industry and Information Technology of Guangdong Province
11	2022 Top 50 Technology Innovation Enterprises	People's Government of Zhaoqing Municipality
12	Second Prize of Science and Technology Progress Award from China National Light Industry Council	Department of Industry and Information Technology of Guangdong Province
13	High-tech Enterprise	Department of Science and Technology of Guangdong Province
14	Zhaoqing High-tech Zone Quality Award	Guangdong Federation of Trade Unions

Sustainability Management

This Chapter Responds to

Material issues

Compliance operation Integrity building

SDGs



JSJ attaches great importance to standardized operation and sound governance. The Company comprehensively strengthens its efficient operation capability and strives to achieve sustainable development by continuously improving corporate governance, enhancing ESG governance level, promoting business ethics construction, and strengthening communication with stakeholders.

Corporate Governance

The Company strictly abides by the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Regulations on the Governance of Listed Companies, the Rules Governing the Listing of Shares on the ChiNext Market of Shenzhen Stock Exchange, and the Guidelines for the Standardized Operation of Listed Companies on the ChiNext Market of Shenzhen Stock Exchange and other laws, regulations and normative documents. In combination with the Company's actual situation, the Company establishes and improves the internal control system, standardizes the Company's operation, continuously strengthens the internal driving force of corporate governance, and gradually forms a long-term mechanism for standardized governance of the Company. At the same time, the Company strengthens risk prevention and control, continuously improves information disclosure and investor relations management, and strives to enhance corporate governance level.

Operation of the Three Meetings*

JSJ knows that the "Three Meetings" are the core of the Company's governance structure and are important guarantees for ensuring scientific decision-making, effective implementation, and effective supervision of the Company. The Company has formulated the Operation Manual for the Three Meetings to clearly regulate the requirements, procedures and related meeting documents for the "Three Meetings" to ensure their efficiency and compliance.

The Company is actively exploring innovative ways to operate the "Three Meetings". For the newly elected or appointed directors, supervisors and senior management, the Company requires them to take the oath of office at the appointment meeting and issue them formal appointment certificates to enhance their sense of belonging, recognition and responsibility and to deepen their professional ethics and qualities. At the same time, the Company enhances pre-meeting process simulations to ensure seamless arrangement and zero mistake during the meeting, thereby enhancing communication efficiency. In the future, the Company will continue to enrich and innovate the forms of the "Three Meetings" and learn from the experience of excellent enterprises to continuously improve the operation of the "Three Meetings".

During the year, the Company convened:



2 Shareholders' meetings



8 Board of Directors' meetings



6 Board of Supervisors' meetings

Shareholders and Shareholders' Meeting

The Company strictly follows the requirements of the Company Law of the People's Republic of China, the Articles of Association, the Rules of Procedure for Shareholders' Meetings, and other laws, regulations, and internal normative documents to standardize the convocation, holding, and voting procedures of Shareholders' meetings to ensure that all shareholders enjoy equal status and fully exercise their rights. During this year, the Company invited lawyers to witness all Shareholders' meetings in accordance with the regulations. The Company improves the convenience of participation of small and medium shareholders in Shareholders' meetings by combining on-site and online voting methods in accordance with relevant regulations to ensure the rights of small and medium shareholders are safeguarded.

*Three Meetings refer to Shareholders' meeting, Board of Directors' meeting and Board of Supervisors' meeting.

Directors and the Board of Directors

During this year, the Company convened a total of 8 Board of Directors' meetings, which all strictly followed the relevant regulations to standardize the convocation, holding, and voting of Board of Directors' meetings. The Company's Board of Directors is composed of 6 directors, including 2 independent directors and 4 non-independent directors. The number, composition, and selection procedures of the Board of Directors comply with relevant laws and regulations, the Company's Articles of Association, and relevant institutional regulations. The directors of the Company carry out their work in an orderly manner, attend the Board of Directors' meetings, committee of the board, and Shareholders' meetings, diligently fulfill their duties and obligations, and safeguard the interests of the Company and its shareholders. The Board of Directors establishes the Audit Committee, Strategy Committee, Nomination Committee, and Remuneration and Appraisal Committee. Each committee performs its duties, and provides sound and professional opinions and references for the decision-making of the Board of Directors. Each committee exercises its powers in accordance with the Company's Articles of Association and the rules of procedure of each committee, free from interference by other departments and individuals of the Company.

Supervisors and the Board of Supervisors

The Board of Supervisors of the Company consists of 3 supervisors, including 1 employee supervisor, and the number and composition of the Board of Supervisors comply with the requirements of the relevant laws and regulations such as the Company Law of the People's Republic of China and the Company's Articles of Association. During this year, the convocation, holding, and voting of the Board of Supervisors' meetings comply with relevant laws and regulations. The supervisors of the Company attend Shareholders' meetings as required, attend the Board of Directors' meetings, and convene the Board of Supervisors' meetings in accordance with the prescribed procedures. They diligently and responsibly inspect and supervise the financial status of the Company and the performance of the directors and senior management to effectively safeguard the legitimate rights and interests of the Company and shareholders, promoting the standard operation of the Company.

Risk Prevention

JSJ focuses on risk management and prevention, establishes a strict internal control system and continuously improves and refines internal control measures to enhance the efficiency of decision-making and standardize business management. The Company actively identifies risks in areas such as market, operations, legal, technological, and financial aspects in its daily operations and takes proactive measures to minimize the potential impact of risks on the Company's production and operations. The Company implements "three lines of defense" risk management to ensure the effectiveness of internal monitoring systems:

Lines of defence	Department in charge	Key points for risk prevention and control
First Line of Defence	R&D, procurement, production, sales departments	Identify, evaluate, and manage risks in the business processes
Second Line of Defence	Functional departments including finance and legal departments	Provide professional knowledge, and support, monitor, and raise reasonable questions for risk related matters
Third Line of Defence	Audit Department	Provide independent, objective judgements and recommendations on all matters related to achieving corporate goals

Right and interest of investors

Information Disclosure

JSJ consistently safeguards the rights and interests of investors. JSJ strictly complies with relevant laws and regulations such as the Measures for the Administration of Information Disclosure of Listed Companies and earnestly fulfills the Company's obligations of information disclosure. All directors, supervisors, and senior management of the Company carefully review the contents of external disclosures and ensure that the information disclosed by the Company is true, accurate and complete, without false records, misleading statements or major omissions.

The Company mainly discloses announcements, financial indicators, company systems, periodic reports, company profiles and other information to investors through CNINFO (<http://www.cninfo.com.cn/>). The relevant information disclosed by the Company will also be published in Securities Times, China Securities Journal, Securities Daily and Shanghai Securities News. In 2023, the Company disclosed a total of 97 announcements, including 4 regular reports and 93 interim announcements.

Investor Relations

With an open and honest attitude, JSJ actively maintains good interaction with investors, responds to investors' inquiries in a timely manner, and regularly conducts investor communication activities. By doing so, JSJ ensures that investors can comprehensively, accurately, and timely understand the Company's operating conditions and development strategies, thereby enhancing investor confidence. In 2023, JSJ conducted a couple of investor communication activities, including 1 annual performance briefing for 2022 and multiple on-site investigation activities for institutional investors. The Company's investor communication activities follow JSJ's Internal Investor Management Policies, and all directors, supervisors, and senior management of JSJ are responsible for the content of the Company's investor communication activities. Meanwhile, the Company will record the communication content in meeting minutes and incorporate it into the investor communication files to ensure complete records.

This year, the Company conducted:



1

performance briefing



Multiple on-site investigation activities for institutional investors

Business Ethics

JSJ adheres to honest operation and fair competition, strictly complies with relevant laws and regulations such as the Anti-Unfair Competition Law of the People's Republic of China and the Anti-Monopoly Law of the People's Republic of China, formulates and implements internal policies such as the Cadre Management Policy and the Internal Audit Management Regulations. JSJ also continuously doubles down on constructing a clean culture, with zero tolerance for commercial bribery.

At the same time, the Company comprehensively supervises and manages the cadre team to ensure the integrity and legality of the cadre team, effectively prevent and combat corruption and provide a strong guarantee for the Company's sustained and healthy development.

- The Company regards cadre supervision as an important part of business ethics construction, and has set up a special cadre supervision mailbox, which is managed and checked by the general manager in person.
- Any irregular behavior of JSJ's cadres can be supervised and reported by all employees, so as to promptly detect and correct any improper behavior.

- The Company sets up a special investigation team to supervise the behavior of cadres in various centers, assist the general manager in recording, inspecting, analyzing, determining responsibility, imposing punishment, and rewarding in reported cases, and jointly determine the results with the general manager.
- The audit department of the Company strictly supervises and inspects the daily behavior of cadres by prohibiting corruption and abuse of power.
- The Human Resources Center of the Company regularly conducts comprehensive cadre examinations to supervise the performance of cadres during their tenure.

ESG Governance

Sustainable Development Concepts

JSJ is committed to minimizing the impact of its operations on environment and society. The Company actively strengthens ESG governance and proactively engages with stakeholders, aiming to achieve sustainable development. The Company also supports and actively responds to the United Nations Sustainable Development Goals (UN SDGs) by fulfilling environmental and social responsibilities through concrete actions. The Company integrates the concept of sustainable development into business development and operational decision-making processes.

The Board of Directors of JSJ is the highest decision-making and supervisory body for the Company's ESG management. It assumes full responsibility for the Company's ESG management policies, strategies and reporting, fully integrates ESG factors in business decision-making, and reviews and approves the Company's annual ESG report.

Stakeholders Engagement

As we make constant efforts to promote ESG initiatives, we recognize that the opinions and expectations of stakeholders have a significant impact on our operation and development. We have established a communication mechanism with various stakeholders through multiple channels to engage with stakeholders, meet their demands and accept their supervision.

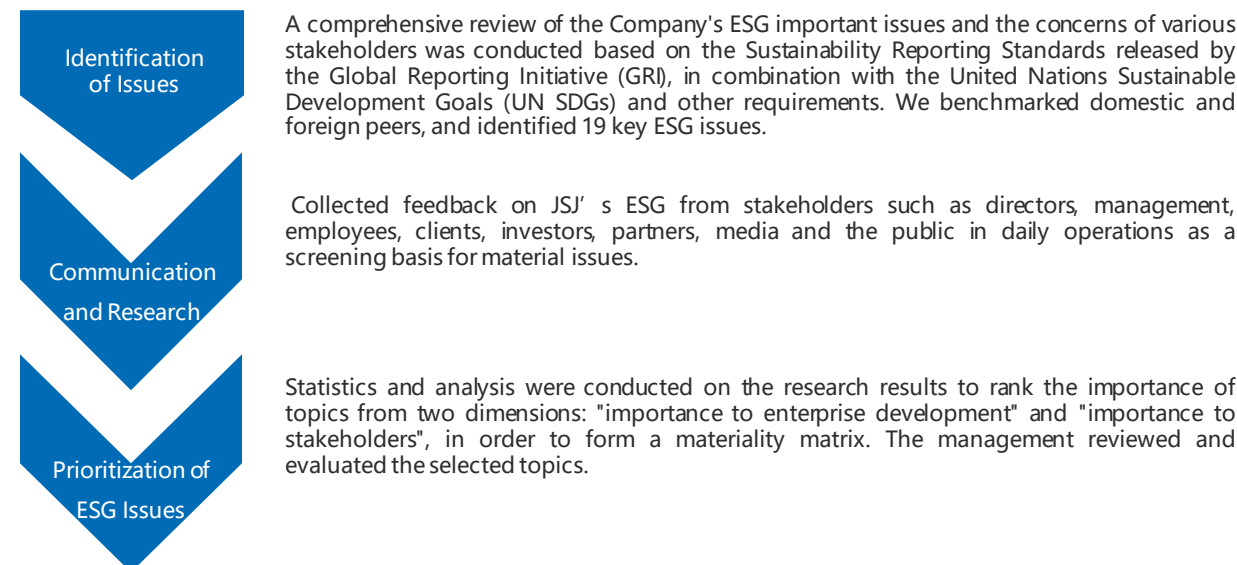
Stakeholders	Communication channels	Expectations and demands	Communication and response	
Regulators and government departments	Regulatory submission	Compliance with laws	Legal and compliance operations	
	Visits and interviews	Pay taxes according to laws	Tax payment in full and on time	
	Government enterprise meetings	Energy conservation and emissions reduction	Produce green products	
Customers	Telephone hotline	Product quality	Product quality management	
	Email	Product innovation	Investment in product R&D	
	Customer satisfaction survey	Service experience	Customized solutions	
	Customer meetings	Protection of customers' rights and interests	Business ethics	Customer follow-up
		Human rights	Integrity and anti-corruption	Employee well-being
Environmental protection	Green operation			
Investors	Shareholders' meetings	Return on investment	Improve profitability	
	Performance briefing	Rights and interests protection	Corporate management	
	Investors' activities	Corporate transparency	Information disclosure	
	Company official website	Risk control	Internal control procedure	
	Telephone hotline			

