

MARUBI



2023 Environmental, Social and Governance Report

Guangdong Marubi Biotechnology Co., Ltd.

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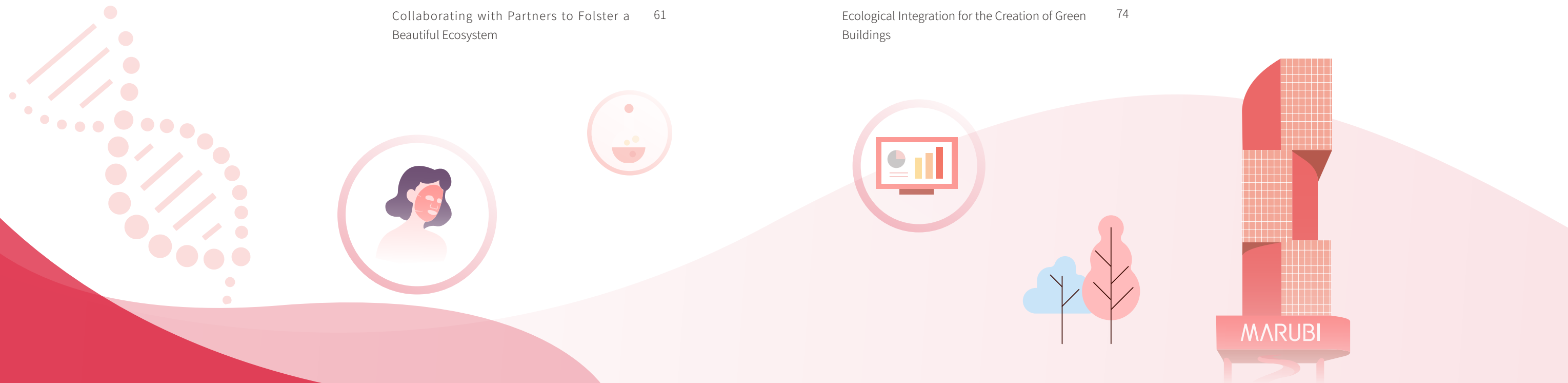
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Message from Chairman



The year 2023 marks the commencement of comprehensively embodying the spirit of the 20th National Congress of the Communist Party of China, a pivotal year for the ascendance of domestic beauty brands, and a significant year for Marubi to uphold its original aspirations, embrace long-termism, and consistently fuel high-quality development through technological innovation, digitization, and green development. In 2023, amidst a landscape of both opportunities and challenges, we adhere to the strategy of "customer first, excellent products, exploitation of market advantages, and precise operation", while upholding the core principle of sustainable development, to continually offer enhanced beauty solutions to our consumers.

Persistence in Scientific and Technological Innovation and Seizing the Future

As a forerunner in the cosmetics technology company in China, we firmly believe that technology holds the potential to revolutionize the world and reshape the industry. We have consistently dedicated ourselves to establishing a leading technological core competency and achieving autonomy in controlling core ingredients with unwavering determination. We have consecutively introduced exclusive ingredients such as "Type I + Type III triple helix recombinant collagen", "schizophyllan polysaccharide (SPG)", "supramolecular kapok", and core technologies including CelCaper® directional low-temperature cold extraction technology and C-PRO buckle reinforcement technology, inaugurating a new era in technological skin care. During the reporting period, we have launched supramolecular elastin, successfully registered our inaugural new raw material, "finger lime extract", completed the international registration of SPG raw materials, and surpassed the milestone of 500 patent applications, further augmenting our technological prowess.

Sound Governance Escorting the Development

Sound corporate governance serves as the foundation for enterprises to achieve long-term sustainable growth. We consistently refine our governance framework, enhancing risk mitigation measures and upholding ethical business practices. Furthermore, we embark on digital transformations, harnessing innovative technologies like big data and artificial intelligence to enhance the quality and efficiency of the product lifecycle management. Additionally, we strengthen information security infrastructure, fostering new productive capabilities and fueling the momentum of our corporate development. During the reporting period, our efforts were recognized by being selected for the List of Industrial Internet Pilot Demonstration Projects in 2023 by the Ministry of Industry and Information Technology, testament to our robust digital capabilities.

Green Development Protecting the Ecology

We are committed to the vision of "building a clean, efficient, low-carbon and circular green enterprise, achieving sustainable and green development". Aligning with the national carbon peak and neutrality strategic goals, we consistently invest in environmental protection management, climate change mitigation, resource conservation, emissions control, and green building initiatives. We continuously optimize our environmental management system, streamline production processes, and rigorously oversee the management of energy, resources, and emissions, striving towards a greener and more sustainable future. During the reporting period, Marubi successfully attained the ISO50001 energy management system certification, and the greenhouse gas emissions decreased by 2.68% year-on-year.

People-Oriented, Harmony, and Happiness

Marubi adheres to the people-oriented philosophy and strives to enhance HR system comprehensively, encompassing all facets of recruitment, employment, training, retention, and management. Our objective is to empower employees in their journey towards "growth, maturity, and achievements". We prioritize employee welfare, safeguard their health, and foster a workplace environment that is both nurturing and inclusive. Furthermore, we actively discharge social responsibilities and collaborate with diverse societal stakeholders to foster a harmonious society through educational donations and community engagement activities.

Continuous Progress Embracing a Promising Future

Time stands as the most objective recorder and the greatest author of our journey. Looking forward, we are filled with confidence that hard & core technology and "digital intelligence" will emerge as the core competitive edge for cosmetics enterprises. In 2024, we will continue to forge ahead, embracing a new era of innovation. Guided by the principles of long-termism, we will propel technological advancements, digital intelligence enhancements, and green and harmonious development. With firmer convictions, more pragmatic approaches, and a renewed spirit of innovation, we will persevere and collaborate with all stakeholders to shape a sustainable and bright future.

CEO of Marubi
Huaiqing Sun

About Marubi

Company Overview

Guangdong Marubi Biotechnology Co., Ltd. was established in 2002 and listed on the Shanghai Stock Exchange in 2019. The headquarter and factory are located in Guangzhou, China.

Marubi commits to the R&D, design, production and sale of cosmetics based on research on skin science and biological science. Its brands mainly cover the fields of anti-aging, functional skin care and make-up with differentiated brand positioning, to meet the needs of consumers of different ages and preferences. Following the principle of "using the best of the world to make the best of China", Marubi develops high-quality products based on the world's leading technologies, takes the long-termism strategy as the guiding direction, focuses on the mission of "technology-driven beauty and health", and adheres to the operation combining "technology + brand + digital intelligence", aiming to build a globally competitive cosmetics company.



MARUBI
Oriental Eye Care Expert

Marubi
Focus on eye care, and engaged in anti-aging research for 20 years

PASSIONAL LOVER

Passional Lover
Extremely minimalist, cutting-edge makeup foundation

春纪

Chunji
Food extract technology, suitable for sensitive skin

The Industrial Ecological Layout of Beauty and Health

谷雨
菜鸟和配方师

SMEAL **dearBOYfriend**
亲爱男友

永璞 **BaiTube**

参半 Canban **Kilala**
可啦啦

戴可思 **JOVS**

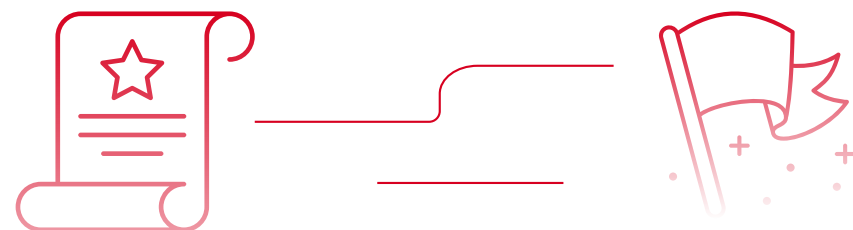
摩漾生物 **AMIRA**
MOYOM BIOTECHNOLOGY 美央创新科技

圣至润合
SRB

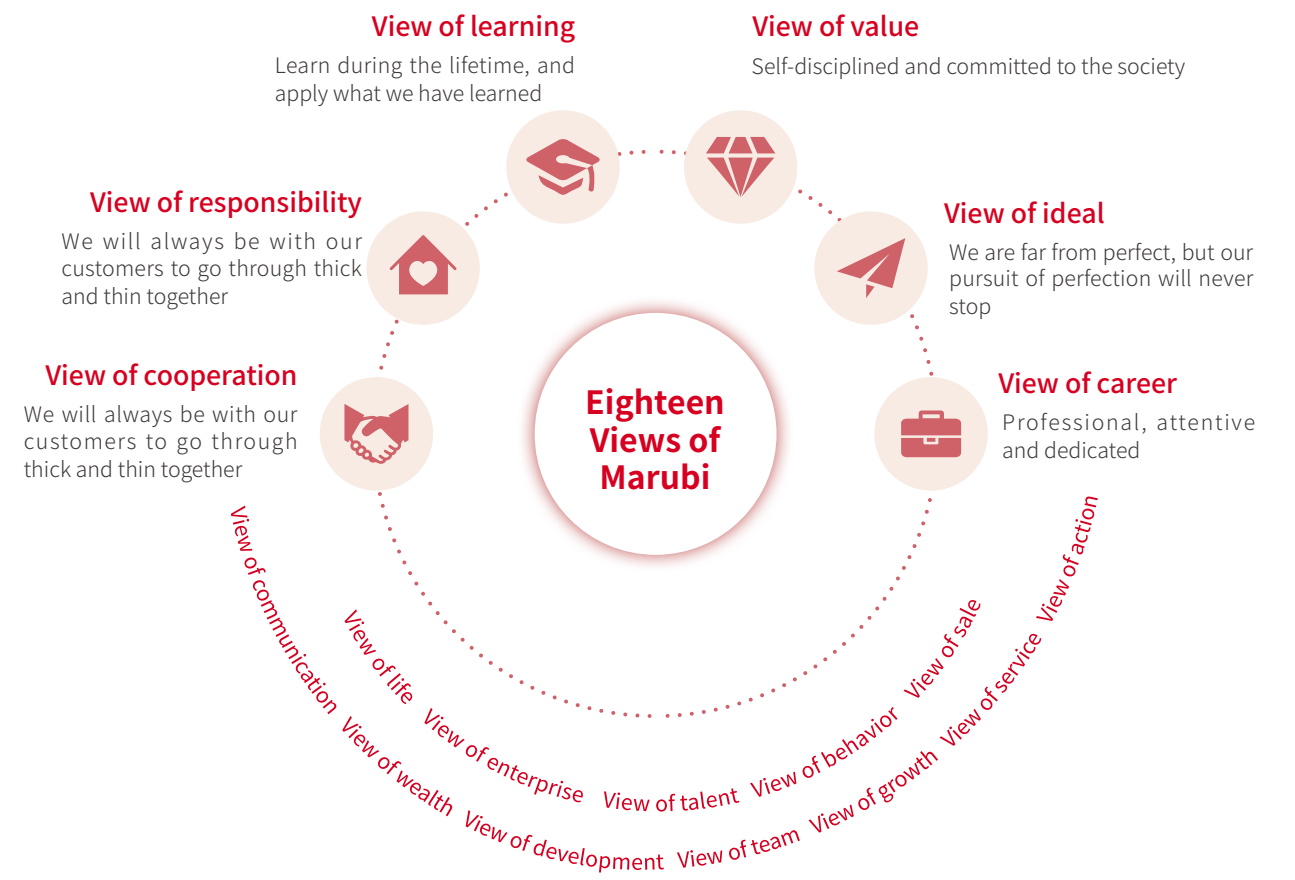


Qualifications and Honors

-  National High-Tech Enterprise
-  National Intellectual Property Demonstration Enterprise
-  CMA Qualification Certification
-  Guangdong Bio-Skincare Engineering Technology Research Center
-  Guangdong Industrial Design Center
-  Guangdong Enterprise Technology Center
-  Guangdong Excellent "Specialized and New" Small and Medium-sized Enterprise
-  China Patent Award - Four Excellence Awards
-  Guangzhou Headquarters Enterprise
-  Special Prize of Scientific and Technological Progress Awards of Guangdong Cosmetics Association
-  Guangzhou Post-Doctoral Innovation Practice Base
-  Guangzhou Green Factory
-  Guangzhou Excellent Cleaner Production Enterprise




Corporate Culture



Key Milestone


2014

The 5C center of nearly 50,000 square meters in Guangzhou Science City officially replaced the old factory and was put into use, including a R&D center, a manufacturing center, a training center, an information center and an art center, as well as the world's first-class workshops and manufacturing processes, with sophisticated production and R&D facilities imported from Japan, Germany, South Korea and other countries




2013

- Marubi was named as "Eye Care Master"
- A fund of the global luxury group LVMH invested in Marubi




2012

Marubi's third-generation Elastin Essential Day & Night Eye Essence was released, for which it was the first time to propose the concept of doing day and night skincare differently




2011

Marubi was awarded the title of high-tech enterprise for the first time (marking the beginning of a consecutive five-year streak of such distinctions)




2008

The "Better Care Fund" was officially established. Under this fund, for every bottle of product sold, RMB 0.1 will be donated to public welfare from the income, to support education in under-developed areas




2007

Marubi created a classic with its first generation Elastin Essential Eye Essence on the slogan "Bounce, bounce, bounce! Bounce off the crow's feet", which was upgraded to the fifth generation in 2018



2006

The brand Chunji emerged, positioned as "skin care products of natural ingredients"



2005


The total sales volume of Marubi eye care products exceeded one million units

2002

The brand of Marubi was born upon the establishment of the Company and the commencement of factory production


2023

Marubi achieved a significant milestone in channel transformation, transitioning from a primarily offline distribution-based sales model to one that is focused on online direct sales




2022

Marubi completed the building of Digitization 1.0 and a digital middle platform on all sides and achieved whole life cycle management including R&D, procurement, production, supply, market, and sales




2021

Marubi unveiled a recombinant humanized collagen, a collaboration with Jinan University and the National Engineering Research Center for Genetically Engineered Drugs, which was subsequently integrated into the Marubi Recombinant Collagen series




2020

Marubi proposed the product concept of two-in-one skin care X instrument, and launched a two-in-one skin care X instrument with black technology – Multiple Peptide Anti-wrinkle Eye Cream, marking the brand's further evolution towards rejuvenation and scientific technology




2019

Marubi's A-shares were listed on the main board of the Shanghai Stock Exchange, becoming the first eye cream public company in China




2018

MARUBI TOKYO Japanese Sake Age Renewal Fresh Serum, the first high-end line for imported Marubi Tokyo with the original packages was launched




2017

Marubi invested in Passional Lover (ultimately acquiring a 100% shareholding in 2019)



2015

- As a spokesperson of Marubi, Tony Leung Chiu Wai performed "Eye" emotionally, a three-minute phenomenal classic commercial, which won several awards
- Marubi established its subsidiary in Tokyo, launched a Sino-Japanese dual-core R&D center, and deployed a high-end line



Focusing on Eye Care and Engaging in Anti-aging

With profound market insight, Marubi has capitalized on the surging demand for anti-aging products. By leveraging cutting-edge raw materials and technological resources from both domestic and international sources, and adhering to a world-class business philosophy, the company has been steadfastly engaging in the anti-aging market, particularly focusing on eye care. Its relentless pursuit of unlocking the secrets of youthful skin has enabled it to offer consumers increasingly precise and effective beauty enhancement solutions.

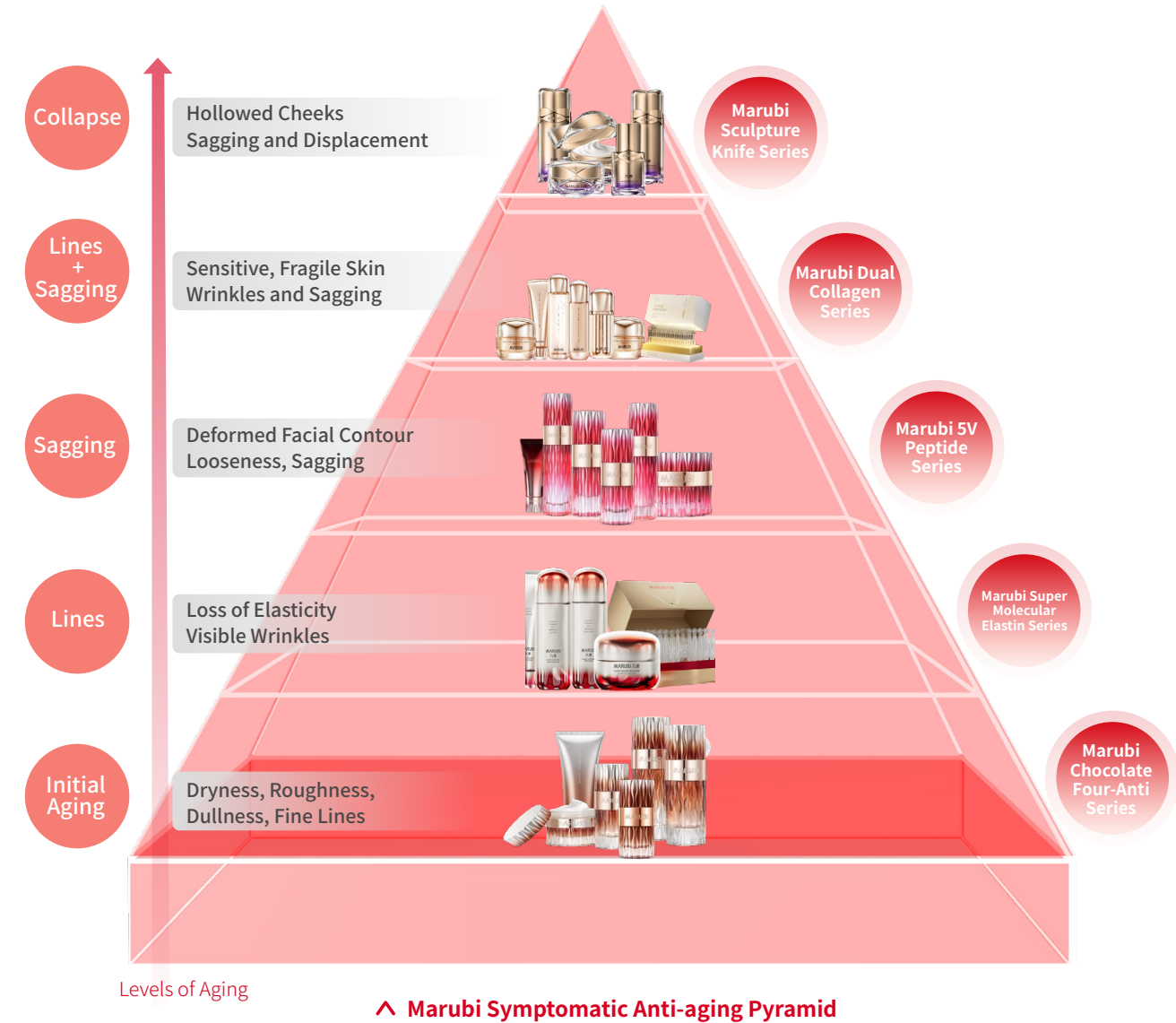
• Oriental Eye Care Expert

Deeply attuned to the allure of oriental eyes, Marubi specializes in the R&D of eye care products tailored for oriental women. Up to now, Marubi has introduced nearly 100 eye care products, encompassing eye creams, eye essences, eye masks, and more, earning it the esteemed title of "Eye Care Master".



• Anti-aging Master


Marubi exclusively introduces the groundbreaking theory of "targeted anti-aging". We have comprehensively designed a range of anti-aging products specifically tailored to address phenotypic initial aging, pillar-type degradation aging, endogenous degradation aging, and structural root aging. These products are meticulously crafted to accurately target and cover the diverse layers and symptoms exhibited by different groups, ensuring a comprehensive approach to anti-aging.





Marubi in 2023

Key Performance

Economy

 <p>Revenue</p> <p>2,226 RMB million</p>	<p>YoY growth of revenue</p> <p>28.52 %</p>
 <p>Net profit attributable to shareholders of the Company</p> <p>259 RMB million</p>	<p>YoY growth of net profit attributable to shareholders of the Company</p> <p>48.93 %</p>
 <p>Total assets</p> <p>4,454 RMB million</p>	<p>Net assets attributable to shareholders of the Company</p> <p>3,347 RMB million</p>
 <p>R&D investment</p> <p>62,287.6 RMB'000</p>	<p>Proportion of R&D personnel</p> <p>8.45 %</p>
 <p>Number of newly authorized patents</p> <p>64</p>	<p>Number of valid patents per million of revenue</p> <p>0.12</p>
 <p>Total cash dividend of 2022</p> <p>100 RMB million</p>	<p>Proportion of dividend to the net profit attributable to shareholders of the Company</p> <p>57.55 %</p>
 <p>Tax amount</p> <p>239 RMB million</p>	

Environment

 <p>Energy efficiency</p> <p>41.13 Tons of standard coal/RMB 100 million of revenue</p>	<p>Total greenhouse gas emissions</p> <p>2,633.70 tCO₂e</p>
 <p>Wastewater emission intensity</p> <p>0.05 Ton/ RMB 10,000</p>	<p>Water resource efficiency</p> <p>0.24 Ton/ RMB 10,000</p>

Social Indicator

 <p>Proportion of female employees</p> <p>67.12 %</p>	<p>Amount of investment in social welfare</p> <p>1.50 RMB million</p>
 <p>Satisfaction rate of online mall customer service</p> <p>92 %</p>	<p>Online shopping mall logistics efficiency increased YoY</p> <p>12.41 %</p>
 <p>Total hours of employee training</p> <p>29,081 Hour(s)</p>	

Note: The caliber of environmental statistics is 5C Center.

