



# 2024

## Environmental, Social and Governance Report

Blue Moon Group Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock code: 6993



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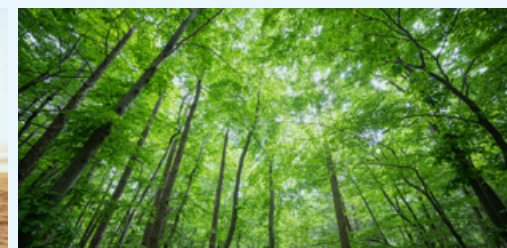
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# ESG Statements of the Board

The board of directors (hereinafter referred to as the "Board") of the Company highly values the Environmental, Social and Governance (hereinafter referred to as "ESG") practices. In accordance with the requirements of the *Environmental, Social and Governance Reporting Code* issued by the Stock Exchange of Hong Kong Limited (hereinafter referred to as the "HKEX"), Blue Moon has gradually improved its ESG governance mechanism and continuously enhanced its ESG governance framework. The Board has strengthened its supervision and participation in the Company's ESG matters, faithfully fulfilling its corporate social responsibility and striving for long-term and sustainable development.



## ESG Governance

As the highest governance body of the Company, the Board assumes full responsibility for ESG-related matters of Blue Moon and authorizes the ESG Committee to assist the Board in managing and deciding ESG-related issues. The ESG committee assumes the responsibility of supervising the direction and strategy of ESG development within the Company, evaluating and defining ESG risks and opportunities, examining and assessing ESG-related objectives and achievements, receiving specialized training pertaining to ESG matters, as well as submitting reports to the Board. The Company has established an ESG Management Office that assumes the responsibility of coordinating and overseeing all ESG-related matters. This office operates under the supervision and guidance of the ESG Committee and is tasked with providing periodic reports to the committee on its activities. The implementation and reporting of ESG-related work and information are entrusted to the ESG Working Group, which is composed of management departments from various professional fields and regional/functional execution departments. For detailed information regarding the ESG Committee, ESG Management Office, and ESG Working Group, please refer to "ESG Management Structure" in this Report.



## ESG Risk Management

Blue Moon attaches great importance to the potential significant impact that ESG risks could have on the Company. With the aid of ESG risk assessments and stakeholder surveys, the Company has identified and evaluated the materiality of relevant ESG issues, and established clear ESG work priorities for the year. Blue Moon has also performed a climate change risk/opportunity assessment, following the recommendations put forth by *IFRS S2 Climate-related Disclosures*. The ESG Committee has reassessed the materiality of ESG issues based on the principle of double materiality, participated in the discussion and confirmation of the assessment results of the climate change risks/opportunities during the Financial Year. For detailed information regarding climate risk and opportunity management, please refer to "Addressing Climate Change" in this Report.



## ESG Goal Management

Blue Moon has established key ESG goals covering energy use, greenhouse gas emissions reduction, water use efficiency, exhaust gas emissions reduction, and solid waste reduction, and has taken measures to promote the implementation of the goals. For detailed information on ESG targets progress, please refer to the "Environmental Goal and Progress" in this Report.



# Message from the Management

We are keenly aware that ESG is the foundation for Blue Moon to partner with consumers for a lifetime and ensure sustainable growth. Blue Moon steadfastly upholds the ESG principles of "Better products (services), Healthier environment and Greater society", upholding ethical standards and continuously delivering premium products and services to consumers. We ardently champion green transformation, foster the all-rounded development of our workforce, actively participate in philanthropic endeavors, and collaborate with stakeholders to propel sustainable development.

## Healthy Living and Sustained by Cleanliness

Putting consumer needs at the core, we delve deep into the cleaning sector, and empower a pristine and wholesome lifestyle through innovative products and scientific methodologies. In 2024, we unveiled the Zhizun Biotech Liquid Laundry Detergent (Multiple Cleaning), and crystallized years of research into an easy-to-follow scientific laundry method, the "Three Essential Tips For Laundry", enabling consumers to tackle laundry challenges effortlessly and efficiently while enjoying a clean and comfortable experience. We conduct comprehensive safety assessments throughout the product lifecycle to ensure safety and reliability. The digital management of quality data across the

entire product chain has been implemented, continually improving quality management efficiency. Through diverse communication channels and interactive consumer experiences, we consistently spread scientific laundering knowledge and build trust in our brand.

## Seeking Green Development for Sustainable Operation

We are accelerating the pace of green development for a harmonious coexistence between our business operations and the natural environment. We are vigorously promoting energy transformation, with the successful launch of a distributed photovoltaic power generation project at our Tianjin factory, generating a total of 676.5 MWh. By purchasing green electricity and introducing solar-powered streetlights, we continuously increase the proportion of renewable energy usage. We adhere to green manufacturing principles as well. With the successful commissioning of a recycled water project at our Kunshan factory, we have continuously improved resource usage efficiency, reduced waste emissions, and minimized our dependency on resources and environmental impact. We focus on exploring green carbon-reduction opportunities throughout the entire industry chain, remain vigilant regarding the risks and opportunities posed by global climate change, and gradually advance carbon management efforts. We assess the financial quantification of climate risks, develop corresponding measures, and enhance climate resilience.

## Advancing Together with Employees in Unison

We firmly believe that talents lay the groundwork for sustainable growth. We strive to foster a fair, harmonious, healthy, and safe workplace, providing a platform for employee growth and development. We actively nurture

talent, unlocking potential and vitality, while creating women-friendly workplace initiatives in consideration of the needs of our female employees. We pay attention to the career growth of fresh graduates entering the workforce, and offer quality employment opportunities and specialized training. We continuously optimize our training systems, offering multi-level career development pathways and enhancing incentive programs, enabling employees to realize their potential while driving mutual growth for both individuals and the enterprise.

## Giving Back to the Community and Co-building Responsibility

Giving back to society is a fundamental responsibility of Blue Moon and a commitment we have upheld for years. We actively participate in national and local emergency relief efforts, rural revitalization initiatives, and assistance programs for those in need. Leveraging our unique strengths, we promote clean and healthy living through diverse public welfare initiatives, advocating for "Safeguarding Health via Hand Hygiene", delivering cleanliness and care to more families.

## Conducting Compliant Operations for Robust Development

We firmly believe that robust governance and compliance are the cornerstones of corporate success. We are committed to enhancing corporate governance, refining internal management systems, and conducting comprehensive compliance audits across the group. Ethical principles - integrity, transparency, and honesty - are consistently upheld in all commercial activities. We ensure our steady development through company-wide compliance training and the efficient operation of our compliance framework with

specialized tasks such as data compliance review and risk identification. Based on the rigorous and comprehensive governance framework and measures of the Group Company, we were awarded the "Hong Kong Listed Company Awards of Excellence" in 2024.

Over the past year, we accelerated our exploration and implementation of digital transformation. In terms of enhancing consumer interaction, expanding product sales channels, optimizing data management, building transparent factories, and improving collaborative office efficiency, we have progressively integrated digital and artificial intelligence technologies and boosted operational efficiency and effectiveness.

Looking ahead, guided by ESG principles, we will continue to prioritize technological innovation and green development. We are committed to advancing digital transformation, planning for dual-carbon goals, improving climate change risk management, and merging quality improvement with sustainable growth. This will sharpen our competitive edge and collaborate with stakeholders to create a greener, more harmonious future. Together, we strive to allow every household to enjoy cleanliness, health, comfort, dignity, and happiness.

Chairman Chief Executive Officer

PAN Dong LUO Qiuping

Hong Kong SAR, China

April, 2025





# About Blue Moon

## Company Profile

Since the establishment of the Blue Moon brand in 1992, the Group has developed into a consumer-centric and innovation-driven home cleaning solutions provider. In 2020, Blue Moon Group Holdings Limited was successfully listed on the Main Board of the Hong Kong Stock Exchange under the stock code 6993.

Adhering to the values of "for customers we excel", Blue Moon has been actively engaged in forward-looking technological reserves as well as research and development work for many years. The Company continuously develops efficient and high-quality products and scientific cleaning methods, integrating world-leading technology into consumers' lives to meet their diverse cleanliness needs, provide excellent solutions and continuously lead the industry's development.

So far, the Group owns multiple brands including Blue Moon, Zhizun, Weinuo, Jingxiang, Tianlu, and Moon House, covering all aspects of home cleaning products and services. Among them, Blue Moon Liquid Laundry Detergent and Liquid Soap have occupied the largest market share in their respective industry segments for 15 consecutive years (2009-2023) and for 12 consecutive years (2012-2023), respectively<sup>1</sup>. In addition, Blue Moon Laundry Detergent and Liquid Soap also has ranked first in the China Brand Power Index of Liquid Laundry Detergent and Liquid Soap for 14 consecutive years (2011-2024)<sup>2</sup>.

### Sources

<sup>1</sup>According to the market sales survey conducted by the China National Commercial Information Center on representative large-scale retail business groups with annual sales exceeding RMB 100 million across all provinces, municipalities, and autonomous regions in China (excluding Hainan, Tibet, Hong Kong, Macao, and Taiwan), Blue Moon Liquid Laundry Detergent has ranked first in overall market share among similar products for 15 consecutive years (2009–2023), while Blue Moon Liquid Soap has held the top position in overall market share among similar products for 12 consecutive years (2012–2023).

Blue Moon focuses on the healthy development of omni-channel sales networks, covering various channels online and offline. It optimizes the structure of the offline distributor channel and continues to increase penetration rates in provinces, cities, counties, and towns nationwide. In terms of online channels, Blue Moon strategically adjusts its product placement and sales model on e-commerce platforms to reach consumers more effectively and actively explores new consumption formats and models, leveraging emerging online channels such as live streaming to promote its products. In 2024, our products secured a leading position in a number of major e-commerce platforms.

At the same time, Blue Moon attaches great importance to providing consumers with professional, high-quality, and timely service experiences. Blue Moon has established a complete consumer service system, providing consumers with 24/7 400 customer service hotlines, conducting clothing care knowledge popularization through live broadcast rooms and social platforms, sharing scientific washing skills, delivering scientific washing knowledge, and promoting a healthy and clean lifestyle.

In the future, Blue Moon will continue to devote itself to providing high-quality products, ultimate services, and professional consultations to consumers, allowing every household to enjoy cleanliness, health, comfort, dignity, and happiness.



<sup>2</sup>According to the 2024 (14th) China Brand Power Index (C-BPI) brand ranking and analysis report released by Chnbrand, Blue Moon's liquid laundry detergent and liquid soap have maintained the No.1 position in the China Brand Power Index for 14 consecutive years (2011–2024).

## Highlights

### Environmental Management

#### Energy Transition

- The distributed photovoltaic power generation system of Tianjin Factory has been put into operation, with an annual electricity generation of **676.5 MWh**
- The Guangzhou Factory purchased a total of **450 MWh** of green electricity while the Yonghe Factory purchased **330 MWh**

#### Packaging Reduction

- Reduced cardboard boxes usage by **371.4 tonnes**
- Reduced PVC tape usage by **1.776 million meters**
- Reduced cotton sockets usage by **22.68 million units**
- Reduced bubble wrap usage by **121,000 square meters**
- Reduced blank thermal paper labels by **1.264 million pieces**

#### Third-Party Carbon Footprint Certification

- 4** products were certified with the "Product Carbon Footprint Certification Certificate" by a third-party certification center, enabling precise identification of their emission reduction potential.

### Social Responsibilities

#### High-Quality Service

- Our online system service satisfaction rate reached **96.9%**
- the call center system achieved a satisfaction rate of **95.5%**
- and the customer complaint follow-up satisfaction rate stood at **97.7%**

#### Industry Exchange

- We have contributed to the development of **3** international standards **21** national standards **12** industry standards **15** group standards

#### Equality of Rights

- Female employees **51%**
- Female directors **50%**
- Female managers **43%**

#### Responsible Supply Chain

- We have completed social responsibility compliance audits for **54** suppliers, further advancing the development of a sustainable supply chain.

#### Charity Program

- We continue to participate in clean health concept promotion, and other public welfare activities, with a total investment of approximately **RMB 7.01** million in clean health projects.

### Corporate Governance

#### Integrity Management

- We carried out various forms of integrity culture promotion activities, garnering over **130,000** hits.

#### Intellectual Property Rights

- Obtained **21** newly authorized patents trademarks **89**
- Obtained a cumulative of **1,246** valid trademarks
- valid patents **265**
- valid copyrights **234**



## Company Honors

### Brand honors



Blue Moon Liquid Laundry Detergent and Liquid Soap **ranked first in market share of same category for 15 consecutive years** and **12 consecutive years** respectively

➤ China National Commercial Information Center



Blue Moon Liquid Laundry Detergent and Liquid Soap **ranked first in China Brand Power Index (C-BPI) list for 14 consecutive years (2011-2024)**, and have also been honored with the prestigious C-BPI "Golden Brand" award

➤ Chnbrand (Beijing) Brand Consulting Co., Ltd.



Blue Moon has been awarded **the Annual Responsible Brand Award for 10 consecutive years**

➤ Organizing Committee of the China Charity Festival

### Social recognition



Blue Moon Group Holdings Limited was honored with the **"Excellence in Corporate Governance" award**

➤ The Chamber of Hong Kong Listed Companies and the Centre for Corporate Governance and Financial Policy of Hong Kong Baptist University

Blue Moon Group Holdings Limited was awarded the **"Outstanding ESG Case Selection (Excellence in Governance)"**

➤ China Times

Blue Moon Group Holdings Limited was honored with the **"2024 CLS Zhiyuan Award – Environmental (E) Pioneer Enterprise Award"**

➤ Cailianshe (CLS)

Blue Moon Group Holdings Limited was awarded the **"EY Sustainability Excellence Awards 2024 – Best Practices/Cases in Technology Innovation and Advancement"**

➤ Organizing Committee of EY Sustainability Excellence Awards 2024

Blue Moon Group Holdings Limited was awarded **"6th BDO ESG Awards 2024"**

➤ BDO (Binder Dijkster Otte & Co)



## Company Honors

### Social recognition

Blue Moon Group Holdings Limited was recognized in the **"GoldenBee 2024 Outstanding Sustainable Development Report for Listed Companies in the Greater Bay Area"**

➤ GoldenBee ThinkTank

**"Listed Company Awards of Excellence"** for Blue Moon Group Holdings Limited

➤ Hong Kong Economic Journal

**"Green Pioneer Enterprise"** for Blue Moon (China) Co., Ltd.

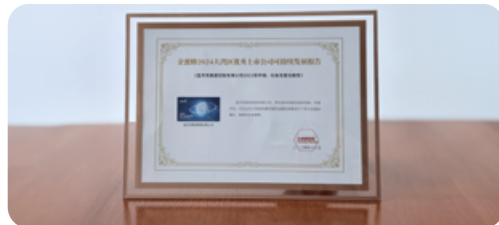
➤ China Environmental United (Beijing) Certification Center Co., Ltd.

Blue Moon (Guangzhou) Co., Ltd. was recognized as a **"National Green Factory"**

➤ Ministry of Industry and Information Technology of the People's Republic of China

**Social Construction Contribution Award** for Blue Moon (China) Co., Ltd.

➤ Huangpu District Social Construction Promotion Association, Guangzhou City



Guangzhou Blue Moon Industrial Co., Ltd. was awarded the 2024 **"Hong Kong-Guangdong Cleaner Production Excellent Partners (Manufacturing Commendation)"**

➤ Department of Industry and Information Technology of Guangdong Province

Blue Moon (China) Co., Ltd. was recognized as an **"Outstanding Certified Organization for Management Systems (2024)"**

➤ China Quality Mark Certification Group Guangdong Co., Ltd.

### Product honors



49 products passed **the certification of China Environment Labeling**

➤ China Environmental United (Beijing) Certification Center Co., Ltd.



3 products were recognized as **"Green Design Products"**

➤ General Office of the Ministry of Industry and Information Technology.



14 products passed **the China Water Conservation Certification**

➤ China Quality Certification Centre



3 products, including the Biotech Liquid Laundry Detergent (Bacteria & Odor Removal) were included in the **"2024 Senior Care Product Promotion Catalog"**

➤ Department of Consumer Goods Industry, Ministry of Industry and Information Technology.



29 products were awarded the **"China Green Product Certification"**

➤ China Environmental United (Beijing) Certification Center Co., Ltd.



# ESG Management | 01

Blue Moon, with the vision of "To allow every family to enjoy a clean, healthy, comfortable, respectable, and delightful 'Blue Moon' lifestyle", is driven by the mission of "To provide consumers with cleaning solutions comprising of quality products, good services and professional insights", and guided by the values of "For consumers we excel". We have embedded the sustainable development concept into the business strategy and operations. We persist in the spirit of craftsmanship and continue to take a leading position in the field of products and services, with the aim to build a cleaner, better, and more sustainable future.

# ESG Action Principles

Blue Moon upholds the ESG action principles of "Better products (services), Healthier environment, and Greater society", aligning with the United Nations Sustainable Development Goals (SDGs). Guided by its vision and mission, the Company has developed a five-year ESG action plan to define its ESG management direction, prioritize key sustainability goals and focus areas, and strategically plan its course of action. Through continuous enhancement of ESG governance and performance, Blue Moon is committed to driving the harmonious development of society, the environment, and the economy.



# ESG Management Structure

We have established and are constantly optimizing our ESG management structure, clarifying the division of responsibilities of ESG management at three main levels from governance, management to execution, and integrating ESG work into daily operations and management, in order to advance our ESG work in an orderly manner. For details of the Board's participation in the supervision of ESG matters, please refer to the section "ESG Statements of the Board" in this Report.

Our management structure and hierarchical division of labour are as follows:



# Stakeholder Engagement

Stakeholder engagement is a critical channel for us to obtain constructive opinions and suggestions. Blue Moon provides multiple open and convenient communication channels to fully understand their expectations, requirements, and feedback of stakeholders, keeping close communication with internal and external stakeholders.

Stakeholders	<b>Consumers</b>	<b>Shareholders &amp; Investors</b>	<b>Employees</b>	<b>Suppliers</b>	<b>Government and Regulators</b>	<b>Non-governmental Organizations</b>	<b>Community &amp; the Public</b>
Demands & Expectations	<ul style="list-style-type: none"> <li>• Better products and services</li> <li>• Customer privacy protection</li> <li>• Product diversification</li> <li>• Protection of customers' rights and interests</li> </ul>	<ul style="list-style-type: none"> <li>• Consistent and steady returns</li> <li>• Well-established governance structure</li> <li>• Open and transparent information</li> </ul>	<ul style="list-style-type: none"> <li>• Protection of employees' legitimate rights and interests</li> <li>• Safe and healthy working environment</li> <li>• Training and talent development</li> <li>• Work-life balance</li> </ul>	<ul style="list-style-type: none"> <li>• Fair trade</li> <li>• Integrity and mutual benefit</li> <li>• Collaborative improvement</li> <li>• Driving management and technology advancement</li> </ul>	<ul style="list-style-type: none"> <li>• Lawful operation</li> <li>• Work safety</li> <li>• Energy conservation and emission reduction &amp; environmental protection</li> <li>• Paying taxes in accordance with the law</li> <li>• Fostering healthy development in the industry</li> </ul>	<ul style="list-style-type: none"> <li>• Industrial cooperation and development</li> <li>• Assumption of environmental responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>• Assumption of environmental responsibility</li> <li>• Participation in community building and development</li> <li>• Employment opportunities</li> </ul>
Means of Communication	<ul style="list-style-type: none"> <li>• Periodic reporting</li> <li>• Company official website</li> <li>• Social media</li> <li>• Press release</li> <li>• Customer service hotline</li> <li>• Customer satisfaction survey</li> </ul>	<ul style="list-style-type: none"> <li>• Shareholders' general meeting</li> <li>• Investors' and analysts' briefings</li> <li>• Company official website</li> <li>• Corporate communications</li> <li>• Corporate publications</li> <li>• Social media</li> <li>• Press release</li> </ul>	<ul style="list-style-type: none"> <li>• Employee training</li> <li>• Employee activities</li> <li>• Labour union management</li> <li>• Employee satisfaction survey</li> </ul>	<ul style="list-style-type: none"> <li>• Daily communication</li> <li>• Regular performance feedback</li> <li>• Supplier satisfaction survey</li> <li>• Supplier complaint channels</li> <li>• Project cooperation</li> <li>• Social media</li> </ul>	<ul style="list-style-type: none"> <li>• Periodic reporting</li> <li>• Regulatory review</li> <li>• Daily communication</li> <li>• Social media</li> </ul>	<ul style="list-style-type: none"> <li>• Periodic reporting</li> <li>• Daily communication</li> <li>• Collaborative activities</li> <li>• Social media</li> </ul>	<ul style="list-style-type: none"> <li>• Community activities</li> <li>• Charity services</li> <li>• Cross-sectoral collaboration</li> <li>• Social media</li> </ul>



# ESG Materiality Assessment

This year, we continued to develop the application of the concept of "double materiality", conducting assessments and prioritization of issues from both the dimensions of "financial impact" and "stakeholder impact". Through the identification of issue, screening and evaluation, reviewing and approval, we invited stakeholders to evaluate the impact of the Company's operations on environmental, social, and governance issues, while also analyzing the impact of various sustainable development issues on value creation for the Company. The research findings were re-viewed and confirmed by the ESG Committee, ultimately identifying 5 core issues and 7 highly material issues, as well as 2 significant issues, forming a matrix of double materiality and stakeholder concern analysis results. These findings provide a crucial basis for advancing future sustainability initiatives.

Based on the annual assessment of issues with materiality, we will continuously refine the Company's ESG management strategies, steadily advancing the orderly implementation of various sustainable development initiatives. We will also prioritize disclosure in our reports to comprehensively address stakeholders' concerns and expectations regarding Blue Moon's sustainability efforts.

## 01 Identification of issues

Based on the Appendix C2 *Environmental, Social, and Governance Reporting Code* to the Listing Rules, and in accordance with *Sustainability Accounting Standards* (SASB) and the International Sustainability Standards Board (ISSB)'s *International Financial Reporting Sustainability Disclosure Standards* (IFRS), as well as considering national policies, capital market ratings, peer disclosures, and the dynamics of the Company's business development, we have comprehensively identified and updated Blue Moon's repository of issues with materiality across multiple dimensions.

