

2025

CHANDO GROUP
SUSTAINABILITY REPORT



CHANDO GROUP

Certified National High-tech Enterprise
National Intellectual Property Advantage Enterprise
National Advanced Enterprise in Implementing Performance Excellence Model
AAA-Certified Enterprise for Informatization Industrialization Integration System
China Famous Trademark (CHANDO MAYSU)
Recipient of the Golden Quality Award of Shanghai Municipality
Shanghai Advanced Smart Factory
Shanghai Patent Demonstration Enterprise
Shanghai Demonstration Site for Trade Secret Protection
Excellent Case of Digital Transformation in Shanghai
Benchmarking Enterprise of The First Batch in The Digital Transformation of Cosmetics Production in Shanghai
Shanghai Waste-Free Factory
Partner of China Manned Spaceflight Project
Joint Laboratory for Manned Spaceflight
Partner of China Polar Scientific Expedition
Strategic Partner of United Nations Development Programme
Partner of China Environmental Protection Foundation
Partner of China Children and Teenagers' Fund
Official Partner of Chinese Olympic Diving Team
Official Partner of Chinese Women's Volleyball Team
Participant of Shanghai World EXPO 2010



自然堂集团微信订阅号



自然堂集团小红书



自然堂集团视频号



自然堂集团微博



自然堂集团抖音账号



东方美谷·自然堂未来美妆城
预约码

Content

About this Report	08
Message from the Chairman	10
About CHANDO Group	12
Company History	12
Awards and Recognitions	14
Quantitative data on the Company's sustainability highlights	20
Our Sustainable Development Strategy	22
Our Culture and Values	24
Material Topics	25
CHANDO Group Sustainability Strategy	26
GRI Index	96
Feedback	100



01

Create Green Beauty, Protect Beauty and Nature	28
Address Climate Change and Protect Biodiversity	30
Facilitate Green Packaging and Circular Economy	35
Promote Responsible Production and Green Manufacturing	40



02

Implementing People-oriented Strategies, Advocating for a Sustainable Value Chain, and Fostering Partnerships that Lead to Mutual Success 50

Ensure Product Quality, Safety and Consumer Rights 52

Establish a Diverse, Equal and Inclusive Work Environment 55

Strengthen Public Welfare and Community Impact 65

Improve Green and Low-carbon Supply Chains 71

Lead Responsible Marketing and Green Consumption 74

Foster Scientific Innovation and Intellectual Property Protection 78



03

Strengthening Corporate Governance and Creating a Mutually Trusting Business Environment 88

Establish and Optimize the Sustainable Governance Structure 90

Safeguard Business Ethics and Integrity 91

Promote Digitalization and Data Security 93

About this Report

Report Introduction This report details the practices and performance of CHANDO Group in the areas of economic, environmental, social and corporate governance during the reporting period. In order to reflect consistency, comparability and completeness, contents of this report refer back to previous years or cover the year 2025 as appropriate.

This is the 15th sustainability report issued by CHANDO Group with a one-year publication cycle; the reporting period is from January 1, 2025 to December 31, 2025 (hereinafter referred to as the "reporting period").

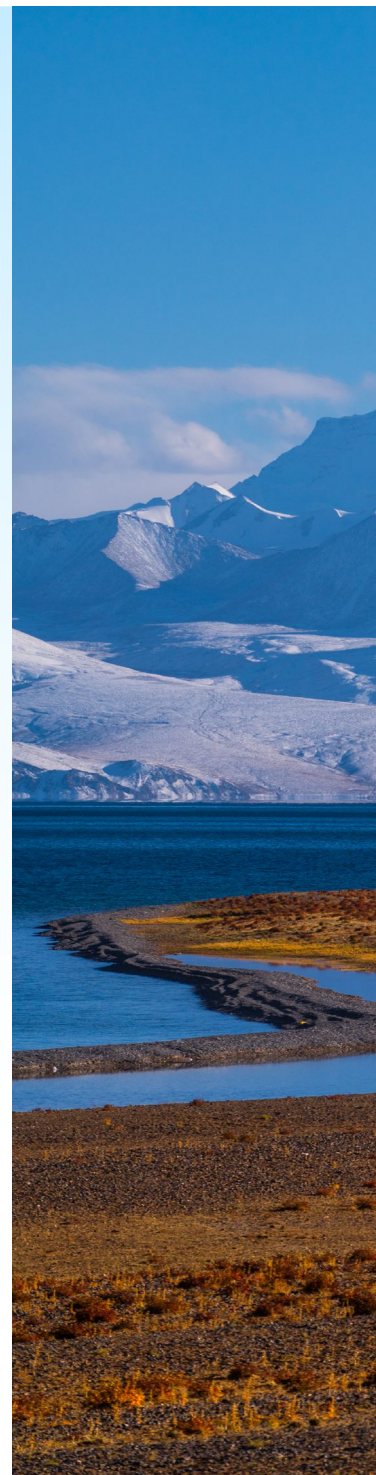
Scope of the Report The scope of this report covers CHANDO Global Holding Limited and its subsidiaries (CHANDO Group).

Explanation of References "CHANDO Group" is also referred to as "CHANDO," "the Group", "we" or "us".

Reporting Standards and Guidelines This report is compiled with reference to the GRI Sustainability Reporting Standards (hereinafter referred to as "GRI Standards") issued by the Global Sustainability Standards Board (GSSB).

Data Sources The data sources used in this report include CHANDO Group's internal statistics, publications or news reports.

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Message from the Chairman

As the hands of time move toward the end of 2025, we stand together at a milestone of historical significance—the CHANDO Group is about to celebrate its 25th anniversary. A quarter of a century is ample time for a brand and an enterprise to grow from nothing into something, from weakness into strength.

As we look back on the path we have traveled and continue to gaze ahead, my confidence grows : we are standing at a golden starting point of historic opportunities for Chinese beauty brands. Looking forward, three certain trends have become clear: the continued growth of the beauty market, domestic brands becoming mainstream, and increasing industry consolidation. At the same time, market power is shifting toward the consumer, and demand stratification is becoming more pronounced. To seize the opportunities of this era, we must shift from a "striving mindset" to an "adaptive mindset," embracing change with continuous learning, systematic judgment, and rapid adjustment—turning historical opportunities into a sustainable future.

Thanks to the collective efforts of everyone, the CHANDO Group has also achieved high-quality and healthy development in 2025. In terms of performance, the Group's revenue growth exceeded expectations, with both online and offline businesses demonstrating robust growth. Research and development and innovation yielded fruitful outcomes: we developed 7 self-produced ingredients, launched 129 new SPUs and 348 new SKUs as pure new products, filed for and obtained 110 patents, published 18 academic papers, and received several prestigious industry awards. Regarding social honors, the Group received 83 awards, including notable ones such as: "Digital Brand Innovation" Benchmark Case; "Light Industry Green and Low-Carbon Transition Typical Cases"; "2025 Chinese Brands Loved by Foreigners"; and inclusion in the "Future of Domestic Brands · Super Brands – Influential Brands Directory." It is particularly important that the three-year in-depth transformation of offline channels yielded substantial returns in 2025. The innovative "partnership model" reignited the engine of department store channels. Moving forward, CHANDO will continue to increase strategic investment in offline channels, working with all of you to define a new paradigm for beauty retail.

Over the past year, the company has continued to deepen

its practices in environmental responsibility. We have actively responded to the national "dual carbon" strategy, further advancing carbon inventory work covering Scope 1, Scope 2, and key categories of Scope 3, while promoting emission reduction practices focused on green packaging and clean production systems. The company was successfully selected as a 2025 Shanghai Municipal "Waste-Free City Cell" Exemplary Case, actively building a green operational system through source reduction, resource recycling, and whole-staff participation. Meanwhile, the "Oriental Beauty Valley · CHANDO Future Beauty City" officially opened, integrating photovoltaic power generation, smart logistics, and industrial tourism to create a sustainable benchmark that combines green manufacturing, digital empowerment, and experiential communication. Through concrete actions, we have improved energy efficiency and reduced carbon emissions, transforming green manufacturing into a tangible brand commitment and providing solid support for the Group's sustainable development.

In terms of social responsibility, we have continued our deep engagement in the Himalayan region, upgrading the "CHANDO Planting-Grass in the Himalayas" initiative with the "2025 — 2030 Biodiversity Conservation Project," supporting plateau ecological restoration. In educational support, the "Spring Bud Education Support Action" donated an additional RMB 2 million to the Himalayan region, helping 350 girls continue their studies. Responding to urgent social needs, we swiftly supported earthquake relief efforts, delivering warmth and care. Additionally, we supported the launch of the "Keyan Return Program," assisting female scientific research talents in returning to their careers and exploring the integration of technology and beauty. These actions are a practical reflection of our commitment to sustainable development and giving back to society. In the future, we will continue to collaborate with all stakeholders to create more possibilities for a better world.

In corporate governance, we have established a three-tier ESG (Environmental, Social and Governance) governance structure comprising the "governance level, management level, and execution level" to systematically drive the implementation of our sustainability strategy. The governance level oversees major ESG matters and strategic direction; the management level, through the Sustainability Committee, coordinates goals and planning;

and the execution level relies on departments such as the ESG Management Center and the R&D (Research and Development) Center, collaborating with product development teams to operationalize strategy into concrete actions across R&D, production, and brand communication. This entails advancing green packaging management under the "reduction, recycling, and substitution" strategy. Concurrently, functions including R&D and the supply chain concentrate on research, raw materials, and production phases, utilizing green R&D systems and technology platforms to promote energy conservation and reduce resource consumption.

Through 25 years of dedicated effort, we have propelled CHANDO into a strategy-driven, multi-brand cosmetics company, using trust as our oar and hard work as our sail. We remain steadfast in our corporate mission and values, continuously deepening our focus on products, channels, and operations, co-creating, sharing, and winning together with our customers. These achievements are inseparable from the vision, resilience, and hard work of all employees, as well as the trust and support of every retail and operational partner as this is our shared glory. Looking ahead, let us embark anew with the belief in "Creating Beauty Together"—achieving the beauty of consumer confidence, the beauty of win-win partnerships, the beauty of responsible brand stewardship, and the beauty of Chinese beauty brands advancing onto the global stage!



Zheng Chunying

Chairman and CEO of CHANDO Group

About CHANDO Group

Company History

2001

Voyage of Dreams

Mr. Zheng Chunying, Chairman of the Board of Directors, came to Shanghai from Liaoyang City, an ancient city in the northeast of China, with the vision of "building a world-class brand of the Chinese people".

Foundation of CHANDO

CHANDO, a natural high-tech brand, was founded. It learns from the way of nature, advocates the beauty of nature.

Foundation of MAYSU

MAYSU was founded as the perfect combination of Oriental aesthetics and cutting-edge technology, opening the high-end anti-aging era of Chinese science and technology beauty.

2006

Launch of Brand Strategy

CHANDO officially launched its brand strategy and appointed its first spokesperson, Chen Hao. CHANDO released the second generation of products, launched CCTV and satellite TV advertisements, and set up counters in department stores to enhance the brand image and influence.

2010

Participation in Expo Shanghai 2010

The Group was invited to participate in the Shanghai World Expo as a leading company in the cosmetic industry, showing the new height of Chinese brands.

Determination of Himalayas as the source of CHANDO

CHANDO snow series collections developed specifically for the World Expo were unveiled at the Expo, kicking off the upgrading of the brand and the whole line of products, and the source of the CHANDO brand was determined to be the Himalayas.

2025

Oriental Beauty Valley · CHANDO Future Beauty City Official Opening

Integrating the dissemination of cosmetic science knowledge, product display, smart manufacturing, and real-time sales, this project deeply merges "industrial tourism with cultural, commercial, tourism, sports, and exhibition activities." It transforms industrial strength into cultural influence and has been successfully selected as one of the "Shanghai's Top 10 Cultural and Tourism Landmark Projects of 2025."

2024

Change of the Official Name of the Group

In line with strategic planning and brand development needs, and to better serve consumers, "JALA (Group) Co., Ltd." officially changed its name to "Shanghai CHANDO Group Co., Ltd."

2013

Launch of Space Skin Care Project

The Group entered space for the first time through the spaceborne biological skin care scientific research project, conducted in-orbit scientific research, and became the first domestic enterprise involved in aerospace skin care technology. Later, we were officially recognized by the China Space Foundation as a "Partner of China's Space Industry".

2016

Launch of Brand Upgrade

The group launched a multi-brand, expansive channel, full category layout, including facial mask, men's skin care, cosmetics and perfume. And this strategy is employed to this day.

2017

Launch of CHANDO Himalaya Beauty Research Institute

The CHANDO Himalaya Beauty Research Institute was officially established. It promised to protectively develop the natural ingredients of the Himalayas to meet the needs of consumers to enjoy natural and beautiful lifestyle.

Foundation of Spring Summer

A plant-based skin care brand customized for young people, providing consumers with high-quality skin care products and pleasure experiences.

2023

Launch of imine

A baby skin science efficacy brand, making natural, safe and effective care products available to every child.

2020

Digital Transformation

The Group has taken the "One Load of Products" program as the starting point to promote the digital transformation of the Group, striving to realize online business, digital operation and intelligent marketing. The digital system covers the whole chain of research and development, production, logistics, sales, management, marketing, and service.

2019

Foundation of Biorrier

The professional skincare brand Biorrier was born, gathering experts in dermatology, botany, and biology to explore the mechanisms of various skin problems and develop prescription-grade products applicable to dermatology clinics.



Awards and Recognitions



Top Ten Figures in China's Cosmetics Industry in 2024
China Cosmetics Review



2024 Light Industry Green and Low-Carbon Transition Typical Cases
China National Light Industry Council



Shanghai "Waste-Free Factory"
Shanghai Municipal Bureau of Ecology and Environment

Annual Rising Star Brand Award
ELLE

Shanghai's Top 10 Cultural and Tourism Landmark Projects of 2025
4th Shanghai Tourism Investment Promotion Conference



Top 3 Domestic Cosmetics Brands
China Association of
Fragrance, Flavour and Cosmetic
Industries



2025 Chinese Brands Loved by
Foreigners
Xinhua News Agency



My Favorite Chinese
Brand 2025
Xinhua News Agency



Top 20 Best Academic
Poster Award
2025 European Society for
Dermatological Research



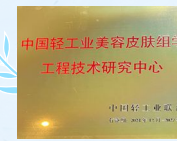
3rd Guoxin Cup · ESG
Golden Bull Award
China Securities Journal



Shanghai IP Innovation Awards
(Protection)
Shanghai Municipal
People's Government



CHANDO Brand Value Reached
RMB 45.5 Billion in 2024
China Association of Fragrance Flavor
and Cosmetic Industries



Three-Year Accreditation of "China Light
Industry Beauty Skin Omics Engineering
Technology Research Center"
China National Light Industry Council



Excellent Green Booth
Award
CBE China Beauty Expo

Annual Most Popular
Brand Livestream
Award
LAZADA

Shanghai Guangcai
Initiative Certificate of
Honor
Shanghai Society
for Promotion of the
Guangcai Programme

2024 Shanghai
Guangcai Exemplary
Project
Shanghai Society for
Promotion of the Guangcai
Programme

Recognitions for the Group

"Digital Brand Innovation"
Benchmark Case

Ministry of Industry and Information
Technology of China

Dingri Earthquake Relief
Memorial Project

Linzhi Economic Development Zone

ESG Practice Excellence Award

CDFG (China Duty Free Group) Global Brand
Partners Conference

2025 Digital Innovation
Pioneer Case

China Business Journal

Best Partner Award

China Tourist Hotel Association

Council Member Unit of Oriental Beauty
Valley Cultural Alliance

Oriental Beauty Valley Enterprise Group Co., Ltd.

2025 Golden Bee Corporate
Social Responsibility · China
Ranking List

Golden Bee Thinktank

Shanghai Ecological Environment
Supervision and Law Enforcement
Positive List

Shanghai Municipal Bureau of Ecology
and Environment

Brand Co-creation Award

Yixintang

Oriental Beauty
Craftsmanship Award

Shanghai Promotion Center for
City of Fashion

2025 China's Top 100 Daily
Chemical Enterprises

China Daily Chemical Industry Forum

2025 Top Ten Best Practices in Chinese
Enterprise Management

China Management 50+ Forum
CAIJING Magazine

2025 Shanghai Productivity
Society Enterprise
Achievement Award

Shanghai Productivity Association

2025 "Shanghai Gift"

Shanghai Commercial Association
Shanghai Tourism Trade Association

Procurement Excellence Award

PSS-IMPACT

Best Responsible
Corporate Brand

Responsibility 100 | CSR China
Education Award Organizing
Committee

Annual Best Sustainable
Development Case
GOGO Shanghai

Industry First Case

21st Century Business Herald

Annual Sustainable Innovation
(ESG) Brand Award

Huazhuangzhi

2025 Annual Marketing Case (Cultural
Tourism Marketing Category)

Fmarketing Digital Marketing Summit

2025 Shanghai Industrial Tourism Site
Service Quality Standard-Compliant Unit

Shanghai Industrial Tourism Site Service Quality
Standard Assessment Committee

Brand Honors

CHANDO

"CHANDO: Exploring the 'Win-Win' Digital Transformation Path with Channel Partners" Case Successfully Selected for the Harvard Business School and Tsinghua University China Business Management Case Library

Tsinghua University China Business Management Case Library

CHANDO Extreme Region Sacred Water –Source of Youth – · Annual Best Essence Award

Vietnamese fashion magazine "Dep Magazine "

CHANDO x China Diving Team Paris Olympics Marketing Campaign – Annual Event Marketing Case

Pangjing

CHANDO Rejuvenation Repairing Essence Sixth Generation – Annual Super Ingredient Power New Product Award

Tmall

CHANDO x China Diving Team – Annual Most Anticipated Event Brand

Tmall

WeChat Store Growth Star Merchant

Wechat

Benchmark Case in the "2024 Omni-channel Business Growth Guide"

Tencent

CHANDO Rejuvenation Repairing Essence – 2024 Best-selling Gold Product

China (Shanghai) Gold Product Promotion Committee

Annual Anti-Fatigue & Aging Essence

Health & Beauty

Annual Essence Foundation

Health & Beauty

Pioneering Brand in Science-Based Hair Care

Beauty in Sight

Best Growth Rate Brand Award

WOW COLOUR

2025 Forbes China Beauty Industry Outstanding Brand

Forbes

Blooming Brands Annual · Top 100 Brands

Blooming Brands

Annual Social Influence Domestic Brand

TopKlout

2025 Consumer Trusted Mask Brand

Beauty in Sight
Beauty in Sight Intelligence

2024-2025 Annual Omni-channel Business Brand

Kuaishou Magnetic Force Conference

Annual Product Innovation Breakthrough Award

WWD

Annual Organizational Talent Empowerment Benchmark
Annual Industry Operation Benchmark
Annual Industry Digitalization Benchmark