Stakeholders	Communication channels	Expectations and demands	Communication and response
Employees	Employee activities	Employees' rights and interests	Compliance employment
	Email of the general manager	Career development	Employee training and promotion opportunities
	Internal meetings	Salaries and benefits	Salaries and benefits
	WeChat group of the Company	Health and safety	Production safety
Suppliers and partners	Site visits	Business ethics	Supplier management policies
	Supplier audit	Product quality and safety	On-site factory audits
	Online/Offline meetings	Fair competition	Project procurement and sourcing
		Long-term cooperation	Supplier ESG evaluation
Community and public	Public information disclosure	Support public welfare	Charity activities
	Community activities	Protect the natural environment	Green products
Media	Interviews	Environmental protection	Green products
	Information disclosure	Corporate social responsibilities	Public welfare activities
		Compliance operation	Corporate governance

Materiality Assessment

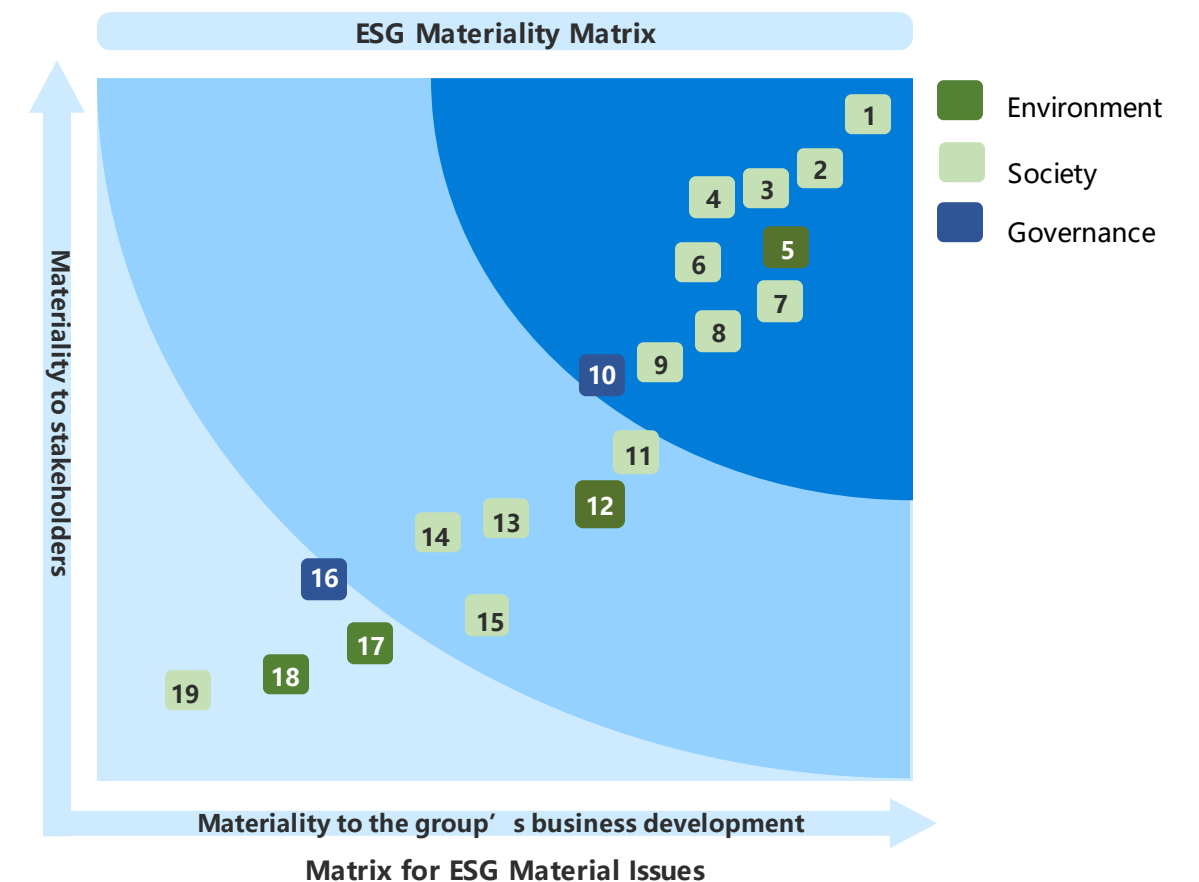
JSJ communicated with stakeholders through various channels. In this way, we understood concerns of stakeholders on ESG material issues. Taking into account those concerns and the actual situation of the Company's business development, we have ranked ESG material issues and determined the disclosure priorities of the current year's ESG reporting.

The process of ESG materiality assessment for the current year is as follows:



The process of ESG materiality assessment for the current year is as follows:

No	Prioritization	Material Issues	
1	Very Important	Product Quality	
2		Product Safety	
3		Intelligent Manufacturing	
4		Product R&D	
5		Green Operation	
6		Employee Safety	
7		Customer Rights and Benefits	
8		Employee Rights and Benefits	
9		Chemical Safety	
10		Compliance Operation	
11	Important	Employee Development	
12		Energy Management	
13		Care for Employees	
14		Intellectual Property Rights	
15		Supply Chain Management	
16		Integrity Building	
17		Climate Change	
18		Secondary Importance	Emissions Management
19		Public Welfare	



Intelligent Manufacturing

This Chapter Responds to

Material issues

Product Quality Product Safety
Intelligent Manufacturing Chemical Safety

SDGs



Intelligent manufacturing is the key strength to lead industry transformation and reshape future industry. We constantly improve our digital management system to lay a solid hardware and software foundation for intelligent manufacturing, thus improving production efficiency and reducing cost. At the same time, JSJ is committed to the bottom line of work safety and enhances work safety management structure to concretely safeguard efficient operation. Furthermore, we have formulated quality management systems and control requirements to continuously provide customers with high-quality products. During the reporting period, there were no safety accidents or product quality penalties at JSJ.

Automated Production

Advantages of Automated Production

JSJ follows an automated production approach and constantly optimizes and adjusts our overall technological roadmap. This commitment allows us to shorten product development cycles, reduce costs, enhance efficiency, improve product quality, and increase competitiveness.

Environment	<ul style="list-style-type: none"> •Intelligent control of energy consumption: The workshop mainly consumes electricity, natural gas, and steam, all of which are monitored online and remotely collected, managed and controlled through automation and digital terminals. •Intelligent control of factory floor environment: Using advanced measuring instruments and based on the DCS information management platform, we comprehensively perceive the on-site production environment, dynamically monitor various product indicators including sewage and exhaust emissions.
Safety	<ul style="list-style-type: none"> •Improvement of production safety level: Through various intelligent chain protection devices and emergency shut-down systems, we ensure the personal safety and production safety, and enhance the utilization of equipment.

Automated Production Process

JSJ accelerates promoting automated production. The Company applies automation facilities such as automated weighing machine, automated filter and water treatment system in production processes including feeding, filtering, cleaning, raw material preparation, reaction parameter detection and packaging. This not only reduces the risk of safety accidents caused by human factors, but also increases production control precision and standardization.

The intelligent factory (the second factory) of JSJ has fully applied automated production with all production equipment running functionally and the production process being precisely controlled, result in improved product quality.

	<p>Automatic feeding</p> <ul style="list-style-type: none"> • In the feeding stage, the automatic feeding equipment is used to control feeding and discharge trolley weighing module is used to weigh sodium silicate delivered on the belt and feed; • Compared with traditional manual feeding mode, the valve may significantly help save flexible freight bags and reduce time and labor input.
	<p>Continuous on-line preparation of raw materials</p> <ul style="list-style-type: none"> • Sulfuric acid/sodium silicate preparation processes are equipped with on-line densimeter to achieve continuous on-line preparation; • Compared with traditional mode, this may significantly improve the accuracy and qualification rate of reagents, as well as the efficiency of reagent modulation.
	<p>On-line detection equipment for reaction process</p> <ul style="list-style-type: none"> • The reaction process is equipped with various automated detection equipment, including electromagnetic flowmeter, on-line pH meter and temperature sensor, to accurately control various key parameters of reaction; • Compared with traditional manual mode, this may significantly improve the uniformity of materials reaction and the efficiency of reaction process.
	<p>On-line detection equipment for pressure filtration process</p> <ul style="list-style-type: none"> • The pressure filtration process is equipped with equipment, including on-line electrical conductivity detection instrument, to accurately control salt content of product through variable-frequency washing and hot water washing; • Compared with traditional process, this may significantly improve material washing efficiency and material qualification rate.
	<p>Water treatment system</p> <ul style="list-style-type: none"> • Full intelligent control soft water treatment system that is equipped with ion exchanger, sand filter tower, on-line pH meter, UV disinfection instrument and other equipment is used to achieve efficient removal of impurities in product; • Compared with traditional mode, this may better ensure microbial and biological properties.
	<p>Automated packaging system</p> <ul style="list-style-type: none"> • Metal detector, reweighing machine, on-line ink-jet printing machine, coating machine and other equipment are configured to achieve efficient weighing, packaging, re-inspection and film packaging for warehousing; • Compared with the traditional mode, this may significantly strengthen packaging efficiency, reduce the risk of broken packets, and make a better appearance of product.

Automated Production Equipment and Systems

Digital Management

JSJ believes that "data creates value" and has initially formed a "database" covering the entire business domain, with the value of data emerging. JSJ has been committed to enhancing digitalization, in an effort to advance high-efficient development with digitalization as the engine. Through the in-depth applications of SAP system, DCS system, energy system, R&D system, OA system and other digital systems, the Company has built five major platforms including business management, intelligent manufacturing, energy management, R&D management, and collaborative workspace. In this way, the Company creates an efficient and unified information platform that connects business systems such as daily office, financial management, production management, R&D management, procurement, marketing and finance, further enhancing operational efficiency of the Company. Supported by these five major platforms, the Company has formed digital collaboration with customers, suppliers, and other partners to build an end-to-end business network, achieving information interconnection and win-win cooperation. Internally, the Company creates a global unrestricted real-time collaborative office, allowing employees at home and abroad to break geographical limitations and work anytime, anywhere, achieving global collaboration.



