

SUSTAINABILITY REPORT 2025



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About This Report

Report Description The *COSMOS 2025 Sustainability Report* is the second sustainability report (hereinafter referred to as "this report") issued by Nanjing COSMOS Chemical Co., Ltd. (hereinafter referred to as "COSMOS", "the Company", or "we/us"). This report aims to provide an objective account of our management practices, initiatives, and performance in the areas of economic, environmental, social, and corporate governance.

Reporting Scope Unless otherwise specified, this report covers Nanjing COSMOS Chemical Co., Ltd. and its controlled subsidiaries, consistent with the scope of the Company's annual report. The primary entities covered are detailed in the section "Terminology Explanation."

Reporting Period This report is published on an annual basis, covering the period from January 1, 2025, to December 31, 2025, consistent with the reporting period of the annual report. Some content may extend beyond this timeframe as necessary for elaboration.

Basis of Preparation This report has been prepared with reference to the Global Reporting Initiative (GRI) *Sustainability Reporting Standards 2021*, the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)* issued by the Shenzhen Stock Exchange, the *Sustainability Accounting Standards Board ("SASB") Standards (Chemicals Sector)*, *IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information* and *IFRS S2 Climate-related Disclosures*. It reflects our commitments to the United Nations Sustainable Development Goals (SDGs) and demonstrates our efforts in upholding the Ten Principles of the United Nations Global Compact (UNGC).

Data Sources and Declarations The performance data, management mechanisms, and case studies disclosed in this report are sourced from the Company's original operational records or financial reports. The financial data is presented in RMB. In case of discrepancies between this report and the Company's annual consolidated financial statements, the latter shall prevail.

Data Reliability This report has been reviewed and approved by the Board of Directors of COSMOS. We guarantee that this report contains no false records or misleading statements. The Company engaged Bureau Veritas, an independent third party, to provide external assurance in accordance with AccountAbility's *AA1000 Assurance Standard*. The independent assurance statement can be found in the *Appendix: Third-Party Assurance Statement*.

Terminology Explanation "COSMOS", "the Group", "the Company", and "we/us" throughout this report all refer to Nanjing COSMOS Chemical Co., Ltd.
"Bases" and "Production Bases" collectively refer to the controlled subsidiaries of Nanjing COSMOS Chemical Co., Ltd., including:
"COSMOS Suqian" refers to Suqian COSMOS Chemical Co., Ltd.
"SINOBEST" refers to SINOBEST Cosmeceutical Co., Ltd.
"COSMOS Ma'anshan" refers to Ma'anshan COSMOS Chemical Co., Ltd.
"COSMOS Anqing" refers to Anqing COSMOS Chemical Co., Ltd.
"COSMOS Malaysia" refers to COSMOS PERSONAL CARE (MALAYSIA) SDN. BHD.

Report Accessibility This report is available in both Chinese and English. In the event of discrepancies between the two versions, the Chinese version shall be authoritative.
The electronic version of this report can be accessed through the Company's official website (<http://www.cosmoschem.com>) or the CNINFO website (<http://www.cninfo.com.cn>) for online viewing or download.

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Message from the President



Jun Yang

President of COSMOS

For COSMOS, sustainable development is not only a long-term commitment embedded in our corporate DNA but also the core strategy driving our future growth. Since our inception, we have remained dedicated to our mission to "Beautify & Brighten Livings." We have consistently integrated social and environmental responsibilities into every phase of our development. Today, this commitment has evolved into a formalized strategic framework: "Green Development, People-Oriented, Compliance and Integrity, Innovation-Driven, and Win-Win Cooperation." This framework ensures that as we create commercial value, we remain steadfast in fulfilling our obligations to the environment, society, and the future. I am pleased to present our 2025 Sustainability Report. This document summarizes our strategic initiatives over the past year. Furthermore, it serves as a clear declaration of COSMOS's resolve amid the global shift toward sustainable development. We are fully committed to shaping our future through definitive strategies and addressing the demands of our era with decisive action.

We are at a critical juncture. The global consensus on sustainability has translated into a clear demand for corporate action. The impacts of climate change are becoming more tangible, and regulatory frameworks continue to advance. Furthermore, markets and consumers now define product value beyond mere performance; they expect environmental friendliness and social benefits throughout a product's entire lifecycle. This shift is actively reshaping the competitive landscape of the personal care ingredients industry. At COSMOS, we deeply understand that sustainable development is more than a mandatory obligation. It is a strategic opportunity to drive product innovation, strengthen supply chain resilience, and build a lasting competitive advantage.

Our path forward is clear and unwavering: we are fully integrating sustainability into our strategic decision-making and daily operations, establishing it as a critical pillar for business growth and risk management. Rather than a reactive measure, this approach is a natural extension of COSMOS's core values "technological innovation and mindful learning" adapted for a new era. This commitment drives us to push boundaries and develop eco-friendly solutions across the entire product lifecycle, starting right from the source. It compels us to redefine collaboration, building a more resilient and responsible value chain through sustainable procurement and green manufacturing. Furthermore, it inspires us to move beyond mere compliance to actively creating value, transforming sustainability into a genuine core competency. Ultimately, this systemic transformation equips us to confidently navigate a complex and volatile external landscape. It allows us to maintain our strategic focus and achieve steady, long-term success amidst industry shifts.

Exceptional Governance: The Bedrock of Sustainability

We firmly believe that a sound and efficient governance system is the fundamental guarantee for sustainable development. In 2025, the Company's sustainability governance made a key leap from strategic planning to full integration into business operations. Under the overall leadership of the Strategy and Sustainability Committee of the Board of Directors, the closed-loop mechanism of "Decision-making - Management - Execution and Implementation." has operated efficiently. This ensures our strategic plans are accurately communicated and effectively implemented. We have further embedded sustainability goals into our business decisions and operational management, achieving high synergy between ESG performance and business targets. These solid measures have earned wide recognition from authoritative agencies. We achieved outstanding results in EcoVadis ratings, securing one Platinum, one Gold, and two Silver medals. Our CDP Water rating improved to "A-". Our rankings in major domestic and international ESG ratings also saw significant improvements. These milestones indicate that our sustainability governance system and management capabilities have reached an industry-leading level.

Systematic Green Practices: Driving the Low-Carbon Transition

We recognize that addressing climate challenges requires translating green concepts into quantifiable, traceable, and systematic practices. Building upon our comprehensive carbon inventory in 2024, we officially obtained validation from the Science Based Targets initiative (SBTi) in 2025. Leveraging this milestone, we established a Group-wide greenhouse gas management system, charting a definitive roadmap for our decarbonization efforts. Operationally, we relentlessly pursue process optimization and energy efficiency improvements, resulting in a steady decline in carbon emission intensity. Across our value chain, we are proactively building a product carbon footprint database. Having already completed carbon footprint accounting for several core products, our carbon management is now exceptionally precise and transparent. Concurrently, our green product innovation has yielded remarkable results. We have successfully commercialized several products with a high natural origin index, and our Roundtable on Sustainable Palm Oil (RSPO) certification process is advancing steadily. Collectively, these achievements further consolidate and elevate our technical and management leadership in green ingredient solutions.

Aligning the Value Chain: Achieving Win-Win Cooperation

We fundamentally understand that the true vitality of sustainable development stems from collaborative growth alongside our value chain partners. Internally, driven by a people-first approach, we continually foster an inclusive and empowering work environment. Through cultural cultivation, sustainability has become an instinctive, everyday practice for every employee. Externally, we are continuously deepening collaboration with our partners to ensure the comprehensive execution of sustainability initiatives throughout the value chain. In 2025, our sustainable procurement framework, based on the ISO 20400 standard, achieved full coverage across the Group. Systematic ESG due diligence and assessment protocols for suppliers have now become standard operating procedure. Concurrently, we have strengthened strategic alignment with our core customers to jointly propel the low-carbon transition. Earning accolades such as the "Top 10 Carbon Reduction Pioneer Suppliers in North Asia" from our clients underscores the immense value and responsibility COSMOS brings to the global personal care industry chain as a trusted partner.

Looking back at 2025, COSMOS took solid, decisive steps on our sustainability journey. Looking ahead, we will forge onward with a steadfast focus on three strategic imperatives:

Goal-Oriented Action: We will break down the Science Based Targets(SBT) into actionable, granular initiatives spanning both operations and the value chain, continuously amplifying the innovation and application of green technologies.

Value-Centric Partnership: We are dedicated to becoming the most trusted partner for global clients in the low-carbon, green personal care ingredients sector, providing the industry with verifiable and traceable sustainable solutions.

Responsibility-Driven Leadership: We will transition from a participant in sustainable development to an active architect of industry standards and best practices. Together with all value chain partners, we aim to build a greener, infinitely more resilient industrial ecosystem.

We firmly believe that an enterprise can only build an enduring legacy by deeply integrating innovation with responsibility, and aligning commercial success with societal value. We look forward to continuing this journey alongside all our stakeholders. By safeguarding a beautiful life through technology and shaping a sustainable future through steadfast responsibility, we will work together to usher in a more beautiful and prosperous tomorrow.

About COSMOS

Company Profile

COSMOS Overview

Founded in 2000, COSMOS specializes in the research, development, production, and sales of personal care ingredients. It was listed on the ChiNext Board of the Shenzhen Stock Exchange in July 2020 (Stock Code: 300856). Over the past two decades, the Company has deployed production bases in Jiangsu and Anhui provinces in China, as well as in Malaysia, with a strong focus on cosmetic active ingredients and synthetic fragrances. COSMOS has established a production and quality management system compliant with GMP standards for APIs. It is among the few manufacturers of personal care ingredients in China to have passed the U.S. FDA inspection and obtained certification from the European Federation for Cosmetic Ingredients (EFFCI). Through continuous innovation and development, the Company has established a comprehensive product portfolio covering multiple categories, including sunscreen agents, fragrance ingredients, hair care and cleansing ingredients, and emollients. As one of the world's leading producers of sunscreen agents, the Company's product line covers major categories of sunscreen agents available on the market. COSMOS continues to launch innovative products that span the full UVA and UVB spectrum, catering to the diverse needs of downstream customers. With a global presence, COSMOS operates warehousing and logistics hubs across the Asia, Americas, Europe, and Oceania. Its core products hold significant market shares within their respective segments, demonstrating strong international competitiveness. Thanks to its superior product quality and service capabilities, the Company has become a key raw material supplier to multinational enterprises across the cosmetics, specialty chemicals, flavors and fragrances, and oral care industries.

1,300+ employees

200+ R&D personnel

10+ Quality management system certifications

2 Global operation centers

5 Global manufacturing bases

7 Global supply chain warehouses

COSMOS Culture

COSMOS adheres to the spirit of craftsmanship, driving the integration of technology and quality. We are committed to creating a better life through high-quality products and are dedicated to creating long-term value together with our employees, clients, suppliers, and partners.




Mission

Beautify & Brighten Lives



Vision

To be the global leader in personal care ingredients and solutions



Values

Technological Innovation & Mindful Learning

The Company was founded

2000

The 1st GMP workshop was completed in COSMOS Suqian

2009

SINOBEST completed GMP system implementation

2013

COSMOS Ma'anshan was established

2017

COSMOS Anqing was established

2021

Malaysia COSMOS was established

2024

2008

COSMOS Suqian was established and commenced operations

2012

SINOBEST was established and commenced operations

2015

SINOBEST passed the U.S. FDA inspection and was recognized as a National High-Tech Enterprise in China

2020

The Company was successfully listed on the ChiNext Board of the Shenzhen Stock Exchange

2023

The Institute of Personal Care Applied Technology was established in Shanghai. Singapore Operation Center was established

2025

SINOBEST was awarded the EcoVadis Platinum Medal, ranking in the top 1% of enterprises globally

Business Overview

COSMOS focuses on the personal care industry, meticulously building an integrated ecosystem covering R&D, production, and sales. Upholding rigorous quality management standards, we deliver safer, more effective, and more comfortable solutions for clients and consumers.

Product Applications

Drawing on deep expertise and extensive industry experience in personal care ingredients, COSMOS has established a product application system covering consumption scenarios such as cosmetics, washing & cleaning care, and oral care. To address the diverse needs of downstream clients, the Company provides customized formulation solutions. In the field of sun care, the Company has launched the SUNOBEL® line of sunscreen agents, dedicated to providing more comprehensive sunscreen solutions. In the field of washing & cleaning care, COSMOS delves into fundamental research on ingredient performance, focusing on the safety and green R&D of ingredients such as anti-dandruff agents and amino acid surfactants. In the field of fragrance ingredients, the Company continues its R&D and production efforts, developing a wide range of aroma molecules used in creating floral, fruity, and other scent profiles for personal care and home care products. In the field of emollients, the Company has introduced CosSoft® / SUNOBEL® emollients, providing diversified oil oil-based solutions.

UV Filters	Washing & Cleaning Care	Aroma Chemicals	Emollients
Our portfolio covers major chemical and physical sunscreen agent products in the Chinese and international markets, spanning the full UVA and UVB spectrum. These products are widely incorporated into sunscreens, sprays, lotions, and other cosmetic formulations.	With specialized formulation expertise, we offer a diverse range of solutions, including scalp care, hair care, skin barrier repair, age-specific cleansing products for children, and oral care.	Powered by advanced technologies and facilities, we partner closely with fragrance and personal care and home care companies worldwide to develop unique scents solutions.	Leveraging our expertise in sunscreen ingredients and applications, we have launched emulsified emollient formulations to create comprehensive ingredient solutions that support customers in new product development and differentiation. At the same time, we are advancing the laboratory research development and industrial application of high-end emollients to solidify the foundation for long-term growth.

Industrial Layout

5 Major Manufacturing Bases

COSMOS has established four major manufacturing bases in China and an overseas manufacturing base in Malaysia, all equipped with comprehensive qualifications and top-tier facilities.

3 R&D Centers

The Company operates three R&D centers: the Nanjing COSMOS Research Institute, the Shanghai Institute of Personal Care Applied Technology (IPCAT), and the Anqing Plant Base. We collaborate with renowned domestic and international universities, research institutions, and engineering and technical institutions in key technical fields, holding over 200 patented technologies.

7 Warehousing and Logistics Centers

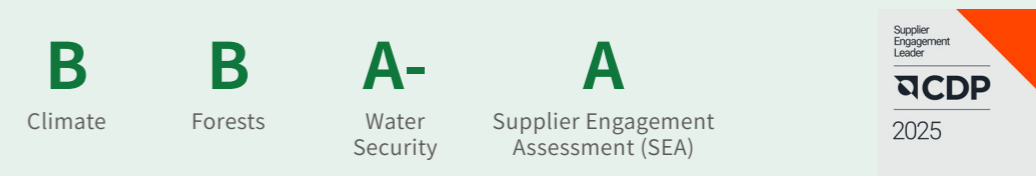
With 7 warehousing and logistics centers strategically located across Europe, the Americas, Oceania, and Asia, we offer flexible and diverse transportation options to ensure efficient and convenient local logistics services.

ESG Highlights

E Environmental Dimension

As of the end of 2025

COSMOS has participated in CDP environmental information disclosure for **9 consecutive years**. For **3 consecutive years**, we achieved a Management level (B) in the Climate and Forests questionnaires, a Leadership level (A-) in the Water Security questionnaire, and an A grade in the Supplier Engagement Assessment (SEA), earning recognition as a Supplier Engagement Leader.



- The climate targets have been validated by the Science Based Targets initiative (SBTi). COSMOS commits to reducing Scope 1 and 2 GHG emissions by **58.8%** by 2034 compared to the 2024 baseline, and to reducing Scope 3 GHG emissions per unit of product by **67.0%** within the same timeframe.
- The Company officially joined the Roundtable on Sustainable Palm Oil (RSPO). SINOBEST and COSMOS Anqing have obtained RSPO certification.

100%

of operating bases certified to ISO 14001 Environmental Management System

100%

of operating bases certified to ISO 50001 Energy Management System

During the reporting period

0

major environmental pollution accidents

173,159

cubic meters of water recycled and reused

7,730

MWh of green electricity purchased

S Social Dimension

As of the end of 2025

100%

of operating bases certified to ISO 45001 Occupational Health and Safety Management System

100%

of operating bases certified to ISO 9001 Quality Management System

100%

of operating bases certified to the European Federation for Cosmetic Ingredients Good Manufacturing Practice (EFFCI GMP)

100%

of operating bases certified with KOSHER and HALAL labels

100%

of operating bases and headquarters have obtained ISO 20400 sustainable procurement management system certification

SINOBEST, COSMOS Ma'anshan, and COSMOS Anqing are certified to the SA8000 social responsibility management system

SINOBEST and COSMOS Ma'anshan passed FDA on-site inspections with "zero 483 observations"

SUNOBEL® PA has obtained EWG certification, meeting international organization's rigorous standards for ingredient safety and transparency

During the reporting period

16

ESG-themed training courses

91,510

Total employee training hours

69.38

Average training hours per employee

0

Cases of occupational disease

0

Major work safety incidents

2

New invention patents authorized

G Governance Dimension

As of the end of 2025

100%

of operating bases and headquarters have obtained ISO 37001 Anti-bribery Management System certification

100%

of operating bases certified to ISO 27001 Information Security Management System

EcoVadis
Platinum Medal



SINOBEST scored 82 points and was awarded the EcoVadis Platinum Medal, outperforming 99% of the participating companies.

EcoVadis
Gold Medal



COSMOS Ma'anshan scored 79 points and was awarded the EcoVadis Gold Medal, outperforming 97% of the participating companies.

EcoVadis
Silver Medal



COSMOS Anqing scored 76 points and was awarded the EcoVadis Silver Medal, outperforming 94% of the participating companies.

EcoVadis
Silver Medal



COSMOS Suqian scored 72 points and was awarded the EcoVadis Silver Medal, outperforming 88% of the participating companies.

During the reporting period

100%

of employees received business ethics training

97.63%

of suppliers received business ethics training



Honors and Awards Received by COSMOS in 2025



2025 L'Oréal North Asia
Top 10 Carbon Reduction
Pioneer Suppliers
L'Oréal



Corporate
Governance
Pioneer Award
Stockstar



Outstanding Case of Supply Chain
Collaborative Innovation at the CSO
Global Summit
CCM CSR Promotion Center (CCM)



Honors and Awards Received by Each Manufacturing Base

COSMOS Suqian

- National High-tech Enterprise
- "Little Giant", one of the top performers among specialized, high-end, and innovation-driven
- Green Factory of Jiangsu Province
- Advanced Intelligent Factory of Jiangsu Province
- Enterprise Technology Center of Jiangsu Province

SINOBEST

- National High-tech Enterprise
- Enterprise Technology Center of Anhui Province
- Specialized, Refined, Differentiated and Innovative SME of Anhui Province
- Innovative SME of Anhui Province
- Model Unit for Labor Protection and Integrity of Anhui Province
- Provincial Green and Credible Enterprise for Environmental Protection
- Class A Advanced Enterprise in Performance Evaluation of Atmospheric Pollution Prevention and Control in Key Industries of Anhui Province
- Technological Innovation Demonstration Enterprise of Ma'anshan City
- Green Factory of Ma'anshan City
- Enterprise R&D Center of Ma'anshan City

COSMOS Ma'anshan

- National High-tech Enterprise
- Specialized, Refined, Differentiated and Innovative SME of Anhui Province
- Innovative SME of Anhui Province
- Enterprise R&D Center of Anhui Province
- Enterprise Technology Center of Anhui Province
- Engineering Technology Research Center of Ma'anshan City
- Enterprise Technology Center of Ma'anshan City
- Enterprise R&D Center of Ma'anshan City
- Green Factory of Ma'anshan City
- Digital Workshop of Ma'anshan City

COSMOS Anqing

- National High-tech Enterprise
- Green Factory of Anhui Province
- Enterprise Technology Center of Anhui Province
- Specialized, Refined, Differentiated and Innovative SME of Anhui Province
- Top 20 Municipal High-tech Enterprises
- Top 30 Municipal Private Enterprises in R&D Investment
- Top 10 District High-tech Enterprises

Sustainability Management

Guided by the United Nations Sustainable Development Goals (SDGs), COSMOS has developed a sustainability principle tailored to our business characteristics and operational realities. This principle is built upon the core pillars of "Green Development, People-Oriented, Compliance and Integrity, Innovation-Driven, and Win-Win Cooperation." It clearly outlines the key focus areas of our sustainability practices, serving as a comprehensive framework and strategic guide for our subsequent planning.

UN SDGs Responded in this Chapter



Sustainability Principle



Green Development

We are dedicated to embedding environmental sustainability into every facet of our corporate operations. By embracing clean technologies, we strive to minimize resource and energy consumption, ensure regulatory-compliant emissions, and advance the principles of a circular economy. Our commitment extends to supporting carbon neutrality objectives and fostering a harmonious coexistence with nature.



Compliance and Integrity

We rigorously adhere to local laws, regulations, and industry standards, maintaining the highest level of integrity in our business practices. Guided by strong ethical principles, we ensure the legality and compliance of our operations while cultivating a responsible and trustworthy corporate image.



Innovation-Driven

We encourage innovative thinking, increase investment in R&D, and actively explore new technologies, processes, and business models. By driving corporate transformation and upgrading through technological innovation, we deliver superior products and services to clients while leading the industry towards sustainable development.



People-Oriented

By prioritizing our employees' well-being, unlocking their potential, and cultivating a culture of shared success, we drive mutual growth for both our employees and the company.