Honors and Awards in 2023

Key Qualifications

<p>★★★★</p> <p>Guangdong Excellent "Specialized and New" Small and Medium-sized Enterprise(Guangdong Marubi)</p> <p>Guangdong Department of Industry and Information Technology</p>	<p>★★★★</p> <p>Guangdong Excellent "Specialized and New" Small and Medium-sized Enterprise(Guangzhou Marubi)</p> <p>Guangdong Department of Industry and Information Technology</p>	<p>★★★★</p> <p>National High-Tech Enterprise(Renewal Evaluation)</p> <p>Guangdong Department of Science and Technology, Guangdong Department of Finance, Guangdong Taxation Bureau of the State Administration of Taxation</p>
<p>★★★★</p> <p>Guangzhou Post-Doctoral Innovation Practice Base</p> <p>Guangzhou Municipal HR and Social Security Bureau</p>	<p>★★★★</p> <p>Guangdong Industrial Design Center (Marubi Cosmetics Industrial Design Center)</p> <p>Guangdong Department of Industry and Information Technology</p>	<p>★★★★</p> <p>Guangdong Key Trademark Protection List (Chunji)</p> <p>Guangdong Trademark Association</p>
<p>★★★★</p> <p>Guangzhou Customized City - Cultivating Demonstration Enterprise</p> <p>Guangzhou Municipal Bureau of Industry and Information Technology</p>	<p>★★★★</p> <p>Guangzhou Headquarters Enterprise</p> <p>Guangzhou Municipal Development and Reform Commission</p>	

Technology & Product Innovation

<p>★★★★</p> <p>The 24th China Patent Award for Excellence in Innovation (a Paste Cosmetic Packaging Device)</p> <p>National Intellectual Property Administration</p>	<p>★★★★</p> <p>Guangdong Famous and Excellent High-tech Product Recognition (for Chocolate Skin Care Products, Whitening and Sunscreen Skin Care Products, and Beauty Cosmetics (Base Category))</p> <p>Guangdong High-tech Enterprise Association</p>	<p>★★★★</p> <p>ICIC Scientific and Technological Innovation Anti-aging Product Award - Marubi Multi-peptide Firming and Wrinkle Reducing Eye Cream</p> <p>ICIC International Cosmetics Congress</p>
<p>★★★★</p> <p>Special Prize of Scientific and Technological Progress Awards of Guangdong Cosmetics Association - Marubi Recombinant Collagen Skin Care Products</p> <p>Guangdong Cosmetics Association</p>	<p>★★★★</p> <p>2023 Outstanding Product Innovation</p> <p>Jingchao Award</p>	<p>★★★★</p> <p>Golden Spike Award for 2022 Innovation Product - Marubi Recombinant Collagen Disposable Essence</p> <p>Guangdong Cosmetic Science and Technology Research Association</p>

ESG Awards

<p>★★★★</p> <p>2023 Guoxin Cup · ESG Golden Bull Award Top 100</p> <p>China Listed Company High-quality Development Forum</p>	<p>★★★★</p> <p>2023 Excellent Case of ESG Environmental Protection in the Flavor, Fragrance, and Cosmetics Industry</p> <p>China Flavor, Fragrance, and Cosmetics Industry Association</p>	<p>★★★★</p> <p>2023 Enterprise Award for Promoting High-quality Social Development - Outstanding Award</p> <p>Guangdong Federation of Industry and Commerce</p>
<p>★★★★</p> <p>2023 Annual ESG Sustainable Development Innovation Pioneer Enterprise</p> <p>Southern Metropolis Daily</p>	<p>★★★★</p> <p>Contribution Award for Social Construction</p> <p>Guangzhou Huangpu District Social Construction Promotion Association</p>	
<p>★★★★</p> <p>The Third "Sustain 100 Sustainable Fashion Creative List" Green Technology - Digital Innovation</p> <p>WWD CHINA</p>	<p>★★★★</p> <p>Green Innovation and ESG Sustainable Development Conference - 2023 Best ESG Practice Award for Listed Companies</p> <p>Value Online (Easy board)</p>	

Investor Relations

<p>★★★★</p> <p>Outstanding Practice Award for the 2022 Annual Report Earning Release of Listed Companies</p> <p>China Association for Public Companies</p>	<p>★★★★</p> <p>2023 Listed Company Award - Best Investor Relations Company</p> <p>Judongmi</p>
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Brand & Product Recognition

<p>★★★★</p> <p>Guangdong High-Quality Cosmetics (Guangdong Premium Cosmetic Selection)- Marubi Multi-peptide Firming and Wrinkle Reducing Eye Cream</p> <p>Guangdong Medical Products Administration Society</p>	<p>★★★★</p> <p>Guangdong High-Quality Cosmetics (Guangdong Premium Cosmetic Selection)- Marubi Elastin Eye Essence</p> <p>Guangdong Medical Products Administration Society</p>	<p>★★★★</p> <p>Guangdong High-Quality Cosmetics (Guangdong Premium Cosmetic Selection) - Marubi Retinol Firming and Wrinkle Reducing Eye Cream</p> <p>Guangdong Medical Products Administration Society</p>	<p>★★★★</p> <p>2023 New Cosme Awards - Leading Brand 2022-2023 Super Hit Product - Multi-peptide Skin Firming and Wrinkle Reducing Eye Cream</p> <p>C2CC media X New Cosme</p>	<p>★★★★</p> <p>2023 Annual Star Listed Company</p> <p>Cosmetics Newspaper</p>	<p>★★★★</p> <p>2023 Annual Highlight Brand</p> <p>Vipshop Holdings</p>
<p>★★★★</p> <p>Guangdong High-Quality Cosmetics (Guangdong Premium Cosmetic Selection)- Marubi Recombinant Collagen Disposable Essence</p> <p>Guangdong Medical Products Administration Society</p>	<p>★★★★</p> <p>2023 China Cosmetics Blue Rose Award - Annual Influential Listed Company</p> <p>China Cosmetics Congress</p>	<p>★★★★</p> <p>2023 Brand Quality Award</p> <p>Guangdong Cosmetic Industry High-quality Development Conference</p>	<p>★★★★</p> <p>2023 Business Creativity Award</p> <p>ROI Festival</p>	<p>★★★★</p> <p>2023 Effect Marketing Gold Award</p> <p>Top Digital</p>	<p>★★★★</p> <p>2023 Annual Brand Marketing Award</p> <p>Tiktok E-commerce Golden Marketing Award</p>

ESG Management

Marubi guided by the principle of "becoming an excellent enterprise, but more importantly, becoming an excellent corporate citizen", has successfully established a thorough and comprehensive ESG management system, alongside a governance framework that places ultimate responsibility on its Board of Directors, practicing ESG concepts from top to bottom in operations, thereby strengthening the foundation for sustainable corporate growth. Furthermore, throughout its developmental journey, Marubi remains attuned to the pivotal demands of all stakeholders, integrating them seamlessly into its strategic planning for corporate advancement. This ensures the consistent creation of long-term value for shareholders, customers, employees, and all other relevant parties.

ESG Management Structure	Responsibilities
Board of Directors	<ul style="list-style-type: none"> Authorizes the strategic committee under the board of directors to be responsible for specific ESG matters. Takes full responsibility for the Company's ESG strategy and implementation.
Strategy Committee	<ul style="list-style-type: none"> Develops the ESG vision, strategy, and goals, oversees their implementation, regularly reviews the achievement of these goals, and reports to the Board of Directors with recommendations.
ESG Implementation Committee	<ul style="list-style-type: none"> Allocates resources to support the implementation of ESG work, evaluates the effectiveness of ESG efforts, and regularly reports to the strategy committee with suggestions.
Environmental Team, Social Team, Governance Team	<ul style="list-style-type: none"> Clarifies ESG goals, arranges and implements the coordination of ESG work, oversees the specific implementation of ESG tasks, reports on the progress of work to the ESG Executive Committee, and provides suggestions.



^ ESG Governance Structure

Stakeholder Communication

Marubi takes a positive attitude to check the impact of the operation on various stakeholders, establishing a comprehensive and efficient communication and feedback framework. Furthermore, we foster strong relationships with stakeholders, striving for collaborative growth and mutual prosperity for all parties involved.

Stakeholder	Issues	Communication and Response
 Government and regulatory authorities	<ul style="list-style-type: none"> Business ethics Corporate governance Risk management Emission and waste management Water resource management Energy management Green packaging 	<ul style="list-style-type: none"> Institution research Official correspondence Policy implementation Information disclosure
 Stockholders and investors	<ul style="list-style-type: none"> Corporate governance Sustainable development management Addressing climate change Intellectual property protection Risk management Business ethics R&D and innovation 	<ul style="list-style-type: none"> General Meeting of Shareholders Information disclosure Investor hotline Roadshow
 Consumers	<ul style="list-style-type: none"> Product quality and safety Chemical safety and ingredient transparency High-quality customer service Information security and privacy protection Responsible marketing 	<ul style="list-style-type: none"> Quality management Customer service Satisfaction survey
 Employees	<ul style="list-style-type: none"> Compliance in employment and employee rights protection Occupational health and safety Employee training and development Competitive compensation and benefits Employee care 	<ul style="list-style-type: none"> Internal communication platform Employee appraisal and promotion Employee training
 Suppliers/distributors	<ul style="list-style-type: none"> Sustainable supply chain Business ethics Intellectual property protection Risk management 	<ul style="list-style-type: none"> Supplier management Green procurement
 Cooperation organizations <small>(Public welfare organizations and research institutions, and so on)</small>	<ul style="list-style-type: none"> Product quality and safety Intellectual property protection R&D and innovation Responsible marketing 	<ul style="list-style-type: none"> Investigation and visit Technical exchange Regular meeting
 Industry associations	<ul style="list-style-type: none"> Promoting industry development R&D and innovation Product quality and safety 	<ul style="list-style-type: none"> Industry forum Exchange and mutual visit
 Public and community	<ul style="list-style-type: none"> Community contribution and charity Emission and waste management Addressing climate change Green packaging Biodiversity conservation 	<ul style="list-style-type: none"> Community activity Voluntary service

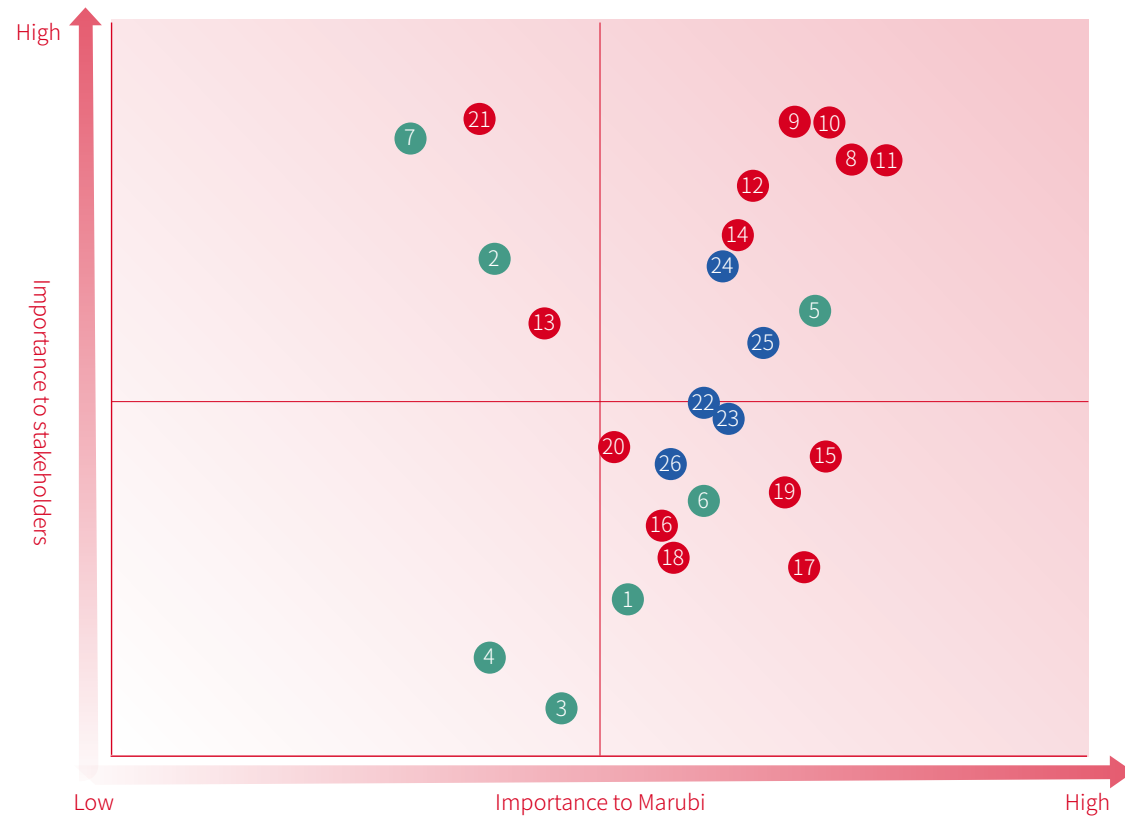
Analysis of Material Issues

Marubi engages in the identification and analysis of material issues, drawing upon strategic planning, industry trends, stakeholder expectations, international norms, and best practices within our industry. For the key issues identified, the Company establishes tailored management objectives and strategies, presents comprehensive responses in our annual report, and strives to continually advance the company's sustainable development.

Analysis Process for Material Topics of Marubi



- Identify a list of ESG issues relevant to Marubi by considering the ESG background (geographical location, business activities, business relationships), standard policies, industry practices, and expert opinions.
- Adopt the dual-importance principle to design survey questionnaires and invite key internal and external stakeholders to complete online or offline surveys, rating the importance of the ESG material issues.
- Analyze survey feedback and scoring results, and develop a material issue matrix by considering the impact of issues on both the sustainable development of Marubi and its stakeholders.
- The ESG Implementation Committee reviews and acknowledges the highly important issues, reports them to the Board of Directors, and provides prominent disclosure in the annual ESG report.



Environment	Society	Governance
1 Environmental protection management	8 Product quality and safety	22 Corporate governance
2 Addressing climate change	9 R&D and innovation	23 Risk management
3 Energy management	10 Superior customer service	24 Business ethics
4 Water resource management	11 Chemical safety and ingredient transparency	25 Intellectual property protection
5 Green packaging	12 Information security and privacy protection	26 Sustainable development management
6 Emission and waste management	13 Sustainable supply chain	
7 Biodiversity conservation	14 Responsible marketing	
	15 Employment compliance and employee rights protection	
	16 Employee training and development	
	17 Competitive compensation and benefits	
	18 Employee care	
	19 Occupational health and safety	
	20 Promoting industry development	
	21 Community contribution and charity	

Contribution to United Nations Sustainable Development Goals (SDGs)

Marubi aims to become a globally competitive brand, integrating ESG concepts into business operations to achieve sustainable development management, and actively contributing to achievement of UN SDGs.

SDGs	Marubi's action in 2023	Chapters and Sections
	<ul style="list-style-type: none"> Marubi cares about the physical and mental health of employees and carries out comprehensive occupational hazards monitoring every year. All employees take physical examination and safety training. 	Safeguarding Health and Safety through Secure Production Practices
	<ul style="list-style-type: none"> To promote the education development, Marubi has been giving long-term supports to Chongqing University of Technology and educators and has donated RMB1.4 million as student grants. 	Gratitude to Society and Fostering Community Prosperity
	<ul style="list-style-type: none"> Marubi always advocates and adheres to gender equality, employment diversity and other concepts, and strives to create a fair, respectful and diverse working environment. Female employees account for 67.12%, with women holding 25% of senior management positions. Marubi celebrate Women's Day annually on March 8th to demonstrate dedication to the welfare of female employees. During the reporting period, Marubi established a nursing room to cater to the convenience of postpartum mothers. 	Promoting Equity and Diversity for Employee Rights and Interests
	<ul style="list-style-type: none"> Marubi improves the building of the factory sewage treatment station, reduces waste water discharge, actively carries out water-saving projects to improve the comprehensive utilization efficiency of water resources. During the reporting period, the emulsification pot's cooling system underwent a transformation to incorporate a recirculation mechanism. This innovation allowed for the reuse of emulsification cooling water, resulting in a daily water usage reduction of 165m³. 	Environmentally Friendly and Resource Conservation
	<ul style="list-style-type: none"> A photovoltaic power station was erected atop the factory roof. During the reporting period, roof-mounted photovoltaics achieved an installed capacity of 660.06 KW, generating a total of 602,098 kWh of electricity. 20,910 kWh was supplied to the power grid, whereas 581,188 kWh was utilized internally. This significant energy usage reduction translated into a self-imposed reduction of carbon dioxide emissions by 274.03 tons. 	Low-Carbon Transformation to Address Climate Change
	<ul style="list-style-type: none"> Marubi respects the employees' rights and interests, establishes a comprehensive salary and welfare system and provides a diverse growth platform, creating an inclusive and comfortable workplace environment. Forced labor and child labor are prohibited. 	Promoting Equity and Diversity for Employee Rights and Interests
	<ul style="list-style-type: none"> Marubi emphasizes investment in R&D, establishes a global open partnership system, and engages in interdisciplinary practice and makes creative breakthroughs. As of the end of the reporting period, Marubi boasted a team of 93 full-time internal technical experts, with 29.03% possessing a master's degree or higher qualifications. Furthermore, Marubi had secured the collaboration of 105 external scientists, among them Bernard Meunier, a renowned member of the French Academy of Sciences and former president of the French National Research Council. Mr. Meunier holds the positions of Chief Scientific Advisor and Chairman of the Academic Committee of Scientists within our organization. During the reporting period, Marubi invested RMB 62.2876 million in R&D, representing 2.80% of revenue. 	Leading with Technology and Decoding the Beauty of Diversity
	<ul style="list-style-type: none"> Adhering to the principle of open recruitment, fair competition and merit-based employment, Marubi insists on equal employment and opposes all forms of employment discrimination. During the reporting period, Marubi employed 17 ethnic minority individuals and 4 disabled workers. 	Promoting Equity and Diversity for Employee Rights and Interests Enriching Workplace Experiences with Intimate Care
	<ul style="list-style-type: none"> Marubi emphasizes interaction and communication with consumers, carries out marketing activities in principle of responsibility, and advocates rational consumption and scientific skin care. During the reporting period, Marubi followed up with the customers regarding Marubi's products and Passional Lover foundation liquid and integrated their feedback into the product enhancement plan. Marubi follows the concept of green procurement, purchases and uses the raw materials that possess green certifications, such as Cosmos and FSC, and adheres to sustainable development standards, including those set forth by the Roundtable on Sustainable Palm Oil (RSPO) and the Nagoya Protocol. Marubi expands gradually the scope of ESG audits within its supply chain to encompass a broader array of suppliers. 	Delivering Exceptional Service and Upholding the Promise of Beauty Collaborating with Partners to Folster a Beautiful Ecosystem
	<ul style="list-style-type: none"> Marubi explores synthetic biology and green manufacturing technology to pursue green and low-carbon development. Marubi actively promotes energy-saving technology transformation, reduces emissions of three wastes (i.e., waste gas, waste water and waste solid), and integrates environmental protection concepts into daily operations. During the reporting period, Marubi successfully implemented energy-saving retrofit projects, resulting in an annual electricity savings exceeding 545,048.65 kWh and a reduction in carbon dioxide emissions by over 256.99 tons. 	Leading with Technology and Decoding the Beauty of Diversity Low-Carbon Transformation to Address Climate Change
	<ul style="list-style-type: none"> Marubi prohibits any form of corruption and bribery, requests all relevant parties to sign a commitment letter on integrity and self-discipline, and strengthens the promotion of integrity and self-discipline awareness. During the reporting period, Marubi conducted 4 anti-corruption training sessions, covering all employees. 	Operating with Integrity and Adhering to Business Ethics

Theme Spotlight
Empowering Resilient Growth with Digital Intelligence

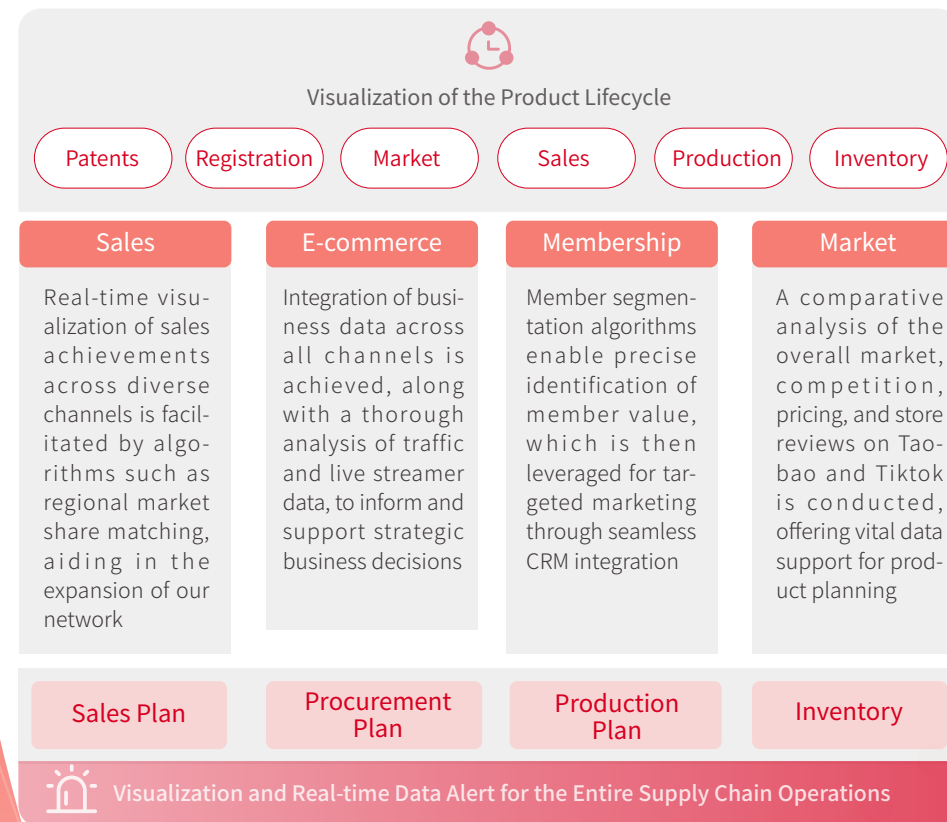


In 2023, the world witnessed the rapid popularity of Chat GPT on a global scale. The new generation of artificial intelligence, represented by generative artificial intelligence, is leading a new round of technological revolution and industrial transformation at an unprecedented speed, breadth, and depth, reshaping the development model of the economy and society, and injecting new momentum into various industries. Embracing these profound changes, Marubi leverages the industrial internet platform to gather lifecycle data for its products. Within the framework of a comprehensive digitization strategy, Marubi prioritizes intelligent decision-making, efficiency enhancement, and cost reduction in its digital transformation efforts. With a resolute digital focus, Marubi elevates its brand's high-end and youthful positioning, using digital transformation to strengthen every aspect of its product lifecycle - from R&D to innovation, production, and sales. This approach cultivates new productive forces, driving Marubi towards high-quality development.



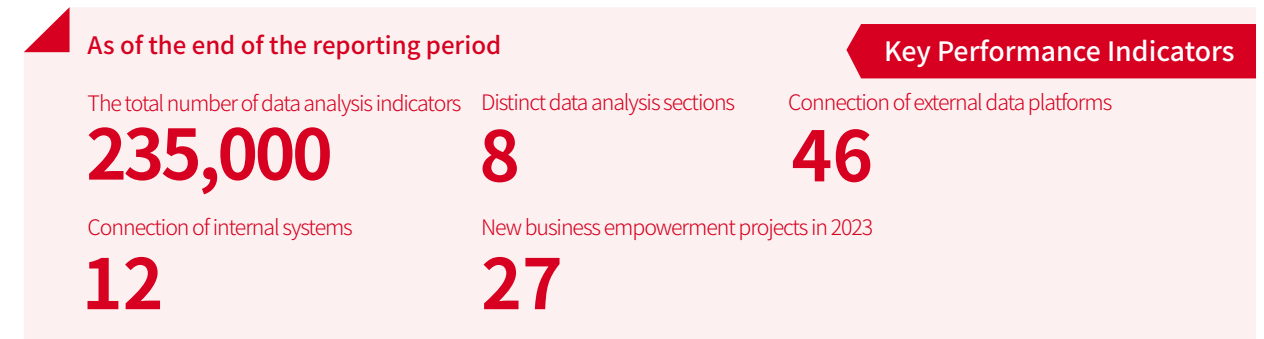
"Four Verticals and Two Horizontals": Forging a Novel Paradigm for Digital Intelligence Development

Marubi innovatively introduces the "Four Verticals and Two Horizontals" digital development model, a strategy that integrates two horizontal axes with four vertical axes. This model aims to empower the digital upgrading of the entire business chain.



Leveraging Data for Enterprise Governance to Establish a Robust Digital Foundation

Committed to fostering the seamless integration and interoperability of information and data throughout its various business processes, Marubi aims to achieve the shortest path and fastest response in the consumer-centered value chain. This endeavor is driven by the digitization of operational scenarios, enabling the company to deliver superior products and services to its customers. Since officially commencing its digital transformation in 2020, Marubi has successfully established a comprehensive digital mid-platform from accumulating data assets to visualizing data and empowering intelligent analysis and decision-making in various business processes, marking a significant leap from informatization to intelligent.



Digital and Intellectual Upgrade to Boost Efficiency throughout the Entire Chain

Leveraging a comprehensive digital management platform that encompasses the entire product lifecycle spanning R&D, procurement, production, supply, market, and sales, Marubi has harnessed advanced technologies including deep learning, knowledge graphs, and natural language processing to devise a suite of intelligent analysis tools tailored to specific business scenarios. These tools offer profound big data insights into each stage of business operations, furnishing real-time and precise data support for decision-making. Consequently, Marubi's organizational chain becomes more agile and intelligent, enabling it to deliver satisfying products and services to consumers.