Tencent Smart Retail

Annual Hero Product

C2CC Media X New Makeup

Annual Hidden Gem New Product

C2CC Media X New Makeup

Science-Based Beauty Brand

Beauty in Sight

Skincare Repair Lotion Award

CBE China Beauty Expo

Pioneering Anti-Fatigue & Aging Solution

Tmall

2025 China Tourism Commodity Competition

China Tourism Association

CIBE Officially Recognized Daily Chemical Influence Achievement Brand Award

CIBE China International Beauty Expo

<p>2025 Top 50 Cosmetic Brands China Association of Fragrance Flavour and Cosmetic Industrie</p>	<p>Annual Special Award TopDigital</p>	<p>Shanghai Key Trademark Protection List Shanghai Intellectual Property Administration</p>
<p>2025 Annual New Paradigm for Health Communication - Excellent Health Case CBNData</p>	<p>Annual Skincare Set Award China Good Formula Annual Awards Ceremony</p>	<p>Annual Marketing Brand Award Tmall Beauty Awards</p>
<p>Annual Recommended Personal Care Product Beauty Headlines</p>	<p>Annual Dark Horse Product JD Beauty</p>	<p>Included in the 2025 Sustainable Development (ESG) Practice Case Collection of China's Fragrance, Flavor and Cosmetic Industry China Association of Fragrance Flavor and Cosmetic Industries</p>
<p>"BEST ALL IN ONE" Excellent Beauty Brand Award 2025 Malaysia KL International Beauty Week</p>	<p>Influential Brands Directory 36Kr & NielsenIQ</p>	<p>2025 OTD Best Strategic Partner Vipshop</p>
<p>2024-2025 Marketing Impact Case The Economic Observer</p>	<p>Top 100 China Beauty Industry Brands Forbes</p>	

imine

Outstanding Innovative Brand
Maternity and Baby Expo

Maysu

Skincare Firming Lotion Award
CBE China Beauty Expo



Quantitative Data on the Company's Sustainability Highlights

Environment



Conduct a greenhouse gas (GHG) emission inventory for Scope 1, Scope 2, and **6** key categories of Scope 3



The rooftop of the Oriental Beauty Valley · CHANDO Future Beauty City factory area is equipped with a **3.1MW** distributed photovoltaic project, which is expected to achieve an annual power generation of **3.8 million** kWh



In 2025, CHANDO produced **370,000** refill packs of the Rejuvenation Repairing Essence, equivalent to reducing plastic usage by approximately **0.54** tons



In 2025, CHANDO produced **326,000** refill packs of shampoo and shower gel, cumulatively saving about **14** tons of virgin plastic

Human Resources and Safety



Female employees account for over **70%** of the workforce



Obtained ISO 45001 Occupational Health and Safety Management System certification¹



Over the past three years **no work-related accidents** that significantly impacted operations have occurred within the CHANDO Group



During the reporting year, the Group organized and conducted a total of **412** training sessions, covering **39,700** participants

Social Responsibility



From 2016 to 2025, CHANDO has donated a cumulative total of RMB **29.2 million** to the China Environmental Protection Foundation



In 2025, through the "CHANDO Spring Bud Education Support Action," RMB **2 million** was donated to the Women's Federation of the Himalayan region. By 2025, the cumulative donation under this initiative reached RMB **5.6 million**



In January 2025, CHANDO Group provided emergency support to the Shigatse earthquake-affected area, donating RMB **1.2 million**



In September 2025, CHANDO Group supported the "Shanghai Women in Science Return Program (Pilot)" project with a donation of RMB **500,000**

1. applicable only to occupational health management activities related to the design and production lines of cosmetics, including body lotion, hand sanitizer, and fragrance spray



Our Sustainable Development Strategy

可持续发展战略

为世界，做好美一件事

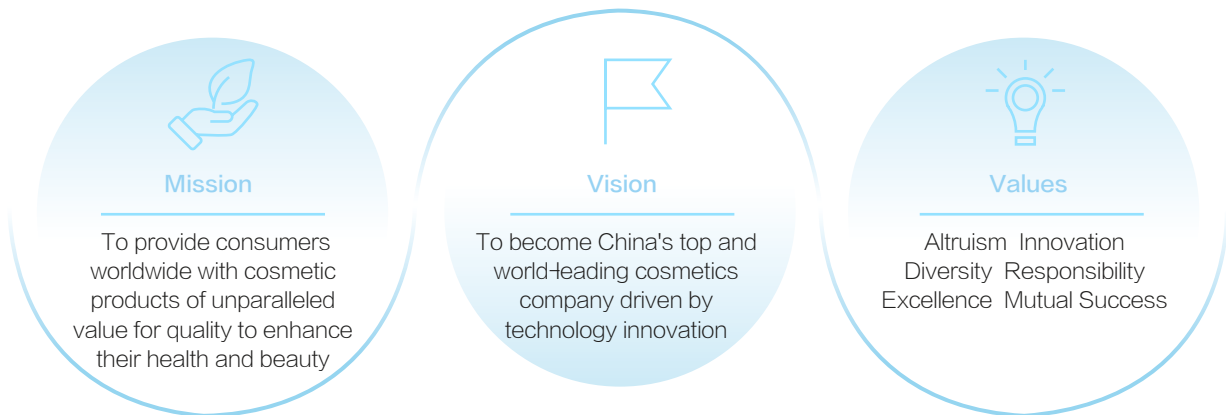
2001年，我们从上海出发，踏上了一场寻找美的旅程。

我们以科学为船，以艺术为帆，抵达地球三极，也探索宇宙边界，只为把那份独特的美带给你。

In 2001, we set out from Shanghai on a quest for beauty.
Guided by science and inspired by art, we have ventured to the third pole of the earth and explored
the boundaries of the universe to bring the world's most extraordinary beauty to you.



Our Culture and Values



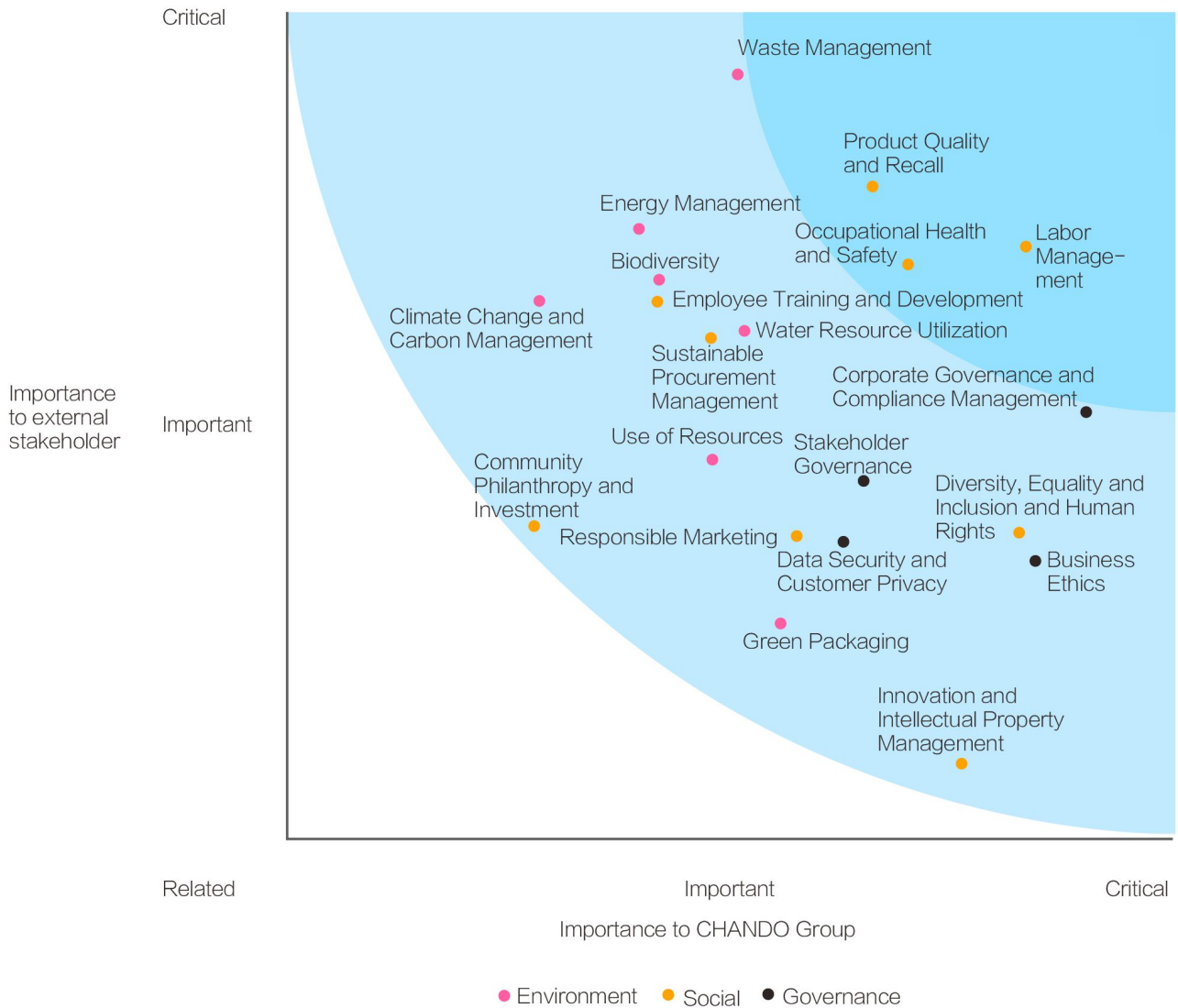
Driven by its core values, CHANDO Group has actively responded to the United Nations' 17 Sustainable Development Goals (SDGs) by formulating the "CHANDO Group 2030 Sustainable Development Strategy." In 2025, at the 29th CBE China Beauty Expo, we announced our 2030 carbon reduction target for the first time: to reduce absolute greenhouse gas emissions from Scope 1 and Scope 2 by 42% compared to 2023, aligned with the Science Based Targets initiative (SBTi) criteria. Additionally, CHANDO has set three visionary goals: to achieve 50% of renewable energy usage by 2030, to ensure 75% of green packaging by 2030, and to achieve 100% coverage of its empty bottle recycling program across all major retail terminals by 2030. Guided by its strategy of singular focus, multi-brand portfolio, comprehensive operations, and global reach, CHANDO advances in its pursuit of beauty.



Material Topics

In 2025, CHANDO Group continued to engage stakeholders and systematically conduct multi-tiered analysis of material issues. Through forward looking analysis of sustainability trends in the global cosmetics industry, benchmarking against peer practices, and methods such as questionnaire surveys and on site interviews, the Group fully engaged with key internal and external stakeholders—including management, employees, and consumers—to further clarify the focus and direction of its ESG management for both the current and future stages.

During the reporting year, we completed 12 management interviews, collected over 20 valid questionnaires from management and internal staff, and gathered more than 70 consumer survey responses. Based on the findings, we prioritized, analyzed, and assessed material topics, identifying a total of 20 sustainability related material issues.



CHANDO Group Sustainability Strategy

Green Beauty for a Beautiful World

The sustainability philosophy upheld by CHANDO Group is grounded in the three core dimensions of environment, society, and governance, with the healthy and sustainable operation of the enterprise serving as its foundation. We are committed to ensuring the enduring stability of our employees, partners, and all stakeholders. Starting internally and locally, then moving to external and distant arenas, we strive to empower employee growth, create mutually beneficial opportunities for partners, deliver sustainable value to consumers, and contribute to societal progress, ultimately driving shared development and common prosperity.

Throughout the course of advancing our business development, the Group has consistently dedicated itself to public welfare initiatives, emphasizing the preservation, inheritance, and innovation of traditional culture, while steadfastly promoting environmental protection and ecological sustainability.

Centered on the three pillars of environment, society, and governance, we continued to advance our 2030 Sustainability Strategy in 2025. At the governance level, the Group ensures the implementation of the strategy through a three-tier structure of "Governance Layer – Management Layer – Execution Layer," with effective reporting and collaboration mechanisms currently operating smoothly. The ESG Management Center regularly reports to the Sustainability Committee and translates decisions into concrete actions. Since 2025, to enhance efficiency and respond to external concerns such as those from the capital market, we have continued to optimize relevant systems and strengthened stakeholder communication. Under this framework, the Group has further refined its ESG goals and, through collaborative efforts by all functional departments, continues to promote the development of green beauty, foster a diverse and inclusive workplace, and build a trusted business ecosystem, thereby realizing the long-term vision of "Green Beauty for a Beautiful World."





01

Create Green Beauty, Protect Beauty and Nature

Building a modernization in which humanity and nature coexist harmoniously is an inherent requirement for comprehensively constructing a modern socialist country. The report of the 20th National Congress of the Communist Party of China explicitly stated the need to "promoting green development and ensuring harmony between humanity and nature," emphasizing that "we must uphold and act on the principle that lucid waters and lush mountains are invaluable assets, and we must remember to maintain harmony between humanity and nature when planning our development." Guided by this national strategy and policy direction, the development of a Beautiful China continues to deepen, with green development becoming a defining feature of high-quality economic and social progress.

As a key player in China's beauty industry, CHANDO Group recognizes that its growth is rooted in the gifts from nature, and safeguarding the ecological environment is our sacred duty. In active response to the national call, we have firmly integrated green and low-carbon principles into our corporate strategy and operations. Through sustainable practices, we are committed to making tangible contributions on the path to "creating green beauty and protecting beauty and nature."

United Nations Sustainable Development Goals addressed in this section:







Address Climate Change and Protect Biodiversity

In the face of increasingly severe global climate challenges and the risks of ecosystem degradation, we recognize the urgency and importance of advancing climate action and protecting biodiversity. In 2025, we steadily advanced the development of our climate governance system, continued to conduct carbon footprint assessments for Scope 1, Scope 2, and key categories of Scope 3, and actively identified climate-related risks and transition opportunities. Based on these efforts, we planned and implemented pathways for carbon reduction. At the same time, we integrated biodiversity protection into our business operations and value chain management, initiated biodiversity conservation projects, and worked to minimize our impact on ecosystems while promoting positive outcomes for nature. Moving forward, we will continue to deepen green innovation and practices, collaborating with all stakeholders to contribute collectively to addressing global climate change and safeguarding community of life on earth.

Implementing Climate Change Response Measures and Enhancing Risk Management and Governance Systems

Addressing climate change is an integral part of the company's sustainable development efforts and is fully embedded within the existing ESG governance framework. This framework is structured top-down into three tiers: the Governance Layer, namely the Board of Directors; the Management Layer, comprising the Sustainable Development Committee and the ESG Management Center; and the Execution Layer, consisting of business units and functional departments. This group is primarily responsible for enhancing the green and low-carbon consumption awareness and mindset among employees, clients, and consumers through a series of initiatives, actively carrying out promotional activities and carbon reduction actions for green and low-carbon practices, and collectively advancing the implementation of the low-carbon sustainable development strategy.

We have also undertaken a series of concrete actions at the operational level and established corresponding risk management mechanisms. In terms of emission reduction initiatives, we continue to advance comprehensive energy management, focusing on implementing energy conservation, emission reduction, and cleaner production projects, while actively expanding the scale and proportion of clean energy usage. This aims to reduce greenhouse

gas emissions generated by operational activities at the source. For high energy-consuming equipment, we have already initiated a boiler shutdown plan. Regarding risk management, we proactively conduct environmental risk assessment and management to identify and evaluate the potential impacts of physical and transition risks associated with climate change on our operations. Based on this assessment, we formulate forward-looking response strategies and specific measures to enhance the adaptability and resilience of our business.



In addition, the Group has developed and updated protocols such as the Ozone-Depleting Substance Control Procedure and Greenhouse Gas Control Management Procedure, to limit or reduce emissions of Ozone-Depleting Substances (ODCs), and to regulate the identification and management of facilities and equipment for ozone-depleting substances.

Conducting Systematic Carbon Inventory to Lay the Foundation for Emission Reduction Targets

To systematically advance carbon reduction efforts and scientifically establish management targets, we consistently carry out comprehensive carbon inventory work. By scientifically defining accounting boundaries, collecting and accounting for activity data across all stages, and establishing data validation and traceability mechanisms, we have built a traceable and verifiable carbon emission inventory. Based on the inventory results, we review and assess the progress toward overall carbon reduction targets, further identifying key emission sources and reduction potential. In 2025, CHANDO Group conducted a comprehensive inventory of Scope 1 and 2 carbon emissions, along with Scope 3.1 Purchased goods and services, 3.2 Capital goods, 3.4 Upstream transportation and distribution, 3.7 Employee commuting, 3.9 Downstream transportation and distribution, and 3.12 End-of-life treatment of sold products. This was done in accordance with the principles of relevance, completeness, consistency, accuracy, and transparency, and with reference to the operational control criteria of the Greenhouse Gas Protocol. The results are as follows:

In 2025



Total Greenhouse Gas Emissions²
(Scope 1 and 2) (tons of CO₂e)

11,586.92

Scope 1 Total Emissions
(tons of CO₂e)

1,466.83

Scope 2 Total Emissions
(tons of CO₂e)

10,120.10

Scope 3 Key Categories Total Emissions³ (including 3.1 Purchased goods and services, 3.2 Capital goods, 3.4 Upstream transportation and distribution, 3.7 Employee commuting, 3.9 Downstream transportation and distribution, 3.12 End-of-life treatment of sold products) (tons of CO₂e)

180,288.10

Currently, we have set a carbon reduction target to reduce absolute Scope 1 and 2 GHG emissions by 42% by 2030, compared to a 2023 baseline. To achieve this goal, we plan to delegate emission reduction tasks to respective responsible departments, further implement specific greenhouse gas emission reduction actions, minimize our corporate environmental footprint, and contribute to the global effort against climate change.

In addition, to ensure data accuracy, we have restated the emissions for 2024. The Scope 2 greenhouse gas emissions of the CHANDO Group in 2024 were 7,444.63 tons of CO₂e.

2. Scope 1 and Scope 2 carbon emissions increased in the current year, mainly due to the commissioning of new production facilities (CHANDO Group Fermentation Production Base, CHANDO Future Beauty City) and the further expansion of production output.

3. The disclosure scope for Scope 3 greenhouse gas emissions was gradually expanded this year, adding the Scope 3.2 Capital Goods category. Meanwhile, a more comprehensive delineation of the scope of inventory for Scope 3.1 Purchased Goods and Services has been implemented to further enhance the completeness and transparency of information disclosure.

Identifying Climate Risks and Opportunities, Clarifying Business and Financial Impacts

Against the backdrop of the ongoing global climate action and increasingly stringent regulatory requirements, identifying and managing climate-related risks and opportunities has become a critical element of corporate sustainable development. Assessing the actual and potential impacts of climate-related risks and opportunities on its business and finances helps a company enhance operational resilience, optimize resource allocation, improve information transparency for investors and other stakeholders, and further drive the transition of its strategy and business model toward low-carbon practices, thereby laying the foundation for long-term value creation.

Currently, while actively advancing greenhouse gas management, CHANDO Group, as a leading enterprise in the domestic cosmetics industry, is also fully exploring climate-related opportunities and strengthening its climate governance and management capabilities.

Based on the recommended requirements of International Financial Reporting Standards S2 – Climate-related Disclosures (IFRS S2), we have identified the following key climate risks and opportunities.

Risk and Opportunity	Category	Specific risk/opportunity description	
Transition risks	Market risk	Consumer behavior constantly changing	Consumers’ concerns and demands for sustainable products and their carbon footprint pose certain climate-related challenges for product development and the factory, and failure to meet market demands in a timely and proper manner may affect the company's performance.
		Rising costs of raw materials	Influenced by the new market demand for low-carbon, green and environmental protection, the use of sustainable packaging may lead to a shortage of materials and an increase in the prices of packaging and production materials.
Physical risks	Acute risk	The severity of extreme weather events such as storms and floods has increased	The company's factory located in Fengxian faces typhoon threats: strong winds may cause damage to buildings and facilities; heavy rainfall may lead to water backflow, affecting the production environment and equipment safety. Additionally, when typhoon warnings are escalated (e.g., red alerts), they also directly threaten employee commuting and on-site safety. To address this, the company has developed a typhoon emergency response plan, conducts regular training, and established a typhoon emergency team to implement safety duty arrangements. If necessary, operations will be suspended to ensure the safety of employees' lives and property.
Opportunities	Products and Services	Develop new products or services through research, development and innovation, and shift in consumer preferences	The preference of younger-generation consumers for environmentally friendly and sustainable products is increasingly growing. Meanwhile, rising temperatures and intensified UV radiation are driving consumer demand for sun protection toward more refined and daily-use solutions.
	Resource Efficiency and Energy Sources	Adopting more energy-efficient and environmentally friendly technologies, along with utilizing low-carbon energy sources, thereby reducing costs and increasing production capacity	The company is proactively responding to low-carbon policy directives through two pathways: increasing self-generation of renewable energy and phasing out high-carbon fuels. For instance, it has expanded the installation and application of photovoltaic panels and, beginning in Q4 2025, initiated the plan to shut down diesel boilers, switching to externally supplied steam as a more efficient alternative.