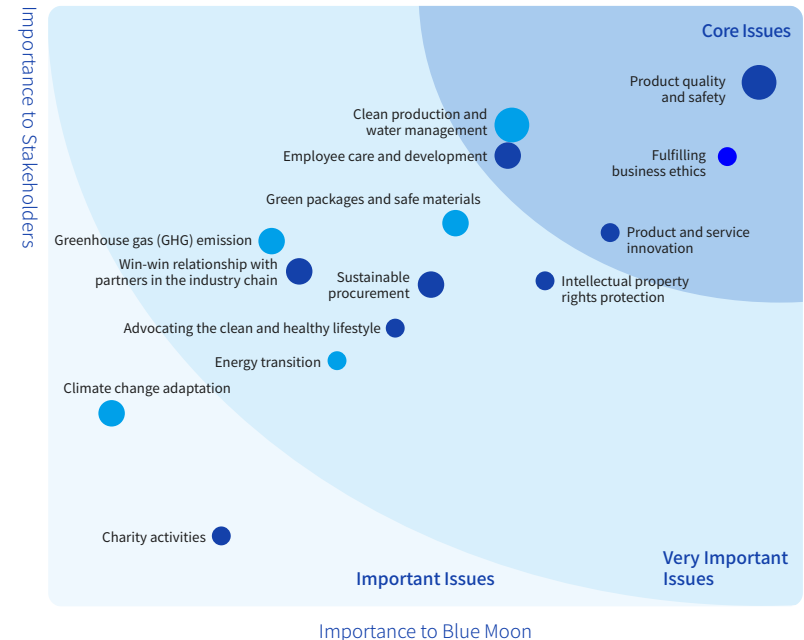
## 02 Screening and evaluation

Through online questionnaire surveys and in-depth interviews, internal and external stakeholders were invited to assess the actual impacts of corporate operations on ESG issues from their respective perspectives. Simultaneously, board members and senior financial executives with financial expertise analyzed each issue's potential financial value in terms of historical investments and future trends, assessing its impact on the Company's long-term development, operational performance, and brand reputation. This approach ensures that the evaluation is both forward-looking and scientifically rigorous.

## 03 Review and approval

Based on the research findings, we comprehensively evaluated the impacts of each issue on internal operations and external stakeholders. Utilizing visualization tools, we demonstrated the financial significance of various ESG issues in value creation for the Company. Ultimately, the ESG Committee reviewed and approved the analysis results, forming Blue Moon's materiality matrix for the year. This matrix provides data support and decision-making guidance for the strategic planning of sustainable development efforts.

## Blue Moon ESG Report Materiality Assessment



\*The size of the dots in the graph indicates the level of financial materiality of the ESG issue for corporate value creation.

### Core Issues

Product quality and safety/ Fulfilling business ethics/ Product and service innovation/ Clean production and water management/ Employee care and development

### Very Important Issues

Intellectual property rights protection/ Green packages and safe materials/ Sustainable procurement/ Advocating the clean and healthy lifestyle/ Greenhouse gas (GHG) emission / Win-win relationship with partners in the industry chain/ Energy transition

### Important Issues

Charity activities/Climate change adaptation

# Healthy Living and Sustained by Cleanliness

Adhering to the values of "For consumers we excel", Blue Moon, with innovation and research as its driving force, continuously expand its product portfolio and upgrade washing solutions to meet consumers' diverse needs across various scenarios. Embracing the digital revolution, we leverage digital technology to drive high-quality development. We provide warm and valuable services, uphold responsible sourcing, and foster win-win cooperation across the supply chain, helping consumers achieve a clean, healthy, comfortable, respectable and delightful "Blue Moon" lifestyle.

## Issues in This Chapter

Product Quality and Safety, Product and Service Innovation, Green Packaging and Safe Materials, Sustainable Procurement, Advocating the Clean and Healthy Lifestyle, Win-win Relationship with Partners in the Industry Chain



# Focusing on Innovation, Research, and Development

Blue Moon upholds the R&D concept of "integrating world-class advanced technologies into consumers' lives". Dedicated to exploring cutting-edge technologies in the cleaning sector, we focus on developing high-efficiency, premium cleaning products and scientific, effortless washing methods. By providing innovative cleaning solutions and actively promoting industry collaboration, we ensure that technological advancements genuinely serve consumer needs and enhance everyday life for more people.

## Leading a Clean Lifestyle

We make every effort to observe the development trends in social life and focus on real user needs, building three major product systems of fabric care products, personal hygiene products, and home care products. Leveraging our expertise and industry insights, we continue to set an example by pioneering concentrated technology advancements and driving the evolution of these product categories toward diversification, refinement, and specialization. This commitment injects new vitality into our brand development and enhances the overall cleaning experience for consumers.



### Fabric care

We focus on the fabric care sector, expanding our presence in the "Concentration+" category while continuously upgrading the Zhizun series through research and development. This drives our products toward a high-quality, refined, and diversified system. In 2024, we launched the new Zhizun Series—Zhizun Biotech Liquid Laundry Detergent (Multiple Cleaning). Designed to align with the growing demand for multi-effect, high-efficiency solutions, this product is complemented by a range of specialized offerings, including Multiple Cleaning Handwash Laundry Detergent and Total Clean Dual-Use Laundry Detergent, catering to various laundry scenarios.



### Personal hygiene

We are committed to gentle formulations and a health-conscious approach to serve our consumers. By deeply researching personal care scenarios and needs, we continuously refine our personal hygiene product portfolio, exploring new ingredients, formulations, and technologies to provide more comprehensive and high-quality personal care solutions.



### Home care

Blue Moon is dedicated to creating clean, safe, and healthy homes for countless families. With a focus on efficient cleaning and environmental sustainability, we provide consumers with comprehensive home cleaning solutions for various scenarios. From everyday stain removal to deep cleaning care, we fully meet users' needs, helping them easily tackle various home cleaning challenges.

## Case .....

### New Zhizun Biotechnology Liquid Laundry Detergent – Opening a New Era of Laundry

In today's fast-paced modern life, consumers' laundry needs and habits are witnessing changes. Blue Moon closely follows the increasing diversity of consumers' laundry demands and has introduced the Zhizun Biotech Liquid Laundry Detergent (Multiple Cleaning), a multiple cleaning solution that integrates "stain removal, deodorizing, antibacterial, and fabric care", helping consumers solve various laundry problems and providing them with a new cleaning experience.

#### Multiple deodorizing functions

Effectively remove odor sources and offer long-lasting antibacterial effects.

#### Bacteria and dust mite removal

Remove up to 99.9% of dust mites and achieve 99.9% bacteria removal on fabrics, with continuous antibacterial effects for up to 48 hours.

#### Strong cleaning power

Active ingredient concentration reaches 47%, with multiple active enzymes added.

#### Specialized for quick-dry fabrics

Contain fabric care agents to protect quick-dry fabrics.

#### Care for fabric texture

Anti-stain technology, restore fabric fibers.

#### Compatible with multiple washing modes

Tailored for different fabrics and stains with three washing modes for machine washing, easily solving various stain problems.

#### Eco-friendly

The product is designed with a combination of refillable packaging and a pump head for recycling, reducing packaging waste.



Zhizun Series Products

Guided by the "Multiple Cleaning" philosophy, we are committed to meeting the needs of various laundry scenarios, and have launched the Multiple Cleaning Handwash Laundry Detergent and Total Clean Dual-Use Laundry Detergent, making cleaning easier.

#### Easy Rinsing with No Residue

- Low-foam formula
- Quick rinsing
- No alkaline residue after washing

#### Convenient to Use

- Metering pump head design for accurate
- Controllable dosage
- Effectively isolating external contamination

#### Multiple Cleaning Handwash and Dual-use Products





Blue Moon delves into consumers' real-life usage scenarios, continuously researching and promoting scientific washing methods to effectively address consumers' cleaning concerns. We have upgraded our Laundry Science & Technology Center to popularize the principles and methods of scientific washing. In an immersive visit, users can experience the charm of advanced washing technologies. Through professional explanations by our center guides and easy-to-understand experiments, we demonstrate the scientific principles behind clean laundry. Additionally, we have established Washing Instructional Bases, where users can learn washing methods through hands-on experiences. They will understand the appropriate scientific washing products and usage for different fabrics, stains, and levels of dirt, truly solving everyday laundry problems.

Case .....

### Launching the "Three Essential Tips For Laundry" to Solve the Problem of Clothes Cleaning

In order to make laundry easier, faster, and more convenient, Blue Moon has distilled years of research on scientific washing methods into the "Three Essential Tips For Laundry". These scientific washing methods address the actual laundry challenges faced by consumers in daily life, resulting in enhanced washing effects, proper garment care, and resource savings—benefiting both the environment and the users.

#### Three modes for machine wash

Select different washing modes, such as express wash, standard wash, and Big-item wash, based on fabric and stain types.



#### Pre-wash

Use the dry pre-treatment method to break down stubborn stains in advance.



#### Soak

Develop targeted methods for removing stains, such as color stain removal and yellowing treatment, to effectively soak and treat different types of stains.



## Enhancing R&D Capability

As consumer needs become increasingly diverse, the laundry product market has expanded. This presented new opportunities while also enhancing higher requirements for product R&D and innovation. Blue Moon leverages its leading R&D capabilities to drive technological upgrades, precisely navigating market trends and customers' needs to provide clear direction for R&D innovation.

Blue Moon makes continuous investments in R&D, strengthening talent team and continuously enhancing technological innovation capacity to support product and service innovation. The Company has an independent R&D team equipped with hundreds of R&D personnel, and among them about 70% of core technology members hold PhD or master's degrees. The team members process extensive research experience in the household cleaning and care industry, providing strong human resource support for the Company's development. Additionally, the Company constantly enhance its innovation incentives to encourage employee innovation, collectively driving technological advancements.

In 2024, the Company received multiple product honors. The Zhizun Biotech Liquid Laundry Detergent (Bacteria & Odor Removal) was included in the *Guide for Excellent Innovative Consumer Goods (Light Industrial Products No.11 Batch)* innovation product list and was awarded the title of "Famous and High-quality High-tech Product of Guangdong Province". Nine products, including the Jingxiang Foaming Shower Gel, were selected for the "Guangzhou Innovation Product Directory". Additionally, three products, including the Biotech Laundry Liquid (Deodorizing and Antibacterial), were listed in the Elderly Products Promotion Catalogue 2024.

### Case .....

#### Blue Moon Successfully Passes "Provincial Industrial Design Center" Review

In 2024, Blue Moon successfully completed the review process carried out by the Guangdong Provincial Industrial Design Center. Since receiving the "Provincial Industrial Design Center" recognition in 2019, Blue Moon has consistently prioritized innovation, advancing the integration of design and manufacturing. The Company leverages industrial design to drive product innovation, process optimization, green packaging development, and brand building. By focusing on consumer usage scenarios and habits, Blue Moon has developed multiple new product packaging solutions, continuously enhancing its diversified design capabilities and independent innovation capacity.

- As of December 31, 2024, we have achieved a total of

**265** authorized patents

- among which there are **48** invention patents

While advancing technological innovation, Blue Moon remains committed to promoting the high-quality development of industry. As a member of seven committees for standardization, including being the Deputy Director of the China Washing Suppliers Quality Supervision Inspection Center and a member of the National Technical Committee for Standardization of Food Washing and Disinfection Products, we actively participate in the formulation and revision of multiple national and industry standards. Leveraging our expertise in research and development, Blue Moon has played a key role in refining standards related to concentrated detergent technology, health and safety requirements, and environmental impact assessments. By doing so, we continue to lead the cleaning industry toward green, healthy, and sustainable growth.

In 2024, Blue Moon participated in the discussion and development of five national and industry standards, including the *Technical Specification for Safety of Soaps and Detergents* and *Evaluation Methods for Antibacterial Effects of Daily Chemical Products*.

- As of December 31, 2024, Blue Moon contributed to the formulation of

**3** international standards

**21** national standards

**12** industry standards

**15** group standards

# Adhering to Outstanding Quality

Outstanding product quality and safety have always been Blue Moon's unwavering pursuit and core responsibility. We remain user-oriented, prioritizing quality and safety as our foremost considerations. To uphold these standards, we have established a comprehensive product quality management system covering the entire production process, accelerating the digitalization of quality management, and continuously enhancing system maturity. At the same time, we enforce strict raw material selection standards, conducting thorough safety evaluations for both raw materials and finished products. Our commitment is to provide every consumer with premium-quality products that meet and exceed expectations for excellence.

# Strengthening Quality Management

Adhering to the concept of "prevention-based process control and continuous improvement", Blue Moon has established a comprehensive quality management system to ensure strict product quality control. We strictly comply with the *Product Quality Law of the People's Republic of China* and other relevant regulations, continuously refining internal quality management policies and procedures. We actively promote the digital transformation of quality systems, conduct comprehensive identification, assessment, monitoring, and prevention of quality risks. These approaches help our employees develop a strong awareness of quality risks, continuously strengthen quality management capabilities, and enhance overall quality management efficiency.

## Whole-process quality management

Following the quality management mode of "whole process, whole staff, all elements, and all data", we have set up a whole process management system encompassing product development, procurement, production logistics, sales, and after-sales. Leveraging digital tools, we ensure full traceability throughout the process, maintaining rigorous quality risk control to support the stable operation of our quality management systems and consistently deliver high-quality products that meet consumer expectations.

We continuously optimize our product recall procedures and regularly conduct recall drills. During the reporting period, Blue Moon organized recall exercises across five major factories for nine batches of products, including cosmetics, food-related detergents, and laundry detergents, thoroughly verifying the effectiveness of the recall process.

- In 2024, **no recalls related to product quality occurred** in relation to Blue Moon products
- In 2024, the Company and all product manufacturing factories **have passed the certification of ISO 9001 quality management system**
- In 2024, Blue Moon's management system was awarded the **"Outstanding Certified Organization for Management Systems"** by CQM International Certification Group

# Driving Industry Development

Blue Moon remains at the forefront of industry advancements by actively participating in professional exchanges, exploring the latest technological developments and industry development trends, and contributing to the sector's transformation and growth. By the end of 2024, we had joined 36 industry associations, holding key leadership roles to drive meaningful progress.

In 2024, we maintained strong partnerships with various industry associations, sharing insights on innovative products, sustainable technologies, and future development trends to advance high-quality development across the cleaning industry.

## Case .....

### Share Low-Carbon Scientific Laundry Achievements at the China Cleaning Industry Annual Meeting

In September 2024, Blue Moon participated in the 44th (2024) China Cleaning Industry Annual Meeting and took part in a special forum, sharing insights on "Addressing Climate Change Through Low-Carbon Scientific Laundry".

The presentation covered efforts from three perspectives: consumers, businesses, and industry, highlighting Blue Moon's commitment to sustainability and climate action. We emphasized the importance of extended producer responsibility by reducing greenhouse gas emissions across the entire product value chain. Additionally, we called for joint efforts with consumers to minimize the environmental impact and carbon footprint of laundry practices.



Blue Moon shared insights on "Addressing Climate Change Through Low-Carbon Scientific Laundry".

## Preventing quality risks

We regularly conduct audits of the quality assurance systems across all product manufacturing factories within the Group. These audits cover various modules, including system management, compliance control, the entire production process, and laboratory management, to assess the actual performance of the quality systems at each facility. The aim is to promptly identify any risks, address quality issues and risk points through communication, and drive improvements. This proactive approach helps manage quality risks and ensures the effective and stable operation of the quality management system.

In 2024, after the launch of key business systems such as LIMS (Laboratory Information Management System), we focused on reviewing the effectiveness and execution efficiency of the systems operation, as well as the smoothness of the process after the key quality management data was transferred from offline to online. This ensures the accurate, efficient transmission and effective application of quality data.



LIMS System Key Application Scenarios

## Quality management digital transformation

Blue Moon has been actively promoting the digital transformation of quality management. In recent years, we have successively launched key business systems such as LIMS, achieving full digitization of quality data across the entire product chain. This year, by integrating these core business systems and using the supply chain data analysis platform to sort out the key nodes of the entire chain quality control, we have built a unified quality data analysis and usage platform, established a quality analysis and early warning monitoring system. Through visual reports, we can promptly identify quality anomalies in the business operation process and conduct multi-dimensional analysis, improvement, and intervention. This further enhances the digitalization and informatization of quality management, improves data analysis efficiency, providing timely and accurate data support for quality management decisions.



## Strengthening quality awareness

Blue Moon is committed to raising employees' quality awareness and continuously reinforcing its quality management foundation through a wide range of quality training programs. In 2024, we developed an annual quality training plan based on the Company's strategy and business needs, covering key areas such as quality management standards and production processes. Each factory also implemented specialized in-depth training to reinforce quality management requirements, collectively solidify the foundation of quality across all teams.

### Case .....

#### Conduct "Quality Month" Campaign to Create an Atmosphere of Quality Excellence

From July to October 2024, we successfully conducted the "Quality Month" Campaign. Each factory organized a series of diverse, focused, and practical events centered around the theme of the activities, creating an atmosphere of participation and collaboration in achieving excellent quality.



Training during Quality Month Campaign





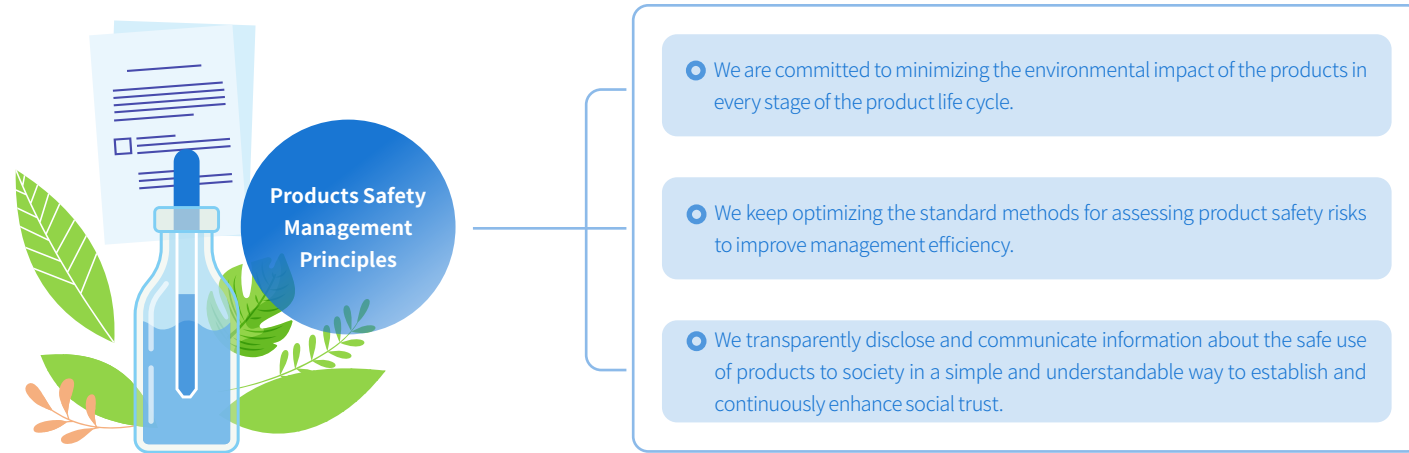
## Controlling Product Safety Strictly

Guided by the principles of product safety management, we have established safety evaluation standards and processes covering the entire lifecycle of our products, from selection of raw material, supplier admission, procurement and acceptance of raw material, manufacturing, storage and transportation of products, and product use, as well as final disposal, driving responsible product safety management and safeguarding consumer health in all aspects.

We adhere to national regulations and standards such as the Regulation on the Supervision and Administration of Cosmetics, the Hygienic Standards for Disinfection Product Manufacturers, and GB/T 26396 Technical Specification for Safety of Soaps and Detergents. Additionally, we reference international regulations including the United States' Federal Food, Drug, and Cosmetic Act, the EU Regulation on Cosmetic Products (EC NO1223/2009), the EU REACH

Regulation (EC No 1907/2006), and the EU Ecolabel of Commission Decision (EU) 2017/1218. We continuously monitor the latest developments in domestic and international chemical regulations in real time, strengthening product safety management requirements to ensure the safety performance of our products.

Blue Moon continues to enhance the professional knowledge and technical capabilities of the technical team. In 2024, one employee successfully obtained certification from the Chinese Society of Toxicology and became a nationally certified toxicologist, thereby adding professional strength to the team. We will continue to deepen our expertise in the safety assessment of product ingredients and formulations, ensuring the safety of our products.



### Strict control of raw material entry

Blue Moon adheres to the bottom line of raw material safety and implements a strict raw material access mechanism. We have formulated and continuously updated the *Safety Research Guidelines for Raw Materials*, comprehensively assessing the risk levels and usage recommendations of various raw materials throughout the supply chain. We implement a closed-loop management system of "access of new raw material, reevaluation of existing raw materials, and removal of prohibited raw materials" to better control the safety of product sources.

Blue Moon pays high attention to the safety of controversial raw materials. Based on strictly complying with legal and regulatory requirements, we refer to domestic standards and overseas regulations that exceed compliance requirements and continuously update the list of prohibited and restricted raw materials. We have completely phased out and prohibited the use of ingredients such as formaldehyde and methanol, while adding three ingredients, including ethylene glycol, diethylene glycol, and diethylene glycol monomethyl, to the list of prohibited raw materials. As of 2024, although ethylene glycol has not been explicitly banned by domestic or international regulations or standards for use in detergents and disinfectant products, based on our deep concern for consumer health and safety and proactive consideration of product safety, we have voluntarily implemented a prohibition. In 2024, we added three new materials to the restricted materials list: thiourea, musk ketone, and diethylene glycol butyl ether, promoting the use of more environmentally friendly and safer ingredients.

In response to consumer demand for natural and eco-friendly products, Blue Moon conducted evaluations on "natural plant extracts", continuously increasing the use and proportion of natural ingredients in our products. We have successfully incorporated Fucus vesiculosus extract and Tremella fuciformis extract in personal care product formulations, demonstrating our commitment to providing consumers with a more environmentally friendly and safer new generation of detergent products.

## Comprehensive safety assessment

We closely followed the latest developments in technical regulations, sorted out and optimized the safety evaluation process for materials and products, and revised the *Material and Product Compliance and Safety Evaluation Management Guidelines*. We have refined the template of the *Safety Assessment Report for Cleaning Products*, and conducted comprehensive potential safety risk assessments including packaging compatibility, biological safety, and toxicology, to ensure that products or formulations with safety hazards or unmitigable risks are barred from market entry. For products already on the market, we conduct full-process monitoring to ensure that unsafe or uncontrollable risk products/formulations are promptly withdrawn from the market.