Key Qualifications & Honors

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Listed in the 2023 Pilot Demonstration Program for Industrial Internet by the Ministry of Industry and Information Technology of China

Obtained the Certificate of Evaluation for the Integrated Management System Combining Industrialization and Informatization

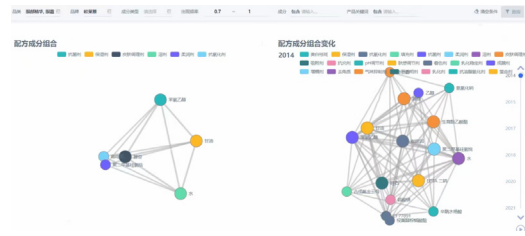


R&D and Innovation

Marubi aims to establish a "smart brain" capable of driving R&D and innovation by digitizing and enhancing the intelligence of crucial processes, encompassing patent search and analysis, product registration analysis, analysis of new product R&D trends, formula analysis, literature search and analysis, and patent trend alerts. This significantly boosts the quality and efficiency of innovative R&D efforts in raw materials, formulas, and technologies, thereby contributing to the strengthening of the company's technological prowess.

Case Study AI Large Model for Formulas - Ushering in the AI Era of Cosmetic R&D

By leveraging comprehensive data capture and deep learning techniques on existing cosmetic formula information spanning the internet and the entire market, the AI large model for formulas is able to automatically generate new product formulas based on demand.

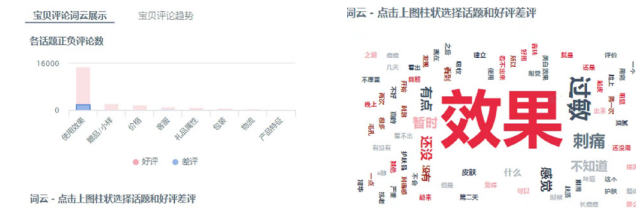


Product Development

Leveraging real-time capture and analysis of public big data, Marubi achieves digitization and intelligence in various areas including channel-category-audience matching, consumer demand mining, sales validation, competitor research, pricing strategy, and advertising strategy. This approach enables a more scientific and efficient method for product development and iteration, ultimately delivering more precise, safer, and satisfying product solutions to consumers.

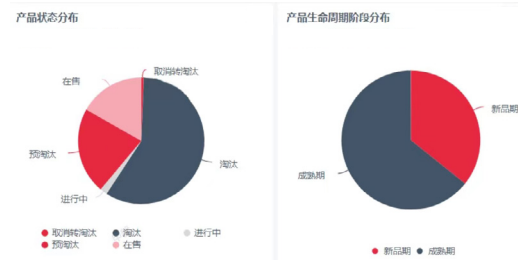
Case Study Enhancing Consumer Experience through Digital Intelligence Insights

By capturing real-time consumer reviews across the internet and the entire market for a specific product, Marubi employs text mining algorithms to sift through comments on usage effects, focusing particularly on negative feedback. This process pinpoints areas for product improvement, ensuring that product development and iteration are more aligned with consumer needs, thereby continuously enhancing consumer satisfaction.



Marketing and Sales

- **Commodity Operation:** Marubi digitizes crucial processes, including omni-channel product overview, inventory management, trial assembly ratio control, stocking conditions, and product lifecycle performance. By automating analysis and creating dashboards, Marubi provides commodity operation personnel with valuable big data insights, enabling precise and efficient commodity operation strategies.
- **E-commerce Platform:** Marubi digitizes, automates, and presents dashboards for key online business processes, such as omni-channel performance analysis, operational insights from T-mall flagship stores, live streaming data analysis, and e-commerce finance. These efforts effectively enhance the online consumer product purchase experience, driving sales and satisfaction.
- **CS (Cosmetic Shop) Channel:** Marubi has established a comprehensive digital integration platform that covers the entire process, from shipment origination at the CS channel company, through cloud warehouse operations, to store shipments and terminal retail. Automation and dashboard creation for CS channel performance and member operation analysis empower the digital transformation of the CS channel, enhancing the consumer experience and driving business growth.



Product Production

Marubi continuously enhances and upgrades its MES (Manufacturing Execution System), harnessing automation and intelligent technology to achieve intelligent workshop manufacturing control, transparent production processes, digitalized production equipment, and integrated production information, aiming to create a smart factory that optimizes efficiency and productivity.

Procurement Management

Marubi leverages its data platform to automatically analyze various aspects, including product demand, APS (Advanced Planning and Scheduling), procurement situation, production status, raw material, and finished product inventory data. This analysis provides visual data that supports scientific decision-making in supply chain procurement, enabling Marubi to establish a flexible supply chain.

Logistics and Distribution

Marubi has successfully digitized its product inventory management, logistics, and distribution processes, automating and visualizing key metrics such as overall product inventory, inventory turnover, insights into product suite inventories, sales trends, shelf-life analysis, and stagnation analysis through dashboards. Furthermore, Marubi has forged collaborations with top-notch third-party logistics partners to consistently enhance the efficiency of its distribution network.

AI Empowering Consumers for Scientific Purchases

Capitalizing on its expertise in eye care, Marubi has introduced a care app equipped with AI skin testing capabilities, tailored to address consumers' skin care needs. This app facilitates a seamless online experience for users, encompassing appointment scheduling, setting care reminders, AI skin testing, and service evaluation mechanisms. Through the AI skin testing feature, consumers can undertake comprehensive analysis of their skin condition and receive tailored anti-aging skin care plans and intelligent product recommendations based on their skin type, thus enabling them to make more scientific and precise skin care decisions.



AI Skin Testing

Robust Operation and Building a Sustainable Beauty Power

Committed to adhering to compliant operational principles, Marubi continuously optimizes its corporate governance structure, strictly adhering to business ethics, enhancing information security management, and elevating the overall value of the company. This ensures a solid foundation for Marubi's sustainable and healthy development, safeguarding shareholders' rights and interests in the long term.

Marubi's Actions:

- Solidifying corporate governance
- Intensifying risk management
- Implementing ethical business practices
- Securing information security

Contributing to the SDGs



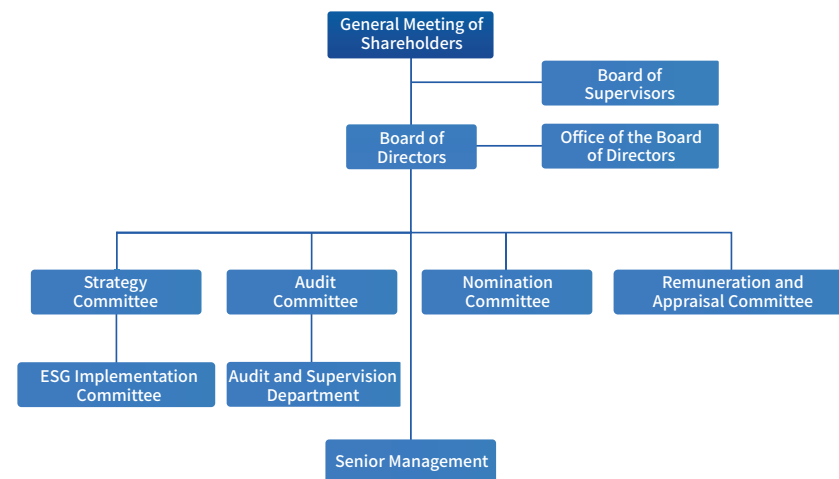
Enhancing Governance and Solidifying Development Foundations

Marubi remains dedicated to enhancing its corporate governance, bolstering investor relations management and information disclosure, and safeguarding shareholders' rights and interests, aiming to creating sustainable financial value for investors, fostering long-term growth and prosperity.

Board Structure and Governance

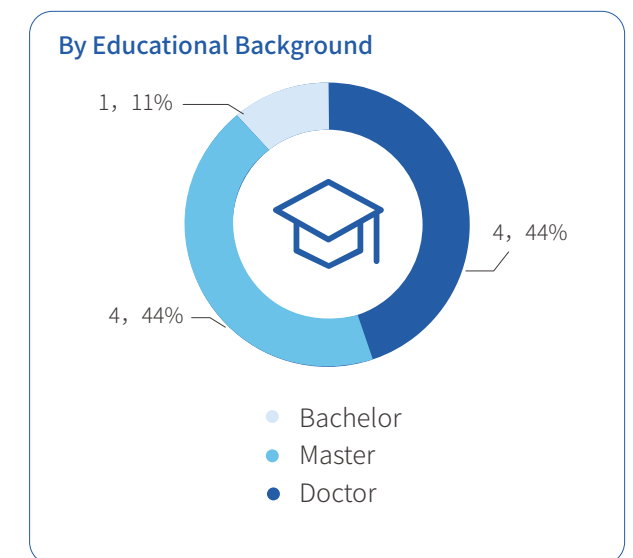
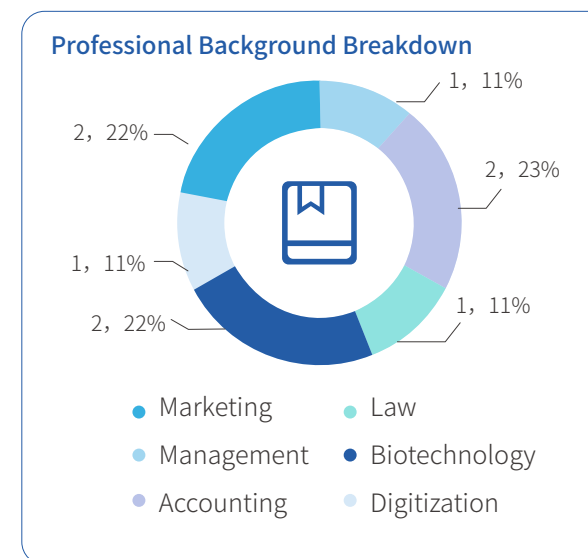
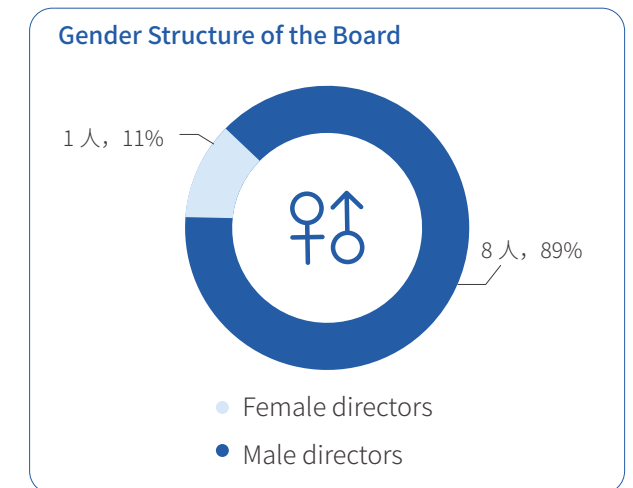
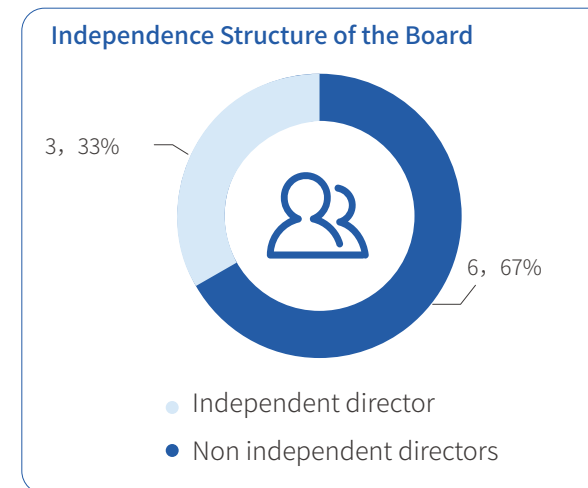
Marubi continually enhances the standardization of its operations and corporate governance structure in alignment with various laws and regulations, including the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Listing Rules of the Shanghai Stock Exchange*, and the *Governance Code for Listed Companies* and follows the directives set by the China Securities Regulatory Commission and the Shanghai Stock Exchange.

Marubi's governance structure comprises the General Meeting of Shareholders, the Board of Directors, and the Board of Supervisors, all operating in strict compliance with regulations. The Board of Directors has four specialized committees, namely the Strategy Committee, the Audit Committee, the Remuneration and Appraisal Committee, and the Nomination Committee, to ensure clarity in roles and responsibilities, scientific decision-making, mutual checks and balances, and coordinated efforts. This structure provides robust support for daily operations, management, and decision-making on crucial matters. During the reporting period, the attendance rate of Board meetings, supervisory board meetings, and specialized committee meetings all reached 100%.



^ Corporate Governance Structure

Marubi adheres strictly to the corresponding selection and appointment procedures outlined in the *Company Law* and its *Articles of Association* when electing directors. Marubi actively promotes the diversification of the board in terms of independence, gender, and professional background. Currently, the Board of Directors is composed of 9 directors with outstanding educational qualifications, enabling the board to make scientifically informed decisions effectively.



^ Board Diversity

During the reporting period, Marubi held			Key Performance Indicators	
Number of general meeting of Shareholders Meeting	Number of meeting of the Board of Directors	Number of meeting of the Board of Supervisors	Number of meeting of the Strategy Committee	Number of meeting of the Remuneration and Appraisal Committee
2	4	3	2	1
Number of meeting of the Strategy Committee	Number of meeting of the Audit Committee	Number of meeting of the Nomination Committee		
2	4	2		

Investors' Rights and Interests Protection

Marubi places significant emphasis on investor relations, establishing the Investor Relations Management System to engage promptly and proactively in information communication efforts. It actively disseminates company information to the capital market and investors through diverse methods and channels, thereby effectively safeguarding the rights and interests of investors and cultivating a good image within the capital market.

Communication Channels	Communication Initiatives
Investor Hotline and Email	Diligently responding to every incoming call and email on our investor hotline, ensuring a 100% response rate
Onsite or Virtual Communication	Accommodating investors' on-site visits for research purposes and organize regular earning release conferences
General Meeting of Shareholders	Holding 2 General Meeting of Shareholders, offering an online voting platform to ensure small and medium-sized investors to exercise their rights and participate actively in the company's decision-making process
SSE online interaction	100% response rate to investors' inquiries
Investor Relations Column	A dedicated "Investor Relations" column, where relevant company information is updated in real-time to keep investors informed

Honors during the reporting period:

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Awarded the Excellent Practice Award for the 2022 Annual Report Earning Release of Listed Companies by the China Association for Public Companies

Named the Best Investor Relations Company in the 2023 Listed Company Awards issued by Judongmi

Information Disclosure Management

Marubi adheres strictly to pertinent laws, regulations, as well as its *Articles of Association* and the *Company Information Disclosure Management System*, ensuring effective compliance with its information disclosure obligations, ensuring that all disclosed information is truthful, precise, comprehensive, timely, and equitable, thereby enhancing the quality and standard of the information disclosure practices. Furthermore, Marubi maintains strict compliance with insider trading regulations, implementing a *Registration and Management System for Insider Information* to bolster the confidentiality of insider information. This measure effectively prevents any illegal or unethical activities, such as insider trading, while safeguarding the principles of transparency, fairness, and impartiality in information disclosure. Additionally, to standardize the decision-making process for related-party transactions, Marubi has established a *Related-Party Transaction Management System* that explicitly outlines the review, avoidance, and decision-making framework for such transactions. Through these regulations, the company safeguards the legitimate rights and interests of all shareholders. During the reporting period, Marubi has remained free from any regulatory sanctions related to information disclosure violations.

Key Performance Indicators

During the reporting period

Marubi disclosed

78 announcements

Strict Adherence to Fundamental Principles and Reinforcement of Risk Barrier

Marubi has set up the Audit and Supervision Department which is under the management of the Board With three functions in total, namely internal control, audit, and supervision, the Department provides an all-around supervision management system to the business at all levels. Marubi has built an effective risk and internal control management system in accordance with relevant laws, regulations, and internal requirements such as the *Audit and Supervision System*, the *Supervision Management System*, and the *Internal Audit System*.

Continuously Fine-tunes Internal Control System



- Marubi reviews its internal control procedures every year and evaluates their effectiveness to improve its internal control system. During the reporting period, Marubi conducted the assessment and revision of its systems, resulting in the revision and update of **59** existing systems and the establishment of **13** new systems, to elevate the level of internal control management.
- Marubi conducts annual reviews and revisions of its systems to align them more closely with its business operations. This includes the optimization of OA processes to align with the strategic objectives. Additionally, Marubi sorts out and evaluates its OA approval processes to uphold the compliance of business approvals. During the reporting period, the Company successfully improved and established **137** new OA processes, while re-categorizing and standardizing **10** authorization systems.



Strict Audit Supervision



- Adhering to the principles of objectivity, policy conformance, and a prevention-focused mindset, Marubi conducts rigorous and independent audits and supervision on the business operations and internal controls of itself and its subsidiaries. During the reporting period, Marubi executed a comprehensive slate of **17** internal audit projects, with a focus on diverse management modules encompassing assets, expenses, procurement, logistics, and performance.



Operating with Integrity and Adhering to Business Ethics

Marubi considers it its paramount duty to foster a clean and ethical industry ecosystem, and forbids all forms of corruptions and bribes strictly. The Board of Directors functions as the apex regulatory body overseeing business ethics, while the Audit and Supervision Department executes supervisory duties and oversees the Company's comprehensive efforts in preventing corruption and bribery. Marubi has established the *Supervision Management System*, the *Honesty and Self-discipline System*, and the *Complaint and Reporting Management System*, defined the "red line for integrity", consistently elevating employees' awareness of integrity and self-discipline, and reinforcing integrity management among suppliers, dealers, and other partners. Additionally, Marubi actively enhances its communication and collaboration with industry organizations and regulatory bodies to continuously bolster its anti-fraud capabilities. During the reporting period, no corruption-related litigation cases were recorded.

Marubi's Red Lines for Integrity

- Obtain improper individual interests by fabricating or concealing facts
- Ask for bribes
- Abuse power for personal gains
- Use an official seal without authorization or through fraud
- Disclose the Company's secret
- Obtain interests through internal and external collusion
- Obstruct or hinder audit and investigation

Integrity Management

Marubi places a strong emphasis on the integrity management of its workforce and collaborators, ensuring their strict adherence to applicable laws and regulations throughout all business transactions, thereby effectively safeguarding against any potential corruption.

Employees Integrity Management

To further bolster employees' professional ethics and cultivate a workplace culture that venerates integrity and denounces corruption, Marubi proactively promoted anti-corruption management, organized and required the staff to sign the *Employee Integrity and Self discipline Commitment Letter*. Additionally, Marubi promotes a robust integrity and compliance culture through a blend of online and offline training sessions, while simultaneously enhancing the promotion of complaint and whistleblowing channels through diverse means.

Integrity Culture Construction

Integrity Training Methods	Integrity Training Content	Promotion Channels for Complaint and Reporting Methods
Online (OA, Marubi University) Training & Offline Training	<p>Online: Courses on Gift and Cash Management, Precautions for Financial Expense Reimbursements, and Special Learning on International Anti-Corruption Day</p> <p>Offline: Integrity Training Conference of the 5C Center</p>	Festival Integrity Reminders, Quiz Activities on Marubi University, OA Promotions, etc.

Case Study 1 2023 Annual Integrity Training Conference of the 5C Center

Marubi convened the 2023 Annual Integrity Training Conference at the 5C Center on August 9th, 2023, to deepen anti-corruption education and integrity culture development, enhance the integrity consciousness among employees, strengthen professional ethics, and promote the thorough and practical implementation of integrity training. Key personnel from various departments, including the Product Development Department, 5C Finance Team, 5C HR Team, Logistics Operations Department, and Product Manufacturing Department, were invited to participate, with a total attendance of 82 individuals.



Integrity Training Conference

Case Study 2 Mid-Autumn Festival and National Day Check-in Activity

From September 29th, 2023 to October 6th, 2023, Marubi organized a daily quiz check-in activity commemorating the Mid-Autumn Festival and National Day. The quizzes encompassed reminders regarding travel reimbursement considerations and integrity guidelines during the festive season. The objective was to reinforce the importance of adhering to company policies when submitting travel expenses and discourage the acceptance of gifts during the holidays. Over the duration of the activity, a total of 248 employees actively participated and a total of 59 employees received rewards.



Partners Integrity Management

Marubi proactively promoted partners integrity management, organized the suppliers and distributors to sign the *Honest Cooperation Agreement*, and the bidders to sign the *Honesty and Self-discipline Commitment for Bidders*, and publicized the *Honesty Statement* on the construction project site, to promote the business ethics.

Whistleblowing/ Handling Mechanism

Marubi employs a comprehensive strategy of audit and supervision in its ongoing anti-corruption efforts. Any fraud clues uncovered through the auditing process are promptly forwarded to supervisory personnel for further investigation. Additionally, supervisory personnel diligently review and document reported leads in a timely manner. This dual approach reinforces the prevention and mitigation of integrity-related risks.

Marubi has formulated the *Complaint and Reporting Management System* to standardize the process of report management. The Company provides diverse whistleblowing channels and publicizes integrity through OA, WeChat public account, and its official website, to inspire the employees, clients, suppliers, and partners to report corruption under the real name or anonymously, safeguarding rights of whistleblowers, e.g., petitioning for recusal, result inquiry, request for protection, and receiving rewards.

Whistleblowing channels are managed by specific personnel. Marubi keeps the information of the whistleblowers strictly confidential, and protects their legitimate rights and interests according to law. The anti-corruption dedicated investigation team is specifically responsible for investigating corrupt behaviors.

☆ Reporting channels

Reporting hotline (Tel): 020-66378666 (Ext) 385 **Reporting hotline (Mobile):**18602010151
Reporting email: complaint@marubi.cn **WeChat official account:** Integrity of Marubi
Address: Audit and Supervision Department, 7/F, South Tower, Poly Granville Building, No. 11, Xiancun Road, Tianhe District, Guangzhou

Collaborating with Third Parties to Strengthen Anti-corruption Capabilities

Marubi has joined the Enterprise Anti-fraud Alliance, fully utilizing the alliance's blacklist information sharing system, and strengthened talent review and new suppliers, to keep out dishonest persons and organizations and reduce risks of frauds. During the reporting period, the Company actively engaged in 6 anti-fraud communication meetings with leading enterprises within the Enterprise Anti-Fraud Alliance, ultimately attaining the status of a "Governing Unit of the Enterprise Anti-Fraud Alliance Council".

Marubi also regularly participates in anti-fraud knowledge training organized by the local public security departments, further enhancing the legal and disciplinary awareness of its employees. Drawing lessons and clarifying discipline through case studies, the Company resolutely adheres to strict self-discipline and maintains integrity in its business operations. During the reporting period, Marubi participated in the high-quality development theme lecture on "serving enterprises to escort the economy" organized by the Huangpu Public Security Bureau, establishing a police-civilian cooperation system for anti-fraud and risk prevention.



▲ Governing Unit of the Enterprise Anti-Fraud Alliance Council

Be Proactive to Ensure Information Security

Marubi strictly adheres to the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, the *Personal Information Protection Law of the People's Republic of China*, and other pertinent legal frameworks. To standardize information security management and enhance the overall protection level of information security, Marubi has established institutional documents encompassing the *Computer Equipment Management System*, the *Marubi Data Center Permission Management System*, and the *IT Operation and Maintenance SLA Service Level Management*.

The Management Philosophy of Information Security



Enhancing Information Security Construction

To safeguard the integrity and confidentiality of the network and information systems, Marubi continuously refines its information security system and related management protocols, enhances information security management and implements dedicated security projects to enhance risk prevention and control capabilities.