Win-Win Cooperation

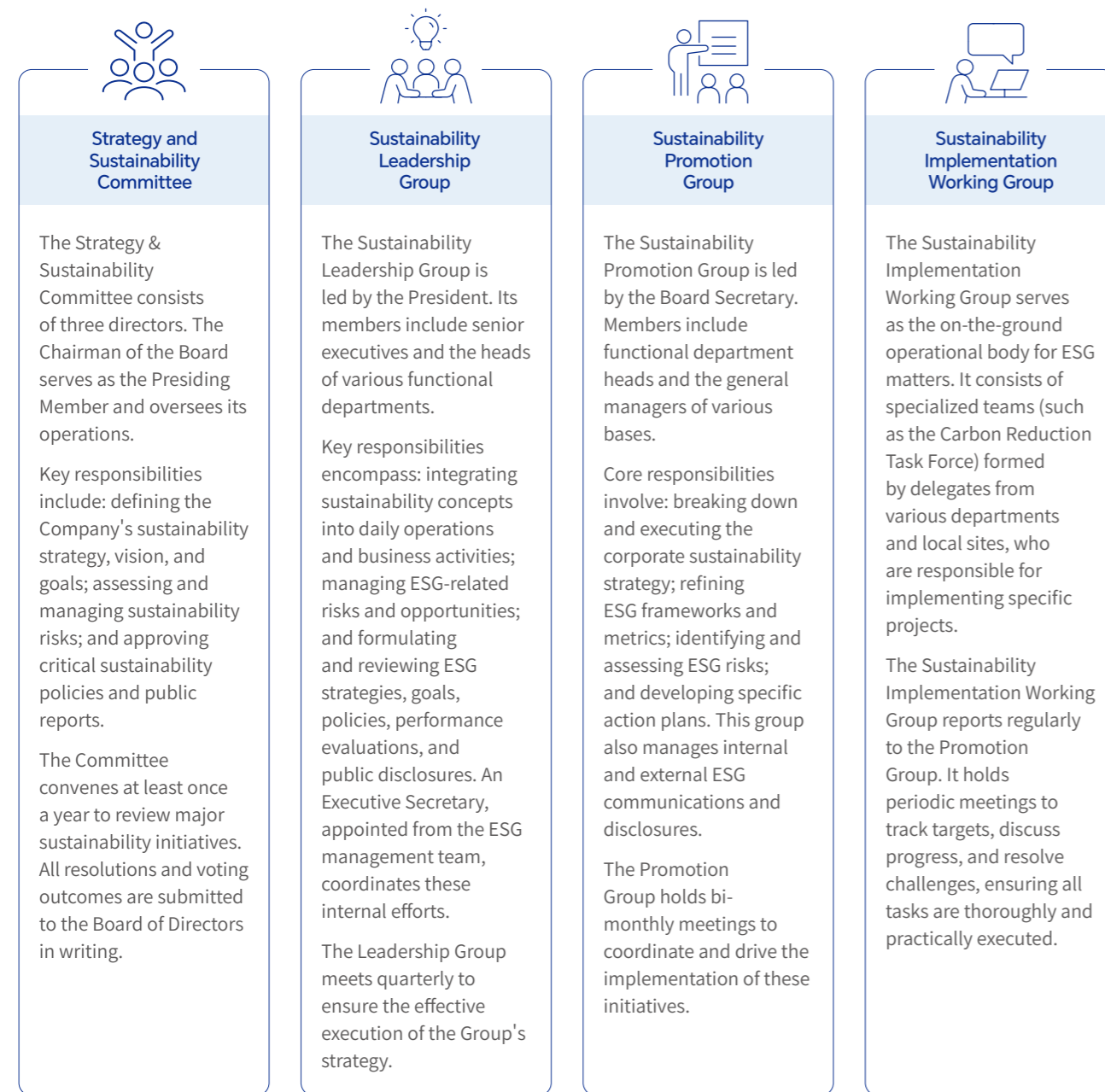
We adopt an open and collaborative approach, working closely with suppliers, clients, partners, and other stakeholders to build a mutually beneficial industrial ecosystem. Through these partnerships, we drive sustainable development across the industry and create enhanced societal value.

Sustainability Governance Structure

To systematically integrate ESG issues into our strategic planning and daily operations, COSMOS has established a three-tier sustainability governance framework: "Decision-making - Management - Execution and Implementation." The Strategy & Sustainability Committee serves as the highest ESG governing body and reports directly to the Board of Directors. Operating under this committee is the Sustainability Leadership Group, which coordinates all corporate sustainability efforts and takes direct accountability for the results. To drive execution, we have also formed the Sustainability Promotion Group. Directed by the Leadership Group, this team utilizes a "1+N" model to carry out specific ESG initiatives on the ground, ensuring our sustainability policies are fully implemented across all operations.



In 2025, COSMOS optimized its sustainability governance structure to better align with current operations. This adjustment aims to boost organizational efficiency and effectively support our corporate sustainability strategy.



COSMOS has established a closed-loop management mechanism of "strategy, goals, execution, monitoring, and review." We integrate ESG requirements directly into our business processes. Supported by dedicated investments and assessment systems, we ensure our governance practices remain consistent and stable. In 2025, the Company advanced several substantial ESG initiatives. Notably, we established a comprehensive greenhouse gas management system, underpinned by a digital management platform.

In 2025, we continued to deepen our ESG capacity building. Throughout the year, we organized 16 ESG-themed training sessions, totaling 336.5 hours of employee training. Five of these sessions were conducted exclusively through the Sustainability Leadership Group and the Sustainability Promotion Group meetings, delivering targeted empowerment to our core teams. These training topics comprehensively covered key areas, including ESG information disclosure, rating improvement, climate target setting, and carbon reduction path planning.

COSMOS Conducted ESG Capacity-Building Workshops

Case

To strengthen ESG risk management, COSMOS organized ESG capacity-building workshops in 2025. These sessions featured tiered training and practical seminars centered on two main themes: "ESG Risk Management" and "Climate and Water Risk Management."

The curriculum focused on corporate ESG risk management and the quantification of risk assessments, engaging mid-to-senior management from the headquarters and core leaders from our production bases. Through hands-on workshops, participants systematically reviewed ESG-related risks. They conducted practical exercises on key processes, including risk identification, assessment, prioritization, and management. Simultaneously, we performed a gap analysis based on the quantitative requirements of CDP climate and water risk assessments, comparing them against our 2024 disclosures. This helped us clarify key areas for improvement and develop actionable enhancement plans.

These workshops further deepened our management team's understanding of ESG risks, laying a solid foundation for continuously refining our ESG risk management system and elevating the quality of our disclosures.



ESG Capacity-Building Workshop

COSMOS Completed the SDG Innovation Accelerator Program for Young Professionals

Case

In 2025, COSMOS participated in the SDG Innovation Accelerator for Young Professionals initiated by the United Nations Global Compact. During the program, we conducted systematic practices centered on corporate social responsibility and sustainable innovation. We successfully completed the program and received official certification.

In this project, the COSMOS delegate team focused on a critical industry challenge: "Enhancing Global Supply Chain Resilience and Building a Localized Response System." We conducted in-depth research on how to bolster supply chain stability and risk resistance in a complex, volatile external environment. We also explored pathways for visual carbon reduction across the entire supply chain through data and management mechanisms. Our proposed solution addressed current trends in global supply chain restructuring and the low-carbon transition. Furthermore, it demonstrated the Company's forward-looking perspective and systematic approach to sustainable operations and risk management.



SDGI Program Completion Certificate

COSMOS Conducted SBTi Training for Executives

Case

In 2025, COSMOS organized a special thematic training on the Science Based Targets initiative (SBTi) for senior management and core teams. A total of 21 members from key management positions participated. Through systematic learning, the team further built consensus and strengthened their resolve to integrate climate issues into our long-term development strategy. This established a robust management foundation for implementing our sustainability and carbon reduction goals.



SBTi Training

COSMOS Attended the CDP Sustainable Supply Chain Forum

Case

In October 2025, COSMOS was invited to attend the CDP Sustainable Supply Chain seminar, themed "Data-Driven Advantage Construction." This seminar brought together core suppliers and industry "chain leaders" such as L'Oréal. As a vital component of the global supply chain ecosystem, COSMOS utilized this event to grasp industry trends. We focused on discussing how to align with industry leaders to build a sustainable supply chain.

Through in-depth discussions with industry partners, COSMOS further clarified its path to enhancing supply chain resilience. We remain committed to playing a more active, collaborative role in the decarbonization of the value chain.

Double Materiality Assessment

COSMOS treats material ESG issues as key drivers for advancing our sustainable development. We actively gather and analyze the core concerns of our stakeholders, seamlessly integrating these insights into our sustainability strategy and daily operations.

Stakeholder Communication

COSMOS highly values transparent communication with all stakeholders. We have established robust mechanisms to facilitate both regular and ad-hoc discussions on the issues that matter most to them. Through continuous engagement, we gain a deep understanding of stakeholder expectations and work collaboratively to advance our sustainability practices. On such basis, we consistently refine our engagement and feedback processes to drive more responsible and forward-looking corporate actions.

Stakeholder	Concerned Issue	Communication and Response
<p>Government and Regulatory Agencies</p>	<ul style="list-style-type: none"> • Corporate Governance • Risk and Compliance • Environmental Management • Energy Management • Water Management • Employee Health and Safety • Product and service Responsibility 	<ul style="list-style-type: none"> • Meeting Exchanges • Public Reports • Supervision and Inspection
<p>Shareholders and Investors</p>	<ul style="list-style-type: none"> • Corporate Governance • Risk and Compliance • Business Ethics • Climate Action 	<ul style="list-style-type: none"> • Investor Exchanges • Shareholders' Meetings • Public Reports • Daily Communication

COSMOS Created an ESG Calendar to Elevate Employee Sustainability Awareness

Case



ESG-themed calendar

To continuously enhance our employees' understanding of ESG, COSMOS launched an ESG-themed calendar. Organized by the four seasons, the calendar integrates core ESG topics into 12 monthly scenarios. The ESG calendar is designed to popularize sustainability knowledge in an engaging format. It aims to foster a company-wide ESG culture, strengthening employee alignment and participation.

Stakeholder	Concerned Issue	Communication and Response
 Employees	<ul style="list-style-type: none"> Employee Management and Communication Employee Training and Development Employee Rights and Benefits Employee Health and Safety Diversity, Inclusion, and Equal Opportunities 	<ul style="list-style-type: none"> Regular Communication Employee Training Feedback Channels Internal Meetings
 Suppliers	<ul style="list-style-type: none"> Sustainable Procurement Business Ethics Chemical Safety Management 	<ul style="list-style-type: none"> Cooperation Negotiations Daily Communication Meetings Supplier Assessments Supplier Training
 Clients	<ul style="list-style-type: none"> Product and Service Responsibility Responsible Marketing Product Innovation Data Security Climate Action Energy Management Water Management Circular Economy Biodiversity 	<ul style="list-style-type: none"> Regular Follow-ups Review Cooperation Satisfaction Surveys
 Community	<ul style="list-style-type: none"> Emissions and Waste Management Biodiversity Community and Public Welfare 	<ul style="list-style-type: none"> Public Reports Community Activities
 Organizations, Associations, and Media	<ul style="list-style-type: none"> Responsible Marketing Product and service Responsibility Product Innovation 	<ul style="list-style-type: none"> Association Participation Public News Exhibition Participation

ESG Materiality Assessment

Process of Materiality Analysis

In 2025, COSMOS systematically executed a comprehensive materiality assessment. This full-cycle process included issue identification, impact and financial materiality evaluations, and executive management review. By analyzing domestic and international regulations, industry standards, market trends, and peer benchmarks, we identified 23 key ESG issues. We actively engaged both internal and external stakeholders to conduct a double materiality assessment. This process evaluated each issue across two distinct dimensions: financial materiality and impact materiality. The financial materiality assessment evaluated the likelihood of an issue occurring across short-, medium-, and long-term horizons, alongside its potential impact on our financial performance. Conversely, the impact materiality assessment evaluated the likelihood of an occurrence and the severity of its resulting impact. This severity metric comprehensively accounts for the scale, scope, and irremediable nature of the impact.

Finally, the Strategy & Sustainability Committee and executive management reviewed the assessment results to formalize our double materiality matrix. This matrix provides a clear, data-driven foundation for our sustainability strategy and future actions.



We identified 23 environmental, social, and governance (ESG) issues based on regulatory requirements, macroeconomic policies, industry best practices, and emerging trends. This process aligned with leading domestic and international ESG standards, including the *Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)* and the *IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information*.



We distributed targeted questionnaires to internal and external stakeholders to evaluate and score these issues. Through this process, we collected 299 valid responses.



We designed dedicated surveys for senior executives and financial leaders to assess the financial materiality of each issue. Building on these survey results, our executive and financial leadership convened a specialized workshop. By integrating business strategy with financial data, they conducted a comprehensive analysis to definitively determine the financial materiality of the relevant issues.



The Strategy & Sustainability Committee and executive management reviewed and evaluated the finalized double materiality assessment results. Aligning these findings with our corporate strategy and stakeholder expectations, they established a clear prioritization of the issues. These results were then reported to the Board of Directors to formalize our key strategic focus areas in sustainable development. Ultimately, this rigorous review process forms the foundation for the disclosures in this report and guides our ongoing management of these material issues.

COSMOS Attended "Net Zero Together" Partner Seminar

Case

In 2025, COSMOS was invited to the "Net Zero Together" Seminar by the client, L'Oréal. Together with our value chain partners, we discussed critical topics such as Scope 3 emission reductions and setting Science Based Targets (SBT). Through in-depth discussions with clients and industry peers, we gained a comprehensive understanding of their sustainability strategies and emission reduction requirements. We also learned practical approaches to supply chain decarbonization from industry experts and leading enterprises. These insights served as a vital reference for formulating our own emission reduction targets and implementation pathways. Furthermore, this event reinforced our shared commitment to driving a green transition across the value chain.



Partner Seminar

Due Diligence

COSMOS 2025 Material Issues: Impact, Risk, and Opportunity Analysis

Topics	IRO	Impact Type	Actual/Potential	Value Chain Scope	Risk	Oppor-tunity	Time-frame ¹
Response to climate change	GHG emissions generated during operations can compromise environmental performance targets if poorly managed.	Negative	Potential	Operations	√		S、 M、 L
	Applying energy-saving, decarbonization technologies, and clean energy can reduce emission intensity and energy costs while boosting operational efficiency.	Positive	Actual	Operations		√	S、 M、 L
	Extreme weather events threaten raw material supply and operational continuity.	Negative	Potential	Operations Upstream	√		M、 L
	Developing low-carbon, eco-friendly products meets market demands and enhances brand competitiveness.	Positive	Potential	Operations Downstream		√	M、 L
Emissions and Waste Management	Inadequate emissions and waste management directly impacts corporate compliance and environmental performance.	Negative	Potential	Operations	√		S、 M、 L
	Stricter environmental standards may drive up compliance costs.	Negative	Potential	Operations	√		S、 L
	Upgrading pollution control technologies and utilizing waste as a resource help lower emission intensity and disposal costs.	Positive	Actual	Operations		√	S、 M、 L
Environmental Management	Poor environmental management can trigger regulatory violations or incidents, resulting in fines, litigation, reputational damage, and operational restrictions.	Negative	Potential	Operations	√		S、 M、 L
	Continuously refining environmental management systems and processes elevates management efficiency and risk mitigation capabilities.	Positive	Actual	Operations		√	S、 M、 L
	Compliance with domestic and international environmental regulations enhances market access and supports overseas business expansion.	Positive	Actual	Operations		√	M、 L

Topics	IRO	Impact Type	Actual/Potential	Value Chain Scope	Risk	Oppor-tunity	Time-frame ¹
Energy Management	Applying energy-saving technologies and transitioning to renewable energy help reduce energy intensity and costs.	Positive	Actual	Operations		√	S、 M、 L
	Poor energy efficiency inflates the corporate carbon footprint, driving resource waste and escalating costs.	Negative	Potential	Operations	√		S、 M、 L
	Fluctuating energy prices and heightened energy efficiency standards create cost and compliance pressures.	Negative	Potential	Operations	√		S、 M
	Improving water efficiency reduces fresh water withdrawal and lowers water costs.	Positive	Actual	Operations		√	S、 M、 L
Water Resource Management	Inefficient water use wastes resources, increases costs, and exacerbates local water stress.	Negative	Potential	Operations	√		S、 M、 L
	Water scarcity and extreme weather events can disrupt water supply, increasing operational uncertainty.	Negative	Potential	Operations	√		M、 L
Circular Economy	Material reuse and recycling improve resource utilization, generate recycling revenue, and reduce costs.	Positive	Actual	Operations		√	S、 M、 L
	The linear consumption of raw and packaging materials depletes resources and increases the environmental burden.	Negative	Potential	Operations	√		S、 M、 L
	The potentially higher procurement costs of circular materials compared to virgin materials may impact short-term profitability.	Negative	Potential	Operations	√		S、 M

Topics	IRO	Impact Type	Actual/Potential	Value Chain Scope	Risk	Opportunity	Time-frame ¹
Biodiversity	Procuring certified sustainable raw materials mitigates negative impacts on ecosystems and biodiversity while meeting client sourcing requirements.	Positive	Actual	Operations Upstream Downstream		√	S, M, L
	Operations in ecologically sensitive areas or poor supply chain management can cause ecological damage, leading to compliance and reputational risks.	Negative	Potential	Operations	√		S, M, L
	Unstable supply or cost premiums of sustainable materials may impact procurement costs and supply security.	Negative	Potential	Operations Upstream	√		S, M
Chemical Safety Management	Rigorous chemical management minimizes the risks of leaks, fires, and occupational health hazards, safeguarding employee safety, ensuring operational stability, and bolstering client trust.	Positive	Actual	Operations		√	S, M, L
	Inadequate chemical management can lead to safety incidents like leaks, fires, or explosions, resulting in casualties, environmental pollution, and property loss.	Negative	Potential	Operations	√		S, M, L
	Strict product ingredient safety management enhances client trust and product competitiveness; alignment with international safety standards facilitates overseas market expansion.	Positive	Actual	Operations Downstream		√	S, M, L
	Safety hazards in product ingredients can trigger product returns, litigation, and severe reputational crises.	Negative	Potential	Operations Downstream	√		S, M, L
	R&D and product innovation unlock new markets and drive long-term competitiveness.	Positive	Actual	Operations Downstream		√	M, L
Product Innovation	Underinvestment in innovation or misjudging technological trajectories can lead to product obsolescence, loss of market share, and inefficient resource allocation.	Negative	Potential	Operations Downstream	√		M, L
	Long investment cycles and highly uncertain returns in R&D may pressure short-term performance and operational stability.	Negative	Potential	Operations	√		S, M

Topics	IRO	Impact Type	Actual/Potential	Value Chain Scope	Risk	Opportunity	Time-frame ¹
Occupational Health and Safety	A robust occupational health and safety management system mitigates the risk of workplace injuries and accidents, ensuring stable operations.	Positive	Actual	Operations		√	S, M, L
	Lapses in safety management can cause accidents and occupational injuries, leading to operational halts, liability claims, and reputational damage.	Negative	Potential	Operations	√		S, M, L
Product and Service Responsibility Management	Comprehensive product quality and responsibility management safeguards product safety, elevating client satisfaction and brand trust.	Positive	Actual	Operations Downstream		√	S, M, L
	Product quality or compliance failures can trigger complaints, recalls, and legal liabilities, severely damaging market reputation and client relationships.	Negative	Potential	Operations Downstream	√		S, M, L
Sustainable Procurement	Advancing sustainable procurement through supplier audits and compliance management reduces environmental and social risks across the supply chain.	Positive	Actual	Operations Upstream		√	S, M, L
	Inadequate supplier management can trigger environmental or labor issues, disrupting supply stability and incurring joint liability risks.	Negative	Potential	Operations Upstream Downstream	√		S, M, L
	Elevated sustainable procurement standards may increase procurement costs and management overhead.	Negative	Potential	Operations Upstream	√		S, M
	Safeguarding lawful employee rights and providing competitive benefits enhances workforce stability, satisfaction, and organizational cohesion.	Positive	Actual	Operations		√	S, M, L
Employee Rights and Benefits	Labor compliance shortfalls can lead to employment disputes, regulatory penalties, and reputational risks.	Negative	Potential	Operations	√		S, M, L
	Intellectual Property Protection	Effective intellectual property protection safeguards core technological advantages and underpins the commercialization of innovations.	Positive	Actual	Operations		√
Inadequate IP management can result in technology leaks, infringement disputes, and eroded competitive advantage.		Negative	Potential	Operations Downstream	√		S, M, L

Topics	IRO	Impact Type	Actual/Potential	Value Chain Scope	Risk	Opportunity	Time-frame ¹
Employee Training and Development	Systematic training and talent development mechanisms upgrade employee skill sets and boost organizational efficiency.	Positive	Actual	Operations		√	M, L
	Insufficient training or talent attrition can constrain innovation capabilities and business continuity.	Negative	Potential	Operations	√		M, L
	Building training systems and investing in development may pressure short-term costs; a mismatch between training inputs and outputs can impact resource allocation efficiency.	Negative	Potential	Operations	√		S, M
Diversity, Inclusion, and Equal Opportunity	A diverse and inclusive workplace fuels innovation and strengthens organizational resilience.	Positive	Potential	Operations		√	S, M, L
	Unfair or discriminatory practices can trigger employee turnover, disputes, and reputational risks.	Negative	Potential	Operations	√		S, M, L
	Standardized, transparent promotional and sales practices build client trust and brand reputation.	Positive	Actual	Operations Downstream		√	S, M, L
Responsible Marketing	False or misleading marketing can trigger client complaints, regulatory penalties, and reputational damage.	Negative	Potential	Operations Downstream	√		S, M, L
	Effective employee communication mechanisms boost engagement, organizational synergy, and operational stability.	Positive	Actual	Operations		√	S, M, L
Employee Management and Communication	Poor communication or inadequate management response can lead to talent drain, reduced organizational efficiency, and internal conflicts.	Negative	Potential	Operations	√		S, M, L

Topics	IRO	Impact Type	Actual/Potential	Value Chain Scope	Risk	Opportunity	Time-frame ¹
Community and Public Welfare	Engaging in community and social responsibility initiatives improves corporate-community relations and strengthens public recognition.	Positive	Potential	Operations		√	M, L
	Insufficient community engagement can create operational friction, negatively impacting the business environment and project advancement.	Negative	Potential	Operations	√		M, L
	Philanthropic investments and long-term community partnerships require stable resource backing, potentially increasing financial pressures.	Negative	Potential	Operations	√		M, L
Data Security	A comprehensive data security management system protects client and business information, ensuring operational continuity.	Positive	Actual	Operations Downstream		√	S, M, L
	Data breaches can lead to compliance penalties, compromised client trust, and business disruption.	Negative	Potential	Operations Downstream	√		S, M, L
Corporate Governance	Sound governance structures and decision-making mechanisms elevate management efficiency, risk control capabilities, and long-term stability.	Positive	Actual	Operations		√	M, L
	Governance deficiencies can result in flawed decision-making, inadequate internal controls, and diminished investor confidence.	Negative	Potential	Operations	√		M, L
Business Ethics	Fostering a clear culture of business ethics and compliance mitigates violation risks and safeguards market credibility.	Positive	Actual	Operations Upstream Downstream		√	S, M, L
	Corruption, fraud, or unfair competition can trigger legal liabilities, client attrition, and brand damage.	Negative	Potential	Operations Upstream Downstream	√		S, M, L
	Systematic compliance and risk management frameworks help identify and control operational risks, supporting robust business growth.	Positive	Actual	Operations Upstream Downstream		√	S, M, L
Compliance and Risk Management	Inadequate risk identification or a lack of compliance management can lead to significant financial losses and regulatory penalties.	Negative	Potential	Operations Upstream Downstream	√		S, M, L

¹S for short-term, M for medium-term, and L for long-term time horizon

COSMOS 2025 Materiality List

Dimension	Topics	Impact Materiality	Financial Materiality	Double Materiality	Neither Impact nor Financial Materiality
Environmental	Environmental Management	√	√	√	
	Emissions and Waste Management	√	√	√	
	Response to climate change	√	√	√	
	Energy Management	√	√	√	
	Circular Economy	√			
	Water Management	√			
	Biodiversity				√
Social	Product Innovation	√	√	√	
	Chemical Safety Management	√	√	√	
	Occupational Health and Safety	√	√	√	
	Product and Service Responsibility Management	√	√	√	
	Sustainable Procurement	√	√	√	
	Intellectual Property Protection	√			
	Responsible Marketing	√			
	Data Security	√			
	Employee Rights and Benefits	√			
	Employee Training and Development				√
	Diversity, Inclusion, and Equal Opportunity				√
	Employee Management and Communication				√
	Community and Public Welfare				√
	Governance	Corporate Governance	√	√	√
Compliance and Risk Management		√			
Business Ethics		√			

Main Changes on COSMOS 2025 Materiality

2025 Material topics	2024 Material topics	Change	Cause for changes
Product and Service Responsibility Management	Customer Satisfaction Management	Topic consolidation	Expanded topic scope to include customer satisfaction management and product responsibility.
	Product Responsibility	Topic consolidation	

Double Materiality Assessment Results

COSMOS Materiality Matrix



Responsibility-Driven Long-Term Value Creation

Guided by high-standard corporate governance, COSMOS advances its long-term development by continuously improving a governance system with clearly defined responsibilities, standardized operations, and transparent information disclosure, thereby consolidating the foundation for sound operations. The Company upholds the bottom line of business ethics, rigorously implements compliance management requirements, strengthens internal control and risk management mechanisms, and continuously enhances the standardization of decision-making and execution efficiency. Meanwhile, the Company continues to strengthen information security management to ensure the efficient, stable, and secure operation of its information systems, thereby further enhancing market trust and its capacity for long-term value creation.

