# 林清轩
Forest Cabin

Shanghai Forest Cabin Cosmetics Group Co., Ltd.
上海林清軒化妆品集團股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code: 2657




# 2025
# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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# 1 ABOUT THIS REPORT

This Report describes the developments, objectives, strategies and performance of Shanghai Forest Cabin Cosmetics Group in the areas of environmental, social and corporate governance. The reporting boundary of this ESG Report is determined based on the Group's operational control. This Report covers Shanghai Forest Cabin Cosmetics Group and its various subsidiaries. The time frame covered by this Report is the full year 2025, with moderate retrospective extensions to previous or subsequent years where applicable. For ease of expression and reading, "Shanghai Forest Cabin Cosmetics Group" is referred to as "Forest Cabin", "we", "us" or "the Group" in this Report. Unless otherwise specified, all monetary amounts in this Report are denominated in RMB.

This Report has been prepared with reference to Appendix C2 Environmental, Social and Governance Reporting Code to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The key performance indicators (KPIs) in this Report have been prepared with reference to the relevant calculation standards and methods provided therein. The content of this Report has been defined and disclosed based on the principles of materiality, quantitative, balance, and consistency, and it has avoided any selection, omission, or presentation format that may influence the decisions or judgments by readers.

# 2 FOREST CABIN: TRACING CAMELLIA'S PATH TO SEEK ENDURING BEAUTY

Founded in 2003, Forest Cabin focuses on the anti-wrinkle and firming skincare sector. It is committed to providing high-end skincare solutions based on natural camellia ingredients through its flagship brand 'Forest Cabin'. Since embarking on our camellia-based skincare research journey in 2012, we have pioneered the "oil-based skincare" philosophy, launched the industry's first camellia facial essence oil, and established our unique position in the high-end skincare field. Since the launch of the first Camellia Essence Oil in 2014, Forest Cabin has continuously driven brand growth through scientific research and innovation, delving deep into cellular-level anti-wrinkle technology, and constantly enhancing the technological content and product experience of functional skincare. According to CIC data, Forest Cabin's Camellia Essence Oil has ranked first among facial essence oils in China in terms of retail sales for twelve consecutive years since 2014.

We are fully aware that the success of a business depends not only on business performance but also on long-term responsibility to society and the environment. Since its inception, Forest Cabin has always incorporated the concept of sustainability into its corporate strategy and daily operations, actively promoting the comprehensive implementation of corporate governance, environmental protection, and social responsibility. We firmly believe that the continuous growth of a business should be mutually reinforcing with the natural environment and social well-being, thus creating a virtuous cycle. Adhering to the corporate vision "Making the Skins of human and Earth more beautiful", Forest Cabin, based on a green industrial chain, integrates modern technology with the power of natural plant extracts to produce natural, safe, and effective skincare products. In its sustainability practices, Forest Cabin uses China's unique alpine red camellia as its core raw material and has pioneered the entire industrial chain from seedling cultivation, planting, harvesting, and extraction to product manufacturing. Currently, we have built over 26,000 mu of red camellia planting bases in Zhejiang, Jiangxi and other regions, becoming the only company in China's facial essence oil market to achieve full value chain integration of its core ingredients. This not only strengthens our control over raw materials and technical barriers, but also ensures product stability and traceability. Forest Cabin has built one of the industry's first carbon-neutral R&D and production bases, a key initiative to fulfill its sustainability commitment, setting an industry benchmark for green manufacturing and environmental innovation. Additionally, we continuously promote ecological protection and social welfare. Through the plan "leaving 50 million camellia trees for the Earth", we actively participate in ecological restoration and biodiversity conservation, and develop China's alpine red camellia into a sustainable resource with both ecological and economic value.

Looking ahead, Forest Cabin will continually seek growth driven by green innovation, deepen the synergy between scientific research and sustainable development, and expand the boundaries of anti-wrinkle and firming skincare technology, aiming to create more lasting beauty and value for consumers, society, and the planet through high-quality products and responsible business practices.

## 2.1 AWARDS AND HONORS

In recent years, Forest Cabin has been recognised by various sectors of society and professional institutions for its brand building, sustainable development, social responsibility, and industry-academia-research cooperation, reflecting its comprehensive strength in practicing green concepts and creating social value.




Awarded
"Influential Brand in the Consumer Market Industry" at the 2025 China Consumer Economy Forum




Received the
"2025 Brand of the Year for Influence" award at the 2025 China Cosmetics Blue Rose Awards Ceremony




Awarded
"Brand of Achievement for Influence in Daily Chemicals" at the 2025 China Beauty Industry Frontier Development Summit




Awarded
the 2025 Scientific Product Award for Efficacious Skincare




Accredited as a participating drafting unit for the group standard for PDRN raw material testing




Awarded
the certificate as the first drafting unit for the standard of skincare essence oil




The case study "How Domestic Cosmetics Companies Can Successfully Navigate the High-end Branding Path" was included in the case library of the School of Economics and Management, Tsinghua University




Carbon-neutral R&D and smart manufacturing base received carbon neutral certification




Research achievements recognized by the IFSCC (International Federation of Societies of Cosmetic Chemists)




Awarded as a High and New Technology Enterprise of Shanghai




Awarded as a Shanghai Center for Enterprise Technology



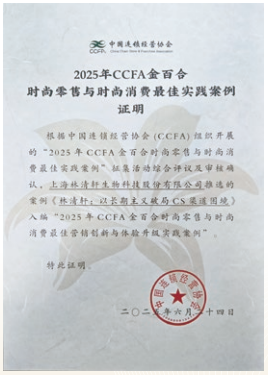

Established a mitochondrial anti-wrinkle research platform based on the joint research laboratory co-built with Shanghai Jiao Tong University




Awarded "Star of the Health and Longevity Trend" at the 2025 Global Beauty Industry Trend and Innovation Conference




The bottle design of Camellia Essence Oil won the Silver Winner at the 2025 Muse Design Awards




Awarded as a 2025 CCFA Golden Lily Best Practice Case for Fashion Retail and Fashion Consumption




Selected for the 2025 Shanghai Design 100+




Selected for the 2025 Shanghai Fashion 100+



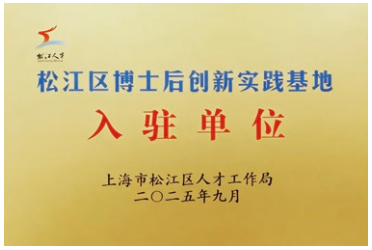

Eight products were selected as "Shanghai Gifts" for 2025




Became an MBA Practice Base of the College of Business, Shanghai University of Finance and Economics




Became an Industry-Education Integration Practice Base of the University of Shanghai for Science and Technology




Established a presence in the Songjiang District Postdoctoral Innovation Practice Base




Certified as a Songjiang District Science Popularisation Base




Certified as a district-level Environmental Education Base




Accredited as a participating drafting unit for the group standard on the efficacy of whitening cosmetics suitable for sensitive skin

## 2.2 ESG FRAMEWORK AND MANAGEMENT SYSTEM

Forest Cabin has established a scientific, systematic, and standardised ESG governance framework and management system to ensure the orderly progress and effective implementation of its ESG work. As the highest decision-making body of the Group, the board of directors (the "Board") has the ultimate responsibility for ESG matters. The Board is responsible for determining the strategic direction for the Group's sustainable development, ensuring that all business operations comply with relevant laws, regulations, and regulatory requirements, and reviewing and approving ESG management policies and performance targets. The Board regularly reviews ESG progress reports and oversees the implementation of related targets to ensure the effective fulfillment of the Group's sustainability commitments.

To ensure the systematic execution of its ESG strategy, Forest Cabin established the Environment, Health, and Safety (EHS) Department, which is responsible for organising, establishing, and continuously improving the EHS management system. The EHS Department identifies, assesses, and responds to major ESG-related risks and opportunities, sets quantitative indicators, formulates improvement plans, regularly monitors progress, and submits reports to the Board. Through scientific management and a closed-loop mechanism, the EHS Department drives the continuous improvement of the Group's environmental and social performance. Concurrently, the Group has built an executive management team (EMT), and the President's Office coordinates ESG-related matters, ensuring efficient alignment of policy execution and resource allocation across all business units. As a professional functional body, the EHS Department provides technical support and implementation assurance to the EMT. The EMT is responsible for overall advancement and cross-departmental collaboration, ensuring that the ESG strategy remains consistent with the Group's overall business development.

Forest Cabin places great importance on Board diversity while perfecting its ESG governance system. We believe that a diverse Board can bring more comprehensive perspectives and more resilient decision-making capabilities. The selection of Board members takes into account factors, such as gender, age, professional experience, skill structure, and industry background, so as to build a governance team that is both inclusive and professional, thereby enhancing the Group's strategic leadership and innovative drive in ESG management.

With this systematic governance framework and management mechanism in place, Forest Cabin deeply integrates ESG into its corporate strategy and daily operations to strengthen its practices in environmental management, social responsibility, and corporate governance. We continuously enhance the Group's sustainability capabilities amid steady business development to create long-term shared value for companies, society, and the environment.

## 2.3 STAKEHOLDERS AND MATERIALITY ASSESSMENT

### 2.3.1 Stakeholders and Communication

The Group has always believed that maintaining effective communication with stakeholders is a key part of its sustainable development. We believe that the underlying logic of creating a great company is to create a win-win situation with stakeholders. Therefore, we respect and protect the legitimate rights and interests of stakeholders, and strive to promote in-depth communication with them to ensure their legitimate rights and interests are protected. To this end, the Group always provides the necessary conditions and safeguards in its interactions with stakeholders to ensure open and transparent communication channels.

The Group's major stakeholders include customers, employees, partners, the towns where it operates, government, the global environment, and shareholders. We maintain close contact with all stakeholders through various means to promptly understand their feedback and expectations regarding our sustainability performance. Such communication not only helps us identify key issues, but also enables us to flexibly adjust our management measures based on the opinions and needs of stakeholders, which ensures continuous optimisation and resolution of practical problems on the path of sustainable development.

| Stakeholders | Opinions and Expectations | Communication Methods |
|---|---|---|
| Customers | Product Safety and Quality<br>Product Efficacy<br>Consumer Experience | Market Research<br>Feedback Channels<br>Social Media Promotion |
| Employees | Talent Cultivation and Development<br>Employee Benefits, Rights and Interests<br>Occupational Health and Safety<br>Diversity and Equality | System Release<br>Management Meetings<br>Internal Online Communication Platforms<br>Employee Training |
| Partners | Industry Development and Win-Win Cooperation<br>Compliance Management<br>Supply Chain Management | Cooperation Agreements<br>Exchange Visits<br>Industry Summits and Forums |
| Towns | Community and Public Welfare<br>Emissions Management<br>Tax and Employment Contributions | Community Activities<br>Public Information Disclosure<br>Government Collaboration |
| Country | Regulatory Compliance<br>Compliance Management<br>Technology and Innovation<br>Industrial Development | Policy Implementation<br>Government Communication<br>Regular Checks<br>Public Information Disclosure |
| Global Environment | Environmental Measures<br>Energy Conservation and Emission Reduction<br>Sustainable Development | Regular Reporting<br>Sustainable Development Activities |
| Shareholders | ESG Governance<br>Risk Management<br>Corporate Operations and Development | Shareholders' Meetings<br>Public Information Disclosure<br>Roadshows |

## 2.3.2 Material Issues

Identifying and assessing ESG issues is a core component of our sustainability strategy. We are fully aware that accurately identifying and prioritising issues that have a profound impact on the Group's long-term success and its stakeholders is crucial for achieving balanced development in economic, social, and environmental aspects. Therefore, we consistently adopt a systematic approach to identify and assess issues to ensure that our decisions fully reflect the needs and expectations of all stakeholders.