DCS System

<p>SAP System</p>	<ul style="list-style-type: none"> Integrates all aspects of business, such as finance, procurement, production, sales, inventory and logistics, to improve work efficiency; Utilizes the barcode system for batch management of materials and products, effectively optimizing inventory management; Assists enterprises in improving their cost management systems, contributing to standardized and precise cost accounting systems that provide transfer pricing and profitability analysis.
<p>DCS System</p>	<ul style="list-style-type: none"> Enables data collection of production process, production monitoring, alarming and recording of operation parameters and printing reports, as well as remote monitoring and control of on-stream equipment to improve the efficiency and reliability of the process; Detects all analog and digital signals, stores the data, and checks the validity of the data for safety protection of processes and equipment.

<p>Energy Management System</p>	<ul style="list-style-type: none"> The factory's "Energy Management Platform" enables real-time online monitoring of energy consumption in production. It can timely alert the employees of abnormal energy consumption in the production process to solve the problem and avoid energy waste in a timely manner.
<p>R&D System</p>	<ul style="list-style-type: none"> Regulates and tracks R&D project initiation, lab-scale test, pilot-scale test and full-scale test processes to achieve R&D whole-process on-line management; Establishes a uniform R&D platform to achieve real-time sharing of R&D project data and seamless integration with processes, thus accelerating R&D progress; Establishes an R&D database that integrates formula, raw materials, competitive products and other databases to facilitate formula comparison analysis, cost analysis, competitive products and other work, thus improving R&D efficiency.
<p>OA System</p>	<ul style="list-style-type: none"> Automatically handles various office affairs such as document management, scheduling and email management to enhance work efficiency; Enables rapid intracompany information sharing; Realizes cross-departmental and cross-geographical collaboration to improve teamwork; Standardizes the workflow and management processes of the enterprise.

Work Safety

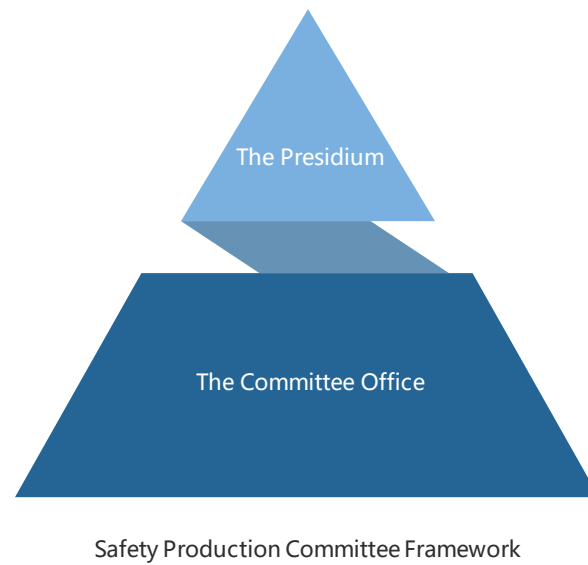
The Company prioritizes health and safety in business operations. JSJ has been adhering to the safety policy of "safety first, prevention-based, safety development and people-oriented". The Company has strictly abided by the Work Safety Law of the People's Republic of China and other laws and regulations, established and improved the Company's work safety management framework, and has continuously promoted the certifications of ISO 45001 Occupational Health and Safety Management System. The Company has set up management objectives regarding work safety, conducted regular safety inspections, trainings and drills, established a safety culture for all employees, standardized the chemicals management, and has effectively implemented work safety.



ISO 45001 Occupational Health and Safety Management System

Work Safety Management System

JSJ has established a Safety Production Committee, with the Presidium consisting of the President, the Deputy General Manager, and the Plant Director. They are responsible for overall coordination of the Company's safety management efforts, formulating work safety guidelines and objectives, and supervising the implementation. The Committee Office under the Presidium of the Committee is responsible for supervising and implementing the safety production and management. The Safety Management Committee organizes a meeting every quarter and holds regular comprehensive safety inspections, giving advice on identified hazards to ensure effective and efficient implementation of work safety management. This year, the Company set a production safety goal of "zero accidents" and achieved this goal during the reporting period.



Work Safety Target

Safe Production in Practice

JSJ has established the Safety and Environment Department to ensure safety in daily operation, equipped with 2 registered security engineers, 3 full-time personnel for safety environment management, 10 part-time safety coordinators and other personnel. The Company ensures that work safety is operated in an orderly manner under the guidance of professionals, and further promotes the construction of a safety culture. At the same time, the Company actively implements the work safety responsibility system for all employees, regularly carries out safety hazard investigation and rectification, and continuously promotes the construction of safety culture to effectively guarantee the work safety.

<p>Work Safety Responsibility System for All Employees</p>	<ul style="list-style-type: none"> The Company establishes the Work Safety Responsibility System and requires all employees at all levels to sign the Safety Responsibility Agreement, which specifies the accountable person, scope of responsibility and assessment criteria for each position; JSJ has further improved the Special Operation Safety Management System, Special Equipment Safety Management System and other safety production supporting systems to standardize the safety production management.
<p>Safety Hazard Investigation and Rectification</p>	<ul style="list-style-type: none"> JSJ continues to carry out safety hazard investigation and rectification. The Company has set up a special team to conduct daily safety inspections of a department's territorial areas. And senior leaders organize the management team to conduct the weekly joint inspections, and track the progress of rectification of the identified safety hazards on the weekly basis; The Company has increased the investment in safety, by purchasing safety protection facilities such as equipment protection nets, machine protection covers and safety barriers to improve safety.
<p>Construction of Safety Culture</p>	<ul style="list-style-type: none"> JSJ has been actively building a safety culture by providing DuPont safety culture trainings to managers at all levels, and organizing in-depth learning of the "Bradley Curve" that illustrates the relationship between safety culture and operational performance; We conduct safety activities bimonthly to involve more employees; We also conduct a five-minute activity before the work to encourage employees to share safety knowledge; The Company continually strengthens employees' safety awareness by incorporating their daily safety commitment into daily management operations; Regular fire and emergency drills are conducted to enhance employees' safety and emergency skills; The Company has set safety signs in all operation areas of the factory to clarify work safety standards.



Safety Signs (Part)

Case - Emergency Escape and Evacuation Drills and Fire Extinguishing Drills

In July 2023, the Company organized the emergency escape and evacuation drill and fire extinguishing drill for all employees. The fire emergency response team demonstrated the use of fire extinguishers and fire hydrants for all employees to learn. The drills provided employees a chance to enhance their skills in emergency evacuation, safe escape, and the use of fire extinguishers and fire hydrants.



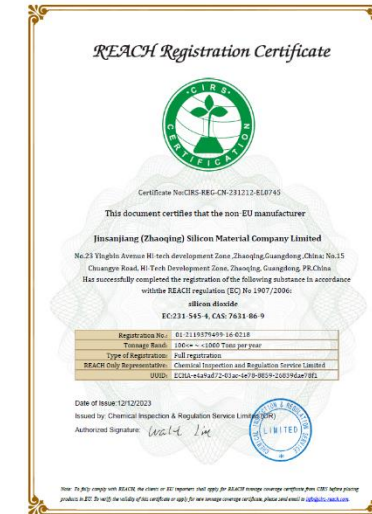
Emergency Escape and Evacuation Drills and Fire Extinguishing Drills Site

Supplier Safety Management

In 2023, the Company updated the Construction Safety Commitment Letter and the External Personnel Operation Safety Agreement that requires to be signed by engineering suppliers before entering the JSJ Park for construction. These agreements outline the responsibilities and work requirements of both parties for occupational safety and environmental protection. The Company conducts comprehensive management and control over engineering suppliers from access, plan, process and evaluation managements, including review of construction safety qualification, onboarding safety training, submission of high-risk work plans, signing and approving of special work tickets, on-site work safety inspection and punishment of safety violation. In 2023, there were no occupational safety accidents among supplier employees within the operating scope of JSJ.

Chemicals Management

The Company attaches great importance to chemicals management. We strictly abide by the laws and regulations such as the Regulations on the Safety Management of Hazardous Chemicals and formulate and implement relevant internal policies for chemicals management such as the Rules on the Management of Hazardous Chemicals. The Rules clarify the management requirements and responsible departments of procurement, storage, collection, usage and other processes and standardize the use of chemicals, thus minimizing chemicals safety incident risk. JSJ has established a chemical management mechanism in line with the EU REACH certification (Registration, Evaluation, Authorization and Restriction of Chemicals) and obtained EU REACH certification. At the same time, the Company continuously strengthens chemicals screening management. We identify and assess chemicals safety and environment risk and gradually eliminate high-risk chemicals to ensure product safety.



European Union REACH Certification

- In terms of chemicals procurement, only those that have checked with the Catalogue of Used Cosmetic Raw Materials are approved and procured. If the result fails, the head of the R&D Center's Regulatory Group needs to review whether or not the chemicals can be procured. For the procurement of hazardous chemicals, the Company carefully screens chemicals to be procured in strict accordance with the Rules on the Management of Hazardous Chemicals. Chemicals can be procured only after being reported to the regulatory authority in accordance with laws and approved.
- In terms of chemical storage and custody, the Company requires to set a transit warehouse. In the warehouse, hazardous chemicals can be stored separately by areas in accordance with their properties. At the same time, the Company provides abundant fire-fighting equipment and sets clear marks for the hazardous chemicals warehouse. The warehouse is managed by special personnel.
- In terms of chemicals collection and usage, the Company strictly abides by the "5 doubles" (double custodians, double locks, double ledgers, double delivery persons, double recipient) policy for collection of hazardous chemicals stipulated by the public security department to ensure compliant collection of chemicals.

At the same time, the Company conducts regular hazardous chemicals management training and chemicals leakage drills to ensure that employees have the knowledge of hazardous chemicals management and the ability to deal with chemicals leakage emergencies.

Case-Sulfuric Acid Leakage Drill

In March 2023, the Company carried out an emergency drill on sulfuric acid leakage, which included leakage reporting, emergency response and leakage disposal. The emergency response team reacted according to the Emergency Response Plan for Sulfuric Acid Leakage, and their emergency response capability to deal with chemicals leakage were enhanced.



Sulfuric Acid Leakage Drill Site

Product Management

JSJ strictly complies with relevant laws and regulations such as the Product Quality Law of the People's Republic of China and the Food Safety Law of the People's Republic of China. JSJ attaches great importance to product safety and quality, and continues to improve the product quality management system. The Company is committed to providing customers with healthy, safe and high-quality products.

Product Features

Silica is a kind of transparent substance with loose and porous structure, relatively stable chemical properties. This material can be widely used in toothpaste, food, medicine, cosmetics, high-end industry and other fields. Silica products produced by JSJ can be used in toothpaste rubbing agents, high-end industrial fillers, food and pharmaceutical anti-caking agents and other scenarios. The products have good safety, and can help customers in various fields such as toothpaste, food, medicine, cosmetics, batteries, silicone rubber, and opening agents achieve success.

JSJ values customer needs, continuously explores more diverse product functions, and has established an advanced product creativity concept for the future. We continue to gather cutting-edge global technologies, improve the product management system of the entire value chain, and strive to provide safer, more reliable, and higher quality products for global users.



Toothpaste Rubbing Agents



Food Anti-caking Agents

Product Quality Management System

Upholding the quality policy of "Insisting on quality first, promoting technological innovation, implementing scientific management, and exceeding customers' expectations", JSJ formulates and continuously improves the quality management system for the entire product life cycle. According to the standards of ISO9001, ISO22000 and IPEC-PQG, JSJ has formulated and implemented the Integrated Management Manual, Quality System Operation Evaluation Management System, and the Non-conforming Product Management System. At the same time, the Company strengthens the management of process quality objectives by refining and controlling them. The Company also implements the accountability system, and promotes achieving objectives through communication, meetings and assessment mechanisms. The Company has obtained a series of certifications such as ISO 22000 Food Safety Management System Certification, COSMOS Standard Certification, HALAL Certification and Kosher Certification.