UN SDGs Responded in this Chapter

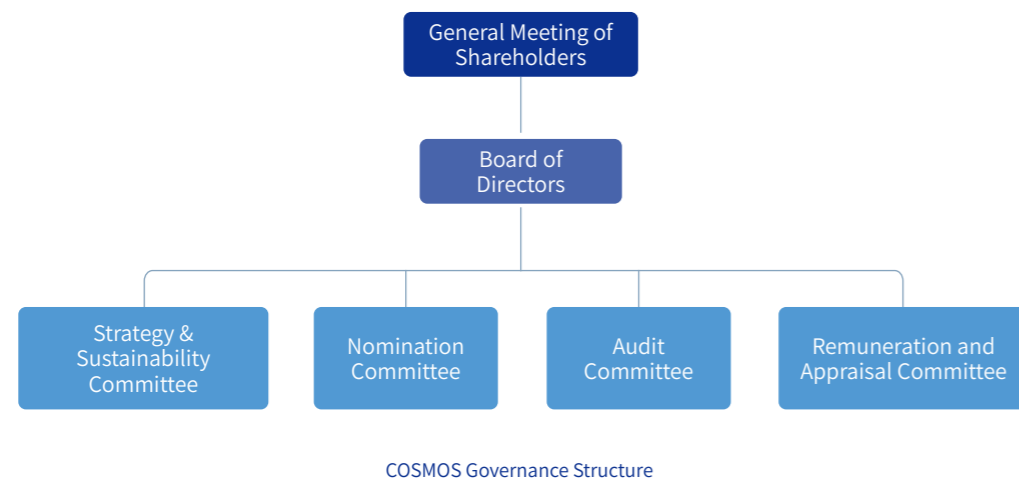


Corporate Governance

Governance

COSMOS strictly complies with relevant laws and regulations, including the *Company Law of the People's Republic of China* and the *Securities Law of the People's Republic of China*. By formulating documents such as the *Corporate Charter*, the *Rules of Procedure for the General Meeting of Shareholders*, and the *Rules of Procedure for the Board of Directors*, the Company clarifies its corporate governance structure and responsibilities and standardizes its decision-making procedures.

The Company has established a modern corporate governance structure comprising the General Meeting of Shareholders, the Board of Directors, and the management, forming a corporate governance mechanism with clearly defined rights and responsibilities and standardized operations. As the Company's highest authority, the General Meeting of Shareholders is convened and held in strict accordance with relevant regulations and requirements, with all shareholders treated equally to ensure that they can fully exercise their rights. The Board of Directors is responsible for the Company's overall governance and business development, and has established four specialized committees under its leadership: the Strategy & Sustainability Committee, the Nomination Committee, the Audit Committee, and the Remuneration and Appraisal Committee. In accordance with the *Corporate Charter* and the authorization of the Board of Directors, each specialized committee performs its duties and provides professional support and oversight for the Company's decision-making in key areas, thereby advancing the Company's overall governance and business development.



Meetings Held

2

General Meetings of Shareholders

6

Board meetings

11

meetings of the specialized committees of the Board of Directors

Strategy

COSMOS regards corporate governance as an important foundation for achieving its long-term strategic objectives, and continuously improves a governance system characterized by clear delineation of rights and responsibilities, standardized operations, transparency, and efficiency. By optimizing the Board structure and decision-making mechanisms and strengthening the institutional framework, the Company continuously enhances the quality of decision-making and the efficiency of strategic execution, while reinforcing its risk management and control capabilities. At the same time, the Company actively promotes the deep involvement of the Board in strategy formulation and oversight, strengthens communication with shareholders and other stakeholders, and enhances investor confidence and capital market recognition, thereby ensuring the scientificity and robustness of its strategic direction and driving long-term value creation.

Impact, Risk and Opportunity Management

Standardized Operation of the Board of Directors

The Company continues to strengthen the standardized operation of the Board of Directors and systematically prevent governance risks such as ineffective decision-making, unclear allocation of rights and responsibilities, and imbalances in incentive and restraint mechanisms by improving its institutional framework and governance mechanisms. In accordance with the *Corporate Charter*, the Company has established a Board of Directors composed of 9 directors, including 3 independent directors and 1 employee representative director, forming a Board structure that balances professionalism, independence, and employee participation. Among them, non-employee representative directors are elected by the General Meeting of Shareholders, while the employee representative director is democratically elected through the Employee Representatives' Congress, thereby effectively safeguarding the standardization of the governance structure and the balance of the decision-making oversight mechanism.

The Company has established, through the Nomination Committee, a standardized mechanism for personnel selection and qualification review. The Committee is responsible for formulating the standards and procedures for the selection and appointment of directors and senior management, reviewing the qualifications of candidates, and making professional recommendations to the Board of Directors on nomination, appointment, and removal, thereby enhancing the professionalism and compliance of the composition of the Board and management from the outset. At present, the Company has 1 General Manager (President), several Deputy General Managers (Vice Presidents), 1 Chief Financial Officer, and 1 Secretary to the Board, all of whom are appointed or dismissed by the Board of Directors.

With respect to incentive and restraint mechanisms, the Company has formulated the *Remuneration Management Policy for Directors and Senior Management*, establishing a remuneration system for directors and senior management that is aligned with the Company's operating performance and long-term development. The Remuneration and Appraisal Committee of the Board of Directors is responsible for studying and reviewing the remuneration policies and proposals for directors and senior management, formulating performance appraisal standards, and conducting performance evaluations. The remuneration plan for directors must be approved by the Board of Directors and submitted to the General Meeting of Shareholders for deliberation and approval before implementation; the remuneration allocation plan for the President and other senior management may only be implemented upon approval by the Board of Directors. At present, the Company adopts a fixed allowance system for independent directors. For the Chairman of the Board and non-independent directors who also hold other management positions in the Company, the remuneration structure consists of base salary, performance-based remuneration, and medium- to long-term incentives, with the level determined with reference to industry conditions, the level of economic development, and the Company's operational and development needs. The remuneration of senior management follows the same remuneration structure as that of non-independent directors who also hold other management positions in the Company.

Composition of the Board of Directors of COSMOS

9

directors on the Board of Directors

3

independent directors

1

employee representative director

33%

of the Board of Directors are independent directors

Board Independence and Diversity

COSMOS attaches great importance to Board independence and the diversification of its composition. In strict compliance with relevant laws and regulations, the regulatory requirements of the China Securities Regulatory Commission, the business rules of the Shenzhen Stock Exchange, the *Corporate Charter*, and the *Working System for Independent Directors*, we standardize the procedures for the selection and appointment of directors, clearly define the authority boundaries of directors and the Board of Directors as well as the rules of procedure, and continuously enhance the standardized operation of the Board and the independence of its decision-making.

With respect to safeguarding independence, the Company has established a sound qualification review and ongoing evaluation mechanism for independent directors. Candidates for independent directors must meet the independence requirements stipulated by regulatory authorities and the Company's internal policies. Nominators are required to fully understand the candidates' backgrounds and express opinions on their independence, while nominees are required to make a public declaration regarding their independence qualifications. The Nomination Committee reviews the qualifications of candidates and issues clear opinions accordingly. In addition, independent directors are required to conduct an annual self-assessment of their independence and submit it to the Board of Directors. The Board of Directors carries out an annual evaluation of the independence of incumbent independent directors and issues a special opinion, which is disclosed together with the annual report, thereby institutionally safeguarding the objectivity and effectiveness of independent directors in performing their duties. Furthermore, the Company adopts a governance model under which the positions of Chairman of the Board and President are held separately, clearly defining the boundaries between decision-making and operational execution responsibilities and strengthening the Board's oversight and restraint over management. Senior management are appointed or removed by the Board of Directors in accordance with the law, further enhancing the effectiveness of Board oversight and its ability to steer strategy.

With respect to diversity development, the Company elects and appoints directors in accordance with statutory procedures and continuously optimizes the professional composition of the Board of Directors. Board members possess professional backgrounds in multiple fields, including chemicals, supply chain, economics, accounting, law, and business administration, thereby bringing cross-disciplinary and multi-dimensional perspectives to decision-making and providing professional support for the Company's strategy formulation, risk identification, and response to a complex operating environment.

Investor Relations Management

To strengthen communication with investors and potential investors and build long-term, stable investor engagement, COSMOS has formulated the *Investor Relations Management Policy*. Through facilitating the exercise of shareholder rights, information disclosure, interactive communication, and the handling of investor concerns, we have strengthened communication with investors and potential investors, enhanced their understanding and recognition of the Company, and further improved corporate governance and overall enterprise value, with the aim of respecting, rewarding, and protecting investors.

For many years, COSMOS has strictly complied with the requirements of securities regulators and truthfully, accurately, and completely disclosed financial information and other material matters. We are committed to responding to investors' concerns through multiple channels in a comprehensive manner, including but not limited to performance briefings for periodic reports, an investor hotline, email, and Q&A on the Interactive Easy platform, with the aim of providing investors with comprehensive, accurate, and timely information and ensuring that they are fully informed of the Company's latest developments, operating performance, strategic plans, and other important information.

Metrics and Targets

Corporate Governance Metrics and Targets

Indicators	Management Target	2025 Performance
Optimization of the corporate governance system	Continuously improve the corporate governance structure, strengthen internal management and control systems, systematically advance corporate governance practices, enhance the standardization and transparency of information disclosure, comprehensively improve corporate governance and compliance management capabilities, and safeguard the legitimate rights and interests of all shareholders and stakeholders	★★★★★ During the reporting period, the Company strictly complied with laws and regulations including the <i>Company Law</i> , the <i>Securities Law</i> , and the <i>Code of Corporate Governance for Listed Companies</i> , as well as the <i>Corporate Charter</i> , and continued to optimize its corporate governance structure, improve its internal control mechanisms, standardize the operation of the General Meeting of Shareholders, the Board of Directors, and the Audit Committee, and strengthen the truthfulness, accuracy, completeness, timeliness, and fairness of information disclosure. The Company's governance operated in a standardized and transparent manner, with its governance standards and compliance management capabilities steadily improved, effectively safeguarding the legitimate rights and interests of all shareholders and stakeholders



Business Ethics

The Company believes that business ethics is an important foundation for building trust with customers, employees, and other stakeholders, and a critical support for ensuring compliant operations and long-term sustainable development.

Management System

Upholding the principle of integrity in business operations, COSMOS adopts a zero-tolerance towards misconducts such as corruption, bribery, fraud, conflicts of interest, and money laundering. We have established an integrity and compliance system covering the full business and management process, and embedded the principles of fairness, transparency, and integrity into corporate governance and business decision-making. By continuously strengthening internal supervision, auditing, and integrity culture development, the Company effectively prevents compliance and reputational risks and enhances operational resilience.

The Company has formulated and issued a series of business ethics policies applicable to all directors, management, and employees, including the *Anti-Bribery Management System Manual*, the *Business Ethics Policy*, and the *Related-Party Transaction Decision-Making System*. These policies clearly define responsibilities at each level, covering the Company's top management, the Sustainability Leadership Group, the Sustainability Promotion Group, and employees, and addressing such areas of business ethics as anti-corruption, anti-bribery, conflicts of interest, anti-fraud, anti-money laundering, and information security.


Business Ethics Management Structure of COSMOS

The Company's Top Management	Responsible for approving business ethics policies, providing resources to support compliance, and overseeing the operation of the compliance system
The Sustainability Leadership Group	Responsible for formulating the business ethics strategy and management objectives, reviewing major compliance matters, overseeing business ethics risk management, and promoting the development of a culture of integrity
The Sustainability Promotion Group	Responsible for day-to-day management, including promoting policy implementation, organizing risk assessments, conducting internal audits, arranging compliance training, and investigating violations
The Employees	All employees are required to comply with the <i>Business Ethics Policy</i> , identify and report potential violations, participate in relevant training, and provide truthful information during investigations



In 2025, the Company continued to improve its anti-bribery governance system in line with ISO 37001 *Anti-Bribery Management Systems - Requirements with guidance for use*, and advanced ISO 37001 Anti-Bribery Management System Certification for its headquarters and all operating production bases, achieving full coverage of system development and management requirements.

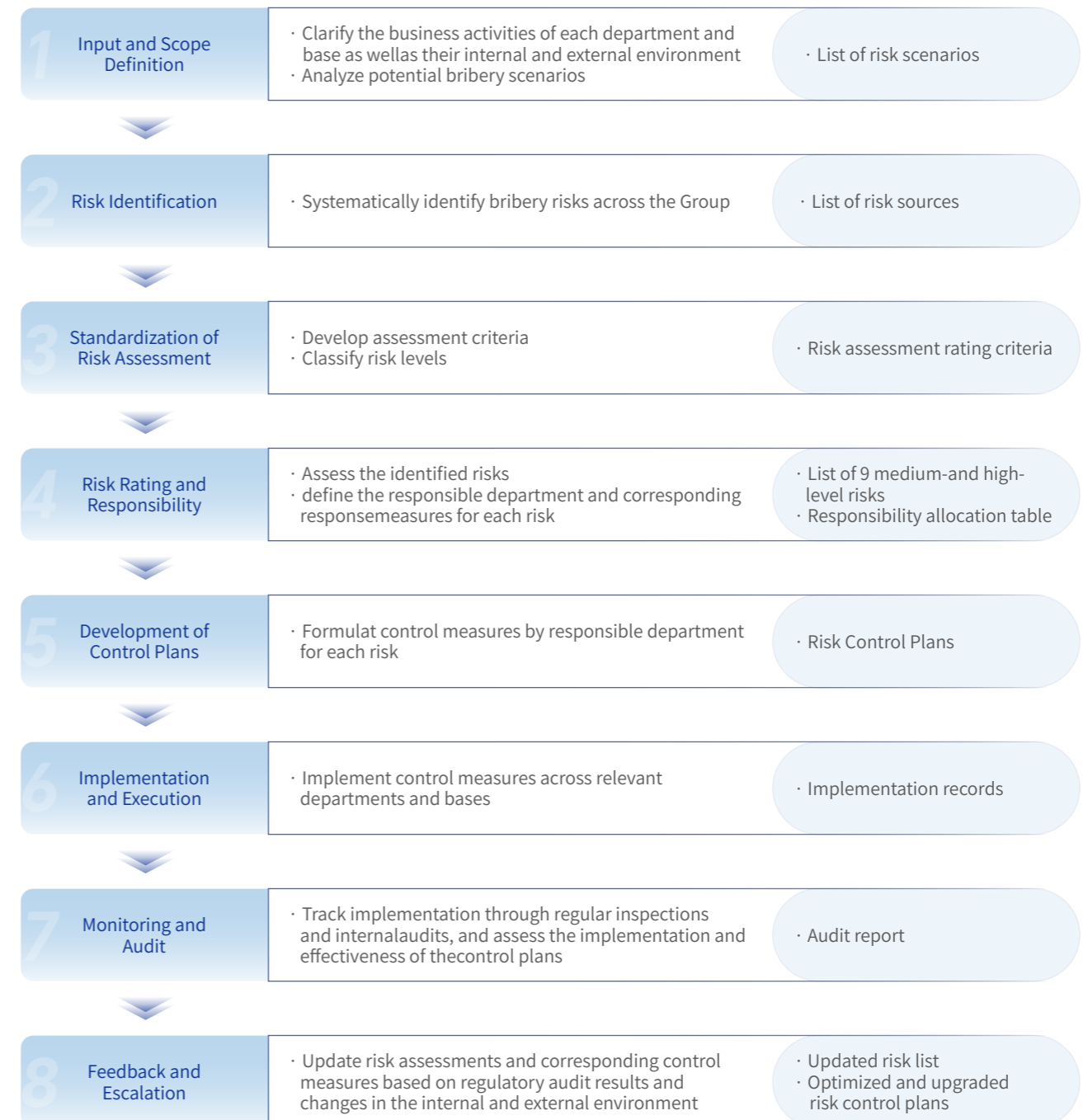
◀ COSMOS ISO 37001 Anti-Bribery Management System Certification



Internal Integrity Development

COSMOS continues to strengthen internal integrity development and carries out systematic anti-bribery risk management across its business processes and operating environment. During the reporting period, based on the business processes and internal and external environment of each department and production base, the Company identified bribery risks, systematically screened risk sources, and established a risk scoring and classification management mechanism. For the 9 medium-level risks identified, the Company further clarified responsible departments and control measures, formulated targeted control plans, and continued to enhance its anti-bribery risk prevention and control capabilities.

Anti-bribery Risk Management Process



The Company also places emphasis on fostering a culture of integrity and strengthening employees' compliance capabilities. Through policy dissemination and specialized training, COSMOS has enhanced employees' ability to identify and respond to business ethics risks. In 2025, the Company organized business ethics training for all employees, providing systematic instruction on topics including the concept of commercial bribery, legal and regulatory requirements, typical violations, and practical risk identification. Training assessments were also conducted through an online platform, with a 100% pass rate, further enhancing overall compliance awareness and risk prevention capabilities.