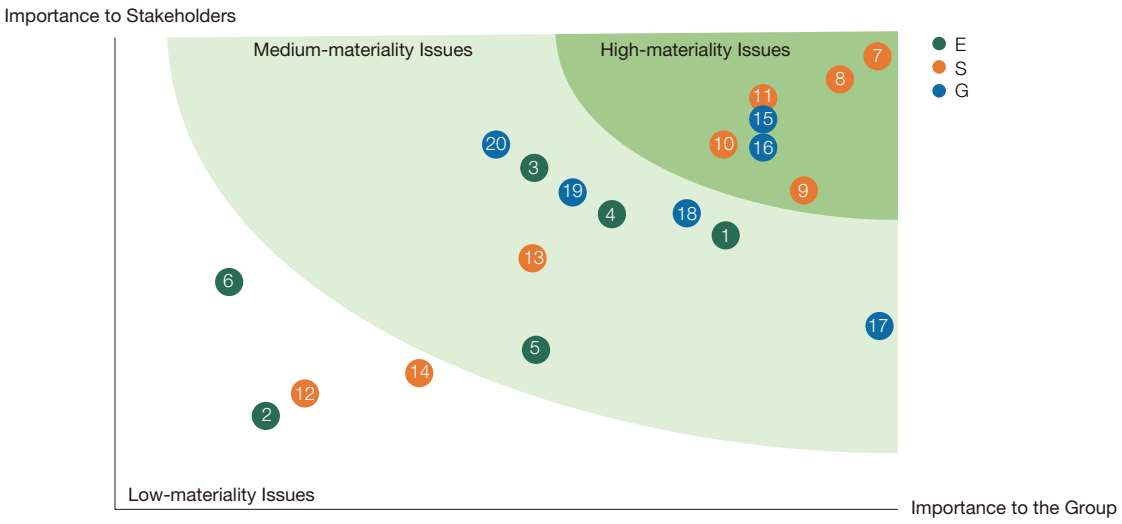
When identifying material issues, we consider multiple factors. Firstly, we pay attention to best practices and international standards within the industry, and closely monitor global ESG-related policies, regulations, and industry trends to ensure the identification of forward-looking issues. Secondly, through periodic communication with various stakeholders, we collect their concerns and feedback on ESG aspects to ensure that the identified issues reflect their needs and expectations. Moreover, we analyse our strategic objectives and operational data to assess the potential impact of various ESG issues on our sustainable development, with a view to aligning identified issues with our development direction. Once relevant issues are identified, we conduct comprehensive assessment to determine their importance to ourselves and our stakeholders. Through quantitative analysis and qualitative judgment, we assess the potential risks and opportunities that each issue may bring to our business and reputation. In the meantime, we also value the feedback of stakeholders. By gaining deep insights into their concerns and expectations regarding different ESG issues, we are able to set reasonable priorities for these issues, thereby focusing on the most critical areas during strategy execution.

Given the above, the Group has created the following materiality matrix to display the issues of high importance to both stakeholders and itself.

**Material Issues**

| Environmental | | Social | | Governance | |
|---|---|---|---|---|---|
| 1 | Biodiversity | 7 | Product Safety and Quality | 15 | Corporate Governance |
| 2 | Energy Management | 8 | Product Innovation and R&D | 16 | Compliant Operations |
| 3 | Waste Management | 9 | Sustainable Industrial Chain | 17 | Anti-corruption and Anti-money Laundering |
| 4 | GHG Emissions | 10 | Employee Benefits and Development | 18 | Intellectual Property Management |
| 5 | Resource Utilization and Management | 11 | Employee Health and Safety | 19 | Supplier Management |
| 6 | Climate Change Mitigation | 12 | Community Investment | 20 | Information Security |
| | | 13 | Rural Revitalisation | | |
| | | 14 | Philanthropy and Charity | | |

**Materiality Matrix**



# 3 SCENT OF NATURE: FULL-CHAIN ECOLOGICAL LAYOUT “FROM A FLOWER TO A BOTTLE OF OIL”

With alpine red camellia as its core raw material, Forest Cabin is dedicated to providing consumers with high-quality, high-efficacy skincare products. To ensure raw material purity, quality stability, and product competitiveness, the Group adheres to a closed-loop development model covering the entire industrial chain, from raw material cultivation, R&D and innovation, and manufacturing to end-user sales. We fully recognise that every step of striving for excellence not only affects product quality, but also relates to the sustainable future of society and the environment. Therefore, focusing on camellia, Forest Cabin has established a full value chain system integrating “planting, R&D, manufacturing, sales and cultural tourism” to promote ecological protection, industrial upgrading, and cultural symbiosis. Forest Cabin, through the full-chain ecological layout of “from a flower to a bottle of oil”, has developed a sustainability paradigm for China’s high-end skincare brands and also enables the coexistence of nature, science, and beauty by making green innovations.

## 3.1 RAW MATERIALS: TRACING THE BEAUTY OF ORIGIN

Forest Cabin has always taken on the responsibility of protecting and preserving alpine red camellia, dedicating itself to the conservation of high-quality germplasm resources. After more than a decade of field research and evaluating over ten thousand plant species, we ultimately selected alpine red camellia as the primary raw material for our products. Subsequently, we launched the “Searching for super camellia seeds” project and focused on cultivating varieties with high bioactivity and stability to improve the quality of our raw materials. Currently, we have built over 26,000 mu of ecological planting bases in Zhejiang, Jiangxi, and other regions, where we strictly implement quality management standards throughout the full process to ensure the high purity and consistency of our raw materials.













To date, our R&D team has completed a series of toxicology, stability, and efficacy tests. In 2025, we successfully completed the filing for three new ingredients: camellia chekiangoleosa seed oil, candida globosa/camellia chekiangoleosa seed oil ferment, and saccharomyces kluyveri/camellia chekiangoleosa flower/leaf ferment lysate filtrate. This marks a new milestone in the application of native Chinese plant ingredients in the cosmetics industry and a new breakthrough for domestically produced skincare ingredients.

Raw materials are the “chips” of cosmetics, and self-developed raw materials are the moats of brands. The filing of these three ingredients as new cosmetic raw materials means that, based on China’s alpine red camellia family, Forest Cabin can create a unique and richer raw material library, production formulas, and product processes, thereby building a differentiated competitive advantage from the source.

Centered on the red camellia family, we continuously improve our raw material library, optimise formulas and production processes, and establish a differentiated competitive advantage from the source to the product. This system has established Forest Cabin’s leading position in the high-end skincare industry.

## 3.2 R&D: DECODING THE STORY OF CAMELLIA

Forest Cabin regards R&D and innovation as one of the key drivers for brand development. Under independent R&D and strategic cooperation, we primarily focus on in-depth exploration and application of camellia-based ingredients and related skincare technologies, and continuously upgrade products to closely cater to consumer needs. The Group’s R&D strategy covers the entire chain of raw material research, formula development, and efficacy verification, with a focus on promoting green manufacturing and standardised R&D. We have established long-term partnerships with research institutions at home and abroad, such as the Chinese Academy of Sciences and Jiangnan University, to jointly explore the skincare mechanism of active substances in red camellia. As of December 31, 2025, we had 139 experienced R&D staffers, who specialise in botany, biology, dermatology, applied chemistry, among others. Over 55% of them hold a master’s degree or higher, ensuring the specialisation and foresight of our R&D activities. Through supercritical extraction and molecular biological fermentation technology, we have successfully decoded the active mechanisms of key components, including tea polyphenols, flavonoids, and camellia saponins, and have developed core ingredients like “Qingxuan Extract” and “camellia-based peptides”.







## 3.3 SMART MANUFACTURING: GREEN MANUFACTURING LIGHTS UP ZERO CARBON

Forest Cabin builds its green smart manufacturing system based on pharmaceutical-grade standards and digital intelligent control. Forest Cabin’s carbon-neutral R&D and smart manufacturing base, located in the Yangtze River Delta G60 Science & Technology Innovation Valley, is the core carrier of this system. The base is fully aligned with pharmaceutical-grade standards like GMP, achieving precise control throughout the entire process from ingredient extraction to finished product manufacturing. We follow a zero-carbon path by reducing and offsetting emissions. We introduce green and low-carbon technologies such as photovoltaic and wind power generation on the energy side to meet factories’ main electricity demand. On the resource side, we achieve circular management of water resources and packaging materials through wastewater purification and recycling, and waste recovery and reuse. This integrated model of green craftsmanship and smart manufacturing drives the sustainable transformation of China’s high-end skincare manufacturing with the power of technology. Every drop of Camellia Essence Oil is a tangible result of Forest Cabin’s mission “Making the skins of human and Earth more beautiful”.

## 3.4 PRODUCTS: GIFT FOR THE SKIN

We always believe that product quality is the core expression of a brand. Forest Cabin integrates nature and technology into every product through its closed-loop management of the entire industrial chain. Relying on the core efficacy of extracts from alpine red camellia flowers, leaves, and seeds, and the core raw material “Qingxuan Extract”, we launched our star product – Camellia Essence Oil – in 2014. It has been highly favored by consumers since its debut and has now been iterated to its fifth generation. In addition to our core products, we have also launched a series of products, including Camellia Anti-Wrinkle Peptide Dewy Essence Toner, Camellia Black Gold Time Peptide Anti-Wrinkle Radiance Essence Cream, and UV Protection Cream, building a comprehensive product matrix for anti-wrinkle, firming, and repairing. We have established over 500 “warm skincare spaces” nationwide, creating an OMO model to offer consumers a more interactive and emotionally connected brand experience.












## 3.5 ECOSYSTEM: NOURISHING MOUNTAINS AND FORESTS, AND COEXISTING IN HARMONY

Red camellia is not only the core raw material of the brand, but also an important component of the ecosystem. Forest Cabin has always integrated biodiversity protection into its corporate strategy, continuously promoting the ecological cultivation and conservation of alpine red camellia. Through scientific site selection and ecological planting models, we effectively avoid the environmental risks associated with over-development and continuously improve regional ecological quality. Forest Cabin initiated the Centennial Protection Plan for Red Camellia in China, with the goal of “leaving 50 million camellia trees for the Earth,” thereby building a green ecosystem of mountain-forest symbiosis. These camellia trees not only improve the local climate, conserve soil and water, and increase carbon sinks, but also provide sustained momentum for regional biodiversity protection.

## 3.6 CULTURAL TOURISM: COEXISTING WITH NATURE

With camellia at its core, Forest Cabin promotes the deep integration of nature and culture. By creating camellia-based ecological tourism bases and holding camellia cultural festivals, we convey the beauty of nature and cultural value to a wider public. These cultural tourism projects not only boost local economic development, but also allow consumers to experience the brand spirit in an immersive way, achieving a harmonious coexistence of humanity and nature, culture and industry.

# 4 GREEN PULSE: PRACTICES TO LIGHTEN THE EARTH'S BURDEN

Forest Cabin is always committed to addressing environmental issues, actively responding to global environmental challenges, and reducing the impact of its operations on the ecological environment. As a leader among domestic high-end skincare brands, Forest Cabin deeply recognises that sustainable development is the foundation of long-term value creation for a business. We strictly comply with relevant laws and regulations, including the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), the Law on the Prevention and Control of Atmospheric Pollution (《大氣污染防治法》), the Law on the Prevention and Control of Water Pollution (《水污染防治法》), the Law on the Prevention and Control of Environmental Pollution by Solid Wastes (《固體廢物污染環境防治法》), and the Law on the Prevention and Control of Environmental Noise Pollution (《環境噪聲污染防治法》), ensuring that all our production and operational activities meet national environmental protection requirements. Simultaneously, we actively seek ways to conserve resources and reduce greenhouse gas emissions, and strive to reduce waste discharge and improve resource utilization efficiency to lower our environmental footprint.

In addition to its own green transformation, Forest Cabin also actively participates in policy advocacy and regional sustainable development. In 2022, founder Mr. Sun Laichun was elected as a deputy to the 6th Songjiang District People's Congress and proposed to "actively achieve the national dual carbon goals and build Songjiang into a demonstration zone for carbon peaking and carbon neutrality." In 2023, he further advised on "building a carbon emissions trading platform in the Yangtze River Delta G60 Science & Technology Innovation Valley to seize the initiative in green development and innovation," fully reflecting Forest Cabin's forward thinking and social responsibility in pushing forward with the national green and low-carbon transition.