Rooted in the Himalayas: Safeguarding the Vitality of the Snowy Region through Technology and Shared Benefits

CHANDO Group regards the Himalayan region as both the origin of its brand and the core of its ecological responsibility. Here, we continuously carry out biodiversity protection initiatives. By leveraging technological innovation and a benefit-sharing model, we are committed to achieving synergistic progress in ecological conservation, sustainable resource utilization, and community development, contributing to the enduring vitality of this plateau.

In the design and development of beauty products, CHANDO Group is deeply aware of the potential pressure that raw material sourcing may place on the ecological environment of origin areas. Through measures such as establishing raw material conservation zones, promoting the ecological domestication of plants, and applying innovative alternative technologies like plant tissue culture and microbial fermentation, we reduce reliance on and disturbance to wild biological resources at the source. In practice, we actively respond to the three objectives of the Convention on Biological Diversity — conservation, sustainable use, and fair and equitable benefit-sharing. This approach not only effectively preserves biodiversity in origin areas but also secures a stable and sustainable supply of exclusive raw materials, building product competitiveness. At the same time, through benefit-sharing mechanisms, we give back to local communities, creating a virtuous cycle between ecological protection and industrial development.

Ecological Domestication and Innovative Development of Rare Plants, Advancing Both Ecological Protection and Industrial Value

Since 2018, CHANDO Group has collaborated with the Xizang Agricultural and Animal Husbandry University to carry out artificial domestication and cultivation of wild plants in the CHANDO Himalayas Public Welfare Botanical Garden. The plants produced are used for scientific research and cosmetic ingredients, protecting the ecosystem while driving local industrial development and income growth.

This project achieved positive progress in the reporting year: In 2025, "Gentiana Veitchiorum Flower Extract," developed by CHANDO Group's subsidiary, Linzhi Himalaya Third Pole Biotechnology Co., Ltd., was successfully registered as a new cosmetic raw material with the National Medical Products Administration — the first such raw material ever registered in the Himalayan Region. This ingredient originates from Gentiana Veitchiorum plants, which were sustainably domesticated and cultivated through the collaboration between CHANDO and the Xizang Agricultural and Animal Husbandry University in the Himalayas Public Welfare Botanical Garden. Additionally, by establishing its own cultivation base, the project further boosted local employment and created sustained economic value for the community.

Rooted in ecological cultivation and driven by technological innovation, the project has not only enabled the protective development of rare plants but also successfully translated scientific achievements into industrial value. It has forged a sustainable development path that harmonizes ecological conservation, technological empowerment, and shared benefits for communities.



World's First Artificial Domestication for Gentiana Veitchiorum

Since 2016, CHANDO Group has continuously carried out the "CHANDO Planting-Grass in the Himalayas Public Welfare Project " for eight consecutive years. On March 28, 2025, the eighth-season dividend distribution ceremony of CHANDO Planting -Grass in the Himalayas was held in Gangxi Village, Xiqing Township, Lazi County, Shigatse City. The net income for 2024 amounted to 950,174 yuan, part of which was distributed as dividends to the villagers, benefiting 155 households and 706 people in the village, while the remaining portion was used to purchase machinery for the village collective cooperative. In 2025, the project was upgraded to the "2025 – 2030 CHANDO Sustainable Himalayan Biodiversity Conservation Project ," aiming to protect the ecological environment of the Himalayas, support rural revitalization, and promote beauty and benevolence (for details, refer to Strategic Objective 6: Strengthen Public Welfare and Community Impact).



CHANDO Planting-Grass in the Himalayas, Eighth Season Dividend Distribution Ceremony, March 2025.

Practicing Marine Protection and Launching Ocean-Friendly Sunscreen Products

We deeply recognize the potential impact of cosmetic ingredients on fragile marine ecosystems and consistently integrate sustainability into our product research and design. Guided by science and driven by responsibility, we are committed to developing and promoting products that are more environmentally friendly. For instance, the Spring Summer brand has specially designed a sunscreen series for beach and water activities, including the Spring Summer Outdoor Sport Sunscreen and the Spring Summer Oil Control Sunscreen, which have obtained an ocean-friendly safety assessment report issued by Hunter Biotechnology (a CRO institution accredited by AAALAC International). Through such products, we hope that consumers can enjoy the sun and the sea while also contributing to the protection of marine biodiversity, making every outing harmonious with nature and collectively safeguarding the future of our blue oceans.



Spring Summer Outdoor Sport Sunscreen and Its Ocean-Friendly Certification

Spring Summer Oil Control Sunscreen and Its Ocean-Friendly Certification



Facilitate Green Packaging and Circular Economy

The development and promotion of green packaging is not only an environmental responsibility but also a vital component of product design and brand value. We are committed to rethinking the entire lifecycle from source design, material selection, and production to post-consumer recycling, systematically driving packaging transformation toward reduction, recyclability, and ease of recycling. Through continuous innovation and end-to-end optimization, we actively explore new pathways for efficient resource utilization, ensuring that every piece of packaging carries dual care for both consumers and the planet, moving together toward a circular and regenerative future.

Committed to a green transition, CHANDO Group acts on the goal of "Facilitate Green Packaging and Circular Economy" outlined in its 2030 Sustainability Strategy. Individual brands and product development teams are tasked with implementing simplified packaging and refill options, partnering with the R&D Center to launch dedicated sustainable packaging initiatives, and collaborating with suppliers to advance sustainable packaging solutions.

Advancing Source Reduction and Reshaping Product Ecology

In 2025, during the process of promoting the green transformation of packaging, we consistently integrated the concept of sustainability throughout the entire chain of product design and consumer engagement, thereby reducing resource waste and environmental impact.

At the initial stage of product development, we embedded the concept of "reduction and environmental protection" to minimize resource consumption and ecological impact right from the design source. Key initiatives included:

- Continuously advancing lightweight design by simplifying packaging structures, such as replacing double-layer lids with single-layer lids, eliminating applicator sticks, and switching from shrink wrap to seal stickers, thereby reducing resource use and transportation costs.
- Optimizing processes, such as replacing unnecessary spraying and electroplating with injection molding and reducing screen-printing ink colors, effectively lowering raw material usage and carbon emissions while ensuring product quality.
- Standardizing packaging and production processes for small and medium-sized samples, enhancing supplier and factory production efficiency through scaled and standardized process optimization.
- Prioritizing environmentally friendly materials, such as using eco-friendly inks for the product boxes of the CHANDO Crystal White Series, and plant-based fiber materials for the Spring Summer Pomegranate Brightening Mask, gradually building a systematic and traceable sustainable material application system.



Spring Summer Pomegranate Brightening Mask



Environmental-friendly ink certification

To encourage convenient consumer participation in green recycling, the Group has implemented waste-reduction measures combining refill packs and large-volume packaging. We introduced refill options for multiple products, such as CHANDO Gold Diamond Multi Anti-Aging Cream and Rejuvenation Repairing Essence, where each refill sold saves several grams to over a hundred grams of virgin plastic. Shampoos and body washes are also available in pouch refills. Products under the Biorrier brand, such as cooling masks and repair creams, offer large-volume packaging to reduce the proportion of packaging materials per unit of use. Consumers can easily adopt green consumption without repeatedly purchasing full packaging.



Large - Volume 250g
Cooling Mask



Large - Volume 100g
Repair Cream

In 2025



the R&D Center carried out special improvements focused on plastic reduction and emission reduction across **90** product SKUs, demonstrating our long-term commitment and results in packaging sustainability.

Prioritizing FSC – Certified Paper and Implementing Green Packaging Practices

CHANDO Group prioritizes the use of environmentally certified paper for packaging materials to reduce the impact on forest resources. Since the launch of its infant and children's skincare brand imine in 2023, the brand's product packaging paper boxes have been produced using FSC forest-certified paper as the designated raw material. This initiative not only reflects the Group's tangible commitment to ecological and environmental protection but also continues to guide consumers toward recognizing and supporting sustainable resource practices.



"imine" Brand Product Packaging Using FSC Forest-Certified Paper

Refill Design Drives Packaging Circularity and Achieves Source Plastic Reduction

As a key part of the packaging green transition, refills have become an important means for CHANDO to reduce plastic use at source. Taking CHANDO Gold Diamond Multi Anti-Aging Cream as an example, its refill design reduces packaging weight by about 45% compared to the full-size version, saving approximately 179 grams of virgin plastic per refill. In 2025, 15.1 thousand refills of this product were produced, cumulatively reducing plastic use by about 2.7 metric tons. In addition, CHANDO Rejuvenation Repairing Essence launched a lightweight refill, with each saving about 1.48 grams of plastic. Annual production reached 370,000 refills, equivalent to reducing plastic use by about 0.54 metric tons.

In terms of pouch refills, CHANDO Oil Control & Volumizing Shampoo and Brightening Body Wash achieved a 76% weight reduction when using refills, with each pouch sold saving about 43 grams of virgin plastic. The Scalp Care Sensitive Scalp Anti-Hair Loss Shampoo refill also achieved a 76% packaging weight reduction, saving about 59 grams of virgin plastic per pouch. In 2025, we produced 326,000 such refill pouches, cumulatively saving approximately 14 metric tons of virgin plastic.

Moving forward, we will continue to expand our refillable product line and explore more low-carbon and renewable packaging materials.



In 2025, **15.1** thousand refills of CHANDO Gold Diamond Multi Anti-Aging Cream were produced, cumulatively reducing plastic use by about **2.7** metric tons

Rejuvenation Repairing Essence launched a lightweight refill, with each saving about **1.48** grams of plastic. Annual production reached **370,000** refills, equivalent to reducing plastic use by about **0.54** metric tons

In 2025, we produced **326,000** such refill pouches, cumulatively saving approximately **14** metric tons of virgin plastic



CHANDO Gold Diamond Multi Anti-Aging Cream
and its Refill

CHANDO Rejuvenation Repairing
Essence and its Refill

CHANDO Oil Control &
Volumizing Shampoo Refill

Brightening Body
Wash Refill

Developing One-time Injection Molding Process to Improve Efficiency and Reduce Energy Consumption

The packaging container of the CHANDO Brand Ice Skin Water, using the world's first one-time injection molding technology, was developed by scientists from China, the United Kingdom, Germany, Switzerland, Japan and South Korea over a period of one year. It has the characteristics of high production efficiency, low energy consumption and significant energy conservation and emission reduction. The packaging gradient color process consumes no paint, saving 8 grams of paint per bottle compared to the traditional spraying gradient color process. At the same time, this process can reduce processing power consumption by about 0.1 KWH per bottle, which means more than 90 percent reduction in carbon emissions compared to the traditional spraying process.



more than **90%** reduction in carbon emissions compared to the traditional spraying process.



Empty Bottle Recycling: Embarking on a New Journey, Continuing the Chapter of Circularity

Empty bottle recycling holds significant importance in reducing carbon emissions and alleviating the burden on our planet. As a leading domestic beauty brand, CHANDO takes the lead in this endeavor, recognizing that the responsibility is substantial and the path ahead is long. In 2025, CHANDO once again launched its empty bottle recycling initiative, collecting, sorting, and environmentally processing returned bottles. This initiative continues our commitment to the philosophy of green beauty and waste-free beauty.

Empty Bottle Recycling Program Relunched, Starting the Journey of Green Traceability

Guided by the long-term philosophy of "taking from nature and giving back to nature," CHANDO translates its commitment into tangible actions that extend the beauty of nature. Previously, CHANDO initiated an Empty Bottle Recycling Program, encouraging consumers to deposit used product empties into in-store recycling bins to reduce the environmental impact of waste, which received an enthusiastic response from consumers. In March 2025, CHANDO relunched its Empty Bottle Recycling Program, leading a new trend in green consumption.

To attract more consumers to join the green initiative, during the campaign period, consumers who drop off the full-size CHANDO skincare product bottles at designated stores can enjoy triple exclusive redemption benefits: each empty bottle can be exchanged for 600 membership points, usable for discounts or through the online store, while each empty bottle also entitles the member to one complimentary facial treatment service. Members can also redeem points for premium sample products.

Effective environmental protection relies on the active participation of every consumer. In 2025, a total of 5,700 individuals participated in the Empty Bottle Recycling Program, collectively recycling over 5,700 empty bottles. In the future, we will continue to build upon the ecological and cultural roots of the Himalayas, striving to transform the precious inspiration from the mountains into products and lifestyles that are eco-friendly, socially responsible, and enduring, thereby making tangible contributions to sustainable development.



CHANDO Empty Bottle Recycling Program
Promotional Poster



recycling over
5700 empty bottles



Promote Responsible Production and Green Manufacturing

CHANDO Group consistently integrates environmental responsibility into every stage of its production and operations, guided by the principle of "responsible production" to actively drive the transformation toward green manufacturing. We strictly comply with environmental laws and regulations, continuously improve our environmental management systems covering wastewater, exhaust gas, and waste, and systematically optimize our environmental risk management framework. On this foundation, the Group vigorously advances clean production by deploying clean energy facilities such as photovoltaic systems, implementing energy-saving projects, and promoting green office practices. These efforts collectively enhance the efficiency of resource and energy utilization, reduce the environmental impact of production and operations, and are dedicated to achieving a harmonious balance between industrial development and ecological conservation.

Implementing Environmental Management Systems and Strengthening Environmental Emergency Preparedness

CHANDO Group strictly adheres to environmental laws and regulations, including but not limited to: the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, the Law of the People's Republic of China on Environmental Impact Assessment, the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, the Water Law of the People's Republic of China, and the Measures for the Administration of Pollutant Discharge Permits (Trial). The Group integrates environmental impact management into its operations and applies scientific and efficient management methods to rigorously supervise and control the company's societal impacts.

Currently, the Group has formulated the Environmental Protection Management Procedure and is committed to implementing its various environmental management systems during daily production and operations to ensure that environmental-related risks are effectively controlled. This management procedure applies to the environmental protection management work of the company and all departments, covering the management content and methods for wastewater, waste gas, solid waste, noise, soil, and groundwater pollution prevention and control. The Group obtained ISO 14001 Environmental Management System certification in 2024.

To comprehensively enhance the capability to respond to environmental emergencies and ensure operational safety and controlled environmental risks, the company has systematically established and continues to improve its environmental emergency management system. In March 2025, the company completed the filing of its Environmental Emergency Response Plan. This plan is comprehensive and supported by detailed risk assessment reports, emergency resource survey reports, and accompanying drawings and attachments, ensuring its scientific rigor, relevance, and operability. On this basis, the company strictly implements its emergency drill plan. In June 2025, it organized a specialized emergency drill simulating a chemical leakage scenario to test the feasibility of the plan and the emergency response skills of personnel through realistic simulation. The entire drill process was fully documented and coordinated with key aspects such as fire safety, continuously strengthening cross-departmental collaboration and on-site response efficiency.

Implementing Waste Management Regulations to Strengthen Environmental Control

To ensure that waste generated throughout the company's daily operations, production, and transportation processes is properly controlled and managed from generation to disposal, and to strictly comply with relevant laws and regulations regarding emissions and waste management in the locations where we operate, thereby achieving the goals of reduction, resource recovery, and safe treatment, we have established CHANDO Group's Waste Management Regulations. These regulations aim to comprehensively reduce the environmental impact of our operations, internalize green management as a core strength for long-term corporate development, and protect the ecological environment that is vital to us.

We have developed the Solid Waste Storage Comparison Table to classify general solid waste and hazardous waste, strictly designate storage areas, identify recyclable materials, and implement categorized management, centralized storage, and dedicated personnel supervision, ensuring that all waste treatment within the Group complies with regulations. Additionally, after collecting hazardous waste centrally, we affix labels containing information such as waste category, waste code, waste form, hazardous components, and generating/collecting unit to ensure proper handling of hazardous waste and safeguard the health and safety of relevant management personnel.

In terms of emission control and compliance, the company has established a strict periodic monitoring system to ensure that all emission indicators consistently meet national standards. According to the series of Environmental Monitoring Reports in 2025 (covering key indicators such as wastewater, organized exhaust gases, unorganized exhaust gases, and factory boundary noise), emission data from all monitoring points met the standards. Over the past three years, the company has not received any warnings or penalties from environmental regulatory authorities regarding emission indicators.

Advancing the Transition to Green Production with Multiple Clean Production Initiatives

We are actively advancing the transition to green production through measures such as photovoltaic installation, phasing out diesel boilers, and upgrading to automated filling systems, all aimed at optimizing our energy structure and establishing a green manufacturing production system. Within production workshops, we are implementing energy conservation and emission reduction initiatives, including transitioning forklifts from fuel to electric power and utilizing centralized temperature control systems. Furthermore, we plan to achieve a green transformation in production through digitalization and intelligent technologies.



Photovoltaic Power Generation Continues to Empower, Green Electricity Practices Steadily Advance

In response to the national "dual carbon" goals and to continuously promote energy conservation and emission reduction, CHANDO Group has identified rooftop photovoltaic power generation in factory premises as a key initiative in its green electricity practice. We operate a 3.1MW distributed photovoltaic project on our factory rooftop, utilizing a self-consumption with surplus grid-fed model. The project is expected to generate approximately 3.8 million kWh of electricity annually, with a self-consumption rate of 95.26% and a green electricity coverage rate of 24.62% within the factory area. Each year, it reduces carbon dioxide emissions by 1,787 tons, equivalent to planting 89,350 trees. By replacing conventional electricity with clean solar energy, we not only lower production electricity costs and enhance energy utilization efficiency but also actively implement the dual-carbon strategy, strengthen the ESG green development framework, and establish a low-carbon production benchmark for domestic beauty brands.

In 2025, the Group further optimized the operational efficiency of the existing photovoltaic system, achieving an annual power generation of approximately 1.85 million kilowatt-hours. The electricity generated is utilized to supplement the company's own power consumption, effectively reducing its operational carbon footprint and demonstrating its commitment to clean energy transition and sustainable development through concrete actions.



<p>3.1 MW distributed photovoltaic project on our factory rooftop</p> <p>with a self-consumption rate of 95.26%</p> <p>Each year, it reduces carbon dioxide emissions by 1,787 tons</p>	<p>expected to generate approximately 3.8 million kWh of electricity annually</p> <p>a green electricity coverage rate of 24.62% within the factory area</p> <p>equivalent to planting 89,350 trees.</p>
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Phasing Out High-Energy-Consumption Boilers and Advancing Clean Energy Transformation

In the fourth quarter of 2025, the company initiated the shutdown and replacement of its diesel boilers, switching to externally supplied steam as an alternative heating source. The original boilers generated emissions of pollutants such as nitrogen oxides, sulfur oxides, and particulate matter during operation. The voluntary phase-out of these outdated, high-emission equipment demonstrates the company's commitment to fulfilling its environmental responsibilities and advancing green production practices. Calculations indicate that this measure will reduce annual carbon dioxide emissions by approximately 66 metric tons, equivalent to the total annual carbon absorption of about 3,600 mature pine trees. It will also significantly lower atmospheric pollutant emissions, thereby helping improve local air quality. In active response to national energy conservation and emission reduction initiatives, the company will continue to optimize its energy structure, prioritizing clean energy solutions such as electricity, to further reduce the environmental impact of production and operations, achieving harmonious progress between corporate development and environmental protection.