COSMOS Business Ethics Training Performance in 2025



Key Progress in Business Ethics at COSMOS in 2025



Supplier Integrity Management

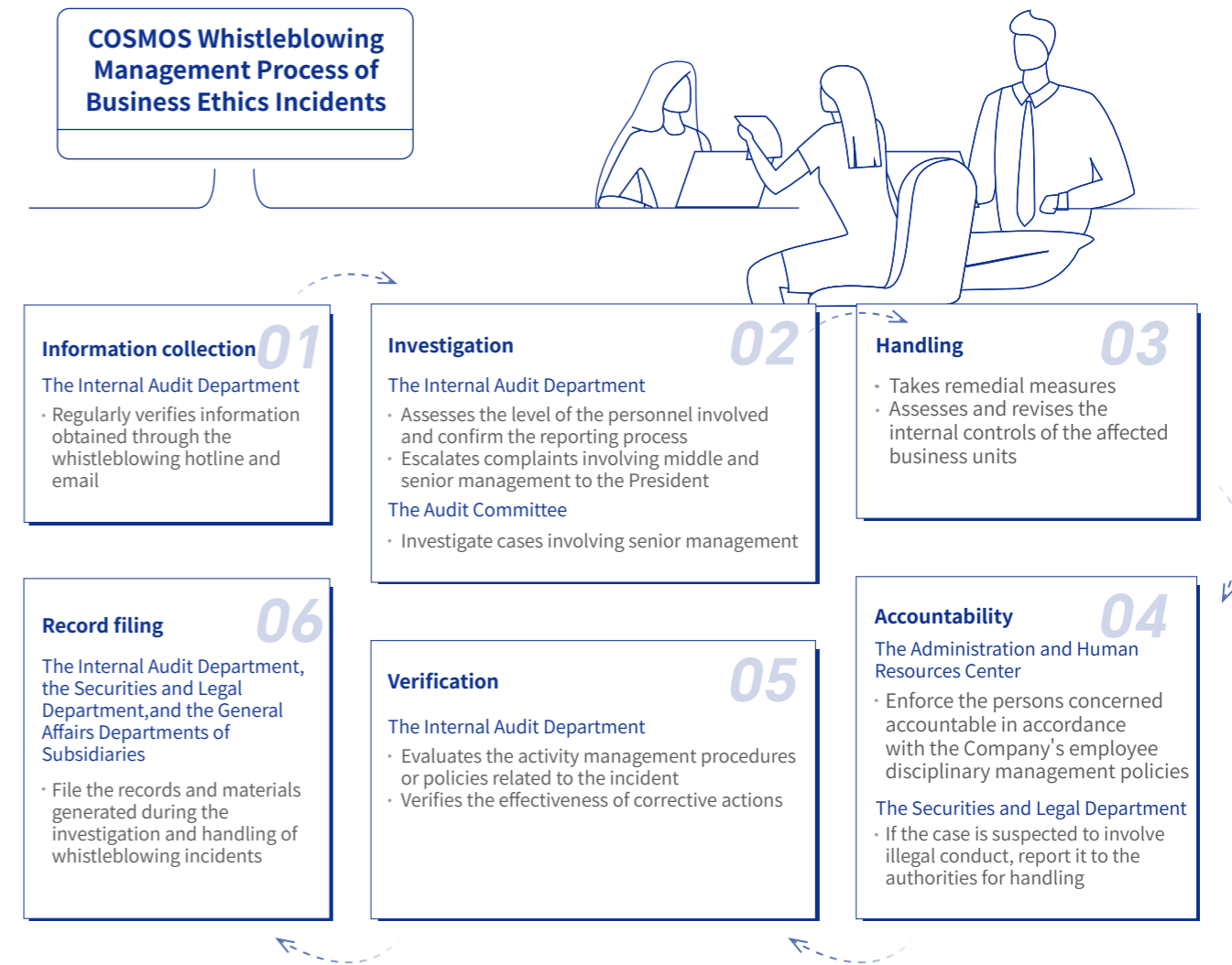
COSMOS attaches great importance to integrity and compliance in the supply chain and extends its integrity and compliance requirements across all supply chain activities. In supplier management, the Company adheres to the principles of openness, fairness, and impartiality, firmly opposes violations such as fraud, bribery, and unfair competition, and continues to build a transparent and well-regulated cooperation ecosystem.

The Company has established a systematic supply chain integrity management system in strict accordance with the requirements of the ISO 37001 anti-bribery management system and the ISO 20400 sustainable procurement management system. To further strengthen management effectiveness, in 2025 the Company updated the *COSMOS Anti-Bribery Management System Manual*, adding and refining anti-bribery management responsibilities, clarifying that suppliers must comply with the Company's anti-bribery system requirements, and formally incorporating COSMOS Suqian and COSMOS Anqing into the organizational structure of this management system.

At the implementation level, the Company embeds integrity and compliance requirements into supplier onboarding and cooperation management processes, requiring all suppliers to sign the *Integrity Agreement for Business Cooperation* and a commitment letter to comply with the *Supplier Code of Conduct*. In 2025, the signing rate for supplier integrity agreements reached 100%. Meanwhile, the Company continuously strengthens suppliers' anti-bribery awareness through regular communication mechanisms. For partners found, upon verification, to have committed business ethics violations, the Company upholds a zero-tolerance principle and takes actions in accordance with laws and regulations, including termination of cooperation, to continuously guard against supply chain compliance and reputational risks.

Whistleblowing Management

COSMOS has formulated the *Anti-Fraud and Complaint Reporting Work System* and the *Investigation Handling Management Procedures under the Anti-Bribery Management System* to encourage all stakeholders to supervise the professional conduct of the Company and its employees and to report violations anonymously or by real name. The Company has established transparent and accessible reporting channels, standardized the reporting handling process, and keeps all reporting information strictly confidential. We protect the privacy and safety of whistleblowers, prohibit any form of retaliation, and impose disciplinary actions or pursue accountability against retaliators depending on the circumstances.






Whistleblowing Channels

Receiving Department: Internal Audit Department
 Hotline: 025-66987788-8011
 Email: ia@cosmoschem.com
 Mailing Address: 10/F, C1 Tower, Jiulonghu International Corporate Headquarters, No. 19 Suyuan Avenue, Jiangning District, Nanjing, China



COSMOS Business Ethics Whistleblowing Platform

COSMOS 2025 Business Ethics Management Metrics and Targets

Policy Area	Indicators	Management Objectives	2025 Performance
 Corruption	Internal anti-corruption audit	During 2025-2028, conduct one internal anti-corruption audit each year	★★★★★ The annual internal anti-corruption audit has been completed
	Anti-corruption training coverage	During 2025-2028, provide anti-corruption training to 100% of employees each year	★★★★★ Anti-corruption training covered all employees
	Signing rate of the Integrity Agreement for Business Cooperation by suppliers	By 2028, 100% of suppliers will sign the Integrity Agreement for Business Cooperation	★★★★★ All suppliers have signed the Integrity Agreement for Business Cooperation
 Conflicts of Interest	Conflict-of-interest declarations	During 2025-2028, maintain annual submission of conflict-of-interest declarations by 100% of management and personnel in key positions	★★★★★ All management and personnel in key positions submitted conflict-of-interest declarations
	Conflict-of-interest incidents	During 2025-2028, ensure that 100% of reports or leads involving suspected anti-competitive conduct are recorded and investigated	★★★★★ All reports or leads involving suspected anti-competitive conduct were recorded and investigated; no conflict-of-interest incidents occurred
 Fraud and Money Laundering	Coverage of compliance and legal awareness training	By 2028, achieve 100% employee coverage of anti-fraud and anti-money laundering awareness training	★★★★★ Anti-fraud and anti-money laundering awareness training covered all employees

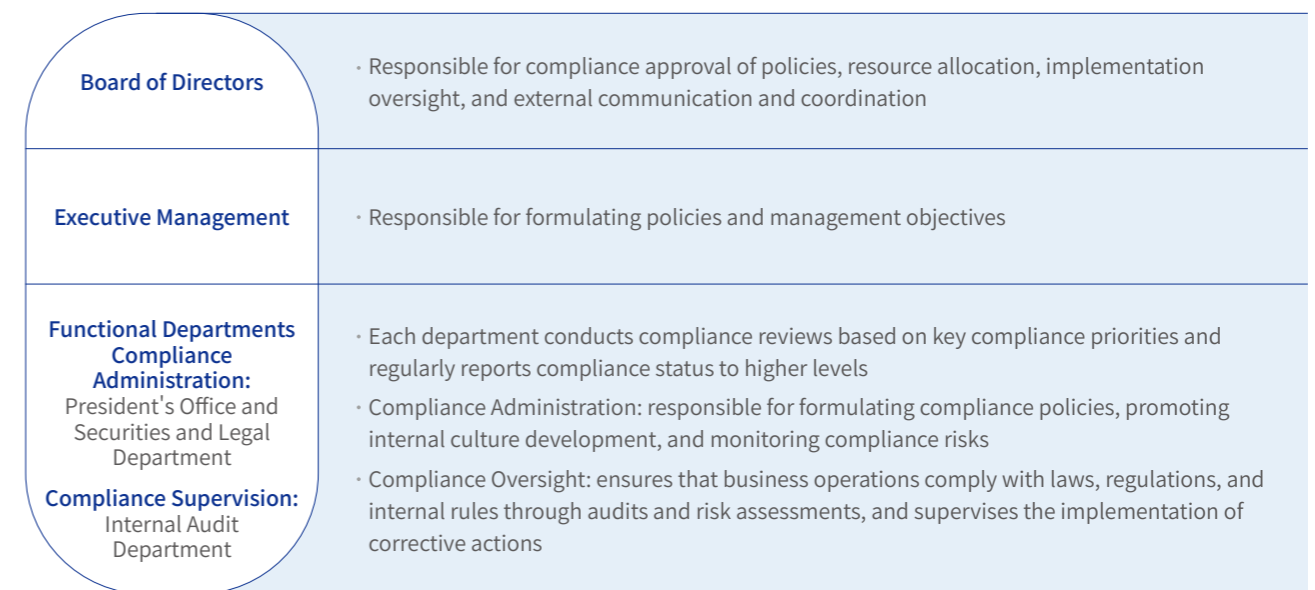


Compliance and Risk Management

Compliance Operations

COSMOS strictly complies with domestic and overseas laws and regulations and has established a compliance management system covering all levels and the full value chain. The Company attaches importance to internal compliance capability building, clarifies responsibilities and management requirements at each level, integrates compliance management into business decisions and daily operations, and continuously strengthens its ability to identify, prevent, control, and respond to risks.

COSMOS Compliance Management Structure



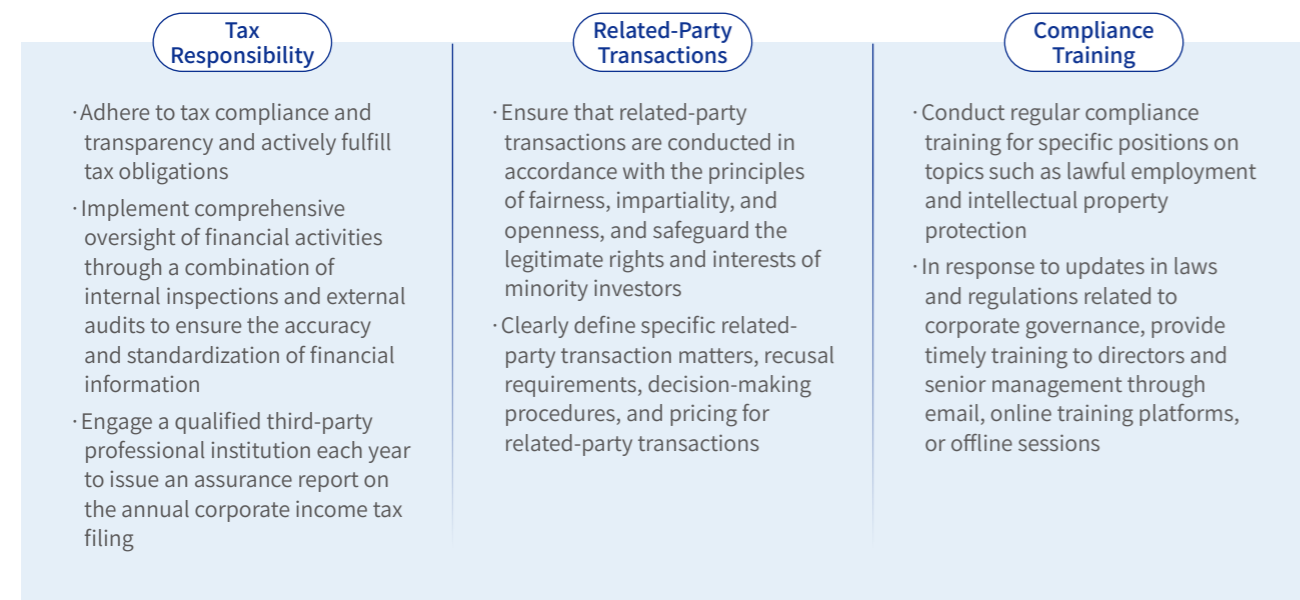
In terms of institutional development, the Company continues to improve its compliance policy system and strengthen its dynamic updating mechanism. In 2025, COSMOS formulated governance policies such as the *Information Disclosure Deferral and Exemption Policy* and the *Exit Management Policy for Directors and Senior Management*, and systematically reviewed and revised core policies covering anti-bribery management, sustainable procurement compliance, due diligence, anti-fraud and complaint reporting, information disclosure, and related-party transaction management, ensuring effective alignment between the Company's management system and the latest laws, regulations, and regulatory requirements.

In terms of compliance operation mechanisms, the Company has established a closed-loop management process of "Categorization - Identification and Update - Information Acquisition - Content Communication - Compliance Evaluation - Compliance Evaluation Reporting - Management and Implementation - Revision" to continuously identify and dynamically assess compliance risks and opportunities. Relevant results are incorporated into the management review and decision-support system, providing support for strategy formulation and major business decisions.

COSMOS Compliance Management Process

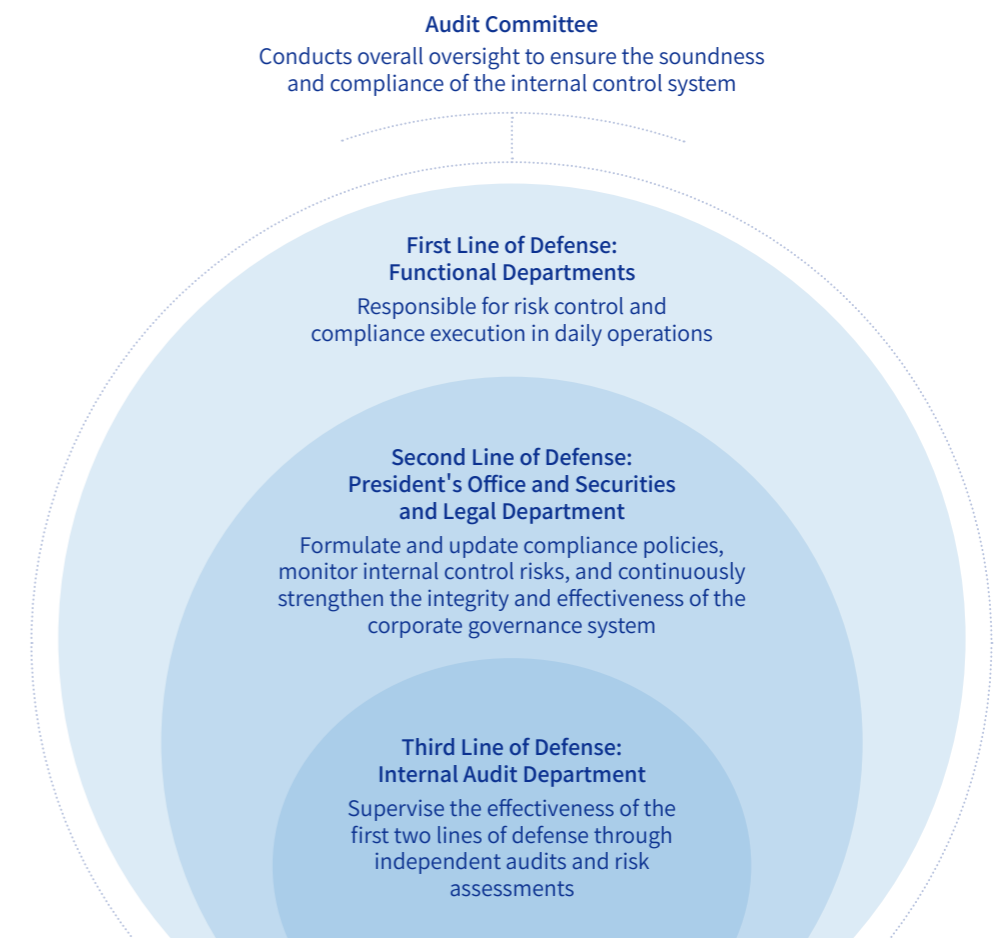


By improving tax compliance management, standardizing the related-party transaction mechanism, and strengthening oversight and risk control over financial activities and material transactions through internal inspections and external audits, the Company continues to enhance its compliance management. At the same time, the Company carries out ongoing compliance training and communication to strengthen employees' compliance awareness and risk prevention capabilities, ensuring lawful, compliant, and sound operations.

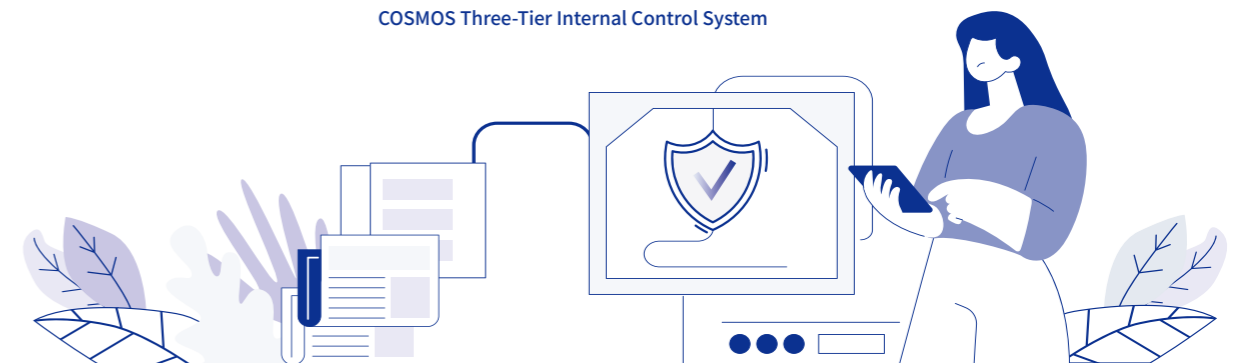


Risk Management and Internal Control

To effectively enhance its risk management and control capabilities, COSMOS has established an internal control and risk management structure under the overall supervision of the Audit Committee, achieving effective coordination among risk control, management oversight, and independent audit through the "Three Lines of Defense" model. Under this structure, each functional department serves as the first line of defense and is responsible for risk control and compliance execution in daily operations; risk management-related departments such as the President's Office and the Securities and Legal Department serve as the second line of defense and are responsible for system development and risk monitoring; and the Internal Audit Department serves as the third line of defense, conducting independent audits, evaluations, and oversight of the effectiveness of internal controls. Through coordinated operation at all levels, the Company ensures that risk management requirements are effectively implemented throughout the entire business process and continuously enhances its risk governance and the effectiveness of internal controls.



COSMOS Three-Tier Internal Control System



COSMOS Risk and Compliance Data in 2025

0 incidents of fines resulting from violations of laws and regulations

0 incidents of non-monetary sanctions resulting from violations of laws and regulations

To integrate risk management into business decision-making and daily operations, the Company continues to carry out routine compliance risk identification and assessment. Based on different roles, the Company identifies risk points, severity, and frequency of occurrence, and assesses potential risk levels in light of current management practices. At the same time, it conducts multi-dimensional risk assessments tailored to the business characteristics of each department. For example, the securities and legal function is responsible for risks related to litigation and the coordination of the Shareholders' Meeting, Board of Directors, and Board of Supervisors, while production bases focus more on environmental and occupational health and safety risks. Based on the assessment results, each functional department systematically implements risk prevention, control, and hazard identification in its daily work, effectively promoting the full integration of risk management into business and operational management.

In terms of process control, the Company continues to strengthen systematic control over key business processes. Through digitalization, core control requirements are embedded into digital systems to enable online processing, standardization, and automated monitoring of business processes. This covers key business chains such as procure-to-pay and order-to-cash. While strengthening data-based management of production and operations and compliance management, the Company has also promoted online approval workflows for major business matters, effectively improving process transparency and execution discipline.

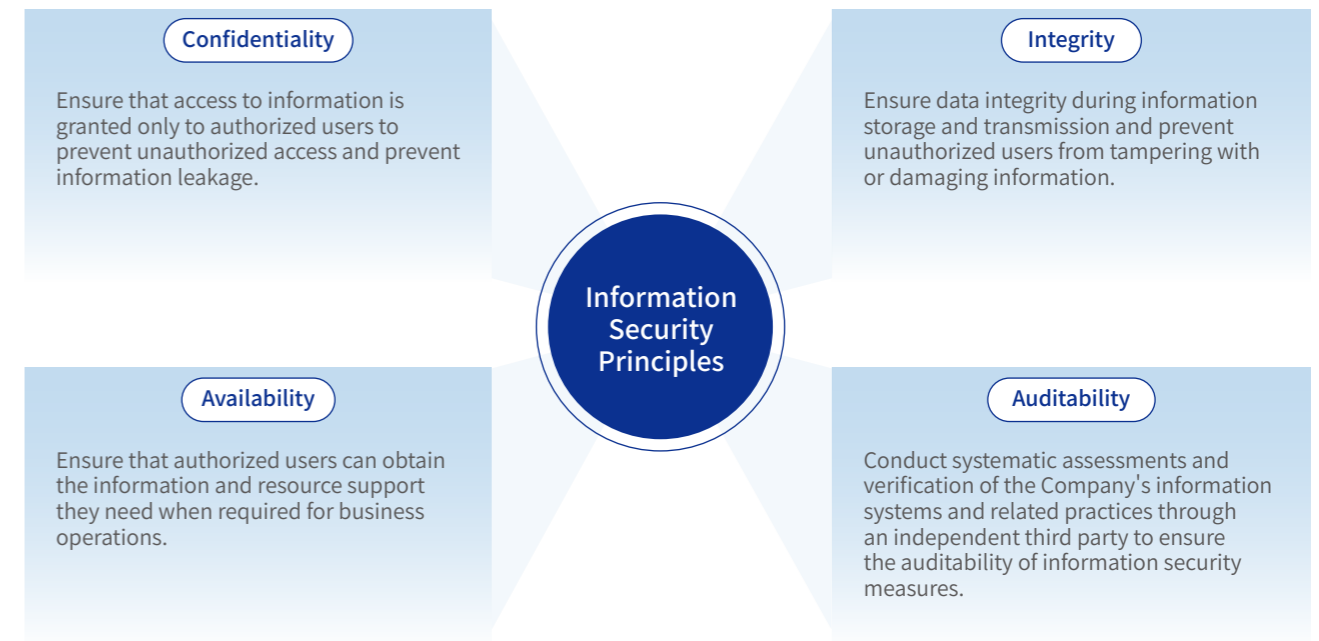
In addition, the Company regularly conducts internal control audits and special audits to independently assess the reasonableness of control design and the effectiveness of implementation, and continuously improve its internal control system. In response to issues identified through audits, the Company formulates rectification plans and follows up on their implementation on an ongoing basis to prevent similar issues from recurring. In 2025, the Company completed a total of 9 special audits, classified issues based on execution deficiencies and design deficiencies, and adopted measures such as time-bound rectification and policy optimization, further enhancing the effectiveness of its internal control system and risk prevention and control capabilities.