Through continuous investment and action, Forest Cabin constantly improves its green management system, and builds a sustainable value chain from source to end-users, contributing to the perpetual coexistence of society and the environment.

## 4.1 CARBON-NEUTRAL INFRASTRUCTURE

In October 2024, our carbon-neutral R&D and smart manufacturing base was officially completed and put into operation, becoming the first carbon-neutral cosmetics factory in Shanghai. The completion of this base marks a milestone step taken by Forest Cabin in green manufacturing and intelligent management. Our carbon-neutral R&D and smart manufacturing base fully implements the development concept of integration of digitalisation, greenness, and R&D, and strictly follows a full-chain carbon reduction path. The base achieves energy conservation and carbon reduction from the energy source via green and low-carbon technologies, including photovoltaic floor tiles, solar photovoltaic curtain walls, hybrid solar-wind streetlights, photovoltaic carports, and wind power generation. In sync with the optimised scheduling of the low-carbon smart energy network system, we further increase energy utilization efficiency and reduce carbon emissions. Apart from these, we have established over 26,000 mu of red camellia planting bases in Zhejiang, Jiangxi and other regions, achieving carbon offsetting via afforestation, ecological restoration and other measures.

In response to the national dual carbon goals, we have fully integrated the concept of carbon neutrality into the construction of the base, creating a comprehensive smart energy system that is intelligent, multi-energy complementary, and operates at zero carbon. This system combines various renewable energy sources, such as photovoltaic and wind power generation, with the factory energy monitoring system. Applying big data, cloud computing, and artificial intelligence, we established a low-carbon smart energy network system featuring "multi-energy integration, three-network interconnection". The implementation of this system not only provides efficient energy management for the factory, but also helps it achieve "zero carbon dioxide emissions", laying the foundation for creating a digital, green, and high-tech modern cosmetic R&D base.





In terms of operations management, Forest Cabin actively promotes the concept of a circular economy. Industrial wastewater in the base is purified and recycled for laboratory cleaning and landscape cultivation, achieving "zero waste of water resources". There are solar-powered umbrellas and photovoltaic carports in the park, providing convenient charging services with clean electricity. Traditional diesel-powered forklifts have been replaced by lithium-battery forklifts and AGV intelligent robots. Turnover boxes and express packages are recycled, so are product packaging materials and empty bottles, significantly reducing waste discharge.

Throughout the entire production process, Forest Cabin strictly complies with national environmental regulations, implements chemical reduction and substitution plans, and optimises the full-lifecycle management of raw material procurement and product disposal. By utilising green processes, improving chemical use efficiency, and strengthening waste recycling, the Group has created a win-win situation for both economic and environmental benefits, building up the core competitiveness for green production.

The completion of Forest Cabin's carbon-neutral R&D and smart manufacturing base has not only set a new benchmark for its own sustainable development, but has also established a demonstration model for green manufacturing in Shanghai. Since its operation, the base has received widespread attention from government departments, industry organisations, and all sectors of society, attracting multiple delegations in and outside Shanghai for visits and studies. At present, the base has been recognised as an "off-campus science practice base for primary and secondary school students" by the Songjiang District Education Bureau, rated as a "science popularisation base in Songjiang District" by the Songjiang District Science and Technology Commission and the Songjiang District Science and Technology Association, and designated as a "district-level environmental education base" by the Songjiang District Ecology and Environment Bureau, becoming an important carrier for regional green innovation and science popularisation education.

To demonstrate its commitment to sustainable development, Forest Cabin obtained a Certificate of Carbon Neutrality in December 2025. This certificate recognizes its efforts in monitoring and reducing greenhouse gas emissions. In addition, it has successfully achieved carbon neutrality in accordance with the PAS 2060:2014 Specification for the Demonstration of Carbon Neutrality, obtaining international carbon neutrality certification.



Forest Cabin's carbon-neutral R&D and smart manufacturing base



CERTIFICATE OF CARBON NEUTRALITY

No.: 04125CN0166

THIS IS TO CERTIFY THAT

Shanghai Forest Cabin Cosmetics Group Co.,Ltd.

committed to monitor and reduce its greenhouse gas emissions and achieved carbon neutrality in accordance with

PAS 2060: 2014 Specification for the Demonstration of Carbon Neutrality

Boundary : All production and operation activities related to greenhouse gas emissions of Shanghai Forest Cabin Cosmetics Group Co.,Ltd., which located at No.1177 Xinmiao San Road, Xinqiao Town ,Songjiang District ,Shanghai ,People's Republic of China.

Verification Criteria : The GHG Protocol-A Corporate Accounting and Reporting Standard (Revised Edition)

Time Period : From January 01, 2025- November 30, 2025

GHG Emissions : 2,619 tCO2e, where

Scope 1 Emissions:722.91 tCO2e

Scope 2 Emissions:1896.47 tCO2e

Carbon Neutralization : CTI Certification Co., Ltd. verified Shanghai Forest Cabin Cosmetics Group Co.,Ltd. has purchased and cancelled 3,325 MWh green electricity certificate (GEC, No:NQ01250400048237Ge、NQ01250400488

Process : 3803、NQ01250400068279We) and 723 tCO2e certified emission reduction unit (VCS, No: 17694-8327 2018645272083-VCS-VCU-259-VER-CN-1-628-31012020-31112022-0) to complete the neutralization of the above greenhouse gas emissions in Scope 1 to 2 (2,619 tCO2e in total), which is in accordance with the requirements of the PAS 2060: 2014.

Date of Issue : December 30, 2025

CTI

General manager:

CTI Certification Co., LTD.

Zone A 9F CTI Building, No.4 Liu Xian San Road, Xin'an Street, Bao'an District, Shenzhen, Guangdong Province, China.

Certificate of Carbon Neutrality

## 4.2 CARBON EMISSIONS AND ENERGY MANAGEMENT

We monitor the following metrics to oversee and manage environmental protection issues that may affect our business, strategy, and financial performance. The major resources we consumed include petrol, diesel oil, natural gas, electricity, and water consumption. Tables A and B illustrate our usage of different resources and the respective resource consumption intensity in 2025.

**Table A: Resource Usage in 2025**

| Resource Usage | KPIs | Energy Type | Unit | 2025 |
|---|---|---|---|---|
| Energy | Petrol | Direct | Litre | 5,255.3 |
| | Diesel oil | Direct | Litre | 419.3 |
| | Natural gas | Direct | $m^3$ | 352,565.0 |
| | Electricity | Indirect | kWh | 3,833,855.0 |
| Water | Water consumption | | Tonne | 79,824.0 |

**Table B: Resource Consumption Intensity in 2025**

| Resource Usage | KPIs | Unit | 2025 |
|---|---|---|---|
| Energy | Petrol | Litre/RMB100 million | 214.5 |
| | Diesel oil | Litre/RMB100 million | 17.1 |
| | Natural gas | $m^3$/RMB100 million | 14,390.4 |
| | Electricity | kWh/RMB100 million | 156,483.9 |
| Water | Water consumption | Tonne/RMB100 million | 3,258.1 |

The air emissions we generate are mainly caused by vehicles and purchased electricity. The total emissions generated by us in 2025 are shown in Table C.

**Table C: Total Air Emissions and Greenhouse Gas Emissions and Intensities in 2025**

| Emission Category | KPIs | Unit | 2025 |
|---|---|---|---|
| Air emissions | Nitrogen oxides ($NO_X$) | Kg | 101.4 |
| | Sulphur oxides ($SO_X$) | Kg | 0.4 |
| | Particulate matter (PM) | Kg | 4.5 |
| | Total air emissions | Kg | 106.3 |
| | Air emission intensity | Kg/RMB100 million | 4.3 |
| GHG emissions | Direct GHG emissions | $tCO_2e$ | 14.0 |
| | Indirect GHG emissions | $tCO_2e$ | 3,246.3 |
| | Total GHG emissions | $tCO_2e$ | 3,260.3 |
| | GHG emission intensity | $tCO_2e$/RMB100 million | 133.1 |

Based on our past environmental performance, anticipated business growth, the energy-saving measures already implemented, as well as future plans, we have set targets to respond to the nation's call for achieving carbon peaking by 2030 and carbon neutrality by 2060, and to meet international standards like the Paris Agreement. Our goal-setting framework aligns with these national and international standards, and we have established a timeline for these targets accordingly.

We have set GHG emission reduction targets, focusing on the Scope 1 and 2 GHG emission intensities, and energy consumption intensity. Taking 2025 as the base year, we aim to reduce GHG emission intensities (Scope 1 and 2) by 8% and energy consumption intensity by 14% by 2030.

To achieve these targets, we have already taken, and will continue to implement, a series of measures including but not limited to adopting more energy-efficient equipment, installing photovoltaic power generation systems, solar carports, wind power devices, hybrid wind-solar streetlights, BIPV facades, photovoltaic tiles, charging stations, smart integrated management platforms, and fiber-optic lighting equipment. We also encourage employees to save energy in the workplace. A comprehensive energy management platform has been in place to monitor and optimise energy consumption across our facilities.

During the reporting period, our Group did not encounter any issues in accessing suitable water sources. Our Group is committed to continuously improving the efficiency of water resource utilisation, with 2025 as the base year, to reduce the water consumption intensity in our operations by 5% within five years. We will draw on water-saving practices such as the "industrial wastewater purification and recycling system" and the "wastewater-fed fish farming system" implemented at our carbon-neutral base, and will promote water-saving technologies and measures across the Group. We will also strengthen water usage monitoring and data analysis across all operational processes, and regularly evaluate water-saving performance to ensure the steady achievement of our target.

We collect wastewater generated during the production of purified water (including Type I and Type II water) for use in restrooms and general floor cleaning. Additionally, we applied a wastewater-based fish farming technology at our new production facility. By recycling concentrate water via the production facility's purified water system (RO concentrate), we successfully converted wastewater, originally destined for discharge, into water suitable for fish farming. The water is then directed to the production facility's water tanks and filtered in a continuous cycle, further purifying the water. This approach demonstrates our commitment to environmental protection and sustainability. Moreover, we have introduced several water-saving initiatives, including the addition of a recycling filtration system in the bottle-washing machines in our packaging area to reuse cleaning water, thus improving the usage efficiency of Type I purified water and conserving water. We have also replaced conventional faucets in the hand-washing sinks in the purification workshops with inductive faucets to minimise water waste. Furthermore, we have adopted clean-in-place methods for our emulsification tanks to improve the reuse of cleaning water.

## 4.3 WASTE MANAGEMENT

Our waste primarily involves non-hazardous waste, including paper packaging materials, plastics, and metals. The total waste generated by us in 2025 is shown in Table D.

**Table D: Solid Waste Discharge in 2025**

| Solid Waste Type | Unit | 2025 |
|---|---|---|
| Non-hazardous solid waste | Tonne | 35.5 |
| Hazardous solid waste | Tonne | 2.1 |
| Total waste discharge | Tonne | 37.6 |
| Waste discharge intensity | Tonne/RMB100 million | 1.5 |

Our Group is committed to promoting green and low-carbon operations and has set a clear waste reduction target: with 2025 as the base year, to reduce the intensity of non-hazardous waste generation by 5% within five years. At the same time, the Group will continue to optimise the entire process of hazardous waste management and effectively reduce the intensity of hazardous waste generation through process improvements and source reduction. Drawing on the circular economy practices of our carbon-neutral R&D and manufacturing base in Shanghai, we will continue to promote waste segregation and reduction measures, regularly review progress towards our targets, and drive efficient resource utilisation.

For the purpose of environmental impact reduction, we implement chemical reduction measures, adopt alternative processes, promote recycling, and standardise waste recycling, in a bid to achieve a balance between economic and environmental benefits. In the storage phase, dedicated areas are set according to the characteristics of chemicals, which are equipped with suitable protective and emergency facilities. During the use phase, clear specifications and guidelines are established, with operational risks incorporated into standardised control to ensure personnel safety and production order. We provide employees with training on chemical safety knowledge, ensure that employees in high-risk positions are certified, and conduct regular safety checks and equipment maintenance to ensure that ventilation, explosion-proof, and protective equipment meet standards, in order to achieve the work safety goal of "zero accidents".