Case .....

### Winning the "Health Golden Shield Award", Safeguarding a Healthy Life

In recent years, consumer awareness of health and safety has continued to rise, with increasing demand for healthy lifestyle consumer products. In 2024, Blue Moon's Antibacterial Liquid Soap and Zhizun Biotech Liquid Laundry Detergent were awarded the first "Health Golden Shield Award" for outstanding performance in raw material safety, product standards, and quality sustainability. This award is the only authoritative accolade in the country dedicated to health and safety, aiming to provide consumers with professional and comprehensive decision-making support.

We consistently adhere to high standards and stringent requirements to ensure product quality and safety, safeguarding consumer health with craftsmanship, empowering Healthy China with actions, and innovating to support a clean and healthy life.



Blue Moon's Antibacterial Liquid Soap and Zhizun Biotech Liquid Laundry Detergent Won the "Health Golden Shield Award"

## Ingredient transparency disclosure

Blue Moon continues to enhance the transparency of product ingredient information, safeguarding consumers' right to know about product components. Following the latest product labeling regulations, we have completed the full ingredient labeling for all liquid soap and dishwashing detergent products. In 2024, we have further disclosed detailed information about some raw material ingredients in the "Controlling Product Safety Strictly" column on our official website. This includes the origin, function, and environmental safety attributes of the ingredients, allowing consumers to gain a more comprehensive understanding of the product components.

## Scientific guidance and popularization

Blue Moon actively educates consumers about the chemical composition of products through multiple channels. We have established a "Scientific Washing" column on our official website and provide comprehensive consultation services on product ingredient safety and functionality through our official WeChat account and a 24/7 consumer hotline.

In response to consumer concerns about product ingredients and environmental issues, Blue Moon has developed professional materials such as the *Product Knowledge Handbook*, covering common questions such as whether products contain sensitive source ingredients, phosphorus, and more. When handling related inquiries, our customer service team should prioritize the health status of consumers, accurately provides product safety profiles or Material Safety Data Sheets (MSDS), and ensures information transparency, professionalism, and traceability through customer follow-ups, allowing consumers to use products with assurance and peace of mind.



# Enhancing Service Experience

Blue Moon is committed to continuously improving and optimizing the service system in areas such as timely response, customer consultation and support, and information and privacy protection. Through multiple channels, we maintain close contact with consumers, building a stable and harmonious customer relationship in all aspects. Meanwhile, through specialized training and daily guidance, we continuously strengthen the responsible marketing awareness and sense of responsibility of the customer service team, safeguarding the legitimate rights and interests of consumers with quality service.

## Consumer Service

Blue Moon strictly adheres to the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests* and continuously optimizes service standards and content based on internal regulations such as the *Procedures for Handling Customer Inquiries and Complaints*. This ensures streamlined customer service management, expansion of customer service channels, efficient response to customer needs, and guarantees that consumers can access thoughtful and consistent service experiences at any time. Additionally, we proactively research consumer pain points and cleaning habits. Through platforms such as video channels, community groups, and social media, we push product usage instructions and share scientific and eco-friendly washing methods, continually enhancing the customer experience.

### Providing smooth communication channels

Blue Moon has built a comprehensive, multi-channel service matrix that includes a voice hotline, official WeChat account, WeChat mini-programs, Weibo, official websites, mobile apps, and many social media platforms, forming a nationwide 24/7 service network ready to respond to consumer inquiries anytime and anywhere. To align with increasingly diverse communication habits and service demands, we actively expand customer service methods, including upgrading our Douyin platform services, leveraging livestreaming and comment sections on social platforms, to promptly address customer inquiries and collect feedback. Meanwhile, we have established an independent team responsible for live streaming services, deeply focused on customer inquiry resolution and public sentiment management, ensuring the professionalism and consistency of external communication, thereby building a more solid and efficient communication bridge between the brand and consumers.

● In 2024, Blue Moon achieved a

**100%**

case closure rate for customer inquiries and complaints after processing.

### Improving service quality

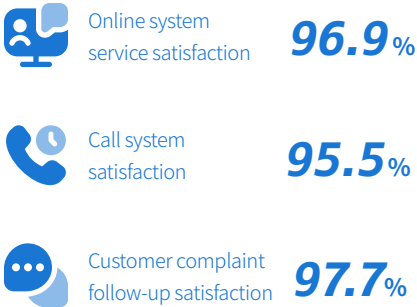
We have developed procedural guidelines such as the *Procedures for Handling Customer Inquiries and Complaints* and the *Service Center Complaint Escalation Process* to handle customer complaints efficiently and systematically. To further enhance response speed, we have set strict service standards, ensuring that customer calls are answered within 15 seconds and online services are responded to within 30 seconds, so that customers can receive the help they need promptly. For each complaint, we conduct a thorough analysis and adjustment based on the actual business situation, summarizing relevant feedback into internal management requirements to improve subsequent workflows and service quality.

We proactively grasped the development trends of social platforms. Based on the importance of customer experience management and the significance of feedback channels on platforms like Douyin, Blue Moon swiftly established a dedicated online livestreaming complaint response process system. We conducted in-depth analysis of customer complaints, formulated operational guidelines such as the *Consumer Service Center Risk Identification and Response Guidelines*, and provided the customer service team with detailed contextual response strategies to ensure precise and efficient problem-solving.

### Consumer satisfaction evaluation

In 2024, we conducted comprehensive customer satisfaction research, including satisfaction surveys from conversations and online push notifications, as well as third-party follow-up satisfaction ratings on customer complaints, aiming to gather customer feedback from multiple channels. We have established three satisfaction metrics: "Online system service satisfaction, Call system satisfaction, and Customer complaint follow-up satisfaction", which provide clear guidance for continuously optimizing service processes and enhancing customer experience.

During the Reporting Period, Blue Moon's consumer service is as follows:



## Responsible Marketing

Blue Moon pays close attention to the feelings of consumers, and strictly adheres to the laws and regulations such as the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, the *Advertising Law of the People's Republic of China*, and the *Anti-Monopoly Law of the People's Republic of China*. We conduct marketing activities with a responsible and honest attitude, ensuring that these activities are compliant, fair, and transparent. The Company provides customers with true, accurate, and objective product information, eliminates false advertising and misleading marketing, helps consumers make appropriate and rational choices, and better protects consumer rights.

### Responsible marketing management system

In 2024, we revised the *Anti-Monopoly Compliance Guidelines* and the *Compliance Guidelines for E-commerce Livestreaming Business Operations*, and regularly released the *Compliance Review Report for E-commerce Advertising and Promotion Operations*. These measures ensure that our promotional activities strictly adhere to laws, regulations, and regulatory requirements, effectively avoiding advertising compliance risks such as false advertising. We have also implemented full lifecycle management for all types of advertising materials, including promotional posters, teaser videos, live streaming cue cards, and script dialogues. Additionally, we conduct real-time monitoring of major live streaming projects and special events to ensure that the content output is legally compliant and aligns with the Company's brand positioning.

We conduct compliance reviews of the advertising and promotional activities of our e-commerce omnichannel stores in accordance with laws and regulations such as the *Advertising Law of the People's Republic of China*, *Interim Provisions on Regulating Promotional Activities*, and the *Provisions on Clear Pricing and Prohibition of Price Fraud*, ensuring that our marketing and promotional activities are lawful and compliant.

### Responsible marketing training

Blue Moon continually deepens the concept of "Compliance as the Foundation, Expertise as the Empowerment", establishing a comprehensive training system that runs through the entire marketing chain and covers all employees. This system internalizes compliance requirements into the professional instincts of employees, while enhancing service professionalism through a precise product knowledge empowerment system, achieving a symbiotic growth of compliance awareness and commercial value.



We regularly conduct professional training courses and provide in-depth dynamic interpretations of policies and regulations to comprehensively strengthen and enhance the marketing team's understanding and execution capabilities of relevant laws, ensuring the healthy development of the Company's marketing activities.



We continuously optimize advertising compliance training, covering key content such as advertising content and form, compliance points for ad placement, key regulatory focuses, and risk prevention points. This helps creative personnel accurately grasp compliance standards in practice, achieving a high degree of integration between creativity and compliance.



In addition, we provide comprehensive online sales compliance training for e-commerce operation personnel. The training covers legal regulations in the e-commerce domain, compliance essentials for product listing pages and promotional campaigns, case studies, and key aspects of advertising and intellectual property protection, effectively enhancing the compliance management of e-commerce sales.

### Consumer guidance

To assist consumers in making informed purchasing decisions and to promote scientific washing concepts, Blue Moon leverages diverse channels such as live streaming, elevator media, and "Journey to Cleanliness" event to widely disseminate scientific washing methods. This effort guides consumers towards transitioning from traditional products to concentrated ones, spreading the idea of scientifically and environmentally friendly washing.

Case ..... ..

### Illustrating Cleaning Technology with "Remarkable laundry technologies for the future"

Blue Moon, in collaboration with Ocean Engine and Xinhua News Agency's client, jointly created the "Remarkable laundry technologies for the future" IP. Through educational short videos, this initiative aimed to popularize washing knowledge among consumers, enhancing their understanding and pursuit of a clean lifestyle. It encouraged more consumers to explore and enjoy the benefits of future cleaning technologies. In this project, Blue Moon employed a multi-dimensional approach, from revisiting the millennial history of laundry development, to expert insights on future laundry technologies, and delving into the real lives of consumers. Step by step, meticulously arranged, it helped consumers understand the truth about stains, learn scientific principles, choose effective products, and master the correct usage methods, ultimately solving their laundry challenges.



Theme Poster

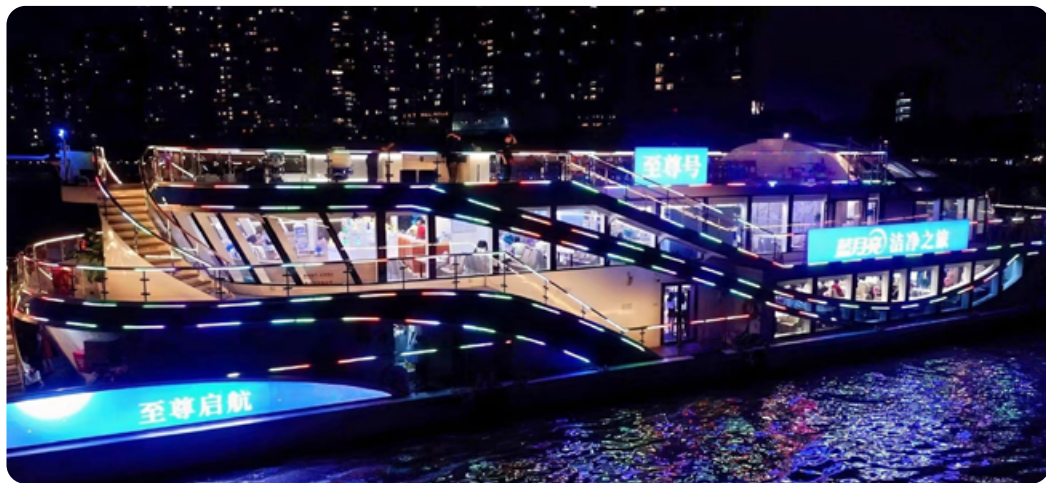


## Case .....

### Ushering in a New Era of Laundry, Spreading the "New Science" of Laundry

In August 2024, the Super Brand Day series of events jointly created by Blue Moon and CCTV News officially kicked off. The event, themed "Ushering in a New Era of Laundry", featured a host who transforms into a "Cleaning Experience Officer", joining internet bloggers to explore various scenarios such as dining, sports, and home life. Together, they uncover the truth about clothing stains, guide consumers to learn scientific laundry methods like pre-wash and soak, and convey the concept that "the correct laundry method makes life simple". At the event site, we invited textile experts introduced consumers to green clothing care methods, which not only keep clothes looking and feeling new with each wash, but also make the washing experience simpler and more convenient, while contributing to environmental protection.

To popularize the new science of laundry to more users, in 2024, Blue Moon launched "Zhizun Journey to Cleanliness", inviting consumers from across the country to visit the Guangzhou Laundry Research Base. Through activities such as touring the Laundry Science & Technology Center, participating in hands-on laundry sessions at the Laundry Teaching Base, engaging with laundry experts, and conducting experiments, consumers can understand the truth about stains, learn scientific principles, select effective products, and master correct product usage methods, thereby enhancing their scientific awareness and envisioning a future of clean living.



Zhizun Journey to Cleanliness

## Customer Privacy Protection

Blue Moon strictly adheres to laws and regulations such as the *Personal Information Protection Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, and the *Law of the People's Republic of China on the Protection of Consumer Rights and Interests*, and established a multi-dimensional compliance management system. Governed by the *Personal Information Protection Management System* and the *Customer Information Protection System*, a clear governance framework and requirements are outlined, and dynamic risk management is implemented through the *Process for Assessing the Impact on Personal Information Security*, ensuring comprehensive data security and consumer privacy protection. In 2024, we revised the *Blue Moon Group Code of Business Conduct*, adding new requirements for employee confidentiality. Employees are required to handle data in accordance with the Company's data compliance system and process guidelines, jointly safeguarding information security.

Blue Moon formulated systems such as the *Personal Information Protection Management System*, the *Customer Information Protection System*, and the *Process for Assessing Impact on Personal Information Security* to guide customer information collection and privacy protection work, and continuously improve customer information se-

curity protection. We strictly adhere to the principle of lawful authorization by providing consumers with the option to consent to personal information collection, ensuring that user data is obtained through legal and transparent means upon receiving explicit consent. Furthermore, we uphold the "minimization" principle in data processing, keeping the collection and handling of user data to the minimum necessary scope required for business operations, and strictly limiting employees' operational permissions for personal information to their respective responsibilities, thereby tightening the "safety valve" for user data security from the source to prevent information compliance risks. The Company has successfully established precise return channels for customer data between the online system and the call system, relying on efficient and secure technical methods. System customer data is accurately and orderly returned to the relevant modules of the portal website, completing the closed-loop data return, and ensuring customer data security.

In terms of external cooperation, we also place high importance on data protection. By signing the *Network Security and Data Protection Commitment* or confidentiality agreements with partners, we urge them to maintain the same high-security standards as the Company during data processing, standardizing the entire data circulation process to ensure the effective protection of customer information. In addition, the Company's EC system for e-commerce channel platform data has obtained the Information System Security Level Protection Certification from the Ministry of Public Security, further enhancing the system's security and reliability.

- In 2024, Blue Moon did not have any **customer privacy breach incidents.**

# Responsible Supply Chain

Blue Moon has always adhered to the concept of responsible sourcing, striving to establish long-term, healthy, and mutually beneficial partnerships with suppliers. We continuously optimize the supplier lifecycle management mechanism, mitigate supply chain risks, and actively strengthen collaborative development with suppliers, working together to build a responsible supply chain.

## Optimizing Supplier Management

We continue to implement and optimize the full lifecycle management model from supplier admission to exit.

We have established a rigorous supplier admission evaluation process, conducted social compliance assessments for all raw material suppliers, and actively introduced excellent suppliers with sustainable development concepts. Based on this, we have implemented the annual social compliance assessment requirements for existing suppliers, continuously assessing their performance in social responsibility and environmental management systems, as well as potential risks on an annual basis. Meanwhile, this year we optimized the supplier admission certification process to better manage the risks in the supplier introduction process.



We continue to optimize the supplier performance evaluation system, review and update the *Supplier Performance Evaluation Model* annually, and promote suppliers' continuous improvement, enhancing the stability and reliability of supply and delivery.

- 1 We implement a graded management system for suppliers to continuously drive the improvement of their process control capabilities. In 2024, we focused on key elements such as the selection of upstream raw materials and process procedures by suppliers, and conducted quality inspections on 67 suppliers to effectively ensure the quality of raw material deliveries.
- 2 We continuously collaborate with suppliers to undertake improvement projects in areas such as raw material quality, technology, and services. In 2024, we carried out multiple improvement projects and engaged in systematic and professional communication at key project sites, fostering mutual progress. We achieved a win-win outcome with suppliers in areas such as quality improvement, cost reduction, and efficiency enhancement.



## Managing Supply Risks

We continuously improve our supply chain risk management system and process standards, establishing a risk management model to measure supply chain stability and continuity from multiple operational indicators. We conduct comprehensive risk identification and assessment from the perspectives of materials, suppliers, and production factories, creating a supply risk database that is regularly updated to ensure the effectiveness of our forecasts. By scientifically identifying potential risk factors that could lead to supply disruptions, analyzing the likelihood and impact of risks, and formulating targeted countermeasures, we aim to minimize the impact of extreme weather and other supply risks on the supply chain. For peak periods and long-distance supply situations, we ensure a steady supply through stockpiling, setting up forward warehouses, and cross-warehouse scheduling, employing multiple strategies to guarantee the reliability of production and supply.

## Advocating Responsible Procurement

We advocate for working with upstream and downstream partners to adhere to sustainable development principles, jointly promoting the procurement of green raw materials, and collectively fostering a green and sustainable industrial ecosystem to achieve the harmonious unity of economic, environmental, and social values.

We adhere to strict supplier social compliance assessments standards, evaluating the performance of raw material suppliers in areas such as environmental protection, chemical safety, occupational health, child labour and underage labour, forced labour, and business ethics. We also place particular emphasis on suppliers' performance in areas like diversity and equality, as well as energy conservation and emission reduction.

We incorporate energy conservation and emission reduction policies and measures as key audit items to encourage our suppliers to actively implement energy and greenhouse gas emission management. Based on mutual consensus, we collect greenhouse gas emission data from suppliers and jointly explore various possibilities for reducing greenhouse gas emissions.

In addition, we regularly carry out integrity advocacy work with our partner suppliers, including sending integrity promotional emails, issuing anti-corruption and integrity notices during major holidays, and fully promoting the *Blue Moon Group Code of Business Conduct* in 2024, to enhance suppliers' anti-corruption awareness and jointly create an honest, transparent, and efficient business environment.

- In 2024, we completed social compliance assessments for a total of 54 raw material suppliers, with

**96%** of them passing the evaluation.

## Promoting Win-win Cooperation

We actively promote win-win cooperation with our suppliers, committed to building a deep, open, and trust-based communication platform. Together, we exchange the latest industry trends, creating an ecosystem where upstream and downstream empower each other for collaborative development, co-creating diverse values.

In 2024, we hosted 39 specialized technical exchange events in collaboration with our partners. These sessions delved into the regulatory changes and response strategies in the daily chemical industry, with a particular focus on the development of sustainable raw materials and new technological trends. Together, we aim to drive high-quality, synergistic development across the industry chain.

## Driving Low-carbon Logistics Development

Blue Moon places great importance on the environmental impact of the logistics process. We continuously advance efforts to optimize transportation routes, promote the recycling of packaging and reusable materials, improve warehouse management, and enhance transportation efficiency. These initiatives aim to actively reduce carbon emissions and work towards creating a green, low-carbon logistics operation system.

This year, we have focused on reducing the product transportation damage rate. Multiple departments have collaborated to analyze the causes of product damage, implementing effective technical and management measures to lower the damage rate of packaged products during logistics transportation and reduce unnecessary resource waste and loss.

Case .....

### Collaborating with Suppliers to Create a Unique and Delightful Cleaning Experience for Consumers

To achieve diverse product functions such as "multi-dimensional odor removal" and "bacteria and mite removal", Blue Moon has collaborated closely with suppliers in areas such as new raw materials, new technologies, and raw material selection. Multiple specialized technical exchanges and seminars were conducted to innovate and apply new raw materials and technologies, focusing on solving laundry challenges for consumers, such as odor removal and bactericidal and mite-removal. This collaboration ultimately helped us achieve long-lasting antibacterial effects and a lasting fragrance in the newly launched Zhizun Biotech Liquid Laundry Detergent (multiple cleaning) and Multiple Cleaning Handwash Laundry Detergent, providing consumers with a unique and delightful cleaning experience.



## Sustainable raw material procurement

Blue Moon is deeply aware of the impact of procurement activities on climate change, environment, and society. We consistently adhere to the concept of green procurement and continue to explore greener, more environmentally friendly, and low-carbon solutions together with our suppliers. In the procurement process, we strictly comply with the *Raw Material Selection Guidelines* and the principles related to product development and design, insisting on procuring and using raw materials that meet green and safety standards.

In terms of packaging material procurement, we adhere to the concept of lightweight, green, and recyclable packaging materials and actively purchase more environmentally friendly packaging materials. Given the attributes of our product components, we do not directly use or purchase palm oil, but use some palm oil derivatives as raw materials. However, we actively monitor the industry developments related to Roundtable on Sustainable Palm Oil (RSPO) certification, while closely following technological innovations and development trends in fossil-based materials and alternative palm oil raw materials.

Case .....

### Recycling and Reusing Discarded Packaging Bottles within the Factory to Reduce the Procurement of Virgin Plastic

In 2024, we continued to collaborate with our supplier partners to carry out the recycling and reuse of discarded packaging bottles within the factory. By recycling and crushing the discarded packaging bottles to produce Post-Consumer Recycled (PCR) material, and adding it to the packaging of certain product lines of Blue Moon, we achieved the closed-loop recycling of discarded packaging bottles within the factory, reducing the procurement of virgin plastic.





# Seeking Green Development for Sustainable Operation

Green transformation and development is the global trend and the fundamental solution to addressing climate change. Blue Moon always integrates the concept of green development into every aspect of its production and operations, striving to reduce the environmental impact of operations and activities throughout the supply chain. We are dedicated to creating green products, continuously enhancing climate change adaptability, and accelerating the development of green, low-carbon new productive forces.

## Issues in This Chapter

Greenhouse Gas (GHG) Emissions, Clean Production and Water Resources Management, Climate Change Adaptation, Energy Transformation, Green Packaging and Raw Material Safety





# Green Products

Blue Moon is committed to incorporating environmentally friendly principles into every stage of a product' s lifecycle. We focus on the application and promotion of product concentration technology, enhancing the green and eco-friendly attributes of our products, and minimizing their environmental impact to the greatest extent. Our products have been consistently awarded authoritative certifications like China Green Product Certification, Certification of China Environment Labeling, and China Water Conservation Certification for several years, contributing to a green and low-carbon lifestyle.

