



# 优趣汇控股有限公司 UNQ HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 2177



## 2024 Environmental, Social and Governance Report

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# 1. ABOUT THE REPORT

UNQ Holdings Limited (the “**Company**”) is committed to fostering sustainability in our business operations. We view Environmental, Social, and Governance (“**ESG**”) as a core component of our strategic business plan, focusing on creating value for our stakeholders. This report highlights our commitment and initiatives through both qualitative and quantitative analysis of our ESG performance.

## 1.1 REPORTING STANDARD

This is our fourth ESG report (the “**Report**”), in accordance with the *Environmental, Social and Governance Reporting Guide* (“**ESG Guide**”) in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

## 1.2 SCOPE OF REPORTING

The Report covers the Company, and its subsidiaries (hereinafter referred to as “**UNQ**”, the “**Group**” or “**we**”). The Report summarises the ESG performance of the Group during the period from 1 January 2024 to 31 December 2024 (the “**Reporting Period**” or “**2024**”).

## 1.3 REPORTING PRINCIPLES

The Report closely aligns with the following reporting requirements:

Reporting Principles	Descriptions
<b>Materiality</b>	The communication with stakeholders and material assessment are engaged in the preparing process of the Report to identify important ESG topics.
<b>Quantitative</b>	The Report adopts quantitative data to present the key performance indicators (“ <b>KPIs</b> ”) at the environmental and social aspects, with descriptions to explain their purpose and impact.
<b>Balance</b>	The Board has recognised its responsibility to oversee the Group’s sustainable development and to review the truthfulness, accuracy, and completeness of the Report. The Report presents an impartial view of the Group’s performance.
<b>Consistency</b>	To ensure consistency, the Report adheres to the same methodologies, standards, and reporting scope as the previous year. This approach enables comparability and facilitates meaningful year-on-year comparisons.

This Report is published in the online version, which can be viewed and downloaded on the HKEXnews website of the Stock Exchange (<http://www.hkexnews.hk>) and the Group’s website (<http://youquhui.com>).

## 1. ABOUT THE REPORT

### 1.4 CONTACT & FEEDBACK

As we strive for continuous improvement, we greatly appreciate your feedback and suggestions on our ESG matters. Please feel free to reach out to us via the following contact methods.

Address:

Room 2505, Guohua Life Finance Tower, No. 288 Xiangcheng Road, Pudong New Area, Shanghai, PRC

E-mail:

[info@myunq.com](mailto:info@myunq.com)

Tel:

+86-0571-28027569

## 2. ABOUT THE COMPANY

Founded in 2010, the Group is a leading e-commerce service provider in China. We specialise on fast-moving consumer goods, including adult personal care products, baby personal care products, mother and child products, beauty and health product, etc.

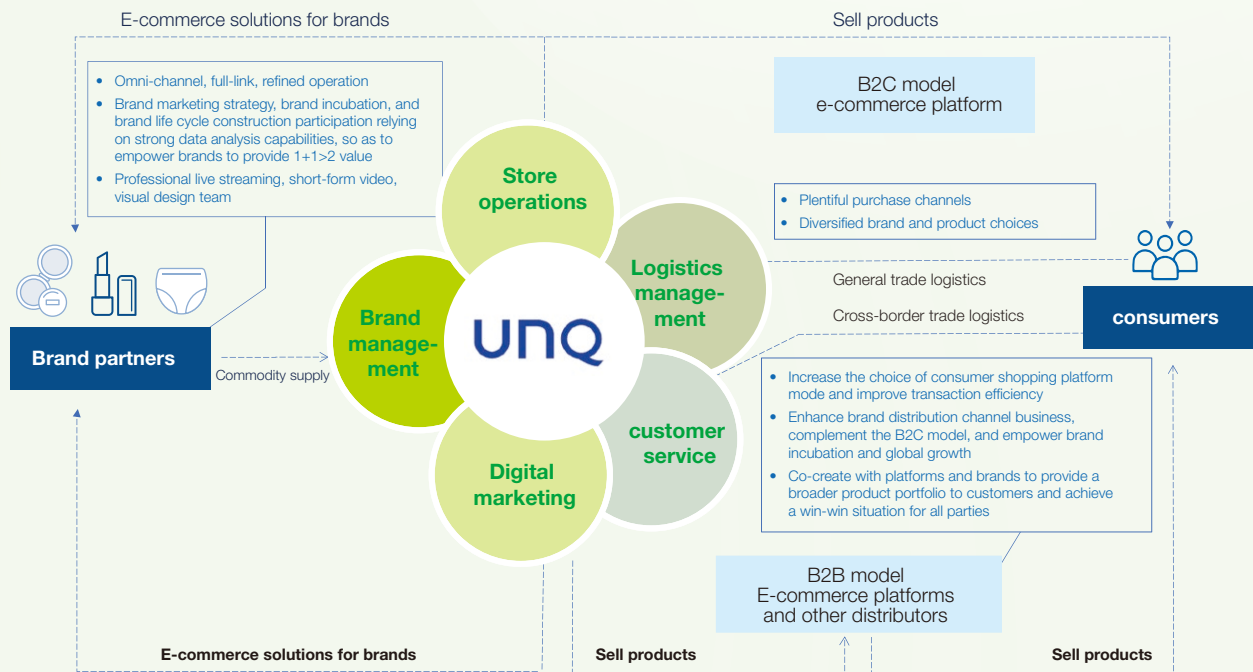
We have established partnerships with approximately 60 brands, including Unicharm Group's Sofy and Moony, Fine Today Group's FINO, AQUAIR, Super Mild, KUYURA, TSUBAKI, KOSÉ Group's KOSÉ Cosmeport, Kobayashi Pharmaceutical, Ohta's Isan, Taisho Pharmaceutical, ARS, and others, providing them with omni-channel, integrated, high value-added operation and customised services.

Leveraging strong market insights, profound experience in digital e-commerce operations and perfect channel layout capabilities, we have begun to seek a new direction of development. Through deep co-creation with brands, incubation of proprietary brands, and mergers and acquisitions, we will implement a dual-strategy of being both an e-commerce operations service provider and a proprietary brand owner.



## 2. ABOUT THE COMPANY

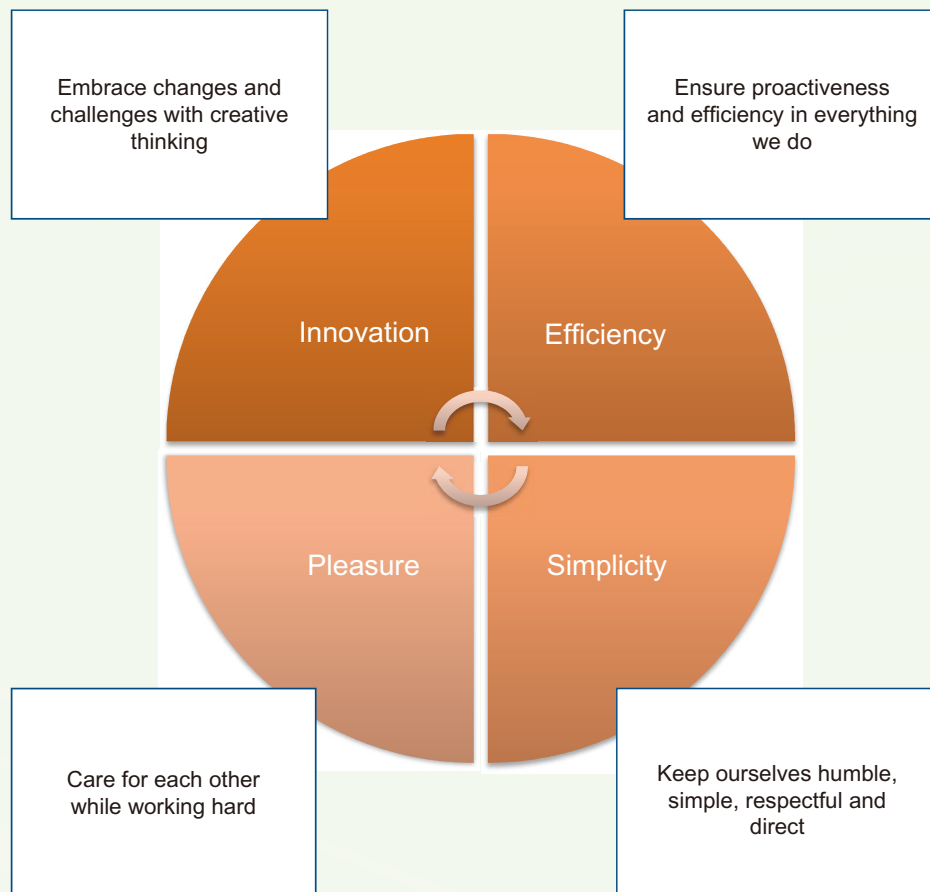
### 2.1 BUSINESS LAYOUT



## 2. ABOUT THE COMPANY

### 2.2 CORE VALUES, MISSION AND CULTURE

We are resolute in delivering exceptional products, innovative solutions, and premium services that address the evolving consumption environment and requirements of our clientele. The Group is committed to developing a positive corporate culture that is built on its vision of “Serve as home to quality and interesting products and a guide to a healthy and beautiful life” and core value of “Innovation, Efficiency, Simplicity and Happiness”, to allow its employees to meet their full potential, and that enables the Company to deliver long-term sustainable growth and success.



### 2.3 THE BOARD'S STATEMENT

- **Future Prospects:**

Gain insight into the Board's vision for advancing ESG initiatives in the future, including planned actions and priorities to further integrate sustainability into the Group's business practices.

- **Commitment to ESG:**

Articulate the Board's commitment to upholding ESG principles and integrate sustainability into the Group's strategy and operations.

- **Stakeholder Engagement:**

Emphasise the Board's interaction with key stakeholders on ESG issues demonstrates a commitment to transparency and responsiveness to stakeholder concerns.

- **Achievement of ESG initiatives in 2024:**

Highlight the achievements of the Group's ESG initiatives implemented in 2024.

- **Continuous Improvement:**


Discuss the Board's commitment to continuous improvement of ESG performance, outlining goals and initiatives aimed at strengthening sustainability practices.

- **Alignment with strategy:**


Highlight how ESG considerations align with the Group's overall strategy and help create long-term value for shareholders and stakeholders.