## 4.4 CLIMATE CHANGE AND RESPONSE

We are highly concerned about the issue of climate change and its potential impact on our future business. As global climate change intensifies, extreme weather, temperature variations, and volatility in natural resources may affect the Group's production, supply chain, and market. In addition, the physical and transition risks brought by climate change may also have a significant impact on our business operations. We are actively identifying and assessing these risks and establishing corresponding risk response measures to ensure that we can effectively address these challenges.

| Risk Type | Climate Risk Events | Risk Level | Potential Impact | Responses |
|---|---|---|---|---|
| Physical Risks | Extreme weather events, such as typhoons, high temperatures, and heavy rainfall | High | The risks may affect the camellia supply chain, leading to production and supply disruptions | Strengthen supply chain management; Prepare emergency plans in advance to cope with extreme weather |
| Transition Risks | Changes in policy and compliance requirements | Medium | New environmental regulations may increase operating costs and affect profitability | Closely monitor environmental policies to ensure production complies with the latest regulations; Strengthen cooperation with government departments and industry associations to participate in the policy-making process |
| | Conduct technological transformation | Medium | These may require updating low-carbon technologies, upgrading equipment, increasing corporate investment, etc. | Strengthen corporate environmental investment and improve the level of green production; Adopt more environmentally friendly technologies and materials in product packaging and other aspects |
| | Market Risks | Low | Consumers are increasingly concerned about eco-friendly products, requiring a rapid response to market changes | Closely monitor market trends and track changes in consumer preferences in a timely manner; Promote product sustainability improvements |
| | Reputational Risks | Low | Failure to keep up with environmental trends in a timely manner may lead to damage to the brand image and affect loyalty | Strengthen brand promotion to showcase the Group's efforts and achievements in the environmental field; Regularly publish ESG reports to enhance its sense of social responsibility |

## 4.5 CIRCULAR ECONOMY AND PACKAGING INNOVATION

The primary packaging materials used in our products include paper, plastic, glass, and metal. In 2025, the total volume of packaging materials used for product packaging was 9,847.6 tonnes, with a consumption intensity of 401.9 tonnes per RMB100 million.

We are committed to reducing waste and promoting sustainable practices throughout our operations. We actively promote the recycling of production turnover boxes, delivery cartons, and other reusable packaging materials. In product design, we incorporate eco-friendly materials, such as reusable gift bags made from waterproof recycled paper. To further minimise environmental impact, we promote the recycling of laboratory samples, glass reagent bottles, and other materials to minimise waste. Through our "Empty Bottle Recycling" program, we encourage consumers to participate in sustainability actions by returning used packages for responsible disposal or reuse. Additionally, we optimise our promotional materials by centralising the production and distribution of store posters, ensuring unified monthly shipments to minimise waste. To reduce paper usage even further, we are introducing electronic posters as a more sustainable alternative.

# 5 BENEVOLENCE AND MUTUAL AID: GROWING TOGETHER WITH SOCIETY

Social responsibility is an integral part of our growth strategy, which not only enhances our capability to embrace diversity, but also promotes the realisation of public interests. By undertaking social responsibility, we are committed to creating long-term, sustainable value for our stakeholders.

## 5.1 PRODUCT SAFETY

### 5.1.1 Quality Verification and Management

The Group has established the ISO 9001:2015 quality management system, ISO 22716:2007 Cosmetics – Good Manufacturing Practices (GMP), and Guidelines for Good Manufacturing Practice for Cosmetics (GMPC) (US). We have established and implemented the Management Rules for Semi-finished Product Inspection (《半成品檢驗管理規定》), Management Rules for Finished Product Inspection (《成品檢驗管理規定》), Management Rules for Microbiological Testing (《微生物檢驗管理規定》), Internal Control Standards for Semi-finished Products (《半成品內控標準》), and Inspection Standards for Finished Products (《成品檢驗標準》), which comply with mandatory national standards and technical specifications. We define the responsibilities, procedures, records, and reporting requirements related to inspection. These standards and rules form a systematic management model covering the entire product lifecycle, which ensures product safety and quality control. To further ensure product safety and quality, the Group has established comprehensive quality control measures throughout the entire lifecycle, covering six core aspects, namely product design and development, raw material procurement, production process control, inspection and testing, traceability and recall, employee training, and continuous improvement.

| Aspects Involved | Specific Measures for Quality Verification and Management |
|---|---|
| Product Design and Development | The Group uses neither prohibited nor new raw materials that have not been registered or filed, nor restricted materials beyond their scope of use or under restricted conditions. All materials undergo a usage review procedure before use. After the R&D center confirms compliance with laws, regulations, mandatory national standards, and technical specifications, the Raw Materials Usage Approval Form (《原料使用審批表》) is issued. The use of inner packaging materials complies with the requirements of laws, regulations, mandatory national standards, and technical specifications. |
| Raw Material Procurement | The Group has established and implemented the Control Procedures for Raw Material Procurement and Supplier Management (《原料採購及供應商管理控制程序》) and Control Procedures for Packaging Material Procurement and Supplier Management (《包材採購及供應商管理控制程序》) to effectively control the inspection of materials. |
| Production Process Control | We have established and implemented the Production Process Control Procedures (《生產過程控制程序》) and operate in accordance with the technical parameters and key control requirements specified in the production procedures and job operating procedures. Production records reflect the technical parameters and key point control in the entire production process, including production orders, material requisition, weighing, formulation, filling, and packaging. |
| Inspection | We have established and implemented systems, including the Management Rules for Raw Material Inspection (《原料檢驗管理規定》), Internal Control Standards for Raw Materials (《原料內控標準》), Management Rules for Packaging Material Inspection (《包材檢驗管理規定》), Product Specification Sheet (《產品規格書》), and Management Rules for Microbiological Testing (《微生物檢驗管理規定》), to inspect incoming raw materials, accept raw materials against purchase contracts, ensure consistency of delivery documents, meet quality requirements, and collect and verify suppliers' certificates of conformity. |

| Aspects Involved | Specific Measures for Quality Verification and Management |
|---|---|
| Traceability and Recall | We have established and implemented the Batch Number Management Rules (《批號管理規定》), Identification and Traceability Control Procedures (《標識和可追溯性控制程序》), and Product Recall Control Procedures (《產品召回控制程序》) to achieve full traceability of raw materials and products based on batch management. We have emergency plans for the recall of problematic products and conduct root cause analysis. |
| Employee Training and Continuous Improvement | We have established and implemented the Training Control Procedures (《培訓控制程序》), based on which induction training and annual training plans have been worked out for employees. We reasonably added legal knowledge, expertise, and operational skills according to the variety, quantity, and production licenses of the cosmetics produced. Improvement opportunities were identified via internal audits, management reviews, and customer quality feedback, and the attainment of quality objectives was traced to achieve continuous improvement. |

### 5.1.2 Management of Hazardous and Harmful Chemicals

We strictly comply with China's environmental laws and regulations, adhere to the concept of green sustainability, and systematically conduct the full-process management of hazardous and harmful chemicals. We prioritise the use of raw materials with low environmental risk and strong substitutability, and carry out fine control in all aspects including cosmetics production, use, and disposal, continuously improving the use efficiency of chemicals and reducing environmental and safety risks. To ensure supply chain safety and compliance, we created a supervision system for hazardous chemicals covering the entire chain of "procurement, transportation, storage, use and disposal". The Group strictly checks the production qualifications and safety management levels of its suppliers, requiring them to effectively fulfill their environmental and safety responsibilities. At the same time, it conducts regular assessments and on-site inspections of the transportation qualifications, protective measures, and emergency response capabilities of its logistics partners, requiring them to submit regular safety management reports to ensure a safe, transparent, and traceable supply chain.

At the internal management level, Forest Cabin has a full-lifecycle risk assessment system for chemicals and creates a material safety data sheet (MSDS) for all chemicals. It strictly meets domestic and international standards, including the Occupational Safety and Health Ordinance (《職業安全與健康條例》), the Regulations on the Safety Management of Hazardous Chemicals (《危險化學品安全管理條例》), and the Globally Harmonized System of Classification and Labelling of Chemicals (GHS), in a bid to ensure the health and safety of employees, contractors, and visitors exposed to hazardous chemicals.

In respect of chemical procurement and storage, we strengthen safety management from the source. Before procurement, we conduct a strict audit of the legality and compliance of chemicals. In the storage stage, dedicated storage areas are designated according to the properties of chemicals, which are equipped with protective facilities, such as leak prevention, explosion-proof, and ventilation facilities. Detailed operating guidelines and emergency plans are also available. We also regularly organise safety training and emergency drills for employees to enhance their risk prevention and response capabilities.

In the cosmetics production process, we strictly comply with relevant technical specifications like the Regulation on the Supervision and Administration of Cosmetics, and implement full-process control over the application of hazardous and harmful chemicals. In the R&D stage, we strictly check the safety of formulas. In the production stage, we ensure that products meet safety standards and consumer needs via scientifically designed processes and precise control of usage quantity. Beyond this, we strictly meet national regulatory requirements for the labeling and packaging of hazardous chemicals. Specifically, safety warning information and ingredient descriptions are clearly marked on the packages to protect consumers' right to know and help them use products safely and correctly.

With this systematic and scientific chemical safety management framework, Forest Cabin has kept risks controllable and defined closed-loop responsibilities from the source of the supply chain to the entire production process, maximising the protection of employee safety and environmental health, and ensuring its stable operation and long-term fulfillment of social responsibilities.

### 5.1.3 Product Recalls

The Product Recall Control Procedures (《產品召回控制程序》) we established has come into force, which include product name, net content, expiration date, recall quantity, actual recall quantity, reasons for recalls, recall time, handling results, and reports to regulatory authorities. We have not had any products recalled for safety and health reasons, nor have we received any major complaints about our products and services.

### 5.1.4 Customer Complaint Management

The Group's Quality Department, in accordance with the Management Rules for Product Complaint Handling (《產品投訴處理管理規定》), registers customer complaints and samples received, conducts preliminary judgments and investigations, and, when necessary, works with the R&D team of the Research Center to find out the causes, develop corrective measures, and make corrections. Similar problems should be avoided during product development and production to ensure product quality and safety.

## 5.2 SUPPLIERS AND PROCUREMENT MANAGEMENT

Forest Cabin is aware that responsible supply chain management is a key component of achieving sustainable development goals. We always adhere to the principles of fairness, transparency, compliance, and sustainability, with a systematic supplier management and procurement control system in place. We fully consider the environmental impact, social responsibility, and compliance of our suppliers, and ensure that all suppliers meet our standard requirements.

From the perspective of environmental management, we prioritise suppliers who practice green production and actively implement energy-saving and emission-reduction measures to ensure the effective reduction in their impacts on natural resources and the ecological environment during raw material acquisition, production, and transportation. As far as social responsibility is concerned, we only establish long-term cooperative relationships with partners who adhere to fair labor standards and ensure employee safety and welfare. In terms of compliant operations, all suppliers must comply with national and international laws and regulations, especially in the fields of environmental protection, occupational health and safety, and labor equity.

To ensure the openness and traceability of the procurement process, we adopt a public bidding and comprehensive evaluation system to ensure fair competition and select partners through a unified scoring system. The Group periodically checks the performance of suppliers, with indicators, such as product quality, delivery timeliness, environmental management, and social responsibility. If a supplier fails to meet the standards, rectification or termination of cooperation is promptly required. Relying on a digital supply chain management system, we make the entire procurement process transparent and traceable, ensuring controllable risks and smooth information.

In the cooperation process, we emphasise the joint creation of a green supply chain. We prioritise the use of eco-friendly materials, promote sustainable production processes, and provide technical guidance and training to suppliers, thereby helping them improve their environmental and social responsibility management levels. We also join hands with suppliers to participate in public welfare projects to promote the improvement of social and environmental benefits.