Information Security

COSMOS attaches great importance to digital development, keeps pace with digital technology trends, and continuously strengthens its information management capabilities. In strict compliance with relevant laws and regulations, including the *Cybersecurity Law of the People's Republic of China* and the *Personal Information Protection Law of the People's Republic of China*, the Company has formulated the *IT Information Management Policy*, which clearly defines the responsibilities of IT management personnel and information system users and requires relevant personnel to strictly comply with it, so as to ensure the efficient, stable, and secure operation of information systems.

In the *Business Ethics Policy*, COSMOS clearly commits to collecting, storing, using, and sharing information in a responsible manner, ensuring full-process compliance with legal, regulatory, and ethical standards, and strengthening the protection of the privacy and data security of employees, customers, and business partners. At the same time, the Company reinforces information security awareness through internal supervision and audit mechanisms, as well as employee training and communication, and strictly investigates and addresses any violations to safeguard its reputation and long-term stable operations.



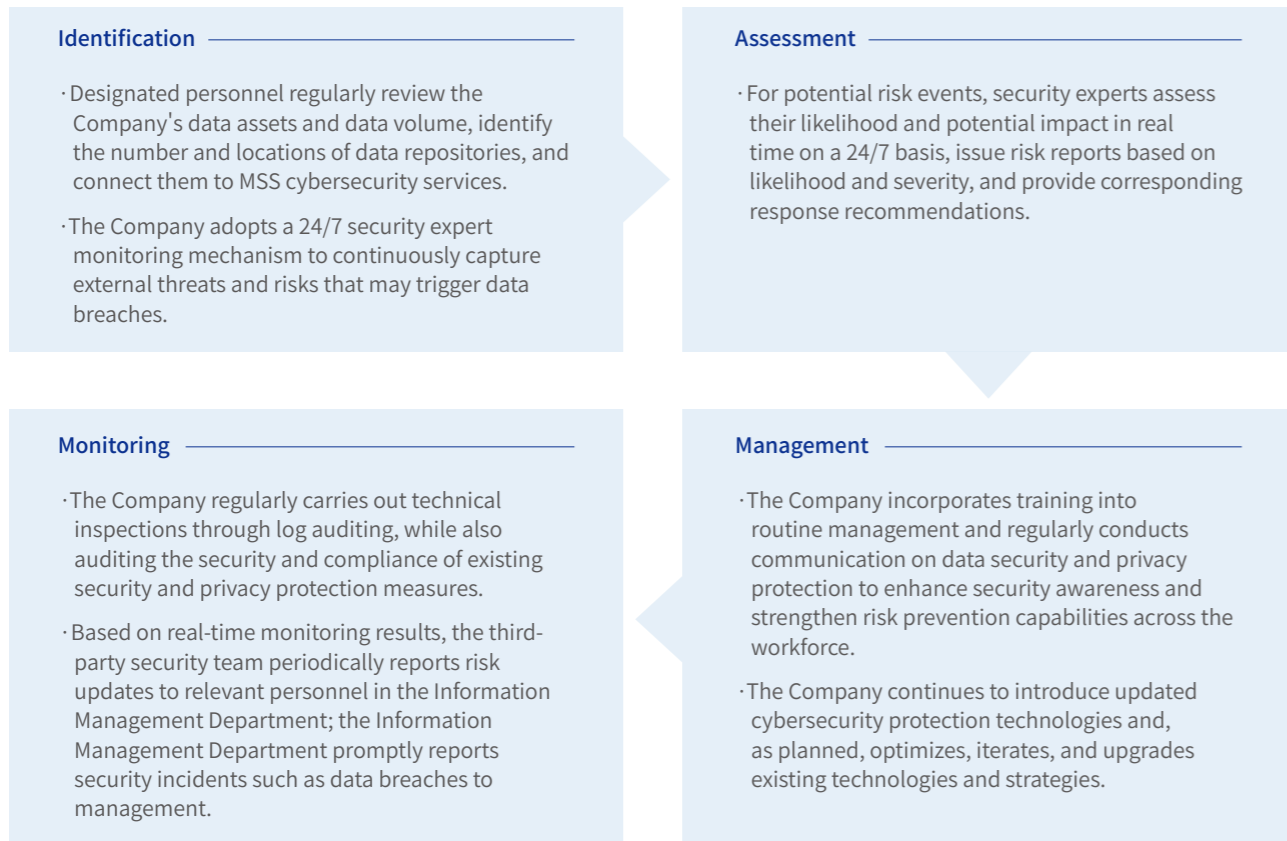
To strengthen standardized management of internal and customer data, the Company has established a dedicated information security position within the information management function to coordinate related work. We continue to enhance our information security management and improvement capabilities through routine inspections, the engagement of third-party institutions to strengthen security management and capability building, and the cultivation of an information security culture. In 2025, the Company advanced a comprehensive ERP system upgrade. Based on current business needs and module planning, we built a standardized, integrated, and process-driven enterprise resource management platform, enabling cross-department information sharing and unified management of core resources and business processes, including personnel, finance, materials, production, procurement, and sales, thereby improving data accuracy, process transparency, and operational efficiency. As of the end of the reporting period, all of COSMOS operating production bases had obtained ISO 27001 Information Security Management System certification.



ISO 27001 Information Security Management System Certificates of the Operating Bases

COSMOS has established comprehensive data security and customer privacy protection policies. To effectively identify, assess, monitor, and manage data security risks and opportunities, we have also established a comprehensive risk and opportunity identification process.

Data Security Risk and Opportunity Identification Process of COSMOS



COSMOS Data Security and Information Security Safeguards

<p>Regular Inspection and Backup</p>	<ul style="list-style-type: none"> IT personnel conduct regular cybersecurity inspections and provide system operation and maintenance support Periodic backups are performed for all information systems, covering both manual and automated backup methods
<p>Employee Responsibilities for Information Security</p>	<ul style="list-style-type: none"> Comply with the authorized scope and operating procedures specified by the Company Require external partners to follow compliance and confidentiality requirements, and supervise their information processing activities
<p>Internal Device Management and Risk Monitoring</p>	<ul style="list-style-type: none"> Regularly review the compliance of user device usage based on internal policies and procedures Communicate risk alerts via email and combine them with real-time monitoring measures
<p>External Assessment and Maintenance</p>	<ul style="list-style-type: none"> Engage a third party to conduct real-time cybersecurity monitoring and maintenance Inspect and maintain key hardware annually, and carry out updates and upgrades as needed
<p>Information Security Measures</p>	<ul style="list-style-type: none"> Establish password setting rules Require periodic password updates Set access permissions for information, with internal approval required for permission activation and changes Apply additional security protection to confidential, sensitive, and personal information
<p>Information Security Culture Development</p>	<ul style="list-style-type: none"> Conduct employee training on information security protection Establish complaint and whistleblowing mechanisms
<p>Digital Infrastructure Development</p>	<ul style="list-style-type: none"> In 2025, the Company improved the construction of the data center in the Comprehensive Bonded Zone Migrated the Company's existing information systems to a hyper-converged platform
<p>Centralized Data Management and Document Security</p>	<ul style="list-style-type: none"> Launched the "COSMOS Cloud Drive," the "Research Institute Data Sharing Platform," and the "Electronic Document Security Management System" to promote online and platform-based management of important data Relevant data are centrally stored in the Company's data center Set file access permissions based on business needs and apply encryption management to key files

Information Security Metrics and Targets

Indicator	Management Target	2025 Performance
Privacy breach incidents	During 2025-2028, maintain zero major data breach incidents	★★★★★ No major data breach incidents
Information security training	By 2028, achieve 100% employee coverage of information security training	★★★★★ 100% coverage of information security training for employees

Quality Excellence for Better Lives

COSMOS believes that true sustainability lies not only in the rigorous safeguarding of product safety and performance, but also in transforming every customer expectation into a service experience delivered with care. To this end, we continue to invest in R&D and innovation to explore breakthroughs in green technologies and high-end products; and we work together with upstream and downstream partners to build a transparent, resilient, and mutually beneficial supply chain network. All of this begins with quality, advances through responsibility, and ultimately converges into an enduring force that brightens lives and contributes to the future.

UN SDGs Responded in this Chapter



03

Product and Service Responsibility Management

Governance

COSMOS consistently places product quality and customer service at the forefront, and continues to improve the coordinated management mechanism for products and customer service. Each of the Company's production bases has established a professional quality management team composed of quality assurance and quality inspection departments. Led by the Quality Director, who reports directly to the General Manager, the team exercises strict control over quality and safety management throughout the entire product life cycle. At the same time, the Company remains customer-oriented and has established a customer service management structure coordinated by the Marketing Center and implemented collaboratively by all production bases, with clearly defined responsibilities for customer relationship maintenance and complaint handling. This promotes the coordinated enhancement of product quality management and customer service management, and continuously strengthens customer trust and brand value.

The Company strictly complies with laws, regulations, and industry standards such as the *Product Quality Law of the People's Republic of China*, the *Good Manufacturing Practice for Cosmetics*, and the *Safety and Technical Standards for Cosmetics*, to ensure that product quality and safety management meets regulatory requirements. On this basis, the Company has established internal management systems covering deviation management, quality complaint handling, and product recall, thereby strengthening quality risk response and the protection of customer rights and interests, and continuously improving product reliability and the standard of service responsibility management.

COSMOS continues to benchmark against advanced international standards and has established a high-standard quality management system. The Company's production lines comply with GMP requirements for active pharmaceutical ingredients and are able to meet domestic and international regulatory requirements as well as customer quality requirements, providing institutional and systemic support for the stable output of high-quality products. The Company has passed more than ten domestic and international certifications and audits, including ISO 9001 Quality Management System certification, the European Federation for Cosmetic Ingredients (EFFCI GMP), KOSHER, and HALAL. In addition, it has cumulatively passed on-site FDA inspections three times with zero FDA Form 483 observations, demonstrating the standardization and international recognition of its quality management system. In 2025, several of the Company's new products successfully obtained verification from the Roundtable on Sustainable Palm Oil (RSPO), the COSMOS standard (COSMetic Organic and Natural Standard), and the Environmental Working Group (EWG), further enhancing its market credibility in the fields of green ingredients and environmentally friendly formulations.

In terms of system operation, the Company continuously monitors the performance of its quality management system through regular internal management reviews and self-inspections, while also actively cooperating with various external audits conducted by regulatory authorities, certification bodies, and customers. For issues identified during audits, the Company promptly carries out cause analysis and implements corrective measures, thereby promoting the continuous optimization and effective operation of its quality management system. In 2025, the Company successfully passed all external quality management audits.



ISO 90001 Quality Management System Certificates of the Operating Bases

EFFCI GMP Certificates of the Operating Bases

Strategy

COSMOS attaches great importance to product quality and customer service. Upholding high standards and strict requirements, the Company integrates quality management requirements throughout the entire process of product R&D, production and delivery, and after-sales service, so as to ensure the provision of safe, stable products and services that meet customer expectations.

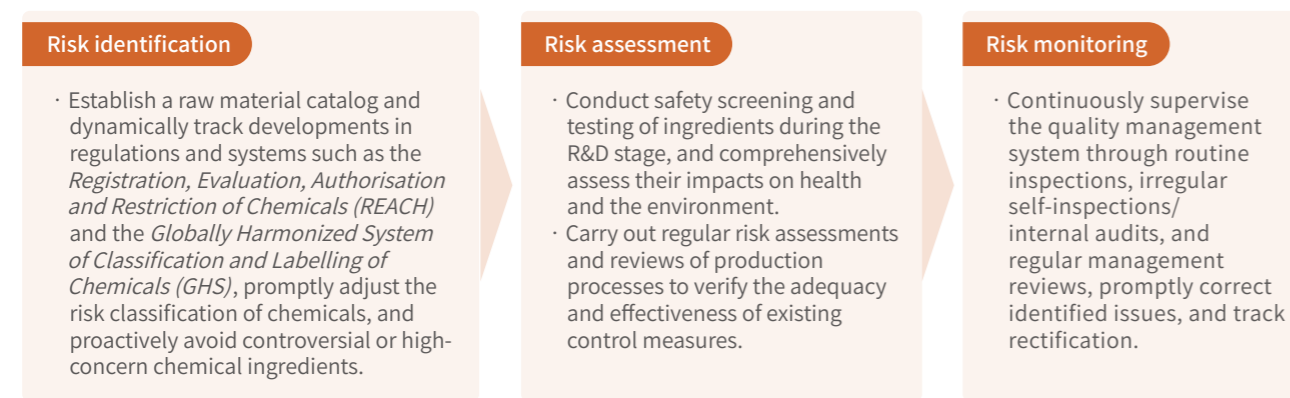


Impact, Risk and Opportunity Management

Lifecycle Product Quality Management

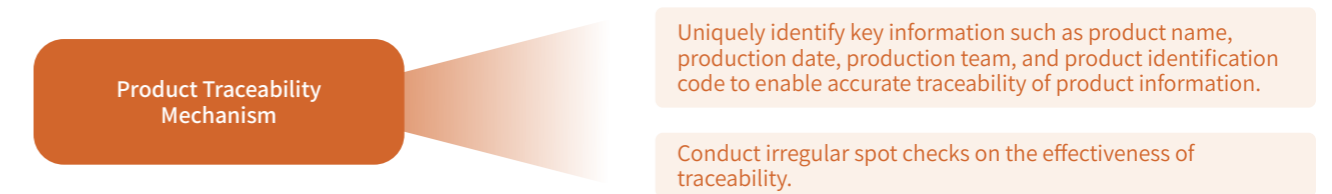
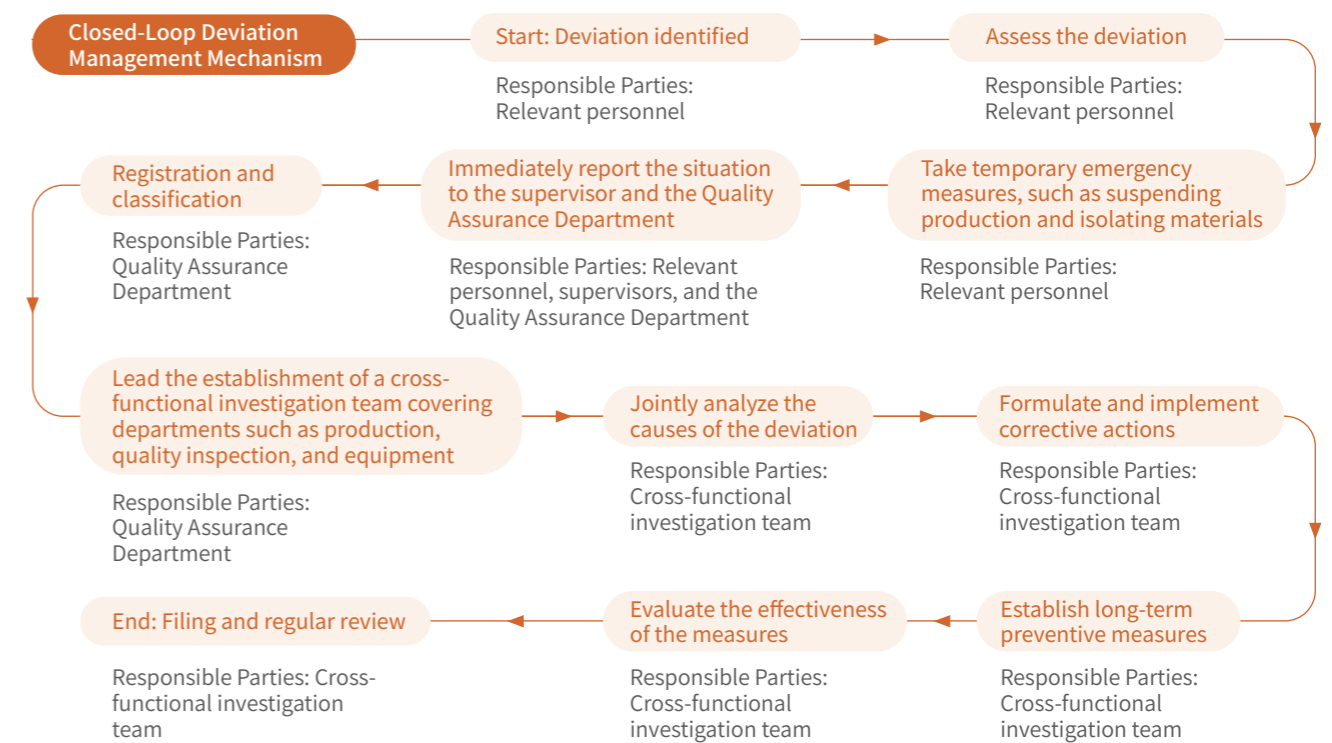
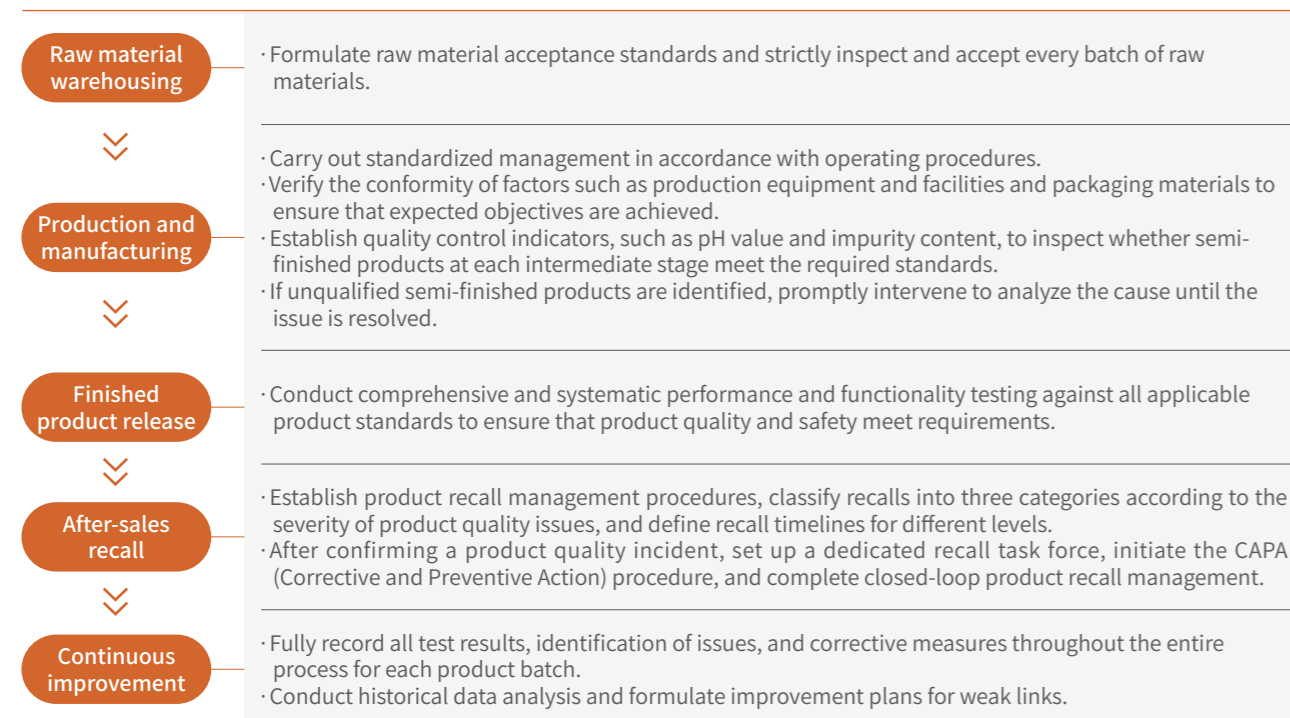
The Company has established a standardized management system covering the entire product life cycle and implements targeted controls according to the characteristics of each stage, achieving standardized and traceable closed-loop management from raw material procurement to finished product delivery. In 2025, all production bases conducted risk identification, assessment, and process monitoring around key aspects of product quality management, continuously ensuring product quality, safety, and stability.

Product Quality Risk Management



To continuously enhance product quality and safety management, the Company keeps improving its quality management mechanisms throughout the entire product life cycle, and strengthens process control and information retention through deviation handling, quality audits, and continuous improvement mechanisms, ensuring that quality management activities are traceable, verifiable, and improvable.

Product Quality Life Cycle Management Process



COSMOS Anqing's Digital Quality Control and Product Recall Drill

Case

In 2025, COSMOS Anqing continued to advance the refinement and digitalization of product quality management. By introducing intelligent inspection tools, we achieved the real-time collection and reporting of on-site quality data, effectively improving the transparency and responsiveness of quality supervision.

From December 17 to 19, COSMOS Anqing conducted a Level II product recall drill, using a hypothetical potential issue involving the supplier raw material "o-Phenylenediamine" as the scenario and simulating the recall of relevant batches of products containing 2-Phenylbenzimidazole-5-sulfonic acid. The entire drill lasted 41.6 hours, 13% shorter than the standard 48-hour timeline, significantly outperforming the established requirement. The drill not only effectively verified the operability and effectiveness of the *Product Recall Management Procedures*, but also highlighted the efficient collaboration and rapid response capabilities of various departments at COSMOS Anqing.

Key performance

In 2025, there were **0** regulatory penalty incidents related to product quality and safety

In 2025, there were **0** incidents in which sold products or products already submitted for inspection had to be recalled for safety and health reasons

Quality Culture Development

In 2025, each production base formulated dedicated training plans around its annual quality and safety objectives. With *Basic GMP Knowledge*, *EFFCI GMP System*, and related quality management documents as the core training content, the Company carried out comprehensive training to enhance employees' quality awareness and skills, thereby effectively strengthening all employees' understanding and execution of product quality and safety standards.

COSMOS Anqing Strengthens Its Quality Culture

Case 

COSMOS Anqing has continuously strengthened the development of its quality culture by establishing a normalized management mechanism covering training enhancement, experience accumulation, and incentive and restraint. Relying on its e-learning platform, the base has established a company-wide quality training system, incorporating regulations, internal policies, and typical cases into mandatory training content to improve employees' quality competence. At the same time, the base has developed a quality management case database to systematically summarize the causes of quality issues and corresponding countermeasures, thereby promoting experience accumulation and knowledge reuse.