## 2. ABOUT THE COMPANY


### 2.4 ENTERPRISE HONORS




“Shanghai E-commerce Demonstration Enterprise for 2023-2024” by Shanghai Municipal Commission of Commerce




The “RPA + AI Technology Innovation Award” on 2024 Shadow Knife RPA Digital Intelligence Golden List




The Group’s Sofy Tmall official flagship store was awarded “2024 double eleven gold after-sales service”



“2024 Annual Excellent Service Provider” award from the JD Global Purchase Beauty and Personal Care Section




“2024 Shanghai New Quality E-commerce Enterprise” award from Shanghai Electronic Business Association



Tmall “Five-star Operating Service Provider” and “Service Experience Super V-partner” capability certifications



2024 Gold Star Service Provider by Tmall Global



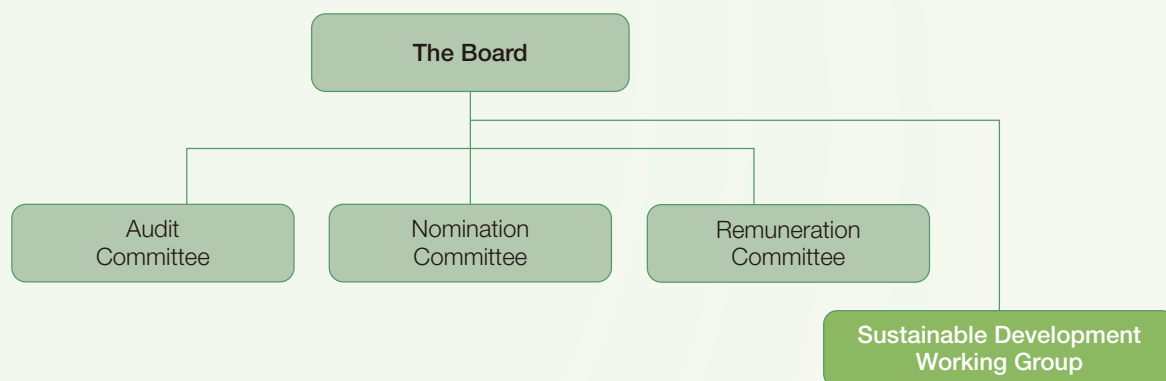
“Most Valuable Large-Consumption Company” award at the 9th Zhitong Finance Listed Companies Awards

## 3. ESG MANAGEMENT

### 3.1 MANAGEMENT STRUCTURE

To better implement the Group's sustainable development strategy and drive each department to operate using ESG principles, we established a Sustainable Development Working Group to achieve effective ESG management in a systematic and scientific way. We specified ESG management functions at each level to achieve separation between rights and responsibilities:

- The Board is responsible for evaluating and determining ESG management policies and strategies, supervising ESG matters, taking full responsibility for the Group's ESG strategies and reporting, regularly reviewing ESG-related matters, and reviewing the progress of ESG-related goals, and approving the annual ESG report.
- The Sustainable Development Working Group is responsible for formulating specific ESG management policies, strategies, and performance indicators and annual plans for ESG work, assessing and determining risks and opportunities related to ESG matters, ensuring that a suitable and effective ESG risk management system is in place, regularly reviewing ESG goals and commitments, implementing ESG management policies and ESG policy guidelines, and reporting the progress of ESG work to the Board.



UNQ's ESG Management Structure Chart

### 3.2 RISK MANAGEMENT

In a dynamic business environment full of opportunities and risks, the Group has established an internal control team to assess and manage risks in line with the Company's core values and mission. This includes the development of corporate governance policies and regular reviews to effectively identify and address risks.

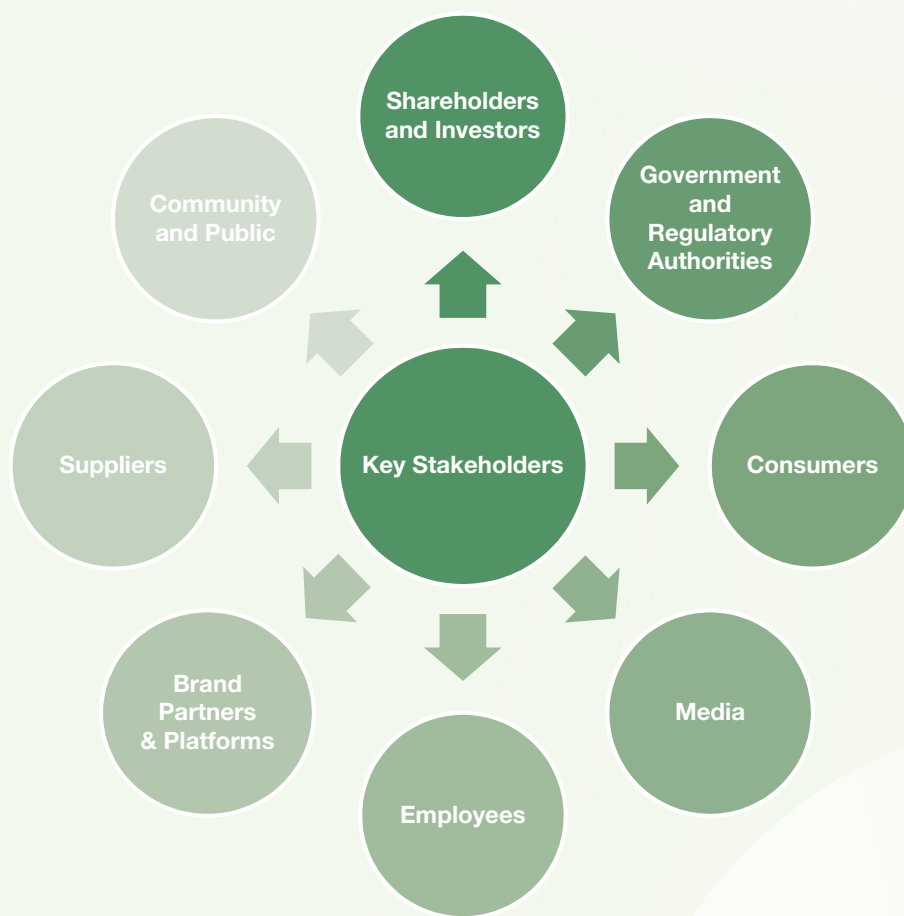
### 3. ESG MANAGEMENT

Listed below are the major ESG risks identified by the management as may have a material impact on the Group:

Risks and Impacts	Our Responses
<b>Legal &amp; Regulatory Risk</b>	The Group regularly assesses changes in laws and regulations and ensures that all business operations comply with relevant legal requirements.
<b>Climate-related Physical Risk (Acute &amp; Chronic)</b>	The Group implements sustainable development strategies to minimise the impacts of climate change and has contingency plans in place to deal with extreme weather events. For details, please refer to the “Environmental Plans and Goals” section of the Report.
<b>External Relations Risk</b>	The Group strengthens communication with stakeholders and builds strong co-operative relationships to mitigate potential external risks. For details, please refer to the “Stakeholder Engagement” section of the Report.
<b>Infectious Disease Risk</b>	The Group works to decrease the spread of disease by maintaining office hygiene and will continue to focus on public health guidance to protect employees and business operations. For details, please refer to the “Health and Safety in Our Workplace” section of the Report.
<b>Information Technology Security &amp; Access Risk</b>	The Group adopts comprehensive advanced information technology (“IT”) security and access measures and follows the information security policy on the online platform to ensure the security of information systems and data privacy. For details, please refer to the “Information Security and Privacy Protection” section of the Report.
<b>Recruitment Risks</b>	The Group establishes a diversified recruitment strategy to attract and retain talents and to ensure fairness in the recruitment process. For details, please refer to the “Empowering Employees: the Cornerstone of Corporate Success” section of the Report.
<b>Termination Risk</b>	The Group conducts employee satisfaction surveys on a regular basis and offers various incentive schemes to minimise turnover rate. For details, please refer to the “Employee Satisfaction” and “Employee Incentives” sections of the Report.
<b>Intellectual Property Protection</b>	The Group highly values the management work of intellectual property rights, avoiding acts that infringe trademark rights and other intellectual property rights. For details, please refer to the “Intellectual Property Management” section of the Report.
<b>Fraud Risk</b>	The Group has established a system of internal controls and conducts regular risk assessments to identify and prevent potential fraud. For details, please refer to the “Combating Corruption and Bribery” section of the Report.

### 3.3 STAKEHOLDER ENGAGEMENT

We actively engage with stakeholders through diverse channels to understand and promptly address their expectations and needs concerning ESG. These efforts underscore our dedication to fostering a trustworthy, honest, and mutually beneficial relationship with stakeholders by their engagement.



### 3. ESG MANAGEMENT

The following table outlines the primary needs and expectations of our stakeholders, as well as our communication channels for addressing those expectations while enhancing our sustainability performance.

#### Consumers

##### Needs and Expectations:

- Services and products that meet the product descriptions and photos
- After-sales services with timely response and high satisfactory rate
- Products with affordable prices and high quality
- Guarantee of personal privacy

##### Communication Channels:

- Review and rating system on e-commerce platforms e.g. Tmall, Pinduoduo, Douyin etc.
- Customer service on e-commerce platforms
- Comment section on social media, e.g. WeChat, Red Note etc.
- Official website
- Customer service hotline
- Online customer satisfaction survey

##### Addressing Needs and Expectations:

- Ensuring the quality of services and products by implementing and maintaining a quality management system
- Keeping track of the customer experience and strengthening after-sale services to resolve customer feedback promptly
- Market mapping the needs of consumers comprehensively
- Identifying potential risk in our quality risk management procedure
- Improving work efficiency and lowering the cost to provide products that are safe, high-quality, and cost effective to customers

#### Suppliers

##### Needs and Expectations:

- Improving the supply chain's competitiveness
- Maintaining a long-term, mutually beneficial and stable relationship with the Group

##### Communication Channels:

- Supplier's assessment and evaluation
- Supplier meetings

##### Addressing Needs and Expectations:

- Encouraging the suppliers to make improvements in ESG
- Prioritising green procurement as one of the criteria for supplier selection
- Establishing a fair supplier contract, aligning to legal standards and regulations
- Regularly communicate with suppliers to ensure the supply standards are met

### 3. ESG MANAGEMENT

#### Employees

**Needs and Expectations:**

- Providing attractive salary and welfare in the industry
- Maintaining a safe working place
- Widening employee's work exposure
- Improving individual capabilities

**Communication Channels:**

- Internal meeting
- Performance evaluation
- CEO mailbox
- Employee training
- Team building activities, e.g. Coffee Time

**Addressing Needs and Expectations:**

- Establishing a robust incentive and promotion structure
- Cultivating a positive work environment and culture, emphasising safety management, enhancing employee morale, and protecting their rights and interests
- Fostering a culture conducive to learning
- Formulating a comprehensive training program