ISO 9001 Quality Management System Certification ISO 22000 Food Safety Management System Certification COSMOS Standard Certification



Kosher Certification



HALAL Certification

Product Quality Control

Quality Culture

Quality is an important cornerstone for JSJ's growth. In order to strengthen the development of the Company's quality culture, pursue lean manufacturing and foster a serious and pragmatic work atmosphere, the Company stimulates the quality awareness of all employees through activities such as quality months, quality training, and quality reporting, encouraging employees to form zero-tolerance attitude towards quality issues, and improve work abilities.



Quality Month Promotional Posters

Quality Management and Control

In the product R&D stage, the Company keeps a rigorous attitude in processes including approval of new products, product sample making, pilot production and summary, verification of pilot production stability and product process standardization in line with the product design agreed with our customers. Furthermore, we strictly implement quality approval in these processes to safeguard the consistent quality of products for mass production.

In the procurement and production stages, the Company monitors raw materials, equipment, process and finished products in accordance with the systematic quality management requirements of production, process, equipment, quality and other departments as supported by multi-department or multi-level cross inspection and management. In this way, we can ensure that the safety performance of the products meets the standards and the quality of the products meets the customer needs.



Establish acceptance standards for raw materials, and conduct pre-stocking tests on the original materials, such as sodium silicate, sulfuric acid, packaging materials and floor boards.

Establish inspection standards for semi-finished products, and conduct tests on physical and chemical indexes (e.g., appearance, pH, moisture, salt content, etc.) and micro-organisms.

Establish inspection standards for finished products, release tests and microbiological tests for each batch.

Key Initiatives for Quality Control in the Procurement and Production Stages

To ensure that the quality of the products delivered to customers meets and exceeds expectations, the Company has zero tolerance for quality issues. The Company has invested in establishing a quality department laboratory, utilized advanced testing instruments, and formulated procedures for the inspection and release of finished products and is equipped with professional physical and chemical and microbiological testing facilities. At present, the laboratory has obtained CNAS certification (Laboratory Accreditation Certificate of China National Accreditation Service for Conformity Assessment). Meanwhile, the laboratory conducts monthly internal blind tests and annual comparative tests with external professional testing agencies to verify the accuracy and reliability of test results and ensure high product quality.



CNAS Certificate



Laboratory



R&D Innovation

This Chapter Responds to

Material issues

Product R&D Intellectual Property

SDGs



R&D and innovation is the cornerstone of corporate sustainable development. JSJ continues to invest in the research and development of silica products in fields such as toothpaste, food and cosmetics, batteries, silicone rubber, and opening agents. The Company has formed an international research and development team, strengthened innovation incentives and implemented intellectual property protection measures. By providing customized and competitive products to customers, JSJ maintains the Company's leading position in silica product innovation.

R&D System

R&D Capability

JSJ adheres to independent research and development, establishes an international research center, and sets up a multi-level, large-scale, self-developed, and efficient research team. JSJ continuously iterates products and technologies to quickly respond to market demand and provide customized solutions for customers. At the same time, the laboratory is equipped with sufficient advanced analytical instruments and equipment, and the R&D laboratory of the second factory of JSJ intelligent factory can accommodate 100 people simultaneously for doing experiments. As at December 31, 2023, the Company had a total of 63 R&D and technical personnels, accounting for 22.99% of the total number of employees.

The Company has successively won honors such as "Guangdong Province Innovation Method Promotion and Application Demonstration Cultivation Enterprise" and "High-tech Enterprise". The Company has several provincial and municipal R&D platforms, including Guangdong Provincial Level Enterprise Technology Center, Guangdong Engineering Technology Research Center for Functional Silica, Guangdong Model Worker and Talented Craftsman Innovation Studio and Zhaoqing Engineering Technology Research Center for Functional Silica. In 2023, the Company invested RMB 17,103,521.37 in scientific research and technology.

After years of development, the JSJ R&D Center has formed a complete set of functions:

- Assist the Company in formulating product development strategies, collaborate with the market center to develop product strategies, conduct preliminary research on future product trends, be responsible for product research and development, and develop new products;
- Manage and improve technical processes, reduce the cost of mature products and stabilize product quality;
- Communicate with customers about product standards in early stages, verify testing methods, and convert them to internal company operations;
- Provide customers with technical support and resolve technical issues encountered during customer's use of products;
- Apply for technology development projects and technology invention awards funded by governments at all levels;
- Collaborate with universities and inspection agencies to develop products.

The JSJ R&D Center has provincial-level or municipal R&D platforms listed below:

Provincial Level	City Level
<ul style="list-style-type: none"> • Guangdong Engineering Technology Research Center for Functional Silica • Guangdong Provincial Level Enterprise Technology Center • Guangdong Province Innovation Method Promotion and Application Demonstration Cultivation Enterprise • Guangdong Model Worker and Talented Craftsman Innovation Studio 	<ul style="list-style-type: none"> • Zhaoqing Engineering Technology Research Center for Functional Silica • Zhaoqing Model Worker and Talented Craftsman Innovation Studio

Incentive Mechanism

JSJ has formulated and implemented the Management Measures for Special Incentives for R&D Teams. We clarify the detailed rules of special incentives and set up 8 awards, including Project Progress Award, New Product Market Benefit Award, Customer Service Award, Patent Application Award, Project Declaration Award, High Quality Product Declaration Award, Science and Technology Progress Award, and Process Improvement Award. R&D personnel who have achieved project goals will be awarded with generous cash rewards to motivate and inspire innovation.



Industry Communication

JSJ actively engages in technological collaborations with research institutions, industry associations, and universities. The Company serves as vice chairman and standing director of several industry associations and shares its experience with peers to promote industry growth. At the same time, JSJ participates in development of industry standards, scientific research projects, industry-academia-research cooperation, industry summit forums, and technical exchange activities. We share the industry's cutting-edge technology and expertise to further enhance the Company's influence and competitiveness.

No.	Industry Associations (Part)	Role
1	China Oral Care Industry Association	8th vice chairman unit Standing director unit
2	Guangdong Cleaner Production Association	10th anniversary honorary member
3	Guangdong IP Protection Association	4th director unit



Certificate and Plaque of China Oral Care Industry Association



Plaque of Guangdong Cleaner
Production Association

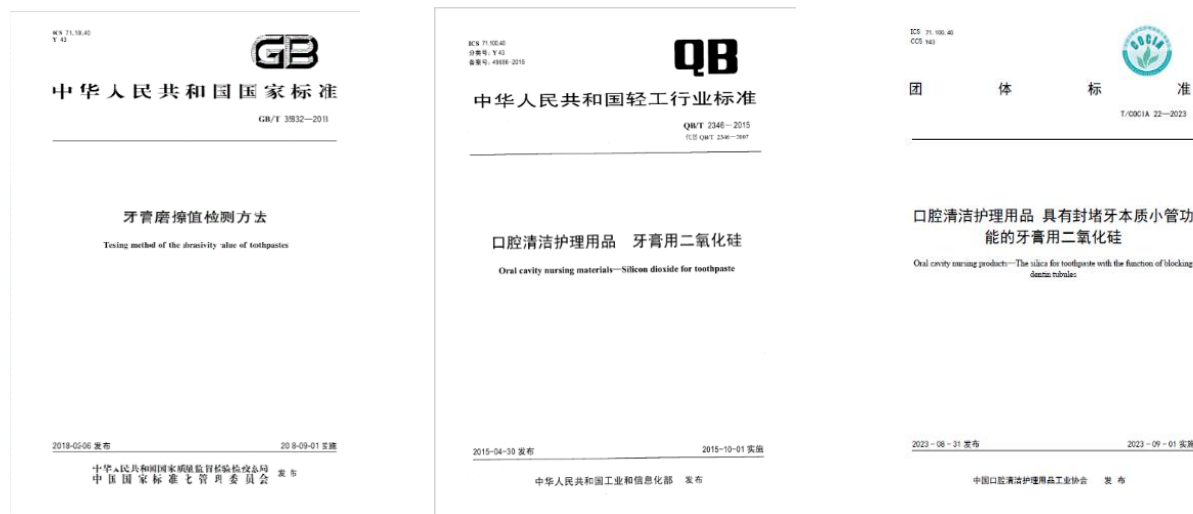


Guangdong IP Protection Association

Participating in Setting Industry Standards

JSJ widely participates in the formulation of industry standards to promote the common development of the profession and industry.

- Participated in the compilation of the National Standard of the People's Republic of China for Testing Method of the Abrasivity Value of Toothpastes (GB/T35832-2018), which provides methods and comparative standards for determining the abrasivity value of toothpastes in various abrasivity systems;
- The Company led the compilation of the Light Industry Standard of the People's Republic of China for Oral Cavity Nursing Materials-Silicon Dioxide for Toothpaste (QB/T2346-2015), which provides the industry with reference to the classification, requirements, test methods, inspection rules, labeling, packaging, transportation, storage and expiration date of silicon dioxide for toothpaste, to promote the standard development of the industry.
- The Company participated in the compilation of a group standard called Oral Cleaning and Care Products - Silica for Toothpaste with Dentin Tubule Sealing Function (T/COCIA 22-2023). The standard clarifies the unified operation process of sealing dentin tubules by silica and toothpaste with silica and provides reference for testing and evaluation methods of sealing performance (or sealing rate) of toothpaste with silica on dentin tubules.



National Standard, Industry Standard and Group Standard that JSJ Participated in Formulating (Examples)

Industry-academia-research Cooperation

JSJ and South China University of Technology (SCUT) have established a long-term and stable relationship of industry-academia-research cooperation. By integrating talent advantages of universities with JSJ's industry experience, we aim to jointly promote the innovative development of silica technology. As at December 31, 2023, the cooperation had incubated 1 paper and 4 patents related to silica microsphere preparation methods and other related patents in total.



Industry-academia-research Cooperation

Industry Communication Activities

The Company actively participates in industry exchange activities and discusses silicon dioxide technology with industry experts from different perspectives such as technological breakthroughs and prospects, and works with peers to enhance the overall competitiveness of the industry.

Case - Sharing of Experience on Digital Plant Construction and Toothpaste Filing Seminar

In December 2023, the Standing Director Meeting of China Oral Care Industry Association was held in Zhaoqing. In the meeting, JSJ shared the experience on the Digital Plant Construction at JSJ with the attendees. After the meeting, the present representatives of toothpaste producers held a toothpaste filing seminar and discussed the simplified toothpaste filing procedures and related problems in a detailed and animated way. They also visited the Company's digital plant. This activity is an opportunity for in-depth exchanges between the Company and industrial peers to promote the sustainable and healthy development of the industry.



Toothpaste Filing Seminar

Innovation Products

Continuously launching innovative products to meet market demands has always been the pursuit of JSJ. The Company is experienced in the fields of toothpaste silica, food, medicine and cosmetics silica, high-end industrial silica and others, continuously launching innovative products that have won recognition from customers and the market, establishing a good reputation for the Company.

Toothpaste Innovation Products

ORASIL® 715 Highly Dispersed Silica

ORASIL® 715 is a highly dispersed silica for oral care with high whiteness and uniform particle size distribution. Due to the special production process, ORASIL® 715 is easy to disperse in toothpaste. The paste is delicate, the taste is excellent, and the foam has a good texture; It has good compatibility with fragrance, fluoride and other toothpaste components.