Calculations indicate that this measure will reduce annual carbon dioxide emissions by approximately **66** metric tons

equivalent to the total annual carbon absorption of about **3600** mature pine trees

Optimizing Personal Care Production Processes and Packaging Methods: Reducing Burden, Improving Efficiency, and Ensuring Safety

The company has implemented automation upgrades and green packaging optimization in the production of personal care products. Prior to the upgrade, personal care items were filled manually, resulting in slower production speeds, heavy workloads for employees, and a higher risk of injuries. Following the upgrade, the company optimized the filling equipment and integrated automatic capping devices, achieving automated filling production for personal care products. This has significantly increased production speed and reduced the required workforce by two personnel. These improvements have effectively lowered the physical strain on employees, enhanced frontline operational safety, and further boosted production efficiency. In 2025, the company further optimized personal care packaging materials and methods by eliminating the plastic bags previously used on bottles. This change has reduced labor requirements, decreased the use of plastic products, and driven the production process toward greater safety, efficiency, and environmental sustainability.

Implementing Multiple Water Conservation Measures to Enhance Water Resource Efficiency

CHANDO Group prioritizes water resource protection in its operational management by implementing targeted water-saving measures and optimizing water efficiency in production and operational processes. Focusing on manufacturing as a key area of water consumption, we emphasize the recycling of water resources and carry out multiple water-saving initiatives that consistently yield benefits, including but not limited to the following:

1

Enhancing the Turnover Capacity of Semi-Finished Product Storage Containers

We conducted experiments based on the existing cleaning frequency to determine the optimal cleaning interval. This approach reduces water and labor costs for container cleaning, lowers the procurement costs for container replenishment, and improves the turnover efficiency of semi-finished product storage containers.

2

Water Saving Through Concentrated Water Recovery System

The concentrated water produced in the primary process is recycled back to the raw water tank for reuse in water production, thereby reducing the consumption of tap water.

3

Water Saving in CIP Cleaning System

By utilizing the spray function of the CIP system and applying negative pressure, disinfectant water from oil-water tanks is reused for cleaning emulsifying tanks. This enhances cleaning efficiency and enables water recycling.



Promoting Green Office Practices and Building a Low-Carbon Workplace

CHANDO Group integrates green office principles into daily operations by optimizing processes, managing equipment, and conducting themed activities to continuously reduce office energy consumption and resource usage. We encourage employees to actively participate in initiatives ranging from paperless operations to cultivating energy-saving habits, gradually fostering a low-carbon and efficient working style that translates into tangible daily actions for environmental protection.

In 2025, the Group continued to advocate for green office practices, advancing energy conservation and carbon reduction through process optimization, equipment management, and employee behavior guidance. In terms of paperless operations, the Group has fully implemented electronic documents, e-approvals, and electronic seals by establishing comprehensive digital processes and the Office Automation (OA) platform. This enables fully online and paperless workflows for contract signing, procurement applications, expense reimbursements, and other procedures. Additionally, the principle of reuse is upheld in office supplies management. Employees are encouraged to use refillable pens and reusable stationery, while printers are uniformly configured for black-and-white printing on both sides to further reduce paper consumption.

Regarding energy conservation and efficiency, the Group has implemented controlled temperature settings and timed management for air conditioning. The default heating temperature is set to 22° C in winter, with a daily operation strategy of delaying startup by half an hour and advancing shutdown by half an hour. Energy-saving reminders are posted in office areas to encourage employees to turn off lights and conserve water. During lunch breaks, lights are switched off for one hour, and dedicated personnel conduct periodic inspections to promptly power down non-essential electrical equipment. Furthermore, through initiatives such as environmental day promotions, avoiding disposable cups, promoting electric vehicle options for company cars, and reusing cardboard boxes, the Group continuously guides all employees to develop low-carbon office habits, collectively building a green and sustainable working environment.



Green Office Promotion

"Intelligent Chain CHANDO" WeChat Account Collaborates on Knowledge Competition, Internalizing Safety Awareness

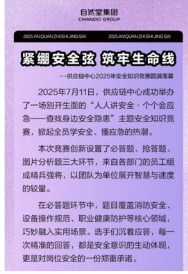
The Group's Supply Chain Center Safety Management Team, in collaboration with the Supply Chain Center's Administration Department, publishes weekly "Safety Tips" on the "Intelligent Chain CHANDO" WeChat account. These tips disseminate information on environmental protection, workplace chemical safety, health knowledge, waste sorting, and other topics to employees. In July 2025, the Supply Chain Center successfully held a safety knowledge competition themed "Everyone Promotes Safety, Everyone Can Respond – Identifying Hidden Hazards Around Us." The competition tested employees' knowledge and skills in areas such as fire safety, equipment operation, and emergency response through various formats, including required questions, quick-answer rounds, and image analysis, effectively enhancing overall safety awareness and hazard identification capabilities. We reported on this event via the "Intelligent Chain CHANDO" WeChat account, helping to internalize safety concepts and translate them into action, collectively building a safer workplace.

安全小贴士：无废企业一垃圾分类
 智链自然堂 2025年3月3日 10:16 上海
 阅读全文 星标



"Safety Tips" Promotion on Waste Sorting Knowledge

紧绷安全弦，筑牢生命线！
 智链自然堂 2025年7月15日 17:00 上海
 1人 星标



"Everyone Promotes Safety, Everyone Can Respond" Knowledge Competition

Building "Waste-Free City Cells" Together, Driving Green and Low-Carbon Operations

CHANDO Group has been selected as a typical case study for Shanghai's 2025 municipal "Waste-Free City Cell" initiative. Adhering to the philosophy of "Coexisting with Nature," we integrate green practices across the entire chain of R&D, production, and consumption. Through comprehensive measures including process innovation, resource recycling, and energy optimization, we are committed to achieving waste reduction at source and efficient resource utilization in our operations, actively fulfilling our environmental responsibilities.

At the source, the Group promotes green design and clean production. The packaging container for Ice Skin Water is manufactured using the world's first "one-time injection molding technology," which offers advantages such as high production efficiency, high yield rates, low energy consumption, and minimal waste generation. By utilizing decorative finishes instead of traditional paint spraying, this method reduces carbon dioxide emissions by up to 90%. The Himalaya Green Tea Clay Purifying Mask incorporates tea extract, tea freeze-dried powder, and spent tea leaf powder, fully utilizing all raw materials in the final product to maximize resource value and minimize waste generation. We are exploring the development of low-temperature cold-mix and room-temperature production processes, which significantly reduce energy consumption and greenhouse gas emissions during manufacturing, achieving energy conservation and emission reduction right from the process source. Concurrently, the company encourages all employees to propose "golden ideas" for energy saving and waste reduction, and actively deploys photovoltaic power generation and intelligent temperature control systems to tangibly lower our carbon footprint and operational energy use. Moving forward, we will continue to deepen the "waste-free" operational model, continually strengthen the demonstrative role of this city cell, and collaborate with all stakeholders to create a green, low-carbon, and promising future.

In 2025



we earned the title of
**Shanghai
Waste-Free
Factory**

and the title of
**Shanghai Voluntary Cleaner
Production Audit-Compliant
Enterprise**



"Oriental Beauty Valley · CHANDO Future Beauty City" Inaugurated, Setting a New Benchmark for Green Manufacturing and Industrial Tourism

On October 28, 2025, "CHANDO Future Beauty City" located in Shanghai's Oriental Beauty Valley officially commenced operations. This project systematically integrates clean energy, resource recycling, and intelligent management, representing the culmination of our commitment to green production and sustainable development.

In terms of energy utilization, the factory roof is equipped with a solar photovoltaic system, which is projected to generate about 3.8 million kWh of electricity annually. This meets most of the facility's electricity needs and significantly reduces reliance on the conventional power grid. Additionally, we have implemented multiple resource recycling initiatives, including concentrated water recovery and steam condensate recovery, effectively improving water resource efficiency and reducing wastewater discharge. In production operations, we have introduced a "lights-out" intelligent logistics system, which substantially lowers energy consumption in warehousing and transportation through automation and intelligent scheduling. Furthermore, CHANDO Future Beauty City utilizes digital twin systems and smart supply chain platforms to enable precise management of materials and energy, providing a solid data foundation for carbon reduction across the entire chain.

Moreover, CHANDO Future Beauty City serves as a transparent, experiential green factory open to the public. By offering industrial tourism, we transform the entire green manufacturing process into perceptible and interactive experiential scenarios, allowing consumers to witness sustainable practices from production to finished products firsthand. This deepens trust in the brand's low-carbon commitment.

CHANDO Future Beauty City is not only a "waste-free factory" and a "smart factory" but also an innovative vehicle that comprehensively integrates green manufacturing, digital empowerment, and experiential engagement. It aims to translate industrial strength into cultural influence, driving the Chinese beauty industry toward a greener and more intelligent future.



Oriental Beauty Valley · CHANDO Future Beauty City Launch Ceremony



Oriental Beauty Valley · CHANDO Future Beauty City Overall View



"Lights-Out Logistics" Intelligent Sorting Center



Space Technology Zone, Cosmetics Science and Art Exhibition Hall

Indicators

	Unit	2025 Data
Costs of complying with applicable laws and regulations and estimated future compliance costs	RMB ten thousand yuan	0
Number of penalties due to violations of environmental protection laws and regulations	case(s)	0
Air Emissions		
Types of emissions and related emission data	tons/year	Nitrogen oxides: 0.561 tons/year, Sulfur dioxide: 0.004 tons/year, VOCs: 1916.162 kg/year, Particulate Matter: 0.045 tons/year
Total exhaust gas emissions	kg/year	2,527
Water Usage		
Total water consumption	m ³	270,615
Total wastewater volume	m ³	149,303
Solid Waste		
Total hazardous waste generated	tons/year	5.6 (mainly spent activated carbon, waste organic solutions, laboratory waste)
Total non-hazardous waste generated	tons/year	1,082.79 (sludge: 229.2 tons, expired cosmetics: 383.1 tons, waste bags: 463.8 tons, other general waste: 6.69 tons)
Energy Consumption		
Total natural gas consumption	m ³	21,566.56
Total gasoline consumption	liters	45,461.67
Total diesel consumption	liters	71,585.19

	Unit	2025 Data
Total purchased electricity	kWh	19,022,434.99
of which: Total clean electricity consumption	kWh	1,848,777.6
Total steam consumption	tons	12,892
Total energy consumption	GJ	110,039.08

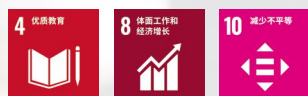


02

Implementing People-oriented Strategies, Advocating for a Sustainable Value Chain, and Fostering Partnerships that Lead to Mutual Success

"People-Oriented" is the foundational principle under the social pillar of CHANDO Group. The long-term development of the enterprise relies on the trust and support of every employee, consumer, partner, and the communities in which we operate. Therefore, CHANDO Group consistently places people at the center of its responsible practices by ensuring product safety and consumer rights, fostering a diverse, equal, and inclusive workplace, actively engaging in public welfare and philanthropy, collaborating with value chain partners for mutual growth, and continuously advancing technological innovation and responsible marketing. We systematically build a shared-value ecosystem that encompasses employees, partners, users, and society as a whole. Committed to upholding respect for people, dedication to quality, and sincerity in cooperation in every step we take, we strive to propel the beauty industry toward a more responsible and sustainable future, achieving the harmonious coexistence of a "Beauty Enterprise" and a "Better Society."

United Nations Sustainable Development Goals addressed in this section:







Ensure Product Quality, Safety and Consumer Rights

Taking the Consumer as the Center to Ensure the Quality of Products

CHANDO Group firmly believes that high-quality products are the foundation of an enterprise. We have established the "Cosmetic Production Quality Management Specification" as the basis, integrating the requirements of ISO9001, ISO22716, GMPC (ASEAN standard/American standard), measurement management system, HACCP, and BRC, forming a "1+6" product quality management system covering the entire product lifecycle. This system covers processes such as product design and development, production management, warehousing and transportation, customer feedback, and product recalls, achieving quality management throughout the product lifecycle. With this comprehensive system, CHANDO Group has become the "Teaching Base for Cosmetic Inspectors of the National Medical Products Administration Advanced Institute" and the "Shanghai Medical Products Administration Cosmetics Inspector Teaching Base."



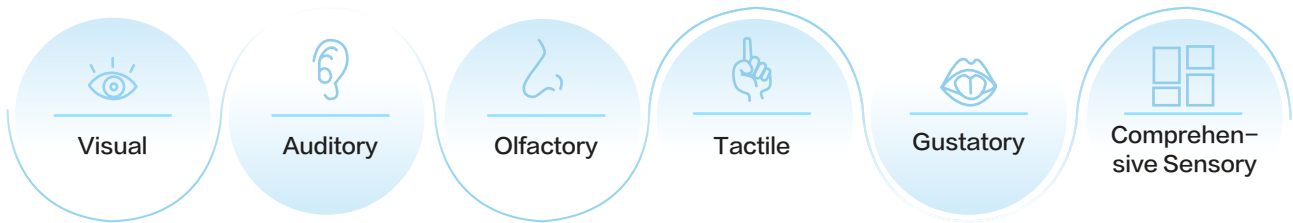
In order to fully realize the transformation and upgrading of digital intelligence with deep integration of digitalization and intelligence, the Group has created powerful 3P platforms ("1+4" large research and development platform (DP), "1+2" consumer platform (CP), "1+6" supply chain platform (SP)), forming the linkage effect of the whole chain. Through the effective operation of this model, we realize the quality control of the whole process from product research and development, production and manufacturing to consumer experience.

In practice, the management mode not only focuses on the quality of products or services itself, but also pays more attention to the overall improvement of the enterprise operation system. In 2025, CHANDO Group's products achieved a one-time pass rate of 99.83%.

In order to further strengthen product quality control and effectively safeguard consumer rights, the Group launched a new Laboratory Information Management System (LIMS) in August 2025. This system is primarily used to standardize the management of the entire product testing process, with all relevant data from testing procedures uniformly recorded and archived in the system, enabling standardized and traceable control over testing workflows and data documentation. Additionally, the Quality Standard Document Management System from the R&D side can be directly integrated into the LIMS once relevant quality standards are formulated. After entering the corresponding data, the system can automatically determine compliance status, thereby enhancing the efficiency and accuracy of quality inspections.

Embracing the concept of "putting consumers first," CHANDO Group has been the first to define the intrinsic and extrinsic attributes of beauty products and established "Six Senses, Six Properties" to set up the quality standards of international cosmetics. The "Six Senses", as the external attributes of products, is mainly expressed in the design of product packaging materials and the appearance, color, shape, use mode and skin feeling of the contents. It is a specific quality index that defines visual, auditory, olfactory, tactile, gustatory, and comprehensive sensory experiences provided by the product.

Six senses



CHANDO Group is committed to the pursuit of the "Six Properties" of products. The "Six Properties" are the intrinsic attributes of products, reflected in the products' level of compliance, stability, compatibility, safety, functionality, and mildness. Starting from raw material sourcing, each of our products undergoes at least 60 different safety and efficacy verifications, covering product efficacy evaluation, safety test, stability test, and sensory evaluations. We set up detailed and stringent checkpoints for products from business demand research to raw material sourcing, formula design, and packaging design throughout the research and development process. They are to ensure that all products developed and launched by CHANDO Group meet high-quality standards.

Six Properties

Compliance

CHANDO Group strictly complies with relevant Chinese laws and regulations while actively tracking corresponding EU cosmetics regulations. During the reporting period, the Group participated in the development of 7 group standards and 3 national standards.

Stability

We monitor and conduct stability tests under product use environments, with eight major physical and chemical indicators to ensure steadiness, effectiveness, and comfort for consumers from different regions for different seasons.

Compatibility

Nearly a thousand packaging material testing standards and methods have been developed according to international industry standards, to comprehensively evaluate compatibility.

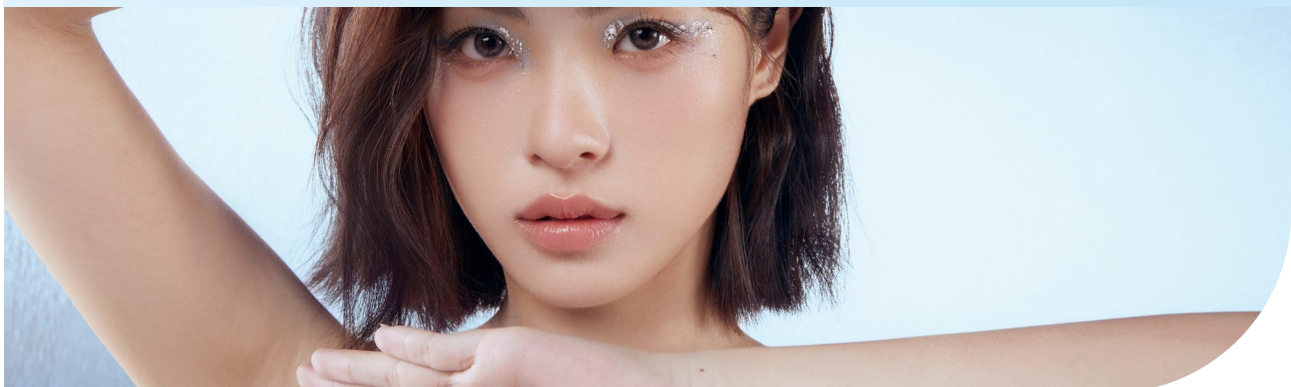
Safety

Mildness

Since 2015, CHANDO Group's Research and Development Center started to establish a safety and mildness evaluation decision-tree. The safety and mildness of products from raw material sourcing to product control and finished product tracking are comprehensively monitored in a cruelty-free manner, making it the first cosmetics company in China to establish an animal alternative testing platform.

Functional

CHANDO Group utilizes the company's core technology, combined with 2D skin cell testing platform, gene testing platform, to assess the multi-dimensional efficacy of cosmetics ingredients and formulations in whitening, moisturizing, antioxidant, anti-aging, etc.



Efficient Closed-Loop Management to Fulfill Service Commitments

CHANDO Group consistently places consumer rights at the forefront of its development, adhering to a customer-centric approach by systematically building a comprehensive customer service and rights protection system that spans the entire pre-sale, during-sale, and after-sale chain.

We have established a matrix service structure coordinated across brands and channels, covering both direct and distribution channels to ensure smooth consumer feedback. Consumers can reach out for inquiries, suggestions, or complaints through multiple channels, including the official 400 hotline and flagship stores on e-commerce platforms. All feedback is centrally received and tracked by the customer service center, ensuring that "every voice is heard and every issue is addressed." Direct channels are served by the customer service center, while distribution channels also implement standardized service processes under the company's guidance and support, forming an integrated service network that covers online and offline, official and authorized touchpoints.

For consumer complaints, we implement a full closed-loop management process: complaints are managed through a ticketing system, and the customer service team promptly traces relevant links such as product production, transactions, and logistics, promoting resolution based on accountability. For clear cut issues, we strive to provide immediate responses; for cases requiring cross departmental coordination, the customer service center collaborates with relevant business units to conduct investigations, with clearly defined turnaround targets—we adhere to a service standard of "closing over 90% of cases within 48 hours," with the maximum handling cycle not exceeding 72 hours. This indicator is also integrated into the performance assessments of related teams, continuously driving improvements in service responsiveness and issue resolution efficiency.

Customer Feedback Channels



Online Channels

Through official websites, social media, e-commerce platforms, and other online channels, consumers are able to use fast and convenient feedback channels. They can provide feedback on product usage experience, problems, and suggestions through messages, comments, inquiries, complaints, etc.



Telephone Hotline

Set up 400 service hotline, where consumers can directly communicate with CHANDO, who would answer questions and provide after-sales service regarding use of the product.