#### Shareholders and Investors

**Needs and Expectations:**

- Achieving high return on investment
- Investing in a company with clear and transparent disclosure of operations and financial performance
- Assessing the risk of a company

**Communication Channels:**

- Annual report, interim report, ESG report and announcements
- Official website
- Conferences, roadshows and earnings briefings

**Addressing Needs and Expectations:**

- Publishing financial reports, ESG report and announcements in a timely manner, while ensuring adherence to relevant standards and regulations
- Updating the official website regularly
- Conducting investor meetings on a regular basis

### 3. ESG MANAGEMENT

#### Government and Regulatory Authorities

**Needs and Expectations:**

- Fulfilling social responsibilities and complying with laws and regulations
- Increasing job opportunities and contributing to the economy

**Communication Channels:**

- Regular reporting and communication
- Response to relevant inquiries from regulatory authorities
- Field visits
- Seminars and communication meetings

**Addressing Needs and Expectations:**

- Identifying and stringently complying with the appropriate laws and regulations, as well as industry norms, standards, and other requirements
- Accelerating the exploration of new markets in the local community and increasing sales revenue
- Creating new job opportunities to enhance the employment rate

#### Community and Public

**Needs and Expectations:**

- Improving public welfare, community involvement, environmental protection and social welfare actively

**Communication Channels:**

- Community visits
- Collaboration with public welfare organisations

**Addressing Needs and Expectations:**

- Participating in community activities

### 3. ESG MANAGEMENT

#### Brand Partners and Platforms

**Needs and Expectations:**

- Improving the creativity and quality of e-commerce solutions
- Adhering to contracts
- Keeping up to date with e-commerce trends
- Maintaining honest and transparent business relationships

**Communication Channels:**

- Regular meeting
- Industry summit

**Addressing Needs and Expectations:**

- Communicating regularly with brand partners and platforms to ensure the requirements of e-commerce solutions
- Conducting regular training courses with our marketing team to ensure their marketing skills and knowledge are professional

#### Media

**Needs and Expectations:**

- Driving industry development
- Promoting responsible marketing
- Maintaining business integrity
- Improving social responsibility

**Communication Channels:**

- Social media
- Official website
- Press conferences
- Conference communication

**Addressing Needs and Expectations:**

- Updating our social media constantly
- Attending business events and award ceremony

### 3. ESG MANAGEMENT

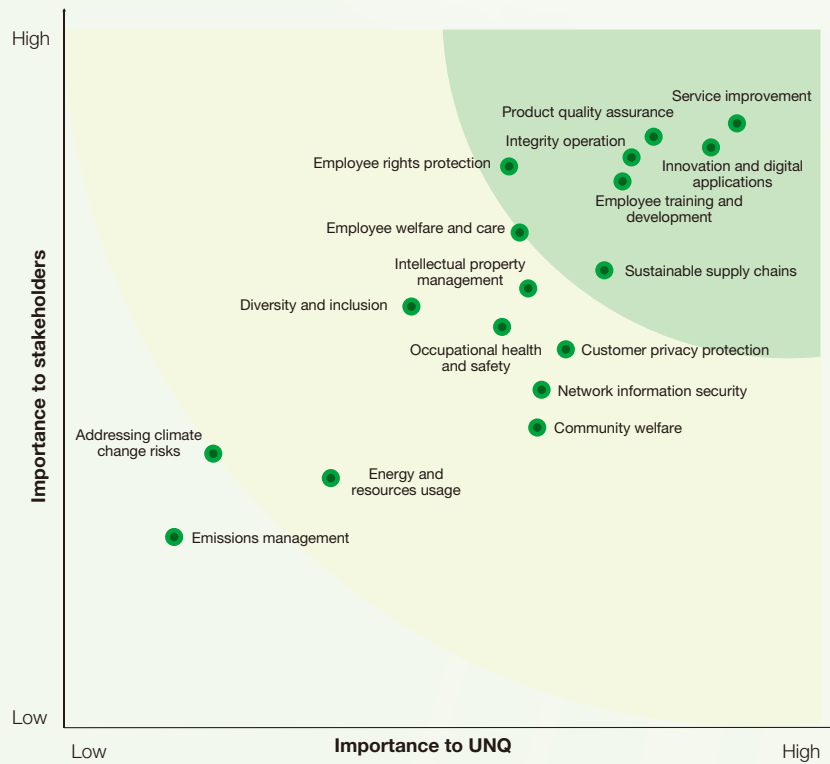
#### 3.4 MATERIALITY ASSESSMENT

During the Reporting Period, we performed a materiality assessment to determine the Group's most significant ESG issues. This assessment was crucial for developing effective ESG management strategies and informing our reporting and disclosure practices. Below summarised our steps of procedures in conducting our materiality assessment:



### 3. ESG MANAGEMENT

Based on the results, we have determined the priority order of ESG issues. The materiality matrix illustrates the ESG issues that stakeholders consider to be the most important. The topics displayed in the upper right quadrant are of the highest importance to the Group and require our priority attention. The latest materiality analysis matrix is as follows:



UNQ Materiality Analysis Matrix

## 4. COLLABORATING WITH PARTNERS TO BUILD A SUSTAINABLE SUPPLY CHAIN

Supply chain partners are valuable to the Group. We aim to be a controller of brand resources and an insightful explorer of user needs in the field of “Health and Beauty”. We provide integrated, omnichannel, high-value-added e-commerce operation services. We constantly introduce new brands to the platform, tap brand potential, and give them innovative vitality.

### 4.1 MUTUAL EMPOWERMENT LEADING TO WIN-WIN COOPERATION WITH BRANDS

The Group carefully selects high quality products that bring health and beauty to the consumers. Leveraging extensive brand operation experience, digital innovation, and market research capabilities, we offer comprehensive e-commerce services, including brand analysis, store operation, digital marketing, logistics, and customer service. This one-stop, omnichannel approach fosters win-win partnerships and strengthens the connection between brands and consumers. As of 31 December 2024, we had partnered with 59 brands.

#### 4.1.1 STRICT SELECTION FOR HIGH-QUALITY BRANDS

To create a better cooperative ecosystem, we developed a New Brand Potential Evaluation Form. We assess brands from four aspects: “Market”, “Product”, “Brand”, and “Investment” by using a graded scoring system. This helps us select brands that are popular in the market, offer good-value products, have high reputation, and have good investment prospects. At the same time, based on cutting-edge market data, we identify consumer preferences and active areas. We look for highlights in areas such as product selection, pricing, and environmental protection for our brand partners. This helps brands iterate their operation strategies and continuously endow products with sustainable value during the cooperation and co-creation process with us, meeting consumers’ multi-level needs.

#### 4. COLLABORATING WITH PARTNERS TO BUILD A SUSTAINABLE SUPPLY CHAIN

##### Assisting Unicharm's Silcot in incubating stretchable water-bandage cotton pads, conveying green and eco-friendly messages to consumers

Amid global sustainable development and growing consumer demand for eco-friendly products, the Group actively collaborates with brands to accelerate the market promotion of green products. We supported Unicharm's brand Silcot in launching its new stretchable water-bandage cotton pads, combining product functionality with environmental protection to lead the beauty and skin-care market with eco-friendly concepts.

Compared to traditional cotton pads, Silcot's stretchable cotton pads place sustainability at the core, from product design through to supply chain management, to reduce environmental impact, offering consumers an eco-friendly skincare choice.

- **Stretchable Design:** Have a stretchable design for better skin conformity and usage efficiency, reducing waste.
- **High Absorption Efficiency:** Have excellent water absorption properties, which allow for more even distribution of toner and help to reduce waste.
- **Eco-friendly Materials:** Made from biodegradable materials to reduce environmental impact, meeting the demand for green products. The paper box uses FSC-certified paper.

Since its launch, the product has gained widespread consumer attention and positive response, showing high market acceptance for eco-friendly beauty products. In the future, we will continue to work with brand partners to deepen the construction of green supply chains, promote more innovative and sustainable products, and help the industry move towards low-carbon and eco-friendly development.



## 4. COLLABORATING WITH PARTNERS TO BUILD A SUSTAINABLE SUPPLY CHAIN

### 4.1.2 Empowering Brand to Enhance Value

To solve the brand's pain points in marketing, inventory and operation, we conduct data analysis with the information integration advantages of the platform, and visualise the consolidated data analysis results of each port using the business intelligence (BI) dashboard, so as to help brand partners to improve their operation capabilities.

#### Sofy's New Morning Pants: Data-Empowered Product Operations for Precise Target-Audience Reach

As a brand partner, the Group has been committed to continuous innovation around the brand's core values. We employ data-driven, refined operational strategies to enhance the brand's market influence. Sofy launched the Morning Pants, which is a panty-style sanitary product designed for daytime use, aiming to address women's hygienic needs during the day. Its feature an open-and-close waist tab design, making them easy to change and greatly improving usability.

Through big data analysis, we precisely targeted two young female groups: 18 to 22 years-old "new social girls" and 24 to 28 years-old "independent white-collar women". Based on in-depth data analysis, Sofy introduced Morning Pants. These efforts helped Sofy's Morning Pants top the sanitary napkins new product ranking for 2024 Tmall 38 Women's Renewal Week.

Through data-enabled, precise marketing, Sofy's Morning Pants quickly topped the category ranking, solidifying the brand's leading position in the pantyliner sub-market. This innovative strategy not only lifted brand influence but also strengthened consumer trust.



## 4. COLLABORATING WITH PARTNERS TO BUILD A SUSTAINABLE SUPPLY CHAIN

### 4.2 INTEGRITY AS THE CORNERSTONE OF RESPONSIBLE MARKETING

We comply with relevant laws and regulations, such as the *E-commerce Law of the People's Republic of China* and the *Advertising Law of the People's Republic of China*. We have established the *Advertising Claim Compliance Rules*, which stipulate pre-approval of ad claims, post-supervision, and handling of violations. This ensures marketing content is compliant, true, and effective. To strengthen marketing compliance, we take three key steps: "Training, E-Early Warning, and Reverse Supervision", controlling marketing risks in a "Pre-During-Post" manner.

- Training: We inform staff about marketing compliance requirements regarding advertisements and promotions, reducing pre-violation risks.
- E-early warning: Based on a banned-word library, we scan and judge text and images on the page. If banned words are found, an early warning is triggered, and the operation end rectifies the situation as per actual conditions.
- Reverse supervision: We work with outsourced customer-service teams to conduct regular inspections, supervising the Group from the outside to avoid self-inspection blind spots and comprehensively enhance risk-prevention capabilities.