Our supply chain system covers the entire process of ingredient procurement, production, quality inspection, and delivery. To ensure the stable supply and reliable quality of alpine red camellia, our core raw material, we have established long-term partnerships with multiple planting bases, for which we provide technical support and planting guidance. With two major production bases in Shanghai, we can produce products on a large scale to quickly meet market demand and achieve economies of scale. Through strict supplier screening, pre-assessment, and quality inspection, we ensure that all purchased materials comply with national and industry standards, maintaining the stability of the supply chain and the use safety of chemicals.

According to the supplier selection and supplier management standards described in this section, the Group had a total of 263 suppliers as of December 31, 2025. The number of its suppliers by geographical region is summarised in the table below:

| Geographical region | Number of suppliers |
|---|---|
| North China | 5 |
| East China | 219 |
| South China | 31 |
| Central China | 2 |
| Northwest China | 4 |
| Southwest China | 2 |
| **Total** | **263** |

## 5.3 PRODUCTION SAFETY

The Group strictly complies with relevant laws and regulations, including the Production Safety Law of the People's Republic of China (《中華人民共和國安全生產法》) and the Law on Prevention and Treatment of Occupational Diseases of the People's Republic of China (《中華人民共和國職業病防治法》), and always prioritises employee health and safety. To effectively prevent occupational hazards, the Group constructed a sound employee safety training management system and adopted a three-tier safety education and training system to ensure that all employees possess the necessary safety knowledge and operational skills. In our three-tier safety education and training system, company-level training is primarily for new hires, transferred employees, and employees promoted to management positions, covering the Group's overview, safety and environmental management, occupational health protection and so forth; workshop-level training is for new and transferred employees in workshops, which is mainly about workshop rules and regulations, production processes, operating procedures, quality control, and emergency response procedures; and team-level training focuses on job-specific operational details and safety culture building, ensuring the effective implementation of safety measures in daily work.

To ensure the effectiveness of training, the Group implements an assessment system that combines theory and practice, which is used to evaluate such aspects as operational standardisation, accuracy, and safety, and incorporates learning attitude, work enthusiasm, and safety awareness into the comprehensive assessment criteria to ensure that employees meet the Group's safety management requirements.

To implement the production safety responsibility system, the Group developed a series of norms and systems, including the establishment of the EHS Committee, which is responsible for guiding and supervising the implementation of safety management work in various departments, and for correcting any non-compliant behaviors and holding violators accountable. We uphold the principle of "whoever is in charge is responsible, whoever is on duty is responsible" and fully implement the "one post, two responsibilities" system to ensure that management officers assume corresponding production safety responsibilities while performing their business duties.

For the management of special equipment, the Group formulated an emergency plan to deal with accidents regarding special equipment, set up an emergency command center and an emergency rescue team, and clarified the emergency response process to minimise potential accident losses. The Group regularly holds two fire evacuation drills and fire extinguishing exercises each year to ensure that employees can respond quickly in emergencies.

Over the three-year period from 2023 to 2025, there were no work-related fatalities. In 2025, the total number of lost workdays due to work-related injuries was 513. Through systematic training management and strict implementation of safety responsibilities, we constantly step up efforts to build a safety culture, strive to create a healthy and safe working environment for all employees, and ensure our stable operation with high-standard safety management.

## 5.4 TALENT MANAGEMENT

### 5.4.1 Employment Principles

We adhere to a people-oriented management philosophy, optimise our talent development strategy, and provide an inclusive and cooperative working environment to promote efficient teamwork, boost overall performance, and guarantee better satisfaction of consumer needs. In terms of employee well-being, we prioritise the needs of our employees by offering competitive compensation, comprehensive health benefits, and career development opportunities. Meanwhile, our programs are designed to support employees in achieving work-life balance, focus on mental health and career growth, and provide them with the resources needed to succeed both personally and professionally.

Forest Cabin, which values gender equality in the workplace, endeavors to offer competitive compensation and good welfare benefits, and helps employees grow by providing training and development opportunities. With our employees' dedication, a strong employer brand, effective leadership, and a high-performance culture, we were honored as the employer loving talents most at the 2025 Top Human Resources Management Awards ceremony, highlighting our achievements in employee care and corporate culture.

The Group strictly complies with all labor laws and regulations and improves its rules and regulations to ensure no child labor or forced labor each year. Our labor contracts are signed in strict adherence to the employment principles of equality and voluntariness. The Group established a labor union that represents employees, safeguards their legitimate rights and interests and democratic rights, and is responsible for revising the employee handbook and amending relevant rules and regulations involving employee interests. Furthermore, the Group's Audit and Supervision Center provides a whistleblower email address, through which employees can raise questions and opinions.

## 5.4.2 Employment Status

As of December 31, 2025, we had a total workforce of 2,840 employees, comprising 2,762 full-time employees and 78 part-time employees. By gender, male and female employees accounted for 17.4% and 82.6%, respectively. By age, employees aged 30 and below, 30-50 and over 50 constituted 33.1%, 65.7%, and 1.1%, respectively.

During the Reporting Period, the composition of employees of the Group is shown in the table below:

| Indicator | | Unit | 2025 |
|---|---|---|---|
| Total workforce | | Person | 2,840 |
| By gender | Male | Person | 493 |
| | Female | Person | 2,347 |
| By educational attainment | Doctoral degree or above | Person | 12 |
| | Master's degree | Person | 120 |
| | Bachelor's degree | Person | 560 |
| | Associate degree | Person | 811 |
| | High school degree or below | Person | 1,337 |
| By employment type | Full-time employees | Person | 2,762 |
| | Part-time employees | Person | 78 |
| By age group | Under 30 | Person | 941 |
| | 30-50 | Person | 1,867 |
| | Over 50 | Person | 32 |
| By geographical region | Shanghai Headquarters | Person | 1,182 |
| | Others | Person | 1,658 |

During the Reporting Period, the employee turnover rate of the Group is shown in the table below:

| Indicator | | 2025 |
|---|---|---|
| Employee turnover rate | | 32.8% |
| By gender | Male | 29.0% |
| | Female | 33.6% |
| By age group | Under 30 | 42.6% |
| | 30-50 | 26.8% |
| | Over 50 | 13.5% |
| By work region | Shanghai Headquarters | 31.2% |
| | Others | 33.9% |

### 5.4.3 Performance Management and Promotion

The Group adopting an annual target assessment system encourages all employees to achieve their work goals, which will promote corporate development and improve individual capabilities. For managers at all levels, the assessment indicators include requirements for talent echelon development. Various training courses are offered to assist in talent cultivation, thereby promoting employee capability development.

The Group adheres to the principle of "whoever creates benefits," ensuring that effort is directly proportional to reward. The Group implements a comprehensive compensation system that is a multi-faceted and multi-layered distribution structure comprising base salary, performance-based salary, gain-sharing bonuses, and equity incentives. It also motivates employees through rank promotion, learning enhancement, honors and benefits to continuously improve their satisfaction.

### 5.4.4 Employee Training

The Group has always optimised its talent development strategy and is dedicated to training employees and enhancing their capabilities through a comprehensive training system, in a bid to seek long-term development. For this purpose, it established the Learning and Development Department (Qingxuan University) and the Sales Training Department (Business School), which are specifically responsible for the construction of its talent training and development system, covering such aspects as management training and salesperson cultivation.

In 2025, the total duration of employee trainings and emergency response plans we organised was 7,443 hours, with topics including leadership qualities, AI knowledge, system applications, product knowledge, marketing skills, production safety, and fire drills.

The Group has taken various measures for talent development and continuous enhancement of its core competitiveness. We launched the "Dual hundred strategy," namely the "One hundred outstanding internal talents" and "One hundred management trainees from prestigious universities" programs, aiming to train a group of potential internal leaders through rapid promotion, greater responsibilities, and participation in strategic projects. Besides, we also allow management trainees to become fully familiar with various positions via a rotational training mechanism, grooming them to become future core forces. On this basis, the Group has incorporated talent echelon development into its annual assessment requirements and linked managers' year-end bonuses to their talent development performance to incentivise them to more actively promote talent growth. We have defined competency requirements for managers at all levels and have established qualification standards based on different job sequences. Especially for reserve talents, we conduct qualification assessments to help identify their individual weaknesses in competency. Based on the assessment results, we design supporting training courses and assign mentors to each reserve talent to ensure they can quickly make up for their shortcomings, meet job requirements, and thus provide strong talent support for our sustainable development.

In addition, the Group widely implements a mentorship system in all teams, especially in key positions, where senior employees are designated to mentor new employees and help them integrate into the Group more quickly and improve their work skills. It also teams up with external training institutions as needed to customise specialised training courses for employees at different levels, aiming to enhance their professional and management capabilities.

For new employee orientation, the Group organises multi-dimensional trainings both online and offline, covering topics, such as corporate culture and essential onboarding knowledge and skills, to ensure that new employees can quickly integrate into the Group and adapt to the working environment as soon as possible. Each new employee is assigned at least one mentor to help them continuously improve themselves at work.

For the cultivation of management, we roll out a series of management capability training programs, such as leadership quality training and goal management training, aimed at improving the leadership and management skills of managers at all levels. Meanwhile, we also provide employees with professional skills training in various aspects, such as product knowledge, sales skills, negotiation skills, e-commerce knowledge, and live-streaming knowledge, through a combination of internal and external trainings, ensuring that employees can continuously improve themselves in their respective positions.

The Group also pays special attention to the development of young talents. In light of recruitment, we hire a large number of fresh graduates and have established a rotational training mechanism for management trainees to help them quickly familiarise themselves with various positions and enhance their overall work capabilities. With regard to cadre appointment, the Group boldly appoints young cadres to management positions and provides timely incentives and rapid promotions for outstanding talents, offering more opportunities for young cadres to gain experience and promoting their rapid growth.

Ultimately, the Group always provides employees with competitive compensation and benefits, and empowers them through corporate culture, vision management, goal management, operations management, professional skills, among others. It continuously improves its diverse learning platforms and resources, as attempts to cultivate well-rounded talents and fully support employee growth and career development. Through these efforts, we ensure that talent development is highly aligned with our development strategy, further forging ahead steadily amid the fierce market competition.

During the Reporting Period, 100% of employees received training, with the percentage of training participants for different groups of employees as shown in the table below:

| Percentage of training participants | | 2025 |
|---|---|---|
| By gender | Male | 12.8% |
| | Female | 87.2% |
| By employee category | Senior management | 0.1% |
| | Middle management | 4.3% |
| | Ordinary employees | 95.6% |

| Average training hours per training participant (hours) | | 2025 |
|---|---|---|
| By gender | Male | 15.5 |
| | Female | 10.8 |
| By employee category | Senior management | 16.0 |
| | Middle management | 19.0 |
| | Ordinary employees | 11.1 |

## 5.5 COMMUNITY CONTRIBUTION

### 5.5.1 Rural Revitalisation and Industrial Integration

Forest Cabin firmly believes that the beauty industry should be rooted in fertile soil and give back to the countryside. Harnessing the innovation momentum of the Yangtze River Delta G60 Science & Technology Innovation Valley, we officially launched the "Tech-driven agricultural development public welfare program" in 2022, sowing the seed of sustainability in the vast rural areas. Since 2022, we have donated 2,200 camellia plants to Yong'an City, Fujian Province. This not only created a green barrier for the local government to absorb carbon dioxide and improve air quality, but also created stable employment and income sources for farming families through the continuous repurchase of flowers, leaves, and fruits, exploring a path of revitalisation where ecological protection and economic development go hand in hand.

On the day of its listing on the Hong Kong Stock Exchange, Forest Cabin donated RMB300,000 to the Pan'an County Charity Federation in Zhejiang to specifically support environmental protection and rural revitalisation in Renchuan Town in the county. Relying on its deep cooperation with Renchuan Town, Forest Cabin has not only broadened the application path of the alpine red camellia industry, but also blazed a new trail for local farmers to get rich, driving the integrated development of agriculture, culture, and tourism in the town and becoming a model for corporate support of rural revitalisation.