Physical Stores


There are physical stores nationwide, where store clerks are trained to provide face-to-face communication and feedback for consumers. CHANDO Group focuses on upskilling store clerks with professional knowledge to ensure that consumers receive accurate and practical advice and solutions.

Online channels are one of our important customer feedback channels. We have further enhanced the service response speed across various platforms to improve the customer shopping experience. During the reporting period, our full-channel 48-hour post-sales case resolution rate increased to 94%. The service quality of CHANDO's online channels has been recognized by major e-commerce platforms. This year, we have received honorary awards granted by these platforms, including:

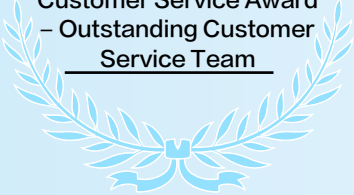
Tmall

CHANDO Flagship Store was awarded


**the Tmall 2025 Annual
Five-Star Store**



**the 2025 Chitu Star
Customer Service Award
– Outstanding Customer
Service Team**




In addition, CHANDO
Flagship Store received
the Gold Wangwang
Rating **9** times this year.




JD

CHANDO JD Self-operated Flagship Store and
CHANDO Official Flagship Store were honored with

**the JD 618 "Most
Outstanding Merchant"
Excellence in Service
Award**




Moreover, CHANDO Official
Flagship Store obtained
**the Annual
Five-Star Store**
Certification.



Douyin


The Douyin Flagship Store achieved a

service score above
90 points twelve times
throughout the year



and the Customer Service Digitalization Robot
Team received

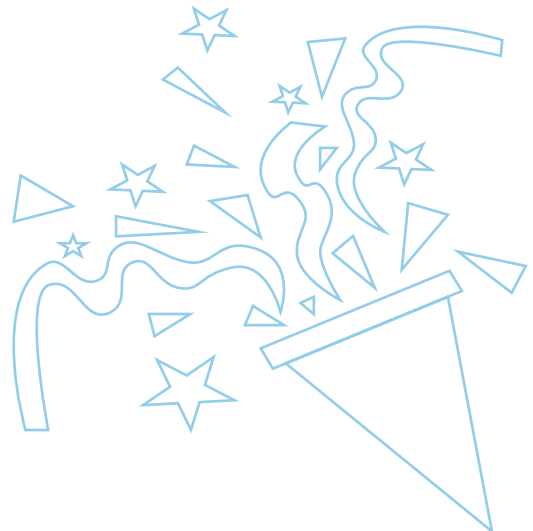

**the Douyin Intelligent
Navigation Award**



Pinduoduo

Both flagship stores received an

annual five star rating



Indicators

	Unit	2025Data
Number of complaints regarding products and services (due to product quality and safety)	Cases	0
Percentage of products recalled due to safety and health issues	%	0





Establish a Diverse, Equal and Inclusive Work Environment

CHANDO Group firmly believes that diversity, equality, and inclusion are the core forces that drive organizational vitality and sustainable innovation. We are committed to building an inclusive workplace ecosystem by continuously improving our employee support system, covering compliant hiring, career development, and comprehensive welfare protection. We strive to create a safe, respectful, and growth oriented work environment for every employee, enabling individuals from diverse backgrounds and with different abilities to realize their value and grow together here.

Compliant Employment: Building a Solid Protective Umbrella for Workers

CHANDO Group has established a standardized human resource management system and policies covering recruitment, termination, promotion, performance evaluation, working hours, attendance, and leave. These well defined processes comprehensively safeguard employee rights and interests. In daily operations, CHANDO Group implements rigorous screening to ensure that no child labor or forced labor is employed, and that no one faces discrimination based on race, religion, gender, age, marital status, disability, nationality, or any other factor.

Rules and regulations related to the protection of employees' rights and interests

Employee recruitment	Employee Recruitment Management Regulations	Leave	Regulations on the Administration of Taking Breaks and Leaves
Termination of employment	Employees' Termination of Employment Management Regulations	Attendance	Regulations on Working Attendance Management
Promotion/ demotion	Promotion and Demotion Regulations	Anti-discrimination, prohibition of child labor and forced labor	Code of Conduct for Employees
Performance Evaluations	Procedures for the Management of Employee Performance Evaluations		



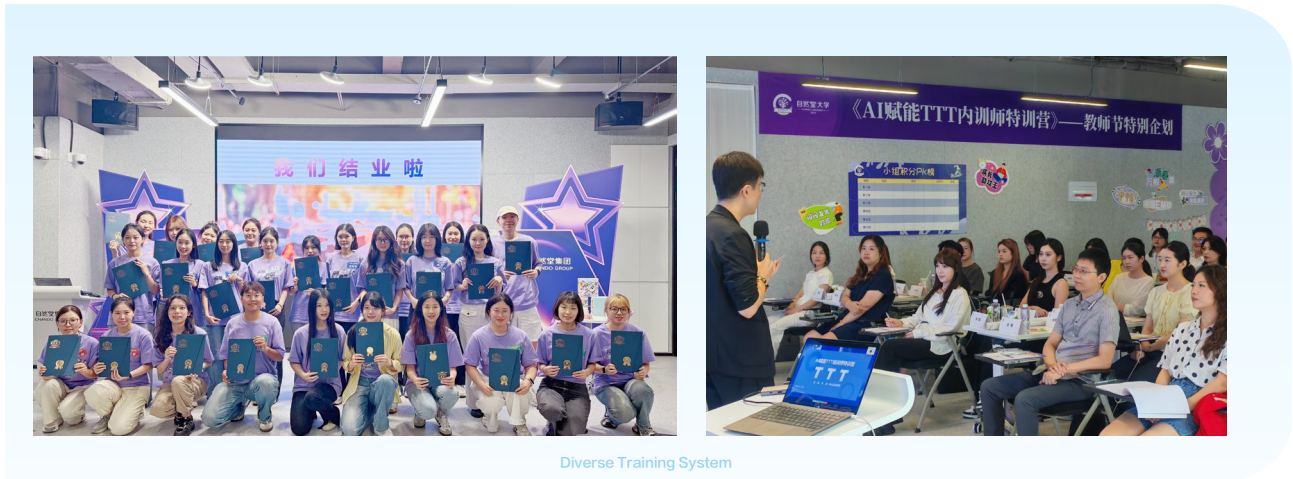
Indicators

	Unit	2025 Data
Total employees by gender (Male)	Persons	613
Total employees by gender (Female)	Persons	1,554
Employee turnover rate by gender (Male)	%	20%
Employee turnover rate by gender (Female)	%	26%
Total employees by employment type (Full-time)	Persons	2,167
Total employees by employment type (Temporary workers)	Persons	0
Total employees by age group (Under 30 years old)	Persons	768
Total employees by age group (30-50 years old)	Persons	1,342
Total employees by age group (Over 50 years old)	Persons	57
Total employees by region (All employees are located in China)	Persons	2,167
Employee turnover rate by age group (Under 30 years old)	%	38.80%
Employee turnover rate by age group (30-50 years old)	%	11.85%
Employee turnover rate by age group (Over 50 years old)	%	15.79%
Employee turnover rate by region (All employees are located in China)	%	15.79%

Building a Comprehensive Employee Value Realization Platform to Strengthen the Foundation for Talent Development

We consistently focus on the personal growth and development of our employees, committed to providing them with systematic capability enhancement platforms and diverse career pathways. In 2025, we conducted various employee training programs through "CHANDO University." Newly hired employees participate in the "Spring Seedling Program," which provides essential onboarding education designed to help them adapt and integrate into the Group. For middle and senior management as well as functional specialists, we offer training in office skills, workplace competencies, leadership development, and professional capabilities in areas such as beauty and R&D. Through this dedicated learning and development platform, we comprehensively cultivate and empower our employees, striving to equip them with resources suitable for their career stages, fully leverage their individual skills, and enable them to contribute to the Group's sustainable development mission through continuous personal growth and capability enhancement.

Other than these ongoing initiatives, we are simultaneously opening up internal career pathways. This year, through the launch of an internal recruitment mechanism, a total of 153 employees were promoted, including 48 managerial staff. Meanwhile, we are establishing a management framework and have developed the BAT*BAC Leadership Assessment Model, utilizing 360-degree surveys and interviews for evaluation. Through 360 degree surveys and interviews, we conducted a comprehensive assessment of 168 executives and managers within the Group, accurately identifying high potential individuals and those requiring further development. Based on this assessment, 63 successor candidates were identified, preliminarily forming the first level talent pipeline and building a core reserve of talent for the sustainable development of the organization.



Diverse Training System

CHANDO Group places high importance on the sustainable attraction and retention of talent, treating pay equity and competitiveness as core components of its talent strategy. To this end, the company has established a systematic salary analysis mechanism and conducts a comprehensive annual salary review. Through internal data comparisons and external market research, we evaluate the rationality and market competitiveness of our compensation structure across multiple dimensions. At the same time, the company incorporates employee feedback and turnover data to identify areas for improvement, ensuring that the compensation system is both fair and effective in supporting talent attraction and retention goals. All findings from the salary analysis are applied to annual salary adjustments, benefits policy optimization, and incentive plan design, continuously enhancing employee satisfaction and organizational effectiveness.

During the reporting year



the Group organized and conducted a total of

412 training sessions

covering

39.7 thousand attendances

Indicators

	Unit	2025 Data
Percentage of employees trained by gender (Male)	%	27.9%
Percentage of employees trained by gender (Female)	%	72.1%
Percentage of employees trained by employment category (Manager level and above)	%	28%
Percentage of employees trained by employment category (Below manager level)	%	72%



Strictly Standardizing Workplace Safety to Protect Employee Occupational Health and Safety

CHANDO Group consistently prioritizes employee health and safety at the core of its operations. In September 2025, we officially obtained ISO 45001 Occupational Health and Safety Management System Certification⁴. This achievement signifies that the

Group's systematic management in occupational health and safety meets international standards. Building on this foundation, we continue to refine our management system, strictly adhering to national regulations and industry standards while establishing comprehensive and effective occupational health and safety procedures tailored to our operations. The company currently has 64 safety and environmental documents, covering areas such as workplace safety responsibility systems, safety management regulations, safe operating procedures, emergency response plans, safety inspection systems, safety training programs, and safety reward and penalty mechanisms. These ensure that employee occupational health and safety management is standardized, orderly, and actionable.



ISO 45001 Occupational Health and Safety Management System Certification

In workplace safety management, we have established a Workplace Safety Committee and working groups responsible for the management and execution of corresponding tasks. We have also implemented a series of safety management procedures, including occupational health training, safety supervision and inspection, and fire safety management. We always prioritize employee occupational health and safety by conducting regular risk assessments and safety inspections to promptly identify and document hazards, ensuring swift response and corrective actions. In 2025, a total of 374 potential hazards were identified, with a timely rectification rate of 99.88%. This year, we carried out hazard identification activities, uncovering 421 potential risk factors. Measures such as training, equipment upgrades, and providing personal protective equipment were implemented to mitigate the identified risks. In terms of occupational health training, CHANDO Group conducted 25 person-times of qualification renewal external training and 42 specialized safety training sessions throughout the year. Training topics covered workplace safety responsibilities, traffic safety, confined spaces, fire safety, forklift safety, and more, delivered to over 4,500 participant attendances.

In 2025



a total of **374** potential hazards were identified with a timely rectification rate of **99.88%**



2025 Workplace Safety Monthly Activities



Over the past three years



No work-related accidents that significantly impacted production and operations have occurred within CHANDO Group.

4. applicable only to occupational health and safety management activities related to the design and production lines of cosmetics, including body lotion, hand sanitizer, and fragrance spray

Indicators

	Unit	2025 Data
Number of work-related fatalities per year over the past three years and the corresponding rate	persons and %	0
Number of workdays lost due to work-related injuries	workdays	0
Lost-time injury frequency rate	%	0



Addressing the Needs of Employees in Different Positions by Offering Diverse Corporate Benefits

CHANDO Group is committed to building a diverse and inclusive employee care system that integrates differentiated benefits with specific job requirements, continuously enhancing employees' sense of belonging and organizational vitality. Other than legally mandated basic protections such as the five social insurances and one housing fund, as well as paid annual leave, the Group provides supplementary benefits covering commercial insurance, meal and transportation allowances, health and leisure subsidies, and special benefits for employment anniversaries and newborn children. Additionally, for frontline employees in fields such as engineering and construction, the company offers corresponding accident insurance. For employees who frequently travel internationally, the Group uniformly purchases international commercial insurance, covering 55 person-times in 2025. During the reporting year, a total of 318 times of "Back-to-School Leave" and 9 times of "Exam Support Leave" were utilized. These diverse and human-centered benefit arrangements not only address the practical needs of different employee groups but also further strengthen team cohesion and corporate culture identity.

List of benefits of CHANDO Group

Meal allowance	Departmental recreational activities	Anniversary of employment celebration	Wedding benefits
Newborn child benefit	Talent house-purchasing/ Talent apartments	Parental and family responsibility leave	Paid annual leave
Commercial insurance/ International commercial insurance	Retired employee benefits	Physical exam benefits	Pension

"Sweet Styling Studio" Makeup Experience: Illuminating Employees' Confidence and Charm

We organized the "Sweet Styling Studio" exclusive makeup experience event for female employees and other interested colleagues. The event offered a variety of themed makeup looks, such as "Fresh Radiance Makeup," "Heart-fluttering Date Makeup," "Elegant Socialite Makeup," and "Exquisite Bride Makeup." This benefit aims to provide employees with opportunities to enhance their personal image and explore different styles outside of work, helping them present their best selves with greater confidence in important occasions or daily life. It reflects the company's emphasis on caring for individual employees and their quality of life.



"Sweet Styling Studio" Event

Caring for Vulnerable Groups and Upholding Diversity and Equality in the Workplace

We are committed to building a respectful, safe, and inclusive work environment. This is achieved not only through institutional safeguards that protect the dignity and rights of every employee but also through proactive, practical actions that focus on and support employees from diverse backgrounds with varying needs. We continuously promote equal opportunities, freedom of expression, and shared growth. Our Code of Conduct for Employees explicitly prohibits discrimination, violence, and harassment in the workplace.

We actively provide equal employment opportunities for persons with disabilities. Currently, the Group employs more than 10 staff members with disabilities. By matching them with suitable roles and providing necessary support, we help them realize their professional value and be integrated into the society. Simultaneously, the Group places great emphasis on the physical and mental health and development of female employees. For example, in March 2025, we organized the "She Creates Boundlessly in A New Chapter in Spring" series of events for International Women's Day. We also invited experts from the China Welfare Institute's International Peace Maternity and Child Health Hospital to visit our production base, offering female employees face-to-face health consultations and professional advice, conveying warm and expert care. Through these tangible efforts, we actively promote workplace diversity and inclusion, continually striving to build an accommodating work environment.



"She Creates Boundlessly in A New Chapter in Spring" Health Consultation Event

"Culture Check" Survey with Rewards: Ensuring Every Employee's Voice is Heard

We launched the "Culture Check-up" incentivized survey campaign, inviting all employees to check the Group's culture in a relaxed and interactive manner. The initiative aims to widely gather employee feedback, identify areas for improvement in culture and collaborative processes, and jointly promote the healthy development of the organizational culture. Employees can conveniently participate by scanning a WeChat QR code. This is not just a feedback collection exercise but a collective action of cultural co-creation, demonstrating the company's commitment to valuing each employee's perspective and striving to build a better workplace environment.



"Culture Issue 'Check-up'" Incentivized Survey Campaign

During the reporting period



female employees accounted for over **70%** of CHANDO Group's workforce



Strengthen Public Welfare and Community Impact

CHANDO Group is committed to contributing to public welfare while advancing its business. In 2025, we carried out a series of philanthropic initiatives focused on ecological conservation, social care, emergency assistance, and women's empowerment. Moving forward, we will continue to earnestly practice public welfare, coordinate resources, expand the breadth and depth of CHANDO Group's charitable projects, and inspire positive social engagement to share in collective development.

Upgrading Ecological Action to Support Himalayan Biodiversity Conservation

The Himalayas region is home to thousands of rare species, yet its high altitude and climate variation make the region's ecosystems particularly fragile. In recent years, under the dual pressures of global climate change and overdevelopment, soil erosion and vegetation degradation in the Himalayas have intensified, posing significant challenges to the ecological environment.

Since 2016, CHANDO Group has partnered with the China Environmental Protection Foundation to establish the "CHANDO Himalaya Environmental Protection Public Benefit Fund," continuously investing resources to protect the glaciers, rare flora and fauna, and unique culture of the Himalayan region. Through diverse activities, we have shared the natural and cultural vitality of this area with the world. To date, the Group has donated a cumulative total of RMB 29.2 million to the foundation⁵.

As a key action in fulfilling its commitment to sustainable development and biodiversity, CHANDO continues to focus on ecological conservation in the Himalayan region—the source of its brand. Among these efforts, the "Planting-Grass in the Himalayas Public Welfare Project" has been carried out for eight consecutive seasons, planting green barley grass over 6.66 million square meters in Shigatse region (equivalent to approximately 909 standard football fields). This project has not only effectively improved local soil and environmental quality but has also created jobs, increased farmers' income, and achieved a synergistic win-win for ecological restoration, economic benefit, and social development.

Building on years of outcomes, CHANDO has formally upgraded its "Planting-Grass in the Himalayas Public Welfare Project" into the "2025–2030 CHANDO Sustainable Himalayan Biodiversity Conservation Project." In the new project cycle, the company will actively respond to the three objectives set forth by the Convention on Biological Diversity: conserving biodiversity, using biological resources sustainably, and ensuring the fair and equitable sharing of benefits. This will drive sustainable development for the Himalayan environment, local communities, and the enterprise itself. From September 5 to 7, 2025, the CHANDO Sustainable Himalayan Biodiversity Conservation Project was officially launched. Through diverse activities such as a pop-up science exhibition hall, field surveys, and academic seminars, we are deeply exploring innovative pathways for biodiversity conservation and sustainable development in the Himalayan region.

To date



the Group has donated a cumulative total of RMB **29.2** million to the foundation⁵

5. of which 1.2 million yuan was used for earthquake relief efforts in Shigatse.



CHANDO Sustainable Himalayan Biodiversity Conservation Project



Dr. Chen Juanling, General Manager of Public Affairs of CHANDO Group Delivering a Speech



Himalaya Science Exhibition Hall



Survey at Sejila Mountain



CHANDO x Tmall Hey Box Co-branded Science Popularization Mini Exhibition Hall



Eco-friendly Gift Box



Makeup Tutorial Session



Zhaxigang Village CHANDO Makeup Experience Space

Continuing the CHANDO Spring Bud Education Support Action, Empowering 350 Female Students to Pursue Their Dreams

On June 25-26, 2025, the "CHANDO Spring Bud Education Support Action," launched by CHANDO in partnership with the China Children and Teenagers' Fund and supported by the China Association of Fragrance Flavor and Cosmetic Industries, was held in Linzhi. RMB 2 million was donated at this event to the Women's Federation of the Himalayan region to provide financial aid for 350 outstanding female students. The initiative aims to support them in successfully completing their studies, sharing equitable and quality education, and injecting "her strength" into the revitalization of rural talent in the Himalayan region.

The "CHANDO Spring Bud Education Support Action" is not only a public welfare project but also a vivid illustration of the philosophy of "Business for Good." We believe that true philanthropy lies in long term companionship and shared growth. By connecting the classroom with the broader world, we hope to ignite dreams and illuminate the path forward for every young woman, turning each act of good will into a tangible force that drives growth.



2025 CHANDO Spring Bud Education Support Action Scholarship Awarding Ceremony



Dr. Chen Juanling, General Manager of Public Affairs of CHANDO Group Delivering a Speech



2025 CHANDO Spring Bud Social Practice Activity

From July 27 to August 1, 2025, CHANDO Group and the China Children and Teenagers' Fund jointly invited 20 supported Spring Bud female students to Shanghai for the CHANDO Spring Bud Social Practice Activity.