On this basis, COSMOS Anqing established a certification system for quality management instructors to strengthen the practical quality management capabilities of frontline employees. It also incorporated key quality indicators into the performance appraisal system for departments and individuals and introduced dedicated incentive measures, gradually fostering a quality culture driven by the synergy of "training-practice-incentives."

2025 Quality and Safety Training Statistics (COSMOS)

Production base name	Number of quality training sessions (unit: session)	Number of training participants (unit: person-times)
COSMOS Suqian	6	406
SINOBEST	66	831
COSMOS Ma'anshan	63	741
COSMOS Anqing	89	2,749



2025 COSMOS Suqian Product Quality Training



2025 SINOBEST Product Quality Training



2025 COSMOS Ma'anshan Product Quality Training

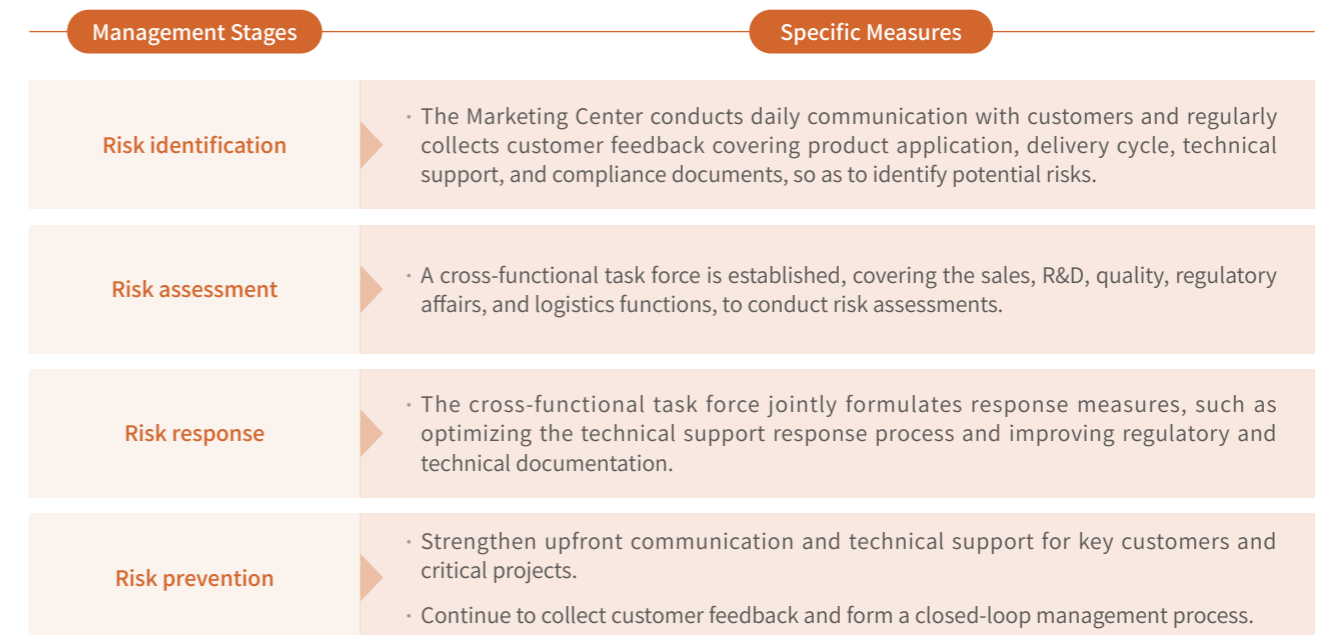


2025 COSMOS Anqing Product Quality Training

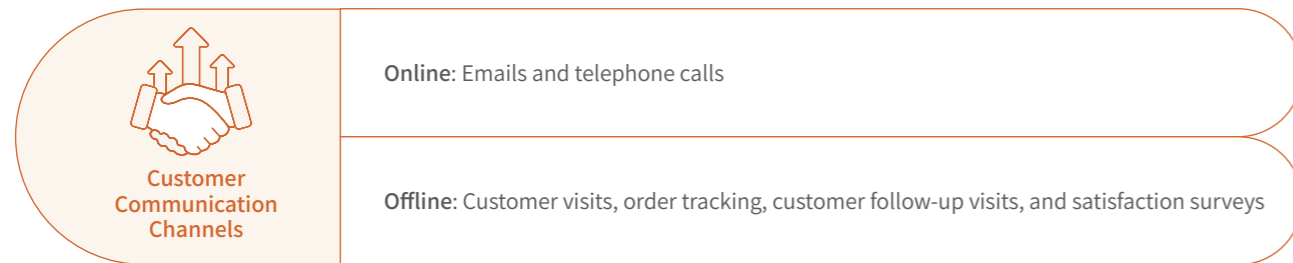
Customer Service Management

COSMOS values listening to the voice of customers. In 2025, guided by customer needs, the Company established a customer service risk management mechanism led by the Marketing Center. Relying on day-to-day communication, it proactively identified potential service risks and worked with multiple departments, including sales, R&D, quality, regulatory affairs, and logistics, to carry out coordinated assessment and response. At the same time, the Company incorporated customer feedback into product optimization, service improvement, and technology iteration processes to form closed-loop management. While reducing service risks, it also transformed risk response into strategic opportunities to enhance customer satisfaction and deepen long-term cooperation.

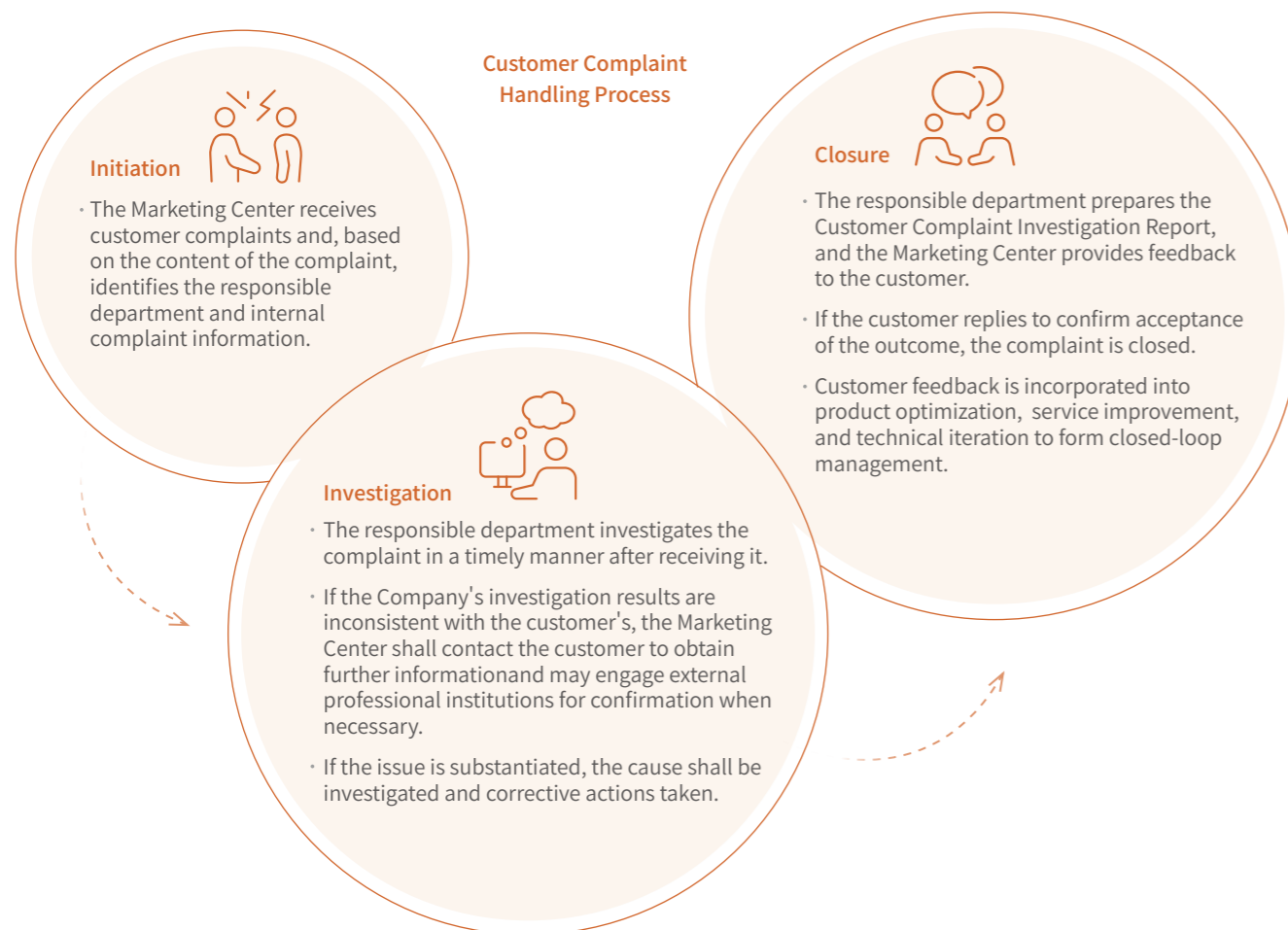
Customer Service Risk Management Process



The Company continues to improve its customer communication and feedback management mechanisms. Through diversified online and offline communication channels, it maintains regular two-way communication with customers and promptly gathers customer needs and opinions. Based on customer insights, we establish customer profiles and promote internal teams to formulate targeted improvement measures, continuously optimizing service processes and enhancing the precision of response and the efficiency of customer service management.



With regard to customer complaint management, each production base, while strictly implementing the *Marketing Center Management Rules* issued by headquarters, has formulated supporting documents such as complaint management procedures and established an efficient information circulation and closed-loop management mechanism. This mechanism clearly defines the division of responsibilities and time requirements for complaint acceptance, assignment, rectification, and response, enabling the rapid acceptance, process tracking, and result feedback of customer requests, and ensuring that customer issues are handled in a timely and standardized manner. During the Reporting Period, the Company achieved a 100% customer complaint resolution rate.



Responsible Marketing

In its responsible marketing practices, the Company adopts a proactive approach to risk control by establishing a risk identification and response mechanism coordinated by the Marketing Center and involving the joint participation of multiple departments, including quality and legal affairs. Through cross-functional collaboration processes, before the launch of new products, cooperation with key customers, and entry into new markets, the compliance of product information and promotional materials, as well as the accuracy of market-related statements, must undergo rigorous assessment and review procedures to ensure that all external information is truthful, accurate, and traceable.

The responsible marketing risks currently identified by the Company mainly include the risk of inaccurate product information statements, compliance risks arising from differences in regulatory requirements across markets, and reputational risks that may be caused by improper marketing. In response to these risks, the Company requires marketing personnel to base external communications strictly on approved technical and compliance documents, ensuring that information is truthful and expressed prudently. For marketing content, internal review and approval at multiple levels is required before release to ensure that all marketing activities comply with the laws and regulations, social norms, and business ethics requirements of the countries and regions where the business operates. In the event of project adjustments or incomplete documentation, marketing personnel are required to promptly explain the situation to customers and maintain transparency of information, while reasonably managing customer expectations, thereby effectively reducing compliance and reputational risks.

At the same time, the Company continues to strengthen its responsible marketing capabilities by regularly carrying out specialized training for internal marketing personnel and external distributors and other partners. The training covers basic product knowledge and market development trends, with the aim of strengthening the professional competence and compliance awareness of marketing personnel. In 2025, the Company organized a total of six internal marketing training sessions focusing on product technologies such as oils, fats, and formulation applications, as well as market development trends, to enhance the knowledge of marketing personnel and guide them to conduct marketing promotion in an honest and responsible manner. During the Reporting Period, the Company had no violations related to responsible marketing.

Metrics and Targets

Product and Service Responsibility Management Metrics and Targets

Metric	Management target	2025 Performance
Product Safety and Compliance Assessment	Ensure 100% of products undergo safety and compliance assessment prior to development from 2023 to 2028	★★★★★ All products completed the required assessment prior to development
Product recall	Ensure "zero" recalls annually from 2023 to 2028	★★★★★ No product recalls occurred in 2025

Chemical Safety Management

Governance

COSMOS attaches great importance to chemical safety and is committed to establishing a standardized and unified lifecycle chemical management system. In terms of management structure, COSMOS has incorporated chemical safety management into the Company's sustainability management framework. All production bases under the Company have established Safety Management Committees, which ensure that management is fully informed of the latest developments in chemical management through regular meetings.

We strictly follow authoritative standards such as the *Globally Harmonized System of Classification and Labelling of Chemicals (GHS)*, and provide overall guidance for each production base in carrying out chemical compliance management. In terms of source control, the Company prepares and dynamically updates Safety Data Sheets (SDS) for its products, establishes detailed chemical inventories, and promptly incorporates hazard identification and risk assessment results into the management system. At the same time, based on the specific types and inherent characteristics of the chemicals involved in each stage of production and operation, the Company implements differentiated classification management strategies and maintains unified chemical management ledgers to ensure that all types of chemicals are subject to clear operating procedures and tracking mechanisms during storage, use, and disposal.

To build a strong institutional safeguard, the Company supervises its production bases in continuously improving chemical safety management standards, and formulates and implements systems related to chemical safety management. These systematically cover the physicochemical properties of chemicals, health hazards, environmental risk identification, and emergency protection requirements, thereby promoting the standardization of end-to-end chemical safety management and the continuous enhancement of risk prevention and control capabilities.

Strategy

COSMOS attaches great importance to chemical management and consistently adheres to the principle of putting safety first and prevention first, with a commitment to effectively safeguarding operational safety and reducing environmental impacts. At the source procurement stage, the Company is committed to giving priority to green, environmentally friendly, low-toxicity, and recyclable raw materials, resolutely avoiding the use of highly toxic, highly polluting, and prohibited chemicals, and actively deepening cooperation with suppliers to jointly promote the green and low-carbon transformation of the chemical supply chain.



Impact, Risk and Opportunity Management

Chemical Safety Management

COSMOS has established standardized chemical risk management procedures and built a closed-loop control system covering "risk identification and assessment - risk monitoring - risk prevention," so as to minimize chemical safety risks arising in the course of operations.

COSMOS Chemical Risk Management



In 2025, with lifecycle chemical safety management as the core, COSMOS comprehensively strengthened its end-to-end safety assurance capabilities from source control and process monitoring to emergency response, and continuously improved its chemical safety management through a series of targeted measures.

At the source procurement stage, the Company strictly reviewed supplier qualifications and adhered to purchasing qualified products only from entities holding hazardous chemicals business licenses. It also required suppliers to provide complete Safety Data Sheets and safety labels for hazardous chemicals, thereby ensuring that chemical compliance risks were under control from the outset.

In the loading, unloading, and warehousing of chemicals, the Company established robust physical and managerial safety barriers. During loading and unloading operations, the Company fully implemented spark-proof and antistatic measures for motor vehicles entering storage areas, assigned designated personnel to guide vehicles into the plant and position them for loading and unloading, and strictly checked the integrity of chemical packaging as well as the provision of the "one document, one label" requirement.

In the storage management stage, the Company established detailed classification files for hazardous chemicals, implemented clear labeling, and designated isolated storage, and stipulated that the maximum storage volume of hazardous chemical tanks such as sulfuric acid must not exceed 80% of their capacity. At the same time, the Company invested in and deployed multiple protective facilities, including nitrogen blanketing protection, pressure and liquid level alarms, safety instrumented systems, water spray cooling systems, and foam fire extinguishing systems. Through measures such as interlock shutdown, emergency pressure relief, and remote monitoring, the Company achieved real-time, all-round, around-the-clock monitoring of material storage conditions. Together with a strict routine inspection system assigning specific personnel and times, these measures ensured absolute safety in the storage environment.

In the distribution, use, and disposal of chemicals, the Company implemented highly rigorous process controls. To eliminate the risk of incorrect distribution and misuse, the Company adopted a dual confirmation mechanism in the distribution process covering the type of medium, quantity, and user department. In daily operations, employees are required to strictly comply with hazardous chemical operating procedures and to regularly carry out in-depth maintenance and hidden hazard inspections of key equipment. For scrapped and recycled chemicals, the Company adheres to the principle of "analysis and testing first, classified disposal afterward," and, based on the characteristics of the materials, scientifically adopts professional treatment methods such as decomposition and neutralization, or entrusts qualified entities to carry out disposal, thereby ensuring an environmentally sound and safe closed loop for the disposal stage.

During the Reporting Period, the Company fully implemented all chemical management measures, and no major safety compliance violations occurred.

Chemical Safety Capability Building

COSMOS attaches great importance to capability building in chemical safety management. To systematically enhance safety awareness and emergency response capabilities across all employees, the Company has carried out coordinated planning and guided each production base to establish a normalized, differentiated, and specialized chemical safety training system centered on its sustainable development goals. The Company deeply integrates theoretical knowledge dissemination, practical skills enhancement, and emergency drill assessment, and requires each production base to ensure that its training content covers core modules such as identification of the physicochemical properties of chemicals, implementation of safe operating procedures, graded risk control, and emergency response to incidents. By establishing a closed-loop mechanism of "training-drill-assessment," the Company has built a solid and reliable talent support network for safe production and high-quality development.

In 2025, the production bases of COSMOS continued to advance chemical safety training and emergency drill programs. By establishing a normalized training system, carrying out multiple forms of drills and skills competitions, and introducing innovative digital assessment methods, the Company effectively enhanced employees' safety competence and practical emergency response capabilities.

SINOBEST's Chemical Safety Knowledge and Skills Training

Case

In 2025, SINOBEST established a normalized mechanism for chemical safety knowledge and skills training and systematically carried out capability enhancement initiatives based on the risk characteristics of different positions. The training innovatively adopted a multidimensional teaching model of "theoretical instruction + case analysis + on-site demonstration + emergency drill," comprehensively covering core topics such as the physicochemical properties of chemicals, safety procedures, and emergency response. Through the combination of scenario-based drills and operational demonstrations, employees significantly improved their capabilities in hazardous chemical risk identification and on-site handling, effectively strengthening operational safety awareness and emergency response capabilities.

COSMOS Anqing's Specialized Chemical Safety Skills Training

Case

In 2025, in light of actual production operations and job-related risks, COSMOS Anqing continued to strengthen specialized chemical safety capabilities. Throughout the year, it organized a total of 14 operating procedure training sessions, 3 hazardous chemical knowledge training sessions, and 1 specialized Safety Data Sheet (SDS) empowerment training session. Centered on key stages such as loading and unloading, storage, use, and emergency response, the training strengthened employees' understanding and execution of risk points, control measures, and protective requirements, further improving standardized on-site operations and emergency response capabilities.



On-site specialized chemical safety skills training at COSMOS Anqing

Metrics and Targets

Chemical Safety Management Metrics and Targets

Metric	Management Target	2025 Performance
Chemical spill rate	Ensure the chemical spill rate is zero annually from 2023 to 2028	★★★★★ No chemical spills occurred in 2025

R&D and Innovation

Governance

To strengthen top-level design and resource coordination, COSMOS has established an R&D Management Committee led by the Chairman and the President, with the participation of senior management and core technical experts, to take full responsibility for R&D strategic planning and major decision-making. At the execution level, with the Research Institute as the core entity and supported by the Marketing Department and the Application Center, the Company has formed an integrated three-pronged collaborative mechanism for R&D and innovation. Guided by market demand, this mechanism effectively drives the transformation of innovative outcomes from laboratory research into industrial applications.

Collaborative Mechanism for R&D and Innovation

Department	Responsibilities
 <p>Research Institute</p>	Conduct in-depth scientific research in core fields such as organic synthesis and analysis, and biosynthesis and analysis
 <p>Marketing Department</p>	Carry out market demand research and information collection, advance new product planning, and accelerate the commercialization of R&D results
 <p>Application Center</p>	Conduct product validation, application research, and technical services, and deliver solutions precisely tailored to market and customer needs

The Company fully integrates and leverages the respective functional strengths of the Marketing Department, production departments, and R&D teams. Focusing on the evaluation and approval processes for project initiation, process management, and acceptance, it has established a series of R&D management systems. At the same time, the Company has defined standardized reporting procedures, requiring each project to formulate an R&D plan and, after approval by the President and confirmation by the Chairman, report progress on a weekly, monthly, and annual basis. This ensures that R&D activities are controlled in terms of both efficiency and effectiveness, and are supported by both practical market value and technical feasibility.

In 2025, centering on the dual core objectives of "cost reduction and efficiency enhancement" and "technological innovation," the Company continued to advance product optimization, deepen industry-research collaboration, and actively participate in forward-looking industry planning, thereby effectively enhancing product competitiveness.

Strategy

COSMOS has deeply integrated technological innovation into its overall corporate development strategy and established an R&D strategy of "frontier technology research, development of products under research, and continuous optimization of products in production," covering the full cycle of technology planning, product transformation, and process optimization. The Company gives due consideration to the continuous improvement and performance enhancement of existing products, the rapid commercialization of mid-term products, and the strategic reserve of frontier technologies, thereby providing strong support for the continuity of technological iteration and the enhancement of market competitiveness.

The Company closely tracks industry developments and technological frontiers, and by advancing multiple new product development projects, has built a technology reserve pool with a clear structure and dynamic optimization, enabling it to respond quickly to market changes. In 2025, with a focus on improving R&D efficiency, the Company further strengthened product application research and carried out the development of new products and new processes around core technology planning and customer needs. While actively introducing high-end talent, the Company has also continued to deepen its research into product application by integrating dermatological research from hospitals and scientific research institutions, thereby accumulating the technological foundation required for its medium- and long-term strategy and injecting innovative momentum into its sustainable development.

Impact, Risk and Opportunity Management

R&D and Innovation Management

COSMOS regards R&D and innovation management as a core element in safeguarding the Company's sustainable competitiveness. Centered on controllable risks and opportunity capture, the Company has established a dynamic management and control mechanism covering the entire project life cycle, ensuring that R&D projects are advanced efficiently on the premise of controllable risks. From the identification, assessment, and analysis of risks and opportunities to response measures, the Company has developed a full-process closed-loop management approach. It also attaches importance to post-action reviews and summarization, continuously strengthening early warning and prevention capabilities to ensure that R&D activities proceed efficiently and steadily, thereby injecting innovative momentum into sustainable competitiveness.