As of December 31, 2024, the Group' s product certification counts are as follows:

- 49 products have obtained the "Certification of China Environment Labeling"
- 14 products have obtained the "China Water Conservation Certification"
- 29 products have obtained the "China Green Product Certification"
- 3 products have obtained the "Green Design Product Certification"

Blue Moon Products Certified with China Green Product Certification

# Green Manufacturing

Adhering to the environmental management system principle of "prevention from source, control at all stages", Blue Moon strictly complies with the *Environmental Protection Law of the People' s Republic of China* and the *Energy Conservation Law of the People' s Republic of China*, among other national and local regulations. By focusing on enhancing equipment efficiency, optimizing process technologies, and promoting clean energy, Blue Moon strives to reduce resources consumption and environmental impact, driving its factories to achieve "Green Manufacturing" series certifications.

## Case ..... Yonghe Factory was Certified as a National Green Factory

Following the recognition of Chongqing Factory and Tianjin Factory as National Green Factories, Yonghe Factory was also awarded this title in 2024 for its advanced practices in green manufacturing and sustainability.

At the Yonghe Factory, environmental protection is upheld as a fundamental principle throughout raw material selection, process design, and other key stages. We maintain strict control over environmental safety in product manufacturing and achieve energy conservation and consumption reduction through measures such as utilizing clean energy, establishing waste heat recovery systems, upgrading equipment, and advancing technology.

Looking ahead, Blue Moon will continue to drive the green manufacturing process, promote the experience gained from green factory construction, and further strengthen its role as a model enterprise in sustainable manufacturing.

Blue Moon (China) Co., Ltd. and all its product manufacturing factories have obtained

## ISO 14001

Environmental Management System certification

The Yonghe Factory, Tianjin Factory, Kunshan Factory, and Chongqing Factory have achieved

## ISO 50001

Energy Management System certification

- The Guangzhou Factory, Yonghe Factory, Tianjin Factory, and Kunshan Factory have been certified for Cleaner Production
- The Yonghe Factory, Tianjin Factory, and Chongqing Factory have been recognized as National Green Factories
- The Guangzhou Factory, Yonghe Factory, Tianjin Factory, Kunshan Factory, and Chongqing Factory have all passed the Zero Waste Factory certification
- The Guangzhou Factory, Yonghe Factory, Tianjin Factory, Kunshan Factory, and Chongqing Factory have been recognized as Water-Saving Enterprises



## Enhancing Resource Efficiency

Blue Moon actively responds to the call for building a resource-saving society, optimizes resource management models and enhances resource management capabilities through digital means, actively introduces advanced energy-saving technologies, carries out effective water-saving actions, and promotes the optimal allocation and sustainable utilization of production resources. We have accelerated the construction and promotion of distributed photovoltaic systems, continuously increasing the proportion of clean energy usage, and laying a solid foundation for green operations.

### Objectives for Energy Use

By 2030

- High-efficiency equipment accounts for **more than 98%**
- **Build and put into operation photovoltaic power generation equipment** in factories
- Renewable electricity use accounts for **more than 50%** of factories
- Phase out self-owned boilers to produce steam in **more than 50%** of factories



### Implementing energy management

Blue Moon product manufacturing factory has established a comprehensive energy management system. We have established and implemented regulations such as the *Resource and Energy Control Procedures*, the *Electricity Use Management Standard*, the *Comprehensive Management Standard of Energy Conservation and Emission Reduction*, and the *Equipment Management Standard* to continuously optimize management measures and regulate energy use. Based on actual business development and needs, we set energy usage goals, establish clear energy control measures, and continuously improve energy usage efficiency and management levels.

We have formulated and implemented the *Equipment Scheme Management Process*, insisting on prioritizing the procurement of high-efficiency, energy-saving, and low-emission equipment. In 2024, the Tianjin Factory replaced 10 high-energy-consuming pieces of equipment. Meanwhile, we focus on waste heat utilization. Building on the successful implementation of condensate water reuse at the Tianjin, Kunshan, and Chongqing factories, we continue to expand the scope and depth of waste heat utilization. We have added the reuse of steam condensate water for heating at the Yonghe Factory, which is then used in the intermediate water pool of the sewage station, increasing water temperature and ensuring the effectiveness of sewage treatment.

We have established a comprehensive energy consumption management process and have promoted the use of the Energy Management System (EMS) across all factories to monitor water, electricity, and gas consumption in real-time at production sites. By combining real-time monitoring with regular inspections, we monitor and assess the operational status and energy intensity of critical energy-consuming equipment. Under the premise of ensuring stable equipment operation, we optimize equipment operating strategies and carry out specialized energy management improvement initiatives to deeply explore energy-saving and carbon reduction potential, further optimizing energy usage efficiency. Since October 2024, we have focused on adjusting and optimizing the operation and shutdown strategies of air compressors to enhance their efficiency at the Tianjin, Kunshan, and Yonghe factories. Despite an 8.4% year-on-year increase in production, the total electricity consumption of the air compressors decreased by 9.8%.

- As of December 2024, the proportion of high-efficiency equipment in Blue Moon reached

**98%**

### Optimizing energy structure

We continue to expand the sources of renewable electricity and actively promote the application of photovoltaic power generation projects, implementing photovoltaic projects in phases across various factories. In 2024, the photovoltaic project at the Tianjin Factory achieved a 20% capacity increase and was successfully connected to the grid for power generation. The Yonghe Factory and Kunshan Factory have respectively initiated photovoltaic power generation project constructions, expected to be officially operational by 2025, with an annual power generation capacity exceeding 2,800 MWh. Meanwhile, we have newly introduced solar-powered street lights at the Yonghe and Kunshan factories, saving approximately over 4,000 kWh of electricity annually, and continuously increasing the proportion of clean energy usage.

- In 2024, the photovoltaic power generation at the Tianjin Factory totaled

**676.5 MWh**

**with a photovoltaic power utilization rate of 98.17%**

- In 2024, the Guangzhou Factory purchased

**450 MWh** of green electricity

- while the Yonghe Factory purchased

**330 MWh** of green electricity

## Improving water efficiency

Blue Moon places great importance on the management and efficient utilization of water resources. We strictly comply with the *Water Law of the People's Republic of China* and related regulations, formulate and implement the *Water Management Standards*, and are guided by water resource management objectives to clearly define various requirements for water resource management. We are orderly advancing multiple water-saving initiatives to promote the recycling of water resources. The water resources we use in production and operations mainly come from municipal water supply, and the selection of water sources has no significant impact on the environment.

We have equipped fourth-level smart meters, automatically monitoring, recording, and analyzing water usage data at each stage through the EMS system, thereby optimizing scheduling and management. We conduct comprehensive water usage analyses across all factories, formulate "One Factory, One Strategy", continuously advance the three-year water conservation plan, and organize quarterly water-saving meetings to review the implementation and effectiveness of water-saving measures. In 2024, various factories completed 45 water-saving initiatives, saving 21,476 tonnes of water and reducing sewage discharge by 6,403 tonnes.

We focus on source control, selecting efficient water production process equipment, replacing water-saving fixtures, adopting sanitary process system designs, and optimizing cleaning processes to achieve water conservation



### Objective for Water Management

By 2030

- the water utilization ratio in all product manufacturing factories will be improved by **25%** compared to 2020



at the source. For water treatment units, we establish clear water production rate management goals. Each factory improves the water production rate through equipment maintenance, optimization of process parameters, etc., saving production water usage.

We value the recycling of water resources. Our production process is equipped with systems for concentrated water reuse, reclaimed water reuse, and rainwater collection. By collecting, purifying, and reusing water that was previously directly discharged, we effectively achieve the recycling of water resources. In 2024, the reclaimed water recycling system at the Kunshan Factory was successfully put into operation, enabling advanced treatment and recycling of wastewater.

### Case .....

#### Establishing a Reclaimed Water Project to Promote Water Resource Recycling

In 2024, the Kunshan Factory completed and put into operation the reclaimed water reuse project. The project utilizes advanced treatment processes, ensuring the reclaimed water quality meets the relevant standards. Reclaimed water is primarily used for pre-cleaning equipment in workshops, enhancing recycling efficiency and reducing wastewater discharge.

- In 2024, all of Blue Moon's product manufacturing factories saved a total of

**21,476**tonnes of water

- In 2024, all of Blue Moon's product manufacturing factories recycled a total of

**26,188**tonnes of concentrated water

- In 2024, all of Blue Moon's product manufacturing factories reused a total of

**4,272**tonnes of reclaimed water

## Strictly Controlling Emission Management

Blue Moon strictly adheres to relevant national environmental protection laws and regulations. We have established management systems such as the *Environmental Protection Management Standard*, and the *Environmental Monitoring Management Procedure*. We rigorously controls the generation and discharge of pollutants, promotes source reduction and comprehensive utilization, and strives to minimize the environmental impact of production operations. In 2024, the Company revised the *Environmental Factor Impact Assessment Control Procedures* and added a management control plan for significant environmental factors, further enhancing the effectiveness and enforcement of the environmental management system. During the Reporting Period, the Company's various business activities did not have significant impacts on the environment and natural resources, and no incidents violating environmental protection laws and regulations occurred.

### Objective for Exhaust Gas Management



By 2030

- we will achieve a **25%** reduction in exhaust gas emissions per unit of product manufactured in all product manufacturing factories compared to 2020

### Exhaust gas management

We comply with the laws and regulations related to exhaust gas emissions in each operation location and have formulated management systems such as the *Standardized Management Specification for Exhaust Gas Treatment* and the *Key Control Points for the Operation of Exhaust Gas Treatment Facilities* to ensure compliant exhaust gas emissions. The Company implements unified standardized management and standardized operations for exhaust gas treatment equipment. Detailed tracking checklists have been established for exhaust gas emission sources such as VOCs and kitchen fumes, ensuring continuous rectification, follow-up, and review of exhaust gas treatment work. Meanwhile, we have set a regular replacement cycle for activated carbon in exhaust gas treatment facilities to ensure the long-term stable operation of the equipment.

To further reduce exhaust emissions, Blue Moon actively promotes the upgrading and phasing out of boilers in its product manufacturing factories, effectively lowering emissions by replacing outdated boilers. By the end of 2024, the Guangzhou, Yonghe, and Kunshan factories had all adopted municipal pipeline steam heating, effectively reducing pollutants such as particulate matter, nitrogen oxides, and sulfur dioxide emitted by traditional gas boilers. This initiative reduced exhaust emissions at the source, making a positive contribution to environmental protection.

### Wastewater management

Blue Moon has established several regulations including the *Standardized Management Specification for Sewage Stations*, the *Operating Methods and Key Control Points for Daily Operation Management of Sewage Treatment*, and the *Standards for Testing Key Control Parameters of Sewage Treatment*. These regulations set clear requirements for the source, treatment, and reuse of production wastewater, ensuring stable operation of factory sewage treatment stations, implementing comprehensive environmental monitoring throughout the process, and guaranteeing standardized and efficient treatment procedures.

In 2024, we revised the *Specifications for the Use of Raw and Auxiliary Materials in Wastewater Treatment Systems*, adding specific contents for the verification management of raw and auxiliary materials in wastewater treatment systems, thereby further ensuring the compliance of material usage and the effectiveness of wastewater treatment.

In 2024, each factory launched special initiatives to meet the discharge requirements of their respective facilities. By implementing optimization measures, they pushed the effluent quality of wastewater stations to meet the Class A standards, further reducing the environmental impact of water discharge pollutants and laying the groundwork for future reclaimed water utilization.

### Objective for Wastewater Reduction



By 2030

- wastewater emission per unit output in all product manufacturing factories will be reduced by **15%** compared to 2020

- In 2024, the Company continued to explore and implement new water-saving initiatives in production, resulting in a total reduction of

**6,403 tonnes**  
of production wastewater discharge

# Sustainable Packaging

Blue Moon follows the action strategy of reducing, reusing, recycling, and renewing packaging materials, committed to advancing sustainable packaging throughout the entire chain from design, manufacturing, and use to disposal. At the source, we prioritize the use of environmentally friendly materials and streamline packaging design. During production and transportation, we reduce the usage of various packaging materials through continuous technological innovation and management optimization. At the end of the process, we collaborate with partners for plastic packaging reuse, conduct extensive awareness campaigns for employees and consumers, and enhance environmental consciousness, striving to achieve the greatest extent of "turning waste into treasure" while pursuing both environmental and economic benefits.

## Greener packaging materials

Blue Moon adopts a green, eco-friendly, and simple design, ensuring that packaging design minimizes the use of resin and plastic to the greatest extent while maintaining product performance. We prioritize the use of environmentally friendly materials and research the application of biodegradable and recyclable eco-friendly plastic material APET in packaging materials. We are accelerating the full replacement of APET, gradually replacing PVC tape with masking tape, and promoting the use of single-material packaging and labeling materials. We avoid the use of plastic packaging materials and continuously enhance the environmental friendliness of our packaging materials.

## Waste management

Blue Moon adheres to the management philosophy of "reducing waste at the source, making the most of re-sources, and promoting full recycling", strictly follows the *Integrated Solid Waste Management Standard*, the *Hazardous Waste List*, and other related systems, promoting standardized waste management. In 2024, the Company refined two important management systems. By revising the *Integrated Solid Waste Management Standard*, we added pathways for the treatment of non-recyclable solid waste with undetermined disposal methods, further improving the waste management system. The Company also revised the *Soil Environmental Protection Management System*, adding requirements for the inspection and management of soil environmental protection, effectively preventing potential environmental risks.

### Objective for Waste Management

By 2030

- we will achieve a **25%** reduction in the production of solid waste per unit of product in all product manufacturing factories compared to 2020

We implement a real-time ledger registration system for waste in and out, detailing the types, properties, quantities, and treatment methods of waste to ensure the accuracy and traceability of information. By clarifying the management standards for various types of waste, Blue Moon recycles recyclable waste and strictly supervises the disposal of hazardous waste to ensure that waste is handled in a compliant and safe manner.

### General waste

We continuously promote the recycling and resource utilization of waste generated from daily operations. Through recycling methods such as cardboard reuse, we strengthen the management of turnaround materials and continue to advance effective measures such as sludge reduction in product manufacturing processes.

In 2024, **100%** of the Sludge from the Guangzhou, Yonghe, Tianjin and Kunshan factories had been successfully recycled and utilized

### Hazardous waste

We strictly comply with the latest national laws and regulations, promptly updating the hazardous waste inventory and ensuring full compliance in all stages including generation, collection, labeling, storage, and transportation. During waste disposal, we ensure that all disposal units possess the necessary professional qualifications, and we regularly verify and follow up on their processes to guarantee safe and reliable disposal. Additionally, we conduct annual emergency drills for sudden environmental incidents such as hazardous waste leakage, ensuring timely and effective responses to potential environmental risks. In 2024, the Company organized 13 emergency drills for incidents like hazardous waste leakage.



## Reducing and lightweighted packaging

We continuously optimize packaging processes to reduce the overall usage of packaging materials. By adopting lightweight and more functional packaging solutions, we effectively decrease excessive packaging and unnecessary resource waste. In 2024, we continued our efforts to reduce plastic in packaging. By eliminating the use of transparent tape in products supplied through dedicated and e-commerce channels, and by improving the packaging methods for e-commerce shipments, we further reduced the reliance on plastic tape and bubble wrap, thereby lowering our dependency on plastic packaging. Additionally, we enhanced the design of product bottle caps to reduce the use of sleeves in the packaging process, thereby improving environmental performance.

In addition, we introduced online carton printing equipment to replace paper labels with printed codes, reducing the use of blank thermal paper labels. We also upgraded ink coding machines to laser coding machines, minimizing ink usage during the label printing process. We continuously optimized the materials and structure of cartons and inserts to reduce the amount of paper packaging materials used.

In 2024, Blue Moon achieved the following reductions:

- Reduced cardboard box usage by **371.4 tonnes**
- Reduced PVC tape usage by **1.776 million meters**
- Reduced bubble bag usage by **121,000 square meters**
- Reduced thermal paper blank label usage by **1.264 million pieces**
- Reduced cotton sleeve usage by **22.68 million units**

## Packaging material recycling

We continuously explore and promote the recycling of packaging materials, actively research the application of PCR technology, and closely collaborate with suppliers to jointly advance the recovery and reuse of discarded packaging bottles within factories.

## Enhancing environmental awareness

We actively collaborate with various stakeholders to promote environmental actions, increasing awareness among employees and the public about plastic packaging recycling and reuse. For consumers, we have placed a "recyclable mark" on product packaging to guide proper recycling. Additionally, we promote refill solutions, encouraging the reuse of packaging bags, pump heads, and stands. By offering more economical products, we aim to stimulate consumer participation in environmental protection, popularize green living concepts, and improve packaging efficiency. Internally, we regularly organize "Recycling Green Booth" activities to strengthen employees' sense of responsibility.

As of December 2024, "Recycling Green Booth" collected a total of 1.7 tonnes of recyclable materials, including a variety of recyclable resources such as yellow cardboard, plastics, and metals.

Case .....

### Strongly Advancing Cardboard Box Recycling

In 2024, with the significant growth in the e-commerce business scale, we continued to push forward with paper recycling efforts. By establishing the *Recycling Box Recovery and Use Process*, we clarified the work requirements for each link and department, enhancing the smooth operation of the process. By adding new types of recycled cardboard boxes, we increased promotion to various e-commerce warehouses and front warehouses. Over 7 million cartons were recycled throughout the year.



## Addressing Climate Change

Facing the challenge of global climate change, every step we take is crucial. Blue Moon actively promotes the construction of a carbon management system, establishes a scientific climate risk assessment mechanism, comprehensively identifies and responds to climate risks and opportunities, and deeply assesses the potential impact of climate change on raw material supply, production operations, and market demand. Improve response capabilities from the dimensions of target management, and action measures, and enable green and low-carbon development with practical actions.

### Carbon Emissions Data Research

We deepened carbon emission management and product carbon footprint certification, continuously optimized the corporate carbon emission management system, and actively carried out carbon emission accounting across the entire value chain. Based on the accounting results and referring to product carbon footprint data, we have identified key areas of focus in carbon reduction work, ensured that carbon reduction actions are coordinated with business development, and laid the foundation for scientifically formulating "dual-carbon" goals and planning a carbon reduction roadmap.

We regularly review and optimize aspects such as emission source identification, emission factor setting, and the quantification of greenhouse gas emissions to enhance the scientific accuracy and standardization of our carbon emission data management. In accordance with ISO 14064-1:2018 standards, we conduct greenhouse gas inventories for all our product manufacturing factories, creating carbon emission comparison data for a four-year period (2020-2023) and gaining an initial understanding of factory carbon emission intensity and its trends. This year, we optimized the calculation method for greenhouse gas emissions from logistics transportation based on business types and specific scenarios, ensuring that the quantification process better aligns with business conditions and providing data support for the effective identification, management, and optimization of high-emission areas during actual operations.

In addition, we actively carry out product carbon footprint certification, analyzing the carbon emissions at each stage of the product lifecycle to identify the potential for emission reduction. To minimize the environmental impact of the product throughout its entire lifecycle, we will focus on the upstream raw material stage, continuously researching its impact on the product's carbon footprint, and gradually implementing relevant improvement measures.

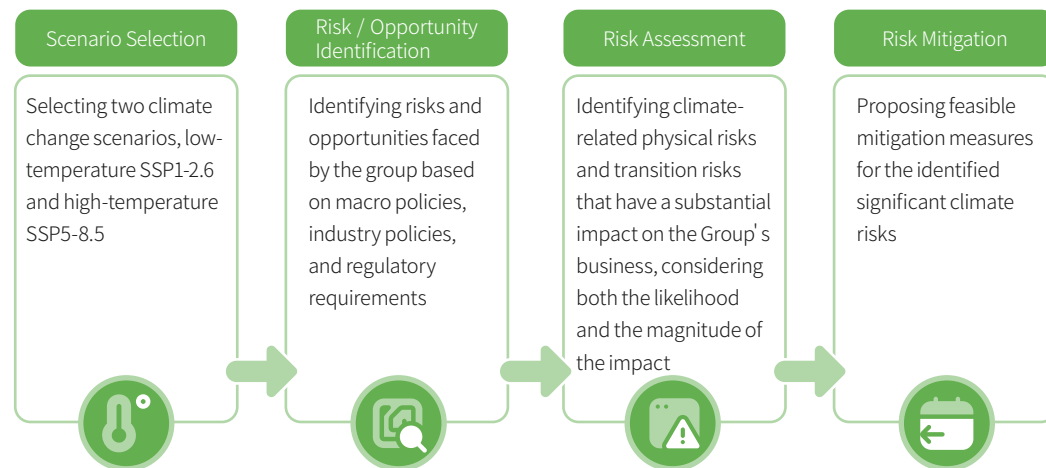
As of 2024, Blue Moon has obtained a **"Product Carbon Footprint Certification Certificate"** issued by the Guangzhou CEPREI Certification Body for four products.

## Climate Risks and Opportunities

As extreme weather events become more frequent and climate risks intensify, addressing climate change has become a global consensus. Blue Moon actively faces the complex challenges posed by climate change, building a comprehensive climate risk management process. We systematically identify and assess related risks and potential opportunities. By establishing a climate assessment matrix, we provide strong support for the formulation of scientific action strategies, helping ensure the sustainable and steady development of our business.

### Climate change risk management

Blue Moon continues to improve its climate risk management system and has established a comprehensive climate risk assessment and management mechanism, forming a closed-loop management process of identification, evaluation, response, and prevention. We invite professional third-party consulting organizations to conduct special lectures on climate risks and opportunities for the Company's management team. Each year, we organize climate risk-related training for board members to enhance their understanding of climate change risk management. At the same time, the Company regularly holds climate change-themed seminars, collaborating with various relevant departments to discuss climate action strategies, comprehensively improving the ability to address climate risks and actively seizing potential climate opportunities.