Additionally, we convey positive values to consumers during marketing, highlighting the brand's sustainable-development actions, and guiding consumers towards green, healthy, and rational consumption.

During the Reporting Period, we strictly followed relevant advertising and labelling regulations for our products and services, including the *Advertising Law of the People's Republic of China* and the *Trademark Law of the People's Republic of China*.

## 5. SUSTAINABLE SUPPLY CHAIN: FROM CONCEPT TO STRATEGIC DELIVERY

We continually enhance our supplier quality management system and stabilise the excellent supply-demand relationship to reduce procurement risks and costs. This create a more efficient and responsible supply chain to boost our core competitiveness.

### 5.1 STRICT SUPPLIER ADMISSION AND EVALUATION

We understand that the quality of our products and services are heavily impacted by our suppliers, and we make considerable efforts to ensure they align with our corporate standards. To evaluate the business capabilities of both new and existing suppliers, we have established a comprehensive supplier management system.



#### Selection of Suppliers

We conduct strict access management on suppliers. Our team assesses the suppliers' business capabilities and conducts product sample examinations, rating from 1-100 (A to D), with criteria including packaging materials, quality management, third-party testing reports, operational performance, client examples, and supply capacity.

#### Management System of Suppliers

To ensure strict adherence to laws and regulations prohibiting commercial bribery, maintain mutual interests, and nurture positive relationships, our *Letter of Commitment for Anti-Commercial Bribery* outlines crucial guidelines and regulations for suppliers on ethical and legal compliance. Through the enforcement of this letter of commitment, we aim to raise suppliers' ethical awareness and enhance the integrity of our supply chain.

Additionally, we integrate social impact assessment into the supplier onboarding process. We have executed a Data Security Survey Form with all logistics partners to manage and prevent potential risks associated with information security, such as data breaches during the logistics operations.



#### Environmental Consideration of Suppliers

We priorities green suppliers who integrate environmental considerations into their operations, including their environmental certifications, sustainable packaging practices, digitalisation efforts and other environmental factors. Through effective communication, we identify and engage in discussions with our suppliers regarding environmental factors and risks.

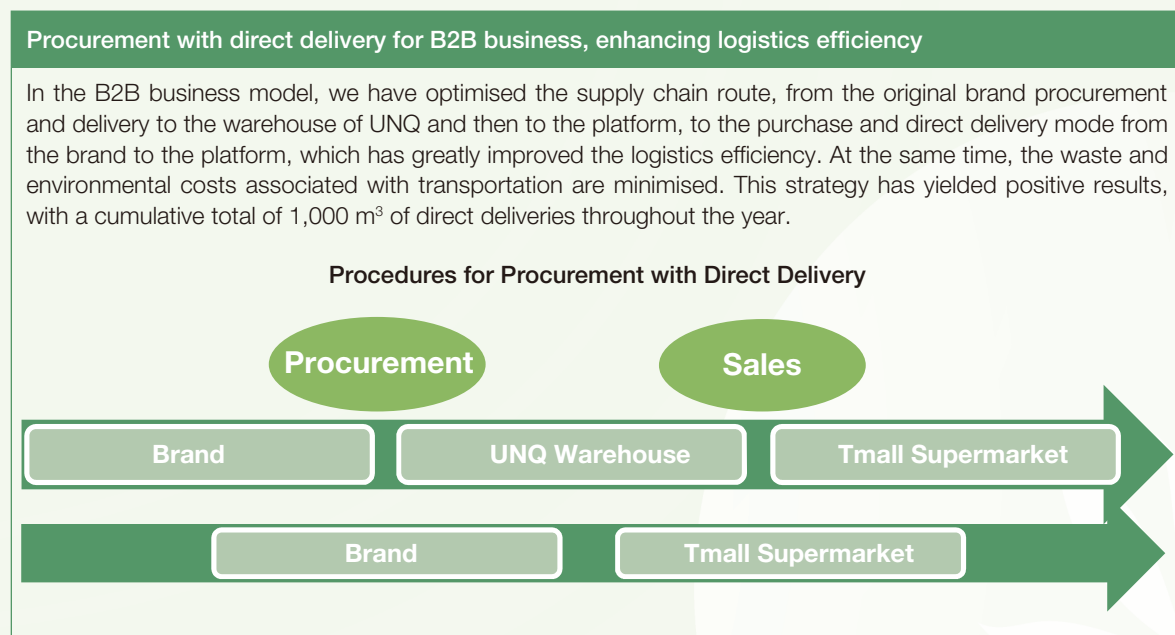
## 5. SUSTAINABLE SUPPLY CHAIN: FROM CONCEPT TO STRATEGIC DELIVERY

In 2024, the Group established cooperative relationships with a total of 352 suppliers.

Number of Suppliers	
<b>Domestic Suppliers</b>	
Northeast China	5
North China	38
East China	232
South China	38
Central China	10
Northwest China	1
Southwest China	12
<b>Overseas Suppliers</b>	
Overseas	16
<b>Total</b>	<b>352</b>

### 5.2 SMART SUPPLY CHAIN MANAGEMENT

To promote green supply chain construction, we actively drive original packaging dispatch and have undertaken significant improvements in our logistics efficiency. Furthermore, we reduce the carbon footprint of goods in the supply chain by improving distribution processes through centralised distribution, intelligent warehouse allocation, cross-border direct delivery, and marine freight consolidation.

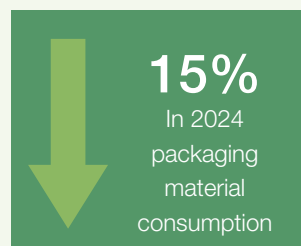


## 5. SUSTAINABLE SUPPLY CHAIN: FROM CONCEPT TO STRATEGIC DELIVERY

### Adoption of Digitalised Packaging Practice

To enhance sustainability in packaging, we have adopted digitalised packaging practices, which utilise algorithms to select the most suitable shipping boxes, minimising empty space and reducing packaging waste. This initiative has led to a 15% reduction in packaging material consumption in 2024.

By implementing smart order consolidation strategies, we combine multiple small parcels into a single package whenever possible. This not only reduces logistics costs and packaging waste per order but also minimises our environmental footprint, promoting a more environmentally responsible supply chain.



### Collaboration with Suppliers to Build a Green and Sustainable Supply Chain

As part of our commitment to environmental sustainability in supplier management, we constantly work with green logistics partners such as Cainiao (菜鸟) to implement eco-friendly packaging and delivery solutions. Cainiao has established a full-chain green logistics solution, covering all stages from order generation to final delivery. In 2024, Cainiao's operations and value chain achieved a total emissions reduction of **458,000** tonnes.

Through collaboration with Cainiao, we strengthen our green supplier management framework, ensuring that our logistics and packaging solutions align with sustainability standards. By integrating data-driven efficiencies and green supply chain practices, we continue to reduce our environmental footprint while enhancing operational efficiency for our brand partners and customers.

## 6. INNOVATION-DRIVEN, FORGING HIGH-QUALITY AND EXCELLENT SERVICES

### 6.1 PRODUCT LIABILITY, JOINT LIABILITIES OF PRODUCERS AND SELLERS

For the brands operated by UNQ, even though we are not involved in product manufacturing, we actively cooperate with brand partners to initiate product recall procedures, to protect consumers' lawful rights and interests, as well as their health and safety. This includes ensuring timely consumer notification, halting sales, and facilitating a smooth recall process.

For our owned brands, we entrust third-party testing organizations to conduct safety and microbial tests on ingredient formulations in accordance with national regulations during the product research and development phase. Focusing on raw material safety and prohibiting the use of controversial components to ensure product performance safety. Regarding product production quality control, we also entrust third-party testing organizations to evaluate the safety and efficacy of our products. We are continuously improving our product recall mechanism to immediately activate recall procedures in the event of product quality defects, effectively safeguarding consumer rights.

### 6.2 CUSTOMER FIRST, COMMITTED TO DELIVERING EXCEPTIONAL CUSTOMER EXPERIENCES

We value customer experience and continuously enhances the professionalism of its customer service staff to ensure smooth and compliant service delivery. Additionally, we leverage AI tools to enrich customer service value and provide a higher-quality service experience.

In 2024, our brands performed outstandingly across various platforms. Below is a partial list of store-wide experience scores:

Platform	Store	Overall Experience Score
Taobao	Kobayashi Pharmaceutical Official Flagship Store	5.0/5.0
	Sofy Official Flagship Store	5.0/5.0
	Silcot Official Flagship Store	4.9/5.0
Douyin	FINO Official Flagship Store	99/100
Pinduoduo	Ritao Youpin Overseas Speciality Store	5 stars/5 stars
	Youxuan Skin Care Overseas Speciality Store	5 stars/5 stars
	Kobayashi Pharmaceutical Yikemai Speciality Store	5 stars/5 stars
JD.com	Shiseido Group Overseas Flagship Store	4.9 stars/5 stars
	Kobayashi Pharmaceutical Overseas Flagship Store	5 stars/5 stars

In 2024, our customer service satisfaction reached 95.31%, a significant increase of 2.11 percentage points compared to 2023, which is better than the industry average of 91.62%. Our customer service response time has also improved significantly, with an average response time of 14.04 seconds, a decrease of 2.87 seconds from 2023 and far better than the industry average of 20.21 seconds. Our customer service team strictly adheres to our "24-hour" policy, and we are committed to resolving customer complaints and inquiries in a timely manner within one day.

## 6. INNOVATION-DRIVEN, FORGING HIGH-QUALITY AND EXCELLENT SERVICES

In the past year, we have significantly enhanced customer service satisfaction. This improvement is largely attributed to our effective utilisation of automation and artificial intelligence (“AI”) tools such as “Dianxiaomi”, “AG Automatic Refund”, “ShadowBot RPA” (Robotic Process Automation Tool), and “ByteNew”. These tools have streamlined customer service processes, facilitated automatic issue registration, substantially alleviated the workload on customer service teams, and eased customer wait-related frustrations. We have maintained close collaboration with Dianxiaomi and have repeatedly topped its “Bee Top List”.

Dianxiaomi Customer Service Robot	In 2024, the coverage of customized scenarios of “Dianxiaomi” Customer Service Robot reached 99.8%, which was 37.7 percentage points higher than the industry average of 62.1%. Satisfaction reached 92.6%, which was 55.8 percentage points higher than the industry average of 36.8%.
Automatic Batch Message Leaving of “ShadowBot” RPA	In 2024, automatic batch message leaving of “ShadowBot” RPA has covered 70 scenarios, saving 6,337 hours of timeliness, processing more than 1,300,000 messages, and saving the workload of about 792 customer service personnel.
ByteNew Automatic Service Hall	ByteNew is mainly used for data collection of customer service center. During the offline period of customer service, ByteNew self-records customer questions. The customer service personnel will proactively check all of the recorded questions once they are online, to reduce the waiting time of customers. In 2024, ByteNew saved customers approximately 786,200 minutes in waiting.