Looking ahead, Forest Cabin's rural revitalisation strategy will be carried out in a more systematic and in-depth manner. We will further strengthen industrial collaboration with upstream producers and, through the innovative model of "providing seedlings for free + purchasing raw materials at a guaranteed price," incentivise more farmers to engage in the planting and management of red camellias. Synchronously, we actively practice the development idea of integration of primary, secondary, and tertiary industries, not only focusing on planting (primary industry), but also comprehensively increasing industrial value through the combination of ingredient processing and production (secondary industry) with services, culture, and tourism (tertiary industry). This series of initiatives aims to continuously open up new avenues for villagers to increase their incomes, achieve a synergistic resonance between ecological environment improvement and rural industrial prosperity, and provide a replicable "Forest Cabin model" for China's rural revitalisation and agricultural modernisation.






### 5.5.1.1 Cooperation on Camellia Ecological Planting Base

During Forest Cabin's "2025 camellia fruit autumn traceability tour," Sun Laichun, founder of Forest Cabin, along with guests from all over the country, visited the red camellia base in Renchuan Town, Pan'an County, Zhejiang Province, to experience the ecological closed loop of the industrial chain from planting to picking. During this event, Forest Cabin held its first camellia music festival, which attracted a large number of tourists and further propelled the development of the cultural tourism industry in Pan'an. Through deep cooperation with the local government and communities, Forest Cabin has promoted the integration and development of the red camellia sector, opening up a new path for local farmers to get rich. The traceability tour attracted well-known media, celebrities, and cultural tourism experts. On-site participation and live streaming gave guests more understanding of alpine red camellia and promoted the integrated development of the agriculture, culture, and tourism industries, making Forest Cabin a model for corporate support of rural revitalisation.















### 5.5.1.2 Creating the Guardian Station for the Millennium-old Camellia Tree

In March 2025, Forest Cabin and Qinhu Cultural Tourism Group signed a strategic cooperation agreement in Qintong Ancient Town, Jiangyan District, Taizhou City, Jiangsu Province to jointly establish the Guardian Station for the Millennium-old Camellia Tree. They aim to study and protect China's unique camellia resources, combine these resources with modern technologies and cultural industries, promote the integrated development of culture and industry, and explore a new model of "beauty + cultural tourism" integrated development. With the thousand-year-old camellia tree in Qintong Ancient Town as a link, it further expands Forest Cabin's presence in the cultural and tourism industry. With the support of the Guardian Station for the Millennium-old Camellia Tree, Forest Cabin will collaborate with research institutions and other parties to study the unique microbial strains and rare genes of the millennium-old camellia tree. By protecting the ancient camellia tree and extracting ingredients with skincare potential, Forest Cabin hopes not only to enrich its product R&D system, but also to provide important cultural support for the inheritance and promotion of camellia culture.









#### 5.5.1.3 Jointly Building an MBA Practice Base

In July 2025, Forest Cabin further strengthened its cooperation with the School of Business of Shanghai University of Finance and Economics on the new ecosystem of industry-education integration and the innovation in business talent cultivation. It was officially awarded the title of MBA Practice Base by the School of Business, marking a solid step forward for both parties on the path of coordinated school-enterprise development about “business chain symbiosis”, and also facilitating the continuous expansion of the school-enterprise collaboration network. The School of Business of Shanghai University of Finance and Economics has long kept a close eye on the development of Forest Cabin, and their cooperation is supported by a profound foundation and a long history of exchange. Over the years, from the carbon-neutral laboratory to the intelligent production line, students from the school pay continuous visits to Forest Cabin, witnessing how a national brand reshapes its green competitiveness through technological innovation. The awarding of the MBA Practice Base title further promotes the tripartite synergistic linkage of “case theory, corporate practice and academic empowerment” between the two parties in Songjiang, an integrated sci-tech innovation highland in the Yangtze River Delta, and also injects new impetus into business talent cultivation and the integrated school-enterprise development.

#### 5.5.1.4 Holding Community Science Popularisation and Research Activities

In August 2025, Forest Cabin continuously opened its scientific research resources to the public, joined hands with the G60 Science & Technology Innovation Camp Community Academy in Xinqiao Town, Songjiang District to carry out community science popularisation and research activities, further enriching the forms of science popularisation education for the public. As a distinctive platform awarded the title of Shanghai Community Academy, the G60 Science & Technology Innovation Camp Community Academy in Xinqiao Town led 20 families to Forest Cabin’s carbon-neutral R&D and smart manufacturing base, delivering an immersive experience of Forest Cabin’s innovation practice of “Oriental Plant Extracts + Modern Technology.” As a district-level environmental education base, Forest Cabin’s carbon-neutral R&D and smart manufacturing base, through its collaboration with the community academy, extends the classroom to the frontline scientific research, promoting the transition of science popularisation from books to practices and building a multi-level science popularisation service system. This event not only brought the public closer to technological innovation, but also reflected its continuous investment in community science popularisation, public education, and social sharing.





#### 5.5.1.5 Setting Foothold in Postdoctoral Innovation Practice Base

In November 2025, Forest Cabin was awarded the title of Entity Setting Foothold in the Songjiang District Postdoctoral Innovation Practice Base, marking its significant step in attracting high-level scientific research talents and building a technological innovation platform. Relying on the postdoctoral innovation practice base platform, Forest Cabin can directly connect with universities' mobile postdoctoral stations to attract high-level scientific research talents to participate in its research projects, further alleviating the scarcity of high-end talents in the cosmetic industry and promoting technological R&D and the transformation of results. The research projects of Forest Cabin focus on the R&D of natural ingredients and the innovation in efficacy evaluation systems, which are technologically forward-looking and promising, and meet the base's core requirements of "leadership, innovation, and practicality." In the future, the Group will collaborate with universities and research institutions, such as Shanghai Jiao Tong University and Fudan University, to carry out joint technological research, accelerate the transformation of scientific research results, and continuously inject innovation momentum into the green industry development of Songjiang District and the Yangtze River Delta G60 Science & Technology Innovation Valley.

### 5.5.2 Philanthropic Actions

Staying true to its original aspiration of "beauty for kindness," Forest Cabin actively fulfills its corporate social responsibility and continuously contributes to social well-being. We have made donations in multiple fields to support frontline personnel with practical actions. During the pandemic, we collaborated with various sectors of society to provide humanitarian aid, supplying essential supplies to medical and charitable organizations, including the Shanghai Charity Foundation.

In addition to philanthropic donations, we also regard educational support as an integral part of our corporate social responsibility. In 2025, we continued to extend our philanthropic care to the fields of education and rural development, conveying warmth and hope with practical actions. In March, a delegation led by the founder of Forest Cabin visited the Renchuan Central Primary School in Pan'an County, Zhejiang Province to carry out the "Passing on love, setting dreams in motion" student aid activity. They delivered books, stationery, and other educational materials to students and, through a life dialogue on "Breaking ground and blooming," encouraged them to bravely pursue their dreams. In April, this charity initiative further extended to Qushui Middle School in Lhasa, Xizang Autonomous Region, bringing educational materials to students, providing sunscreen and skincare products to teachers, and paying special attention to the growth needs of Tibetan girls. We supported the learning and development of teenagers in remote areas with practical actions. In May, at the invitation and with the support of Forest Cabin, representatives of teachers and students from Renchuan Primary School in Pan'an County, Zhejiang Province went to Shanghai for a charity study tour. They visited friendly schools in Songjiang District, Forest Cabin's carbon-neutral R&D and smart manufacturing base, and art exhibitions, as well as urban landmarks, including the Bund, Yu Garden, and the Oriental Pearl Tower, broadening their horizons and gaining knowledge while experiencing the charm of urban culture. Furthermore, the Group established long-term strategic partnerships with several top universities in China, and set up scholarship and grant programs to provide assistance to students with financial difficulties and reward outstanding talents who have demonstrated excellent potential and innovation spirit in academic research, creating a funding system that emphasises both poverty alleviation and merit-based rewarding.









## 5.6 LEADING INDUSTRY STANDARDS

We actively participate in the construction of a standard system for the cosmetics industry, and strive to promote the standardised and scientific development of the industry through scientific research and innovation. In 2025, the Group, along with relevant industry departments, associations, and leading enterprises, participated in the formulation and release of several group standards, covering raw material requirements, efficacy evaluation methods, testing methods, finished product quality control, etc. The main standards include 12 group standards, including the General Requirements for Testing Polydeoxyribonucleotide (PDRN) Raw Materials for Cosmetics (《化妆品用多聚脱氧核糖核苷酸(PDRN)原料檢测通用要求》), Efficacy Evaluation Methods for Whitening Cosmetics Suitable for Sensitive Skin (《敏感肌適用型美白化妆品功效評價方法》), Test Methods for Anti-Photoaging Performance of Cosmetics (《化妆品抗光老化性能测試方法》), and Plant-Based Skincare Creams (《植物護膚面霜》), as well as the industry standard, Non-woven Fabric Formed Sheets for Facial Masks (《面膜用非織造布成型片材》).

By leading and participating in the formulation of group standards, Forest Cabin has not only demonstrated its professional strength in scientific research and innovation, but also fulfilled its industry responsibilities with practical actions. We will continuously deepen our cooperation with industry associations, universities, and research institutions to promote the establishment of standards based on scientific data, hoping to help China's cosmetics industry take more solid steps on the path of internationalisation, specialisation, and sustainable development.

## 5.7 SUSTAINABLE R&D

### 5.7.1 Joining Hands with Academia to Explore Cutting-edge Technologies

We have established multi-level, high-standard cooperative relationships with top universities and research institutions to jointly explore the deep mechanisms of skin anti-aging and efficiently transform scientific research results into market-competitive products. In 2025, the cooperation between Forest Cabin and the Institute of Cell and Gene Therapy of Shanghai Jiao Tong University became a model of deep integration of industry, academia, and research. The two parties jointly established a joint research laboratory for cellular-level anti-wrinkle and appointed the dean of the institute as the brand's chief scientist for cellular-level anti-wrinkle. The core goal of this cooperation is to explore cutting-edge skin anti-aging technologies and study the mechanism of skin aging at the cellular level, especially in the frontier fields, such as mitochondrial function enhancement and activation of the cellular autophagy mechanism. It aims to integrate nature and science to develop new landmark products for the anti-aging of Chinese people's skin. In the same year, we hosted the Second Skin Cellular-Level Anti-Wrinkle Research Conference, revealed the current opportunities and pain points in China's anti-wrinkle market, and proposed the "cellular-level anti-wrinkle" solution as well as the direction of technological advancements.







Forest Cabin and Shanghai Jiao Tong University established a joint research laboratory for cellular-level anti-wrinkle

Apart from research on skin mechanisms, Forest Cabin also worked with professional research institutions to conduct in-depth and comprehensive research on its core raw material, i.e. alpine red camellia. The brand signed a cooperation agreement with the Institute for the Comprehensive Utilization of Wild Plants in Nanjing for the comprehensive utilization research project on anti-aging and repairing of Camellia, aiming to further explore key anti-aging and repairing ingredients from the flowers, leaves, and seeds of camellia, and to dissect their action targets and mechanisms. This type of cooperation helps Forest Cabin solidify the scientific basis of its product efficacy from the source of raw materials.

Forest Cabin's cooperation with academia is not limited to basic research, with great importance also placed on the industrial application of technologies. For instance, the brand established strategic cooperative relations with Shanghai World Leader Pharmaceutical to jointly develop the "precise delivery and transdermal absorption technology for cosmetic active ingredients," aiming to solve the common industry problem of how active ingredients can efficiently penetrate the skin barrier. Concurrently, Forest Cabin also took the lead in releasing the China Cellular-Level Anti-Wrinkle Skincare Blue Book, the industry's first of this kind. It worked with industry and academic experts to sort out technological trends and market prospects, actively participated in the establishment of industry standards and technical consensus, and prompted the entire anti-wrinkle skincare field to become "mechanism-driven."