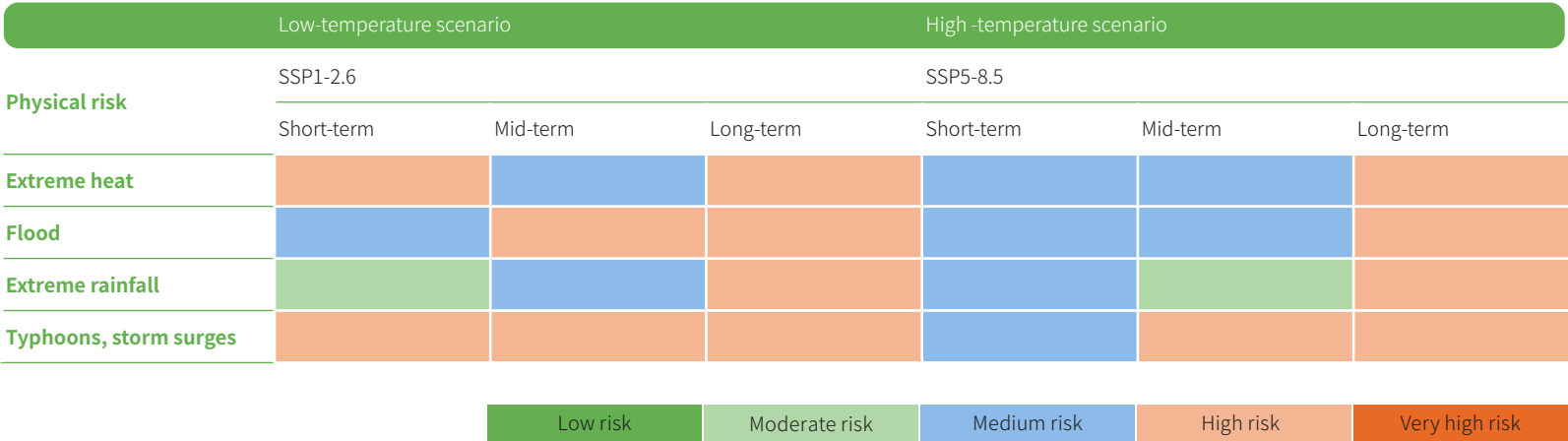


### Climate risk assessment results

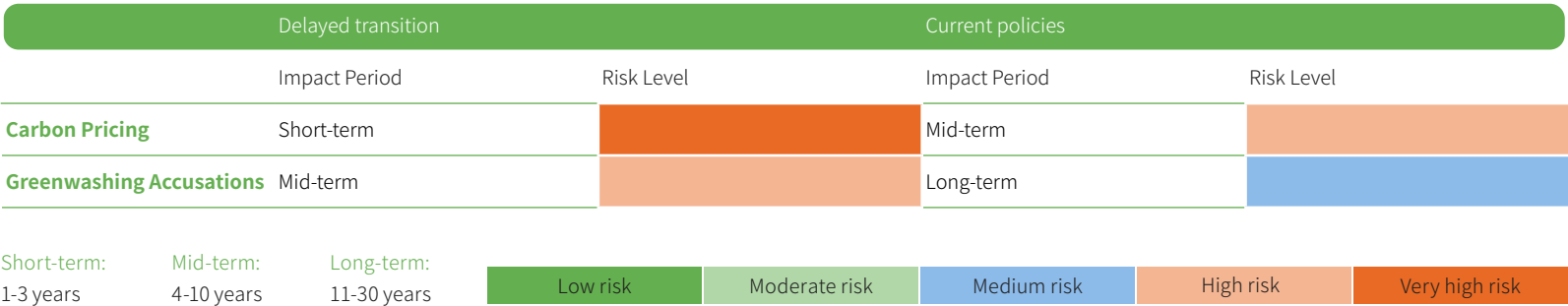
We continuously evaluate climate risks, combining macro policies, industry regulations, and regulatory requirements to identify the main risks and opportunities currently faced by Blue Moon. By assessing the likelihood, severity, and impact of these risks, we accurately pinpoint the climate-related physical and transition risks that have a material impact on the Group's business under both low-temperature and high-temperature scenarios.

We have identified 4 physical risks and 2 transition risks. Based on the severity of these risks across different scenarios and timeframes, we have created a climate risk heatmap, providing a scientific foundation for the Group's response strategies.

#### Physical Risk Heatmap



#### Transition Risk Heatmap





# Key Risks and Opportunities

Blue Moon deeply understands the profound impact of climate risks and opportunities on operations. We actively respond to the six identified climate change risks in the assessment, while focusing on three climate change transition opportunities. We are committed to integrating these opportunities into daily operations and long-term strategic planning to proactively adapt to the industry’s transformation trends.

## Key Physical Risks

Risk Category	Risk Name	Impact on Value Chain Stage	Impact Period	Risk Impact	Mitigation Measures
Acute Risk	Flooding	Raw Material Supply	High-temperature scenario: Long-term	➢ If the frequency and intensity of flood disasters increase, it will have adverse effects on the growth, processing, and transportation of raw materials required for production.	➢ A dedicated research team has been established to analyze extreme weather conditions and develop response measures to mitigate their impact.
		Factory Production	Low-temperature scenario: Long-term	➢ Floods may inundate low-lying areas, causing damage to items or facilities; A large inflow of surface water into the sewage network can lead to blockages, affecting the discharge of wastewater from the factory area.	➢ An emergency flood prevention plan has been formulated, along with the establishment of an emergency management team that conducts regular emergency drills.
		Warehousing Logistics		➢ Traffic disruptions caused by flooding may increase transportation costs.	➢ Indoor low-lying areas have been elevated, waterproof panels and drainage pumps have been installed at basement entrances, and the effectiveness of flood prevention facilities is regularly inspected.
					➢ A high-capacity water storage pool has been built to prevent wastewater overflow from the factory.
Acute Risk	Extreme Heat	Raw Material Supply	High-temperature scenario: Long-term	➢ Persistent high temperatures may negatively impact the supply chain of upstream raw materials required for production.	➢ A dedicated research team has been established to analyze extreme weather conditions and develop response measures to mitigate their impact.
		Factory Production	Low-temperature scenario: Long-term	➢ Extreme heat leads to increased demand for cooling, resulting in higher electricity expenses. Increased potential risks to the health and safety of outdoor workers.	➢ A heatstroke emergency response plan has been formulated, along with the establishment of an emergency management team that conducts regular emergency drills.
		Warehousing Logistics		➢ Hot weather poses challenges to the management of warehouse goods and personnel, leading to increased warehouse management costs.	➢ Safety measures for high-temperature operations have been implemented, including providing cooling supplies and adjusting working hours.
Acute Risk	Extreme Rainfall	Raw Material Supply	High-temperature scenario: Long-term	➢ The frequency and intensity of extreme precipitation will increase, affecting the growth of crops, and thereby impacting the supply of raw materials needed for production.	➢ A dedicated research team has been established to analyze extreme weather events and develop response measures to mitigate their impact.
		Factory Production	Low-temperature scenario: Long-term	➢ Extreme precipitation can cause a large amount of surface water to flow into the sewage network, leading to blockages and affecting the discharge of wastewater from the factory area.	➢ A large-capacity water storage tank has been built to prevent wastewater overflow in the factory area.
		Warehousing Logistics		➢ In the event of extremely heavy rainfall, it may lead to increased environmental humidity or rainwater leakage, resulting in moisture damage to stored goods and materials.	➢ Weather forecasts are closely monitored to track rainfall conditions, assess the risk of extreme precipitation events in advance, and implement preventive measures.
					➢ A heavy rainfall emergency response plan has been developed, an emergency management team has been established, and regular emergency drills are conducted.
Acute Risk	Typhoons, Storm Surges	Raw Material Supply	High-temperature scenario: Long-term	➢ Typhoon disasters can affect the growth and harvesting of upstream raw materials needed for production, causing fluctuations in raw material supply.	➢ A dedicated research team has been established to analyze extreme weather events and develop response measures to mitigate their impact.
		Factory Production	Low-temperature scenario: Long-term	➢ Power outages caused by typhoons may impact production schedules while accompanying strong winds can damage buildings and outdoor facilities.	➢ A typhoon emergency response plan has been formulated, along with the establishment of an emergency management team and regular emergency drills.
		Warehousing Logistics		➢ Traffic disruptions due to typhoons may increase transportation costs.	➢ Quality and wind resistance assessments are conducted for buildings and facilities.
					➢ Weather warnings are closely monitored, allowing for flexible route adjustments or adaptive transportation strategies.



## Key Transition Risks

Risk Category	Risk Name	Impact on Value Chain Stage	Impact Period	Risk Impact	Mitigation Measures
Policy and Legal	Carbon Pricing	Factory Production		As the carbon trading market gradually matures and carbon assets become more widespread, carbon pricing has become an important tool for governments to regulate corporate carbon emissions and carbon management. If companies fail to pay timely attention and take action, such as strengthening carbon asset management and implementing internal carbon pricing mechanisms, they may face compliance pressures due to inadequate preparation once compliance requirements are fully enhanced.	We implement distributed photovoltaic and other new energy projects to reduce carbon emissions and strengthen internal carbon asset management.  With the increasing maturity of China's carbon trading market and the improvement of the CCER mechanism, it is necessary to closely monitor the dynamics of the carbon market, establish close connections with enterprises possessing relevant project development capabilities, and explore potential cooperation opportunities.
		Upstream and Downstream Supply Chain	High-temperature scenario: Mid-term		
		Warehousing Logistics Investor	Low-temperature scenario: Short-term		
Reputation Risk	Greenwashing Accusations	Investors		Public concern over corporate environmental responsibility is growing, leading to higher demands for the authenticity and accuracy of companies' environmental disclosures. If a company fails to adopt appropriate methods for publicly disclosing environmental information, it may lead to public misunderstanding of the Company's environmental performance, potentially risking accusations of greenwashing from investors and the public, which could negatively impact the brand's reputation and image.	We implement strict review of disclosed information to ensure its authenticity and reliability, fostering a responsible corporate image.  We enhance the standardization of carbon emission data management to ensure the accuracy and traceability of the data.
		General Public	High-temperature scenario: Long-term		
		Employees	Low-temperature scenario: Mid-term		
		Upstream and Downstream Supply Chain			

## Key Transition Opportunities

Opportunity Category	Opportunity Name	Impact on Value Chain Stage	Impact Period	Opportunity Impact	Mitigation Measures
Opportunity	Resource Efficiency	Raw Material Suppliers	High-temperature scenario: Long-term	Energy is one of the primary indirect costs of operation for enterprise factories. Improving the efficiency of energy, water, and waste management will mitigate the impact of risks related to fossil energy and resource supply, ultimately reducing operational costs in the medium to long term.	We establish resource management systems to enhance the overall energy consumption of equipment and ensure effective management of energy use, control, and optimization. Meanwhile, gradually upgrade production processes and equipment to improve water resource utilization.
		Factory Production	Low-temperature scenario: Long-term		
Opportunity	Products and Services	General Public		With the green transformation of consumer attitudes, consumers are increasingly favoring environmentally friendly products. Companies should take the initiative to seek change, innovate in products and services, and enhance their responsiveness to shifts in consumer preferences, thereby seizing new opportunities for market expansion and sales growth.	We continue to develop environmentally friendly products, reduce the impact of products on the ecological environment, promote product concentration, and reduce the use of packaging materials per unit product. Meanwhile, pay attention to the optimization of product packaging and improve the recyclability of packaging materials. Continue to develop and promote lightweight, recyclable packaging materials.
		Upstream and Downstream of the Supply Chain	High-temperature scenario: Long-term		
		Employees	Low-temperature scenario: Long-term		
Opportunity	Market	Investors	High-temperature scenario: Long-term	Paying close attention to and participating in carbon trading and green finance markets, reducing sensitivity to changes in regulatory costs, and obtaining lower-cost project funds will help companies improve their competitiveness and gain more development opportunities.	We continuously monitor the dynamics of the carbon market and strategically plan carbon trading strategies in advance. We also focus on the low-carbon potential of corporate energy-saving technological upgrades and photovoltaic installation projects.
		General Public	Low-temperature scenario: Long-term		

In 2024, based on the aforementioned risk/opportunity assessment results, Blue Moon further conducted a financial impact quantification analysis, providing a reference for the Company to formulate risk mitigation strategies and seize business growth opportunities. We collaborated with a third-party consulting team to map identified physical and transition risks to the core segments of Blue Moon's value chain and conducted an in-depth analysis of the potential financial impact of these risk factors on key stages of the value chain.



# Environmental Goals and Progress

Blue Moon actively practices ESG principles. To promote sustainable development, we have set ESG-related goals and regularly track progress to ensure steady and orderly improvement in ESG performance. We set 2030 as the target year and have established quantitative targets in energy use, greenhouse gas emissions, water resource management, wastewater management, exhaust gas management, and waste management. In 2024, our progress is as follows:

Dimension	Goals and Progress
Energy use	<ul style="list-style-type: none"><li>➤ <b>Goal 1:</b> By 2030, achieve a proportion of high-efficiency equipment exceeding 98%</li><li>○ Factories have developed plans to replace high-energy-consuming equipment with high-efficiency ones: The current proportion of high-efficiency equipment is 98%, and it is expected to exceed 98% by 2026, allowing the target to be achieved ahead of schedule.</li><li>➤ <b>Goal 2:</b> By 2030, construct and commission photovoltaic power generation equipment in factories</li><li>○ In 2024, the distributed photovoltaic project at the Tianjin Factory was officially put into operation. Meanwhile, photovoltaic projects at the Yonghe Factory and Kunshan Factory have entered the project approval and construction phase, with official operation expected in 2025.</li><li>➤ <b>Goal 3:</b> By 2030, ensure that renewable energy usage in factories exceeds 50%</li><li>○ Expansion of renewable energy sources, including solar power and green energy procurement:<ul style="list-style-type: none"><li>1. In 2024, the photovoltaic project at the Tianjin Factory generated a total of 676.5 MWh of electricity;</li><li>2. In 2024, the Guangzhou Factory procured 450MWh of green electricity, while the Yonghe Factory procured 330MWh, with the proportion of renewable energy gradually increasing;</li><li>3. Throughout 2024, the total usage of renewable energy amounted to 1,445MWh, accounting for 6.2% of the total energy consumption.</li></ul></li><li>➤ <b>Goal 4:</b> By 2030, ensure that over 50% of factories do not use self-owned boilers for steam production</li><li>○ The Guangzhou, Yonghe, and Kunshan factories have fully transitioned to using externally purchased steam, achieving a 60% adoption rate, thus achieving the target.</li></ul>
	<ul style="list-style-type: none"><li>➤ <b>Goal 5:</b> By 2030, achieve a 30% reduction in greenhouse gas emissions per unit of product compared to 2020</li><li>○ Conducting a full lifecycle carbon audit to identify the proportion of carbon emissions from raw material acquisition and processing, and conducting research on the impact of upstream raw materials on the product's carbon footprint;</li><li>○ Utilizing energy-saving technologies and digital tools to improve energy efficiency, optimize equipment operation, deploy and promote photovoltaic power generation, and continuously reduce greenhouse gas emissions during the production stage;</li><li>○ In 2024, the greenhouse gas emissions per unit of product within Scope 1 and 2 decreased by more than 36.0% compared to 2020, and the goal has been achieved.</li></ul>

Dimension	Goals and Progress
Water resource management	<ul style="list-style-type: none"><li>➤ <b>Goal 6:</b> By 2030, achieve a 25% improvement in water resource utilization rates across all product manufacturing factories compared to 2020</li><li>○ We implemented the "One Factory, One Strategy" special water-saving action plan conducted water usage analysis, and developed action plans for water conservation measures. In 2024, 45 water conservation measures have been completed.</li><li>○ In 2024, the water resource utilization rate increased by 22.1% compared to 2020, driving the orderly achievement of the goal.</li></ul>
Wastewater reduction	<ul style="list-style-type: none"><li>➤ <b>Goal 7:</b> By 2030, achieve a 15% reduction in the discharge of wastewater per unit of production across all product manufacturing factories compared to 2020</li><li>○ Effectively reduce wastewater discharge through technologies such as concentrated water reuse, reclaimed water reuse, and rainwater collection and reuse.</li><li>○ A 33.2% reduction in production wastewater discharge per unit of output was achieved in 2024 compared to 2020, and the goal has been achieved.</li></ul>
Exhaust gas management	<ul style="list-style-type: none"><li>➤ <b>Goal 8:</b> By 2030, reduce the exhaust gas emissions per unit of product produced by all product manufacturing factories by 10% compared to 2020 25%</li><li>○ An 87.0% reduction in production exhaust gas emissions per unit of product was achieved in 2024 compared to 2020, and the goal has been achieved.</li></ul>
Solid waste management	<ul style="list-style-type: none"><li>➤ <b>Goal 9:</b> By 2030, achieve a 25% reduction in solid waste disposal per unit of product produced in all product manufacturing factories compared to 2020</li><li>○ The sludge from Guangzhou Factory, Yonghe Factory, Tianjin Factory, and Kunshan Factory has been utilized as resources.</li><li>○ A 30.1% reduction in solid waste emission per unit of product produced in 2024 compared to 2020 has been achieved, and the goal has been achieved.</li></ul>

# 04

## Advancing Together with Employees in Unison

Talent means the future. At Blue Moon, we regard talent as our most vital strategic resource and invaluable asset. Upholding a "people-oriented" employment philosophy, we are committed to respecting and valuing our employees by safeguarding their fundamental rights, prioritizing their physical and mental well-being, and fostering their growth and development. We strive to build a shared career community where every dedicated individual can achieve professional fulfillment. By aligning corporate progress with talent value enhancement, we work hand in hand to create a sustainable and prosperous future.

### Issues in This Chapter

#### Employee Care and Development





## Employer Brand Awards Received by Blue Moon in 2024

In 2024, Blue Moon's employer image continued to be recognized by multiple professional human resources organizations, earning several prestigious employer brand awards.



**2024 China's Best Employer Award - Best Employer in Guangzhou**  
ZHAOPIN.COM



**2024 Guangdong Annual Work Different Employer**  
LIEPIN

We value the employment rights of female employees and actively strive to create an equal and suitable work environment. We ensure that all employees are treated fairly in terms of compensation and career development, without any gender bias.☑

We continue to pay attention to the employment of college students. In 2024, we cooperated with many well-known universities across the country in campus recruitment activities and further deepened cooperation with target colleges and universities to efficiently help college students achieve better employment.



Corporate Presentation Event

*Protection Management System, and the Conflict of Employee Interest Management System*, to ensure that the legitimate rights and interests of employees in key areas such as recruitment, career development, compensation and benefits, and health and safety are fully protected.

We strictly comply with laws and regulations such as the *Law of the People's Republic of China on the Protection of Minors*, *Provisions on the Prohibition of Using Child Labour* and the *Labour Law of the People's Republic of China*, resolutely preventing any form of child labour and forced labour. We firmly uphold the legitimate rights and interests of our employees and strictly prohibit any illegal or irregular punitive actions or forced labour. If any cases of employing child labour or forced labour are discovered, we will immediately terminate the employment relationship with the relevant individuals and promptly take management measures to hold them accountable. During the recruitment process, we conduct rigorous checks to ensure that we do not hire minors under the age of 16. In 2024, the Company was not involved in any violations regarding child labour or forced labour.

Blue Moon advocates an inclusive enterprise culture where employees are treated equally regardless of factors such as ethnicity, gender, religion, age, health status, or nationality. We have a "zero-tolerance" policy towards any form of discrimination and harassment. Any misconduct, once identified, will be immediately addressed and corrected.

○ Total number of employees

**7,406**

Percentage of female employees: 51%

Percentage of female directors: 50%

Percentage of female managers in management: 43%

# Protecting Employees' Rights and Interests

Blue Moon continuously attracts and discovers outstanding talent. We adhere to the principle of equal employment, improve the compensation and benefits system, deepen the development of a diverse and inclusive workplace, and ensure smooth communication channels for employees. We provide an equal and harmonious work environment, enabling the sharing of the Company's development achievements with our employees.

## Adhering to Equal Employment

Employees are the Company's most valuable asset. We uphold the principles of integrity, respect, and mutual benefit, and introduce talents through multiple channels, providing a stage for outstanding talents from different backgrounds to unleash their potential. We strive to create a harmonious and fair working environment, comprehensively safeguarding the rights and interests of our employees. Blue Moon adheres to relevant laws and regulations such as the *Labour Law of the People's Republic of China* and the *Labour Contract Law of the People's Republic of China*, signing labour contracts with employees and ensuring that social insurance and housing provident funds are paid in full and on time. Meanwhile, we have established a series of internal regulations and systems, such as the *Employee Handbook*, the *Employment Management System of Blue Moon*, the *Personal Information*



## Improving Compensation and Benefits

Blue Moon adheres to relevant laws and regulations such as the *Labour Law of the People's Republic of China*, and respects employee rights as a prerequisite. By employing a scientific compensation model to match value creation, we are committed to providing fair and reasonable compensation as well as incentive-based benefits, ensuring that every employee's efforts are rewarded. We have established a comprehensive compensation system that includes base salary, performance bonus, allowances, overtime pay, and benefits. We continuously optimize a differentiated compensation structure that aligns with employees' roles and their contributions. In addition, we have established an equity incentive plan, granting stocks to outstanding contributors based on their quality, growth potential, and performance.

We implement a scientific and efficient performance management system and adopt a variety of performance appraisal methods to comprehensively evaluate the completion of employees' work tasks and the fulfillment of their job responsibilities. Performance improvement plans help employees improve their performance.

We strictly comply with laws and regulations, properly handling matters related to employee healthcare, maternity, work-related injuries, and retirement. Meanwhile, we provide employees with supplementary benefits such as regular physical examination, staff canteens, staff dormitories, meal allowance, commuter transportation, and holiday gifts, comprehensively caring for employee well-being.

## Listening to Employees' Voices

Blue Moon values employees' right to express their opinions and is committed to ensuring smooth communication channels between employees and the Company. We have established various employee communication channels and continuously maintain and optimize them. Employees can submit their suggestions and feedback to management through WeChat, Enterprise WeChat, official email, complaint and reporting phone. There were no strike incidents in 2024.

The Workers' Congress serves as a bridge and vital platform for communication between employees and the Company's management. We fully leverage the role of the labour union in safeguarding employees' rights and interests to promote harmonious labour relations. Currently, subsidiaries of the Group including Blue Moon (China) Co., Ltd., Guangzhou Blue Moon Industrial Co., Ltd., Blue Moon (Kunshan) Industrial Co., Ltd., Blue Moon (Chongqing) Co., Ltd., and Blue Moon (Tianjin) Co., Ltd., have signed comprehensive collective agreements or wage-specific collective agreements with their respective labour unions.

○ In 2024, the Company achieved a  
**100%** labour contract signing rate  
and a **100%**  
social insurance coverage rate for employees

Case ..... ..

### Voice Post Office

To listen to employees' voices and solve their problems more efficiently, we launched an online communication platform "Voice Post Office" to provide frontline factory workers with a more convenient and efficient way to express demands. We will be more proactive in responding to employee feedback to ensure that employee issues are resolved in a timely and effective manner.