ORASIL® 709 Anti-sensitive Silica

ORASIL® 709 is an anti-sensitive silica used in oral care, with multiple effects such as low wear, high cleaning, anti-sensitivity and whitening. It can block dentin tubules by silica particles and relieve tooth hypersensitivity in a safe and effective manner. At the same time, it has high fluorine compatibility and can be widely used in toothpastes with other components. The product won the honorary title of Guangdong Famous High-tech Products, and set an example for the development of new products of silica for oral care.



Guangdong Famous High-tech Products Recognition Notice

Core-shell Type ORASIL® 755

ORASIL® 755 is a core-shell structure of silica for oral care. The core-shell structure endows it with water absorption, thickening and friction cleaning performance, high cleaning and low wear performance, and high transparency. At the same time, it has high fluorine compatibility and can be widely used in various fluoride toothpastes. The product has won the honorary title of Guangdong Famous High-tech Products, while the product-related patented technology won the twenty-third China Patent Excellence Award.



Guangdong Famous High-tech Products Recognition Announcement



Twenty-third China Patent Excellence Award

Innovative Products for Food, Medicine and Cosmetics

Food additive FOMESIL® 267

FOMESIL® 267 is a superfine anti-caking agent and glidant. It has high whiteness and loose structure, promotes free-flow effect of host particles and can effectively prevent aggregation and agglomeration. It can be used in food, medicine, etc.

Innovative Products for High-end industrial use

Silica Products for Silicone Rubber BACOSIL® C258

BACOSIL® C258 is a product applied to the manufacture of silicone rubber with low water absorption, high transparency, high resilience, high-strength reinforcement, and tensile whitening recovery.

Intellectual Property Rights Protection

In order to continuously ensure the innovation capability of the Company, we strictly abide by the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China and other laws and regulations. We have formulated and implemented special policies for property protection such as the Intellectual Property Management Manual, the Patent Management System, the Management Measures for Intellectual Property Rewards and Punishments and the Confidentiality Management System to further clarify the trademark application process, patent application process and other related content. During the reporting period, the Company had a total of 0 intellectual property infringement lawsuits. At the same time, the Company provides intellectual property training for its employees, to continuously enhance their awareness of IP protection and safeguard the Company's legitimate rights and interests in accordance with the law.

Case - Special Training on Patent Technology

In January 2024, the Company invited engineers from patent organizations to carry out a training for R&D personnel, which covers patent search, technology disclosure form and technology mining sessions. The purpose of the training is to improve the patent search and writing skills of R&D personnel, further answer their questions about patent protection, and enhance their awareness of intellectual property protection.



Special Training for Patented Technology

As at December 31, 2023, JSJ has obtained a total of 130 national patents, including 54 invention patents related to silica for toothpaste, 22 invention patents for high-end industrial silica (applications such as silicone rubber and batteries), 20 invention patents for silica for food and medicine, and 2 invention patents for manufacturing equipment.

Collaborate to Win

This Chapter Responds to

Material issues

Protecting customers' rights
Supply chain management
Public welfare

SDGs



JSJ adheres to the principle of “first-class quality, customer first, pragmatism and honesty, win-win cooperation” and endeavors to establish solid cooperation with customers and suppliers. We try our best to provide attentive service. Meanwhile, JSJ continues to strengthen suppliers’ management and actively promotes suppliers’ fulfillment of environmental and social responsibilities to create a sustainable supply chain. In addition, JSJ actively participates in public welfare and charitable activities and convey positive values to the society.

Customer Service

JSJ adheres to the service concept of "customer first, pursuit of excellence" to provide customers with high-quality services. Moreover, JSJ concerns about customer complaints and feedback, actively meets their demands, continuously implements responsible marketing, and strives to protect their rights and interests to enhance customer satisfaction.

Responding to Customers' Needs

Customers' satisfaction and trust are important cornerstones for JSJ's growth. JSJ has a keen eye for understanding and responding to customized product needs. We provide comprehensive and customized solutions to create value for our customers.

Through unremitting efforts in product R&D and optimization of production technology process, JSJ, with advanced technology, high-quality products and customized service, has established stable cooperation relationship with domestic and overseas famous toothpaste brand, forming unique customer advantages.

- Collect customer demands and opinions through customer feedback forms, online surveys, customer initiatives, etc.;
- Categorize and analyze the demands and opinions to further understand customer concerns and requirements after the collection;
- Develop rapid response strategies to ensure prompt feedback and action on customer demands based on the analysis results;
- Continuously monitor and evaluate customer feedback and response to improve the relevant strategies in a timely manner.

Customer Complaint Handling

To safeguard customers' rights, JSJ highly values customer complaint management. We have formulated and implemented the Customer Complaint Handling Regulations, to standardize the handling process, and constantly improve the after-sales service. The Company provides multiple channels for customer complaints to comprehensively and deeply understand customer needs and feedback, so that the Company can adjust business strategies accordingly in time.

And meanwhile, standardized procedures are in place for handling customer complaints. We analyze the cause with high efficiency, develop targeted solution, and strive to provide the customer with satisfactory feedback, demonstrating the Company's sincerity and efforts.

- **System guarantee:** We continuously improve the Customer Complaint Handling Regulations, clarifying various complaint handling standards and assessment mechanisms, and optimizing customer complaint handling experience.
- **Channel guarantee:** We set up multiple complaint channels for customers, including but not limited to telephone hotline, email, online customer services, satisfaction surveys and online/offline meetings, to ensure that customer comments and suggestions are timely and effectively handled.

- **Process guarantee:** The Company has established standardized procedures for handling customer complaints with a closed-loop complaint handling mechanism. Upon receipt of a customer complaint, the marketing center contacts the customer within 24 hours to understand the complaint content and customer's needs for the accurate communication. At the same time, relevant departments of the Company promptly conduct internal investigations, analyze the root causes, and formulate targeted solutions. Thus, we provide satisfactory feedback to the customer, and show our sincerity and efforts.
- **Follow-up guarantee:** Upon handling, the Company proactively selects some customers to investigate the problem solutions, and listens to their feedback on the outcome of the complaints as an important achievement in improving the Company's service management.

Enhancing Customer Satisfaction

JSJ complies with the legitimate rights of customers, prioritizes customer satisfaction and continues to improve customer experience. In 2023, regular customer satisfaction surveys, questionnaires and telephone interviews were conducted to collect customers' comments and opinions on our products, services and sales experience. Product quality, on-time delivery, after-sales service and others are included in the surveys to fully understand customer complaints and formulate improvement plans. We value every opinion and suggestion from customers. The survey results, in turn, provide us insights to constantly optimize products and services to meet customer expectations.

In addition, we have established a customer care system, and organized customer service trainings to comprehensively improve service capability and customer satisfaction.



Establishing a Customer Care System

To express our care and gratitude, and further strengthen customers' sense of belonging, the Company has reinforced connections with customers in various ways, for instance, regular return visits, birthday wishes and holiday greetings.



Organizing Customer Service Trainings

The Company provides specific trainings for employees such as communication skills, problem-solving ability and emotion management, to effectively improve their service levels and better respond to customer demands.

Case - Business Etiquette Training

In November 2023, the Company organized a business etiquette training for employees, covering business image building, professional appearance and grooming, business etiquette norms and communication skills. This training contributes to business etiquette cultivation for employees and lifts their communication quality with customers.



Business Etiquette Training

Promoting Responsible Marketing

JSJ adheres to responsible marketing and advocates honest advertising and promotion. The Company enters into transparent and equal sales contracts with customers, clarifies internally responsible marketing requirements and formulates a series of compliance guidelines for promotion. By doing so, we provide customers with complete, accurate, objective and easy-to-understand information, so as to strengthen the controls on marketing compliance, price compliance and operational compliance, and safeguard customers' rights. The Company takes the following main measures to ensure the promotion compliance in marketing:

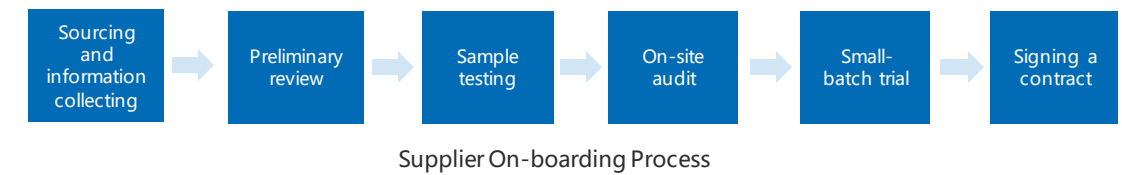
Standardizing Sales Terms	The Company specifies clear sales terms, requiring compliance in introducing product features, advantages, prices, service commitments, and requiring sales staff not to exaggerate or mislead customers.
Reviewing Marketing Information	Dedicated persons are assigned to review the marketing information to ensure the accuracy and authenticity in line with the Advertising Law of the People's Republic of China.
Strengthening Internal Communication	To avoid information bias owing to inadequate communication or misunderstanding, the Company strengthens internal communication for a consistent understanding of product information and market operations in different departments.
Organizing Marketing Training	The Company regularly organizes trainings of product knowledge, laws and regulations for sales and related employees. In this way, employees can keep pace with product and market information, and be aware of information accuracy and compliance requirements.
Building Customer Feedback Mechanism	The Company establishes a mechanism to encourage customer feedback if there's any question or opinion about the information accuracy in marketing.

Building a Responsible Supply Chain

The perfect supply chain system is the strong support for JSJ's steady development. JSJ integrates green concept into the whole lifecycle of silica products, and endeavors to achieve the harmonious coexistence with products and environment. JSJ strictly abides by the Bidding Law of the People's Republic of China and other laws and regulations. Committed to building a mutually beneficial and win-win cooperation with suppliers, the Company has formulated and implemented the Supplier Selection and Evaluation Control Procedures, the Procurement Management Regulations, and the Procurement Inquiry and Quotation Management Regulations. This move aims to continuously standardize the whole process of supplier selection, evaluation and elimination, focus on supplier ESG performance and create a green value chain.

Supplier On-boarding, Evaluation and Elimination

JSJ attaches great importance to create a sustainable supply chain system, and sternly implements the management process in all aspects of supplier sourcing, on-boarding, evaluation, elimination, communication and exchange. We ensure the closed-loop management of supply chain and identify qualified suppliers to improve its security and stability.



In supplier identification and on-boarding stage, reviews and monthly audits and ratings are conducted from such dimensions as product quality, compliance, delivery capability, environmental protection and safety, and price. Suppliers with scores below 90 are required to make rectification. At the beginning of each year, the Company will collect the evaluation results of last year and classify suppliers into four levels from A to D:

A-level	• 90-100 points
B-level	• 80-89 points
C-level	• 65-80 points
D-level	• Below 65 points

JSJ has established a firm elimination mechanism for suppliers based on the assessment results. And JSJ regularly conducts audits at suppliers' factories. Those falling into the following situations will be disqualified as a supplier to reduce supplier chain risks: A-level suppliers scored below 65 points for two consecutive months, A- and B-level suppliers reclassified as D-level in annual assessment, C-level suppliers assessed as unqualified for 3 times last year, and D-level suppliers be complained by customers for 3 times last year.

Supplier ESG Evaluation

JSJ attaches importance to supplier ESG performance, actively promotes ESG management principles to suppliers, and drives the development of the supply chain on a greener and more sustainable path. We give preference to suppliers who have obtained the ISO 14001 environmental management system. All suppliers are explicitly required to comply with state and local environmental protection laws and are encouraged to adopt energy-saving and emission-reduction production methods to produce products with standard recyclables.