Information Security Management Measures

Security Risk Assessment	Security Inspection	Vulnerability Scan	Penetration Testing
Once a year	Four times a year	Four times a year	Twice a year
Code Audit	Security Drill	Security Education	Emergency Response
Conducted based on important systems	Once a year	Twice a year	Conducted on an as-needed basis

Content of information security management during the reporting period

Content	Achievements	Next Steps
Information Security Risk Assessment	<ul style="list-style-type: none"> Identified crucial internet assets; Conducted a threat analysis and generated risk assessment and improvement reports. 	<ul style="list-style-type: none"> Enforce stricter measures to mitigate unauthorized access and abuse of permissions; Undertake security level protection assessments for vital systems; Enhance the security management framework across the entire lifecycle of developers; Upgrade protective measures for permissions to ensure enhanced security.
Information Security Education	<ul style="list-style-type: none"> Elevate the overall awareness of information security via targeted awareness training; Strengthen the overall security protection capabilities through practical simulations and drills. 	<ul style="list-style-type: none"> Broaden the coverage of security awareness training to reach a wider audience; Enhance the reward and punishment mechanisms pertaining to network security.
Vulnerability Scan	<ul style="list-style-type: none"> Perform security vulnerability scans; Develop and execute tailored repair plans for identified vulnerabilities. 	<ul style="list-style-type: none"> Maintain ongoing vulnerability scanning efforts; Enhance vulnerability protection measures.
Penetration Testing	<ul style="list-style-type: none"> Simulate a hacker's penetration attempt into the system to pinpoint high-risk systems. 	<ul style="list-style-type: none"> Address and rectify the identified risks that have been exposed; Elevate the intensity of penetration testing and maintain its ongoing execution.
Code Audit	<ul style="list-style-type: none"> Perform code audits on the system to detect and rectify vulnerabilities. 	<ul style="list-style-type: none"> Conduct code audits on a regular basis; Establish a secure development guidelines baseline to ensure consistency and efficiency.
Emergency Drill	<ul style="list-style-type: none"> Strengthen the emergency response mechanism through regular drills. 	<ul style="list-style-type: none"> Refine the emergency response system for greater efficiency; Persistently conduct emergency drills to enhance the capability of addressing network security incidents.

Enhancing Information Security Facilities

To provide fundamental support for information security protection, Marubi regularly performs maintenance on its internet infrastructure. During the reporting period, Marubi has integrated computer-related fixed assets into its asset management system and designated specific responsible departments and personnel for each device and has also updated and upgraded the following infrastructure to safeguard data security.

Deploy desktop management anti-leakage features	Deploy a cloud desktop system for R&D	Maintain the uninterruptible power supply system
These features aim to prevent desktop data breaches before their occurrence and conduct audits in case of any breaches.	This system separates the internet from the local network, thereby guaranteeing the safety of R&D data.	Upgrade outdated equipment to ensure consistent and reliable power supply for servers and network equipment.

Privacy and Data Security

Marubi regularly refreshes its privacy policy to maintain ongoing compliance with regulatory mandates, thereby safeguarding the privacy and data security of third parties effectively. During the reporting period, Marubi issued a privacy protection policy statement tailored to its member system, aligned with prevailing laws, regulations, and supervisory directives.

During the reporting period, Marubi updated its privacy protection policies as outlined below:

	Clarify privacy protection principles	In the process of collecting and utilizing user personal information, Marubi adheres strictly to the principles of legality, legitimacy, necessity, and transparency, to fully protect users' right to know and right of choice.
	Enhance norms for personal information collection and utilization	Marubi has established clear guidelines for the collection and use of personal information, encompassing the scope of collection, intended purposes, and storage duration. Furthermore, the Company has delineated its specific obligations when dealing with sensitive personal information.
	Strengthen user complaint and dispute resolution mechanisms	Users can easily complain regarding any instances of personal information leakage or improper usage and Marubi promptly investigates and addresses these concerns.

Ingenuity Research to Safeguard the Beauty of the Skin

Marubi relentlessly enhances its investments in technological advancements, quality management, customer service, industrial development, and partner empowerment. The Company seamlessly incorporates the principles of sustainable development into its value chain management, effectively harnessing the influence of its branded enterprise to foster a more environmentally friendly, people-centered, healthy, and secure ecosystem across its entire value chain. Marubi remains steadfast in its mission to cultivate sustainable beauty, not only for its customers but also for the society.

Marubi 's Actions

- R&D and innovation
- Intellectual property protection
- Excellent quality management
- Providing superior services
- Promoting industry development
- Win-win collaborations with partners

Contributing to the SDGs



MARUBI
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Leading with Technology and Decoding the Beauty of Diversity

Marubi has consistently prioritized scientific and technological innovation as its core mission. Over the years, it has continuously invested in scientific research, cultivating advanced technological capabilities that strive to deliver an unparalleled experience to consumers through its perseverance and robust core competitiveness. This relentless pursuit enables Marubi to fulfill a higher aspiration for beauty.

R&D Innovation System

Marubi boasts robust R&D capabilities and a comprehensive R&D system, facilitating closed-loop research and transformation of core raw materials as well as groundbreaking technological advancements. Guided by the principles of sustainable development and green technology, Marubi respects animal welfare and remains committed to creating exceptional products that cater to both consumers and the industry.

R&D Philosophy

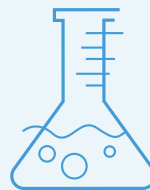
Marubi upholds the R&D philosophy encompassing open, innovative, scientific, truth-seeking, along with green, leading, independent, and high-tech oriented and adheres to the principles of green chemistry and animal ethics. The Company continuously strives to optimize product formulas and enhance their safety and user-friendliness through the utilization of natural raw materials and green technology R&D, in order to develop alternative solutions to animal testing, aiming to minimize any unnecessary harm to animals.

Green Chemistry

Marubi strictly adheres to national laws and regulations, referencing the *Catalogue of Cosmetic Ingredients Already in Use (2021 Edition)*, the *Technical Specification for Cosmetic Safety"(2015 Edition)*, and the *Guidance on Cosmetic Safety Evaluation Techniques (2021 Edition)*, establishes rigorous standards for raw material approval and conducts thorough safety risk assessments on all potential product ingredients to ensure the elimination of prohibited ingredients and the gradual elimination of controversial ones. Furthermore, in alignment with the ISO 22716 standard for good manufacturing practices in cosmetics, the Company formulates the *Design and Development Control Program 6.0* to guide product development and uphold the safety and reliability of its products.

As of the end of the reporting period

- The preservative system has removed two controversial ingredients: propylparaben and butylparaben
- The sunscreen system has removed two controversial components: 4-methylbenzylidene camphor and octocrylene
- The physical friction component, plastic microbeads (including methacrylic acid methyl ester crosslinked polymer and acrylic acid (ester) copolymer), has been eliminated in order to mitigate the environmental pollution caused by our products



Key Performance Indicators

Furthermore, Marubi has vigorously pursued innovative plant extraction technology and green biotechnology research, consecutively introducing numerous original plant-based extraction and biotechnology ingredients. It remains steadfast in its dedication to offering consumers increasingly natural, gentle, and efficacious skin care solutions.

Key Performance Indicators

During the reporting period

- Over **30** raw materials were prepared utilizing green plant extraction technology, and over **10** were formulated using green biotechnology
- Accumulated **40** plant raw material extraction research projects were successfully executed, leading to the registration of 1 innovative raw material
- **4** patent have been applied centering on green plant extraction technology and the application of its constituents, 6 authorized patents have been obtained and a SCI paper has been submitted

Key Award

- The green manufacturing technology for recombinant collagen protein was awarded the Scientific and Technological Progress Awards of Guangdong Cosmetics Association

Animal Welfare

Marubi adheres to animal ethics and holds a profound respect for the value of animal life. To minimize any undue suffering to animals resulting from experiments, it has developed and implemented diverse alternative animal testing methods. Presently, the Company utilizes a range of extracorporeal testing models, biochemical experiment, cellular biological experiment, and molecular biological experiment, chorioallantoic membrane (CAM) experiment and caenorhabditis elegans assay experiment. The combination of different experimental models, offer robust support for the safety and effectiveness of the products and raw materials.



Biochemical Experiment

Biochemical experiment exhibits a brief testing cycle, high efficiency, and excellent reproducibility, suitable for evaluating the efficacy of raw materials and finished products, as well as for high-throughput screening of raw materials.



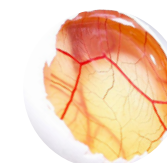
Cellular biological experiment

Cellular experiment offers convenient control over experimental factors, simplify the cell growth environment, and facilitate the observation of experimental outcomes. Marubi currently boasts a diverse array of cell experiments, encompassing cytotoxicity, cell proliferation, cell scratch, and cell anti-inflammatory tests. These experiments enable us to comprehensively assess various aspects such as safety, firmness, repair, and soothing properties.



Molecular biological experiment

Marubi has developed a range of detection methods that cater to the detection of firming, anti-wrinkle, hydrating, moisturizing, and soothing effects.



CAM experiment

CAM experiment facilitates convenient sampling, with the vascular network in the mesoderm effectively mimicking the conjunctiva structure. This makes it an outstanding alternative model for eye stimulation tests. During the reporting period, the number of raw materials and products tested on embryos tripled year-on-year.



Caenorhabditis elegans assay experiment

Caenorhabditis elegans, with 60%-80% of homology with human, has become the core indicator in anti-aging research. Marubi holds the distinction of being the first beauty and cosmetics enterprise in the industry to utilize it in evaluating the safety and effectiveness of cosmetics.

o R&D Talents

Talent remains the fundamental cornerstone of innovation. Embracing the spirit of open innovation, Marubi consistently attracts exceptional talents from the industry through a blend of independent training programs and external collaborations. This approach has culminated in the creation of a multidisciplinary talent pool encompassing expertise in over ten fields, including biology, genetic engineering, dermatology, pharmacology, phytochemistry, material chemistry, and testing. This diverse talent pool serves as a continuous source of innovative impetus, fueling the Company's growth and progress. During the reporting period, Marubi successfully recruited 33 outstanding R&D talents and appointed Bernard Meunier, a renowned scientist and member of the French Academy of Sciences, who previously served as the chairman of the French National Research Institute, as our chief scientific advisor and chairman of the Scientific Academic Committee, which further enhances our R&D capabilities and soft power.

Key Performance Indicators

As of the end of the reporting period

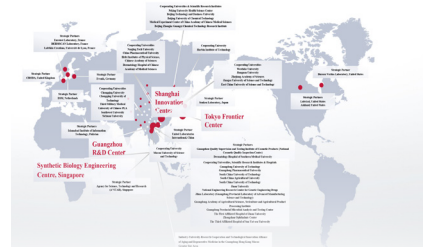
- o Marubi boasted a team of **93** full-time internal technical experts. The proportion of master's degree or above stands at **29.03%**
- o Marubi have a network of **105** collaborating external scientists

o R&D Incentives

With the aim of motivating R&D personnel to embrace innovation and elevate product R&D and innovation to new heights through the constant enhancement of R&D capabilities, Marubi has instituted a competitive reward system. This includes organizing a monthly "Ingenuity Refinement" competition for formula engineers, which evaluates the creativity and skin feel of product formulas, and offers rewards to the winners.

o R&D Platform

Marubi has firmly established R&D hubs in Guangzhou, Shanghai, and Tokyo, possessing a total of 36 functional laboratories that span diverse professional fields such as chemistry, biology, food science, medicine, pharmacology, and materials science. This extensive platform serves as a seamless continuum, encompassing all critical stages of the complete link of R&D lifecycle: fundamental research - raw material development - raw material production - formula exploration - manufacturing - quality inspection and



testing - culminating in efficacy evaluation. Furthermore, the Company maintains a global network of collaborative partners, encompassing over 40 domestic and international universities, renowned tertiary hospitals, research institutions, and other scientific organizations. This strategic alliance has formed influential research platforms, including a collaborative platform dedicated to recombinant collagen research that integrates industry, academic, medical, and inspection capabilities, as well as the Guangdong-Hong Kong-Macao Greater Bay Area Aging and Regenerative Medicine Industry-Academia-Research-Innovation Alliance. These platforms serve as powerful engines, continuously driving the product development and technological innovation.

Key Performance Indicators

During the reporting period

Establishment of a brand-new plant tissue culture laboratory	Establishment of 5 new collaborative R&D institutions	Awarded the title of Guangzhou Postdoctoral Innovation Practice Base
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Case Study

Forging Comprehensive Cosmetic Testing Service Capabilities

Marumed Research, a subsidiary of Marubi, functions as a leading professional inspection and testing platform committed to offering comprehensive services to the beauty and health industry. These services encompass inspection and testing, development of innovative testing methodologies, evaluation model research, and professional regulatory consultancy. Obtaining a CMA qualification, Marumed Research has actively participated in the formulation of 8 industry and group standards, submitted 7 patent applications, and established a diverse array of inspection and testing laboratories, including those specializing in human effectiveness, in vitro effectiveness, physicochemical analysis, and microbiological testing. These state-of-the-art facilities enable Marumed Research to deliver a wide range of services, including cosmetics registration inspection, stability testing, human safety and effectiveness assessments, as well as in vitro safety and effectiveness evaluations.



During the reporting period, Marumed Research has significantly expanded its capabilities by introducing 64 new testing indicators, thereby achieving a comprehensive testing capacity exceeding 360 items. This significant milestone marks a further enhancement of our company's inspection and testing capabilities.

o Technological Innovation Achievements

Leveraging its robust R&D capabilities, Marubi remains committed to advancing innovative research in ingredients, technologies, and processes. The objective is to deliver enhanced beauty solutions to consumers by achieving breakthroughs in core technologies.

Key Performance Indicators

During the reporting period

<ul style="list-style-type: none"> o Accumulated 278 authorized patents, including 191 invention patents and 11 overseas patents o 64 newly authorized patents have been granted, with 54 invention patents and 3 overseas patents o 35 papers have been published, with a cumulative impact factor exceeding 45 	<ul style="list-style-type: none"> o Accumulated 510 patent applications, including 400 invention patent applications o 76 new patent applications have been submitted, comprising 70 invention patent applications and 3 overseas patent applications o 12 newly published articles, with a total impact factor of 17.12
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Key awards obtained during the reporting period

- | | |
|---|--|
| <ul style="list-style-type: none"> o Marubi's Recombinant Collagen Protein Skincare Products Won the Special Prize of Scientific and Technological Progress Awards of Guangdong Cosmetics Association o Nominated for the Front-runner Program for Anti-Aging Cosmetics in China o Guangdong Excellent "Specialized and New" Small and Medium-Sized Enterprise o Guangdong Industrial Design Center o 4 Products Have Been Selected for Inclusion in the Guangdong Premium Cosmetic Selection List | <ul style="list-style-type: none"> o The 24th China Patent Award - Excellence Awards o The Chocolate Skincare Products, Whitening Sunscreen Skincare Products, and Beauty Cosmetics (Base Category) Have Been Awarded as Guangdong Famous And Excellent High-Tech Products o Marubi's Multi-Peptide Firming And Wrinkle-Smoothing Eye Cream Has Been Honored with the Scientific and Technological Innovation Anti-Aging Product Award at the International Cosmetic Innovation Conference |
|---|--|



Ingredients Innovation

Marubi remains steadfast in its commitment to R&D of core product ingredients, aiming to achieve autonomous control over these essential components through enhancing strong core competitiveness with perseverance. Over the past few years, Marubi has introduced a series of exclusive core ingredients, including Type I + Type III triple-helical recombinant collagen, schizophyllan polysaccharide (SPG), and supermolecular kapok flower, thereby continuously bolstering its core competitiveness. During the reporting period, the Company added another groundbreaking core raw material to its arsenal: finger lime extract, which successfully underwent registration as a new cosmetic raw material by the National Medical Products Administration. Furthermore, Marubi successfully completed the registration of INCI 25775 (International Nomenclature Cosmetic Ingredient) under the name "Schizophyllum Commune (Mushroom) Ferment Filtrate" at PCPC (Personal Care Products Council), and the independently developed SPG raw material has been internationally recognized.

Key Performance Indicators

As of the end of the reporting period

- Marubi has independently developed over 50 raw materials, with over 20 types realized mass production
- A total of 45 patent applications have been filed regarding SPG, with 28 patents granted, and 3 published papers with a cumulative impact factor of 14.9



Case Study Unveiling the "Hermes" of the Fruit World: Marubi Shares Achieves Landmark Registration of Its First Novel Raw Material!

On September 25th, 2023, Marubi marked a significant milestone as its novel raw material, finger lime extract, bearing the registration number Original Chinese characters for national cosmetics No. 20230034, successfully completed the registration process for new cosmetic raw materials with the National Medical Products Administration. This accomplishment represents the first successful registration of a new raw material since its inception and places it among a select few enterprises that have achieved this feat since the enactment of the revised *Regulations on the Supervision and Administration of Cosmetic Products* in 2021.



Finger lime, alternatively known as Australian finger lime or finger lemon, is an exotic fruit originating from Australia. It was introduced to China in 1977. Resembling the size of a human finger, its pulp is distinguished by its tiny, fish egg-like particles, earning it the moniker of the caviar of fruits, considering a prized member of the lemon family.



Effects of Finger Lime Extract

Antioxidant Effect

Finger lime extract demonstrates robust antioxidant capabilities, displaying a positive correlation between its scavenging effect on diverse free radicals and the concentration of the extract within a defined range.

Moisturizing

Finger lime extract stands out for its superior moisturizing properties, surpassing both glycerin and sodium hyaluronate in terms of its hydrating potency.

Anti-inflammatory and Soothing

Finger lime extract effectively suppresses the expression of the inflammatory factor IL-6, exhibiting a notable anti-inflammatory and soothing effect on compromised skin.

Technological Innovation

Marubi boasts a robust technology R&D and innovation platform, having successfully introduced groundbreaking technologies including translation pause technology, C-PRO ring reinforcement technology, and CelCaper® directional cryogenic extraction technology, continuously fortifying the capabilities in ingredient innovation. During the reporting period, the Company has further augmented its technical prowess by introducing several novel technologies: senescence gene target screening and library construction, plant tissue green culture technology, 3D bioprinting technology, MPCF multilateral parallel complex fermentation, and network pharmacology reverse screening.

Case Study Enhancing Biodiversity Protection through Plant Tissue Culture Capabilities

The escalating demand for plant materials, coupled with the unchecked exploitation of rare plant resources, poses a significant threat to the sustainable development of our ecological environment. Traditional methods of artificial planting, often influenced by climate, environmental factors, and planting management practices, render these materials vulnerable to contamination by harmful elements such as bacteria, pesticide residues, and heavy metals. In response to these challenges, plant tissue culture technology, a pivotal and dynamic component of modern high-tech advancements, emerges as a critical tool. This technology holds immense potential in addressing the scarcity of high-quality plant resources, safeguarding exceptional germplasm, and fostering the sustainable utilization of plant resources. Its outstanding characteristics include accelerated breeding processes, enhanced quality, independence from regional and seasonal constraints, and facilitation of factory-scale seedling production.

Currently, the plant tissue culture laboratory has successfully completed germination experiments for 6 plant species, callus induction experiments for 1 species, and in vitro functional assessments for 5 natural active ingredients. Moving forward, the laboratory remains committed to introducing superior plant resources and cutting-edge equipment, laying a solid foundation for future scaled production of plant materials and further safeguarding biodiversity.

Advantages of Plant Tissue Culture Technology

Production of High-Quality Plant Materials

Plant tissue culture technology serves as a powerful tool for the large-scale production of high-quality plant materials, encompassing items like plant callus filtrate and plant stem cell extracts. Through the cultivation of plant cells or tissues, Marubi can acquire plant materials with high purity and activity, thus supporting the effectiveness of cosmetics in areas such as skin whitening, antioxidation, anti-aging, and other beneficial effects.

Extraction of Key Plant Active Ingredients

Plant tissue culture technology offers the capability to precisely target and extract specific functional active ingredients from plants. By nurturing plant cells or tissues under controlled conditions, Marubi can induce the production of specific secondary metabolites, including flavonoids and terpenes, among others.



Formula and Process Innovation

Marubi remains committed to advancing its research in formula and process technology, with the ultimate goal of enhancing product efficacy through optimized formulas and delivering safer, more effective product experiences to consumers. During the reporting period, the Company successfully introduced 8 novel formula and process technologies, significantly contributing to the upgrading and efficiency enhancement of its product formulas.

Key Performance Indicators

During the reporting period

Marubi applied for 9 patents related to the newly added 8 formula and process technologies

Case Study Minimalist Formula Creates a New Experience in Pure Skincare

The Chunji brand, with a deep understanding of the needs of skin affected by staying up late, introduced a pure skincare product with a minimalist formula - Chunji 12 Cream, which contains only 12 ingredients during the reporting period. This product innovatively incorporates the exclusive ingredient, namely supermolecular kapok, and is also the first green and low-carbon product that uses 100% photovoltaic power in the production process.

Product Highlights

- 2 cellular technologies: supermolecular cellular flash extraction technology and cellular micro-guided penetration technology
- 6 major product benefits: brightening, anti-wrinkle, firming, soothing, repairing, and moisturizing
- Applied for 4 patents regarding the supermolecular kapok ingredient and published 1 authoritative SCI paper
- Obtained third-party certification for its green and low-carbon attributes



Focus: Leading the New Era of Active Protein Anti-aging

Marubi has been at the forefront of research and application of recombinant active protein raw materials, striving to occupy the pinnacle of innovation in active protein and spearheading a new growth trajectory in anti-aging. Currently, Marubi has achieved stable production and product integration of recombinant collagen and recombinant elastin, while simultaneously advancing the research and application of recombinant fibronectin.

Genetic and Cellular Platform

Marubi has successfully constructed a comprehensive gene bank encompassing full-length gene sequences for a total of 44 subunits across 28 collagen sub types, along with a corresponding cell bank of yeast expression plasmids. Currently, the Company is engaged in the design and construction of a gene bank dedicated to functional fragments of small-molecule collagen.

Strain Platform

Marubi has successfully established a state-of-the-art Pichia pastoris protein fermentation platform, marking a significant advancement in the evolution of engineering bacteria from prokaryotic to eukaryotic cells.

Active Protein Platform

In addition to its recombinant collagen library, the Company has nearly completed the construction of a recombinant elastin library. Furthermore, the R&D of functional active proteins, including recombinant fibronectin, is progressing seamlessly.

Key Performance Indicators

During the reporting period

- Marubi led the formulation of the industry standard Recombinant Soluble Collagen organized by the Ministry of Industry and Information Technology and officially initiated the project
- Served as the unit participating in the compilation of the group standard of Guangdong Cosmetics Association titled *Cosmetic Ingredients - Recombinant Soluble Collagen*, Marubi successfully passed the expert acceptance review.
- Marubi filed 30 new patent applications for functional proteins, resulting in the total number of patent applications to 98

Leading the Rise of Chinese Ingredients through Technological Innovation

The development of a triple-helical structure recombinant collagen protein, which mirrors the human collagen sequence, poses significant technical challenges, earning it the moniker of biotechnology's crown jewel. In 2021, Marubi introduced the innovative recombinant dual collagen protein component and created the world's first chimeric recombinant dual collagen protein combining Type I and Type III, utilizing advanced C-Pro buckle reinforcement technology alongside the proprietary patented translation pause technology. The recombinant double collagen protein exhibits several advantages, including superior stability, elevated activity, and enhanced absorption capabilities.

Key Performance Indicators



As of the end of the reporting period

- 25 patents have been applied for and 7 authorized patents have been obtained for recombinant collagen protein
- The Marubi recombinant collagen protein disposable essence lotion was awarded the title of Guangdong Premium Cosmetic Selection

Science Behind Ingredients

Exploring the Advantages of the Type I & Type III Chimeric Recombinant Dual Collagen Protein

Collagen comprises approximately 70% of the proteins in human skin, with two types receiving significant attention and playing pivotal roles: namely Type I collagen and Type III collagen. Type I collagen accounts for 80% of the total collagen in adult dermal tissue, providing reinforcement to the skin like steel-like tree fibers. Type III collagen exhibits a mesh-like structure, conferring elasticity. As each year goes by, the levels of both Type I and Type III collagen gradually decline, resulting in a disruption of their ratio, which contributes to skin aging. Therefore, supplementing the skin with additional Type I and Type III collagen is crucial to delaying skin aging. However, relying solely on a single type of collagen is insufficient for effective anti-aging. Instead, combining and embedding Type I and Type III collagen together for supplementation can truly yield the desired effects.

The recombinant dual collagen protein, due to its amino acid sequence being identical to human collagen, offers advantages such as excellent affinity and the absence of rejection reactions. This makes it an outstanding solution for anti-aging in human skin.