During the program, the students visited CHANDO Group's R&D Center and live-streaming base, gaining a close-up understanding of the entire product development process and innovative practices in digital marketing, and personally participated in interactive live streaming experiences. The students also toured the Shanghai Institute of Nutrition and Health, Chinese Academy of Sciences, and explored historical and technological landmarks such as the Site of the First National Congress of the Communist Party of China and the World Expo Museum, experiencing Shanghai's cultural heritage and dynamic development. At a themed sharing session, outstanding female employees from within the Group shared their personal experiences, encouraging the students to stay curious, grow with resilience, and have the courage to give back to society.



Group Photo of the 2025 CHANDO Spring Bud Social Practice Activity



Spring Bud Female Students Serving as Product Experience Ambassadors

As of this year



the "CHANDO Spring Bud Education Support Action" has supported a total of **860** female students in the Himalayan region

with cumulative donations to the Women's Federation of the Himalayan region reaching RMB **5.6million**

Love Alliance, Warming the Plateau

CHANDO Group launched the special campaign "Love Alliance, Warming the Plateau" to collect used winter clothing. A total of 638 kilograms of clean and tidy warm garments were collected, helping children in Huoxi Township, Sertar County, and Zhuwasi Temple in Yarigong Township, Batang County, both in Ganzi of Sichuan Province, to withstand the cold winter.



Campaign Poster and Donation of "Love Alliance, Warming the Plateau"

United in the Snowy Region, Overcoming Difficulties Together

On January 7, 2025, a magnitude 6.8 earthquake struck Tingri County, Shigatse City. On January 8, CHANDO, in collaboration with the China Environmental Protection Foundation, donated urgently needed disaster relief supplies to protect the Himalayan homeland.

On June 23, 2025, a witnessing event for the CHANDO Himalaya Public Welfare Special Fund – Tibet Major Disaster Relief Project, jointly initiated by the China Environmental Protection Foundation and Shanghai CHANDO Group Co., Ltd., was held at the Ecology and Environment Bureau of Shigatse City. During the event, CHANDO Group distributed emergency relief kits to counties including Tingri, Dinggyê, Lazi, Sa'gya, and Ngamring in Shigatse City.



CHANDO Group Providing
Emergency Support to
the Shigatse Earthquake-
Affected Area

In 2025



CHANDO Group rushed aid to the earthquake-stricken area of Shigatse and donated

1.2 million yuan

"Shanghai Women in Science Return Program" Supports Scientific Re-entry, Integrating Beauty with the Future

In active response to the national strategies of reinvigorating China through human resource development and supporting childbirth, CHANDO Group donated RMB 500,000 in September 2025 to support the "Shanghai Women in Science Return Program (Pilot)." This initiative aims to provide systematic support for female scientists and technical professionals who have temporarily stepped away from research due to childbirth, helping them smoothly return to their scientific careers. CHANDO's involvement extends beyond financial support to encompass whole process care and resource platform building: in addition to the donation, the Group offers selected scientists wellness gift packs, organizes them to visit Oriental Beauty Valley • CHANDO Future Beauty City, and hosts themed exchange events such as "Dialogue between Technology and Beauty" along with two beauty workshops. These activities jointly explore the integration and innovation of technology and the beauty industry, supporting female scientific talent in advancing confidently in both research and life to realize diverse values.

In September 2025



CHANDO Group donated RMB **500,000** to support the "Shanghai Women in Science Return Program (Pilot)."



Launch and Funding Donation Ceremony of the Shanghai Women in Science Return Program (Pilot)



Improve Green and Low-carbon Supply Chains

In advancing end-to-end sustainable development, a green and low-carbon supply chain serves not only as a critical cornerstone for CHANDO Group to fulfill its commitment to product quality and environmental responsibility, but also as a key pathway for collaborating with value chain partners in the transition and jointly addressing environmental challenges. We integrate sustainability into the entire life cycle of supply chain management, attach great importance to environmental and social risk management across the supply chain, continuously improve partner mechanisms, and systematically build a transparent, reliable, and resilient green supply chain system. Together, we strive to steer the industry toward a lower carbon and responsible future.

Strengthening ESG Management throughout the Entire Lifecycle of Suppliers, and Continuously Improving the Processes of Admission, Risk Monitoring, Performance Assessment, and Strategic Evaluation

CHANDO Group evaluates supplier performance in ESG across multiple dimensions and stages—from initial screening and qualification to on site assessments, from performance reviews to strategic integration. Each step reflects our steadfast commitment to sustainable development.



Supplier ESG Assessment Items	Assessment Content
Supplier Questionnaire	Covers the supplier's environmental governance measures, introduction to corporate social responsibility, company quality management documentation, etc., to understand the supplier's basic profile.
Supplier Capability Enhancement	Includes ESG-related indicators such as quality management capability and corporate social responsibility in the scoring references for supplier capability enhancement, serving as one of the criteria for supplier screening.
Supplier Pre-Evaluation	Incorporates supplier qualifications such as fire safety, environmental permits, hazardous chemical production licenses, and business operation permits as veto criteria prior to cooperation. It also reviews the supplier's business operations, tax rating, etc., to fully assess pre-cooperation risks.
Supplier On-Site Audit	Each functional department conducts systematic checks based on its professional responsibilities: The Quality Department focuses on evaluating the production environment, equipment and facility conditions, and emergency management. Since 2025, it has strengthened specialized inspections of expiry management and the authenticity of recorded data to better guard against quality risks such as substituting inferior materials. The Strategic Procurement Department primarily reviews the supplier's performance in social responsibility, including the prohibition of child labor, protection of pregnant employees' rights, implementation of occupational health management, and compliant use of digital systems. The R&D Center is responsible for verifying the completeness and validity of raw material related certificates and qualification documents.
Supplier Risk Monitoring	In 2025, a digital supplier operational risk management module was introduced and embedded into the existing Supplier Relationship Management (SRM) system. Its functionalities encompass screening for supplier operational risks, examining inter-supplier relationships, and ongoing risk monitoring. This enables end-to-end, automated, and multi-dimensional dynamic identification and real-time alerts for potential risks, further enhancing the comprehensiveness and forward-looking capability of risk assessment.
Supplier Performance Evaluation	Empowers suppliers to continuously improve through monthly and annual performance evaluations.
Annual Strategic Potential Assessment	Conducts annual strategic potential assessment and positioning, covering the supplier's corporate culture, social responsibility, R&D investment, technological innovation, continuous improvement, etc., to promote sustainable cooperation with suppliers.



Advancing Sustainable Procurement through Practice and Communication

In 2025, CHANDO Group actively practiced sustainable procurement and conveyed its related philosophy to suppliers through various forms of bi-directional meetings and forums.

Implementing Sustainable Procurement Practices

The Group focused on promoting single-material design and the use of biodegradable materials. Through process optimizations such as reducing packaging weight, eliminating plastic in gift boxes, and offering refill options, it minimized the environmental footprint of its packaging. Simultaneously, it emphasized suppliers' qualifications for green certifications (e.g., FSC, Ecovadis), continuously driving the supply chain toward greener and more responsible practices.

Continuously Communicating the Sustainability Philosophy

Supplier Conference

To deepen consensus and collaboration on sustainable development with suppliers, the Group held a Supplier Conference. During the event, it conducted awareness sessions on sustainable procurement, including communicating the Group's 2030 Sustainable Development Strategy and advocating for the practice of sustainable green procurement throughout the entire product lifecycle. The conference aimed at helping suppliers fully understand and align with the Group's sustainable development direction, jointly building a transparent and responsible sustainable supply chain system.



Supplier Conference



Supplier Innovation Summit

To deepen collaborative innovation for sustainability within the supply chain, tap into supplier innovation capabilities to broaden the Group's innovative horizons, and stimulate high-quality sustainable development, CHANDO Group successfully hosted the 2025 "Core Without Bounds - AI Future" Innovation Summit. The event featured two dedicated themes: Digital Innovation and Raw Material Innovation. In collaboration with multiple specialized suppliers, it showcased new technologies, materials, and solutions characterized by AI-powered virtual scene creation, AI agents, and green environmental benefits. Examples included creating an immersive spatial shopping experience that blends online efficiency with offline engagement, and traceable dual-active sheet masks. By establishing such forward-looking co-creation platforms, the Group explores and integrates innovative resources from the upstream supply chain, effectively embedding sustainability into brand operations, product development, and packaging upgrades. This collaborative effort drives the transformation of the entire value chain toward greater sustainability and higher quality.



"Core Without Bounds - AI Future" Innovation Summit

CHANDO's green procurement reflects the company's corporate responsibility in creating green beauty: every streamlined process signifies a cherishing of the Earth's resources, and every localization partnership represents an investment in a greener future.

Indicators

	Unit	2025Data
Number of Suppliers by Region ⁶	Number	556
Number of new suppliers screened using environmental and social standards ⁷	Number	63

6. The figure represents the number of suppliers that engaged in actual business transactions with the Group in 2025. All suppliers are located within China.

7. This figure represents the number of new suppliers that passed the Group's on-site audit in 2025.



Lead Responsible Marketing and Green Consumption

CHANDO Group integrates sustainable value into every facet of brand communication, working with consumers through diverse and engaging interactions to co create a green, healthy, and warm vision in life. We not only embed green principles in products and production but also transform them into tangible, participatory experiences: from strengthening responsible marketing training for employees and partner influencers, to opening green factories for transparent dialogue; from launching outdoor activities that advocate coexistence with nature, to collaborating on intangible cultural heritage innovations that revitalize cultural traditions. Through these sincere and concrete conversations, we aim to convey not only product value but also a sense of responsibility toward the planet, culture, and the future in every interaction, making sustainability more than a concept, but a desirable and actionable lifestyle.

CHANDO Group strictly adheres to the requirements of local operating regulations, including the Advertising Law of the People's Republic of China, the Regulations on the Supervision and Administration of Cosmetics, the Measures for the Administration of Cosmetics Labels, the Measures for the Supervision and Administration of Cosmetics Online Business, and the Law Enforcement Guide on Absolutized Terms in Advertising. In accordance with the Product Labeling and Advertising Copy Management Measures (Revised), the Group has established a systematic and standardized internal compliance management system. These measures clearly define the review responsibilities, processes, and risk grading mechanisms for product labeling and advertising texts, involving collaboration among multiple departments such as R&D and Legal to ensure all product information and marketing content are truthful, accurate, and lawful, thereby mitigating operational risks. Regarding emerging online live stream marketing, while embracing new business and marketing channels, the Group strictly complies with legal and regulatory requirements, including the Measures for the Administration of Internet Advertising, the Compliance Guidelines for Online Broadcast Marketing Activities in Shanghai, and the newly issued Measures for the Supervision and Administration of Live Streaming E-commerce in December 2025, to ensure the compliance of online live streaming and influencer activities.

Practicing Responsible Marketing through Multidimensional Value Communication and Leading a Beautiful, Sustainable Lifestyle

Marketing is not merely about conveying information; it is about resonating with values and co shaping lifestyles. Adhering to the principles of responsible marketing, we go beyond describing product functions to engage in multidimensional value dialogues encompassing aesthetic pursuit, cultural identity, and green responsibility. We strive to ensure that every communication serves as a positive force that advances personal well being, socio cultural enrichment, and environmental friendliness.

CHANDO practices responsible marketing through professional anchor training and management mechanisms. In employee training, the legal department conducts specialized courses focusing on helping staff deeply understand how market supervision authorities handle complaints and reports related to the Group, enhancing compliance awareness in e commerce copywriting, and clarifying rectification requirements for high frequency issues –all to provide consumers with a better and more reassuring shopping experience. The copy review process is strictly implemented in accordance with the Measures for the Management of Internet Advertising and the company' s internal Product Labeling and Advertising Copy Management Measures (Revised), with approvals managed via the OA system to prevent content violations. In streamer management, the company has established a systematic internal management system covering daily conduct norms for streamers, systematically elevating the sense of responsibility and standardized practices in marketing activities.

At the same time, we emphasize conveying brand commitments through tangible experiences. "CHANDO Future Beauty City" located in Shanghai's Oriental Beauty Valley is a vivid embodiment of this philosophy. We transform green production lines into open experiential spaces, allowing consumers to personally experience intelligent and low carbon manufacturing processes through transparent industrial tours. This approach conveys CHANDO's actions and sincerity toward a sustainable future in an intuitive and credible manner.

CHANDO Himalaya Energy Ultra Trail : A Summit Encounter – the Wilder the Run, the Closer to Nature

From June 13 to 15, 2025, the 2025 CHANDO Himalaya Energy Ultra Trail was held in Lulang Town, Linzhi City. As one of China's highest-altitude, most scenic, and most demanding trail running events, it attracted over 400 trail runners from across the country, presenting a summit showdown upon the top of the world for extreme trail running enthusiasts.

As the title sponsor of the event, CHANDO safeguarded the runners' performance with its high-quality products tested in harsh polar environments. A brand market was set up at the event site, featuring immersive product experiences and interactive check-ins to create a dedicated consumption scene for outdoor sports. The event also deepened collaboration with the "Tmall Super Grand Slam" event IP, building an "Event x Community x Live-streaming" cooperation model. This expanded communication scenarios within the running community and created a full-chain innovative marketing strategy centered on "community identity."

Through the extreme outdoor sports setting, this activity deeply integrated ecological protection and a sustainable lifestyle into high-end athletic circles, achieving resonance between brand value and responsible philosophy.



2025 CHANDO Himalaya Energy Ultra Trail

CHANDO Snowy Guardians Assemble, Embarking on a Journey of Himalayan Energy Companionship

CHANDO's IP, "Himalaya Cuddly Squad " conveys the brand philosophy through emotional connection. By collaborating with celebrities, incorporating seasonal aesthetics, releasing emoji packs, and integrating with products, it infuses the pure energy of the Himalayas and the brand's protective spirit into users' daily lives, continuously building the brand's emotional value and cultural identity.

Through consistent communication of positive values such as protecting nature, this IP-building initiative integrates brand culture into public daily interactions, reflecting the company's active efforts in disseminating social value and shaping a sustainable brand.



CHANDO Himalaya Cuddly Squad Debut

Encountering Rainbows, Natural Good Fortune: Partnering with Intangible Cultural Heritage Artisans to Weave a Contemporary Tapestry of Cultural Inheritance and Business Innovation

In August 2025, CHANDO joined hands with national intangible cultural heritage Bangdian inheritor Gari and her daughter, heritage artist Danzeng Zhuoga, to create the inspirational film "Encountering Rainbows, Natural Good Fortune." Inspired by the millennia old auspicious rainbow patterned shuttle woven Bangdian of the Himalayas, the film was meticulously crafted as a unique Qixi Festival gift for users.

Through a combined strategy of "precision marketing + media placement + limited-edition gift sets," this campaign successfully drove dual breakthroughs in both brand appeal and sales performance during the gifting season: member recruitment exceeded 456,800, and omnichannel exposure surpassed 200 million. Moving beyond traditional festival narratives, the campaign deeply integrated local culture, further solidifying the brand's "Originating from the Himalayas" identity and building deeper emotional connections with users.

With its innovative cultural expression and solid market performance, CHANDO successfully established a new paradigm for Qixi Festival marketing in the beauty industry, earning widespread recognition from authoritative institutions and mainstream media. By empowering intangible cultural heritage inheritance through commercial collaboration, the campaign fostered the passing down of ethnic culture and women's craftsmanship within an innovative marketing framework. Through the protection and revitalization of intangible heritage skills, CHANDO helped sustain the cultural diversity of the Himalayan region and created sustainable livelihood and development opportunities for artisans. This practice of integrating traditional wisdom into contemporary business not only injects enduring vitality into cultural heritage but also demonstrates the brand's profound commitment to promoting cultural ecological balance and inclusive growth, allowing inheritance and innovation to jointly weave a sustainable future.



Intangible Cultural Heritage Artist Weaver

Energy Renewal, where I Shine in My Way: An Inner Journey, A Sincere Tribute to the Multifaceted Radiance of Women

On International Women's Day 2025, CHANDO embarked on an exploration of "inner energy" together with consumers. With a sincere short film titled "I Am Born Powerful," the brand paid tribute to women, standing by every woman as a scientific ally on her journey.

In this campaign, CHANDO turned its lens toward nine women of different ages and professions, capturing their resilience and brilliance shining through everyday life, which sparked widespread resonance. On this inward journey, CHANDO's Rejuvenation Repairing Essence became a steadfast ally for women through the power of science, empowering them with poise and confidence to face challenges.

CHANDO has always believed that a woman's beauty requires no deliberate sculpting, nor does it need to conform to others' expectations. The light hidden beneath weariness and the resilience shaped by life are all unique forms of charm. "Your inner energy will ultimately illuminate the seas of stars that belong to you." Through authentic personal narratives, this campaign expressed a collective tribute and social support for the diverse values of women.



Poster for "I Am Born Powerful"

Young People, Don't Get Tired: From Emotional Resonance to Scenario Cultivation, Leading a New Anti-Fatigue & Aging Frontier

From April to May 2025, CHANDO Rejuvenation Repairing Essence focused on workplace fatigue and aging anxiety among young professionals, centering its campaign on the theme #YoungPeopleDontGetTired with a marketing strategy built on "scenario empathy + interactive co-creation + experience conversion." Online, the campaign partnered with Rednote's #GoForItWorkers IP, sparking emotional resonance around pain points such as tired skin from staying up late and dullness from working overtime, while encouraging user-generated-content sharing and interaction. Offline, in Shanghai's Central Business Districts and popular landmarks, immersive experiences were rolled out including mobile sampling vehicles styled as "Anti-Fatigue Supply Stations," themed pop up "Anti-Fatigue Command Centers," and roaming "Let -Loose Buses," complemented by merchandise giveaways and product sampling to create tangible, shareable scenario based encounters.

The campaign integrated commercial communication with social issues, focusing on the physical and mental well-being of working professionals and advocating proactive ways to cope with work pressure and life fatigue. It not only resonated with the widespread emotions of young people in high pressure environments but also, through creative formats such as offline pop ups and mutual support topics, created brief "breathing spaces" for them to release stress and regain energy. This reflects the brand's attentive observation and warm care for the mental state of contemporary individuals, elevating commercial activity beyond mere product promotion to being a meaningful emotional connection and a vehicle for promoting a positive attitude toward life. It demonstrates the brand's social concern while pursuing commercial value.



Campaign Poster for "Young People, Don't Get Tired"

For Skin Anti-Fatigue & Aging, Choose HiMurchaSin : Building Ingredient Awareness through Scientific Marketing and Crafting a Tangible Brand R&D Narrative

From August to September 2025, the CHANDO Rejuvenation Repairing Series launched the anti-fatigue & aging campaign #ForSkinAntiFatigueAgingChooseHiMurchaSin, focusing on communicating the anti-fatigue & aging value of its core ingredient HiMurchaSin while simultaneously promoting the new Rejuvenation Repairing Cream . The campaign leveraged both online and offline channels to unlock new approaches to ingredient marketing. By aligning with Rednote's IP Ingredient Spotlight and leveraging high-impact launch screen ads alongside KOL-led "lab traceability" content, the campaign precisely communicates HiMurchaSin's anti-fatigue efficacy to drive deep consumer engagement. Offline, a HiMurchaSin Laboratory pop-up was set up in Chengdu, combining immersive interactive experiences with widespread exposure through supermarket large screens, making the ingredient's efficacy tangible and verifiable. The project achieved over 240 million total impressions, more than 17.01 million topic views, and generated over 15 thousand new UGC posts. Through scientific marketing, it solidified the core perception of HiMurchaSin's anti fatigue & aging benefits, showcasing the brand's research strength in efficacy based skincare.