R&D and Innovation Risk and Opportunity Management Process

Risk management Stage	Risk and opportunity identification	Risk and opportunity assessment and analysis	Risk response	Risk prevention
R&D Stage	Project initiation	Review at key milestones	R&D validation	Project closure
Core Measures	<ul style="list-style-type: none"> Conduct preliminary screening to systematically identify various potential risks and opportunities associated with a project. Incorporate the identification results into R&D objectives and define key planning directions. 	<ul style="list-style-type: none"> Involve multiple departments, including technology and marketing, to carry out multidimensional assessment and analysis of risk control plans and opportunity conversion pathways at key milestones, such as phase summaries. 	<ul style="list-style-type: none"> Measure and collect core indicators such as energy consumption, emissions, and safety performance to verify the accuracy of prior risk and opportunity assessment conclusions. Dynamically update project objectives and strategies based on the results of assessment and analysis. 	<ul style="list-style-type: none"> Conduct comprehensive reviews of the achievement of innovation objectives, including the effectiveness of risk control and the degree of opportunity realization. Incorporate review results into the consideration of subsequent planning directions. Consolidate experience into the knowledge base and strategic planning to form preventive mechanisms for similar situations in the future.

During project review, the Company conducts comprehensive evaluations across multiple dimensions, including technical feasibility, market adaptability, resource alignment, and compliance, and incorporates ESG factors into the evaluation system to enhance the systematic and forward-looking nature of the review. This mechanism not only helps identify and avoid technical, market, and compliance risks in the R&D process, but also enables the timely capture of potential innovation opportunities and their transformation into sustainable competitive advantages.

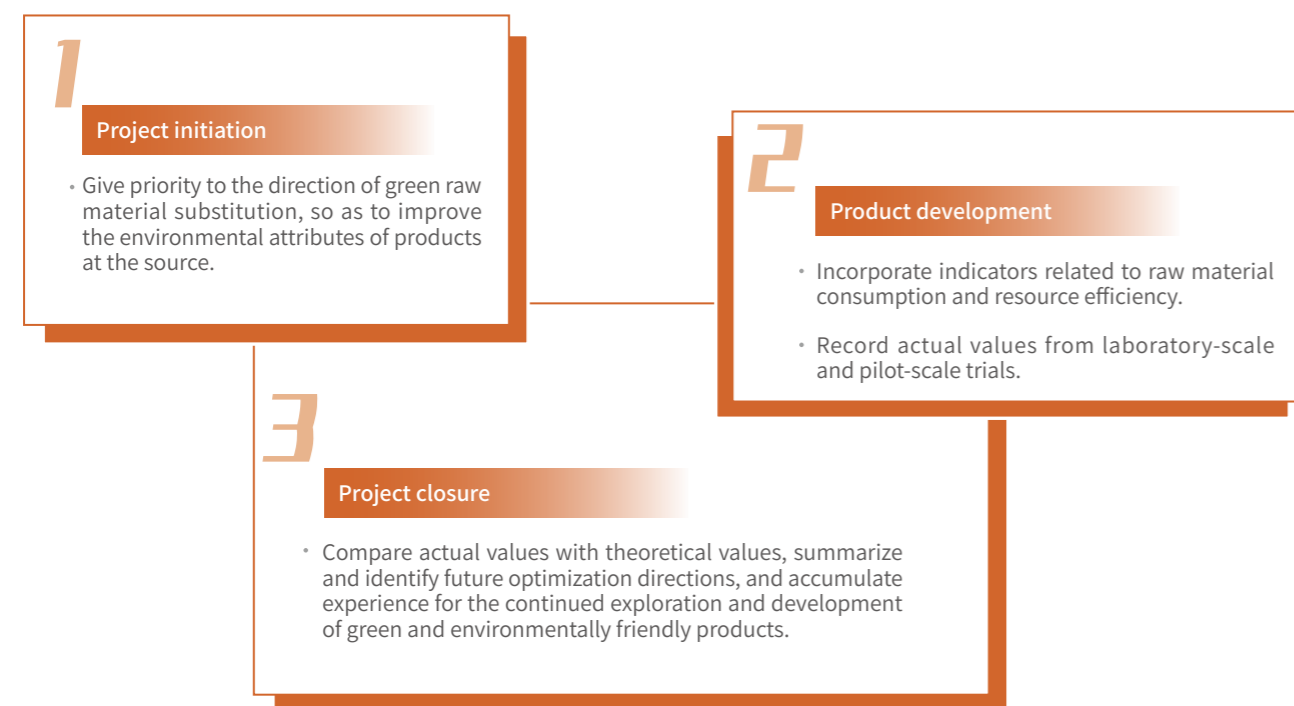
At the practical level of R&D, the Company places emphasis on process optimization, the application of energy-saving materials, and the upgrading of automation technologies, thereby effectively reducing energy consumption and material costs in the production process. At the same time, relying on rigorous impurity studies and a high-precision testing system, the Company improves product purity and safety in use, ensuring reliability and compliance at the source.

In terms of talent development, COSMOS focuses on the core needs of the entire R&D process and regularly conducts specialized training covering areas such as experimental techniques and industry frontiers, continuously enhancing the professional competence and overall capabilities of its R&D team. We have established a long-term, goal-oriented incentive and assessment system that incorporates technical difficulty and strategic importance into evaluation dimensions, stimulating innovation and promoting the efficient transformation of results.

In terms of open collaboration, the Company upholds the philosophy of open innovation and actively works with external resources such as universities and research institutions by jointly establishing laboratories, carrying out collaborative research on core technologies, jointly cultivating talent, and participating in the development of industry standards, thereby injecting continuous external momentum into R&D and innovation.

In addition, COSMOS is committed to integrating the concept of green and sustainable development into lifecycle product management. By building a green innovation mechanism covering the full process from project initiation to commercialization, the Company optimizes the energy-saving and environmental performance of traditional processes. At the same time, it is laying out in frontier fields such as synthetic biology, exploring the application of renewable resources, and building a green product system based on scientific indicators such as the Renewable Carbon Index (RCI), thereby reducing resource and environmental impacts at the source.

Green Chemistry Initiatives across the Entire Process



Continuous Optimization of Traditional Processes

<p>Green raw material substitution</p> 	<ul style="list-style-type: none"> • Screen and optimize green raw materials that are naturally sourced, biodegradable, and modified through synthetic biology.
<p>Development of cost-effective processes</p> 	<ul style="list-style-type: none"> • Improve reaction efficiency, strengthen solvent recovery and recycling, and reduce raw material consumption.
<p>Greening of processes</p> 	<ul style="list-style-type: none"> • Enzymatic catalysis replaces traditional catalysts with enzymes. This process is milder and can reduce carbon emissions by 60%. • Fully introduce and apply heat pipe exchangers, variable-frequency energy-saving speed control, heat supply systems, and motor power regulation to reduce energy consumption.
<p>Emission reduction</p> 	<ul style="list-style-type: none"> • Optimize processes to reduce waste generation. • Upgrade equipment to improve efficiency and reduce carbon emissions. • Recycle bromine-containing wastewater to realize resource recovery.

R&D and Innovation Achievements

COSMOS has deeply integrated the concept of green and sustainable development into its product strategy and continues to strengthen the development and R&D investment of its green product portfolio. In product selection and iteration, the Company consistently treats environmental attributes as a key consideration, focusing on the development of environmentally friendly products that meet market demand while continuously optimizing the environmental performance of existing products.





Through long-term technological accumulation, the Company has developed multiple core technologies and distinctive production processes, including decolorization-film distillation purification technology, highly efficient recycling and energy-saving technology, highly selective hydrogenation technology, green oxidation reaction technology, phase interfacial reaction technology, and Friedel-Crafts alkylation/acylation reaction technology, all of which provide solid support for green product innovation.

The Company's R&D capabilities have repeatedly received industry recognition. COSMOS has been designated "Provincial-Level Enterprise Technology Center (of Jiangsu)" and has secured multiple technical achievement certifications and high-tech product accreditations, highlighting the industry's acknowledgment of its technological strength and innovation efficacy.



National High-tech Enterprise Certificates of the Operating Bases

Intellectual Property Protection



The Company places intellectual property protection at the core of its strategy and incorporates it into the corporate strategic framework as a key area of focus. In strict accordance with the requirements of the *Enterprise Intellectual Property Management Standards*, the Company has established an intellectual property management system coordinated by the Research Institute. By setting up IP expert positions, the Company carries out intellectual property risk assessment and dynamic monitoring throughout the entire process of project initiation, R&D implementation, and project completion and acceptance, promptly identifying and preventing both internal and external infringement risks and comprehensively improving its capabilities in patent management, protection, and application. During the Reporting Period, SINOBEST implemented the Company's intellectual property strategy and successfully obtained certification for its intellectual property compliance management system.



SINOBEST Intellectual Property Compliance Management System Certification

In 2025, the Research Institute further optimized its infringement risk assessment process by moving the assessment stage forward to the project development proposal phase, thereby enabling early intervention and source-level diagnosis, controlling intellectual property risks from the initial stage and enhancing the compliance and security of project execution. At the same time, the Research Institute carried out intellectual property searches and assessments for projects planned for closure and production line projects, while simultaneously advancing patent infringement risk screening and the identification of high-value patent opportunities. From the dimensions of IP portfolio planning, process management, risk early warning, and effective control, it effectively safeguarded the Company's innovative achievements and lawful rights and interests.

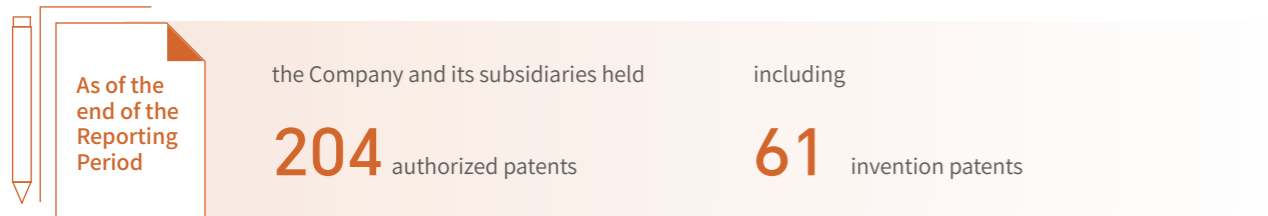
Intellectual Property Management Measures

Risk assessment	Conduct patent infringement risk assessments and provide recommendations aligned with project progress.
Patent evaluation	Assess the authorization prospects of designated patents and submit public observations.
Patent portfolio planning	Provide patentability assessments based on technical solutions and formulate filing strategies.
System development	Establish an intellectual property management system in accordance with the standard requirements of the <i>Enterprise Intellectual Property Management Standards</i> .
Training and communication	Carry out internal and external intellectual property-related training, communicate and collaborate with third parties, address other patent-related issues, and formulate improvement plans.

To continuously enhance employees' awareness and practical capabilities in intellectual property protection, the Company regularly organizes specialized training to strengthen all employees' understanding of the creation, application, and protection of intellectual property. In December 2025, the Company conducted a special intellectual property training session for its application team, covering key modules such as basic patent knowledge, patent search methods, infringement risk assessment, and identification of patent opportunities. This training helped employees systematically master patent law concepts and search techniques, effectively improving the team's ability to identify infringement risks and discover high-value patent opportunities during the R&D process.

Topics covered in the specialized intellectual property training

- Basic patent knowledge
- Patent search methods
- Patent infringement assessment
- Identification of patent opportunities



Continued accumulation of patent achievements

- As of the end of 2025, the Company held a total of 61 valid invention patents, with 2 new invention patents authorized during the year.

National-level qualifications and honors

- COSMOS Suqian, SINOBEST, COSMOS Ma'anshan, and COSMOS Anqing were all successfully recognized as *National High-tech Enterprises*.
- Leveraging its technological advantages and innovation capabilities in specialized market segments, COSMOS Suqian was awarded the title of *National-level Specialized, Refined, Distinctive, and Innovative "Little Giant" Enterprise*.

Metrics and Targets

R&D and Innovation Management Metrics and Targets

Metric	Management Target	2025 Performance
R&D Efficiency Enhancement	Drive R&D efficiency by continuously increasing R&D investment and attracting high-end talent, strengthening product application research and industry-academia collaboration, and consistently enhancing customer value creation capabilities	★★★★★ The Company sustained its efforts to enhance R&D efficiency and deepen product application studies. It maintained steady R&D investment and recruitment of high-end talent, fostered industry-academia collaboration, and continually improved the professionalism and precision of its formulation services

Sustainable Supply Chain

Governance

COSMOS has established a sustainable procurement mechanism led by the Procurement Department, in close collaboration with the ESG team of the President's Office, the Securities and Legal Department, and other relevant functions. This framework clearly defines departmental responsibilities across supplier evaluation, risk management, and compliance audits, ensuring a highly coordinated management approach. Additionally, we have allocated a dedicated budget to support critical initiatives, including supplier ESG due diligence and audits, compliance capacity building, digital system upgrades, and ISO 20400 framework implementation. To continuously drive execution and management effectiveness, we have also integrated sustainable procurement performance directly into the KPIs of our procurement team.

Guided by the ISO 20400 *Sustainable Procurement- Guidance*, we formulated our Sustainable Procurement Policy. This year, we successfully completed the compliance assessment for the ISO 20400 sustainable procurement management system across the entire Group. Under this framework, we further refined key internal policies, including the *Supplier Management System (General Provisions)* and the *Supplier Code of Conduct*. These documents explicitly outline our management requirements regarding environmental protection, operational compliance, business ethics, and diversity and inclusion. We remain deeply committed to building stable, long-term partnerships with suppliers who align with our sustainable development standards.



Strategy

COSMOS has established a sustainable procurement policy centered on "Compliance and Integrity, Fairness and Equity, Responsible Procurement, and Win-Win Cooperation." We deeply integrate ESG standards into our supplier onboarding, evaluation, and collaboration processes, continuously refining a supply chain management mechanism driven by responsible procurement. In practice, we prioritize eco-friendly and energy-efficient materials and equipment. We have instituted an environmental and social responsibility evaluation mechanism for suppliers. Furthermore, we incorporate requirements such as quality management, operational compliance, and collaborative technological innovation into full-lifecycle supplier management, continuously elevating the overall sustainability of our supply chain.

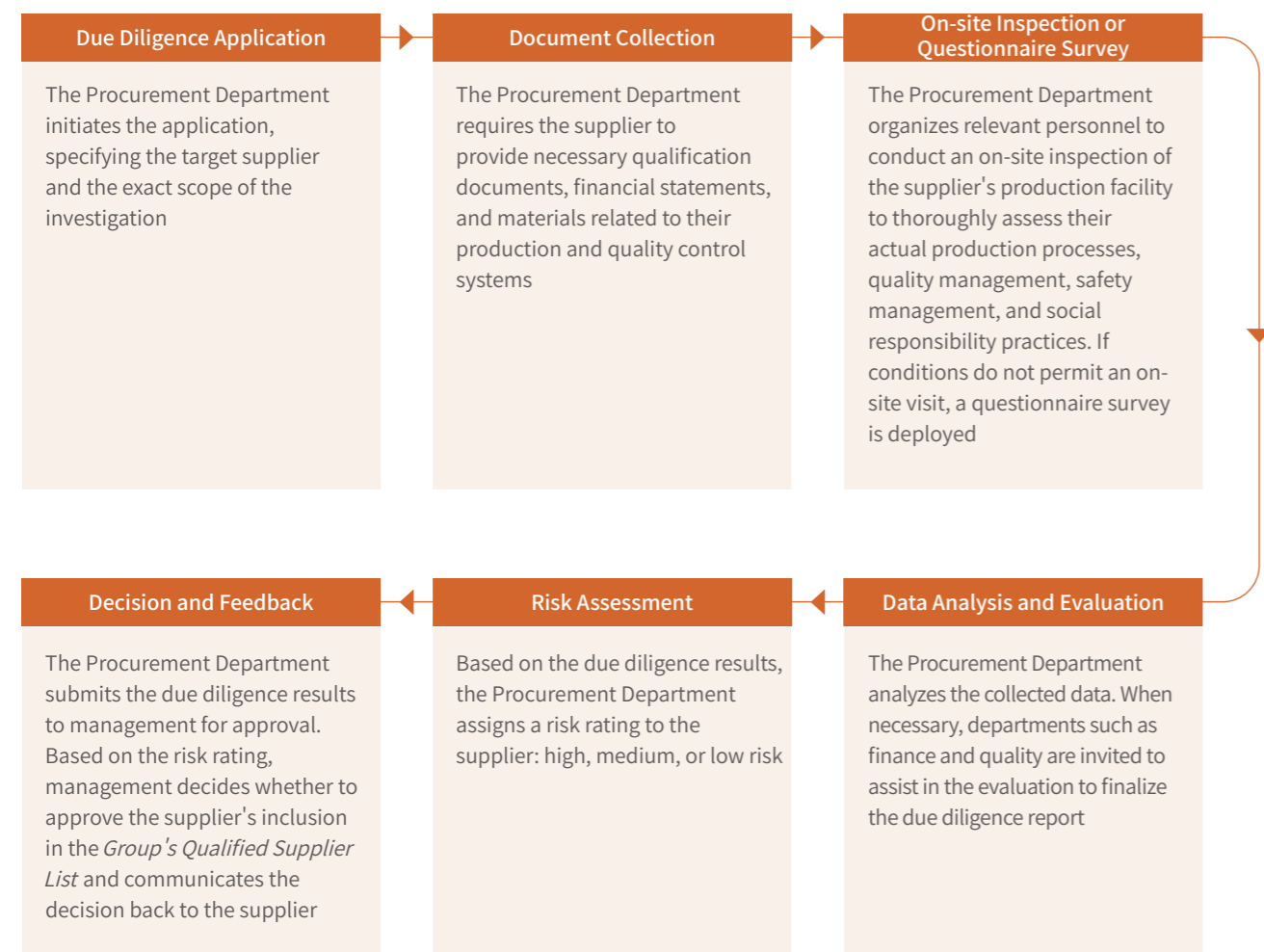
Impact, Risk and Opportunity Management

Supply Chain Risk Management





Guided by a "Risk Control + Capacity Co-building" approach, COSMOS embeds risk management requirements into life cycle supplier management through institutional, digital, and collaborative measures. We have built a robust institutional framework, formulating policies such as the *Supplier Management System*, the *Sustainable Procurement Policy*, and a list of "ESG Zero-Tolerance Issues" for COSMOS' s Suppliers. These establish strict bottom lines for key risks across the environment, labor, human rights, business ethics, and customer rights.

Building on this foundation, we strictly enforce a supplier onboarding evaluation mechanism. Using the *Risk Grading Table for Sustainable Procurement Issues* and the *Rules for Procurement Due Diligence* as our core tools, we conduct comprehensive questionnaire assessments covering business ethics, labor protection, and environmental management. We identify and screen supplier risks by combining supplier self-assessments, on-site inspections, annual performance evaluations, and risk-based targeted audits. Additionally, through continuous improvement mechanisms and regular risk reviews, we dynamically track the risk profiles of suppliers across different regions and categories. This enhances the foresight and precision of our risk identification.

COSMOS Supplier Due Diligence Process



List of "Zero-Tolerance Issues" for COSMOS's Suppliers

ESG Topics	Zero-Tolerance Issues
 Environment	<ul style="list-style-type: none"> Major violations of national laws and regulations (e.g., safety, environmental protection, occupational health&safety)
 Human Rights	<ul style="list-style-type: none"> Use of child labor, forced labor, or forced prison labor Violations of employees' fundamental human rights
 Labor Practices	<ul style="list-style-type: none"> Health and safety hazards that pose an immediate threat to employee lives
 Business Ethics	<ul style="list-style-type: none"> Violations of integrity and anti-bribery requirements Fraud, deception, forgery, or other breaches of business integrity

At the implementation level, we have established a life cycle sustainable management system covering supplier onboarding, collaboration, and phase-out. We prioritize suppliers with strong ESG performance during both onboarding and ongoing collaboration. In practice, only suppliers assessed as low-risk are allowed into the candidate pool during onboarding. During the collaboration phase, we leverage our ERP system to ensure full traceability of the procurement process. We conduct regular performance evaluations and ESG risk ratings for onboarded suppliers, applying differentiated management based on these results. We incentivize outstanding suppliers through awards and increased procurement share. For suppliers who fall short or present risks, we enforce management measures ranging from mandated rectification and targeted training to re-inspections and, if necessary, termination of the partnership. During the supplier improvement phase, we provide specialized training and rectification guidance to medium- and high-risk suppliers, ensuring effective management through a multi-stakeholder participation mechanism.

In 2025, COSMOS found no suppliers with major environmental or social risks, such as environmental violation shutdowns, child labor, or forced labor.

Supply Chain Opportunity Management

COSMOS is committed to enhancing our corporate competitiveness by deepening collaboration and building supply chain resilience. We view our suppliers as partners in progress. By combining strict ESG standards with targeted capacity-building, we have empowered dozens of supply chain enterprises to elevate their sustainability management. This significantly strengthens our value chain's ability to withstand external risks. Concurrently, we actively drive the low-carbon transition across our supply chain. We partner with core suppliers on carbon management, urging them to conduct greenhouse gas emission accounting and disclosure. We encourage them to set emission reduction targets and implement energy-saving measures. Through green procurement and collaborative decarbonization, we continuously reduce the overall carbon footprint of our supply chain.

Leveraging our comprehensive sustainable supply chain management model, COSMOS was awarded the "Outstanding Case of Supply Chain Collaborative Innovation" at the CSO Global Summit. This accolade not only enhances our brand reputation but also creates excellent opportunities to expand high-quality commercial partnerships.