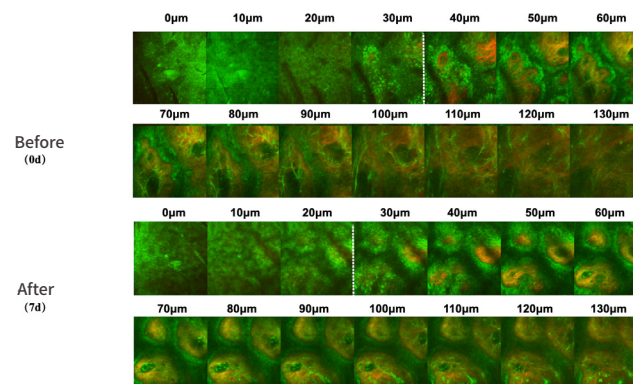
Effectiveness Verification and Doubts Dispelling

Ever since the emergence of recombinant collagen, consumers have been divided on whether it can effectively be absorbed by the skin. To clear up these doubts and validate the efficacy of recombinant collagen through scientific testing, Marubi has devised four distinct methods for evaluation. The results of these tests have unanimously confirmed that the triple-helix structured recombinant collagen can indeed be stably absorbed by the skin.

Case Study

Transdermal Absorption of Marubi's Recombinant Dual Collagen Protein Confirmed by Two-Photon Microscope

Collaborating with institutions such as Beijing Technology and Business University and various testing facilities, Marubi employed the state-of-the-art two-photon microscope to carry out a human transdermal absorption test on its self-developed recombinant dual collagen protein. The outcomes of the experiment unequivocally demonstrated that Wanmei's recombinant dual collagen protein can be effectively absorbed through the skin, achieving a maximum penetration depth of 26 μm within 24 hours. Furthermore, after 7 days of application, it significantly enhances the collagen structure within the skin.



Establishing Standards and Promoting Standardization Development

The current cosmetics industry lacks standardized and unified regulations for recombinant collagen raw materials, particularly in areas such as quality control, technical specifications, and testing protocols. This has resulted in a wide range of quality inconsistencies in the available recombinant collagen raw materials on the market, posing numerous uncontrollable safety hazards in products. Such inconsistencies have not only caused significant harm to consumer rights and interests but have also greatly hindered the widespread adoption and further development of recombinant collagen in the cosmetics sector. Recognizing the need for standardization, Marubi, as a leading enterprise in the field of recombinant collagen, has been actively involved in the formulation of industry standards aimed at promoting standardization and sustainable development within the industry. During the reporting period, Marubi successfully led the development of the industry standard *Recombinant Soluble Collagen*, which officially obtained project approval from the Ministry of Industry and Information Technology and entered the standard preparation phase. This standard holds a high importance level, marked with two "★". Additionally, serving as the first unit participating in the compilation of the group standard of Guangdong Cosmetics Association titled *Cosmetic Ingredients - Recombinant Soluble Collagen*, Marubi successfully passed the expert acceptance review.

Key Performance Indicators

As of the end of the reporting period

Develop/revise 5 group standards centered on recombinant collagen



Science Popularization of Ingredients and Establishment of Cognition

Since 2021, Marubi has consistently organized the Recombinant Collagen Scientist Forum, which convenes renowned and esteemed experts, scholars, university researchers, consumer representatives, and industry media to deliberate on the evolving trends in collagen development, exchange novel scientific findings, and share knowledge about collagen. Furthermore, Marubi has been enhancing consumers' comprehension of recombinant collagen ingredients through a multifaceted, diversified, and profound approach encompassing self-media platforms, elaborate ingredient breakdowns, live streaming explanations, and influencer-led popularization efforts.

Case Study

The 3rd Recombinant Collagen Scientist Forum was Conducted with Great Success

On September 23, 2023, the 3rd Recombinant Collagen Scientist Forum, organized by Marubi, concluded successfully on Guangzhou Bio Island. This edition, building upon the high standards and quality of previous forums, further elevated its significance by assembling an elite international team of academics from various countries. The forum gathered numerous

renowned and authoritative experts, scholars, and university scientists, who delved into more advanced technologies and deeper application areas of collagen, exploring innovative directions for the development of recombinant collagen. A highlight of the event was the exclusive release of the *International Academician and Scientist Consensus on Research and Applications of Recombinant Human-source Collagen*, marking a significant milestone where Chinese reconstituted collagen protein has entered the international stage and received global evaluation.



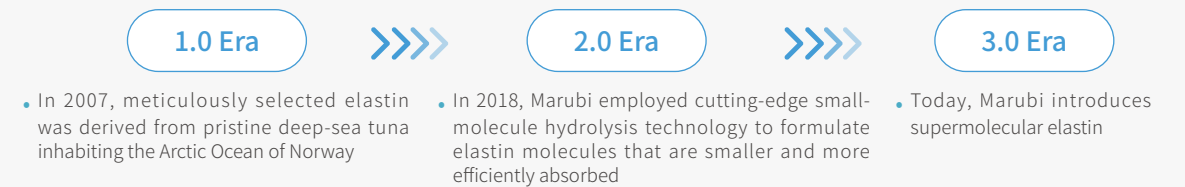
Significant Upgrade of Elastin Technology

Elastin, a crucial hard protein in human connective tissues, primarily functions to confer elasticity to tissues and acts as a vital component of the extracellular matrix, fostering intercellular adhesion and support. In conjunction with collagen, it preserves the structural stability of tissues. Since the introduction of the first-generation elastin eye essence in 2007, Marubi has been steadfast in investing in elastin R&D, continuously enhancing and refining our elastin products. During the reporting period, the elastin technology has reached the 3.0 era, marked by the emergence of supermolecular elastin. This milestone represents breakthrough achievements in optimizing elastin's efficacy and integrating it into our product formulations.



▲ Marubi Bounce, Bounce, Bounce Disposable Essence

Evolution of Marubi's Elastin



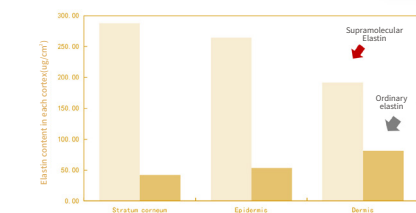
During the reporting period

Key Performance Indicators

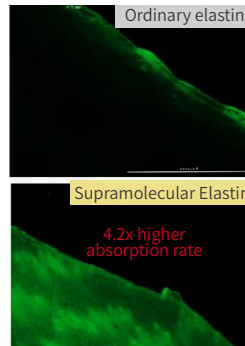
- Marubi's fifth-generation elastin eye essence, known as the "Little Spring" eye cream, was awarded the 2022 Guangdong Premium Cosmetic Selection
- Submitted 2 patent applications pertaining to supramolecular elastin

Supramolecular Elastin

Through the encapsulation elastin with ionic liquids, a significantly more stable, safer, and highly efficient active protein system is formed. When compared to traditional elastin, supramolecular elastin demonstrates superior affinity and permeability characteristics.



Statistics of cumulative permeability of elastin in each cortex after 24 hours of experiment



Using the (Sus scrofa f. domestica) skin model to detect the transdermal penetration of skin at different time periods

Escorting Innovation and Safeguarding Intellectual Property Rights

Marubi considers technological innovation as its paramount priority. In alignment with standards and regulations, including the GB/T29490-2013 Intellectual Property Management Standard, the Trademark Law of the People's Republic of China, and the Patent Law of the People's Republic of China, the Company has established a robust intellectual property management system that comprehensively covers the acquisition, implementation, licensing, transfer, maintenance, dispute resolution, and risk mitigation of intellectual property rights, thereby supporting the innovative development. Marubi not only safeguards its own intellectual property rights and business secrets but also respects the intellectual property rights of others. Regular specialized trainings are organized to enhance the awareness of intellectual property protection among relevant personnel.

As of the end of the reporting period, Marubi has successfully obtained certification for the GB/T29490-2013 intellectual property management system and has been honored as the National Intellectual Property Demonstration Enterprise, National Intellectual Property Advantage Enterprise, Development Zone Intellectual Property Advantage Enterprise, and Development Zone Intellectual Property Demonstration Enterprise.

Combating Fake and Inferior Products

Utilizing an anti-counterfeiting traceability code system, collaborating with professional third-party institutions, and conducting both online and offline market inspections, Marubi regularly monitors and reviews fake and inferior products, aiming to minimize the presence of fakes. This approach ensures that consumers purchase authentic Marubi products, safeguarding their interests while fostering a healthy and vibrant industry ecosystem.

Ingenuity Embodies Quality and Guarding the beauty of quality

Guided by the policy of "quality-first, integrity-based, leading the market, and keeping improving", the Company strictly complies with *Quality Management Standards for Cosmetics Production* and other relevant laws and regulations, and has established a quality management system through the entire lifecycle of the product, covering product development, supplier selection, material acceptance, production, sales management, and product recall. Furthermore, the Company has passed the certification of ISO22716:2007 Good Manufacturing Practices for Cosmetics (GMP), the ISO9001 Quality Management System, and the Guidelines for Cosmetic Good Manufacturing Practice (2022) issued by the U.S. Food and Drug Administration, maintaining efficient and effective operations.



Quality Management System Certificates of Marubi

Strict Standards

To guarantee a superior user experience for consumers, Marubi adheres to more rigorous product quality standards than those prescribed by the industry. The production area includes the filling workshop, ingredient workshop, and emulsification workshop, with a cleanliness degree up to level D according to GB 50457-2019 Code for Design of Pharmaceutical Industry Clean Room. This ensures that the number of particles measuring $\geq 5.0\mu\text{m}$ under static conditions remains below $\leq 29,000/\text{m}^3$. The Company will conduct stability, safety and other tests on all products to ensure quality. For newly launched products, the Company will conduct tests for different effects, including firming, soothing, anti-wrinkle, whitening, and suitable for sensitive skin to verify their safety and efficacy.

Comparison of Chinese Industry Standard and Marubi Standard

	Chinese Industry Standard	Marubi Standard
Heat-resistant	40° C, with no abnormality after 24 hours	45° C, with no abnormality after 24 hours
Cold-resistant	-8°C , with no abnormality after 24 hours	-18°C , with no abnormality after 24 hours
Centrifugation (emulsion)	2,000 r/min, with no stratification at 38°C for 30 minutes	3,000 r/min, with no stratification at 38°C for 30 minutes
Bacterial amount (CFU/g)	Cosmetics for children, lips, and eyes	≤ 50
	Other skin cosmetics	≤ 1000
Total mold and yeast CFU/g	≤ 100	< 10

Environmental Indicators for D-level Pharmaceutical Clean Room

Indicator	Airborne Bacteria CFU/m ³	Settled Bacteria (φ90mm) CFU/4h	Surface Microbial Contact (φ55mm) CFU/disc	Temperature	Humidity
Number	200	100	50	18°C ~26°C	45%~65%

Regulatory Dynamic Monitoring

Marubi maintains vigilance in monitoring regulatory announcements and pertinent industry trends, promptly apprehending the nuances of new regulations and updating the internal and external documents. In alignment with the implementation mandates of these regulations, the Company promptly organizes internal inspections and training sessions to ensure operational compliance. During the reporting period, the Company successfully conducted 11 routine internal inspections and conducted internal self-audits in accordance with the recently issued *Supervision and Administration Regulations on Enterprises Implementing the Main Responsibility for Cosmetic Quality and Safety*.

Quality Culture Construction

Leveraging daily quality meetings, periodic quality retrospectives, and comprehensive quality management training, Marubi is committed to enhancing the quality consciousness and proficiency of its personnel and cultivating a robust quality culture. During the reporting period, with a focus on adhering to new regulatory standards and elevating internal quality management practices, the Company hosted a two-day workshop on Cosmetic Production Quality Management Standards and a one-day seminar on Cosmetic Process Verification.



Cosmetic Regulatory Training

Quality Emergency Management

Marubi has instituted the *SMP-PG-047 Quality and Safety Incident Disposal Control Procedure*, clearly outlining the responsibilities of the legal representative as the first responsible person for quality and safety and the quality and safety supervisor designated as the direct executor. This procedure categorizes potential quality incidents and establishes corresponding emergency measures, which are periodically evaluated to guarantee their effectiveness in addressing urgent situations.

Post-market Product Management

Marubi has established the *Recall Management Control Procedure* to outline comprehensive handling plans for addressing quality issues in delivered products, tailored to the specific nature of each problem. A designated working group oversees this process, conducting regular recall drills to assess the efficiency of the recall procedures. Additionally, the Company remains vigilant in monitoring the safety and performance of its after-sales products, leveraging laboratory testing and market condition analysis to ensure a seamless product experience for its consumers.

Supplier Quality Training

Marubi maintains a regular schedule of quality review meetings and quality management training sessions specifically tailored for its suppliers. These sessions serve as platforms for sharing the experience in quality management, enabling suppliers to continually elevate their quality standards. During the reporting period, the Company successfully conducted more than 10 quality review and training sessions, significantly strengthening the suppliers' quality management capabilities.

Quality-Oriented and Winning Guangdong Premium Cosmetic Selection Award

Marubi remains steadfast in its commitment to delivering an exceptional product experience to consumers through meticulous quality management. During the reporting period, 4 products were honored with the Guangdong Premium Cosmetic Selection award by the Guangdong Medical Products Administration Society(GMPAS). This accolade serves as a testament to the Company's unwavering dedication to maintaining a rigorous quality management system, providing exceptional consumer service, and fostering a robust research and development innovation framework.



Marubi Multiple Peptide Anti-wrinkle Eye Cream



Marubi Elastin Eye Essence



Marubi Retinol Firming Anti-wrinkle Eye Cream



Marubi Recombinant Collagen Disposable Essence

 Science Popularization



Exploring the Essence of "Selection" in Guangdong High-Quality Cosmetics (Guangdong Premium Cosmetic Selection)

Under the guidance and supervision of the Guangdong Provincial Drug Administration, GDMPAS is responsible for organizing and implementing the evaluation of the Guangdong Premium Cosmetic Selection Honor. The aim is to expedite the professionalization, branding, and internationalization of the Guangdong cosmetics industry, cultivate national brands, and promote the high-quality development of the Guangdong cosmetics industry.

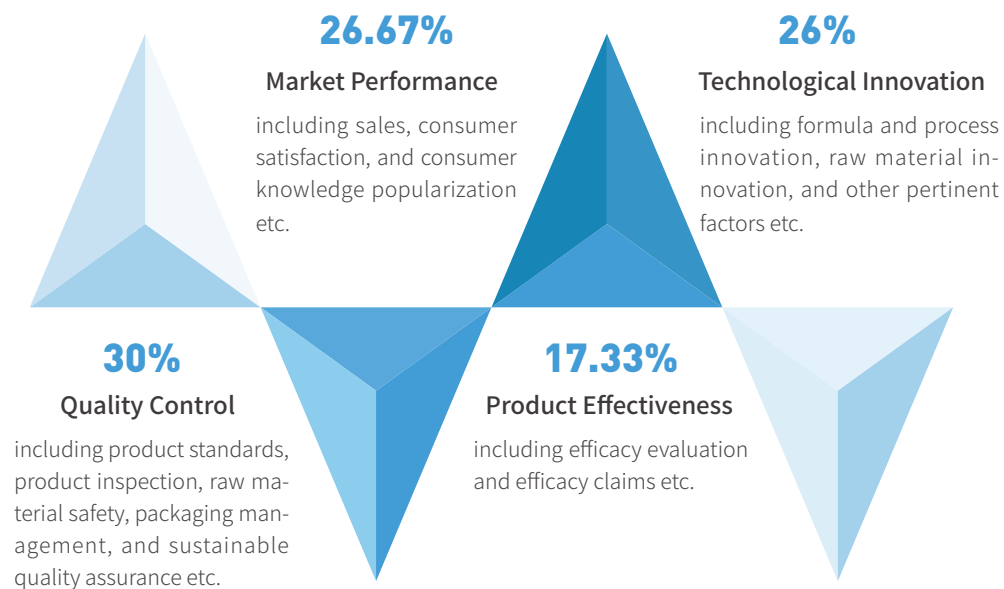
Requirements for Guangdong Premium Cosmetic Selection

Basic Requirements:

The applicant must demonstrate a clean record over the past three years, free from any unqualified supervision and inspection reports, serious violations uncovered during regulatory audits without any records of punishment, instances of serious adverse reactions, verified complaints or reports, and infringements of intellectual property rights.

Evaluation Criteria:

The selection criteria includes 4 first grade indexes, 16 second grade indexes and 36 scoring items, totaling 150 points.



Delivering Exceptional Service and Upholding the Promise of Beauty

With the philosophy of "service first, sales second", Marubi has established a comprehensive customer service management system and diversified and efficient service feedback mechanism, committing to providing customers with exceptional service.

Consumer Satisfaction Management

Marubi is constantly striving to optimize consumer service and product experiences, providing consumers with a range of convenient channels for raising complaints and providing feedback. The Company actively addresses customer feedback and consistently works towards improving overall customer satisfaction.

Improving Service Experience

Marubi ensures a seamless experience for its customers by offering comprehensive pre-sales consultation, ongoing sales support, and after-sales service. Additionally, the Company implements regular follow-up plans for loyal customers, offers personalized product usage guidance, exclusive gift privileges, and other initiatives to continually enrich the consumer experience. During the reporting period, the Company has embarked on multiple service optimization projects aimed at further boosting customer satisfaction.

Project **Content and Achievement**

Optimization of Logistics Timeliness

Content:

- The shipping process within the warehouse has been refined to minimize shipment duration. Additionally, a pre-packing strategy was formulated on the operational front to alleviate the shipping strain during promotional activities and enhance the 24-hour collection efficiency;
- The customer service department collaborated seamlessly with plan management, warehouses, and retail operations across various channels to undertake logistics timeliness optimization efforts. The warehouse personnel also fine-tuned the packaging procedures and optimized product placement.

Achievement:

- The 24-hour package collection rate reached to 97.27%, marking a YoY increase of 2.54%;
- All stores have successfully met the delivery target of under 50 hours, significantly elevating the shopping experience for customers.

Optimization of Packaging Boxes and Packing Process

Content:

- To devise package optimization plans, three rounds of unpacking experience surveys were conducted, encompassing both traditional and emerging brands;
- Unify the use of red express boxes to standardize product placement direction, quantity of fillers used, and specifications for express box usage.

Achievement:

- The complaint rate for damaged packages decreased by 20% year-on-year.

During the reporting period

Key Performance Indicators

- The customer satisfaction rate at the official T-mall flagship store reached 92%, representing a YoY growth of 3.49%
- The official T-mall flagship store secured the Gold Medal Customer Service Certification for a consecutive 6 months
- The official T-mall flagship store was honored with the Star Customer Service award from Chitu

○ Optimizing the Product Experience

Marubi maintains a regular practice of collecting after-sales issues and negative feedback from consumers. Through various mechanisms, these product-related concerns are then relayed to the product department for subsequent optimization. Additionally, the Company works closely with the training team to conduct comprehensive product knowledge training, with the ultimate goal of delivering a satisfying product experience to its customers.

Direct Feedback Mechanism for Customer Service

Marubi regularly compiles focused and difficult issues, as well as product issues raised by consumers, timely conducts internal communication to trace the source of common product issues and incorporates customer feedback on product-related issues into the product improvement plan.

KOL Workshop

Marubi regularly holds product communication workshops with KOLs in the cosmetics industry to comprehensively listen to the sharing of advantages and disadvantages of the products by consumer spokespersons and their suggestions for improvement. Common issues will be included in the product upgrade plan.



▲ Jiaoao Rising - Private New Product Launch Event

Case Study Enhancing the Four-Resistance Product Based on Consumer Feedback

The Four-Resistance (anti-oxidation, anti-glycation, anti-photoaging, and anti-stress) set is the flagship product of the promotional campaign on Tiktok Mall in 2023. Marubi attaches utmost importance to, as well as closely monitors, consumer feedback. During the reporting period, the Company conducted follow-up interviews with select consumers, taking into account their feedback on product issues. By synthesizing consumers' daily feedback with the insights gained from the interviews, the Company was able to refine and enhance the Four-Resistance product. The upgraded version has garnered widespread acknowledgment from consumers.



○ Consumer Feedback Management

Marubi holds consumer feedback and suggestions in high esteem, offering a range of convenient channels for consumers to voice their opinions and complaints. This ensures prompt resolution of issues and continues to deliver a satisfying consumer experience.

☆ Feedback Channels



400 National Hotline



Official We-media Platforms



Official Customer Service of the Online Store

☆ Complaint Management

In response to consumer complaints, Marubi adheres to the principles of prompt response, thorough investigation, and swift handling. Marubi regularly analyzes complaint data to explore the root causes of problems and provides strong support for continuous improvement in product and service quality.

During the reporting period

Key Performance Indicators

Customer complaint rate

0.09%

Complaint settlement rate

100%

• Types of Complaints

• Handling Methods

General Complaints

Authorize frontline personnel to handle quickly

Severe issues and Complaints Involving Legal and Regulatory Issues

Professional departments conduct rapid and effective analysis and handling, and conduct in-depth analysis of the causes to take preventive measures

Complaints with Material Impact

Promptly report to the company's leadership for proper handling, and conduct product recalls when necessary

• Responsible Marketing

Marubi ensures conformity of its market behaviors, encompassing customer service and marketing activities, with legal provisions and harmonious social development values through regular compliance training, dissemination of knowledge on product ingredients, and marketing activities that resonate with mainstream social values.

• Compliance Training

Marubi maintains a schedule of training sessions for its customer service personnel and marketing team, focusing on cosmetics regulations, online platform guidelines, and cosmetics product expertise. This ensures that accurate product information is imparted to consumers in a manner that adheres to regulatory requirements, while safeguarding customers' legitimate rights and interests. Additionally, the Company develops guidelines for live streaming conduct, tailored for internal anchors and collaborating partners, to guarantee that their live streaming activities adhere to the established standards.

Furthermore, the Company actively encourages its service personnel to engage in professional certification training related to skin care and cosmetics, aiming to continually enhance their professional service capabilities.

• Product Ingredient Education

The Company prioritizes providing scientific explanations and supporting evidence for the ingredients and effectiveness of its products. Currently, a range of methods are employed to educate consumers on product ingredients, benefits, and usage, including detailed product descriptions, educational short videos, packaging information, customer service explanations, and anchor demonstrations. This comprehensive approach aims to empower consumers to make informed purchase decisions and ensure the correct usage of products.

• Value Advocacy

In the brand marketing efforts, the Company adopts a people-oriented approach, emphasizing the delivery of unique emotional values to consumers and fostering social harmony and diversified development. During the reporting period, Marubi initiated a series of topics such as "Girls, Embrace Your Unique Radiance" and "The Power of Holding High Expectations", aimed at voicing out for women, encouraging them to embrace their authenticity and shine brightly in their lives.



Solidarity to Promote the Development of Cosmetics Industry

Drawing on the profound professional capabilities and extensive experience in the beauty industry, Marubi has been actively involved in fostering the development and construction of the industry through various activities such as standard formulation, research projects, and industry exchanges. Its aim is to promote the standardized and high-quality growth of the entire industry.

• Participation in the Formulation of Industry Standards

Marubi actively utilizes its professional prowess and expertise to participate in the formulation of industry standards, thereby contributing significantly to the standardization and high-quality advancement of the industry. As of the end of the reporting period, the Company has been participated in or led the compilation of a total of 53 standards. During the reporting period, 13 new standards were added, with the Company leading the formulation of 1 industry standard and 2 group standards.