Forest Cabin has been recognised by the international academic community for its research in camellia. In August 2025, the research team of Forest Cabin, together with a professional team from Guangdong Pharmaceutical University, published a research article in Antioxidants, a top international authoritative journal in the field of antioxidants. In the article, the team said that camellia extract and its active ingredient hyperoside can repair DNA damage through the FUNDC1-mediated mitochondrial autophagy pathway, effectively achieving skin anti-wrinkle effects.

### 5.7.2 Protecting the Patents Related to Red Camellia

We have been dedicated to providing natural, safe, and effective products. Leveraging the unique properties of alpine red camellia, we employ our exclusive supercritical extraction technology to produce Qingxuan Extract, a proprietary formulation enriched with oleic acid, vitamin E, squalene, phytosterols, flavonoids and polyphenols. Qingxuan Extract, working in synergy with other proprietary ingredients, such as camellia-based peptides, camellia-based collagen, camellia-based retinol, camellia callus extract filtrate and polypeptide composition, offers powerful repair benefits, including skin barrier restoration, improved elasticity and reduction of fine lines. Our expertise further extends to the development of core technologies such as transdermal absorption technology, molecular scissor directing bioenzymic cutting technology, molecular recombination bio-fermentation technology, nano-capsule transdermal absorption technology, full-spectrum extraction technology and other emerging technologies. As of December 2025, constant innovation enabled us to accumulate over 600 formulations and 87 patents (including 46 invention patents related to core ingredients, technologies or camellia formulas), publish approximately 40 academic papers and participate in the formulation of more than 40 industry and group standards, collectively strengthening our position in oil-based skincare and advanced anti-wrinkle and firming skincare.

In terms of intellectual property management, the Group strictly abides by intellectual property-related laws and regulations, including the Patent Law of the People's Republic of China (《中華人民共和國專利法》), the Trademark Law of the People's Republic of China (《中華人民共和國商標法》), and the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》). It has formulated institutional documents like the Intellectual Property Management Measures to regulate the creation, use, and management processes of its patents, trademarks, copyrights, and other works, continuously strengthening intellectual property management and protection. Aiming to strengthen the intellectual property governance system, the Group established the Intellectual Property Management Committee comprising heads of multiple departments, including the President's Office, R&D Center, and Brand Vision and Communication Department, to serve as the highest decision-making body for its intellectual property affairs. The Legal Affairs Department serves as the department that manages the Group's trademarks and patents, and is also responsible for the management and protection of its copyrights. The Audit and Supervision Center is responsible for protecting trademarks and handling trademark infringement disputes. A multi-departmental internal and external collaborative management model has been formed to comprehensively protect the achievements of technological innovation and brand value.

# 6 STABILITY: CORNERSTONE OF TRANSPARENCY AND COMPLIANCE

## 6.1 TRANSPARENCY AND INFORMATION DISCLOSURE

In the context of practicing sustainable development, Forest Cabin has moved transparency and information disclosure to a strategic level, viewing it as a core element for building long-term brand trust, satisfying market expectations, and coping with industry competition. Forest Cabin's information disclosure practices cover multiple levels, from product ingredient traceability to comprehensive corporate value. Implementing a systematic information disclosure strategy, Forest Cabin has transformed transparency into an important intangible asset, shaping a high-end domestic brand image that is technology-driven, open, transparent, and trustworthy in the minds of consumers and investors.

## 6.2 RISK MANAGEMENT AND INTERNAL CONTROL

We have put in place a comprehensive set of internal control and risk management policies and procedures to effectively address potential operational, financial, legal and market risks in relation to our operations. These procedures are subject to regular reviews to ensure their ongoing effectiveness. To support our ESG initiatives and ensure compliance with relevant laws and regulations regarding product testing and safety, we have established strict internal control measures, particularly in raw material procurement and management. In supply chain management, we implement a rigorous supplier selection and pre-evaluation mechanism, requiring suppliers to provide complete documentation, including quality certificates and safety assessment reports. Based on supplier data and industry and national standards, we have also established internal testing procedures, with which we strictly inspect all procured materials to ensure the safety and compliance of raw materials. In terms of risk assessment and control, we maintain a comprehensive cosmetic ingredient risk assessment system that complies with the Safety and Technical Standards for Cosmetics (《化妝品安全技術規範》). Prior to use, all ingredients must undergo thorough evaluation for potential hazardous substances, with the results documented in written reports. Mandatory supplier controls must be implemented with identified risks to ensure product safety. During the production process, we enforce strict hygiene protocols, including cleanroom environmental controls, validated disinfection procedures, and real-time monitoring of critical parameters, with all operations meeting written standard operating procedures (SOPs) and regular employee training to ensure continuous GMP compliance throughout the manufacturing process. Each product undergoes comprehensive safety assessment by our regulatory team and is subject to compulsory third-party testing to ensure its compliance with all relevant regulations on hazardous substances. As far as quality inspection is concerned, we have a comprehensive quality inspection system covering microbiological and physicochemical tests, which are conducted in certified laboratories. Detailed batch-by-batch records are stored in both physical and electronic forms to ensure full traceability and compliance with relevant regulatory requirements. In addition, all product labels undergo strict review before market release to ensure regulatory compliance. We maintain our quality management system and continuously promote operational improvements, ensuring that all aspects strictly comply with national standards for raw material safety, production control, quality testing, and labeling, thereby further ensuring consumer safety and trust.

## 6.3 INFORMATION AND DATA SECURITY

In the context of full digitalisation in operations, Forest Cabin has always regarded personal information protection as an important cornerstone of corporate social responsibility and sustainable governance. We strictly comply with relevant laws and regulations, including the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》), the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》), and the Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》), and have formulated and implemented the Personal Information Protection System to ensure the compliant and systematic management of personal information. With "legality, reasonableness, necessity, and integrity" as its core principles, the system clarifies the organisational structure and division of responsibilities for personal information protection. We designate a dedicated personal information protection officer and a working body, and have created a management system covering the entire data lifecycle. We carry out strict controls in all aspects, including information collection, use, storage, transmission, and destruction, to ensure that data processing is transparent and traceable. Forest Cabin always upholds the principles of "minimum necessary standard" and "openness and transparency," strictly limiting the scope of use of personal information and adopting higher-level encryption and isolation measures for sensitive information. Additionally, we ensure that users can conveniently exercise their rights to inquire, correct, and delete personal information in accordance with the law, safeguarding the rights and interests of information subjects from both institutional and technical levels.

To continuously enhance its data security capabilities, the Group has established a comprehensive security management system, covering access control, regular security assessments, personal information protection impact assessments, and security incident emergency response procedures. We dynamically monitor and rapidly respond to system risks to effectively reduce potential data security risks, ensuring that information security protection is normalised and systematised. As of the end of 2024, Forest Cabin's information system was filed for the information system security grading protection with the Cybersecurity Corps of Shanghai Public Security Bureau, marking that it has met industry compliance standards in data security management.

In the future, we will continually refine our information security governance system, safeguard the trust of users, employees, and partners with the highest ethical standards and technical specifications, and fulfill our long-term commitment in the ESG field.

## 6.4 INTEGRITY BUILDING

The Group has always adhered to integrity and transparency in business operations, strictly complied with all applicable anti-corruption laws and regulations, and promoted the construction of an integrity system on all fronts. Taking a "zero-tolerance" attitude towards any form of fraud and corruption, we have successively formulated and implemented internal management systems, including the Anti-Fraud Regulations of Forest Cabin (《清軒反舞弊條例》), the Internal Control Manual (《內控手冊》), and the Store Inventory System (《門店盤點制度》). During the year, we focused on revising core systems, including the Employee Integrity, Compliance, and Anti-Fraud Governance Guidelines (《員工誠信合規與反舞弊治理準則》), the Internal Audit Management System (《內部審計管理制度》), and the Employee Information Security Code of Conduct (《員工信息安全行為準則》). The purpose is to strengthen cross-functional collaboration and process integration, continuously improve the internal control system and compliance policies, and consolidate the institutional foundation for an open, fair, and clean business environment. To maintain our reputation and adhere to the highest ethical standards, we have established a sound anti-bribery management system. All employees must strictly abide by relevant laws, regulations, and corporate policies in the course of performing their duties. The Group continuously strengthens the prevention, identification, and handling of potential bribery and fraudulent conduct through robust internal controls and rigorous audit procedures, ensuring that all business activities are conducted in accordance with laws and regulations. Any violation of the anti-bribery policy will lead to severe penalties, including disciplinary action up to and including termination of employment or cooperative relationships. In 2025, the Group organised anti-corruption training for directors and employees, covering approximately 2,000 participants, continuously enhancing the compliance awareness, integrity and self-discipline of all staff. It also promoted the formation of behavioral norms through the building of an integrity culture, creating a good organisational atmosphere of "integrity orientation and clean practice."

The Group is well aware that the essence of an integrity culture lies in the participation of all employees. Every employee has the responsibility to discover, stop, and report violations. To this end, unimpeded reporting channels have been established. Employees can provide clues to the Group's Audit and Supervision Center through the official website, email, letters, telephone, official WeChat account and more. The Group formulated the Whistleblower Reward and Protection System of Forest Cabin (《林清軒企業舉報獎勵與保護制度》), encouraging real-name reporting and requiring whistleblowers to provide detailed event descriptions, effective contact information, and relevant evidence to support the smooth progress of investigations. The Audit Committee will strictly keep all reported information confidential and reward verified and valid reports to incentivise employees to jointly maintain a fair and upright working environment. The Group's Audit Committee, as the decision-making and supervisory body for anti-fraud work, is responsible for the investigation and management of fraud cases. Except for authorised personnel, no department or individual may conduct investigations on their own. We have established a complete case handling process, including clue reception and preliminary assessment, investigation preparation, fact-checking, result feedback, disciplinary decision and execution, ensuring the process is standardised, transparent, and compliant. If a case involves illegal or criminal acts, upon approval by the Board, the Audit and Supervision Center will transfer it to the judicial organ for legal accountability. In 2025, the Group was involved in one corruption lawsuit, which is still in the trial stage.

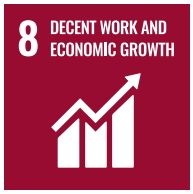
Through the aforementioned system construction and cultural advocacy, the Group will continually consolidate governance effectiveness, advance the setup of an intelligent risk control platform, deepen the penetrating internal control system, and incorporate integrity education into the entire talent development process. The Group will pursue the high-quality development with higher standards of business ethics and a more sound compliance management system, and continuously consolidate the long-term trust of all stakeholders.