The poster is for the "Voice Post Office" (声音邮局). It features the Blue Moon logo in the top right corner. The main title "「声音」邮局" is written vertically on the right side. On the left, there is a small icon of a notepad and pencil. The text on the poster reads: "你想说，我想听……" (What you want to say, what I want to hear...). Below this, it says: "为了更好地聆听你的心声，「声音邮局」开始营业啦！" (To better listen to your heart, "Voice Post Office" has started business!). Then, it explains: "「声音邮局」是一个畅通的反馈渠道，如果你有任何的建议、申诉、投诉等，都可以投递至邮局，获得相应回复。" ("Voice Post Office" is a smooth feedback channel. If you have any suggestions, appeals, complaints, etc., you can submit them to the post office and get a corresponding reply.). At the bottom, it says: "请扫描下方二维码填写，衷心感谢你的参与！" (Please scan the QR code below to fill out, thank you very much for your participation!). A QR code is located in the bottom left corner of the poster.

Voice Post Office

# Paying Attention to Occupational Health and Safety

With "zero accidents" as the goal, Blue Moon always adheres to the safety production management policy of "safety first, nip problems in the bud", and puts the health and safety of employees first. We strictly abide by the *Work Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, and other relevant laws and regulations, continuously optimize the work safety and occupational health management system, and strengthen risk prevention and control to create a safe and healthy working environment.

## Production Safety

### Solidifying management foundation

We strictly adhere to safety production-related laws and regulations at all levels, and internal company rules, continuously improving internal systems and the EHS (Environmental, Health, and Safety) management system. By promoting the regular operation of the health and safety management system and its Maturity Assessment Program (MAP), we continuously enhance the level of safety operation management and fortify the safety defense line.

- This year, the Tianjin Factory was awarded the title of **"Advanced Unit for Work Safety in FY2024"**



### Continuously optimizing management systems

In 2024, we formulated the *Pre-Startup Safety Review Management Specification*, to ensure the safe startup of equipment, facilities, processes, buildings, and production lines. In accordance with the *Provisions on the Safety of Operations in Confined Spaces of Industry and Trade Enterprises*, we updated the *Management Specification for High-Risk Operations* to ensure that the management requirements for confined space operations comply with new regulatory requirements. Additionally, we have updated documents such as the *Chemical Safety Management Specification*, *Chemical Safety Labeling Technical Guidelines*, and *List of Chemical Raw Materials, Reagents, and Auxiliary Materials*, to refine the safety management regulations for chemicals.

### Production safety management

We are committed to implementing localized professional management, with each factory adopting comprehensive self-management and closed-loop operations. Through regular inspections at all levels, cross-factory peer reviews, and internal audits, we continuously enhance our ability to prevent and control risks.

We conduct pre-entry safety training for all operation personnel entering the factory, including supplier employees, to strengthen safety management from the source. We perform pre-entry integrity checks on equipment, tools and devices, and implement special management for high-risk operations, comprehensively ensuring the safety of personnel, machinery, and the environment. Additionally, we link the performance of relevant departments to EHS indicators to enforce safety responsibilities.

### Cultivating a safety culture

We value the development of a safety culture and have established detailed operational procedures. Through regular safety training and emergency drills, we enhance employees' safety awareness and response capabilities. In 2024, we revised the *EHS Training Management Standard*, added an EHS training matrix, optimized internal trainer management, and improved EHS training materials to enhance training outcomes. Meanwhile, we have made training completion rates and drill qualification rates key indicators for assessing professional teams, ensuring better implementation of safety production management responsibilities.

In 2024, we continued to carry out quarterly EHS-themed activities, using methods such as theme advocacy, video learning, QR code quizzes, poster promotions, and hazard inspections to enhance the safety awareness of all employees. This year's themes covered key areas such as fire safety, labour protection equipment management, chemical safety management, and lockout/tagout procedures, aiming to strengthen employees' safety awareness and foster a safety culture.

- Number of work-related fatalities

0

### Occupational disease prevention

In compliance with the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* and other relevant laws and regulations, we actively promote occupational health assessments and preventive measures for occupational diseases to mitigate the risks of occupational diseases. In 2024, we updated the *Occupational Health Management Standards*, *Labour Protection Articles Management Specification*, and *Basic Labour Protective Equipment Allocation Matrix and Management Guidelines*. We have revised the allocation matrix and management guidelines for job positions and tasks to ensure the guidelines are more specific and clearer. We continuously improve the production environment of our employees by enhancing processes and equipment, increasing the level of automation on production lines, and adding protective facilities to ensure their occupational health and safety.

- The Company and all product manufacturing factories have received **ISO 45001 Occupational Health and Safety Management System certification**
- Blue Moon (Kunshan) Industrial Co., Ltd. was awarded **"Level II Safety Production Standardization"**

## Valuing Physical and Mental Health

We are committed to maintaining the occupational safety and physical and mental health of our employees, offering diversified health services to help them achieve efficient work and a happy life.

### Care for employees' physical health

We provide employees with annual physical examinations and post-examination services such as report interpretation and follow-up on abnormal indicators, along with diversified health services. Additionally, we supply emergency medical supplies to ensure employees receive timely and effective medical support and protection in emergencies.

The Company cafeteria focuses on dietary combinations, ingredient selection, and cooking methods, striving to provide employees with healthy meal options. We have set up a health management official account to regularly share healthy dietary information and organize health and weight loss support groups to help employees develop healthy eating habits.

Case ..... ..

### Configuring AED First Aid Equipment to Enhance Employee Health Protection

Blue Moon has equipped all factories and office locations with Automatic External Defibrillators (AEDs), established emergency drill procedures, organized first aid training and clarified the requirement for certified personnel on each shift. This creates a full-chain emergency response mechanism from rapid device response to professional handling by personnel, ensuring the health and safety of employees.



AED Training



### Focusing on employees' mental health

We have introduced professional mental health service institutions to provide employees with free psychological counseling services, mental health lectures, mental health education, psychological crisis intervention, employee psychological assessments, and other diversified mental health-related activities, aiming to enhance employees' mental health awareness and self-regulation abilities.

- In 2024, a total of 9 group psychological activities and 8 on-site one-on-one mental health consultations were conducted, with

over **500** participants



Mental Park Tour

# Supporting Employee Growth

Blue Moon regards talent as the core strategic resource of the enterprise. We continuously strive to build a comprehensive training and development system, encouraging employees to pursue the improvement of professional skills and comprehensive qualities, and creating diversified career development and promotion channels for them.

## Talent Promotion and Development

We focus on building an endogenous talent supply chain that aligns with the corporate strategy, achieving mutual empowerment and co-creation between talent growth and enterprise development. We encourage the personalized development of talents. Whether it is management talents, professional talents, or operational talents, each has its differentiated growth path.

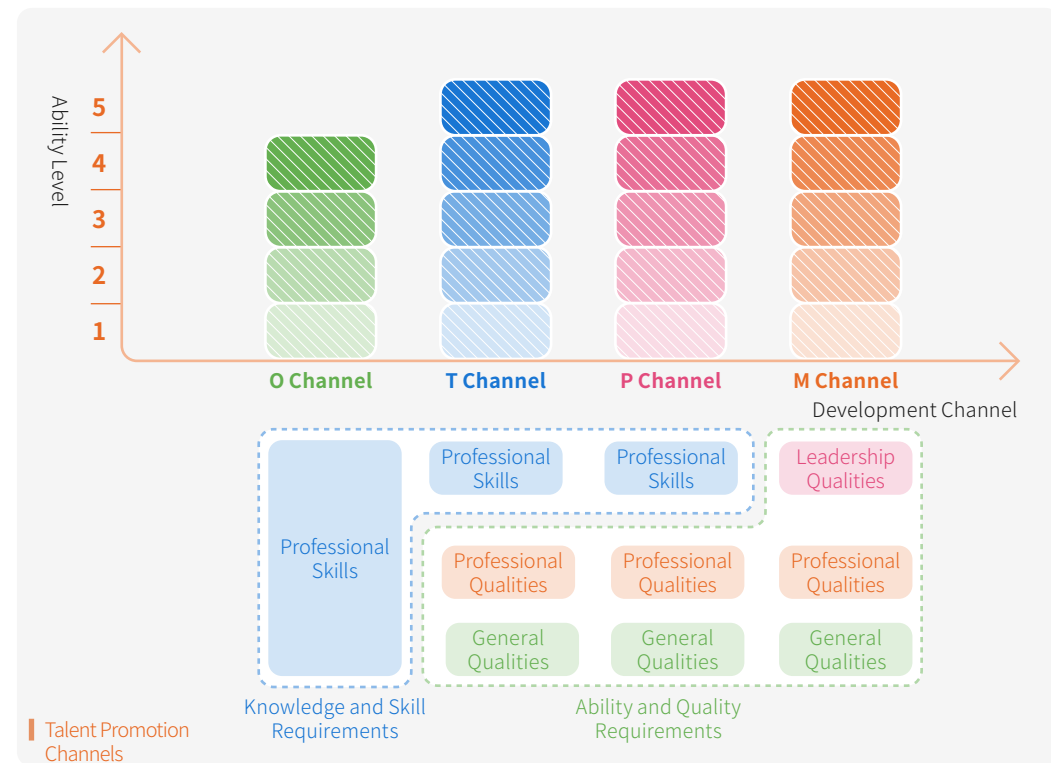
The Company encourages employees to take on challenging tasks at work, fully utilize their abilities, and through an open and fair assessment mechanism, allow outstanding employees to stand out and achieve career advancement.



Case .....

### Diverse Promotion Channels to Foster Talent Development

We have created diversified growth channels for our employees, supporting them in achieving career development based on their strengths. In 2024, hundreds of employees have successfully passed competency certification and achieved career advancement, covering various job ranks and categories. We are committed to providing more opportunities for employees' professional growth.





# Valuing Employee Development

## Employee training

We actively implement diverse training programs to support employee growth, enable the realization of personal value, and share in the achievements of the Company's development.

### Case..... Blue Moon University Online Learning Platform Empowers Employee Growth

Blue Moon University is Blue Moon's online learning platform, through which employees can access various training course resources via mobile phones or computers. The platform features a dedicated learning map that guides employees to access learning resources, plan their learning schedules, and track their progress efficiently for enhanced improvement.



Blue Moon University Mobile Platform

### Case..... "Journey to Cleanliness" Training Program

"Journey to Cleanliness" is a comprehensive training program designed to enhance employees' professional product knowledge and skills. Leveraging Blue Moon Laundry Science & Technology Center, the program covers a complete learning process from product knowledge lectures to experimental demonstrations, and even laundry certification, aiming to help employees deeply understand the products and strengthen their awareness of cleanliness standards.



"Journey to Cleanliness" Training

In 2024, Blue Moon achieved a training participation rate of

83.2%

## Employee education and skill enhancement

We have established a scholarship program for academic advancement, aiming to help grassroots technical and managerial staff utilize their spare time for self-improvement, enhancing their educational qualifications and personal capabilities, thereby more effectively applying technology and knowledge in work and production. We also actively promote professional qualification certification and evaluation for our employees, accompanied by corresponding incentive mechanisms.

We encourage employees to continuously learn, pursue excellence, and further enrich their personal resumes and professional skills. In 2024, a total of 18 frontline employees were successfully admitted to educational institutions and received scholarships provided by the Company.



# Caring for Employees

Blue Moon strives to create a positive and healthy work environment for its employees, respecting their interests and hobbies. Through a variety of cultural and sports activities, the Company helps employees balance work and life.

## Sports activities

The Company continuously organizes activities such as the "Blue Moon Health Running Group", basketball matches, badminton competitions, planking contests, and yoga classes. The Company also encourages employees to participate in events like the Huangpu District Marathon, staff table tennis, and swimming competitions, promoting health awareness and fostering a healthy lifestyle through physical exercise.

Case .....

### Organizing a Five-Person Basketball Match to Strengthen Team Cohesion

In April 2024, Blue Moon held the 10th Blue Moon 5-on-5 Basketball Match, which lasted for one and a half months. Five teams from different departments competed in 14 matches, ultimately determining the champions, runners-up, and third-place winners. The basketball Match not only showcased the positive spirit of the employees, enhanced team cohesion and internal communication within the Company but also became one of the important ways for Blue Moon employees to maintain physical and mental health.



5-on-5 Basketball Match



## Cultural activities

Blue Moon organized a variety of cultural activities rich in Blue Moon's cultural elements, including holiday events, food festivals, fun debate competitions, and dormitory culture festivals. These activities enriched the employees' leisure time, allowing them to experience a sense of family warmth even at the Company.

Case .....

### Tianjin Factory Dormitory Culture Festival, Lighting Up Employees' Leisure Life

Blue Moon Tianjin Factory places great emphasis on employees' leisure lives, meticulously organizing a series of Dormitory Culture Festival activities. These include the Blue Moon Music Festival, Fun Sports Day, Handmade Carving, and Outstanding Dormitory Selection, providing employees with a variety of leisure activities and fostering a positive and uplifting atmosphere.



Series of Dormitory Culture Festival Activities

## Caring for female employees

Female employees make up 51% of Blue Moon's workforce. We are committed to providing care and support for female employees, implementing a series of care measures such as setting up dedicated maternity rest rooms and nursery rooms, providing nutritious mother-and-child meals, and providing reserved seats for pregnant women on company shuttles.

The Company regularly hosts seminars on women's health and posts articles and information about women's health care through the health management official account. In addition, the Company has established a green channel for HPV vaccination, providing more convenient and efficient vaccination services, and taking practical actions to safeguard the health of female employees.



# Giving Back to the Community and Co-building Responsibility

Blue Moon actively takes on social responsibility and gives back to society with sincerity. We established the Blue Moon Charity Foundation, which was rated as a 5A-level social organization in 2024. With professional and standardized operations, combined with corporate resource advantages, we create socially influential characteristic public welfare projects. We actively carry out public welfare activities in areas such as childcare, women's care and rural development, conveying cleanliness and love through practical actions, and building a shared vision of kindness with society.

## Issues in This Chapter

Charity Activities, Advocating the Clean and Healthy Lifestyle





# Clean and Healthy Action

Blue Moon is committed to promoting a clean and healthy lifestyle to the public. We closely cooperate with the China Women's Development Foundation (CWDF) and the China Children and Teenagers' Fund (CCTF), aiming to raise awareness of cleanliness and health among women and children, and promote the development of healthy family education for Chinese children, continuously spreading the concept of cleanliness and health.

## Caring for Children's Growth

### Case ..... Implementing the "I'm a Little Health Angel" Charity Program to Promote Health Education in Families

Since 2001, Blue Moon has partnered with the China Family Education Association and the China Children and Teenagers' Fund to annually support the "I'm a Little Health Angel" children's health and family education public welfare project. Through various activities, the project helps and guides children and families to establish scientific, healthy, and safe life concepts. In 2024, the "I'm a Little Health Angel" project was carried out in 197 kindergartens and 35 community health service centers across 25 cities including Beijing and Guangzhou.

Through initiatives like the "Children's Health Habit Formation" classes and the *I'm a Little Health Angel* promotional booklet, the project directly benefited **750,000 people**



The "I'm a Little Health Angel" Activity



National Launch Promotion Event for the "I'm a Little Health Angel" Project

### Case ..... Hosting the "Hand" Protects the Future, A Caring Campaign to Safeguard Children's Health and Growth

Since 2022, the Blue Moon Charity Foundation has partnered with the China Children and Teenagers Fund (CCTF) to jointly organize the "Hand" Protects the Future caring campaign for three consecutive years. This project delves into primary and secondary schools, conducting a series of health education classes, training school health care teachers, building hand-washing sinks, and donating hand-washing products. The project aims to provide scientific health knowledge guidance for children and their families, enable students to learn and master health knowledge through entertaining educational activities, improve their hand-washing and hygiene conditions, create a healthy environment, elevating the level of school health education, foster good health behavior habits among students, safeguard children's healthy growth, and support rural health education.

In the future, the Blue Moon Charity Foundation plans to expand the scale of the "Hand" Protects the Future caring campaign. Over the next three years, activities will be conducted in related provinces, municipalities, and districts along the Belt and Road, including Gansu Province, to benefit more children and their families.

#### In 2024, the project progress was as follows:

Covering	Donated	Conducted	Directly benefited over
<b>100</b> schools	<b>60</b>	<b>64</b>	<b>40,000</b>
in both Qingyuan City and Tongren City	handwashing sinks	expert health and hygiene classrooms	teachers, students, and families



"Hand" Protects the Future Caring Campaign



Blue Moon Charity Foundation Donated to the China Children and Teenagers' Fund

Caring for Women

Case.....

Continuous Implementation of the "Wise Women, Healthy Families" Project to Promote Clean and Healthy Concepts

Since 2013, for 12 consecutive years, Blue Moon has partnered with the China Association of Marriage and Family Studies (CAMF) and the China Women's Development Foundation to organize the "Wise Women" series of public welfare activities. Through themed salon sharing, classroom activities, community promotions, home knowledge consultations, and the distribution of educational materials, the initiative has conveyed knowledge about intelligent living to women, guiding countless families to create high-quality, clean, and healthy home environments. In 2024, the project was held in 15 cities and minority regions, benefiting over 100,000 women and their families directly through themed advocacy activities, mobile classes, the distribution of knowledge manuals, and media outreach.



The 2024 "Wise Women, Healthy Families" Project

Case.....

"Beautiful Countryside, Clean Families" Initiative in Rural Areas to Promote Beautiful Rural Development

Since 2023, Blue Moon Charity Foundation has collaborated with the China Women's Development Foundation to launch the "Beautiful Countryside, Clean Families" public welfare project, aiming to promote knowledge of family hygiene and health, to advance rural construction. In 2024, the project conducted health education activities, distributed posters, and informational brochures in 60 villages in Qingyuan City and Tongren City, encouraging rural residents to start with details such as daily and hygiene habits, fostering clean and healthy lifestyles within families, and creating civilized family traditions, directly benefiting over 60,000 women and their families.



"Beautiful Countryside, Clean Families" Themed Promotion Activity

In 2024, the total investment in the Blue Moon Clean and Healthy Project was approximately

**RMB 7.01 million**

## Assisting Groups in Difficulties

Blue Moon consistently incorporates the care for groups in difficulties into its corporate social responsibility, and actively carries out various support actions to help improve the living conditions of these groups. In 2024, the Blue Moon Charity Foundation actively participated in various outreach and visit activities, donating cash and essential supplies with a total investment of approximately RMB 416,000. Through these efforts, the foundation provided warmth and support to those in need, conveyed social care, and upheld the traditional virtue of benevolence through concrete actions.

## Boosting Rural Development

In the era of common prosperity, Blue Moon dedicates itself wholeheartedly to assisting in the high-quality implementation of various tasks for rural revitalization in support areas, ensuring that corporate development resonates with rural rejuvenation efforts, and striving to share social value. In 2024, the Blue Moon Charity Foundation actively responded to calls from various sectors of society by donating cash and cleaning supplies to multiple regions, including Bijie, Anshun, Sandu, and Changshun in Guizhou, Shufu County 45th Division and Yutian County in Xinjiang, Tianshui in Gansu, Jiamusi in Heilongjiang, and Xide County in Sichuan. With a total contribution of RMB 546,000, the Foundation has taken concrete action to improve the quality of life for residents in these areas and build a better future together.

## Rushing to Emergency Disaster Relief

Blue Moon responded swiftly to major disasters such as the Tibet earthquake and the Meizhou floods by immediately raising funds and allocating clean supplies to support the disaster areas, and providing support for frontline rescue workers and volunteers, for creating a warm home of mutual aid and boundless love.

Case.....

### Blue Moon Charity Foundation Donated RMB Five Million in Cash to the Earthquake-stricken Area of Shigatse, Tibet<sup>①</sup>

In early 2025, a 6.8 magnitude earthquake struck Tingri County in Shigatse City, Tibet Autonomous Region, resulting in significant casualties and widespread building collapses, deeply affecting the hearts of people across the nation.

- Blue Moon Charity Foundation, through the Guangzhou Charity Association, donated

**RMB 5 million**

in cash to the earthquake-stricken area in Shigatse, Tibet, to support local earthquake relief and post-disaster reconstruction efforts.



Blue Moon Charity Foundation Donated to the Earthquake-Stricken Area in Shigatse, Tibet

<sup>①</sup> The amount donated by Blue Moon Charity Foundation to the earthquake-stricken area in Shigatse, Tibet is not included in Blue Moon social welfare investment amount in 2024.





# Conducting Compliant Operations for Robust Development

Efficient and scientific corporate governance is a solid foundation for a company to achieve long-term and steady development. Blue Moon continues to improve the operation mechanism of the Board of Directors with clear responsibilities, standardized procedures, and efficient operation. We attach great importance to enterprise risk management, strictly adhere to the bottom line of business ethics, and insist on conducting business honestly and responsibly. We are committed to building and continuously improving a scientific and dynamic governance system to meet the strategic development needs of Blue Moon.

Issues in This Chapter

Fulfilling Business Ethics



# Board Independence and Diversity

The independence and diversity of the Board are prerequisites for its proper governance role and for promoting sustainable development. Blue Moon is committed to gathering professionals with diverse backgrounds, bringing multiple perspectives to the Company, fostering innovative thinking, improving decision-making quality, and enhancing risk identification and response capabilities. With diverse wisdom and strength, it aims to stimulate innovation and unite development efforts.

## Board Governance Structure

Blue Moon is dedicated to building a professional and efficient governance structure. The Board of Directors has established the Audit Committee, the Remuneration Committee, and the Nomination Committee, all of which comply with the qualifications, independence, and proportion requirements for independent non-executive directors under the *Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited ("HKEX")*. Each committee has clearly defined its respective terms of reference to oversee different areas of the Company's affairs, ensuring transparency and professionalism in financial reporting, remuneration policies, and board member nominations. Among them, the Nomination Committee is also responsible for evaluating the independence of independent non-executive directors, enabling independent directors to provide independent advice and checks and balances for the Company, avoiding insider control and conflicts of interest.

As of December 31, 2024, the Board of Directors consists of five executive directors and three independent non-executive directors, all of whom are independent individuals. Independent non-executive directors have appropriate professional qualifications, expertise, and professional experience as required by the Listing Rules, which can help the Company make more informed and comprehensive decisions and further demonstrate the independence and professionalism of the Board of Directors.