### 6.3 ARTIFICIAL INTELLIGENCE IMPROVES SERVICE EFFICIENCY AND EXPERIENCE

AI drives business innovation and development and holds potential for future transformation. AI-powered efficiency improvements permeate our various business processes and sectors. By integrating AI models with the Group’s self-developed HuiZhi AI platform, our design department has achieved significant efficiency improvements in creating short videos and producing drawings.

AI Design Cases in 2024

3,955

AI Penetration Rate

100%

## 7. EMPOWERING EMPLOYEES, THE CORNERSTONE OF CORPORATE SUCCESS

The Group is committed to promoting the career development of our employees, improving their working conditions and safeguarding their rights. We aim to consistently create a nurturing, rewarding and encouraging work environment that fosters the personal and professional growth of our employees, in harmony with the overall development of the Group.

### 7.1 COMPLIANT EMPLOYEE HIRING

We strictly comply with the *Labour Law of the People's Republic of China* and the *Labour Contract Law of the People's Republic of China*, among other relevant laws and regulations. We have established a comprehensive employee rights protection system and regularly revise relevant system documents to ensure that the rights of employees are fully respected and protected.

Employee Structure		2024	2023
Total number of employees		217	296
By gender	Male	57	79
	Female	160	217
By age group	<30	105	191
	30-50	104	96
	>50	8	9
By geographical region	The PRC	209	281
	Shanghai	71	81
	Beijing	13	17
	Hangzhou	125	183
	Overseas	8	15
By employee type	Senior management	13	20
	Middle management	58	32
	Junior employees	146	244

## 7. EMPOWERING EMPLOYEES, THE CORNERSTONE OF CORPORATE SUCCESS

We are dedicated to offering fair and equal employment and competition opportunities to all applicants. We encourage staff to pursue desired positions through internal competition and referral. We also attract top talent via diverse recruitment channels like media, campus, headhunting, and internal referral. Moreover, we strictly check the identity information of every recruit, build employee personnel files, and explicitly prohibit the employment of child labour and forced labour in the “Recruitment, Employment, and Contract Rules”. Should any cases of child labour or forced labour be discovered, we will act in accordance with the law to safeguard employee rights. In 2024, the Group had no incidents of employing child labour or forced labour. We also newly formulated the “Employee Promotion and Demotion Management Rules” to provide employees with clear career-development paths and ensure our human-resource configuration aligns with business goals.

We value diversity and inclusion in the workplace. During the Reporting Period, the Group had a total of 217 employees, with the specific number of employees and turnover rates as follows:

Employee Turnover Rate		2024	2023
<b>Employee Turnover Rate<sup>1</sup></b>		<b>36.73%</b>	34.39%
<b>By gender</b>	Male	<b>42.42%</b>	36.29%
	Female	<b>34.43%</b>	34.64%
<b>By age group</b>	<30	<b>41.99%</b>	37.17%
	30-50	<b>31.58%</b>	32.87%
	>50	<b>20.00%</b>	0%
<b>By geographical region</b>	The PRC		
	Shanghai	<b>26.80%</b>	24.30%
	Beijing	<b>23.53%</b>	39.29%
	Hangzhou	<b>41.31%</b>	40.20%
	Overseas	<b>50.00%</b>	0%

<sup>1</sup> Employee turnover rate = number of employees leaving during the Reporting Period / (number of employees leaving during the Reporting Period + total number of employees at the end of the Reporting Period.) \*100

## 7. EMPOWERING EMPLOYEES, THE CORNERSTONE OF CORPORATE SUCCESS

### 7.2 WORKING HOURS AND HOLIDAYS

We established the *Overtime Management Regulations* and *Attendance Management System* to safeguard employees' leave entitlements, and track attendance via an online system for standardised working-hour management. We prohibit forced labour and encourage a work-life balance without compromising work progress and quality. If overtime is required due to work needs, we pay statutory holiday overtime fees; in other cases, we provide compensatory time off. reimburse overtime meal and transportation expenses as per regulations. Our *Attendance Management System* clearly states that employees are entitled to various types of leave, including national statutory holidays, annual leave, marriage – and child-related leave, sick leave, personal leave, and bereavement leave. Annual leave increases with years of service. Additionally, we offer extra leave benefits, such as three extra days off before the Spring Festival holiday and parenting leave to alleviate the pressure of parenting for employees.

### 7.3 COMPENSATIONS AND BENEFITS

We are continually enhancing our compensation structure system. During the Reporting Period, we updated the *Compensation Management Policy* to align with our business strategy and external environmental changes, better motivating staff and improving organisational efficiency. The introduced “Contracted Responsibility Policy” represents a key shift in our organisational approach, focusing on accountability and performance-driven results. Under this framework, employees who successfully achieve preset goals are eligible for bonuses and extra rewards, recognising their dedication and accomplishments. In 2024, we implemented salary increases consistent with this system, providing approximately 5% raises for outstanding employees who surpassed targets. This strategic integration of incentive measures not only rewards individual and team efforts but also cultivates a culture of excellence, positivity, and continuous improvement within our workforce.

To further enhance employees' sense of belonging, we have formulated the *Employee Benefits Policy* to clarify the various benefits policies available to employees.



## 7. EMPOWERING EMPLOYEES, THE CORNERSTONE OF CORPORATE SUCCESS

### 7.4 EMPLOYEE INCENTIVES

We continuously improve our employee incentive mechanism, based on the 2024 reward mechanisms, including the “Annual Evaluation and Commendation”, “Case Competition”, “Daily Reward”, “Project Initiation Incentive”, and “New Project Introduction and Operation Incentive”, we have also introduced the “Contracted Responsibility System Bonus” and optimised the “Daily Reward”.

**即刻荣耀计划征集令**  
多项现金大奖等你来拿

看规则 → 提报项目 → 赢奖金

提报时间  
7/3-7/10

报名路径: 钉钉 → EHR → 员工自助 → 我的任务 → 即刻荣耀计划申报入口

**日常奖励&营运中心立项项目规则**

- 《日常奖励规则》: 参照4月每月7日修订, 发布的最新版《日常奖励规则》实施;
- 《营运中心立项项目》: 参照营运中心每年年初制定立项项目规则实施;

**重点即时项目规则**

- 时间: 2024年1月1日后发布的, 且6月1日后达到30w以上曝光量的视频;
- 数据源: 以千川后台为主, 若有抖加, 可累计抖加曝光量; 若有自然流, 可累计自然流曝光量;
- 1.1 重点即时项目奖励奖励入围: 单个视频曝光量>30w;
- 1.2 重点即时项目奖励规则:

(1) 曝光量:

	曝光量	奖金/元
1	30w-100w	1000
2	100w-300w	2000
3	300w-500w	4500
4	500w, +∞	6000

(2) ROI: 该视频曝光1个月内的全店ROI>近3个月内的全店ROI, ROI=(进店GMV-智能优惠券)/消耗;

达成 (1) 曝光量目标后, 立即兑现奖金的30%;

数同时达成 (2) ROI目标, 则立即兑现剩余奖金的70% (可提现)。

unq  
燃点·即刻荣耀  
菲婷丝短视频营销6月战报

单条最高曝光量  
**68w+**

**爆款视频标题**

错过真的太可惜了, 别手搓想一年的量就在fino直播间赶紧抢

**68w+**

掌握了头发的补水开关之后才发现, 原来养出水润顺滑的仙女发是这么简单!

**62w+**

fino发膜! 护发要选一步搞定, 头发又顺又滑, 还持久留香~

**45w+**

还有人不知道现在fino发膜一百多出头到手三大瓶的活动吗!

**38w+**

**流量解码团队成员**

戚甜甜 钟戈竣 方姣姣、张金鹏 张秉龙  
编导 拍摄 剪辑 投放

**再接再厉 再创巅峰!**

## 7. EMPOWERING EMPLOYEES, THE CORNERSTONE OF CORPORATE SUCCESS

### 7.5 TRAINING AND DEVELOPMENT

The Group aims to promote internal cohesion by advocating core values among employees. To achieve this, significant resources in employee training and development have been invested. We have built an open and inclusive training system with four levels of courses: “Leadership”, “General Strength”, “Professional Strength”, and “New Strength”. We also encourage employees to become internal trainers, offering them lecturer fees as an incentive for their growth. As at 31 December 2024, we had trained 33 internal lecturers.

Type of training	Training Objects	Training Themes	Performance in 2024
Leadership	Supervisors and managers	Financial report interpretation	Number of participants: 77 persons Duration: 116 hours
Competency	All employees	ChatGPT-AI super individual introduction course, Excel, strategic business negotiation, exploring the mysteries of AI intelligent assistants, 2024 personnel system promotion, the power of role models-excellent case sharing, Wangdian Tong system training	Number of participants: 440 persons Duration: 391 hours
Professionalism	Professional skills required for various positions, such as operations/operations assistants, design/design assistants, etc.	Blockbuster product creation strategy – Ansun, Blender-AI cultivation plan, good businesspeople & good operators, contract legal risks and prevention, member operation diagnosis and strategy sharing, strengthening daily sales strategy-Sofy, how to create a blockbuster short video for TikTok commercialisation, sales and profit follow-up and application	Number of participants: 478 persons Duration: 557 hours
Newcomers	New employees recruited from society and campuses	Newbie essentials, Newbie creation camp, U-top student plan	Number of participants: 277 persons Duration: 289 hours

## 7. EMPOWERING EMPLOYEES, THE CORNERSTONE OF CORPORATE SUCCESS

2024	Percentage of employees who have been trained (%)	Average number of training hours
<b>Training</b>		
<b>By gender</b>		
Male	50 (93.75%)	4.63
Female	150 (87.72%)	4.90
<b>By employee category</b>		
Senior management	7 (53.85%)	2.50
Middle management	56 (96.55%)	3.99
Junior employees	137 (93.84%)	5.29

In addition, we frequently organise interactive sharing sessions led by our experienced and outstanding employees. These sessions not only enhance work communication among team members but also create opportunities for personal growth and enrichment beyond their daily job responsibilities.



## 7. EMPOWERING EMPLOYEES, THE CORNERSTONE OF CORPORATE SUCCESS

### 7.6 DEMOCRATIC COMMUNICATION

We facilitate open and equal communication with our managers through regular Coffee Time sessions. In 2024, we held five Coffee Time sessions, with a total of 40 participants. Each session featured different topics, ranging from discussions on the “Contract Responsibility Policy” to the Company’s strategic direction.