While communicating product technology, the campaign also reflected the brand's commitment to transparency and consumer education, promoting sustainable consumption awareness through responsible marketing.



Campaign Poster for "For Skin Anti-Fatigue & Aging, Choose HiMurchaSin"



Foster Scientific Innovation and Intellectual Property Protection

Cutting-edge Technologies Shaping up "the Core of Beauty"

CHANDO Group firmly believes that technological innovation is the core competitiveness of brand development, and opportunity for sustainable development in the domestic cosmetics industry. We always adhere to the research and development strategy of "independent research and global cooperation." We have been guided by technology, actively developing the local cosmetics research and development system, continuously promoting the research and development of raw materials and technological innovation, and closing the R&D gap with international counterparts. We have reduced domestic beauty products' dependency on imported raw materials, and built up a market barrier, as domestic beauty products, for competitors in raw material technology. CHANDO Group's Research and Development Center brings together top senior research experts from various countries. It operates 20 laboratories focused on technological research and product development, and collaborates with leading research institutions globally, as well as top domestic universities and research institutes. It has established Three Scientific Systems (Skin Science, Raw Material Science, and Product Science) and Four Technology Platforms (Raw Materials Development, Formulation Development, Packaging Development, and Detection & Assessment). These systems and platforms empower the research of proprietary ingredients and the innovation and upgrading of production processes. The Research and Development Center always integrates the concept of "five feelings and six senses " throughout the research and development process to ensure that we provide consumers with products and services of world-class quality, that are visually beautiful, audibly pleasing, olfactorily enjoyable, taste-safe, and tactile-comfortable.



Our Research and Development Center operates **20** laboratories dedicated to advancing scientific research and product development

During the reporting period, the Research and Development Center has published over **200** scientific articles domestically and abroad





Three Scientific Systems

Skin Science

Revealing the scientific mysteries of beautiful skin by exploring the targets, pathways, and underlying scientific principles for precise skin solutions. Key research areas include skin science mechanisms, a skin data bank, skin epigenetics, aerospace dermatology, and 3D skin models.

Raw Material Science

Active ingredients are the "chips" of cosmetics, while raw material science stands at the forefront of beauty innovation. Exploring the "four poles of the Earth," CHANDO Group applies cutting-edge interdisciplinary technologies to develop core functional ingredients at the molecular and cellular levels—creating solutions tailored for Asian skin with precise skin-targeting mechanisms, green manufacturing processes, and sustainable sourcing.

Product Science

Covering scientific formulation, scientific packaging, and scientific evaluation. Through professional design and rigorous in-vitro and clinical testing, product safety and efficacy are thoroughly validated, with a commitment to becoming the highest-quality choice for beauty.



Four Technology Platforms

Raw Materials Development Technology

Through rigorous safety and efficacy testing, CHANDO Group selects ingredients with high safety and proven effectiveness. By applying cutting-edge interdisciplinary technologies—including microbial fermentation, plant tissue culture, ultra-low-temperature plant freeze-drying, and space breeding—the Group introduces, co-develops, and independently develops high-value technological ingredients with well-validated efficacy.

Formulation Development Technology

Through advanced formulation technologies—including innovative emulsification, freeze-drying, and microencapsulation—CHANDO Group innovatively develops high-quality cosmetic formulations and highly efficient formulation processes that help lead industry trends.

Packaging Development Technology

By integrating aesthetic design with biomechanics, ergonomics, materials science, and structural engineering, packaging is developed to deliver both refined design and visual appeal, while ensuring practicality and safety for consumers.

Detection and Assessment Technologies

Through its proprietary "Six-Sense & Six-Quality" comprehensive quality management system, every CHANDO product undergoes at least 60 scientific safety and efficacy assessments, beginning with raw material selection, to ensure it meets consumers' expectations for both quality and performance.

CHANDO is committed to the research on Himalayan water resources, microbial fermentation raw materials, plant raw materials, and raw material extracts from plants in their places of origin. By leveraging cutting-edge technologies, it conducts the protective development of natural resources.

Integrating Cutting-Edge Technology with Green Processes to Drive Sustainable Transformation in Raw Material Development



As early as more than a decade ago, CHANDO Group began to use cutting-edge technology to protect and develop the natural resources of the Himalayan region, going deep into the heart of the mountains, screening and studying unique microorganisms from natural glaciers, plants, hot springs and local living environments. After 15 years of scientific exploration, we selected the natural and pure water source of the Tredengnima Glacier through layers of screening, and verified its skin care efficacy through the Group's own world-leading core technology 3D skin model research.



We screen unique microorganisms from natural environments in the Himalayan region, such as plants, soil, glaciers, and hot springs, and utilize proprietary fermentation technology to develop raw materials with proven skincare efficacy. The R&D team employs gene sequencing technology and has isolated and identified 558 distinctive microbial strains, establishing a dedicated Himalayan strain library. Using fifth generation fermentation technology, we have developed the patented ingredient HiMurchaSin®. This process adopts green and sustainable raw materials, with no toxic or hazardous substances used throughout production. Compared to conventional chemical methods, the extraction yield of active ingredients is increased by 300%, production energy consumption is reduced by 25%, and 100% raw material conversion and biodegradability are achieved, resulting in truly zero emissions.



Through modern plant tissue culture techniques, rare plant cell tissues can be rapidly cultivated in large quantities. Then, the active ingredients among them are screened out to obtain plant tissue culture raw materials with good skincare effects, which are then applied to product development. Compared with traditional agricultural cultivation and extraction methods, plant cell tissue culture techniques do not consume natural resources and are not affected by changes in the external environment. They are environmentally friendly. Thanks to this technology, we have achieved the protective development of plants, shortened the product production cycle, improved the stability and controllability of product quality, and at the same time, can enrich the active ingredients to obtain sustainable skincare ingredients.



CHANDO Group utilizes plant extraction and ultra-low temperature freeze-drying production technologies to carry out deep processing at plant origin sites, deeply developing economically sustainable crops sourced from origin areas into high-concentration active ingredients with proven skin-care efficacy for application in raw material and product development, thereby increasing income for local residents.

CHANDO Group Fermentation Production Base Officially Commences Production, Achieving a Breakthrough in Self Developed Core Ingredients

On the path of continuously deepening technological innovation, CHANDO Group has achieved another milestone leap in the independent R&D and production of core efficacy ingredients. On August 27, 2025, the "CHANDO Group Fermentation Production Base," fully applying fifth-generation intelligent bio fermentation technology, was officially launched and put into operation.

The completion of this plant marks a higher level of independent control over key bioactive ingredients for the Group. Through an advanced intelligent fermentation technology platform, the plant enables large-scale, high quality independent production of core ingredients such as yeast-based and lactobacillus-based materials. The ingredients produced feature higher active content and superior efficacy, while the entire production process is more environmentally friendly and cost-effective.

This milestone signifies a breakthrough for CHANDO Group in the independent R&D and production of core ingredients. By closely integrating cutting edge biotechnology with green manufacturing, the Group has built end to end innovation capabilities from R&D to production. This not only provides solid support for enhancing product efficacy and promoting sustainable development, but also further strengthens the company's long term technological competitiveness and commitment to responsible production.



Opening of the CHANDO Group Fermentation Production Base

CHANDO Group, Huashan Hospital and Fudan University Establish "Joint Laboratory of Skin Science and Hair Health"

CHANDO Group has entered into a strategic partnership with Huashan Hospital and Fudan University, to co-establish the "Joint Laboratory of Skin Science and Hair Health." The collaboration focuses on fundamental scientific and clinical research into scalp aging and hair loss, aiming to explore new targets for scalp anti-aging, elucidate the scientific mechanisms of hair loss prevention, and screen for effective ingredients in scalp care. Instrumental testing and statistical analysis have been conducted on the scalp and hair of hundreds of healthy Chinese volunteers. This research has identified the core concerns and clinical characteristics of scalp aging and hair loss in Asian populations, and a predictive model for scalp aging has been constructed. These findings are being applied to develop breakthrough products with significant efficacy for scalp anti-aging and hair loss prevention. Guided by clinical insights and fundamental research outcomes, CHANDO has developed a new five flavors glycerin scalp care series, which has been incorporated into sensitive-scalp care and botanical cleansing products. This has formed a complete innovation chain: "Clinical Problem Identification → Fundamental Research → Scientific Transformation of Traditional Formulations," enabling the precise application of traditional Tibetan herbal wisdom to meet the scalp care needs of Chinese consumers.



CHANDO Group, Huashan Hospital, and Fudan University, Establish "Joint Laboratory of Skin Science and Hair Health"

CHANDO Group and Children's National Medical Center, Children's Hospital of Fudan University Jointly Establish "Joint Research Center for Infant Skin Health "

Through a medical-research co-creation model, CHANDO Group and the Children's Hospital of Fudan University (National Children's Medical Center) have jointly established the "Joint Research Center for Infant and Child Skin Health." The center aims to tackle core skin challenges in children, such as the high incidence and easy recurrence of atopic dermatitis (AD), through a dedicated research initiative built upon the "Clinical Insight – Basic Research – Product Development – Clinical Validation" medical-research co-creation system.

The research team has, for the first time, identified a key highly virulent *Staphylococcus aureus* subtype colonizing the skin of AD patients. Large-scale fundamental scientific and clinical observational studies conducted on the self-developed core ingredient "H-ECOTRIO®" and the imine Soothing Protecting Cream have confirmed their efficacy in effectively inhibiting harmful microbiota and balancing the skin microbiome. This results in more than a threefold reduction in the risk of AD recurrence in infants and children, providing a safe and verifiable scientific care solution for vulnerable infant skin.

The related research achievement was honored with the Top 20 Best Academic Poster Award at the 2025 Annual Meeting of the European Society for Dermatological Research (ESDR). Furthermore, both parties co-authored and released the Expert Consensus on Non-Pharmacological Intervention and Management of Atopic Dermatitis in Children, leveraging authoritative clinical experience to elevate industry standards and employing professional expertise to safeguard the skin health and future growth of the next generation in China.



*JALA Group was the predecessor of CHANDO Group. It officially changed its name in 2023.

CHANDO Group and Children's National Medical Center, Children's Hospital of Fudan University Establish Joint Research Center for Infant Skin Health"

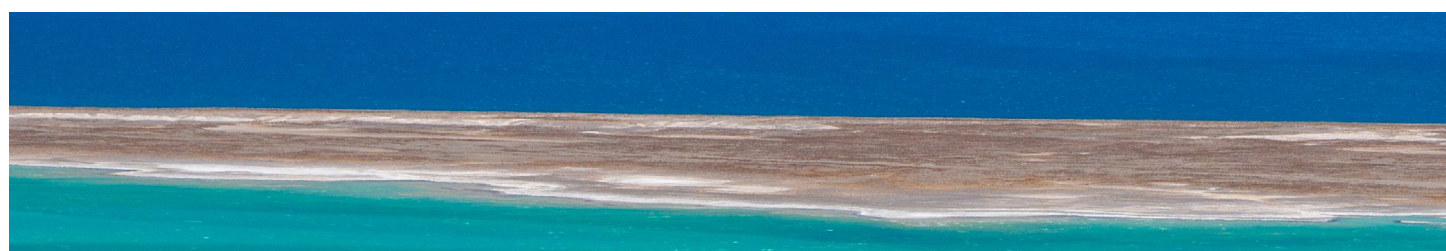
CHANDO Group Collaborates with Shanghai Institute of Nutrition and Health, Chinese Academy of Sciences to Study Skin Aging and Rejuvenation Research in Chinese Women

CHANDO Group has collaborated with the Shanghai Institute of Nutrition and Health at Chinese Academy of Sciences, to conduct the Chinese Women's Facial Aging and Rejuvenation Study . Based on big data analysis of over 300,000 facial images of Chinese women, this research has for the first time systematically revealed the core characteristics of skin aging and rejuvenation in this demographic: the critical inflection point for skin aging occurs approximately two years earlier than previously understood, the skin around the eyes ages 5-6 years faster than other facial areas, and "fatigued aging" – primarily induced by modern lifestyle factors such as chronic stress, sleep deprivation, and excessive use of electronic devices –has emerged as a central cause.

Building on these findings, CHANDO has launched its new "Anti-Fatigue Rejuvenation Repairing Series",featuring the core ingredient and the "polar yeast," HiMurchaSin® . This research not only provides clear direction for the development of precision anti-aging products but also marks CHANDO's strategic shift from being "marketing-driven" to "science-driven," setting a benchmark for high-quality development within the domestic skincare industry.



Collaboration between CHANDO Group and Shanghai Institute of Nutrition and Health at Chinese Academy of Sciences



From Admission to Traceability: Building Label-Based Raw Material Management and Risky Substance Screening Mechanisms

The Product Mom System is the core digital platform through which CHANDO Group achieves end-to-end R&D management. This system integrates modules such as project workflows, R&D controls, quality standards, and raw material information, transforming the traditional paper based and offline approval model with online and integrated management.

In raw material safety management and assessment, we have established the CHANDO Group Raw Material Safety Assessment Data Management Procedure, implementing a closed-loop process of "regular review - feedback collection - data entry and application - verification and update." We collect core documentation from suppliers, including authoritative assessment reports and toxicological data, review their scientific validity and compliance, and ensure raw material safety. R&D personnel can prioritize the use of safer, lower-risk raw materials, while implementing bans, restrictions, or substitutions for materials with identified risks. At the same time, we actively respond to national implementation rules related to raw material safety assessment, continuously improve the raw material information database, provide systematic assurance for product safety and sustainability, and steadily enhance the transparency and accountability of the company's raw material governance.

Regarding chemicals and risky substance management, we have established routine monitoring and response mechanisms, continuously tracking and following dynamic requirements in regulations such as those of the United States and the European Union. For fragrance ingredients banned in the EU, we have completed full substitution, demonstrating our forward looking and proactive approach to compliance. Moreover, we strictly implement a risky substance screening mechanism, annually updating the Risky substance Identification List to cover potential risky substances such as dioxane and D4. We conduct quantitative assessments of theoretical upper limits for risky substances in formulations and achieve digital management and dynamic monitoring through the Product Mom System. As such, we proactively phase out high risk raw materials and handle obsolete stock, rigorously select compliant suppliers, disclose ingredients transparently through multiple channels, and prioritize procurement of certified raw materials such as those with RSPO (Roundtable on Sustainable Palm Oil) certification to ensure chemical safety and control. We continuously safeguard product safety and compliance, fulfilling our commitment to consumers and society.

Implementing Dynamic Label Management of Raw Materials and Prioritizing Certified Ingredients such as RSPO

This year, in the selection of raw materials, we have fully implemented a dynamic label management system. We established a complete labeling process from requirement initiation, information registration, uniqueness review to entry review, grading and categorizing raw materials (e.g., Grade A for highest confidentiality, Grade B for medium confidentiality) and labeling their status (not activated, activated, approved, etc.), enabling full traceability from development to application. At the same time, in stock raw materials are classified and labeled based on their sustainability and safety attributes, including: certified raw materials (such as vegan certification, halal certification, etc.), raw materials that comply with specific ethical standards, and raw materials that meet authoritative safety assessment standards (such as those evaluated by the CIR (Cosmetic Ingredient Review) from the United States, SCCS (Scientific Committee on Consumer Safety) from the European Union, or those compliant with the RSPO standard, etc.). During the R&D process, we prioritize the use of raw materials with these certifications and labels, embedding environmentally friendly, socially responsible, and safety controlled principles into product development from the source. This year, the raw material information database includes 53 RSPO-certified raw materials.

Taking Legal Action Against Code-Scraping Practices: First Successful Lawsuit Sets Industry Precedent

Faced with industrial transformation and international competition, we recognize that protecting intellectual property is crucial to enhancing corporate competitiveness. Therefore, CHANDO Group continuously improves its capabilities in creating, protecting, and managing intellectual property. We have established comprehensive mechanisms such as the Intellectual Property Maintenance Management Procedure, Confidentiality Management Control Procedure, Risk Management Control Procedure, Dispute Resolution Management Control Procedure, and Patent Grading Management Specifications. We implement a thorough intellectual property strategy, protecting our rights through patents, trademarks, copyrights, and other means across all dimensions—from product development, formula research, and raw material extraction to production processes; from the main brand name to product sub-series names; and from product packaging to promotional materials and webpage images. To further inspire R&D personnel's enthusiasm for innovation, CHANDO Group has also formulated the R&D Center Scientific and Technological Achievements Reward System, encouraging intellectual property innovation activities, establishing an intellectual property incentive fund, and providing material rewards for patent applications, authorizations, and new formula developments arising from the R&D process.

In the field of intellectual property protection, CHANDO Group consistently adopts a proactive and systematic enforcement strategy to safeguard brand reputation, protect consumer rights, and actively fulfill corporate responsibility in market governance. Targeting the widespread industry problem of "code-scraping/code-covering", where key product identifiers are removed, damaged, or obscured to conceal distribution channels and disrupt market order, we initiated a series of cross platform civil enforcement actions starting in 2025. This issue not only harms the legitimate interests of the brand and authorized distributors but also directly infringes on consumer rights, exposing them to risks such as difficulty verifying authenticity, and lack of after-sales support, ultimately eroding the market credibility built by the brand over time.

We have filed lawsuits against more than twenty representative unauthorized stores on e-commerce platforms including Taobao, JD, Douyin, and Pinduoduo, proceeding in batches and consistently basing our claims on trademark infringement and unfair competition. In December 2025, we obtained our first favorable judgment from the Yuhang District People's Court in Hangzhou. The court ruled that the stores' sale of code scraped and code covered products constituted trademark infringement. This ruling not only establishes a crucial judicial precedent for the brand's future enforcement efforts but also provides valuable legal reference for the entire beauty industry in combating trademark infringement and regulating distribution channels, accelerating the industry's shift toward a healthier ecosystem.

Simultaneously, we continuously improve our internal control mechanisms, conducting special investigations into channel diversion. Once confirmed, corresponding suppliers face contractual penalties such as cancellation of discounts and incentives, thereby maintaining market order at the source.

In 2025



CHANDO Group filed **92**
new patent applications

obtained **18**
newly granted patents

published **18**
scientific papers

13 projects for academic papers and first
time application of paper findings were rewarded

23 projects for patents and first time
application of patent findings were rewarded



"Shanghai IP Innovation Awards (Protection)" Trophy



"Shanghai Intellectual Property Innovation Award (Protection)" Certificate

Based on our long term investment and outstanding achievements in intellectual property protection, we were honored with the "Shanghai IP Innovation Awards (Protection)" in 2025. This award is jointly issued by the Shanghai Municipal Government and the World Intellectual Property Organization and is conferred every three years. Moving forward, we will continue to strengthen end to end intellectual property management and contribute to fostering a healthy and fair market environment.

Participating in Industry Standard Co-creation, Leading New Heights in Raw Material Safety Control

Furthermore, we actively contribute to the development of group standards in the ESG field within the industry. In 2025, we participated in formulating 7 group standards and 3 national standards. Among these, as a participating unit in the formulation of the testing method for perfluorooctane sulfonic acid (PFOS) and perfluorooctanoic acid (PFOA) in consumer products under National Standard GB/T 44165.8-2025, we not only provided a scientific basis for controlling such persistent organic pollutants in cosmetics and related fields, but also internalized the forward looking concepts and practical experience from standard setting into our own management system. Concurrently, we formulated and implemented the Cosmetic Raw Material Safety Assessment Data Management Procedure , continuously strengthening the safety control of chemical raw materials through graded classification and dynamic closed loop management. These measures not only enhance our own ability to manage product safety, but also actively contribute to the establishment of higher industry standards.