Standard Type	Standard Number	Standard Name	Status	Role of Marubi
Industry Standard	QBCPZT2235-2023	Restructured Soluble Collagen	Approved	Lead
Group Standard	T/GDCA 033—2023	Cosmetic Antioxidation Activity Evaluation - Caenorhabditis Elegans Assay	Published	Lead
Group Standard	T/CIET 414—2024	Quality Classification and Evaluation Requirements for Front-runner Eye Cream	Published	Lead
Group Standard	T/GDCQMA 002—2023	Specification for Cosmetic Stability Testing	Published	Participate
Group Standard	T/GDCA 024—2023	Electrospun Fiber Membrane for Cosmetic Use	Published	Participate
Group Standard	T/GDCA 032—2023	General Principles for Safety Evaluation of Cosmetic Formulas Suitable for Pregnant and Lactating Women	Published	Participate
Group Standard	T/CIET 254--2023	General Principles for Eye Nutritional Foods	Published	Participate
Group Standard	T/CIET 256—2023	Technical Requirements for External Eye Care Products	Published	Participate
Group Standard	T/CIET 357—2024	General Technical Requirements for the Production of Sterile Products Using Blow-Fill-Seal (BFS) Technology	Published	Participate
Group Standard	T/CAS 805—2024	Quality Classification and Evaluation Requirements for Front-runner Hair Conditioner	Published	Participate
Group Standard	/	Evaluation Method for Cosmetic Packaging Compatibility	Compiling	Participate
Group Standard	/	Laboratory Quality Control Specification Cosmetic Effectiveness Evaluation	Compiling	Participate
Group Standard	/	Laboratory Quality Control Specification Cosmetic Physical and Chemical Testing	Compiling	Participate

Supporting Industry Research Initiatives

Marubi actively engages in collaborative research efforts addressing key industrial challenges, harnessing its strengths in talent and research platforms to assist Guangdong Province in establishing a new frontier for international green bio-manufacturing R&D and industrialization. During the reporting period, the Company contributed to the progress reporting of two pivotal special projects under the Green Bio-manufacturing key research plan targeted at key areas in Guangdong. Concurrently, the company successfully applied for and secured approval for the research project titled *Development and Industrialization of Biofermented Ristomycin as an Innovative Cosmetic Ingredient* in partnership with Guangdong Pharmaceutical University, further propelling the industrial utilization of bio-fermented ristomycin.



Two Specialized Projects Report Meeting

Case Study R&D Project on Key Technologies and Industrial Applications of Green Bio-manufacturing for Premium Daily Chemical Products

Initiated on August 12, 2022, this project is spearheaded by Marubi and executed through collaborations with institutions such as Beijing University of Chemical Technology, Jihua Lab, and Guangdong University of Technology. Amidst the escalating competition in the cosmetics industry and the persistent dominance of foreign brands in the Chinese market, effectiveness and innovation have emerged as pivotal breakthroughs for domestic brands. The advancement in technical raw materials grounded in synthetic biology and green bio-manufacturing undoubtedly offers domestic brands significant opportunities to surpass their competitors.

The seamless progress of this project will facilitate the efficient biosynthesis of raw materials for premium daily chemical products and establish a technology framework for bio-manufacturing of daily chemical products with independent intellectual property rights. This accomplishment signifies a significant milestone for Marubi in the realm of pivotal technologies and industrial applications of green bio-manufacturing for premium daily chemical products.

Industry Exchanges

The Company actively participates in industry associations and industry exchanges, leveraging its professional and experiential advantages to contribute wisdom and strength to the development of the industry.



The R&D representative of Marubi made a presentation at the 7th China International Cosmetic Technology Summit



Xiong Sheng, Chief Scientist of recombinant collagen protein at Marubi, delivered a speech at the China Cosmetic Science and Technology Congress

Industry Associations Joined by the Company

Association Name	Role
China Fragrance and Flavor Cosmetics Industry Association	Member
Guangdong Cosmetic Science and Technology Research Association	Director
Guangzhou Development Zone Intellectual Property Association	Member
China Brand Construction Promotion Association - Cosmetic Brand Cluster	Vice chairman
Guangdong Light Industry Federation	Director
Guangzhou SME's Promotion For Specialization Refinement Differentiation Innovation Development	Director
Guangzhou Huangpu District Enterprise-Benefiting Policy Association	Director
Detergent & Cosmetics	Director
China Anti-aging Promoting Association	Director
China Health Care Association	Member
Guangdong Quality Inspection Association	Member
Guangzhou Development Zone Huangpu Cosmetic Industry Association	Executive president
China Food and Drug Enterprise Quality and Safety Promotion Association	Director
Guangzhou Industrial Design Association	Vice-president

• Supporting the Cultivation of Industry Talents

In the process of growth and expansion, Marubi actively engages in industry-university-research collaborations, not only supporting the nurturing of industry talents but also fueling the sustainable development with a steady stream of innovative momentum. So far, the Company has forged collaborative partnerships with universities such as South China University of Technology, Jinan University, Guangdong Pharmaceutical University, and Guangdong Vocational College of Light Industry, aiming to jointly foster the development of talents in the cosmetics industry.

Collaborative Projects

Project Introduction

Joint Post-doctorate Training

To further enhance the postdoctoral innovation practice base's role in fostering industry talents and strengthening industry-university-research collaborations, Marubi partnered with South China University of Technology to jointly nurture postdoctoral researchers, successfully recruiting 3 individuals.

Joint Master's Degree Training

The collaboration between Marubi and Jinan University has deepened during the reporting period. Building upon the existing professional undergraduate internship base, the two entities have established a collaborative training and education hub for full-time professional degree graduate students.

Marubi collaborates with Guangdong Pharmaceutical University in jointly nurturing master's degree students. These collaborating graduate students can commence their scientific research practice at Marubi.



Internship Base

Marubi has embarked on university-enterprise cooperation with the School of Life Sciences and Technology of Jinan University, Guangdong Medical University, and Guangdong Vocational College of Light Industry, aiming to jointly cultivate high-quality and applied talents possessing excellent professional qualities and practical skills. As of the end of the reporting period, nearly 400 interns have engaged in internship training.



Collaborating with Partners to Folster a Beautiful Ecosystem

Marubi remains committed to collaborating with its upstream and downstream partners to foster mutual growth, prosperity, and beneficial outcomes. It generously shares its extensive experience and technological advancements, garnered from years of development, with its suppliers and distributor partners. This collaboration aims to jointly promote sustainable development and forge resilient, stable partnerships.

• Sustainable Supply Chain

Marubi has formulated the *Supplier Management Manual*, specifying the whole life cycle from introducing suppliers, audit, procurement, cooperation, and evaluation management, to elimination. According to the open, fair and just principles, the Company utilizes a supplier management platform to systematically regulate supplier relationships, continually enhancing the stable and sustainable supply chain.

◦ Supplier ESG Management

During the supplier selection process, Marubi prioritizes those with green credentials and comprehensive management systems encompassing production management, environmental protection, safety, and business ethics. Throughout the collaborations, Marubi adheres strictly to the principle of transparent procurement, annually signing the *Integrity Cooperation Agreement* with the suppliers and providing whistleblowing channels. Internally, the Company conducts integrity training for procurement personnel, focusing on topics such as gift handling and conflict of interest. We also incorporate integrity indicators into their performance appraisals and implement a rotation policy every 2-3 years to ensure continued vigilance.

Currently, the Company has implemented regular ESG audits for a select group of key suppliers. In the future, Marubi will strive to extend the ESG audit process to cover all our key suppliers, thereby elevating the sustainability level of our entire supply chain.

◦ Green Procurement

Marubi follows the concept of green procurement, advocates the preemption and use of raw materials with less impact on environment and human body, gradually integrates the principle of sustainable development to supplier management and review, continues to complete sustainable procurement procedures, and improves the sustainable attribute of the whole industrial chain. As required by the Company, the supplier's product should contain information about hazardous substance, recyclable material, etc. To ensure the validity of green procurement, the Company implements environment audits and regular training.

- The raw material complying with organic certifications such as COSMOS is the first choice
- Prioritize the procurement of the raw material complying with the Roundtable Sustainable Palm Oil (RSPO)
- Prefer the suppliers who adhere to the Nagoya Protocol
- Encourage packaging material suppliers to use environmentally friendly inks
- Favor the procurement of packaging materials with FSC certification

• Distributors Management

Marubi has developed a sustained empowerment framework for its distributors partners, collaborating closely with them to promote sustainable growth. During the reporting period, 3,530 training sessions were organized for daily chemical partners, reaching out to 22,860 individuals. Similarly, 724 training sessions were conducted for general merchandise partners, covering 10,206 participants. Furthermore, the Company launched the Little Teacher initiative, specifically designed for distributor partners, successfully qualifying 204 individuals. This initiative enables distributor partners to independently conduct consumer-oriented events such as private sessions and salons, thereby significantly enhancing their service delivery capabilities.



^ Little Teacher Project Training



^ Distributors Training Session

Protecting the Environment and Preserving the Ecology

Marubi stays committed to building a green enterprise featuring "cleanness, high efficiency, low carbon, and recycling" and aims to realize the sustainable and green growth. The Company actively aligns with the national strategic objectives of achieving carbon peak and carbon neutrality and consistently invests in environmental protection management, addressing climate change, conserving resources, managing emissions, and promoting green building practices. Through continuous enhancement of its environmental management system, adopting lean production methods, and rigorously managing energy, resources, and emissions, the Company aims to forge ahead towards a greener and more sustainable future.

Marubi's Actions:

- Environmental protection management
- Addressing climate change
- Waste management
- Saving resource usage
- Promoting green office
- Creating green buildings

Contributing to the SDGs



Embracing Green Values and Improving Environmental Management

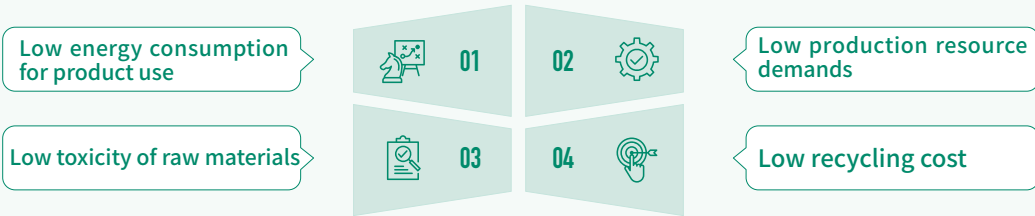
Marubi has firmly established an environmental policy that prioritizes environmental protection as a core responsibility, committing to taking care of our environment. Fueled by innovative concepts, technologies, and processes, the Company strives to continuously promote energy conservation, emission reduction, and operational efficiency across our production and operations. The Company has obtained the ISO14001 Certification for Environmental Management Systems and Clean Production Recertification, and also been awarded as the Guangzhou Green Factory.

In alignment with the ISO14001 Environmental Management System standards, Marubi has crafted a comprehensive suite of institutional documents, including the *Environmental Factor Identification and Control Procedure*. These documents facilitate the ongoing identification, evaluation, and updating of environmental impact factors, serving as a foundation for setting environmental protection goals and metrics, as well as guiding operational control measures.



ISO14001 Environmental Management System Certification

Marubi's Four Basic Environmentally Friendly Principles



Key Performance Indicators

During the reporting period
 Environmental investment
 RMB **1.36** million

Low-Carbon Transformation to Address Climate Change

Marubi actively responds to the national strategy of carbon peak and carbon neutrality goals, enhancing the application of clean energy and striving to reduce energy consumption through technological upgrades and equipment improvements and continuously improves energy performance levels to enhance energy utilization efficiency.

Improving the Energy Management System

The Company has established the Energy Management Manual and formed an Energy Management Leadership Team headed by the 5C Center Plant Manager to continuously optimize the energy management system. During the reporting period, the Company obtained ISO50001 Energy Management System certification.



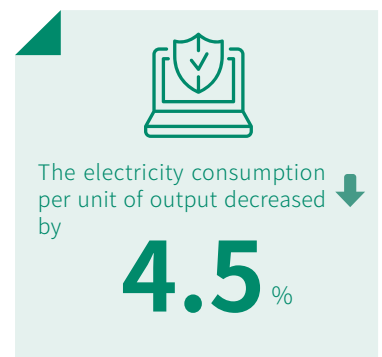
ISO50001 Energy Management System Certification



ISO50001 Energy Management System Certification Training

Initiatives Toward Carbon Neutrality

Marubi remains committed to its energy policy of optimizing energy structure and implementing comprehensive process management. Aligning with pertinent laws and regulations, including the *Notice on Further Enhancing the Upgrading and Implementation of Energy-Saving Standards* and the *Industrial Energy Conservation Administrative Measures*, the Company has developed comprehensive management frameworks, such as the *Resource and Energy Conservation Management System* and the *Control Procedure for Energy Objectives, Benchmarks, and Performance Parameters*. Annual targets and plans are set for emission reduction, with rigorous monitoring of their implementation to ensure a gradual decrease in carbon emissions. During the reporting period, the electricity consumption per unit of output decreased by 4.5% year-on-year.



Marubi's Energy Policy:

Optimize energy structure and comply with laws and regulations;



Implement comprehensive process management and continuously improve energy efficiency.

Energy-saving Management

The Company enhances the management of energy-consuming processes and equipment in order to achieve efficient energy utilization and conservation, thereby contributing to the reduction of carbon emissions.

	Benchmarking Management for Production Energy Use	Undertake benchmarking efforts pertaining to energy efficiency, conduct energy balance testing and analysis, devise plans for energy conservation and emission reduction, and gradually decrease energy consumption.
	Energy-saving Evaluation	Establish a comprehensive energy management evaluation system to regularly assess the progress made by various departments in achieving their energy targets, implementing rewards and punishments accordingly. Personnel who propose innovative and practical suggestions for energy conservation and emission reduction are duly recognized and rewarded.
	Production Scheduling Management	Prioritize optimizing the combination of production equipment and process parameters, enhance equipment operational efficiency, and ensure the lowest overall energy consumption when compiling production plans and arrange for the shutdown, maintenance, or repair of equipment units in a timely and rational manner.
	Equipment Operation Management	Implement standardized management practices and regular maintenance routines to ensure that the main indicators and parameters of the equipment units remain in optimal operating condition.
	Non-production Energy Use Management	Intensify efforts in the statistics, analysis, and management of non-production energy usage, aiming to ensure rational and energy-efficient utilization.
	Gas Pipeline Management	Strengthen the oversight of gas pipelines, conduct prompt inspections of various gas pipelines to minimize natural gas losses.

Technical Energy Conservation

The Company is committed to enhancing energy efficiency and minimizing energy consumption by continuously upgrading its energy-consuming equipment, with the ultimate goal of establishing a low-carbon enterprise.

Energy conservation projects during the reporting period

Project	Content	Achievement
Renovation of the workshop's constant temperature and humidity air cabinet system	By upgrading the control program of the constant temperature and humidity system, the system now operates automatically as required, significantly reducing unnecessary energy consumption.	Annual electricity saving: 340,953.84kWh
Renovation of warehouse and corridor lighting	The corridor's original 36W fluorescent lamps have been comprehensively replaced with 18W LED energy-saving lamps, resulting in a reduction of 64 lamp tubes in use. The total number of lamps used in the warehouse has been reduced by 342.	Annual electricity saving: 23,519.81kWh
Renovation of inverter air conditioner	Three high-power water pumps of the central air conditioning system have undergone an energy-efficiency upgrade, transitioning from three-level to two-level energy efficiency.	Annual electricity saving: 180,575kWh
Upgrade of motor energy efficiency	In line with the <i>Catalog of High-energy-consuming and Backward Electromechanical Equipment (Products) to Be Eliminated (Third Batch)</i> , a thorough inspection of motor energy efficiency has been conducted, leading to the replacement of three low-efficiency motors.	/
Total energy saving		Annual electricity saving exceeded 545,048.65kWh and realized carbon emissions reduction of over 256.99 tons

Utilization of Clean Energy

The Company is actively promoting the utilization of clean energy by installing photovoltaic power stations on factory rooftops, successfully implemented the grid-connected PV system in 2018. During the reporting period, the installed capacity of rooftop photovoltaic stations reached 660.06 KW, generating a total of 602,098 kWh of electricity. 20,910 kWh was supplied to the power grid, while 581,188kWh was consumed internally, resulting in an equivalent carbon emissions reduction of 274.03 tons.



Resulting in an equivalent carbon emissions reduction of **274.03** tons



^ Rooftop Photovoltaic Site

Clean Production to Reduce Environmental Footprint Reduction

Marubi strictly adheres to relevant laws and regulations, including the *Regulations on Urban Drainage and Sewage Treatment*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Wastes*, the *Law of the People's Republic of China on the Prevention and Control of Air Pollution*, and the *Law of the People's Republic of China on the Prevention and Control of Noise Pollution*. To continuously enhance its emissions management system, the Company has established internal regulations, such as the *Control Procedures for Wastewater, Exhaust Gas, and Noise* and the *Waste Control Procedures* and also strengthens daily monitoring and conducts regular third-party monitoring to ensure the effective implementation of environmental protection measures.



Waste Gas Management

The primary sources of waste gas emissions stem from boilers and standby generators during operation, as well as dust generated during the mixing process of production line ingredients. Marubi has established a comprehensive and standardized mechanism for waste gas prevention and control, formulating a waste gas monitoring plan and maintaining a monitoring ledger. During the reporting period, the Company successfully completed the renovation project of its steam boiler combustion engine, effectively reducing atmospheric pollutant emissions.

Pollution Prevention and Control of Waste Gas Emissions

Classification	Measures
Waste gas emitted from gas-fired boilers	Enhancing the thermal efficiency of boilers and utilizing environmentally friendly fuels
Waste gas generated by standby generators in operation	Purifying the exhaust gas through a spray box and subsequently discharging it into the atmosphere at a safe altitude
Dust produced during the mixing process of production line ingredients	Ensuring effective ventilation and deploying a pulsed back-blowing industrial dust collection system, achieving a filtration efficiency exceeding 99% for dust particles larger than 0.3µm

Case Study Implementing Steam Boiler Waste Gas Emission Reduction Renovation

During the reporting period, the Company has successfully executed a renovation project aimed at enhancing the cleanliness of steam boiler combustion. This involved the installation of a state-of-the-art low-nitrogen burner, coupled with auxiliary emission reduction devices. Post-renovation, the boilers now adhere to the most stringent emission standards, resulting in a reduction of nitrogen oxide emissions by approximately 0.78 tons annually. Furthermore, the efficiency of the boilers has been optimized, leading to a daily savings of 139 m³ of natural gas.

The emission reduction of nitrogen oxide is approximately

0.78 tons annually

Natural gas usage savings

139 m³/day

Waste Water Management

The waste water primarily accounts for industrial waste water and domestic sewage. To ensure effective waste water management, the Company has instituted a rigorous daily supervision mechanism that involves regular monitoring and inspection of all treatment units, coupled with maintaining a comprehensive daily operational log for the sewage treatment facility. During the reporting period, the Company successfully undertook the replacement and enhancement of the plate-and-frame filter press, leading to a significant reduction in the moisture content of compressed sludge, thereby effectively reducing the weight of sludge entrusted for external disposal.

Pollution Prevention and Control of waste water Discharge

Classification	Measures
Industrial Waste Water	Industrial waste water is centrally treated by the supporting sewage treatment facilities and discharged into the municipal sewage pipeline network after meeting the standards. The resulting sludge is compressed using a plate-and-frame filter press and subsequently recycled and reused by a third-party organization, and then is made into the new wall material through sintering.
Domestic Sewage	Domestic waste water must undergo three-level septic tank and meets the local standard for the second period of time before discharging into the municipal sewage pipeline network.

Solid Waste Management

The solid waste generated during the production and operation is mainly divided into recyclable waste, non-recyclable waste, hazardous waste, and domestic waste, which are uniformly collected and then handed over to qualified suppliers for disposal.

	Recyclable waste	Collection sites are established in public areas for the purpose of gathering waste, which is subsequently collected and dispatched to a third-party entity possessing recycling qualifications for further processing.
	Non-recyclable waste	Stored in designated, fixed storage areas and then gathered to be sent to a third-party with disposal qualifications for appropriate treatment.
	Hazardous waste	After collection, it is sent to a third party with qualifications for the treatment of hazardous waste for standardized disposal.

Noise Management

The noise pollution are mainly generated by the air conditioning units, cooling towers, and standby generators during operation. The Company monitors and manages the environmental noise at the factory boundary and high-intensity noise sources within the production area according to the monitoring plan. Regular lubrication is conducted for high-noise equipment, and new equipment with high precision and low noise is purchased to prevent noise pollution.

Key performance indicators

During the reporting period



Non-hazardous solid waste recycled

70.94 tons



Non-hazardous solid waste reused

70.94 tons



Sludge recycled

66.58 tons



Hazardous solid waste disposed

0.0637 tons

Environmentally Friendly and Resource Conservation

According to resource management regulations such as the *Water Law of the People's Republic of China* and the *Opinions of the National Development and Reform Commission and Other Departments on Further Strengthening the Conservation and Intensive Use of Water Resources*, Marubi has formulated the *Resource and Energy Conservation Management System* to guide the control of water, raw materials, packaging materials, and other resources, in order to achieve effective utilization of resources.



Water Resource Management

The Company adopts measures such as strengthening water-saving management, optimizing equipment maintenance, and enhancing valve internal leakage management to carry out water resource conservation management. During the reporting period, the Company recycled the cooling water from the emulsifying pot, resulting in a water saving of 165m³/day.

Water Conservation Management

- Routine inspections are strengthened to minimize water wastage.
- The cooling water volume is adjusted accordingly based on seasonal changes and unit conditions, ensuring both safety and economic efficiency.
- The operation and maintenance of the thermal system are enhanced to mitigate leaks and minimize water replenishment.
- The reuse rate of waste water is elevated, leading to a reduction in external discharge.
- Regular equipment maintenance is conducted to eliminate leaks and spills, further minimizing water loss.

Valve Internal Leakage Management

- New technologies and processes are adopted in design, installation, and procurement to guarantee the quality of valves.
- A regular valve leak detection system is established, with detection points installed on critical drainage valves, enabling real-time monitoring and addressing of any abnormalities.

Case Study Water Conservation Renovation of Emulsifying Pot Cooling System

During the reporting period, the Company successfully implemented a re-circulation upgrade for the emulsifying pot cooling system, effectively enabling the reuse of emulsifying cooling water. Operating with a daily cooling water consumption of 15m³ and utilizing 11 production pots, the transformation led to a substantial reduction in water usage, achieving a daily water savings of 165m³.

Daily water consumption saving
165 m³

Raw Material and Packaging Material Management

The Company remains committed to the ongoing effort of conserving raw materials and minimizing packaging materials and actively explores the establishment of a recycling system for post-consumer product packaging, aiming to reduce resource waste.

Conservation of Raw Materials

The Company consistently optimizes its processes and procedures to lower raw material consumption. During the reporting period, a series of conservation measures were implemented, effectively reducing both waste generation and water consumption, while simultaneously enhancing production and minimizing losses.

- **Optimizing Sampling:** Implement new sampling guidelines specifically for crucial raw materials, ensuring that sampling quantities are minimized while fulfilling inspection criteria. This has translated into a reduction of 4.6g per batch and a cumulative annual reduction of 23.11kg.
- **Merging Batches:** Institute batch merging protocols to address waste arising from QC, filling and packaging samples, as well as cleanup procedures and to reduce finished product consumption. The monthly average finished product requisition decreased by 28.42% year-on-year.
- **Optimizing Production Scheduling:** Manage input losses, volatilization losses, sticking losses, and sample testing discharge volumes by refining production scheduling. Consequently, the paste output rate has increased by 0.21% year-on-year, translating into an additional 5,740kg of paste produced.
- **Optimizing Operations:** Optimize filling scheduling, stabilize filling standards, and minimize the loss of substandard products. These efforts have collectively resulted in a reduction of paste usage losses by 3,754kg.

Packaging Materials and Wastes Management

Marubi remains committed to optimizing the utilization of packaging materials, aiming to minimize both consumption and waste. During the reporting period, numerous initiatives have been implemented to enhance the efficiency of packaging material usage. Additionally, the Company has initiated recycling programs for post-consumer product packaging, significantly mitigating the environmental footprint associated with packaging material consumption.