## Board Diversity

The Company has established a *Board Diversity Policy*, which considers multiple factors when nominating new directors, including gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, and length of service. The Nomination Committee is responsible for overseeing the implementation of the *Board Diversity Policy* and reviews the composition of the Board at least once a year to ensure that diversity factors are considered when assessing board performance.

As of December 31, 2024, the Company's board comprises 50% female and 50% male directors, each with diverse educational and professional backgrounds, bringing a variety of perspectives to the Board. Blue Moon remains committed to improving board diversity and, when necessary, engages independent professional agencies to assist in identifying suitable director candidates.

# Business Ethics Management

For a long time, Blue Moon has adhered to honest business practices, abided by business ethics, strictly followed laws and regulations such as the *Civil Code of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China* and the *Anti-Money Laundering Law of the People's Republic of China*, and is committed to building a fair and transparent business environment. We continuously improve internal systems, strengthen supervision mechanisms, and conduct training and advocacy to embed principles of integrity and probity into the behavioral standards of every employee and partner, setting a benchmark for the healthy development of the industry and promoting the construction of a virtuous business ecosystem.

## Upholding Integrity in Business Operations

We regard honest business practices as our top priority for long-term commitment, continuously updating commercial ethics and compliance policies, while regularly conducting risk control, compliance, and integrity education training, and deepening employees' awareness of integrity and compliance values.

- During the Reporting Period, the Company **was not involved in any concluded legal cases of corruption, bribery, extortion, fraud, or money laundering.**

### Optimizing management mechanisms

Blue Moon Group has established a three-level supervision system composed of the Board of Directors, the Audit Committee under the Board, and professional audit and supervision departments to ensure the effective implementation of the Company's commercial ethics and responsible behaviors. Among them, the Audit Committee is responsible for corporate governance, including developing, evaluating, and monitoring the code of conduct and compliance system for all employees. The Audit and Supervision Department is responsible for implementing special audit projects and supervising rectification, conducting anti-fraud investigations and promoting a culture of integrity, organizing identification within the Group, and regularly reporting management tasks to the Audit Committee, thereby driving continuous improvement in commercial ethics management and compliance operations through a systematic supervision mechanism.

Case ..... ..

#### Conducting a Comprehensive Group-wide Business Ethics Compliance Audit to Solidify the Foundation of Business Ethics and Compliance Development

To ensure strict compliance with business ethics and enhance business ethics risk management practices, Blue Moon launched a comprehensive business ethics compliance audit project. The audit thoroughly covered the Group's business ethics and anti-corruption policies, spanning 2022 to 2024, and included all operational units in mainland China. A total of 21 issues were identified, with specific responsible parties and deadlines for rectification clearly defined, along with recommendations for management improvement.

By the end of the Reporting Period, all rectification tasks had been completed, achieving a rectification completion rate of 100%. Through a comprehensive review of business ethics, we have strengthened the foundation of business ethics, improved the compliance system, and demonstrated the Company's firm determination to maintain compliant operations, laying a solid foundation for continuously enhancing business ethics management and fulfilling social responsibility in the future.

### Building a culture of integrity

The construction of an integrity culture cannot be separated from the support of compliance systems. Blue Moon has embedded the value of integrity into the *Blue Moon Group Code of Business Conduct*, clearly establishing the highest standards of business ethics as the guiding principles for conducting company business. Through this revision, the new Code has established a comprehensive compliance framework covering key areas such as information disclosure, financial integrity, conflict of interest management, and anti-bribery. The Company also conducted the *Code of Business Conduct* training for all employees, helping them internalize integrity and compliance, and externalize them in their actions, always using compliance as a yardstick to measure their behavior.

To help the Company's management and employees better understand and implement integrity and compliance-related systems, we review the *Management Regula-*

*tions for the Exercise of Authority for Legal Representatives, Directors, Supervisors, and Senior Management Personnel* and the *Management Compliance Commitment* annually. We clarify the compliance key points for the performance and authorization of directors and senior executives of each legal entity, ensuring that integrity and compliance management are integrated into business activities and processes, and actively protecting the Company's interests. We have revised the *Conflict of Employee Interest Management System* and the *Employee Compliance Commitment*, refining both the frequency and content of declarations and require all employees to complete the conflict of interest declaration and fully comply with the requirements. Additionally, we have hired external instructors to interpret cutting-edge compliance concepts and regulations, as well as share industry best practices, helping employees quickly understand and adapt to new compliance requirements.

Case ..... ..

#### Signing the Integrity and Self-discipline Commitment to Jointly Build a Clean Blue Moon

We aim to enhance the entire team's awareness of and importance of business ethics and embed the concept of integrity and compliance deeply into their mindset.

In 2024, the sales module revised the red-line system based on the *Employee Reward and Punishment System* and the *Conflict of Employee Interest Management System*, clearly defining the seven red-line behaviors within the sales module. A total of 158 sessions of *Employee Integrity and Self-discipline Commitment* training were conducted, with 3,136 sales personnel completing the pledge signing.



## Whistleblowers Protection

To maintain compliance and mitigate potential risks, Blue Moon encourages employees to proactively report any compliance risks or violations, safeguarding both employee and company interests. We established multiple reporting channels, including a whistle-blowing hotline, reporting e-mail address, and the official WeChat account "Incorruptible Blue Moon", ensuring that employees, suppliers, and business partners can freely exercise their rights to lodge complaints and reports. Upon receiving a report, the Company's audit and supervision department will promptly initiate a special investigation and ensure that any violations are dealt with in accordance with regulations.

Blue Moon places high importance on protecting the privacy of whistleblowers. For whistleblowers, we have committed to the *Blue Moon Group Code of Business Conduct* and other regulations to protect their privacy and rights, ensuring that they do not suffer any form of retaliation or adverse effects for reporting violations, and taking legal measures to protect them when necessary. Meanwhile, we have revised and improved the *Supervision and Reporting Management System*, the *Employee Reward and Punishment System*, and the *Supervision Work Management Norms*, establishing a hierarchical authorization mechanism to strictly limit access to whistleblower information to only compliance investigators and audit supervisors. Simultaneously, the entire process of managing complaints and reporting information, as well as investigation results, is encrypted. Through a dual guarantee of institutional constraints and technical protection, the risk of information leakage is effectively prevented. The aim is to build a safe and reliable reporting channel and earnestly protect the legitimate rights and interests of the reporters.

### Integrity dissemination

To ensure the integrity and compliance of business conduct, Blue Moon actively promotes awareness of integrity culture among all employees through multiple channels such as the Company portal and WeChat official account. For suppliers and contractors, we require them to sign the *Anti-Bribery Commitment*, or the *Supplier Code of Conduct* as an appendix to the contract before commencing cooperation, and to commit to anti-corruption efforts during the contract signing and execution process. Additionally, during the cooperation period, we regularly distribute advocacy documents such as the *Blue Moon Group Code of Business Conduct*, integrity promotion emails, anti-corruption notices, tweets, and online video training materials to help suppliers strengthen their awareness of integrity and jointly foster a clean and upright cooperation environment.



## Strengthening the Integrity Defense Line

Blue Moon integrates the concept of integrity into all aspects of business operations, striving to fundamentally eliminate corruption. We have established management systems such as the *Accountability System for Falsehood*, the *Integrity Work Management System*, and the *Anti-corruption Compliance Management System* to strictly regulate the behavior of employees and partners, making it clear that there will be zero tolerance for any form of bribery and corruption. All personnel serving the Company (including regular employees, interns, consultants, third-party contractors, and outsourced personnel) must strictly adhere to the relevant guidelines and jointly practice integrity-compliant business practices.

### Enhancing integrity management

Blue Moon requires every employee to be familiar with and strictly implement the integrity requirements outlined in the *Anti-corruption Compliance Management System*. In interactions with partners such as customers, suppliers, distributors, sales agents, and contractors, any form of commercial bribery, including offering gifts or other means to gain business opportunities, is strictly prohibited. Meanwhile, Blue Moon has established a stringent integrity review mechanism, integrating integrity management into routine audits and special inspections to prevent and

combat fraud and violations of integrity and self-discipline. The Company's audit and oversight department will immediately initiate anti-fraud investigations upon receiving reports or detecting anomalies related to fraud during routine checks, ensuring that integrity requirements are embedded in daily supervision.

When conducting business with partners, we proactively assess their bribery risks and anti-bribery control measures, strictly prohibiting any form of bribery or improper exchange of benefits to avoid corruption risks. We require all suppliers to comply with the integrity requirements outlined in relevant laws, regulations, and institutional documents. Additionally, regular social responsibility audits are conducted during the cooperation period to evaluate suppliers' business ethics standards and regulate their commercial behavior.

- In 2024, we conducted multiple integrity culture promotion activities, garnering over

**130,000**  
views and reaching all employees.

**We organized 11 integrity culture training sessions for suppliers.**



# Strengthening Risk Management

Risk management is the cornerstone of Blue Moon's steady operation and a crucial guarantee for the Company to strive for excellence. Blue Moon has deeply integrated risk management into its corporate strategy, establishing a comprehensive and multi-layered risk prevention and control system. Through various dimensions such as optimizing organizational structure, improving institutional processes, and strengthening technological applications, the Company has effectively enhanced its capabilities in risk identification, assessment, and response, thereby building a solid defense for its steady development.

## Risk management framework

Blue Moon has established a comprehensive risk management framework to ensure the compliance and stability of company operations. The Audit Committee under the Board of Directors is responsible for overseeing and reviewing the performance of risk management at the operational level. Risk management functional departments such as Internal Control, Audit, and Legal Affairs regularly inspect the risk management work of various departments to evaluate their implementation and effectiveness. For identified issues, each department promptly tracks improvements and reports the relevant situations to the Audit Committee, thereby providing a solid guarantee for the Company's development.

## Risk assessment and management

In strict accordance with the *Corporate Governance Code* of the Stock Exchange of Hong Kong Limited, we have formulated the *Risk Management Control Procedures*, the *Legal Risk Management System*, the *Compliance Evaluation Management Standards and Control Procedures*, the *Internal Audit Management Standards*, and other management systems, and established the risk management process covering risk identification, risk assessment, and risk management. By revising the *Key Amendments to the New Company Law and Compliance Operation Guidelines*, a multi-dimensional linkage system of "legal interpretation, system iteration, compliance promotion, and effectiveness verification" has been established, constructing a solid risk protection barrier.

The Board of Directors of Blue Moon continuously monitors the risk management and internal control systems, conducting regular assessments of system effectiveness annually. In addition, the Company conducts comprehensive business risk assessments each year to identify potential risks that may be encountered in the upcoming specific period (e.g., within one year). In 2024, Blue Moon further optimized the Group risk database, identifying 26 secondary risks and updating and confirming the eight key risks in 2024. For all identified risks, business departments proactively take response measures, and the audit and supervision department tracks the rectification process promptly, elevating the Company's risk management level.

In terms of compliance, in 2024, we actively adapted to the latest compliance requirements of the *Company Law of the People's Republic of China*, compiled multiple documents such as the *Key Amendments to the New Company Law and Compliance Operation Guidelines*, and conducted special training on the *Interpretation of Key Content of the*

*Company Law Revision* for legal representatives, directors, supervisors, and senior management, ensuring a smooth and compliant transition in corporate governance.

In terms of financial risk prevention, in 2024, Blue Moon effectively blocked risk escalation by strengthening the implementation of the *Accounts Receivable Management System*, establishing a regular legal reminder mechanism, and preemptively intervening in disputes. Meanwhile, the Company has enhanced the risk prevention awareness and response capabilities of its front-line business units by conducting specialized training on performance risks, interpreting contract terms and risk points with practical cases, and promoting a shift in management mode from "passive" to "active".

In terms of live-streaming operations, we have conducted a comprehensive self-examination and rectification across the entire process, covering every stage from front-end store setup and partnership agreements to mid-stage livestreaming sales and operations, and finally to back-end after-sales services. This approach effectively mitigates potential risks, standardizes livestreaming workflows, and ensures the healthy and stable development of our livestreaming business.

## Internal control and compliance review

In 2024, our internal control department focused its review on key areas such as procurement, inventory, quality, and information security. As of the end of 2024, the rectification completion rate for internal control issues identified during the review reached 98%.

In terms of advertising and promotion, we regularly review the compliance of e-commerce advertisements and have established a Plan-Do-Check-Act (PDCA) cycle management system encompassing "compliance review, risk identification, business rectification, compliance reassessment". We formulated the *2024 Advertising Publication Summary Report*, supporting risk prevention planning for the coming year.

In terms of contract management, we conducted a special review of contract organization and performance monitoring, thoroughly examining contract-related matters across various functional departments in 2024. Through data analysis and key indicator positioning, we identified management issues, optimized key life-cycle management nodes via the contract management system, produced review reports, and focused on reviewing key clauses. No significant risk vulnerabilities or performance disputes were found in high-value contracts in 2024.

During the Reporting Period, Blue Moon conducted the following activities for various business departments:

Conducted

11

sessions of internal control and compliance training

22

legal compliance training covering various topics including labor compliance

with a total number of participants of over

4,000

# Protecting Intellectual Property Rights

As a crucial strategic asset for enterprises, intellectual property not only serves as the legal safeguard for innovative achievements but also is a key factor in maintaining market competitiveness and achieving sustainable development. Blue Moon strictly adheres to relevant laws and regulations such as the *Trademark Law of the People's Republic of China*, the *Patent Law of the People's Republic of China*, and the *Copyright Law of the People's Republic of China*. By continuously optimizing the intellectual property management system and strengthening the protection of intangible assets such as trademarks, patents, and copyrights, the Company maintains its technological leadership and enhances its competitiveness.

## Protection of independent intellectual properties

In the field of intellectual property management, Blue Moon is committed to enhancing compliance and risk control capabilities. In 2024, guided by the new national standard *Enterprise Intellectual Property Compliance Management System Requirements*, we upgraded our intellectual property governance policies, further strengthening the compliance management requirements for intellectual property across all aspects of the Company's operations. Through iterative updates of key institutional documents such as the *Patent Management System*, the *Intellectual Property Management Review Control Procedures*, the *Intellectual Property Risk Management Control Procedures*, and the *Intellectual*

*Property Internal Audit Control Procedures*, we continue to deepen the integration of intellectual property compliance requirements with core business scenarios such as R&D, production, and marketing. This ensures the adaptability, adequacy, and effectiveness of Blue Moon's intellectual property management system, comprehensively safeguarding the Company's patents, trademarks, and copyright achievements. We require all departments to strictly adhere to the Company's intellectual property requirements. They must not steal, leak, disclose, or provide the Company's unpublished R&D results to third parties, ensuring timely and effective protection of new technologies or products and safeguarding the security of core technical assets.

In 2024, to enhance the efficiency of technology transfer, we have established a Patent Review Committee, bringing together the Company's core technical expertise, defining the organizational and operational framework, ensuring that patent application categories and technical directions align with the Company's strategic objectives, and strengthening intellectual property management. Meanwhile, we optimized the patent application process to ensure that the patent committee can conduct clear and in-depth evaluations of the scope and protection strength of applications, and leveraged the professional expertise of the committee to better balance the clarity of rights and comprehensiveness of protection.

Blue Moon firmly protects brand rights by managing both online and offline rights enforcement, cracking down on

intellectual property infringement and unfair competition practices. The Company newly released the *Counterfeit & Fake Goods Litigation Rights Protection Guidelines* and the *Intellectual Property Rights Protection Case Handling Process Guidelines*, clarifying the litigation and rights protection processes when dealing with counterfeit goods, fake products, and intellectual property infringement. We have also upgraded the case selection mechanism, accurately identifying key cases through comprehensive online infringement screening and multi-dimensional criteria optimization. Additionally, Blue Moon has perfected a multi-channel evidence preservation system that spans both online and offline, internal and external channels, significantly enhancing the richness and persuasiveness of evidence. It has partnered closely with public security agencies, mediation institutions, and e-commerce platforms to regularly conduct centralized clean-up and rectification of cases involving the misuse of the Company's brand name, effectively combating counterfeit sales and safeguarding the Company's brand image and market order. Blue Moon has achieved remarkable success in judicial rights protection, with no intellectual property loss cases over the years. In 2024, it handled several typical cases and obtained high compensation awards in the millions, forming a positive judicial feedback loop of "high compensation typical cases - increased judicial recognition - enhanced support for subsequent cases".

- In 2024, Blue Moon was granted

**21** new patents

bringing the total number of effective patents in the Group to 265.

- In 2024, Blue Moon has newly authorized

**89** trademarks

bringing the total number of valid trademarks owned by the Group to 1,246.

- In 2024, the Group has a total of

**234** valid copyrights

Blue Moon has received multiple authoritative recognitions for various intellectual property cases, including:

- **"Typical Trademark Brand Cases"**  
by the China Intellectual Property Society
- **"Trademark Brand Building Case"**  
by the Guangzhou Trademark  
Examination and Cooperation Center
- **Compilation of Intellectual Property  
Typical Cases** - Annual Recommended  
Intellectual Property Learning Case by the  
Guangdong IP Protection Association
- Fifth Golden Line Award - **Judicial Case  
Award Nominated Case**

Blue Moon has been recognized as a well-known trademark for consecutive years. This year, four additional cases have been granted well-known trademark status. With its exceptional reputation and market value, the Blue Moon trademark has secured strong cross-category protection, effectively deterring malicious counterfeiting and infringement. This protects our brand assets while significantly enhancing our brand value and market competitiveness.

## Respecting others' intellectual property rights

Blue Moon continuously conducts precise identification of intellectual property risks, safeguarding its intellectual property while avoiding infringement on third-party rights. We insist on legal compliance when implementing intellectual property licensing and transfers, standardizing the use of others' intellectual property, and obtaining permission or authorization before using third-party intellectual property. We encourage active innovation and conduct infringement risk analysis during R&D, production, and commercial activities to prevent infringement at the source and avoid the Company from getting entangled in intellectual property disputes.

In daily operations, we legally purchase genuine office systems and various software based on actual business needs. We issue guidelines such as *Font and Image Usage Specifications* and *Reference for Free Fonts for Commercial Use* to ensure compliant use of materials in commercial campaigns, requiring staff to obtain proper commercial authorization for fonts, images, and music when using free materials, materials with others' copyright, or commissioning third-party creations. Meanwhile, we submit all relevant advertising and planning copy to the legal department for professional review in accordance with our procedures to ensure that commercial promotional activities are conducted within a legal and compliant framework.

## Intellectual property management promotion

Blue Moon is committed to enhancing the awareness of intellectual property protection among all employees and strengthening the compliance management of intellectual property through a series of advocacy and training activities. The Company conducted industry-wide intellectual property compliance management and GB/T 29490-2023 promotion for all employees, delving into the overview of new national standard revisions, risk prevention and control, and compliance management requirements, significantly improving compliance awareness and professional competence.

Additionally, the Company provided "Enterprise Copyright Risk Avoidance" training for employees in relevant departments, covering copyright infringement risks and compliance usage norms for software, fonts, images, music, and more. To further enhance the Company's level of trademark protection and utilization, an internal trademark training session was organized. Through interactive teaching and on-site Q&A, the training delved into the knowledge and skills related to trademark applications, management, and infringement response from multiple dimensions. Simultaneously, in 2024, we continue to focus on patent management advocacy. The Company hosted specialized training sessions on "Patent Application Techniques" "Patent Knowledge and Practice" and "Smart Bud Empowering Comprehensive R&D Innovation Solution", among others. The training content focused on key points such as basic patent knowledge, application techniques, and literature

utilization. Industry experts and internal technical backbones were invited to provide in-depth explanations, case analyses, and practical exercises. The Company has also encouraged employees to actively apply for patents and protect R&D innovation achievements through multi-dimensional incentive measures. From institutional guidance to resource support, the Company is comprehensively promoting the construction of an intellectual property culture, fostering a good atmosphere where all employees protect intellectual property.





# About the Report

Blue Moon Group Holdings Limited presents the environmental, social and governance ("ESG") policy to its stakeholders, and describes specific implementation and performance of the Company in accordance with the *Environmental, Social and Governance Reporting Code* ("ESG Reporting Code") as set out in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

This Report mainly outlines the environmental and social related policies, measures, and performance of the Group. Other topics including corporate governance and information related to the directors have been disclosed in the relevant sections of the Group's 2024 annual report.

## Reporting Period

This Report covers the environmental, social and governance issues of the Group in China during the period from January 1, 2024 to December 31, 2024 ("Reporting Period" or the "Financial Year") and may trace back or extend to other relevant years as appropriate.

## Reporting Boundary and Scope and Organizational Coverage

This Report focuses on Blue Moon Group Holdings Limited (Stock Code: 6993) and its subsidiaries, and its disclosure scope is consistent with those for the annual report.

Unless otherwise stated, the currency in the Report is Renminbi ("RMB"). There is no significant change in the boundary and scope of this Report from that of the report for the year ended December 31, 2023.

## Reporting References

This Report is prepared in accordance with the *ESG Reporting Code* issued by the HKEX and has referred to the Global Reporting Initiative's GRI Standards.

The Report was prepared in accordance with the requirements set out in the above standards and follows a set of systematic procedures, including industry benchmarking, stakeholder communication, conducting materiality analysis of key issues, collecting relevant materials and data, writing the Report, and review of this Report by the Board, to ensure the content in this Report follows the principles of materiality, quantitative, balance and consistency. Information about the standards, methodologies, assumptions and/or calculation references, and source of key conversion factors used for ESG KPIs are stated wherever appropriate. As far as reasonably practicable, consistent

methodologies are adopted when calculating ESG KPIs or any changes that affect a meaningful comparison would be stated.

## Data Source

All information and data used in this Report originate from formal files, statistical reports, and financial reports of the Company. All materials used in this Report are provided by our employees and our partners, which will only be used for reporting the Group's environmental, social and governance progress and not for commercial purposes.

## Abbreviations Statement

For the convenience of expression and reading, "Blue Moon", "Group", "Company", "we", "us" and "our" refer to Blue Moon Group Holdings Limited and its subsidiaries in this Report.

Full name of main subsidiary	Abbreviation of subsidiary factories
Guangzhou Blue Moon Industrial Co., Ltd.	Guangzhou Factory
Blue Moon (Tianjin) Co., Ltd.	Tianjin Factory
Blue Moon (Chongqing) Co., Ltd.	Chongqing Factory
Blue Moon (Guangzhou) Co., Ltd.	Yonghe Factory
Blue Moon (Kunshan) Industrial Co., Ltd.	Kunshan Factory

## Language Statement

This Report will be provided in Chinese and English versions. In case of any discrepancy between these two versions, the Chinese version shall prevail.