## 7. EMPOWERING EMPLOYEES, THE CORNERSTONE OF CORPORATE SUCCESS

The Group organises an annual “Product Tasting Event” to deepen the familiarity of our employees with our brands. In 2024, more than 50 of our employees participated in the tasting event.



Tasting Event

### 7.7 TEAM BUILDING ACTIVITIES

We organised team building activities such as annual trip, various team building activities and team dinners. The Group believes that these activities play an important role in strengthening the sense of belonging and fostering a spirit of cooperation within the Group.



Team Overseas Trip

## 7. EMPOWERING EMPLOYEES, THE CORNERSTONE OF CORPORATE SUCCESS



Outdoor Camping



Team Dinner

### 7.8 EMPLOYEE CARE

We prioritise the well-being of our employees by providing essential daily products to meet their needs. These include offering various types of medicine, masks, and sanitary pads to ensure everyone feels loved and cared for. Additionally, we recognise the challenges faced by mothers in the workplace and strive to provide a safe and welcoming environment for them. Therefore, we have created a private nursery room for breast milk storage to meet the needs of our female employees during the breastfeeding period.



Medicine Supplies



Sanitary Pads



Nursery Room

## 7. EMPOWERING EMPLOYEES, THE CORNERSTONE OF CORPORATE SUCCESS

### 7.9 EMPLOYEE SATISFACTION

In 2024, we conducted an employee satisfaction survey. We collected employee responses and analysed their feedback and satisfaction based on three key factors: 1) willingness to promote the Company; 2) intention to stay; and 3) eagerness to contribute. The employee satisfaction questionnaire is designed around concepts such as employee engagement, behaviour, and motivation. We received 161 anonymous responses from employees across the Group. The average employee satisfaction rate was 81.2%, and the average employee engagement rate was 74.8%. We are proud of these results and remain committed to focusing on employee satisfaction and needs.

To protect employee's rights, we have established an employee complaint mechanism. Any instances of unfair treatment, such as unjustified rejections of leave applications, can be reported to the Human Resources Department. As specified in the employee handbook, employees who consistently violate the Company's rules and regulations may face disciplinary actions, including termination.

### 7.10 HEALTH AND SAFETY IN OUR WORKPLACE

We understand that the health and safety of our employees and partners is a top priority. Therefore, we have conducted comprehensive fire drills across our offices in Shanghai and Hangzhou and conduct weekly fire safety self-inspections at our Beijing office to enhance emergency preparedness and mitigate fire-related risks.



Fire drill

In addition to fire safety management, we also provide employees with essential medicines and masks, and regularly disinfect offices during virus outbreaks. This ensures a safe and healthy working environment and prevents workplace illness transmission.

During the Reporting Period, the Group complied with all relevant laws and regulations concerning workplace health and safety, including the *Work Safety Law of the People's Republic of China*, the *Law on Prevention and Control of Occupational Diseases of the People's Republic of China*, the *Special Equipment Safety Law of the People's Republic of China*, and the *Emergency Response Law of the People's Republic of China*. Over the past three years (2022–2024), the Group reported no violations of occupational health and safety regulations, work-related fatalities, or workdays lost due to injuries. There were also no major safety accidents.

## 8. CORPORATE GOVERNANCE, COMMITMENT TO INTEGRITY

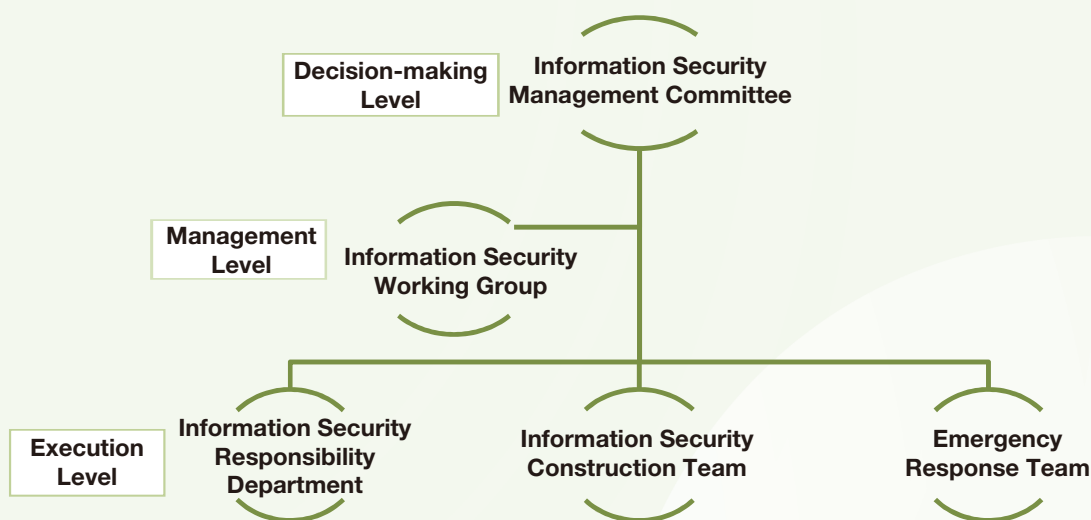
UNQ is committed to creating a business environment of integrity and fairness. By optimizing its governance system and establishing a sound mechanism of rights and responsibilities, it staunchly opposes corruption, safeguards data and privacy security, strengthens intellectual property management, adheres to business ethics, and achieves steady and robust business development.

### 8.1 INFORMATION SECURITY AND PRIVACY PROTECTION

We abide by the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, and the *Personal Information Protection Law of the People's Republic of China*. We have developed the *Information Security Management Policy* to regulate and guide data security, privacy protection, device use, access management, network security, and incident handling.

#### 8.1.1 Information Security Management Framework

We review and revise all information security-related policies at the beginning of each year to ensure the effectiveness of the Information Security Management System. To clarify information security responsibilities at each levels, we established an Information Security Management Committee, which is responsible for planning and strategy development related to information security. The specific responsibilities of the committee are as follows:



In 2024, the Group conducted an information security training. The training shared information security leakage cases, popularised the latest information and cybersecurity regulations and the Group's information security management practices, and set up an after-class test session to effectively enhance employees' information security awareness. As of 31 December 2024, the online click-through rate of the training course reached 156 times.

## 8. CORPORATE GOVERNANCE, COMMITMENT TO INTEGRITY

### 8.1.2 Cyber security

We provide detailed cyber security regulations in the Information Security Management Policy, such as access guidelines, internet usage protocols, and virus prevention, to ensure the security of employees' internet-connected devices and online behaviour. Meanwhile, we assign network administrators to maintain network servers, examine and analyse security logs regularly, devise virus prevention and control measures, and handle network malfunctions in time to minimise the possibility of network intrusion.

We are actively promoting the installation of the Group's domain control system. As of 31 December 2024, the account and domain control systems in Shanghai and Hangzhou have been fully installed. The domain control system is entered by the domain account administrator and controls access to shared data and other network activities, and cooperates with the network access control system and network behaviour management system to audit terminal network access records to ensure network security.

### 8.1.3 Data Security

We rely on the Reward and Punishment Policy to promote staff's understanding of data security regulations and to reduce the risk of data usage for the employees. At the same time, we have formulated the Data Backup and Disaster Recovery Plan, which specifies database backup cycles and troubleshooting plans, and stipulates that data recovery tests must be performed at least once a year for timely troubleshooting and pre-emptive risk prevention.

We have also categorised and managed our information assets on a hierarchical basis and have standardised the workflow for revising and declassifying confidential levels, regulated information assets tagging management, clarified requirements for handling and protecting information assets, and classification and procedural requirements for breach of confidentiality.

We strictly monitor access from external sources and the activities of Group data within the scope of internal network drives. Meanwhile, we integrate employee accounts with the domain control system, so that employees no longer have access rights when they leave the Group. To protect the data security of our staff when they are working off-site, we have set up a Virtual Private Network ("VPN") for remote access. For the security of the Group's information assets, employees must apply for a licence to access the Group's network remotely using the VPN.

## 8. CORPORATE GOVERNANCE, COMMITMENT TO INTEGRITY

### 8.1.4 Privacy and Security

We strictly abide by the *Personal Information Protection Law of the People's Republic of China* to minimise the risk of privacy violation and leakage. We are committed to safeguarding the privacy of our partners and consumers. We also require all employees to sign a non-disclosure agreement at the time of onboarding to raise their awareness of privacy protection.

We do not actively collect consumer information. All information we receive in the course of our services has been redacted by external partners. In the Customer Relationship Management System, we connect with our customers through an external platform. Based on the platform's privacy regulations, we no longer download customers' private information and have a dedicated person in charge of the account with data export authorisation. We will regularly do random inspection on the platforms operation records to determine if there is any suspicious or non-compliant behaviour. Therefore, we keep our customers' data safe.

We closely monitor the opening tools of the platform stores operated by the Group, and at the same time adopt hierarchical management measures for customer service account permissions. Specifically, the main store account is only used by a small number of personnel engaged in operations, customer service management, finance, etc., while the access rights of sub-accounts are classified by positions, and only basic permissions such as viewing are reserved for designated personnel to achieve the isolation of information viewing or use permissions, and minimise the risk of data misuse and privacy leakage.

## 8.2 INTELLECTUAL PROPERTY MANAGEMENT

The Group highly values the management work of intellectual property rights. Our intellectual property compliance management consists of three phases:

- **Phase 1: Subject Qualification and Brand Contact Phase**

The Group reviews whether there is any infringement of works or trademarks of the proposed cooperation or brands partner.

- **Phase 2: Business Negotiation and Contract Phase**

The Group obtains the authorisation of the brand owner and stipulates the intellectual property clause in the contract and stipulates the content of the intellectual property setting.

## 8. CORPORATE GOVERNANCE, COMMITMENT TO INTEGRITY

### • Phase 3: Marketing Phase

We review designs for font and image to check if there is any copyright infringement and ensure that anchor's use of brand-provided materials is non-infringing. For sublicense arrangements, we require sub-licensing mandates and verify their distribution qualifications. We incorporate intellectual property protection clauses into contracts to regulate the use of intellectual property in images, fonts, audio, video, trademarks, and functional variable names by both parties and any possible third parties involved.

During the procurement process, we require suppliers to provide proof of use of intellectual property rights and conduct pre-risk screening to avoid infringement of others' intellectual property rights.

We actively pursue patent applications such as trademarks and copyrights. In 2024, we successfully applied for 6 intellectual property rights. As of 31 December 2024, we owned a total of 62 trademarks and 43 copyrights.