Project	Content and Effectiveness
Reducing Consumption of Inspection Packaging Materials	Marubi enhances process protection measures to facilitate the reuse of certain inspection packaging materials, thereby minimizing losses during the inspection process.
Replacing with Calcium Plastic Turnover Boxes	The kraft paper boxes previously used for transportation turnover have been substituted with calcium plastic boxes, capable of being reused 20-25 times. This replacement has enabled the reuse of turnover boxes and consequently reduced packaging material consumption.
Optimization of Parcel Box Usage	By promoting the utilization of more generic packaging materials, the inventory of packaging box SKUs has been streamlined, decreasing from over 30 to just 11. Additionally, based on product-specific requirements, some five-layer cartons have been substituted with three-layer cartons, while sample orders have shifted to being shipped in express delivery bags. These optimizations have resulted in a cumulative savings of 17,941kg of packaging materials.
Post-consumption Empty Tube Recovery of Little Golden Needle Products	A recycling initiative aimed at collecting used packaging from Little Golden Needle products has been initiated. During the reporting period, 502 consumers actively participated in this program, resulting in the collection of 30,120 empty tubes.

Promoting Green Practices and Advocating Green Office

Marubi actively promotes resource-efficient and environmentally friendly green office. Leveraging internal energy management systems, the Company actively disseminates the concept of green office work and encourages employees to adopt green and low-carbon work and lifestyle habits.



Green Office Practices

To enhance resource utilization efficiency and mitigate the environmental impact caused by office operations, the Company has implemented the following green office measures.

- ④ **Drinking Water Management:** Encourage the staffs to use their own water cups and reuse barreled water bottles.
- ④ **Lighting Management:** Ensure that lights are turned off when leaving a room. Maximize the use of natural daylight during daytime hours to minimize the need for lighting and conserve electricity.
- ④ **Air Conditioning Usage Management:** Maintain the air conditioning temperature at a minimum of 26°C during summer and a maximum of 20°C in winter.
- ④ **Office Paper Management:** Save office paper and use double-sided paper for documents that do not require saving.
- ④ **Vehicle Usage Management:** Optimize the utilization of company vehicles and minimize redundant trips. Transition to electric commuting buses and gradually phase out fuel-powered vehicles to reduce carbon emissions.
- ④ **Low-carbon Equipment Usage:** Install charging stations for electric vehicles and prioritize the purchase of rechargeable office equipment.
- ④ **Garbage Classification:** Set up a garbage classification leadership team, formulate garbage classification solution and management system, and put domestic garbage classification into place.



Ecological Integration for the Creation of Green Buildings

The Company prioritizes environmental protection indicators, including energy consumption and pollutant emissions, as crucial factors in the design of new, renovated, and expanded projects. This approach aims to significantly reduce the environmental impact during the construction and operation of buildings. During the reporting period, the headquarters building, which adhered to green building standards in its design and construction, reached completion and capping, now entering the decoration phase.



The new headquarters building of Marubi embodies a high-quality architectural space that prioritizes both energy efficiency and healthiness. This is achieved through meticulous design considerations encompassing air, water, nutrition, light, exercise, thermal comfort, acoustics, materials, spirit, and community. Marubi adheres to the WELL Platinum standard in all aspects of design, construction, building material selection, and post operation. During the reporting period, the building passed the preliminary review of China Green Building Three Star Standard and WELL Platinum Standard certification.



Environmental Protection Measures

- ④ **Material Selection:** The decorative and finishing materials utilized adhere to the national standard, ensuring that they meet the criteria for limiting harmful substances to five categories or more;
- ④ **Water Conservation Measures:** Sanitary ware in the building boasts a water efficiency rating of Level 1. Micro-irrigation systems, inclusive of rain sensors for automatic shutdown, are employed for landscaping purposes. Furthermore, a rainwater storage tank is incorporated for various applications such as flushing underground garages, irrigating outdoor landscapes, and watering roads;
- ④ **Integrated Design and Construction:** The civil engineering and decoration works are executed through an integrated design and construction approach;
- ④ **Material Recycling:** The building demonstrates a commendable commitment to sustainability, with a proportion of 15% recyclable and reusable materials and a minimum of 50% green building materials utilized.



Energy Conservation Measures

- ④ **Solar Energy Utilization:** A solar photovoltaic system covering 59 square meters is installed;
- ④ **Thermal Insulation:** The roof is insulated with extruded polystyrene board, while the exterior walls feature high-performance glass curtain walls;
- ④ **High-efficiency Equipment:** The air conditioning system's circulating pumps exhibit a power consumption and cooling (heating) ratio that is 20% lower than the current national standard. Additionally, the fans achieve Level 2 efficiency, the lighting power density adheres to national standards, and the transformers boast Level 2 energy efficiency.

People-Oriented and Creating the Beauty of Harmony

Marubi upholds the core philosophy of people-oriented, embodying the virtues of loyalty, pragmatism, unity, innovation, and gratitude. The Company has comprehensively enhanced its human resources system, encompassing recruitment, hiring, training, retention, and management, to foster the growth, maturity, and success of its employees. Marubi emphasizes employee welfare, ensures their health, and fosters a nurturing and supportive workplace environment. Furthermore, Marubi actively fulfills its social obligations through educational donations, organizing community events, and collaborating with various stakeholders in society to foster a harmonious community.

Marubi's Actions

- Employee rights and interests protection
- Diversity and inclusion
- Competitive compensation and benefits
- Smooth communication channels
- Empowering employee development
- Caring for employees with consideration
- Safeguarding employee health and safety
- Contributing to community development

Contributing to the SDGs



Promoting Equity and Diversity for Employee Rights and Interests

Marubi consistently views safeguarding the fundamental rights and interests of its employees as a paramount responsibility, strictly adhering to national laws and regulations to guarantee that employees enjoy legitimate entitlements, including wages, working hours, vacations, social insurance, and democratic communication.

• Embracing Equality and Diversity

The Company strictly abides by the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China* and the *Social Insurance Law of the People's Republic of China* and other laws and regulations, to uphold compliant employment practices. During the reporting period, the Company has revised and updated the internal systems, such as the *Employee Handbook* and the *Recruitment Management System*. The Company upholds principles of open recruitment, fair competition, merit-driven hiring, and prioritizing internal candidates and maintains gender equality in hiring, prohibits all forms of employment discrimination and workplace harassment, and strictly prohibits forced labor and child labor.

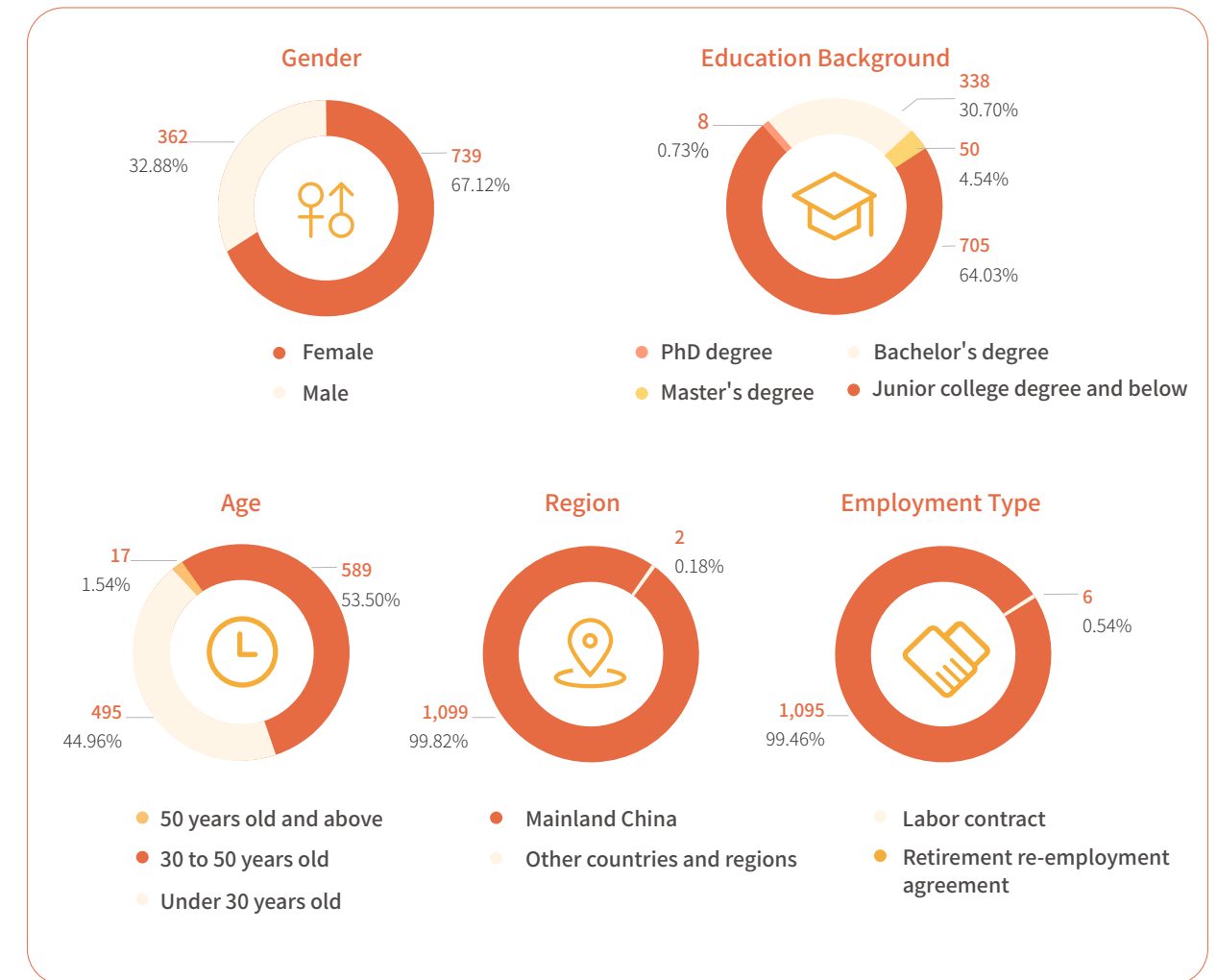
Free of child labor and forced labor. All new employees are mandated to provide verification documents, including copies of their identification cards and academic credentials, to authenticate their identity and safeguard against any instance of hiring minor labor. During their employment tenure, the Company strictly prohibits the withholding of employees' identity documents, forbids the assignment of any work that violates their will, respects the right to freely choose the work, and ensures the elimination of forced labor.

Preventing harassment and discrimination. To address these issues, Marubi regularly conducts anonymous 360-degree surveys among managers to gather pertinent information. In the event of discovering suspected incidents, the Company conducts undercover investigations to authenticate the veracity of the incidents and offers psychological counseling to the victims.

The Company always advocates and adheres to gender equality and employment diversity, striving to cultivate a diverse and inclusive talent team. As of the end of the reporting period, the Company has 1,101 employees, exhibiting the following staff structure.



As of the end of the reporting period, the employee structure is as follows:



As of the end of the reporting period

Key Performance Indicators

Female in senior management

25 %

Retired employees re-employed

6

Ethnic minority employees

17

Veterans

9

Employees with disabilities

4

• Salary and Welfare

The company has instituted crucial management frameworks, including the *Salary Management System* and the *Welfare Management System*, to provide employees with legitimate and comprehensive salary and welfare packages. and to ensure that employees are able to reap the benefits of the company's progress.

◦ Remuneration and Talent Motivation

Marubi firmly adheres to the principle of equal pay for equal work, upholding the basic rules of fairness, competitiveness, motivation, acceptability, adaptability, and legality. In addition to being compliant with local provisions and being higher than the local minimum wage, the Company also benchmarks its salary levels against those in the same industry and regional market. Salary adjustments are made based on factors such as job value, work experience, professional expertise, and individual performance, thus ensuring the ongoing competitiveness of the salary structure.



The salary structure comprises a fixed base salary, variable incentives, and additional welfare subsidies. Bonuses are awarded based on employee performance, fostering a culture of shared interests and risks that encourages employee engagement and enthusiasm. During the reporting period, the Company has further optimized and enhanced its salary and talent motivation efforts, focusing on the fairness of its salary structure both internally and externally.



◦ Employee Welfare

Marubi advocates the values of "learning by heart, concentrating on work, and living happily". In addition to offering fundamental statutory welfare benefits to all its employees, it also provides five distinct categories of exclusive welfare aimed at boosting the overall happiness and satisfaction of its workforce. These include care during festivals, medical and health support, service facilities, opportunities for learning and growth. During the reporting period, the Company has further augmented its employee welfare initiatives including enhancing the lunch allowance standard at the headquarters, introducing a smart cafeteria to enhance the dining experience of employees, and organizing afternoon tea sessions and various other activities for the benefit of its employees.

Statutory Welfare



Five social insurances and housing fund

pension insurance, work injury insurance, unemployment insurance, maternity insurance, medical insurance, public housing fund



Paid leaves

statutory paid leaves, statutory annual leave, marriage leave, maternity leave, bereavement leave, prenatal examination leave, paternity leave, breastfeed leave

Corporate Special Benefits

<p>Festival care</p> <ul style="list-style-type: none"> • Wedding gift • Baby gift • Health gift • Birthday party 	<p>Health protection</p> <ul style="list-style-type: none"> • Commercial insurance • Annual physical examination
<p>Convenient Services</p> <ul style="list-style-type: none"> • Parking and parking space management 	<p>Learning and development</p> <ul style="list-style-type: none"> • Training allowance
<p>Subsidies</p> <ul style="list-style-type: none"> • Full attendance bonus • Lunch allowance • Transportation allowance • Filial piety salary 	<ul style="list-style-type: none"> • Festival welfare • Employee purchase discount • Retirement gift • Mobile phone bill allowance • Laptop allowance • Business travel allowance • High-temperature allowance • Marubi honor award



Case Study Marubi Built a Smart Canteen for Employees

During the reporting period, the Company headquarters built a smart canteen aimed at enhancing the dining experience of its employees. This innovative facility offers a diverse selection of healthy dishes for employees to choose from, saves time for dining out and ensures the safety of employees' meals.



▲ "Double Eleven" Shopping Festival 5C Center Welfare Distribution



▲ Retirement Benefits

• Democratic Communication

To build a smooth communication bridge with employees and foster a work culture of mutual trust and shared progress, Marubi has formulated the *Comments and Suggestions Collection, Handling and Feedback System*. This system incorporates various democratic communication channels to gain a deeper understanding of employees' mindsets and listen to their voices. The HR Department systematically categorizes and summarizes these suggestions, assigning them to the appropriate departments for processing. Following the department heads' handling, the HR Department announces the outcomes at employee meetings, ensuring the timely and effective collection, processing, and feedback of the suggestions. During the reporting period, the Company achieved a 100% resolution rate for employee suggestions.



Resolution rate for employee suggestions

100%



^ Employee Communication Channels



Empowering Employees to Achieve Their Dreams

Marubi holds a firm belief that employees are the most invaluable asset and prioritizes employee training and development, establishing a multi-tiered training system that empowers diverse talents to grow. Additionally, the Company creates diverse career paths to assist employees in continuously enhancing their capabilities and potential, enabling them to achieve their personal aspirations.

• Cultivating Talent

Guided by the values of life-long learning and practice, the Company strives to establish a competitive learning environment and cultivate professional, dedicated, and focused talents. Leveraging the comprehensive online learning platform of Marubi Academy, the Company implements a three-level training system encompassing new employee orientation, professional skill enhancement, general management capability development, and leadership training. This comprehensive approach supports the execution of the corporate strategy, business expansion, and the enhancement of human capital value. During the reporting period, the Company optimized the employee training system and tailored training courses to align with job requirements, aiming to enhance employees' job competence.



v Three-level training system

Cultivation Level	Cultivation Objectives	Cultivation Methods
Cultivation of senior managers	Talents with coordinated management skills	Cultivate business partners that have far strategic vision, recognize Marubi's corporate culture, and with overall management capacity through the Joint training program - EMBA courses of SUN YAT-SEN University
Cultivation of middle-level managers	Management experts	Committed to cultivating the management elites of different specialties through educational promotion, improving the professional capacity of the middle level staff, and strengthening the backbone force
Cultivation of junior employees	Talents with execution abilities	Dedicated to cultivating management trainees and high potential talents at junior level, and strengthening backbones for the basic level

Case Study Implementing the EMBA Senior Management Talents Training Program with Sun Yat-sen University

To cultivate strategic development talents, the Company has embarked on a collaborative EMBA training program with Sun Yat-sen University since February 2022. Through rigorous and structured learning and training, the participants have successfully built a comprehensive knowledge base while honing their capabilities to think critically and resolve challenges in intricate business landscapes. As of the end of the reporting period, 91 employees have joined this program, of which 64 have successfully graduated.



▲ 2022 Graduation Group Photo of Sun Yat-sen University EMBA Program

Marubi Academy

The Company sets up three colleges based on different learning demands of front, middle and back platform personnel: including Brand Management College, Operation College and Retail College. Such colleges provide systematic learning courses respectively targeting general knowledge and professional knowledge such as management, operation, skills, products, and scientific principles. After completing online learning, employees must successfully pass online exams, and their learning records serve as a criterion for evaluating their promotion eligibility. As of the end of the reporting period, a total of 2,095 online courses were offered, amounting to a grand total of 94,648 hours of course content.

During the reporting period		Key Performance Indicators	
Number of new courses added	416	New course hours added	30,626 hours
Total employee training duration	29,081 hours	Employee training coverage rate	100 %

New Employee Training

The Company consistently organizes comprehensive training sessions for its new hires, encompassing factory tours, introductions to corporate culture, detailed product demonstrations and experiences, explanations of career development paths, presentations on compensation and benefits systems, as well as discussions on channel business. During the reporting period, a two-day, one-night intensive training camp was held specifically for new employees. Furthermore, to facilitate the swift integration of new employees in the e-commerce department, 1V1 newcomer training program was implemented, yielding favorable outcomes.

Professional Skills Development

The Company attaches utmost importance to nurturing and enhancing the job skills of its employees, actively encourages participation in nationally recognized vocational qualification exams and offers financial assistance to those pursuing certifications pertinent to their job roles. Additionally, the Company provides support to engineers of all levels in their pursuit of professional title assessments, fostering a culture of lifelong learning. Annual training programs are conducted across multiple dimensions, encompassing product expertise, hands-on product experience, live streaming techniques, and job-specific competencies, aimed at elevating the professional capabilities of employees.

During the reporting period		Key Performance Indicators	
Supported 5 employees for vocational qualification certification with a total subsidy of RMB	14,290		
Supported 16 engineers in participating in professional title evaluations, with a total support amount of RMB	57,150		
Conducted 137 professional skills training sessions, with a cumulative training duration of	473.5 hours, covering 1,612 individuals		
92 individuals achieved qualification certification in Tencent community operation/channel operation			

Case Study Free Qualification Certification in Tencent Community Operation and Channel Operation

To empower employees with new skills in the digital economy and foster the enterprise's digital growth, the Company incorporated original courses offered by Tencent, enabling employees to participate in the training sessions and acquire qualification certifications free of charge. During the reporting period, 92 individuals successfully obtained the Tencent community operation and channel operation qualification certifications.



▲ Tencent Course Learning Qualification Certification

• Leadership Training

In order to refine the process of discovering and nurturing managerial talents, and foster a cadre team that is both resilient and effective, the Company has established the *Cadre Management Measures* to standardize the management of its cadre workforce. The Company implements various training initiatives, including regular cadre training, new cadre training, and core cadre transition plans, to empower and enhance the growth of cadres across all levels.

During the reporting period, the Company tailored the training session *Human Resource Management for Non-HR Managers* specifically for the e-commerce department. Additionally, Guangzhou Passional Lover, a subsidiary of the Company, organized an intensive 8-hour training program named *The First Transition of New Managers* for 22 middle and senior management personnel as well as key position employees, aiming to further empower and accelerate their growth as leaders.



Case Study **HR Management for Non-HR Managers Training Program**

In December 2023, the Company tailored the *HR Management for Non-HR Managers* training program specifically for cadres within the e-commerce department. The objective of this training was to empower and enhance the leadership capabilities of cadres across various dimensions, including role comprehension, talent identification, talent nurturing, talent deployment, and talent retention. The results of a subsequent survey revealed that the training achieved a satisfaction rate of 95.69%.



▲ Training Scene

• Career Development

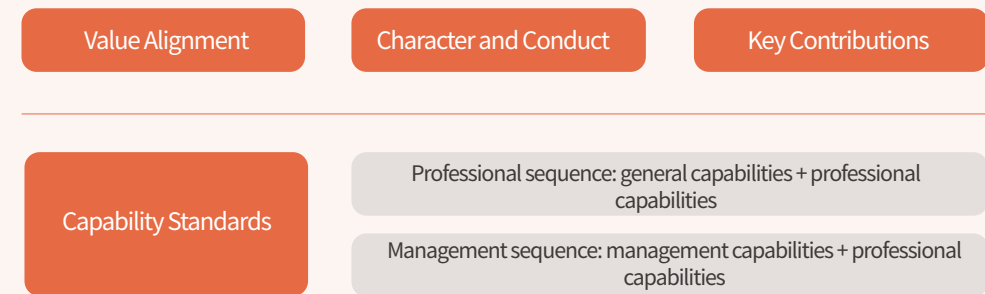
The Company offers employees diverse career development paths, aiming to empower them to fully realize their potential, enhance performance feedback and continuous improvement, and cultivate a talent pool with a balanced mix of knowledge, skills, and age.

◦ Career Development Paths

The Company provides employees with dual career channels, encompassing both management and professional sequences. It strives to build a fair, just, objective, and qualified promotion system. Employees can progress horizontally and vertically to achieve their career aspirations. Furthermore, the Company has established the *Internal Recruitment Management System* to standardize the internal hiring process, thereby expanding employees' career development opportunities. During the reporting period, the Company refined the *Qualification Management Measures* and established graded and categorized qualification standards to guide employees in continuously enhancing their work performance.



Composition of Qualification Standards



Performance Management

The Company implements a fair recognition and promotion framework rooted in performance appraisals. The annual performance scores of all employees are comprehensively aligned with business metrics, and the individual job evaluation scores act as the fundamental criterion for determining employee performance bonuses, promotions, recognition, training opportunities, and other relevant tasks. To enhance the effectiveness of performance management, the Company revised the *Performance Management System* during the reporting period, emphasizing performance feedback and interviews, thereby facilitating continuous employee growth and development through performance appraisals.



Talent Inventory and Reserve

The Company conducts regular talent inventories. The Company regularly performs talent inventories to assess the overall capabilities of its employees, and applies graded and categorized management approaches tailored to distinct talent profiles, ultimately contributing to its talent reserve.



Talent Inventory

The Company conducts regular talent inventories. During the reporting period, the Company has conducted two rounds of talent inventories specifically targeting headquarters personnel and factory supervisors and above. These inventories encompassed annual work reports, performance appraisals, and capability evaluations. The outcomes of these inventories inform decisions on employee capability assessments, recruitment needs matching, personnel promotions, annual training plan formulations, talent pipeline development, and other related endeavors.



Talent Reserve

The Company enhances its talent reserve by optimizing recruitment channels and establishing talent pools. Internal talent inventories lead to the formation of internal talent pools through capability identification and talent tagging. Additionally, the Company leverages competitor talent mapping to identify and attract mid-to-high-level talents from the industry, thereby solidifying a high-quality talent reserve.



Enriching Workplace Experiences with Intimate Care

Aligned with our corporate philosophy of "enterprise is family, school, and military", Marubi strives to create a workspace that embodies care and support, bolstering employees' feelings of happiness and belonging. During the reporting period, the Company has continuously hosted diverse cultural activities, including the establishment of a comprehensive employee care center featuring four functional rooms and the introduction of social events catered to single professionals. Additionally, the Company regularly conducts quarterly satisfaction surveys, achieving an average satisfaction rate of 88.85% during the reporting period.

Cultural Activities

Marubi annually organizes a rich array of cultural activities aimed at fostering a deeper understanding and appreciation of the corporate values among employees. These activities not only enrich employees' leisure time but also contribute to the deep integration of the corporate culture within the Company.