## Disclaimer

Certain statements in this Report are forward-looking statements about our goals and plans for the future. These forward-looking statements are based on management's current expectations. Uncertainties and other factors that may cause our actual results, performance, or achievements to be materially different from those expressed or implied by the forward-looking statements. The Company is under no obligation to update any forward-looking statement contained in this Report.

## Availability of this Report

An electronic version of this Report is available on the website of the HKEX ([www.hkexnews.hk](http://www.hkexnews.hk)) or the Company's official website ([www.bluemoon.com.cn](http://www.bluemoon.com.cn)).



# List of ESG KPIs

## Data about environmental responsibility

Indicator		Unit	2024
A1. Emissions			
A1.1 The types of emissions and respective emissions data			
Exhaust gas <sup>1,3</sup>	NO <sub>x</sub> emission	Kilogram	458.2
	SO <sub>x</sub> emission	Kilogram	11.4
	PM emission	Kilogram	148.7
	VOC gas emission	Kilogram	161.7
	Smoke emission	Kilogram	382.6
Waste water <sup>1</sup>	Industrial wastewater emission	Tonnes	148,366.0
	Domestic wastewater emission	Tonnes	75,627.7
A1.2			
A1.2 Repealed on 1 January 2025			
A1.3 Total hazardous waste produced and intensity <sup>2</sup>			
Hazardous waste <sup>1</sup>	Total hazardous waste	Tonnes	20.5
	Intensity of hazardous waste	Kilogram/RMB10,000	0.02
A1.4 Total non-hazardous waste produced and intensity <sup>2</sup>			
Non-hazardous waste <sup>1</sup>	Total non-hazardous waste	Tonnes	9,136.3
	Intensity of non-hazardous waste	Tonnes /RMB10,000	0.01

Note

1.Data scope covers our Guangzhou Factory, Tianjin Factory, Chongqing Factory, Yonghe Factory, Kunshan Factory.

2.The intensity data was calculated based on the gross annual output value of the Company and was denominated in RMB' 0,000.

3.The exhaust gas emission was calculated by reference to the *Manual of Calculation Methods and Factors for Statistics and Investigation of Sewage from Emission Sources* released by the Ministry of Ecology and Environment and to the *How to prepare an ESG Report - Appendix 2: Reporting Guidance on Environmental KPIs* released by the HKEX.

4.Total energy consumption: It was calculated by reference to the GB/T 2589-2020 *General Rules for Calculation of the Comprehensive Energy Consumption* issued by the State Administration for Market Regulation and the Standardization Administration, and was presented in tonnes of standard coal equivalent ("tce").

Indicator		Unit	2024
A2. Use of Resources			
A2.1 Direct and/or indirect energy consumption by type in total and intensity <sup>2</sup>			
Use of resources <sup>1</sup>	Total energy consumption <sup>4</sup>	tce	5,379.8
	Energy consumption intensity	tce/RMB10,000	0.004
	Power consumption	kWh	23,268,939.3
	Steam consumption	Tonnes	8,739.5
	Natural gas consumption	m <sup>3</sup>	1,412,503.0
	Diesel consumption	Tonnes	14.9
	Gasoline consumption	Tonnes	41.4
A2.2 Water consumption in total and intensity <sup>2</sup>			
Use of water resources <sup>1</sup>	Tap water consumption	Tonnes	990,811.2
	Tap water intensity	Tonnes /RMB10,000	0.80
A2.5 Total packaging materials used for finished products and with reference to per unit produced <sup>2</sup>			
Packaging materials	Total packaging materials used	Tonnes	110,722.3
	Intensity of packaging materials used	Tonnes /RMB10,000	0.09
	Plastic packaging materials used	Tonnes	52,895.1
	Paper packaging materials used	Tonnes	57,827.3

## Data about social responsibilities

Indicator	Unit	2024
B1. Employment		
B1.1 Total workforce by gender, employment type, age group and geographical region <sup>1</sup>		
Total number of employees	People	7,406
Gender	Number of male employees	3,596
	Number of female employees	3,810
Employment type	Number of full-time employees	7,406
	Number of part-time employees	224
Age group	Number of employees aged 35 and below	3,968
	Number of employees aged above 35	3,438
Geographical region	Number of domestic employees	7,406
	Number of overseas employees	0
B1.2 Employee turnover rate by gender, age group and geographical region <sup>2</sup>		
Annual employee turnover rate	%	8.3
Gender	Turnover rate of male employee	8.8
	Turnover rate of female employee	7.9
Age group	Turnover rate of employees aged 35 and below	8.5
	Turnover rate of employees aged above 35	8.1
Geographical region	Turnover rate of employees from Chinese mainland	8.3
	Turnover rate of overseas employees	-
B2. Health and Safety		
B2.1 Number and rate of work-related fatalities occurred in each of the past three years		
Work-related death	Rate of fatalities due to work-related injuries	%
	Number of fatalities related to work	People
		2024 2023 2022
		0 0 0
		0 0 0

Indicator	Unit	2024
B2.2 Lost days due to work injury		
Loss due to work-related injuries	Lost days due to work-related injury	Days
	Lost workday incident rate per a million working hours <sup>3</sup>	Case/million hours
		678.9 1.5
B3. Development and Training		
B3.1 The percentage of employees trained by gender and employee category		
Ratio of trained employees to total employees	%	83.2
Gender	Rate of trained male employees	%
	Rate of trained female employees	%
Employee category	Rate of trained senior managers	%
	Rate of trained middle managers	%
	Rate of trained employees of other ranks	%
		47.7 52.3 0.6 4.6 94.9
B3.2 The average training hours completed per employee by gender and employee category		
Average training hours for all employees	Hours	6.7
Gender	Average training hours for male employees	Hours
	Average training hours for female employees	Hours
Employee category	Average training hours for senior managers	Hours
	Average training hours for middle managers	Hours
	Average training hours for employees of other ranks	Hours
		7.2 6.2 9.4 15.4 6.3
B5. Supply Chain Management		
B5.1 Number of suppliers by geographical region		
Information about suppliers	Total number of suppliers	Supplier
	Percentage of local suppliers in China	%
		841 > 95
B6. Product Responsibility		
B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons		

Data about social responsibilities

Indicator		Unit	2024
Product recall	Percentage of products recalled <sup>4</sup>	%	0
B6.2 Number of products and service related complaints received			
Complaints about products and service	Number of products and service related complaints <sup>5</sup>	Parts Per Million(PPM)	164.7
B7. Anti-corruption			
B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases			
Corruption lawsuit	Number of legal cases regarding corruption practices	Case	0
B7.3 Description of anti-corruption training provided to directors and staff			
Anti-corruption training	Number of anti-corruption training sessions	Session	213
	Number of directors and employees participating in training	Person-time	133,879
B8. Community Investment			
B8.2 Resources contributed to the focus area			
Community investment	Amount of contribution for public welfare	RMB10,000	2,373
	Hours of contribution for public welfare	Hours	2,285

Note

- 1.Total number of employees: The scope of statistics of the total number of employees as well as the genders, age groups and geographical regions is based on the total number of full-time direct employees.
2. Annual employee turnover rate: Annual employee turnover rate= Number of resigned employees during the period/((number of on-the-job employees at the beginning of the period + number of on-the-job employees at the end of the period)/2)\*100%. Number of resigned employees: number of persons who have been discharged from employment with the Company due to dismissal, retirement or death.
- 3.Lost workday incident rate per a million working hours: Lost workday incident rate per a million working hours = Number of lost workday incident(s)/actual total working hours of attendance \*1,000,000.
- 4.Percentage of products recalled: Percentage of products recalled =  $\Sigma$  (number of units determined to be recalled)/  $\Sigma$  (number of shipped units) \*100%.
- 5.Number of products and service related complaints: The statistical indicator is the number of units involved in customer complaints per million units =  $\Sigma$  (number of units involved in consumer complaints +number of units involved in complaints made through channels)/  $\Sigma$  (number of shipped product units) \*1,000,000. The scope of consumer complaints includes: complaints received by the consumer service center, complaints from government departments and spot checks in the market, complaints from channels, and returns.

Climate-related Data

Indicator		Unit	2024
Total absolute GHG emissions <sup>6, 8, 9, 10</sup>	Scope 1 GHG emission	Tonnes	3,226.9
	Scope 2 GHG emission (location-based approach)	Tonnes	14,119.0
GHG emission intensity <sup>7</sup>	Scope 1 GHG emission intensity	Kilogram/RMB10,000	2.62
	Scope 2 GHG emission intensity (location-based approach)	Kilogram/RMB10,000	11.46

6. Data scope covers our Guangzhou Factory, Tianjin Factory, Chongqing Factory, Yonghe Factory, Kunshan Factory.
7. Greenhouse gas emission intensity data are all calculated based on the company’s standard production value for the year, and are expressed in RMB ten thousand yuan.
8. GHG emissions merely refers to the emission of carbon dioxide, excluding the greenhouse gases, such as methane and nitrous oxide, from other emission sources.
9. Scope 1 greenhouse gas emission: Greenhouse gas emission from combustion of diesel, gasoline, natural gas and other fossil energies and in industrial production process; scope 1 greenhouse gas emission factors were calculated by reference to the *Accounting Method and Reporting Guide for Greenhouse Gas Emissions of Enterprises in Industry and Other Sectors (for Trial Implementation)* released by the National Development and Reform Commission and to the *How to prepare an ESG Report - Appendix 2: Reporting Guidance on Environmental KPIs* released by the HKEX.
10. Scope 2 greenhouse gas emission: Greenhouse gas emission due to purchased electricity and heat; among others, the emission factor of electricity in 2022 was determined by reference to HBQHH [2023] No.43 *Notice on Doing Well the Work Related to the Management of the Reports on Greenhouse Gas Emissions of Power Generation Enterprises (2023-2025)* released by the Ministry of Ecology and Environment; the emission factor of electricity in 2021 was determined by reference to the HBQHH [2022] No.111 *Notice on Doing Well the Key Work Related to the Management of the Reports on Enterprise Greenhouse Gas Emissions* released by the Ministry of Ecology and Environment; the steam emission factor was determined by reference to the *Accounting Method and Reporting Guide for Greenhouse Gas Emissions of Enterprises in Industry and Other Sectors (for Trial Implementation)*; and the heat enthalpy value was provided by the steam supplier of our Guangzhou Factory.

# ESG Index of HKEX

Subject Areas, Aspects, General Disclosures and KPIs			Location
<b>A: Environmental</b>			
<b>A1</b> Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.		Seeking Green Development for Sustainable Operation
	KPI A1.1	The types of emissions and respective emissions data.	List of ESG KPIs
	KPI A1.2	Repealed on 1 January 2025	/
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	List of ESG KPIs
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	List of ESG KPIs
	KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Seeking Green Development for Sustainable Operation
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Seeking Green Development for Sustainable Operation
<b>A2</b> Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials		Seeking Green Development for Sustainable Operation
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	List of ESG KPIs
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	List of ESG KPIs
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Seeking Green Development for Sustainable Operation
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Seeking Green Development for Sustainable Operation
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	List of ESG KPIs
<b>A3</b> The Environment and Natural Resources	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.		Seeking Green Development for Sustainable Operation
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Seeking Green Development for Sustainable Operation
<b>A4</b> Climate Change	Repealed on 1 January 2025.		/
	KPI A4.1	Repealed on 1 January 2025.	/
<b>B. Social</b>			
Employment and Labour Practices			
<b>B1</b> Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		Advancing Together with Employees in Unison
	KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	List of ESG KPIs
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	List of ESG KPIs
<b>B2</b> Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.		Advancing Together with Employees in Unison
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	List of ESG KPIs



Subject Areas, Aspects, General Disclosures and KPIs			Location
<b>B2</b> Health and Safety	KPI B2.2	Lost days due to work injury.	List of ESG KPIs
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Advancing Together with Employees in Unison
<b>B3</b> Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		Advancing Together with Employees in Unison
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	List of ESG KPIs
	KPI B3.2	The average training hours completed per employee by gender and employee category.	List of ESG KPIs
<b>B4</b> Labour Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.		Advancing Together with Employees in Unison
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Advancing Together with Employees in Unison
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Advancing Together with Employees in Unison
Operating Practices			
<b>B5</b> Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.		Healthy Living and Sustained by Cleanliness
	KPI B5.1	Number of suppliers by geographical region.	List of ESG KPIs
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Healthy Living and Sustained by Cleanliness
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Healthy Living and Sustained by Cleanliness
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Healthy Living and Sustained by Cleanliness
<b>B6</b> Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.		Healthy Living and Sustained by Cleanliness
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	List of ESG KPIs
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Healthy Living and Sustained by Cleanliness List of ESG KPIs
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Conducting Compliant Operations for Robust Development
	KPI B6.4	Description of quality assurance process and recall procedures.	Healthy Living and Sustained by Cleanliness
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Healthy Living and Sustained by Cleanliness
<b>B7</b> Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.		Conducting Compliant Operations for Robust Development
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or employees during the reporting period and the outcomes of the cases.	List of ESG KPIs
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Conducting Compliant Operations for Robust Development
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	List of ESG KPIs
Community			
<b>B8</b> Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.		Giving Back to the Community and Co-building Responsibility
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Giving Back to the Community and Co-building Responsibility
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	List of ESG KPIs



Climate-related disclosures		Location
(I) Governance		
19.(a) The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities.		Seeking Green Development for Sustainable Operation ESG Management
(i)	How the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities.	Seeking Green Development for Sustainable Operation
(ii)	How and how often the body(s) or individual(s) is informed about climate-related risks and opportunities.	Seeking Green Development for Sustainable Operation
(iii)	How the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities.	Seeking Green Development for Sustainable Operation
(iv)	How the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities, including whether and how related performance metrics are included in remuneration policies.	Seeking Green Development for Sustainable Operation
19.(b) Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.		Seeking Green Development for Sustainable Operation
(i)	Whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee.	Seeking Green Development for Sustainable Operation
(ii)	Whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	Seeking Green Development for Sustainable Operation
(II) Strategy		
Climate-related risks and opportunities		
20.(a) Describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term.		Seeking Green Development for Sustainable Operation
20.(b) Explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk.		Seeking Green Development for Sustainable Operation
20.(c) Specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur.		Seeking Green Development for Sustainable Operation
20.(d) Explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.		Seeking Green Development for Sustainable Operation
Business model and value chain		
21.(a) A description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain.		Seeking Green Development for Sustainable Operation
21.(b) A description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).		Seeking Green Development for Sustainable Operation
Strategy and decision-making		
22.(a) Information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation.		Seeking Green Development for Sustainable Operation
(i)	Current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities.	Seeking Green Development for Sustainable Operation
(ii)	Current and anticipated adaptation and mitigation efforts (whether direct or indirect).	Seeking Green Development for Sustainable Operation
(iii)	Any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan.	Seeking Green Development for Sustainable Operation
(iv)	How the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40.	Seeking Green Development for Sustainable Operation
22.(b) Information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).		Seeking Green Development for Sustainable Operation
23. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).		Seeking Green Development for Sustainable Operation
Financial position, financial performance and cash flows		
Current financial effect		
24.(a) How climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period.		
24.(b) The climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.		
Anticipated financial effect		
25.(a) How the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration.		
(i)	Its investment and disposal plans.	
(ii)	Its planned sources of funding to implement its strategy.	
25.(b) How the issuer expects its financial performance and cash flow to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.		

Climate-related disclosures		Location
Climate resilience		
26.(a)	The issuer shall disclose the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:	Seeking Green Development for Sustainable Operation
(i)	The implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis.	Seeking Green Development for Sustainable Operation
(ii)	The significant areas of uncertainty considered in the issuer's assessment of its climate resilience.	Seeking Green Development for Sustainable Operation
(iii)	the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term.	Seeking Green Development for Sustainable Operation
26.(b)	How and when the climate-related scenario analysis was carried out, including:	Seeking Green Development for Sustainable Operation
	Information about the inputs used, including:	Seeking Green Development for Sustainable Operation
	(1) Which climate-related scenarios the issuer used for the analysis and the sources of such scenarios.	Seeking Green Development for Sustainable Operation
	(2) Whether the analysis included a diverse range of climate-related scenarios.	Seeking Green Development for Sustainable Operation
	(3) with climate-related transition risks or climate-related physical risks.	Seeking Green Development for Sustainable Operation
(i)	(4) Whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change.	Seeking Green Development for Sustainable Operation
	(5) Why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties.	Seeking Green Development for Sustainable Operation
	(6) Time horizons the issuer used in the analysis.	Seeking Green Development for Sustainable Operation
	(7) What scope of operations the issuer used in the analysis (for example, the operation locations and business units used in the analysis).	Seeking Green Development for Sustainable Operation
(ii)	The key assumptions the issuer made in the analysis.	Seeking Green Development for Sustainable Operation
(iii)	The reporting period in which the climate-related scenario analysis was carried out.	Seeking Green Development for Sustainable Operation
(III) Risk management		
27.(a)	An issuer shall disclose information about the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:	Seeking Green Development for Sustainable Operation
(i)	The inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes).	Seeking Green Development for Sustainable Operation
(ii)	Whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks.	Seeking Green Development for Sustainable Operation
(iii)	How the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria).	Seeking Green Development for Sustainable Operation
(iv)	Whether and how the issuer prioritises climate-related risks relative to other types of risks.	Seeking Green Development for Sustainable Operation
(v)	How the issuer monitors climate-related risks.	Seeking Green Development for Sustainable Operation
(vi)	Whether and how the issuer has changed the processes it uses compared with the previous reporting period.	Seeking Green Development for Sustainable Operation
27.(b)	The processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities).	Seeking Green Development for Sustainable Operation
27.(c)	The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	Seeking Green Development for Sustainable Operation
(IV) Metrics and Targets		
Greenhouse gas emissions		
28.	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO <sub>2</sub> equivalent, classified as:	Seeking Green Development for Sustainable Operation
28(a)	Scope 1 greenhouse gas emissions	Seeking Green Development for Sustainable Operation
28(b)	Scope 2 greenhouse gas emissions.	Seeking Green Development for Sustainable Operation
28(c)	Scope 3 greenhouse gas emissions.	
29.(a)	An issuer shall measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions.	Seeking Green Development for Sustainable Operation
29.(b)	Disclose the approach it uses to measure its greenhouse gas emissions including:	Seeking Green Development for Sustainable Operation
(i)	The measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions.	Seeking Green Development for Sustainable Operation
(ii)	The reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions.	Seeking Green Development for Sustainable Operation
(iii)	Any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes.	Seeking Green Development for Sustainable Operation

Climate-related disclosures	Location
29.(c) For Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions.	Seeking Green Development for Sustainable Operation
29.(d) For Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	
<b>Climate-related transition risks</b>	
30. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	
<b>Climate-related physical risks</b>	
31. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	
<b>Climate-related opportunities</b>	
32. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	
<b>Capital deployment</b>	
33. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	
<b>Internal carbon prices</b>	
34.(a) An explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis).	
34.(b) The price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions. Or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	
<b>Remuneration</b>	
35. An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	
<b>Industry-based metrics</b>	
36. An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	Seeking Green Development for Sustainable Operation
<b>Climate-related targets</b>	
37. An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:	Seeking Green Development for Sustainable Operation
37(a) The metric used to set the target.	Seeking Green Development for Sustainable Operation
37(b) The objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives).	Seeking Green Development for Sustainable Operation
37(c) The part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region).	Seeking Green Development for Sustainable Operation
37(d) The period over which the target applies.	Seeking Green Development for Sustainable Operation
37(e) The base period from which progress is measured.	Seeking Green Development for Sustainable Operation
37(f) Milestones or interim targets (if any).	Seeking Green Development for Sustainable Operation
37(g) If the target is quantitative, whether the target is an absolute target or an intensity target.	Seeking Green Development for Sustainable Operation
37(h) How the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	Seeking Green Development for Sustainable Operation
38. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	Seeking Green Development for Sustainable Operation
38(a) Whether the target and the methodology for setting the target has been validated by a third party.	Seeking Green Development for Sustainable Operation
38(b) The issuer's processes for reviewing the target.	Seeking Green Development for Sustainable Operation
38(c) The metrics used to monitor progress towards reaching the target.	Seeking Green Development for Sustainable Operation
38(d) Any revisions to the target and an explanation for those revisions.	Seeking Green Development for Sustainable Operation
39. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Seeking Green Development for Sustainable Operation



Climate-related disclosures		Location
40. For each greenhouse gas emission targets disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:		Seeking Green Development for Sustainable Operation
40(a) Which greenhouse gases are covered by the target.		Seeking Green Development for Sustainable Operation
40(b) Whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target.		Seeking Green Development for Sustainable Operation
40(c) Whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target.		Seeking Green Development for Sustainable Operation
40(d) Whether the target was derived using a sectoral decarbonisation approach.		
40(e)The issuer' s planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:		
(i)	The extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits.	
(ii)	Which third-party scheme(s) will verify or certify the carbon credits.	
(iii)	The type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal.	
(iv)	Any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	
<u>Applicability of cross-industry metrics and industry-based metrics</u>		
41. In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).		Seeking Green Development for Sustainable Operation

# Feedback

Dear readers,

Hello!

Thank you for taking the time to read the 2024 Environmental, Social and Governance Report of Blue Moon Group Holdings Limited. In order to further enhance our environmental, social and governance management quality, we would like to invite you to fill out the readers' questionnaire and send it back to us through the methods listed below. Your comments and suggestions will be highly appreciated and we look forward to your reply.

**1. What is your overall impression of this report:**

☐ Good   ☐ Above average   ☐ Average   ☐ Below average   ☐ Poor

**2. What do you think of the accuracy and comprehensiveness of identifying and prioritizing key stakeholders, conducting materiality analysis of key issues relevant to environmental, social and governance in this report?**

☐ Good   ☐ Above average   ☐ Average   ☐ Below average   ☐ Poor

**3. What do you think of the ESG information disclosed in this report in terms of comprehensiveness and completeness?**

☐ Good   ☐ Above average   ☐ Average   ☐ Below average   ☐ Poor

**4. What do you think of this report in terms of readability?**

☐ Good   ☐ Above average   ☐ Average   ☐ Below average   ☐ Poor

**5. You are welcome to make comments and suggestions on Blue Moon's environmental, social and governance management and environmental, social and governance report:**

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