### 8.3 COMBATTING CORRUPTION AND BRIBERY

The Group is committed to upholding legal compliance and integrity in all its operations. These regulations provide clear guidelines for the conduct of our employees during the business activities. We have a Zero-Tolerance Policy for corruption and strictly prohibit all forms of corruption, extortion, bribery, fraud and money laundering.

Throughout the Reporting Period, we conducted anti-corruption training. The training covered topics such as bribery, conflicts of interest, fraud, internal controls, risk management and etc. In 2024, a total of 38 staff attended anti-corruption related training, with an average of about one hour per training. We also incorporated business ethics and anti-corruption into our onboarding training to ensure that our rank-and-file employees are fully aware of anti-corruption strategies.

We have established an integrity policy with our partners to prohibit any bribery, unfair competition and other illegal practice in conducting business. We also require all key personnel and partners to sign the *Letter of Commitment for Anti-Commercial Bribery*, which ensures that the entire business operation process conforms to business ethics standards.

## 8. CORPORATE GOVERNANCE, COMMITMENT TO INTEGRITY

In order to adhere to ethical standards, we have established an anti-fraud internal control system to protect the interests of shareholders, ensure legal operations, standardise internal control, and enhance fraud awareness. The mechanism is overseen by the Audit Committee and the Internal Audit Department, which conducts specific anti-fraud checks.

To encourage accountability, we have established a whistleblowing system for reporting suspected misconduct by our employees and partners. Employees and external stakeholders can report ethical violations or incidents through the whistleblowing email jubao@myunq.com. The system features an electronic reporting channel for employees to report incidents of fraud, ensuring timely documentation and notification to the General Manager. Those who violate our policies will face disciplinary action, while suppliers who violate the agreement may have their contracts terminated, and serious cases will be reported to law enforcement agencies.

We strictly abide by a range of anti-corruption laws and regulations, including the *Criminal Law*, *Anti-Unfair Competition Law*, *Company Law of the People's Republic of China*, and other laws and regulations on embezzlement, prevention of bribery, extortion, fraud, and money laundering. The Group experienced no corruption incidents in 2024. Throughout the Reporting Period, there were no material violations of laws and regulations related to bribery, fraud, extortion, or money laundering.

## 9. CHARITY, COMMITMENT TO BE A CARING ENTERPRISE

Since its establishment, UNQ has insisted on being a warm-hearted enterprise. We actively fulfil our social responsibilities, address the genuine needs of society, and contribute within our capacity. We start with the smallest details, persist in doing what we can, and maximise our strengths to combine with social welfare voluntary activities.

The Group has initiated the “U Heart” charity project and continued to carry out multi-dimensional charity activities to convey the care and warmth of UNQ to the community through practical actions. Our charitable programmes are mainly focused on community needs, education equity and environmental protection. In our initiatives, we maintain the philosophy of “corporate leadership and full participation”. We developed internal charity pioneer groups, established an honour system, and strive to expand the number of people participating in public welfare and popularise the principle of “public welfare for all”. At the same time, we have established long-term relationships with social welfare organisations, actively focusing on new social needs and new public welfare trends and are committed to establishing a sustainable public welfare system and expanding the social impact of our public welfare actions. In 2024, the Company donated a total of approximately RMB279,708, with a cumulative 300 hours of voluntary service.

In June 2024, volunteers from the Group visited Special Education School in Changning District, Shanghai to organise a memorable 10th birthday celebration for the students. Through our humble contributions, we strive to drive greater participation in caring for special youth groups.



Birthday Party

## 9. CHARITY, COMMITMENT TO BE A CARING ENTERPRISE

Before International Women's Day, we donated 30,000 packs of Sofi sanitary napkins, worth RMB240,000 to the girls in Aksu Prefecture, Xinjiang Uygur Autonomous Region. The Pink Warm-Hearted Packs campaign aims to help young girls develop good physical habits, enabling them to cope with the changes of puberty with greater confidence.



In August 2024, the Group took part in the Shanghai Children's Foundation Happy Art +1 Love Charity Bazaar guided by the Shanghai Women's Federation and hosted by the Shanghai Children's Foundation. We donated children's wet wipes, toothbrushes, toothpaste and other children's products to support the autism children's project.



## 10. ENVIRONMENTAL PROTECTION: SAFEGUARDING A GREEN FUTURE

The Group is committed to protecting the environment and promoting sustainable development. We integrate environmental practices into our operations, ensuring that we emit the smallest amount of carbon footprint. Through continuous evaluation and improvement, we strive to promote environmental stewardship and make a positive contribution to the health of the planet.

### 10.1 GREEN OFFICE SYSTEM

The Group has implemented the Green Office System to cut down on waste generated during daily operations. These guidelines aim to boost employee awareness and promote resource conservation across the Group. We carry out regular checks to make sure all departments live up to their responsibilities for waste sorting and material recycling. The Group mainly uses automobile fuel (petrol), electricity, water, and paper in its daily office activities. The following are the key steps we have taken to control energy use in these areas:

#### Energy

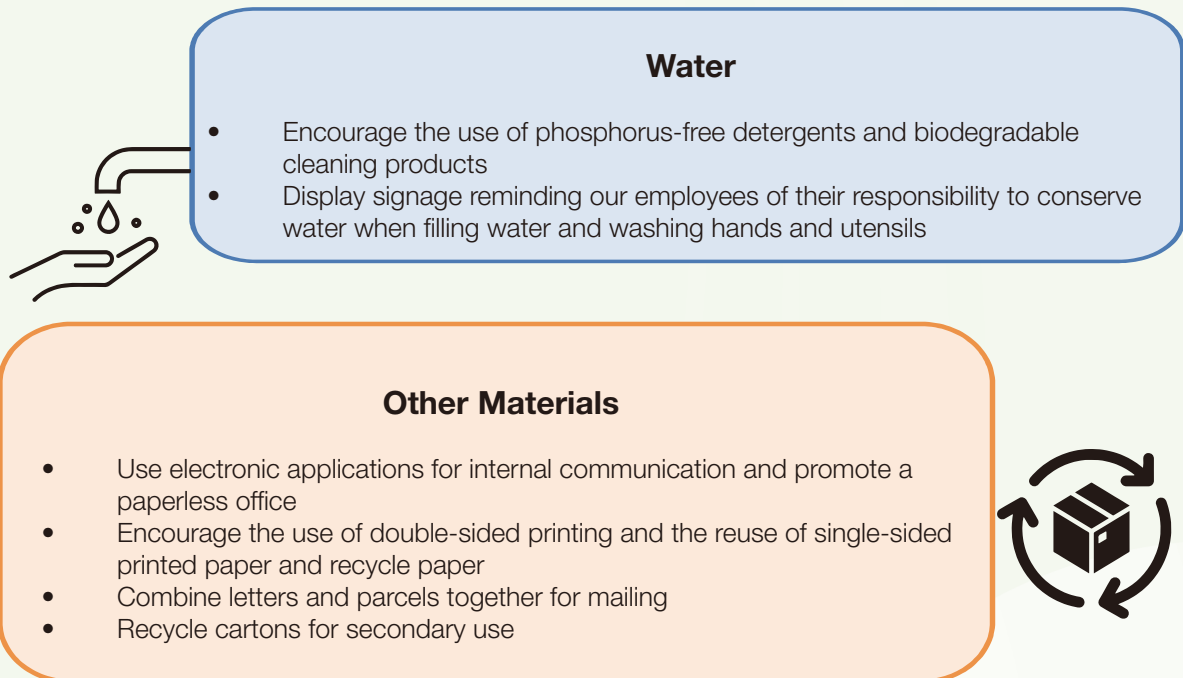


- While considering the price, give priority to the purchase of energy efficient appliances
- Keep the room temperature in offices at an energy-efficient level (26 degrees Celsius for air conditioning and 20 degrees Celsius for heating)
- Make use of natural light and ventilation as much as possible
- Display signage reminding employees to turn off lights and office equipment when not in use
- Replace old equipment with new, energy-efficient models to reduce power consumption
- Employees are encouraged to use public transportation instead of private vehicles
- Install air conditioning wind shields to effectively improve the performance of the air conditioning system
- Use the app and energy-efficient air conditioning controller to remotely monitor and control the air conditioning in meeting rooms

## 10. ENVIRONMENTAL PROTECTION: SAFEGUARDING A GREEN FUTURE

To promote resource conservation, we encourage our employees to be mindful of the use of water and other resources. During the Reporting Period, water consumption decreased gradually throughout the year. Our total water consumption was 249 tonnes, compared to 270 tonnes in 2023, representing an overall reduction of 7.8%.

Our Human Resources Department identifies environmental aspects of the office space on an annual basis, establishes controls for key environmental factors and evaluates the effectiveness of these measures. During the Reporting Period, the Group did not detect any violations of laws and regulations related to gas emissions, or the discharge of hazardous and non-hazardous wastes into water and land. The Group complies with applicable national environmental laws and regulations, including the *Environmental Protection Law of the People's Republic of China*.



## 10. ENVIRONMENTAL PROTECTION: SAFEGUARDING A GREEN FUTURE

### 10.2 ENVIRONMENTAL PROTECTION ACTIVITIES

We held the “U Heart | Spring Walk Donation” walking and tree planting event from 20 April 2024 to 20 May 2024. Nearly 200 employees donated a total of 38.4 million steps over a month, donated RMB30,000 to the Beijing Entrepreneurs Environmental Protection Foundation. This helped plant 3,000 saxaul trees in Alashan, fixing 30,000 m<sup>2</sup> of desert, contributing all employees’ efforts to the governance of the desert environment.

The Group organised environmental hikes in Hangzhou, Shanghai, and Beijing. Participants and their friends and families enjoyed a 9 km, 7-hour hike amidst the natural beauty of these cities, from rubbish collection to nature appreciation, in tune with protecting nature. Every step forward reaffirms our commitment to environmental protection.

### YUN DONG ZHU TI YUE 春日公益计划 ×运动主题月



U益之心 | 春启益行 征途有你

时间：4月20日——5月20日



## 10. ENVIRONMENTAL PROTECTION: SAFEGUARDING A GREEN FUTURE

### 10.3 ENVIRONMENTAL PLANS AND GOALS

To minimize the impact on the environment, we are committed to managing our emissions effectively. Our environmental program includes a commitment to track our environmental performance based on our environmental objectives. This continuous monitoring enables us to identify areas for improvement and adjust our environmental strategies accordingly. The 2025 energy and water efficiency targets set by the Group are outlined below:

Efficiency Targets	2024 Consumption	2025 Efficiency Targets
Power Consumption	252,250.94 kWh	Achieve 10% reduction in total electricity consumption
Water Consumption	249.00 tonnes	Achieve 10% reduction in total water consumption

In 2025, we aim to hold environmental training courses for our employees to raise environmental awareness and knowledge across the Group. In addition, we will introduce more environmentally conscious policies and initiatives within the Company to strengthen our sustainable development.