JSJ carries out inspections on its potential suppliers including product quality, production safety, environmental impact, labor compliance and transparent procurement:

Overall requirements	• Core suppliers are required to provide such certificates as ISO 9001 Quality Management System, ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System, and ISO 22000 Food Safety Management System to ensure delivery of high-quality, eco-friendly and safe products and services.
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<p>Quality and safety requirements</p>	<ul style="list-style-type: none"> The Product Quality Assurance Agreement shall be signed with suppliers who provide raw and auxiliary materials products and services. Suppliers are required to commit that the amount of hazardous substances of their products provided comply with the requirements of the EU ROHS Directive. Physical, chemical, and biological pollution are avoided during transportation to uphold the product quality; strict controls are implemented throughout production, processing and transportation stages to prevent intentional damage and pollution; and packaging materials are required to be non-toxic, non-hazardous and non-irritating. We audit the whole process of material suppliers' factory, including raw material control, production, warehousing and process control, and rate their quality assurance capability using risk evaluation method. Suppliers with significant risks in the on-site audit report will fail the audit, so as to ensure the quality and safety of supply.
<p>Environmental requirements</p>	<ul style="list-style-type: none"> The Supplier Environmental Agreement shall be signed with core suppliers. Suppliers are required to strengthen environmental protection, including but not limited to: the raw materials for production must comply with the relevant environmental protection laws and regulations of the state, local and industry; priorities shall be given to adopting non-pollution or low-pollution production processes and equipment, and national or local prohibited production processes or equipment are prohibited; active measures shall be taken to control excessive pollutants (waste water, waste gas, solid waste, noise, etc.) emitted during production, while realistic plans shall be formulated to meet national or local emission standards within the stipulated period; recyclable packaging materials are prioritized to avoid waste of resources; the operation environment shall be prevented from being polluted due to dripping and leaking; and the emission of waste gas, noise, and flushing of waste water from transportation used must comply with relevant laws and regulations.
<p>Labor compliance requirements</p>	<ul style="list-style-type: none"> The following social responsibilities that suppliers shall fulfill are specified in the Procurement Contract: Suppliers are prohibited from using child labor and forced labor and conducting human trafficking, comply with rules with regarding to working hours and remuneration, and purchase social insurance for all employees. The products supplied must be manufactured in compliance with principles of environmental protection and occupational health and safety to ensure employees far away from threats on health and safety problems.
<p>Transparent procurement requirements</p>	<ul style="list-style-type: none"> In cooperation with suppliers, the Company firmly implements the principle of integrity, promotes transparent procurement, ensures fairness, transparency and efficiency in the relationship. JSJ has entered into an integrity agreement and related terms with all core suppliers to constrain them. Suppliers are required to establish an internal anti-corruption compliance management system, to strictly regulate the behaviors of their employees and prohibit behaviors including corruption, unfair competition, bribery fraud or other corruption offenses. In addition, we also encourage suppliers and related third party personnel to report to us.

Supply Chain Risk Response

JSJ conducts all-round risk analysis on potential risks in the supply chain, and formulates warning mechanisms and comprehensive risk prevention and control systems for risks such as supply chain quality, capacity, delivery and ESG. The Company endeavors to create a green and stable supply chain by considering factors affecting the stability of supply chain, such as price volatility of raw materials, geopolitical issues, shipping risks and climate change. And at the same time, we strictly screen qualified suppliers and improve logistics system, which shortens the procurement cycle and improves logistics efficiency in order to ensure timely delivery of products.

Contribution to Public Welfare

JSJ proactively fulfills social responsibilities and actively participates in public welfare activities to give back to the society. In recent years, the Company has actively responded to the national calls of promoting priority development and the modernization of agriculture and rural areas. We try to solve the difficulties encountered by low-income rural population through enterprise efforts and join Heart-to-Heart Charity for Orphan Assistance and Poverty Alleviation in Huaiji County, Zhaoqing City to support rural revitalization. Efforts were made in charitable donations, supporting orphans and relieving poverty, and empowering vulnerable groups in society. In contribution to the harmonious development of the society, the Company also witnesses a positive interaction with the community. In the past three years, external donations registered RMB 164,600.

Case - Charitable Donations and Visit of Poor Family

During this year, JSJ donated to the Heart-to-Heart Charity for Orphan Assistance and Poverty Alleviation in Huaiji County, Zhaoqing City, warming and caring for those poor families. In September 2023, the Charity sent a plaque of "Good Deeds and Great Virtue" to JSJ, which highly recognized JSJ's long-term contributions to charity and society.



Plaque of Good Deeds and Great Virtue



Visit of Poor Family

Case - Voluntary Seedling Planting Donations for Private Enterprise Reforestation Project

In April 2023, JSJ participated in the theme activity of "Green and Beautiful Zhaoqing- A Private Enterprise Reforestation Project" organized by Zhaoqing Federation of Industry & Commerce. During the activity, JSJ donated RMB 9,000 for voluntary seedling planting, contributing to the green development of Zhaoqing. In the future, JSJ will shoulder our social responsibilities and thoroughly implement President Xi Jinping's thoughts on ecological civilization to participate in afforestation activities and realize the construction of a beautiful China.



Donation Certificate

Green Development

This Chapter Responds to

Material issues

Green operation Energy management
Climate change Emissions management

SDGs



Sticking to green development, the Company diligently pursues a balance between business growth and environmental protection, strives vigorously to achieve a win-win development of economic and ecological benefits. We place a high value on environmental management and make unremitting efforts to enhance management over waste water, waste gas, waste and energy, so as to tightly control the impact of production on environment. JSJ advocates green production and green products, and unceasingly optimizes production technology. In daily operation, we practice resources conservation and improve energy efficiency to push forward the construction of green factory. Moreover, in response to the carbon peaking and carbon neutrality goals, JSJ spares no efforts to promote the use of clean energy and respond to climate change, contributing to boost the development of ecological civilization.

Environmental Management

JSJ strictly adheres to national and local laws and regulations, for instance, the Environmental Protection Law of the People's Republic of China, the Energy Conservation Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, the Regulation of Guangdong Province on Environmental Protection and the Measures for the Prevention and Control on Air Pollution in the Pearl River Delta of Guangdong Province. We've also developed and implemented a series of internal systems, such as the Waste Water Management Regulations, the Waste Management Regulations, the Waste Gas Management Regulations, the Environmental Control Procedures for Organizations, the Control Procedures to Evaluate and Identify Environmental Factors and the Control Procedures over Environmental Operation. These systems clarify treatment standards and procedures for wastewater, waste and waste gas, and are indispensable in improving the environmental management system. During the reporting period, we were not subject to any penalties or fines due to environmental pollution.

Sewage Control	<ul style="list-style-type: none"> The Company has built a sewage treatment system, and installed automatic online monitoring equipment at the industrial waste water discharge outlets. These equipment are connected to the network of provincial and municipal ecological environment bureaus, to achieve real-time monitoring and ensure meeting sewage discharge standards. The Company also entrusts a third-party service company for daily operation, maintenance and management. Relying on the rich treatment technology and experience, the service company adopts a combined treatment technology to ensure that the sewage discharged meets the standards.
Waste Gas Control	<ul style="list-style-type: none"> The Company has defined emission standards for waste gas, dust and pollutants, and engaged qualified institutions to monitor various emission indicators of waste gas and dust. In the factory, the dust volume is under strict control. We have installed bag filters in the dust-generating production process to collect the dust, and monitor the running status online. The Company lays emphasis on preventive control to identify potential risks in advance and ensure smooth operation of these measures.
Waste Control	<ul style="list-style-type: none"> The Company implements earnestly the Waste Management Regulations, standardizes the management of hazardous waste in classification, identification, registration, storage and transportation. We have engaged qualified third-party organizations to clean and treat this hazardous waste in accordance with relevant provisions.
Energy Management	<ul style="list-style-type: none"> The Company has formulated and implemented the Energy Management Manual, to clarify the requirements of energy management system, energy review, energy performance parameters and energy benchmarks. A dedicated team for energy management system is formed to push forward standard and normal management in energy conservation and consumption reduction. Relying on the "Energy Management Platform", the Company can achieve refined energy management and improve energy use efficiency.

The First factory and the intelligent factory (the second factory) of JSJ have obtained ISO 14001 environmental management system certification for their advanced, stringent, and perfect environmental management models.



Environmental Management System Certification

Green Factory

With the core idea of "building a five-star hotel-style factory", JSJ introduces the high-standard service concept and management mode into the industrial production, strengthens the green product design, upgrades the green production process, and promotes the construction of green factory and intelligent manufacture, so as to comprehensively and steadily improve the factory environment, production processes and product quality. Through the measures of waste heat recovery, steam recovery, and water conservation in the building of green factory, we have realized energy saving, and emission reduction, and maximized the use of waste resources. In the future, the Company will make unceasing efforts to conserve energy and resource, promote the construction of green factory, and contribute to the protection of ecological environment.

Waste Heat Recovery	Under the waste heat recovery program and optimization of technical formula, the Company can effectively reduce the consumption of natural gas and steam to reduce energy consumption and carbon emission.
Steam Recovery	On account of added steam recovery devices and improved liquefaction process, the Company can recover and recycle partial steam. This improvement contributes to improve energy efficiency, and reduce energy consumption in the production process as well.
Water Saving Benchmark	The Company has achieved water conservation through various measures, such as recycling of liquefied hot water and filter pressing water, taking advantage of scrubber to clean floor and installing induction faucet for hand sinks. In 2023, the Company was recognized as the "Provincial Water Saving Benchmark Enterprise" in Guangdong Province.

In addition, the Company strenuously promotes lean production and devotes to creating a clean, orderly, efficient, and safe working and production environment. 5S (Seiri, Seiton, Seiso, Seiketsu and Shitsuke) program is introduced company wide. Under this program, a comprehensive 5S promotion plan is enacted, to make sure that 5S activities are advanced and completed.



5s Program

Moreover, the Company has established a system for reasonable suggestion and defective manufacturing procedures. In order to quickly discover and solve problem, the Company introduces positive incentives and activities to encourage employees to put forward suggestions and identify defective manufacturing procedures, providing endless power to improve the factory environment and standardize production site.

Green Product

Adhering to the concept of green development, the Company achieves the reduction of carbon and cost by product ecological design and assessment of product carbon footprint. At the same time, JSJ has achieved the goal of "zero solid waste emissions" through solid waste recycling. In the production process, we practice the best to conserve packaging consumables, and actively undertake the environmental responsibility of product production.

<p>Product Ecological Design</p>	<ul style="list-style-type: none"> Our factories apply the concept of ecological design in the product design to meet the requirements for green products (eco-design products) in the Green Factory Evaluation Requirements. Our factories also conduct eco-design product assessment based on the lifecycle to our products in accordance with the General Principles for Eco-design Product Assessment (GB/T 32161-2015), and prepare the Report on Eco-design Product Assessment of Jinsanjiang (Zhaoqing) Silicon Materials Company Limited to instruct the product design.
<p>Verification of Product Carbon Footprint</p>	<ul style="list-style-type: none"> We design ecological products, incorporate the concepts of energy saving, low-carbon, water and material saving, environmental protection, evaluate carbon footprint in the product life cycle, and put forward the path of carbon and cost reduction. The Company actively participates in carbon reduction actions, and leads the thought of low-carbon reform and green development driven by innovation. In accordance with the Environmental Management - Life Cycle Evaluation - Requirements and Guidelines (ISO 14044:2006) and other standards, our factories carry out the quantification and verification of product carbon footprint.
<p>Utilization of Industrial Solid Waste for Production</p>	<ul style="list-style-type: none"> We have set a target of "zero solid waste" emissions. To achieve this goal, solid waste generated in production are made into industrial grade silica products. These products are widely applied to fire extinguishers, refractory bricks and heat insulation materials, realizing 100% solid waste treatment, "zero solid waste" emissions, and resource recycling.