# 7 APPENDIX

## 7.1 FULFILLING RESPONSIBILITIES FOR THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Forest Cabin has always adhered to the concept of sustainable development, aligning its strategies with the United Nations Sustainable Development Goals (SDGs). We are well aware that the challenges facing global society require the joint efforts of all sectors, and companies, as an important part of society, must assume responsibilities for achieving these goals. On this basis, we are committed to promoting the attainment of the following key goals, and continuously optimising our strategies and practices through innovation and continuous improvement.

| Sustainable Development Goals | Content | Our strategies | Section |
|---|---|---|---|
|  No Poverty | Ensure that all men and women have equal rights to economic resources. | Through strategies such as public welfare activities and educational funding, we promote rural revitalisation, industrial upgrading, and talent cultivation, committed to providing continuous economic support for impoverished areas. | 5.5 Community Contribution |
|  Good Health and Well-being | Ensure healthy lifestyles for all and reduce health inequalities. | Internally, we provide a comprehensive health security and care system for employees. With natural, safe, and effective skincare products made from alpine red camellia, we protect consumers' skin health and convey a philosophy of sustainable beauty. | 3.1 Raw Materials<br>3.2 R&D<br>3.3 Smart Manufacturing<br>3.4 Products<br>3.5 Ecology<br>5.1 Product Safety<br>5.3 Production Safety<br>5.4 Talent Management |
|  Quality Education | Ensure inclusive and equitable quality education and provide lifelong learning opportunities for all. | Through strategies such as establishing university scholarships and grants and supporting youth sci-tech innovation programs, we provide continuous support for the development of education and contribute to talent cultivation and knowledge innovation. | 5.5 Community Contribution |

| Sustainable Development Goals | Content | Our strategies | Section |
|---|---|---|---|
|  Gender Equality | Achieve gender equality and empower all women and girls with equal rights and opportunities. | We systematically embed principles of fairness and inclusion throughout the entire human resources management process to ensure equal career development channels, and compensation and benefits for employees of all genders. | 5.4 Talent Management |
|  Affordable and Clean Energy | Ensure access to affordable, reliable, and sustainable energy for all. | We adopt solar, wind power and other renewable energy solutions in the planning and operation phases of production bases to reduce reliance on traditional power grids and drive the green transformation of the energy structure. | 3.3 Smart Manufacturing<br>4.1 Carbon-Neutral Infrastructure |
|  Decent Work and Economic Growth | Promote sustained, inclusive and sustainable economic growth, full employment and decent work for all. | Internally, we protect the legitimate rights and interests of employees and offer development support. Externally, by expanding the red camellia planting industrial chain, we create stable jobs and income sources for rural communities. | 5.4 Talent Management<br>5.5 Community Contribution |
|  Industry, Innovation and Infrastructure | Promote sustainable industrialisation and enhance innovation and infrastructure construction. | We strategically invest in the construction of carbon-neutral infrastructure and continuously direct R&D resources towards the innovation in sustainable products and processes to build a future-oriented green supply chain system. | 3.3 Smart Manufacturing<br>4.1 Carbon-Neutral Infrastructure<br>5.2 Suppliers and Procurement Management<br>5.3 Production Safety<br>5.5 Community Contribution<br>5.6 Leading Industry Standards<br>5.7 Sustainable R&D |

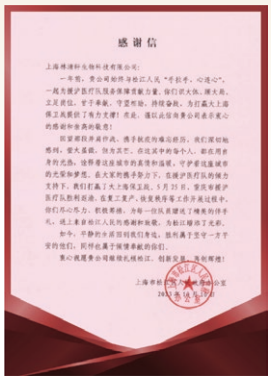
| Sustainable Development Goals | Content | Our strategies | Section |
|---|---|---|---|
|  Reduced Inequalities | Reduce inequality within and among countries, regions, and groups, ensuring equal opportunities for everyone. | We foster a fair, anti-discriminatory culture, extend the industrial chain to underdeveloped areas, and promote balanced regional development through industrial empowerment. | 2.4 Stakeholders and Materiality Assessment<br>5.4 Talent Management |
|  Sustainable Cities and Communities | Build inclusive, safe, resilient and sustainable cities and communities. | We integrate the concept of environmentally friendliness into product design and brand communication, open our green practice bases, actively participate in community environmental education, and advocate for a sustainable lifestyle. | 3.1 Raw Materials<br>3.2 R&D<br>3.3 Smart Manufacturing<br>3.4 Products<br>3.5 Ecology<br>4.1 Carbon-Neutral Infrastructure |
|  Responsible Consumption and Production | Ensure sustainable consumption and production patterns and reduce resource waste. | Upholding green design principles, we promote energy and water conservation and waste management in the course of production, and explore recycling models for packaging materials, committed to building an operating system with minimised resource consumption. | 3.3 Smart Manufacturing<br>4.1 Carbon-Neutral Infrastructure<br>4.2 Carbon Emissions and Energy Management<br>4.3 Waste Management<br>4.5 Circular Economy and Packaging Innovation<br>5.1 Product Safety<br>5.2 Suppliers and Procurement Management<br>5.3 Production Safety |
|  Climate Action | Take action to combat climate change and its impacts, and reduce greenhouse gas emissions. | We formulate and implement carbon management strategies, covering clean energy use, energy efficiency improvement, and ecological carbon sinks to proactively address climate change risks. | 3.3 Smart Manufacturing<br>4.1 Carbon-Neutral Infrastructure<br>4.2 Carbon Emissions and Energy Management<br>4.4 Climate Change and Response |

| Sustainable Development Goals | Content | Our strategies | Section |
|---|---|---|---|
|  Life on Land | Protect, restore and promote sustainable use of terrestrial ecosystems, and manage forests and biodiversity. | We implement and maintain ecological planting standards in the red camellia planting bases, and study, collect, and protect red camellia germplasm resources to maintain the biodiversity of the ecosystem. | 3.1 Raw Materials<br>3.2 R&D<br>3.5 Ecology |
|  Partnerships for the Goals | Strengthen global partnerships to promote the achievement of the SDGs. | We actively seek strategic cooperation with governments, academic institutions, industry associations, and industrial chain partners to jointly study green technology, set standards, and take part in public welfare projects, which will amplify the social impact of sustainable development. | 3.6 Cultural Tourism<br>5.5 Community Contribution<br>5.6 Leading Industry Standards<br>5.7 Sustainable R&D<br>6.1 Transparency and Information Disclosure<br>6.2 Risk Management and Internal Control<br>6.3 Information and Data Security<br>6.4 Integrity Building |

## 7.2 OVERVIEW OF RECOGNITION


感 谢 信

Letter of Appreciation from the United Front Work Department of the CPC Shanghai Municipal Committee


感 谢 信

Letter of Appreciation from the Songjiang District People's Government




Donation Certificate from Jiangnan University Education Development Foundation



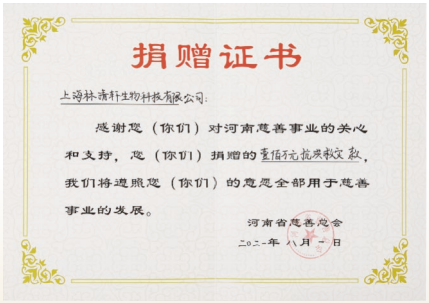

Donation Certificate from the East China Normal University Education Development Foundation in Shanghai




Donation Certificate from the Shanghai Charity Foundation




Letter of Appreciation from Ruijin Hospital Affiliated to Shanghai Jiao Tong University School of Medicine




Donation Certificate from Henan Charity General Federation

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| A2.1 | Total direct and/or indirect energy (e.g. electricity, gas or oil) consumption by type, and intensity. | Page 18 |
| A2.2 | Water consumption in total and intensity. | Page 18 |
| A2.3 | Description of energy use efficiency target(s) set and steps taken to achieve them. | Page 19 |
| 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. | Page 20 |
| A2.5 | Total packaging material used for finished products and with reference to per unit produced. | Page 22 |
| **Aspect A3: The Environment and Natural Resources** | | |
| General Disclosure | | Page 16 |
| A3.1 | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. | Page 16 |

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|---|---|---|
| **B. Social** | | |
| **Employment and Labour Practices** | | |
| **Aspect B1: Employment** | | |
| General Disclosure | | Page 28 |
| B1.1 | Total workforce by gender, employment type, age group and geographical region. | Page 29 |
| B1.2 | Employee turnover rate by gender, age group and geographical region. | Page 29 |
| **Aspect B2: Health and Safety** | | |
| General Disclosure | | Page 27 |
| B2.1 | Number and rate of work-related fatalities occurred in each of the past three years. | Page 27 |
| B2.2 | Lost days due to work injury. | Page 27 |
| B2.3 | Description of occupational health and safety measures adopted, and how they are implemented and monitored. | Page 27 |
| **Aspect B3: Development and Training** | | |
| General Disclosure | | Page 30 |
| B3.1 | The percentage of employees trained by gender and employee category. | Page 31 |
| B3.2 | The average training hours completed per employee by gender and employee category. | Page 31 |
| **Aspect B4: Labour Standards** | | |
| General Disclosure | | Page 28 |
| B4.1 | Description of measures to review employment practices to avoid child and forced labour. | Page 28 |
| B4.2 | Description of steps taken to eliminate such practices when discovered. | Page 28 |

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| **Operating Practices** | | |
| **Aspect B5: Supply Chain Management** | | |
| General Disclosure | | Page 25 |
| B5.1 | Number of suppliers by geographical region. | Page 26 |
| 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. | Page 25 |
| B5.3 | Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored. | Page 25 |
| B5.4 | Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored. | Page 25 |
| **Aspect B6: Product Responsibility** | | |
| General Disclosure | | Page 23 |
| B6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons. | Page 25 |
| B6.2 | Number of products and service related complaints received and how they are dealt with. | Page 25 |
| B6.3 | Description of practices relating to observing and protecting intellectual property rights. | Page 38 |
| B6.4 | Description of quality assurance process and recall procedures. | Page 23 |
| B6.5 | Description of consumer data protection and privacy policies, and how they are implemented and monitored. | Page 40 |

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|---|---|---|
| **Aspect B7: Anti-corruption** | | |
| General Disclosure | | Page 41 |
| 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. | Page 41 |
| B7.2 | Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored. | Page 41 |
| B7.3 | Description of anti-corruption training provided to directors and staff. | Page 41 |
| **Community** | | |
| **Aspect B8: Community Investment** | | |
| General Disclosure | | Page 32 |
| B8.1 | Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). | Page 32 |
| B8.2 | Resources contributed (e.g. money or time) to the focus area. | Page 32 |

## Part D: Climate-related Disclosures

| Provision | Disclosure Requirements | Index | Notes |
|---|---|---|---|
| 19 (a) | Governance framework for climate-related risks and opportunities. | Page 7 | |
| 19 (b) | Management's roles and responsibilities in the governance process. | Page 7 | |
| 20 | Identification, classification and definition of time horizons for climate-related risks and opportunities. | Page 20 | |
| 21 | Impacts of climate-related risks and opportunities on the business model and value chain. | Page 20 | |
| 22 | Impacts of climate-related risks and opportunities on strategy, decision-making and resource allocation. | Page 20 | |
| 23 | Progress of plans for addressing climate change in the previous reporting period. | | As this is the first year the Group has disclosed its ESG report, there is no comparable progress from the previous reporting period. |

| Provision | Disclosure Requirements | Index | Notes |
|---|---|---|---|
| 24 | Current financial impacts of climate-related risks and opportunities. | Page 20 | A mechanism for identifying and quantifying data on climate-related financial impacts has not yet been implemented. Relevant quantitative data is therefore not disclosed at present. |
| 25 | Anticipated financial impacts of climate-related risks and opportunities. | Page 20 | |
| 26 | Climate resilience and climate scenario analysis. | Page 20 | |
| 27 | Processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities. | Page 20 | |
| 28 | Disclosure of total GHG emissions (Scope 1 and 2). | Page 19 | |
| 29 | Disclosure of measurement methods, assumptions and classification of GHG emissions. | Page 19 | |
| 30 | Amount and percentage of assets or business activities vulnerable to climate-related transition risks. | | A mechanism for identifying and quantifying data on climate-related financial impacts has not yet been implemented. Relevant quantitative data is therefore not disclosed at present. |
| 31 | Amount and percentage of assets or business activities vulnerable to climate-related physical risks. | | |
| 32 | Amount and percentage of assets or business activities related to climate-related opportunities. | | |
| 33 | Climate-related capital expenditure, financing and investment. | | |
| 34 | Application of internal carbon pricing. | | An internal carbon pricing mechanism has not yet been implemented. The Group will continue to monitor relevant developments and industry practices and assess the feasibility of its application based on its own circumstances. |

| Provision | Disclosure Requirements | Index | Notes |
|---|---|---|---|
| 35 | Linkage of climate-related factors with remuneration policies. | | Climate-related factors have not yet been incorporated into the remuneration policy. The Group will continue to assess the feasibility of incorporating relevant indicators into the remuneration mechanism. |
| 36 | Disclosure of industry-specific metrics. | | No industry-specific metrics with significant differential impacts have been identified at present. The relevant disclosures are primarily based on general ESG metrics. |
| 37-39 | Setting, monitoring and performance of climate-related targets. | Page 19 | |
| 40 | Disclosure of GHG emission targets. | Page 19 | |