In future, the Group will be preparing climate data. We plan to conduct climate scenario analysis and assessment in the future to identify potential risks and opportunities. To set targets and develop carbon reduction plans, we consistently monitor our carbon footprint. The Group is committed to reducing carbon emissions to mitigate our impact on the climate.

### 10.4 ENVIRONMENTAL DATA PERFORMANCE

Indicator	Unit	Emissions	
		2024	2023
Indirect (Scope 2) GHG emissions	Tons of CO <sub>2</sub> equivalent	153.90	147.57
Total GHG emissions intensity	Tons of CO <sub>2</sub> equivalent/capita	0.71	0.50

## 10. ENVIRONMENTAL PROTECTION: SAFEGUARDING A GREEN FUTURE

		Resource Usage	
Indicator	Unit	2024	2023
Energy Usage			
Total indirect energy consumption (Purchased electricity)	kWh	252,250.94	258,764.96
Energy consumption intensity	kWh/capita	1,167.83	874.19
Water Resource Usage			
Total water consumption	Tons	249.00	270.00
Water consumption intensity	Tons/capita	1.15	0.91

- Environmental KPIs cover the Group's office areas in Shanghai, Hangzhou, and Beijing. The Japanese office area is managed uniformly by the property management, and cannot be measured separately.
- The Group has no emissions from fuel combustion or vehicles, so there were in no direct emissions (Scope 1).
- As the Group does not produce goods, no waste gas is emitted during operations. Domestic wastewater is discharged into the municipal sewerage network, and the Group cannot measure the discharge volume. Therefore, KPI A1.1 (emission types and related data) is not disclosed in the ESG Report.
- During operations, the Group generates a small amount of hazardous waste, such as used ink cartridges, which are all recycled and reused by qualified recyclers, with minimal environmental impact. Thus, KPI A1.3 (total amount and density of hazardous waste) is not disclosed in the ESG Report.
- The Group's non-hazardous waste consists of domestic waste such as wastepaper, courier fillers and packaging generated during operations. It is sorted and disposed of in accordance with regulations and handed over to the building's property management for unified handling. Waste disposal fees are included in the property management fees and paid to the property management company. As the Group cannot separately measure waste generation, KPI A1.4 (total amount and density of non-hazardous waste) is not disclosed in the ESG Report.
- In 2024, the Group's GHG emissions were entirely from purchased electricity, classified as Scope 2: Energy Indirect GHG Emissions. Emissions are presented in CO<sub>2</sub> equivalents. The calculation method and conversion factors are based on the national average emission factor for the power grid specified in the Notice on Managing Greenhouse Gas Emission Reporting for Power Generation Enterprises (2023–2025) issued by the Ministry of Ecology and Environment of the People's Republic of China.
- The Group's water consumption data for Beijing office area is not separately measurable due to the water being supplied through the municipal network and water fees being included in the property management fees. Therefore, the total water consumption data disclosed in the ESG Report is sourced from the Group's office areas in Hangzhou and Shanghai.
- The Group does not extensively use non-renewable energy or forest resources, nor does it impact biodiversity during operations. Given the materiality assessment, KPI A3 (environment and natural resources) is deemed less significant to the Group. Thus, it is not disclosed in the ESG Report.
- In 2024, all products sold by the Group were shipped in original packaging by the brand owners. Third-party logistics companies handled packaging during logistics, so no extra packaging materials were used. Therefore, KPI A2.5 (total packaging materials and per-unit usage for finished products) is not disclosed in the ESG Report.

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KPI	Description	Explanation/Reference Section
<b>A1 Emissions</b>	<p><b>Information on:</b></p> <p><b>(a) the policies; and</b></p> <p><b>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes.</b></p> <p><b>Note:</b> Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations.</p> <p>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride.</p> <p>Hazardous wastes are those defined by national regulations.</p>	Environmental Protection: Safeguarding a Green Future – Environmental Data Performance; Environmental Protection: Safeguarding a Green Future – Environmental Plans and Goals
KPI A1.1	The types of emissions and respective emissions data.	Environmental Protection: Safeguarding a Green Future – Environmental Data Performance
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Protection: Safeguarding a Green Future – Environmental Data Performance
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Not applicable as the hazardous waste generated by the Group's operations is a small amount of waste ink cartridges, which are recycled by qualified recyclers and have less environmental impact
KPI A1.4	Total non-hazardous waste produced (in tonnes) and where appropriate, intensity (e.g. per unit of production volume, per facility).	Not applicable, as the Group's non-hazardous waste is domestic waste such as wastepaper, courier fillings and packaging generated in the course of its operations, which is segregated and disposed of centrally by the building's property management in accordance with the regulations, and the waste disposal fee has been included in the property management fee and is disposed of by the property management company. The amount of waste generated cannot be measured separately

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KPI	Description	Explanation/Reference Section
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Environmental Protection: Safeguarding a Green Future – Environmental Plans and Goals
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.	Not applicable, as the Group's non-hazardous waste is domestic waste such as wastepaper, courier fillings and packaging generated in the course of its operations, which is segregated and disposed of centrally by the building's property management in accordance with the regulations, and the waste disposal fee has been included in the property management fee and is disposed of by the property management company. The amount of waste generated cannot be measured separately
<b>A2 Use of Resources</b>	<b>Policies on efficient use of resources including energy, water and other raw materials.</b>  <b>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</b>	Environmental Protection: Safeguarding a Green Future – Green Office System
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).	Environmental Protection: Safeguarding a Green Future – Environmental Data Performance
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental Protection: Safeguarding a Green Future – Environmental Data Performance
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Protection: Safeguarding a Green Future – Environmental Data Performance; Environmental Protection: Safeguarding a Green Future – Green Office System
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.	Environmental Protection: Safeguarding a Green Future – Environmental Plans and Goals
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable, as the products sold by the Group are shipped in the original boxes of the brand owners and the packaging in the logistics section is undertaken by the third-party logistics company, thus no additional packaging materials are involved

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KPI	Description	Explanation/Reference Section
<b>A3 Environment and Natural Resources</b>	<b>Policies on minimising the issuer's significant impact on the environment and natural resources.</b>	Environmental Protection: Safeguarding a Green Future – Green Office System
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmental Protection: Safeguarding a Green Future – Green Office System
<b>A4 Climate Change</b>	<b>Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.</b>	Environmental Protection: Safeguarding a Green Future – Environmental Plans and Goals
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Environmental Protection: Safeguarding a Green Future – Environmental Plans and Goals
<b>B1 Employment</b>	<b>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.</b>	Empowering Employees, the Cornerstone of Corporate Success – Compliant Employee Hiring
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Empowering Employees, the Cornerstone of Corporate Success – Compliant Employee Hiring
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Empowering Employees, the Cornerstone of Corporate Success – Complaint Employee Hiring

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KPI	Description	Explanation/Reference Section
<b>B2 Health and Safety</b>	<b>Information on:</b> (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.	Empowering Employees, the Cornerstone of Corporate Success – Health and Safety in Our Workplace
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Empowering Employees, the Cornerstone of Corporate Success – Health and Safety in Our Workplace
KPI B2.2	Lost days due to work injury.	Empowering Employees, the Cornerstone of Corporate Success – Health and Safety in Our Workplace
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Empowering Employees, the Cornerstone of Corporate Success – Health and Safety in Our Workplace
<b>B3 Development and Training</b>	<b>Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.</b>  <b>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</b>	Empowering Employees, the Cornerstone of Corporate Success – Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Empowering Employees, the Cornerstone of Corporate Success – Training and Development
KPI B3.2	The average training hours completed per employee by gender and employee category	Empowering Employees, the Cornerstone of Corporate Success – Training and Development

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KPI	Description	Explanation/Reference Section
<b>B4 Labour Standards</b>	<b>Information on:</b> (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.	Empowering Employees, the Cornerstone of Corporate Success – Compliant Employee Hiring
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Empowering Employees, the Cornerstone of Corporate Success – Compliant Employee Hiring
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Empowering Employees, the Cornerstone of Corporate Success – Compliant Employee Hiring
<b>B5 Supply Chain Management</b>	<b>Policies on managing environmental and social risks of the supply chain.</b>	Sustainable Supply Chain: from Concept to Strategic Delivery – Smart Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Sustainable Supply Chain: from Concept to Strategic Delivery – Smart Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Sustainable Supply Chain: from Concept to Strategic Delivery – Smart Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Sustainable Supply Chain: from Concept to Strategic Delivery – Smart Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Sustainable Supply Chain: from Concept to Strategic Delivery – Smart Supply Chain Management

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KPI	Description	Explanation/Reference Section
<b>B6 Product Responsibility</b>	<p><b>Information on:</b></p> <p><b>(a) the policies; and</b></p> <p><b>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</b></p> <p><b>relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</b></p>	Collaborating with Partners to Build a Sustainable Supply Chain – Integrity as the Cornerstone of Responsible Marketing
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable as the Group's operating activities do not involve product manufacturing
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Innovation-Driven, Forging High-Quality and Excellent Services – Customer First, Committed to Delivering Exceptional Customer Experiences
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Corporate Governance, Commitment to Integrity – Intellectual Property Management
KPI B6.4	Description of quality assurance process and recall procedures.	Innovation-Driven, Forging High-Quality and Excellent Services – Product Liability, Joint Liabilities of Producers and Sellers
KPI B6.5	Description of consumer data protection and privacy policies and how they are implemented and monitored.	Corporate Governance, Commitment to Integrity – Information Security and Privacy Protection

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KPI	Description	Explanation/Reference Section
<b>B7 Anti-corruption</b>	<b>Information on:</b> <b>(a) the policies; and</b> <b>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.</b>	Corporate Governance Committee to Integrity – Combatting Corruption and Bribery
KPI 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.	Corporate Governance Committee to Integrity – Combatting Corruption and Bribery
KPI B7.2	Description of preventive measures and whistle-blowing procedures and how they are implemented and monitored.	Corporate Governance Committee to Integrity – Combatting Corruption and Bribery
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Corporate Governance Committee to Integrity – Combatting Corruption and Bribery
<b>B8 Community Investment</b>	<b>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.</b>	Charity, Commitment to Be a Caring Enterprise
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Charity, Commitment to Be a Caring Enterprise
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Charity, Commitment to Be a Caring Enterprise