Packaging Material Saving

- In raw material procurement and transportation, we try to reduce the use of disposable packaging materials as far as possible.
 - In 2023, the Company achieved the unpacking of bulk sodium silicate, reduced wastes generated therefrom and realized more convenient and efficient production, transportation and utilization. According to statistics, the Company saved a total of 16,001 tons of bags after implementing the unpacking of bulk sodium silicate.
 - The Company recycles pallets used in transit of finished products. This contributes to relieve the waste disposal pressure for customers, and helps to achieve effective resource recycling and reduce negative environmental impacts.

Contributing to the Dual Carbon Goals

Climate change is a topic of wide concern to the international community. JSJ actively responds to the national "carbon peaking and carbon neutrality" goals and introduces carbon reduction measures to address climate change with full efforts. Driven by the national "dual carbon" goals, JSJ has successfully lowered energy consumption through project transformation. We also purchase green electricity, make full use of photovoltaic power, and raise the utilization rate of clean energy to reduce carbon footprint with all strength.

Photovoltaic Power Generation Lowers Carbon Emission

Photovoltaic power generation is one of the important approaches to achieve low-carbon development. This is in line with JSJ's pursuit of green development and environmental protection. In order to make the most of solar energy resources, JSJ has installed a large number of photovoltaic panels in the factory. These panels can convert solar energy into electricity and provide stable and clean power to the factory. Photovoltaic power generation enables JSJ to lower dependence on traditional energy, reduce carbon emissions and environmental pollution, and incorporate green energy into own growth. As of 2023, the installed capacity of photovoltaic power generation equipment in the factory reached 1,972.35 kW.

Photovoltaic Panels Installed in the Factory

In response to climate change, JSJ follows the Emergency Response Law of the People's Republic of China, and has formulated and implemented internal systems like the Emergency Preparedness and Response Control Procedures and the Emergency Management System. In these systems, the Company incorporates solutions for natural disasters into emergency plans for environmental emergencies, including meteorological disasters, earthquake disasters, geological disasters and marine disasters.

To further mitigate the impact of global climate change and enhance resilience to climate risks, JSJ will continue to reinforce investment and devote greater efforts in photovoltaic power generation and other renewable energy sources in the future.

Employee Wellbeing

This Chapter Responds to

Material issues

Employees' safety Employees' rights and interests
Employee Development Care for employees

SDGs



We attach great importance to the well-being of employees, and are dedicated to creating a fair, equal, and inclusive workplace. In compliance with stipulations regarding employment, the Company provides competitive salaries and benefits, steadily develops the talent training system, and accelerates the mutual development of the Company and employees. Efforts are also made to improve staff care. We've established smooth communication channels, and pay close attention to their physical and mental health, in a bid to enhance their sense of belonging and happiness.

Compliance in Employment

Recruitment Management

Equal employment

JSJ follows closely to the Labor Law of the People's Republic of China, the Law of the People's Republic of China on Employment Contracts, the Provisions on Prohibition of Child Labor and other relevant laws and regulations. We have developed and implemented the Recruitment Management System to specify the recruitment process, requirements and channels. JSJ upholds the recruitment principles of "being open and transparent and competing on an equal footing". We resolutely eliminate discrimination on gender, age, race, nationality, religious beliefs, or other social and personal factors, and provide all employees and candidates with equal job opportunities in accordance with the law.

Talent layout

The Company has established a talent pool and conducts regular human resource analysis annually to provide talents for its business lines. We also offer training, internal competition and position transfer opportunities for employees whose positions are not suitable.

Child labor

In line with the Provisions on Prohibition of Child Labor and other related laws and regulations, the Company has developed stringent procedures to review candidates' identity documents in recruitment, standing firm against employment of child labor. During the reporting period, we had no violations involving child labor or forced labor.

Forced labor

Contracts with employees are all concluded under the principle of free will. The work site, working hours, remuneration, overtime regulations and other information are detailed therein to prevent forced labor. The Company will never force employees to work overtime. Employees who work overtime can receive corresponding remuneration or take working days off.

Diverse recruitment channels

The Company determines the recruitment demands every year in the light of business development. Through external and internal recruitment channels, we can identify outstanding talents to fuel the business development of the Company.

- External recruitment: job search websites, job fairs, campus recruitment, release of recruitment information on media, industry exchanges and head-hunter recommendation.
- Internal recruitment: internal recruitment, internal promotion, lateral transfer, job rotation, internal competition and others.

Strict recruitment process

Position release	CV review	Interview
<ul style="list-style-type: none"> • Review the position requirements without any discrimination, including gender, age, race, nationality, and religious beliefs • Clearly state job content, location, remuneration and working hours of the position 	<ul style="list-style-type: none"> • Review age to avoid child labor • Review competitive restriction of the candidate • Review work experience 	<ul style="list-style-type: none"> • HR interview: Understand the candidate's basic information, work plans, and values • Professional interview: Understand the professional skills of the candidate
OFFER approval	Contract signing and on-boarding	
<ul style="list-style-type: none"> • OFFER is released after level-by-level approvals to ensure the accuracy 	<ul style="list-style-type: none"> • Negotiate with the employee and sign documents including labor contract, confidentiality agreement, and integrity commitment • Introduce company system and department structure • Offer office supplies 	

Remuneration and Benefits

Remuneration Management

JSJ has developed and implemented the Salary Management System to improve the salary and welfare management. Competitive salaries and a diversified benefit system are provided for employees among the global market to enhance employee happiness.

Employee remuneration includes fixed salary and floating salary. The fixed salary includes base salary, position salary, position subsidy, skill salary and high temperature allowance. The floating salary includes annual performance bonus, monthly performance salary and sales commissions. We also have a complete salary adjustment system. Employees are assured of fair and timely rewards. In this way, we can further enhance the cohesion and efficiency in the Company.

Holiday Management

JSJ values the work-life balance and is committed to the well-being of employees. In addition to national statutory holidays, the Company also offers various paid leaves, for instance, annual leave, marriage leave, maternity leave, abortion leave, antenatal leave, feeding leave, paternity leave, compassionate leave, and others.

Employee Benefits

At JSJ, we focus on enhancing employee happiness and provide comprehensive welfare benefits. In addition to the five social insurances and one housing fund, we also provide annual physical examinations, special type of work-related health checks, birthday celebrations, family visit subsidies, holiday gifts, starting work red packets, free factory uniforms, labor protection supplies, summer cooling supplies, high-temperature subsidies, meal subsidies, employee dormitories and other benefits.



Partial Benefit Types



New Year's Gifts



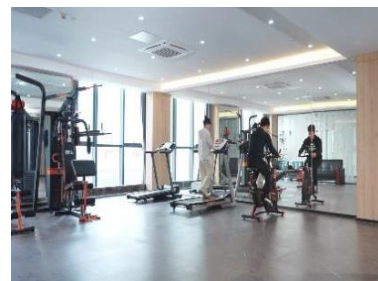
New Year's Red Packet



Team Building Activity



Staff Canteen



Staff Gym



Staff Dormitories

Talent development system

To provide employees with broad career development, the Company has conducted targeted training for different employees, and classified positions into five categories: M, S, P, A, and O to meet employees' development requirements. For different types of positions, the Company has defined clear promotion path to promote talent cultivation and accelerate talent development.

Management staff (M Category)	Sales staff (S Category)	Administrative/Office support/Civilian staff (A category)
<ul style="list-style-type: none"> Primarily engaged in personnel management 	<ul style="list-style-type: none"> Engaged in sales-related work 	<ul style="list-style-type: none"> Mainly assist others to complete work or independently complete operational tasks
Operating staff (O category)	Technical/Professional staff (P Category)	
<ul style="list-style-type: none"> Mainly engaged in operational tasks, for instance, operating tools, equipment, instruments 	<ul style="list-style-type: none"> Engaged in work for which a specific technique is required to design and improve solution to problem Or engaged in work for which a specific professional knowledge or skill is required to provide support or services 	

In 2023, an all staff in-depth talent review was proceeded to select and develop talents. In the review, abilities and performance top the list. A 9-box grid model is adopted to detail the classification and evaluation for employees. This review further clarifies the standards to select and employ qualified candidates, establishes a scientific and systematic talent evaluation system, and provides a reference to select appropriate management staff in the future.

Talent Development

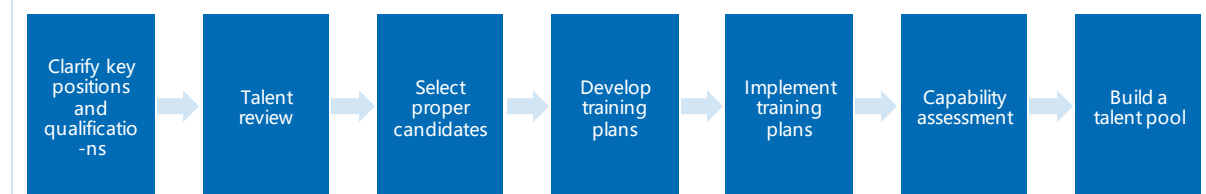
Encouraging employee growth Talent Pool Cultivation and Promotion

Encouraging employee growth

Adhering to the original intention of growing together with our employees, we provide diversified development channels and targeted training system for them, and make our talent team stronger. For the sake of encouraging self-improvement, JSJ has established and implemented a series of internal systems, for instance, the Management System Regarding Position, Grade and Personnel Changes and the Key Talent Development Management System. These sustained efforts propel the talent pool construction and promote scientific trainings for talents.

Key talent development process

JSJ attaches importance to the cultivation of key talents. We have formulated detailed process for key talent development, to enhance employees' overall quality and the Company's competitiveness.



Key Talent Development Process

Employee Training

JSJ regards talent training as an important organizational strategy and has established a talent training system covering production, technical, and management personnel. This move aims to create a "learning organization" that can continuously cultivate outstanding talents with both virtues and abilities for the Company, thus achieving simultaneous enhancement of employees' ability and organizational performance.

And at the same time, we established the internal instructor training system and encourage employees to participate in this training. Driven by the prospect of knowledge management and sharing, these instructors share new information, knowledge, skills and work experience to employees. Recertification is required every year to maintain an appropriate instructor team for business development, and introduce new vitality into the training system.

<p>Business Department Training</p>	<ul style="list-style-type: none"> Each business department formulates an annual training plan based on specific business characteristics. The training will integrate classroom questioning, written examination, on-site practical exercises and other forms of evaluation. Upon the training, incentive rewards will be granted to employees who pass the assessment.
<p>On-boarding Training for New Hires</p>	<ul style="list-style-type: none"> We adhere to the principle of "Training before starting a new job". Newly hired employees are required to participate in trainings organized by the Company and the department, along with those specific to the positions. Those trained new joiners will be equipped with necessary technical skills and professional knowledge.
<p>External Training</p>	<ul style="list-style-type: none"> For some employees, the Company may also organize external training of professional knowledge or skills. External training: continuing education, skill certification, training for skill certification of special type of work, etc.
<p>Promotion Training</p>	<ul style="list-style-type: none"> The Company provides promotion training to help employees better adapt to changes and challenges arising from new positions.

Case - On-boarding Training for New Hires

In November 2023, the Company organized on-boarding training for new hires, covering Company introduction, management systems, safety education, etc. This training plays as a booster for new employees to understand the Company's organizational structure and culture, and quickly adapt to a new work environment.



On-boarding Training

Case - Leadership Training

The Company established JSJ management training system to provide managers at different levels with learning paths and resource. In 2023, the Company held leadership training for middle and senior employees to help them improve their work efficiency.



Leadership Training

Employee Care

For quick response to employee needs and understanding their voices, we are devoted to diversifying employee communication channels to smooth democratic communication, including department meetings, cross-departmental meetings, employee symposiums, Company WeChat groups, and general manager mailbox. Additionally, regular employee satisfaction surveys will be conducted, to encourage honest feedback and suggestions from employees, and effectively promote interaction and communication between the Company and the staff.