03

Strengthening Corporate Governance and Creating a Mutually Trusting Business Environment

Strengthening Corporate Governance and Establishing an Appropriate Governance Framework is Crucial for ESG and Sustainability. As a leading enterprise in China's cosmetics industry, CHANDO Group formulated long-term ESG development plans and established a sound ESG organizational structure to systematically and strategically promote sustainable corporate governance. Concurrently, we have actively advanced digital transformations, leveraging digital technology to enhance management, safeguarding corporate data security, and fostering a trust-based business environment.

**United Nations Sustainable Development Goals addressed
in this section:**







Establish and Optimize the Sustainable Governance Structure

CHANDO Group has established a comprehensive, integrated, and top-down sustainable development governance structure. The Board of Directors of CHANDO Group oversees and guides the company's overall sustainable development matters, including supervising and framing the company's overarching sustainable development strategy and related major issues, as well as reviewing ESG strategy, goals, and risk management.

Additionally, CHANDO Group has specially formed a Sustainable Development Committee, chaired by the Group's Chairman and President, Mr. Zheng Chunying, with Dr. Chen Juanling, General Manager of Group Public Affairs, serving as Deputy Chair. Selected leaders from various teams serve as members, responsible for tasks such as formulating ESG strategies and targets, reviewing annual plans, and deliberating major ESG initiatives. Under the Sustainable Development Committee, an ESG Management Center is established to break down ESG goals, set related performance metrics, and drive the implementation of the strategy.

The execution layer consists of business units and functional departments, responsible for advancing and implementing sustainable development work. In 2025, the execution layer focusing on the three core strategies of "reduction, recycling, and substitution," implemented multiple initiatives across the entire packaging lifecycle. Through promoting refill designs, applying environmentally friendly materials, and continuing the empty bottle recycling program, the group further communicated the philosophy of "waste-free beauty." The R&D center, supply chain and other functional departments concentrated on R&D, raw materials, and production processes, leveraging green R&D systems and technological platforms to advance energy conservation, emission reduction, and resource recycling.

CHANDO Group Sustainable Development Governance Structure





Safeguard Business Ethics and Integrity

Strengthening the Company's Internal Controls and Building an Anti-fraud and Whistleblower System

CHANDO Group is committed to building an anti-fraud corporate culture. In order to strengthen corporate governance and internal control and safeguard the legitimate rights and interests of all stakeholders, CHANDO Group has formulated the Anti-fraud and Whistle-blowing System, which defines all types of fraud, reporting procedures and enforcement methods. CHANDO Group has established a robust internal control mechanism, providing a unified reporting channel that includes a dedicated hotline and email address, and supports both employees and external third parties to submit reports either anonymously or with their identity disclosed. Reports received via the dedicated hotline and email will be assigned to designated personnel within the Audit Department for management. All related emails, correspondence, and interview records must be archived, with corresponding actions taken based on the nature of the issues identified. All reports received by the Audit Department shall be escalated to the company's General Manager and Chairman within two business days. The Board of Directors will determine whether further investigation is warranted. When conducting such investigations, the Board may, at its discretion, engage external auditors or other third-party agencies for assistance. The Anti-fraud and Whistle-blowing System also specifies specific procedures for handling complaints to ensure that complaints are dealt with in a timely and appropriate manner. During the reporting period, the company did not receive any whistleblowing report.

Furthermore, the company strictly protects whistleblowers. All relevant departments are expressly prohibited from disclosing a whistleblower's personal information, such as name, workplace, or contact details, and from engaging in any form of retaliation or unlawful discrimination against them. Individuals found to have disclosed such information without authorization or to have retaliated against a whistleblower will face serious disciplinary action proportionate to the severity and consequences of their conduct, which may include, but is not limited to, compensation for damages, warnings, severe warnings, dismissal, or termination of employment contracts. Cases involving violations of law will be referred to judicial authorities for legal proceedings. In line with the principles of transparency and fairness, whistleblowers have the right to inquire about the status of their reports by contacting the Audit Department, which shall inform them of the investigation outcome of any alleged misconduct.

Signing the Supplier Integrity Agreement to Create an Ethical Cooperation Environment

To foster a healthy and ethical collaborative environment and safeguard the legitimate rights and interests of both parties, CHANDO Group incorporates explicit anti-fraud provisions or signs a separate Integrity Agreement with suppliers upon the execution of any procurement contract. No supplier may bribe any CHANDO Group employee in any form, including but not limited to cash, securities, gifts, travel, or any future benefits. If the company verifies that a supplier has engaged in bribery, it reserves the right to demand payment of liquidated damages commensurate with the specific circumstances and consequences of the violation. Should any CHANDO Group employee solicit a bribe from a supplier, and upon verification of such misconduct, CHANDO Group will, based on the actual situation, grant a monetary reward to the specific informant from the supplier and commits to maintaining absolute confidentiality of the informant's identity.



Formulate Employee Integrity Regulations and Maintain the Good Reputation of the Company

To uphold a positive corporate image, safeguard the company's reputation, and foster long-term business growth, CHANDO Group has established the Eight Regulations on Employee Integrity and Self-Discipline for all employees. Any violation of these Regulations will be subject to disciplinary actions commensurate with its severity, including but not limited to restitution, warnings, demotion, dismissal, or termination of employment. Cases involving suspected illegal acts will be referred to judicial authorities for handling.

Indicators

	Unit	2025 Data
Number of filed and concluded corruption lawsuits involving the company or its employees, and their outcomes	Cases	0





Promote Digitalization and Data Security

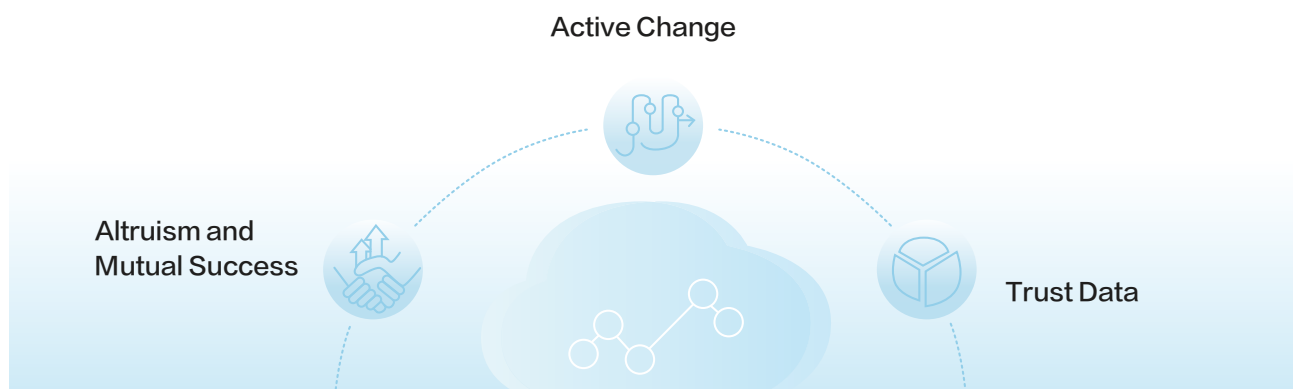
Adhering to Long-term Principles and Setting Benchmarks for Digitalization

In 2020, CHANDO Group's core brand, CHANDO, took the first step in its digital strategic transformation as the pioneer of the "CHANDO Merchandise Management System" project. After undergoing three phases of digital transformation — 1.0 Business Online, 2.0 Digital Operations, and 3.0 Marketing Intelligence — digitalization has permeated every facet of CHANDO Group's end-to-end chain, from R&D and production to marketing, logistics, management, and services, much like capillaries in the human body. It has comprehensively reshaped the organization, culture, business processes, omnichannel marketing, and monetization models, fundamentally altered how the company interacts with consumers and manages channel inventory, and ultimately built a healthy, digital-technology-based channel ecosystem.

Furthermore, to forge a tighter link between strategic design and business execution, CHANDO Group has developed a unique "triple wheel drive" methodology that synergizes business model innovation, IT enablement, and institutional safeguards. This approach ensures that digital transformation evolves in lockstep with innovations in both business and management models, with every innovation underpinned by new standards, rules, policies, and systems. In 2022, powered by its digital transformation, the Group met its annual sales growth target, achieving positive growth across both online and offline channels—a clear milestone in its digital journey. In 2023, the company further consolidated its digital foundation, proactively refining and iterating its transformation framework. In 2024, it introduced large-language-model (LLM) technology and co-created the "ChatBI" data-query product with partners. By leveraging the natural-language-understanding capabilities of AI LLMs, ChatBI offers users a simpler, more direct, and highly efficient way to access data. The implementation of ChatBI has significantly accelerated response times to data analysis requests, expanded the service reach of data analysts, reduced cross departmental collaboration costs, and fostered a data driven mindset within business teams. The Group is continuously expanding the scope of queryable data—including marketing, supply-chain, and financial data —aiming not only to provide data access but also to deliver deeper, actionable insights.

In 2025, AI technology has been progressively integrated into the operations of various business units within the Group. Marketing content production now achieves batch delivery of short videos; AI-powered live-stream monitoring significantly enhances operational efficiency; intelligent customer service substantially reduces response times. AI review of advertising copy ensures compliance; product inventory management is automated; data delivery is combined with AI insights to support decision-making. Quality verification efficiency has increased, with multiple departments realizing improvements in efficiency and cost reduction. Simultaneously, the business-finance integration project has been successfully implemented, fully connecting business and financial systems. This enables visual analysis of integrated business-financial data, effectively supporting financial modeling and decision-making. Through process standardization, master data application, and the establishment of a comprehensive budgeting system, a robust risk warning and control mechanism has been built.

CHANDO Group Digital Transformation Core Values



Building Trust and Protecting Data Security

While digital transformation brings opportunities, it also poses unprecedented challenges and risks to trust in the digital era. CHANDO Group places great importance on consumer privacy and data security, strictly complies with laws and regulations such as the Personal Information Protection Law of the People's Republic of China and the Data Security Law of the People's Republic of China, and formulates and rigorously implements data security management regulations and operating procedures, including the Personal Information Protection Policy, Data Security Management Measures - Classification and Grading, Personal Information Protection Impact Assessment Management Process, Data Security Management Regulations, Electronic Data Archiving Management Regulations, Information System Data Backup and Management Measures, Consumer Life-cycle Classification Definition and Data Management Regulations, and Consumer Personal Information Deletion Management Measures. These measures are designed to safeguard consumers' legitimate rights and interests and protect their privacy. CHANDO Group has established the Group Cybersecurity and Data Security Working Group to oversee the Group's overall cybersecurity, data security, and personal information protection matters.

In 2025, following the requirements of the Cyberspace Administration of China, CHANDO Group actively fulfilled its obligation to report information related to personal information protection officers and initiated a "Personal Information Protection Compliance Audit" to improve its personal information protection framework and procedures. CHANDO Group fully recognizes the importance of personal privacy to business partners and consumers and is committed to protecting all consumer users' personal information. We have implemented security safeguards that align with industry standards to protect the personal information provided by business partners and consumers, preventing unauthorized access, disclosure, use, alteration, damage, or loss. CHANDO Group takes all reasonably feasible measures to safeguard the personal information of business



partners and consumers, such as encryption during transmission, storage, and backup, as well as permission based authentication for data access.

Furthermore, the Group has developed its security management system in accordance with the ISO 27001 International Information Security Management Standard and the network security grade protection system standard, continuously elevating its data security management system. In 2025, the Group completed the network security grade protection (Level 3) assessment for five core operational network systems, covering ECS, Cloud Store, Data Middle Platform, Consumer Database, and the official CHANDO brand website. To further enhance cybersecurity protection capabilities, in October 2025, the Group participated in a cybersecurity attack defense exercise organized by the Cybersecurity Unit of the Jing'an District Public Security Bureau. Through this practical drill, the Group effectively tested and reinforced its defense systems, proactively identified and addressed potential vulnerabilities, and continuously refined both technical and managerial security measures.

Indicators

	Unit	2025 Data
Number of complaints related to customer privacy infringement and data leakage	Cases	0



GRI Index

GRI Index Table of Sustainability Reporting Standards (2021)

GRI Standard Item	GRI Standard	Corresponding Chapter
GRI 1: Foundation		
GRI 2: General Disclosure		
The organization and its reporting practices		
2-1	Organizational details	About this Report Our Culture and Values
2-2	Entities included in the organization's sustainability reporting	About this Report
2-3	Reporting period, frequency and contact point	About this Report
2-4	Restatements of information	About this Report
Activities and workers		
2-6	Activities, value chain and other business relationships	Improve Green and Low-carbon Supply Chains
2-7	Employees	Establish a Diverse, Equal and Inclusive Work Environment
Governance		
2-9	Governance structure and composition	Establish and Optimize the Sustainable Governance Structure
2-12	Role of the highest governance body in overseeing the management of impacts	Establish and Optimize the Sustainable Governance Structure
2-14	Role of the highest governance body in sustainability reporting	Establish and Optimize the Sustainable Governance Structure
2-16	Communication of critical concerns	Establish and Optimize the Sustainable Governance Structure
2-19	Remuneration policies	Establish a Diverse, Equal and Inclusive Work Environment
Strategy, policies and practices		
2-22	Statement on sustainable development strategy	Our Sustainable Development Strategy
2-27	Compliance with laws and regulations	Promote Digitalization and Data Security
Stakeholder engagement		
2-29	Approach to stakeholder engagement	Material Topics
GRI 3: Material Topics		
3-1	Process to determine material topics	Material Topics
3-2	List of material topics	Material Topics
3-3	Management of material topics	Material Topics

GRI Standard Item	GRI Standard	Corresponding Chapter
GRI 205: Anti-corruption		
3-3	Management of material topics	Material Topics
205-2	Communication and training about anti-corruption policies and procedures	Safeguarding the Business Ethics and Integrity Environment
GRI 206: Anti-competitive Behavior		
3-3	Management of material topics	Material Topics
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Safeguarding the Business Ethics and Integrity Environment
GRI 301: Materials		
3-3	Management of material topics	Material Topics
301-2	Recycled input materials used	Facilitate Green Packaging and Circular Economy
301-3	Reclaimed products and their packaging materials	Facilitate Green Packaging and Circular Economy
GRI 302: Energy		
3-3	Management of material topics	Material Topics
302-5	Reductions in energy requirements of products and services	Address Climate Change and Protect Biodiversity
GRI 303: Water and Effluents		
3-3	Management of material topics	Material Topics
303-1	Interactions with water as a shared resource	Promote Responsible Production and Green Manufacturing
303-2	Management of water discharge-related impacts	Promote Responsible Production and Green Manufacturing
303-3	Water withdrawal	Promote Responsible Production and Green Manufacturing
303-4	Water discharge	Promote Responsible Production and Green Manufacturing
303-5	Water consumption	Promote Responsible Production and Green Manufacturing
GRI 304: Biodiversity		
3-3	Management of material topics	Material Topics
304-2	Significant impacts of activities, products and services on biodiversity	Address Climate Change and Protect Biodiversity
GRI 305: Emissions		
3-3	Management of material topics	Material Topics
GRI 306: Waste		
3-3	Management of material topics	Material Topics
306-1	Waste generation and significant waste-related impacts	Promote Responsible Production and Green Manufacturing
306-2	Management of significant waste-related impacts	Promote Responsible Production and Green Manufacturing
306-3	Waste generated	Promote Responsible Production and Green Manufacturing
306-4	Waste diverted from disposal	Promote Responsible Production and Green Manufacturing
306-5	Waste directed to disposal	Promote Responsible Production and Green Manufacturing

GRI Standard Item	GRI Standard	Corresponding Chapter
GRI 307: Environment Compliance		
3-3	Management of material topics	Material Topics
307-1	Violation of environmental laws and regulations	No major violations occurred during the reporting period.
GRI 308: Supplier Environmental Assessment		
3-3	Management of material topics	Material Topics
308-1	New suppliers that were screened using environmental criteria	Improve Green and Low-carbon Supply Chains
308-2	Negative environmental impacts in the supply chain and actions taken	Improve Green and Low-carbon Supply Chains
GRI 401: Employment		
3-3	Management of material topics	Material Topics
401-1	New employee hires and employee turnover	Establish a Diverse, Equal and Inclusive Work Environment
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Establish a Diverse, Equal and Inclusive Work Environment
401-3	Parental leave	Establish a Diverse, Equal and Inclusive Work Environment
GRI 403: Occupational Health and Safety		
3-3	Management of material topics	Material Topics
403-1	Occupational health and safety management system	Establish a Diverse, Equal and Inclusive Work Environment
403-2	Hazard identification, risk assessment, and incident investigation	Establish a Diverse, Equal and Inclusive Work Environment
403-3	Occupational health services	Establish a Diverse, Equal and Inclusive Work Environment
403-4	Worker participation, consultation, and communication on occupational health and safety	Establish a Diverse, Equal and Inclusive Work Environment
403-5	Worker training on occupational health and safety	Establish a Diverse, Equal and Inclusive Work Environment
403-6	Promotion of worker health	Establish a Diverse, Equal and Inclusive Work Environment
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Establish a Diverse, Equal and Inclusive Work Environment
403-8	Workers covered by an occupational health and safety management system	Establish a Diverse, Equal and Inclusive Work Environment
403-9	Work-related injuries	In the past three years, CHANDO Group has not had any work-related injuries that have a significant impact on the operation.
GRI 404: Training and Education		
404-2	Programs for upgrading employee skills and transition assistance programs	Establish a Diverse, Equal and Inclusive Work Environment
GRI 405: Diversity and Equal Opportunity		
3-3	Management of material topics	Material Topics
405-1	Diversity of governance bodies and employees	Establish a Diverse, Equal and Inclusive Work Environment

GRI Standard Item	GRI Standard	Corresponding Chapter
GRI 406: Non-discrimination		
3-3	Management of material topics	Material Topics
406-1	Incidents of discrimination and corrective actions taken	Employee training on human rights policies or procedures
GRI 412: Human Rights Assessment		
412-2	Employee training on human rights policies or procedures	Employee training on human rights policies or procedures
GRI 413: Local Communities		
3-3	Management of material topics	Material Topics
413-1	Operations with local community engagement, impact assessments, and development programs	Enhance Community Impacts and Improve Public Welfare
413-2	Operations with significant actual and potential negative impacts on local communities	At present, there is no operations with significant negative impacts on local communities.
GRI 414: Supplier Social Assessment		
3-3	Management of material topics	Material Topics
414-1	New suppliers that were screened using social criteria	Improve Green and Low-carbon Supply Chains
414-2	Negative social impacts in the supply chain and actions taken	Improve Green and Low-carbon Supply Chains
GRI 416: Client Health and Safety		
3-3	Management of material topics	Material Topics
416-1	Assessment of the health and safety impacts of product and service categories	Ensure Product Quality and Safety and Consumer Rights
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No related incidents occurred during the reporting period.
GRI 417: Marketing and Labeling		
3-3	Management of material topics	Material Topics
417-1	Requirements for product and service information and labeling	Ensure Product Quality and Safety and Consumer Rights
417-2	Incidents of non-compliance concerning product and service information and labeling	No related incidents occurred during the reporting period.
417-3	Incidents of non-compliance concerning marketing communications	No related incidents occurred during the reporting period.
GRI 418: Client Privacy		
3-3	Management of material topics	Material Topics
418-1	Substantiated complaints concerning breaches of client privacy and losses of client data	Promote Digitalization and Data Security
GRI 419: Social and Economic compliance		
419-1	Violation of laws and regulations in the social and economic fields	No related incidents occurred during the reporting period.

Feedback

Dear Sir/Madam:

Hope you are well. We appreciate you for reading the CHANDO Group 2025 Sustainability Report. In order to continuously improve the Sustainability Report and enhance our capacity in sustainable development, we look forward to hearing your opinions and suggestions.

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