The 9th Cultural Festival



The 21st Anniversary



Quarterly Meeting



Photography Competition Award Ceremony



Mid-Autumn Garden Party



Final Match of the Second Staff Badminton Competition



Team-building Activity



New Year Wish's Event

Female Care

The Company holds female care in high regard, annually celebrating International Women's Day on March 8th to demonstrate its appreciation and support towards its female workforce. During the reporting period, the Company headquarters served a satisfying breakfast to each female colleague on the day of Women's Day and organized an on-site blind box lottery event. Furthermore, a brand-new Baby care room was established within the 5C Center, providing postpartum mothers with added convenience and comfort.



Women's Day Breakfast Delivery Event Baby Care Room

Networking Activities

The Company holds a profound concern for the personal well-being and happiness of single young men and women, on Valentine's Day, collaborated with the trade unions of various enterprises in Huangpu District to organize networking activities. Twenty eligible single employees participated in this event.



Networking Activity



Safeguarding Health and Safety through Secure Production Practices

Marubi has consistently prioritized the occupational health and safety of its employees, establishing a robust occupational health and safety management system that ensures necessary safety measures and psychological support are provided to employees. The Company has obtained and maintained the ISO45001 Occupational Health and Safety Management System certification, a testament to its commitment to effective and ongoing safety practices.



ISO45001 Occupational Health and Safety Management System Certification

Safe Production

The Company adheres strictly to relevant laws and regulations, developing a comprehensive suite of safety management documents including the *Emergency Rescue Plan in Case of Accidents Caused by Precursor and Explosive Chemicals*, the *Hazardous Chemicals Safety Management Procedures*, the *Emergency Preparedness and Response Control Procedures*. By setting clear safety production objectives and conducting regular safety risk assessments and drills, the Company ensures the seamless execution of safe production practices.

Safe Production Management

The Company has established a dedicated Safety Department tasked with overseeing safe production management. This department establishes annual safety production targets and facilitates the efficient execution of various safety-related initiatives. During the reporting period, the Company achieved 100% completion rate of safety production goals.



Key Performance Indicators

Number of major safety accidents	Occupational diseases incidence rate	Injury rate at work
0	0	0
Lost workdays due to work-related injuries	Employee safety training coverage rate	
0 days	100%	

◦ Safety Risk Screening

The Company has formulated the *Hazard Source Identification and Evaluation Control Procedures* to strengthen safety risk management, adhering to the principle of balancing prevention and emergency response. The Company also conducts safety risk evaluation every year and implements effective control measures according to the evaluation results.

Safety Inspections: The Company performs monthly EHS (Environment, Health, and Safety) inspections to promptly identify deviations and inconsistencies in the production process, followed by the formulation of corrective measures for timely rectification. Furthermore, a part-time safety inspector patrol system is in place to ensure the fulfillment of safety management responsibilities at every level, eliminating accident hazards at the source.

Chemical Safety Management: The Company prioritizes daily safety management, emphasizing the prevention of chemical leakage and explosion. The *Hazardous Chemicals Safety Management Procedures* that detail stringent measures for procurement, transportation, storage, utilization, and waste disposal of hazardous chemicals. During the reporting period, the management of toxic and explosive chemicals adhered to legal regulations, resulting in zero chemical safety accidents.

Safety Emergency Response. The Company has established comprehensive internal systems, including the *Emergency Response Plan for Production Safety Accidents* and the *Emergency Rescue Plan in Case of Accidents Caused by Precursor and Explosive Chemicals*, effectively preventing and controlling potential incidents such as fires, explosions, and dangerous goods leaks. An emergency command department has been set up, with the factory director serving as the general commander and the deputy factory director as the deputy commander. This department oversees various emergency response teams, ensuring the efficient execution of emergency response measures. Furthermore, the Company regularly organizes targeted emergency drills, such as chemical emergency drills, to mitigate the risk of unexpected accidents and safeguard the safety of its employees.



△ Chemical Emergency Drills

◦ Safety Culture Construction

The Company has prioritized safety training as an integral part of its daily operations. In addition to conducting safety production monthly training, the Company implements daily safety production training, committed to building a good safety culture, and improving the safety protection awareness and skills of all employees. During the reporting period, the Company responded proactively to potential safety hazards by organizing fire evacuation drills, fire rescue competitions, and emergency training simulations for natural gas leaks. Additionally, targeted safety training was provided to new employees and part-time safety officers, covering a cumulative of 1,422 individuals receiving training throughout the year.



△ Safety Production Month



△ Fire Safety Drill

Key Performance Indicators

During the reporting period
Total Number of Individuals
Participating in Safety Production
Training

1,422

◦ Occupational Health

The Company places significant emphasis on the occupational health and safety of its employees, striving to create a safe working environment and consistently engages professional third-party organization to supervise all occupational health hazards. Employees in positions exposed to such hazards are provided with necessary protective equipment, including earplugs, disposable medical masks, and gas masks. Additionally, the Company ensures that all employees undergo annual occupational health screenings, achieving a 100% coverage rate.

Furthermore, the Company recognizes the importance of employee mental well-being. Various departments work towards enhancing the mental health of their staff through initiatives such as mental health training, psychological counseling support, and other methods. During the reporting period, the 5C Center launched the "Marubi Enterprise Peace Station", offering employees complimentary 1V1 psychological counseling services and free educational lectures.

Case Study 1 Mental Health Training on Underlying Logic and Environmental Variables in the Internet Era

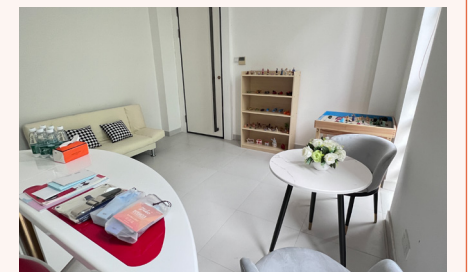
During the reporting period, the Company invited external experts to conduct a mental health training session entitled *Underlying Logic and Environmental Variables in the Internet Era*. This training aimed to foster a positive, healthy, and stable mindset among employees and enhance their sense of well-being and resilience. The comprehensive course encompassed topics such as self-awareness, emotion management, stress adjustment, goal setting, team collaboration, and fostering a positive mindset. The training lasted for 6 hours, covering 132 participants.



△ Training Scene

Case Study 2 Marubi Enterprise Peace Station

To prioritize the mental well-being of its employees, the Company collaborated with the Guangzhou Huangpu District Social Construction Promotion Association to establish the "Marubi Yuexin'an Enterprise Peace Station" within the 5C Center. This initiative officially commenced on June 25, 2023. To streamline its operations, the Company has formulated the *Peace Station Management Measures*. At this station, employees of the 5C Center have exclusive access to 1V1 free psychological counseling services and occasional mental health workshops, facilitated by professional counselors. The Company provides confidential support for employees seeking assistance in psychological counselling and protects their privacy. During the reporting period, four diverse mental health workshops were held, incorporating yoga, music, and other body-mind therapies, fostering a relaxed and positive work environment.



△ Room of the Peace Station

During the reporting period



Occupational health and safety training coverage rate

100%



Coverage rate of occupational disease medical examinations for employees in occupational disease risk positions

100%

Key Performance Indicators

Gratitude to Society and Fostering Community Prosperity

Adhering to the corporate responsibility credo of "Gratitude to Society, Action for Love", Marubi has demonstrated its commitment to society through tangible actions. Since the inception of the Marubi Fully Caring Fund in 2008, the Company has prioritized education support, women's empowerment, community service, and other endeavors, aiming to establish itself as a compassionate and accountable enterprise that collaborates with society to share development successes and jointly forge a brighter future.

Key Performance Indicators

During the reporting period

Public welfare donations

RMB **1.5** million

Case Study 1 Education Assistance to Chongqing University of Technology

Since 2015, the Company has been consistently extending its support to Chongqing University of Technology. During the reporting period, a total of RMB 1.4 million was donated to the Education Development Foundation, alongside 40 trophies and thousands of sponsored products of the university.

Case Study 2 Rose Plan, Dedicated Project to Supporting Mothers in Dilemma

To empower mothers experiencing difficult circumstances in their pursuit of employment and entrepreneurship, and to foster their awareness of professional image in the workplace, the Rose Plan project was successfully executed on July 6, 2023. This initiative, titled *Charm for Her, Graceful Blooming*, was jointly guided by the Guangzhou Municipal Women's Federation and the Guangzhou Civil Affairs Bureau, funded by the Guangzhou Civil Affairs Bureau(Guangzhou Welfare Lottery Public Welfare Fund), and hosted by the Guangzhou Women and Children Development Center. The implementation was further facilitated by the Yuexiu District Women's Federation and the Guangzhou Jingguo Social Work Service Center.

Leading the way was the volunteer service team of Guangzhou Passional Lover, a subsidiary of the Company. They conducted comprehensive training sessions, divided into two parts, specifically tailored for mothers. These sessions emphasized the creation of professional makeup styles, delivered through a blend of theoretical explanation, demonstration teaching, and hands-on practice. This approach aimed to empower participants to recognize and develop their own professional image, ultimately enhancing their enthusiasm for entrepreneurship and competitiveness in the workplace.



▲ Makeup Teaching Scene

Case Study 3 "Perfect Protection and Accompanying Love", Empowering Women Against Domestic Violence

To foster harmony within families and assist those trapped in domestic violence crises in escaping their predicaments, the subsidiary Guangzhou Passional Lover, leveraging the platform of Guangzhou Women's Federation Wanshixing Rights Protection and Comprehensive Service Center, has embarked on the "Perfect Protection and Accompanying Love" initiative aimed at empowering women against domestic violence. This endeavor establishes a one-stop consultation service for the anti-domestic violence hotline, drawing upon the expertise of a professional team and adopting a holistic approach that integrates law, psychology, and social work to guide women in expressing their demands in a legal and rational manner. Moreover, the Company disseminated typical cases through various channels such as news media, official account, and micro-blog. At the same time, the Company conducted offline anti-domestic violence training sessions on rights protection and legal awareness to educate the public on anti-domestic violence knowledge and skills.

During the reporting period, the project team organized four anti-domestic violence training sessions dedicated to rights protection and legal education. The total reading volume of the anti-domestic violence articles on the official account exceeded 6,000 views. Furthermore, the Company provided anti-domestic violence rescue guidance, crisis intervention, and personal safety protection order application assistance to 50 women who had experienced domestic violence. Simultaneously, the Company collaborated with professional volunteer teams to offer legal, psychological, and family mediation services to these women. Through collaborative efforts, we have assisted victims of domestic violence in safeguarding their legitimate rights and interests in accordance with the law.



▲ Specialized Training on Anti-Domestic Violence Rights Protection and Legal Education



Appendix

Key Performance Table

Economy				
Indicator	Unit	2021	2022	2023
Revenue	RMB million	1,787	1,732	2,226
Net profit attributable to shareholders of the Company	RMB million	248	174	259
Total assets	RMB million	3,762	4,094	4,454
Number of R&D personnel	Person	97	93	93
R&D personnel proportion	%	8.10	8.77	8.45
R&D investment	RMB'000	50,488.2	52,925.7	62,287.6
Tax amount	RMB million	253	263	239

Note: For other financial data for the year 2023, please refer to Marubi's 2023 Annual Report.

Environment					
Topic	Indicator	Unit	2021	2022	2023
Renewable energy	Photovoltaic power generation	kWh	690,800	655,185	602,098
	Purchased electricity	kWh	4,617,846	4,707,000	4,456,188
	Natural gas	m ³	238,997	228,071	246,041
Energy use	Diesel oil	L	/	/	30
	Comprehensive energy consumption	Tons of standard coal	913.33	905.81	915.54
	Energy intensity	Tons of standard coal/100 million yuan of revenue	51.11	52.33	41.13
Greenhouse gas	Energy efficiency	100 million yuan of revenue/tons of standard coal	0.02	0.02	0.02
	Total emission	Tons of carbon dioxide equivalent	2,694.60	2,712.99	2,633.70
	Scope 1	Tons of carbon dioxide equivalent	517.29	493.64	523.61
Waste water	Scope 2	Tons of carbon dioxide equivalent	2,177.31	2,219.35	2,101.09
	Total emission	Ton	11,493	11,125	10,034
	Emission intensity	Ton/10,000 yuan of revenue	0.06	0.06	0.05
Water resource	Amount of water consumption	Ton	54,927	57,190	52,630
	Intensity of water consumption	Ton/10,000 yuan of revenue	0.31	0.33	0.24
	Water resource efficiency	10,000 yuan of revenue/ton	3.25	3.03	4.23
Waste	Amount of generated hazardous wastes	Ton	/	1.52	0.0637

Note:
1. The statistical caliber of EHS data is 5C center;
2. The main sources of greenhouse gas emissions are natural gas, electricity, and diesel;
3. The comprehensive energy consumption data, energy intensity, and energy efficiency for 2021 and 2022 have been updated due to the increase in the calculation caliber of photovoltaic power generation self consumption;
4. The greenhouse gas emission data for 2021 and 2022 have been updated due to the updating of calculation methods and the selection of electricity emission factors (using the average carbon dioxide emission factor of 0.4715kgCO₂/kWh for electricity in Guangdong Province in 2021 released by the Ministry of Ecology and Environment and the National Bureau of Statistics).

Society						
Topic	Indicator	Unit	2021	2022	2023	
Employees	Total number of employees	Person	1,197	1,060	1,101	
	By gender	Male	Person	377	358	362
		Female	Person	820	702	739
	By educational background	College degree or below	Person	779	707	705
		Bachelor degree	Person	351	299	338
		Master degree or above	Person	67	54	58
	By age	Under 30 years old	Person	539	438	495
		30 - 50 years old	Person	636	597	589
		Over 50 years old	Person	22	25	17
	Gender of the management	Male	Person	42	74	74
Female		Person	59	133	145	
Diversity	Number of employees from ethnic minorities	Person	/	43	17	
	Number of people with disabilities	Person	/	4	4	
	Number of veterans and demobilized soldiers	Person	/	8	9	
	Number of local employment	Person	/	221	201	
	Signing rate of labor contracts	%	100	100	100	
	Coverage rate of social insurances	%	100	100	100	
	Coverage rate of labor union	%	100	100	100	
Training	Total hours of employee training	Hour	21,432	28,522	29,081	
Occupational safety and health	Number of employment injury accidents	Number	0	0	0	
	Number of employment injuries	Person	0	0	0	
	Number of accidents involving work-related fatalities	Number	0	0	0	
	Number of work-related fatalities	Person	0	0	0	
Suppliers	Total number of suppliers	Number	218	172	227	
	By region	Suppliers from Mainland China	Number	210	167	227
		Suppliers from Hong Kong, Macao and Taiwan and overseas suppliers	Number	8	5	0
Community	Public donation	RMB '000	3,072.5	2,500	1,500	

Index

GRI Content Index

Statement of use	Marubi has reported the information cited in this GRI Content Index for the period January 1, 2023 to December 31, 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Corresponding chapter or section
GRI 2: General Disclosures 2021	2-1	Organizational details About Marubi
	2-2	Entities included in the organization's sustainability reporting About the Report
	2-3	Reporting period, frequency and contact point About the Report
	2-4	Restatements of information Key performance table
	2-6	Activities, value chain and other business relationships Collaborating with Partners to Folster a Beautiful Ecosystem Delivering Exceptional Service and Upholding the Promise of Beauty
	2-7	Employees Promoting Equity and Diversity for Employee Rights and Interests Key Performance Table
	2-9	Governance structure and composition Enhancing Governance and Solidifying Development Foundations
	2-10	Nomination and selection of the highest governance body Enhancing Governance and Solidifying Development Foundations
	2-11	Chair of the highest governance body Enhancing Governance and Solidifying Development Foundations
	2-12	Role of the highest governance body in overseeing the management of impacts ESG Management Stakeholder Communication
	2-13	Delegation of responsibility for managing impacts ESG Management Enhancing Governance and Solidifying Development Foundations
	2-14	Role of the highest governance body in sustainability reporting ESG Management
	2-15	Conflicts of interest Operating with Integrity and Adhering to Business Ethics
	2-16	Communication of critical concerns Stakeholder Communication
	2-19	Remuneration policies Promoting Equity and Diversity for Employee Rights and Interests
	2-20	Process to determine remuneration Promoting Equity and Diversity for Employee Rights and Interests
	2-22	Statement on sustainable development strategy Message from Chairman
	2-23	Policy commitments Operating with Integrity and Adhering to Business Ethics Promoting Equity and Diversity for Employee Rights and Interests
	2-24	Embedding policy commitments Operating with Integrity and Adhering to Business Ethics Promoting Equity and Diversity for Employee Rights and Interests

GRI Standard	Disclosure	Corresponding chapter or section
GRI 2: General Disclosures	2-25	Processes to remediate negative impacts Operating with Integrity and Adhering to Business Ethics
	2-26	Mechanisms for seeking advice and raising concerns About the Report
	2-27	Compliance with laws and regulations Operating with Integrity and Adhering to Business Ethics
	2-28	Membership associations Solidarity to Promote the Development of Cosmetics Industry
	2-29	Approach to stakeholder engagement Stakeholder Communication
GRI 3: Material Topics 2021	3-1	Process to determine material topics Analysis of Material Issues
	3-2	List of material topics Analysis of Material Issues
	3-3	Management of material topics Analysis of Material Issues Stakeholder Communication
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed Key Performance Table
	201-2	Financial implications and other risks and opportunities due to climate change Low-Carbon Transformation to Address Climate Change
	201-3	Defined benefit plan obligations and other retirement plans Promoting Equity and Diversity for Employee Rights and Interests
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported Gratitude to Society and Fostering Community Prosperity
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures Operating with Integrity and Adhering to Business Ethics
	205-3	Confirmed incidents of corruption and actions taken Operating with Integrity and Adhering to Business Ethics
GRI 302: Energy 2016	302-1	Energy consumption within the organization Key Performance Table
	302-3	Energy intensity Key Performance Table
	302-4	Reduction of energy consumption Low-Carbon Transformation to Address Climate Change
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource Environmentally Friendly and Resource Conservation
	303-2	Management of water discharge-related impacts Clean Production to Reduce Environmental Footprint Reduction
	303-4	Water discharge Clean Production to Reduce Environmental Footprint Reduction Key Performance Table
	303-5	Water consumption Environmentally Friendly and Resource Conservation Key Performance Table
	303-5	Water consumption Environmentally Friendly and Resource Conservation Key Performance Table
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions Key Performance Table
	305-2	Energy indirect (Scope 2) GHG emissions Key Performance Table
	305-5	Reduction of GHG emissions Low-Carbon Transformation to Address Climate Change

GRI Standard	Disclosure	Corresponding chapter or section	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Clean Production to Reduce Environmental Footprint Reduction
	306-2	Management of significant waste-related impacts	Clean Production to Reduce Environmental Footprint Reduction
	306-3	Waste generated	Key Performance Table
	306-4	Waste diverted from disposal	Clean Production to Reduce Environmental Footprint Reduction Key Performance Table
	306-5	Waste directed to disposal	Clean Production to Reduce Environmental Footprint Reduction
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Collaborating with Partners to Folster a Beautiful Ecosystem
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Promoting Equity and Diversity for Employee Rights and Interests Key Performance Table
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Promoting Equity and Diversity for Employee Rights and Interests
	401-3	Parental leave	Promoting Equity and Diversity for Employee Rights and Interests
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Safeguarding Health and Safety through Secure Production Practices
	403-2	Hazard identification, risk assessment, and incident investigation	Safeguarding Health and Safety through Secure Production Practices
	403-3	Occupational health services	Safeguarding Health and Safety through Secure Production Practices
	403-5	Worker training on occupational health and safety	Safeguarding Health and Safety through Secure Production Practices
	403-6	Promotion of worker health	Safeguarding Health and Safety through Secure Production Practices
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safeguarding Health and Safety through Secure Production Practices
	403-8	Workers covered by an occupational health and safety management system	Safeguarding Health and Safety through Secure Production Practices
	403-9	Work-related injuries	Key Performance Table
	403-10	Work-related ill health	Safeguarding Health and Safety through Secure Production Practices
	GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee
404-2		Programs for upgrading employee skills and transition assistance programs	Empowering Employees to Achieve Their Dreams
404-3		Percentage of employees receiving regular performance and career development reviews	Empowering Employees to Achieve Their Dreams
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Enhancing Governance and Solidifying Development Foundations Promoting Equity and Diversity for Employee Rights and Interests
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Promoting Equity and Diversity for Employee Rights and Interests
GRI 408: Child labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Promoting Equity and Diversity for Employee Rights and Interests

GRI Standard	Disclosure	Corresponding chapter or section	
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Promoting Equity and Diversity for Employee Rights and Interests
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Collaborating with Partners to Folster a Beautiful Ecosystem
	417-1	Requirements for product and service information and labeling	Ingenuity Embodies Quality and Guarding the beauty of quality Delivering Exceptional Service and Upholding the Promise of Beauty
GRI 417: Marketing and Labeling 2016	417-2	Incidents of non-compliance concerning product and service information and labeling	Ingenuity Embodies Quality and Guarding the beauty of quality Delivering Exceptional Service and Upholding the Promise of Beauty
	417-3	Incidents of non-compliance concerning marketing communications	Delivering Exceptional Service and Upholding the Promise of Beauty
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Be Proactive to Ensure Information Security

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About The Report

Introduction

This report is the 3rd ESG Report issued by Guangdong Marubi Biotechnology Co., Ltd. (hereinafter referred to as "Marubi" or the "Company") to stakeholders. It aims to truly reflect the Company's efforts, practice, and performance in governance, environmental and social responsibilities through objective, standardized, transparent and comprehensive information disclosure. This report mainly covers the period from January 1, 2023 to December 31, 2023, while some contents may extend to the previous years or reflect the policies and practices of year 2024.

Report scope and boundaries

This report covers Marubi as well as its branches and subsidiaries. The "Marubi" and the "Company", and "We" herein shall mean Guangdong Marubi Biotechnology Co., Ltd. as well as its branches and subsidiaries. The "5C Center" in the report refers to Marubi's research and development center, manufacturing center, logistics center, information center, and training center.

Data source and description

The data used in this report come from public data of government departments, internal statistical data, administrative documents and reports of the Company, third-party evaluations and interviews, etc. Unless otherwise specified, the monetary amounts shown in this report are dominated in RMB. In case of any inconsistency with the data of the financial report, the financial report shall prevail. This report is released after being reviewed by the Board of Directors. The Company and all its directors guarantee that there are no false records, misleading statements or major omissions herein, and jointly and severally assume the liabilities for the authenticity, accuracy and completeness of the contents hereof.

Preparation basis

- China National Standard Social Responsibility Report Preparation Guide (GB/T 36001-2015)
- Chinese CSR Report Preparation Guide issued by the Chinese Academy of Social Sciences (CASS-ESG 5.0)
- 2030 Sustainable Development Goals (SDGs) of the United Nations
- Global Sustainability Standards Board (GSSB) *Sustainability Reporting Guidelines* (GRI Standards)
- Self regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 14- Sustainable Development Report (Trial)
- International Organization for Standardization *ISO 26000: Guidelines for Social Responsibility (2010)*
- The Ten Principles of the United Nations Global Compact

Preparation process

This report is based on the Company's ESG practice and follows the process of "project approval - collection of materials - preparation and revision - review by senior management - review by the Board of Directors - disclosure to the public". Active communications are carried out with relevant stakeholders in the process of project approval, preparation and revision, and other links to discuss the structure and contents of the report.

Release form

This report is released in electronic form in both Chinese and English, which can be accessed and downloaded from the Shanghai Stock Exchange or the Company's website (www.marubi.cn). The Company plans to release it once a year. In the event of any discrepancy between the Chinese version and the English version, the Chinese version shall prevail. Please do not hesitate to email us if you have any questions or suggestions about this report: securities@marubi.cn, or call us at (020) 66378685.

Feedback and Suggestions

If you have any questions or suggestions about this report, please scan the QR code on the right or provide feedback to us through the above contact information. Thank you!