Case - Employee Symposiums

In April 2023, the Company held an employee symposium, where management shared JSJ's development history, interacted with new employees, and encouraged them to provide improvement suggestions. This initiative contributes to enhance employees' sense of group honor, responsibility and belongingness, and intensify internal cohesion and stability.



Employee Symposium

We also value human care and encourage employees to balance work and rest. For this purpose, multiple initiatives were adopted to enrich their cultural life, guide them to relieve work stress and achieve work-life balance. For instance, we organized employees to participate in sports activities and work resumption after Chinese New Year holiday, held traditional holiday celebrations and birthday parties, and provide gymnasiums, reading rooms and entertainment rooms.

Case - Participation in Corporate Basketball Games

In 2023, the Company organized employees to participate in the corporate basketball games held by Dawang High-tech Zone Basketball Association in Zhaoqing City. In the games, our staff enjoyed the pleasure of sports. This event provided a perfect opportunity for staff to relax themselves, enhanced mutual understanding and trust, and fostered the valued teamwork spirit.



Basketball Game

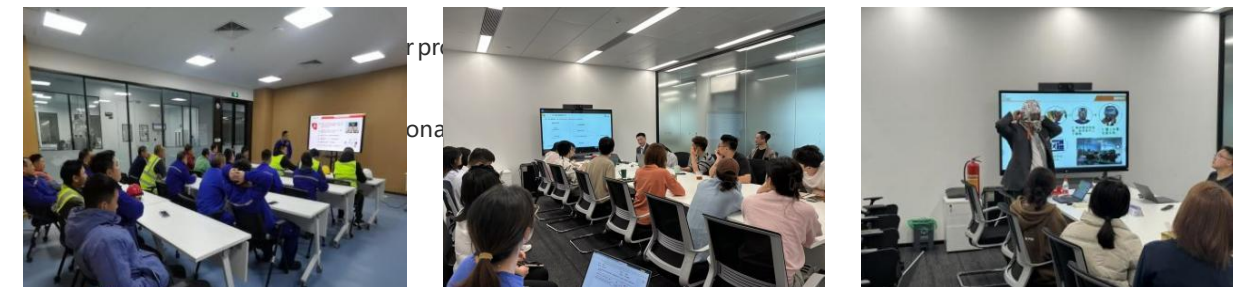
Case - Work Resumption after Chinese New Year Holiday

At the beginning of the Chinese New Year, all employees were about to resume their work. JSJ held the work resumption activity after Chinese New Year holiday to boost employees' morale. This activity included a lion dance and the distribution of red packets for starting operation and Chinese New Year gifts to send the Company's good wishes and cares to our employees. Employees also fully indulged themselves in the cheerful and joyful activity.



Activity Photo

- Organize annual occupational health check for employees;
- Post occupational hazard notice at locations where occupational hazards arise;
- Install ventilation systems in workshops to address high-temperature hazards;
- Conduct annual detecting of occupational hazards at workplace, and provide masks for employees exposed to dust, protective masks for employees exposed to acidic and alkaline chemicals;
- Strengthen the management of wearing occupational health protective articles, re-identify the access standards of PPE signboards in various production areas, create uniform PPE signboards, make wearing masks mandatory for all employees to cultivate a good habit of wearing mask;
- Strictly control the food hygiene and safety of the staff canteen, establish a "dietary team" . to regularly inspect food quality, requires food classification for storage, conducts regular quality inspections of food suppliers, implements a food sample retention system and other measures to ensure food safety;
- The canteen staff must comply with internal regulations such as the Food Hygiene Management Regulations, Tableware Washing/Disinfection Management System, Personal Hygiene Management System, Kitchen Hygiene Management Standards, Kitchen Management System, and other related internal regulations, and are required to provide Health Certificate;



Safety Training

Health and Safety

JSJ always prioritizes employee health and safety, and strictly adheres to laws and regulations, such as the Law of the People's Republic of China on Prevention and Control of Occupational Diseases and the Provisions on the Administration of Occupational Health at Workplaces. Dedicated to creating a safe and comfortable working environment for employees, the Company has established and implemented the Special Operations Safety Management System, to continuously strengthen occupational health and safety management. The following key measures are adopted to ensure employee health and safety:

- The intelligent factory (the second factory) has completed the effectiveness evaluation of occupational hazard control, and passed expert review and acceptance. It has also obtained ISO45001 Occupational Health and Safety Management System certification;

Appendix

Appendix I GRI Standards Index

GRI	Description	Corresponding Chapter
The Organization and Its Reporting Practices		
2-1	Company profile	About JSJ
2-2	Reporting entity	About the Report
2-3	Reporting period, frequency and contact information	About the Report
2-4	Restatements of information	About the Report
2-6	Activities, value chain and other business relationships	About JSJ
Activities and Employees		
2-7	Employees	Employee Wellbeing
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2-9	Governance structure and composition	Sustainability Management
2-12	The role of the highest governance body in oversight and impact management	Sustainability Management
2-13	The delegation of impact management responsibility	Sustainability Management
2-16	Communication of critical concerns	Sustainability Management
Strategy, Policies and Practices		
2-22	Sustainability strategy	Sustainability Management
2-27	Compliance with laws and regulations	Sustainability Management
Stakeholder Engagement		
2-29	Approach to stakeholder engagement	Sustainability Management
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3-1	Process of identifying major topics	Sustainability Management
3-2	List of material topics	Sustainability Management
3-3	Material topics management	Sustainability Management

GRI	Description	Corresponding Chapter
Indirect Economic Impacts		
203-2	Indirect Economic Impacts	Collaborate to Win About JSJ
Energy		
302-2	Energy consumption outside of the Company	Green development Appendix II Key Performance Data Sheet
302-3	Energy intensity	Green Development Appendix II Key Performance Data Sheet
302-4	Reduction of energy consumption	Green Development
302-5	Reductions in energy requirements of products and services	Green Development
Water and Effluents		
303-1	Interaction between companies and water	Green Development
303-2	Management of water discharge-related impacts	Green Development
303-3	Water withdrawal	Green Development
303-4	Drainage	Green Development
303-5	Water consumption	Appendix II Key Performance Data Sheet
Emissions		
305-1	Direct (Scope 1) GHG emissions	Appendix II Key Performance Data Sheet
305-2	Energy indirect (Scope 2) GHG emissions	Appendix II Key Performance Data Sheet
305-4	GHG emissions intensity	Appendix II Key Performance Data Sheet
Waste		
306-1	Waste generation and significant waste-related impacts	Green Development
306-2	Management of significant waste-related impacts	Green Development
306-3	Waste produced	Green Development Appendix II Key Performance Data Sheet
Supplier Environmental Assessment		
308-2	Negative social impacts in the supply chain and actions taken	Collaborate to Win Appendix II Key Performance Data Sheet

GRI	Description	Corresponding Chapter
Employment		
401-1	New hires and employee turnover	Appendix II Key Performance Data Sheet
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Wellbeing
Occupational Health and Safety		
403-1	Occupational health and safety management system	Employee Wellbeing Intelligent Manufacturing
403-2	Hazard identification, risk assessment, and incident investigation	Employee Wellbeing Intelligent Manufacturing
403-3	Occupational health service	Employee Wellbeing Intelligent Manufacturing
403-4	Worker participation, consultation, and communication on occupational health and safety	Employee Wellbeing Intelligent Manufacturing
403-5	Worker training on occupational health and safety	Employee Wellbeing Intelligent Manufacturing
403-6	Promote employee' s health	Employee Wellbeing Intelligent Manufacturing
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Employee Wellbeing Intelligent Manufacturing
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404-2	Programs for upgrading employee skills and transition assistance programs	Employee Wellbeing
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Anti-discrimination		
406-1	Incidents of discrimination and corrective actions taken	Employee Wellbeing
Child Labor		
408-1	Operations and suppliers at significant risk for incidents of child labor	Employee Wellbeing Collaborate to Win

GRI	Description	Corresponding Chapter
Forced or Compulsory Labor		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Employee Wellbeing Collaborate to Win
Customer Health and Safety		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Intelligent Manufacturing
Marketing and Labelling		
417-1	Requirements for product and service information and labelling	Collaborate to Win

Appendix II Key Performance Data Sheet

Environmental Performance

Disclosure Indicators	Unit	Value
Greenhouse Gas Emissions		
Total GHG emissions (Scope 1+ Scope 2)	Tonnes of carbon dioxide equivalent	29,206.36
GHG emissions (Scope 1)	Tonnes of carbon dioxide equivalent	13,094.43
GHG emissions (Scope 2)	Tonnes of carbon dioxide equivalent	16,111.93
Wastes		
Non-hazardous Waste Produced	Tonne	124.8
Water Consumption		
Water Consumption	m ³	822,968

Description of Environmental Key Performance Indicators:

The data collection covers the period from January 1, 2023 to December 31, 2023. The environmental data collection scope includes production areas, office areas and staff canteens at the Company's two production factories.

- 1.Total greenhouse gas emissions include both direct and indirect emissions;
- 2.Direct greenhouse gas emissions arise from the use of pipeline natural gas;
- 3.Indirect greenhouse gas emissions arise from purchased electricity and steam ;
- 4.Water consumption refers to the water consumption from government water supply.

Social Performance

Disclosure Indicators		Unit	Value
Employment			
Total number of employees		Person	274
By gender	Male	Person	195
	Female	Person	79
By age	30 or below	Person	93
	31-50	Person	152
	50 and above	Person	29
By type	Senior management	Person	14
	Middle management	Person	25
	Employees	Person	235
By geographical region	China (including Hong Kong, Macao and Taiwan)	Person	271
	Overseas regions	Person	3
By degree of education	Master' s degree	Person	28
	Bachelor' s degree	Person	58
	Associate degree or below	Person	188
Employees Training			
Percentage of trained employees to total employees		%	100
Total hours of training		Hours	3,354
Suppliers			
Total suppliers		Numbers	274
By geographical region	Eastern Region: Beijing Municipality, Tianjin Municipality, Hebei Province, Shanghai Municipality, Jiangsu Province, Zhejiang Province, Fujian Province, Shandong Province, Guangdong Province, Hainan Province	Numbers	253
	Central Region: Shanxi Province, Anhui Province, Jiangxi Province, Henan Province, Hubei Province, Hunan Province	Numbers	14
	North-east Region: Liaoning Province, Jilin Province, Heilongjiang Province	Numbers	3

Disclosure Indicators		Unit	Value
By geographical region	Western Region: Inner Mongolia Autonomous Region, Guangxi Zhuang Autonomous Region, Chongqing Municipality, Sichuan Province, Guizhou Province, Yunnan Province, Tibet Autonomous Region, Shaanxi Province, Gansu Province, Qinghai Province, Ningxia Hui Autonomous Region, Xinjiang Uygur Autonomous Region	Numbers	4
Public Welfare			
Cumulative total amount of donations in the last three years		RMB	164,600
R&D Innovation			
Amount of research and development investment in 2023		RMB	17,103,521.37
Cumulative number of patents granted		Numbers	130
Number of new patents granted in 2023		Numbers	16
Board of Directors			
Number of directors		Person	6
Number of female directors		Person	1
Percentage of female directors		%	17

Economic Performance

Disclosure Indicators		Unit	Value
Revenue		RMB	294,402,638.17
Net rate of return to parent		%	11.89
Total assets		RMB	698,063,027.79
Gearing ratio		%	18.18
Basic EPS		RMB/share	0.15



Smart Manufacturing

Leading a Greener Future



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