Sustainable Procurement

COSMOS fully integrates sustainable procurement into our corporate operations and management. We require key suppliers to sign the *Supplier Code of Conduct*. This regulates supply chain behavior across environmental, social, and governance dimensions. We drive suppliers to refine their environmental management systems and implement energy-saving and emission-reduction measures. We strictly prohibit child labor and forced labor, ensuring lawful and fair employment. We also demand strict adherence to business ethics and anti-corruption bottom lines. Furthermore, we apply differentiated requirements to our suppliers. Manufacturing suppliers must provide ISO 9001 certification, while primary raw material manufacturers must hold ISO 14001 certification. Moving forward, we plan to incorporate product carbon footprint data and ISO 45001 certification into our supplier onboarding criteria.

We actively champion green procurement practices. We prioritize eco-friendly raw materials, such as wood and paper holding Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC) Schemes. We also push suppliers to optimize their processes and use recyclable, eco-friendly packaging. By the end of 2025, 100% of our wood material suppliers were FSC-certified. Meanwhile, we maintain regular communication with key suppliers to continuously convey our forest risk control requirements. We urge them to assess and report the potential impacts of their operations on forests. Together, we are building a sustainable, traceable, and risk-controlled forest product supply chain.

To empower our suppliers, we continuously share sustainable procurement principles and management requirements through active communication and training. We actively leverage our role as a core enterprise to drive broader impact across the supply chain. To accelerate supply chain decarbonization, we conduct specialized carbon reduction awareness and capacity-building training for key chemical suppliers, strongly encouraging them to execute carbon inventories and reduction initiatives. In 2025, we initiated standard alignment for supplier carbon emission data collection. This promotes the collection and archiving of supplier product carbon footprint data, laying a solid foundation for collaborative supply chain decarbonization.

COSMOS Conducted Carbon Reduction Training for Key Suppliers

Case

Scope 3 emissions encompass indirect greenhouse gas emissions across the upstream and downstream value chain. Within a company's total carbon footprint, supply chain emissions typically account for a significant proportion. Therefore, driving supply chain decarbonization is a critical pillar supporting our overall corporate climate strategy. Currently, COSMOS is embedding climate risk management into core business processes. We are integrating emission reduction and resilience metrics into our medium- and long-term strategic KPIs. On the procurement front, we are also advancing the assessment of supplier carbon performance.

To accelerate the execution of this strategy, we invited a third-party firm in July 2025 to conduct specialized carbon reduction training for our key suppliers. Focusing on "Scope 3 Emissions Management," a total of 50 supplier representatives attended this training. The sessions highlighted decarbonization methodologies and practical implementation pathways. This initiative effectively empowered suppliers to improve their carbon emission identification and management capabilities, heightened their awareness of climate risks, and promoted collaborative supply chain emission reductions. Ultimately, it laid a firm groundwork for Scope 3 emissions management and the low-carbon transition of our value chain.



Metrics and Targets

Sustainable Supply Chain Metrics and Targets

Metrics	Management Targets	2025 Performance
Supplier System Certification Rate	By the end of 2028, source 90% of key raw materials from suppliers certified with environmental management systems (ISO 14001) and occupational health and safety management systems (ISO 45001)	★★★★☆ 60% of key raw materials sourced from ISO 14001 and ISO 45001 certified suppliers
Lawful Employment	By the end of 2028, ensure continuous compliance with labor laws, achieving 100% lawful employment among Tier 1 suppliers of primary raw materials annually	★★★★★ 100% lawful employment maintained among Tier 1 suppliers of primary raw materials annually
Supplier Code of Conduct Signing Rate	By the end of 2028, achieve a 90% signing rate for the <i>Supplier Code of Conduct</i>	★★★★★ 100% signing rate achieved for the <i>Supplier Code of Conduct</i>
Supplier Social Responsibility Audit Rate	By the end of 2028, conduct social responsibility audits on at least 80% of key raw material suppliers	★★★★☆ 50% of key raw material suppliers audited for social responsibility
Sustainable Procurement Training	A minimum of 3 cumulative hours of sustainable procurement training completed annually by procurement personnel	★★★★★ An average of 3 hours of sustainable procurement training completed per procurement employee

Green Actions for Environmental Stewardship

COSMOS integrates ecological responsibility into its development strategy and daily operations. Taking systematic management and technological innovation as the starting point, it continuously improves resource utilization efficiency and environmental performance. We actively address climate change and environmental challenges, promoting the optimization of energy structure and the transformation towards green manufacturing. Through internal lean management and value - chain collaborative cooperation, the Company constantly consolidates the development foundation of low - carbon and environmental protection, and is committed to creating long - term sustainable value for society and nature while achieving steady growth.

UN SDGs Responded in this Chapter

6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	

Climate Change Response

Governance

COSMOS has established a systematic climate governance system, with a clear structure and reporting mechanism to ensure that climate action is effectively integrated into the Company's sustainable development process. The Company has formulated and implemented the Greenhouse Gas Management Procedures, specifying that the Sustainability Leadership Group reviews climate target planning, policy measures, and implementation progress, and regularly supervises and guides scenario analysis work based on the TCFD framework. On this basis, the Company has developed science-based emission reduction targets through systematic assessment of climate-related risks and opportunities, and actively advances the implementation of low-carbon projects, taking tangible action in response to global climate governance requirements.

To enhance the professional capabilities of the climate governance team, during the reporting period, the Company organized multiple specialized training sessions on topics such as CDP questionnaire completion, SBTi science-based target setting, climate change issue management, and emission reduction pathway planning, continuously strengthening the professional competencies of the working group members. Additionally, all company sites are equipped with internal auditors trained in the ISO 14064 Greenhouse Gas Management System standard, ensuring the standardized management and verification of carbon emissions data.



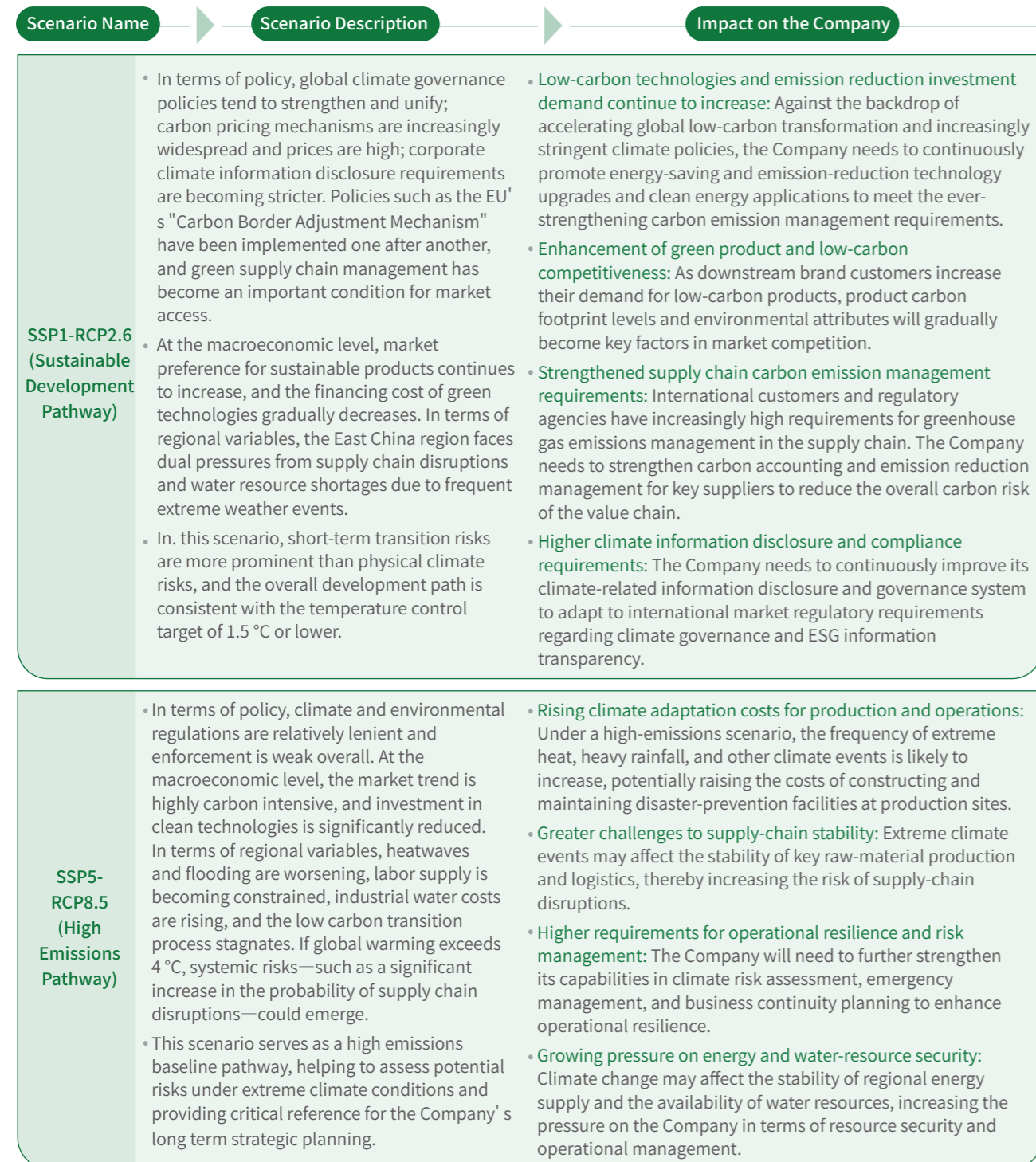
COSMOS Climate Governance Structure

Decision-making tier	The Strategy and Sustainability Committee	<ul style="list-style-type: none"> Review and oversee the Company's sustainability matters, including objectives, planning, policy formulation, implementation, risk assessment, performance, information disclosure, and other related affairs Research and provide decision-making consultation and suggestions for the Company's ESG governance, including ESG governance vision, objectives, and policies Review the Company's ESG reports and other disclosure information related to sustainable development
Management tier	The Sustainability Leadership Group	<ul style="list-style-type: none"> Approve the Group's greenhouse gas management strategy, short-, medium-, and long-term emission reduction targets, and any major revisions thereof Review and make decisions on significant emission reduction investment projects and technological pathways, ensuring their alignment with the Group's business strategy Review and approve the Group's Annual Greenhouse Gas Emissions Report and the implementation status and effectiveness of the Greenhouse Gas Management Procedures, providing decisions and guidance on major issues Provide necessary resource support, including human, material, and financial resources, to ensure the smooth implementation of greenhouse gas management initiatives
Implementation tier	<p>The Decarbonization Working Group</p> <hr/> <p>Responsibilities of Group Functional Departments</p>	<ul style="list-style-type: none"> Consolidate the emission reduction targets, implementation plans for emission reduction projects submitted by various functional departments, and carbon emission forecasts from all bases, ensuring alignment with the Group's overall strategic objectives Coordinate resources to advance the implementation of emission reduction projects, establish a tracking and management mechanism, and organize relevant functional departments to review the performance of emission reduction efforts from the previous year Monitor changes in relevant laws, regulations, policies, and standards concerning greenhouse gas management at the Group level, and provide a basis for updating the Group's greenhouse gas management procedures Manage the greenhouse gas emission factor database, oversee the implementation of greenhouse gas inventories, verification, and report preparation across the Group, and maintain and archive records of activity data, inventory reports, and other documentation Regularly report work progress and significant issues to the Company's management <hr/> <ul style="list-style-type: none"> The general managers of each base and the heads of all functional departments appoint carbon emission administrators, who are fully responsible for all greenhouse gas-related work within their respective functional areas and accountable for the accuracy and authenticity of the data Decompose the Group's emission reduction targets into phased (annual) targets, implement performance assessment mechanisms linked to the emission reduction objectives, and have each base prepare the carbon emission forecast for the following year. This forecast shall be reviewed and approved by the general manager before being submitted to the Decarbonization Working Group Participate in the annual review of emission reduction performance organized by the Decarbonization Working Group, and apply the conclusions and improvement recommendations from the review to the formulation of the following year's work plan Carry out the identification of emission sources, collect and review data, and compile the inventory report, with emission source changes and actual greenhouse gas emission data reported on a semi-annual basis Coordinate with third-party auditors during greenhouse gas verification procedures, and improve the greenhouse gas inventory and reporting based on the audit results

Strategy

Climate scenario analysis is a method for systematically assessing the climate-related risks and opportunities that a company may face by simulating potential future climate scenarios under different socioeconomic development pathways and energy structures. Its purpose is to provide forward-looking insights for strategic decision-making, support the formulation of resilient climate response strategies, and enhance the Company's climate adaptability.

To comprehensively identify potential impacts, significantly contrasting climate scenarios should be selected for analysis. We have chosen two differentiated scenarios—SSP1-RCP2.6 (Sustainable Development Pathway) and SSP5-RCP8.5 (High Emissions Pathway)—to comprehensively evaluate the likelihood and extent of the substantive impact of various risks and opportunities on the Company's operations, supply chain, and financial performance under each scenario.



Risk/Opportunity	Scenario	Probability of Occurrence	Impact Period	Value Chain Affected	
Acute Risks	Extreme heat events	SSP1-RCP2.6	Low probability	Medium term	Operations
		SSP5-RCP8.5	High probability	Medium term, Long term	
	Tropical cyclone	SSP1-RCP2.6	Low probability	Medium term	Operations
		SSP5-RCP8.5	High probability	Medium term, Long term	
	Extreme precipitation	SSP1-RCP2.6	Low probability	Short term	Upstream, Operations
		SSP5-RCP8.5	High probability	Short term, Medium term	
Chronic Risks	Water shortage	SSP1-RCP2.6	Medium probability	Short term	Operations
		SSP5-RCP8.5	High probability	Medium term	
	Global warming trend	SSP1-RCP2.6	Low probability	Short term, Medium term	Operations
		SSP5-RCP8.5	High probability	Short term, Medium term, Long term	
Transition	Policy	SSP1-RCP2.6	High probability	Short term, Medium term, Long term	Operations, Downstream
		SSP5-RCP8.5	Low probability	Short term	
	Customer	SSP1-RCP2.6	High probability	Medium term, Long term	Downstream
		SSP5-RCP8.5	Low probability	Short term	
	Market	SSP1-RCP2.6	High probability	Short term, Medium term, Long term	Downstream
		SSP5-RCP8.5	Low probability	Short term	
	Technologies	SSP1-RCP2.6	High probability	Medium term, Long term	Upstream, Operations
		SSP5-RCP8.5	Low probability	Medium term	
	Reputation	SSP1-RCP2.6	Medium probability	Short term, Medium term, Long term	Downstream
		SSP5-RCP8.5	Low probability	Medium term	
Opportunities	Products and services	SSP1-RCP2.6	High probability	Short term, Medium term, Long term	Upstream, Operations, Downstream
		SSP5-RCP8.5	Medium probability	Medium term	
	Brand value	SSP1-RCP2.6	High probability	Short term, Medium term, Long term	Downstream
		SSP5-RCP8.5	Medium probability	Long term	

*Scenario analysis results can be categorized into three levels of probability: "low probability," "medium probability," and "high probability." The impact period is divided according to the time frame as follows: "short term (1-5 years)," "medium term (6-10 years)," and "long term (more than 10 years)."

COSMOS has deeply integrated climate considerations into strategic planning and operational practices. Through multi-dimensional measures in technology, management, and collaboration, the Company continuously enhances the risk resilience and sustainable development capacity of the entire value chain in the context of climate change.

Under the Sustainable Development Pathway (SSP1-RCP2.6), although the Company faces increasing compliance costs due to stricter policies and supply chain and water resource pressures caused by extreme weather events, its existing efforts in green transformation—such as joining the Science Based Targets initiative (SBTi) and developing environmentally friendly products—are gradually translating into brand advantages and market competitiveness. Coupled with an improving green financing environment, this further drives the application of low-carbon technologies and industrial upgrading. In contrast, under the High Emissions Pathway (SSP5-RCP8.5), the impacts of physical climate risks are more pronounced. Extreme heat, flooding, and other disasters may lead to production disruptions and rising operational costs. In response, the Company mitigates systemic operational risks by enhancing infrastructure resilience, optimizing supply chain diversification, strengthening water resource recycling management, and improving climate adaptation plans.

Furthermore, based on the regional environmental characteristics of its major operational bases, COSMOS has systematically identified and assessed climate-related risks and opportunities. Throughout this process, the Company considered key variables such as the time dimension, business structure, and market trends, comprehensively analyzing their potential impact on various business segments, while actively exploring new market spaces and technological opportunities arising from climate change.

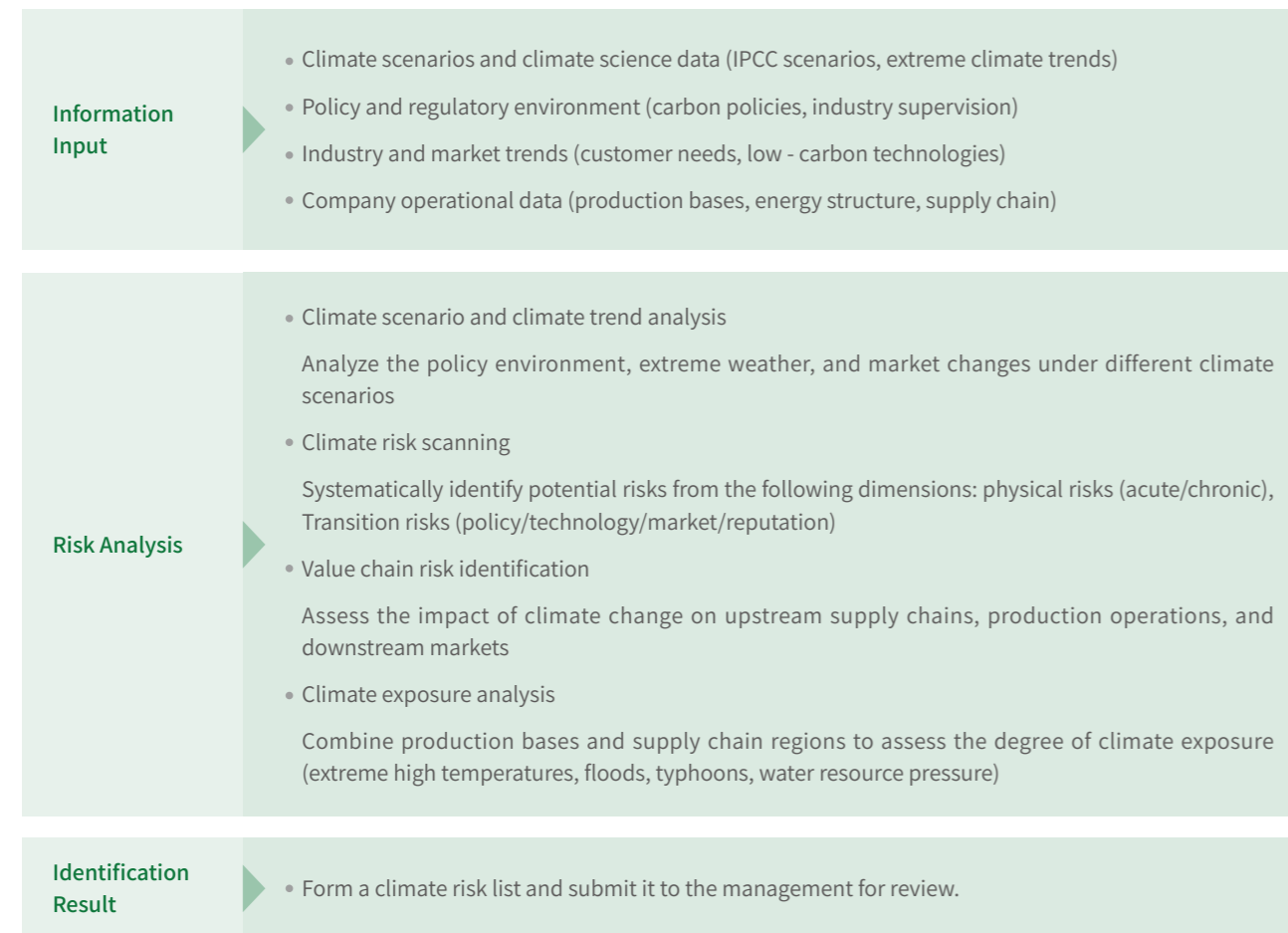
Risk/Opportunity	Impact on the Company	Response
Acute Risks	Extreme heat events	SSP1-RCP2.6 extreme high temperature refers to temperatures far exceeding the historical average, triggering heatwaves and exerting significant impacts on the environment and industries. High temperatures can increase safety risks, affect production efficiency, and compromise equipment stability, among other effects. <ul style="list-style-type: none"> • Make a Preparedness Plan, and conduct regular drills to prevent possible safety accidents, including heatstroke, and fire disasters • Improve the efficiency of temperature control equipment to ensure stable production of raw materials and products
	Tropical cyclone	Tropical cyclones come with strong winds and rainstorms, resulting in damage to corporate facilities and production interruption. <ul style="list-style-type: none"> • Make a Preparedness Plan and respond to typhoon warnings promptly so that measures are taken to restructure buildings and facilities in advance • Reserve sufficient emergency materials such as sandbags, drainage pumps, raincoats, and rain boots
	Extreme precipitation	Extreme precipitation results in manufacturing and supply chain disruptions and potentially influences the transportation of raw materials and products, inviting a significant impact on production and operation scheduling as well as timely delivery. <ul style="list-style-type: none"> • Optimize water supply and drainage systems, with more efficient water treatment processes applied to enhance wastewater collection and treatment • Plan for material reserve and supply and adjust strategies with suppliers annually to ensure earlier delivery or quantitative storage for production completed on time
Chronic Risks	Water shortage	Water shortage is the lack of available water resources, which may cause restrictions on a corporate production scale, a risk of process interruption, and increased operating costs. <ul style="list-style-type: none"> • Formulate documents such as the <i>Reasonable Water Management System</i> and the <i>Water Saving Management System</i> to improve water-use efficiency and promote water recycling • Apply the water risk assessment tool from the World Resources Institute (WRI) to evaluate whether operational sites are located in water-stressed areas • Construct rainwater collection tanks and steam condensate recovery tanks, and identify alternative water sources; • Install water-saving systems and equipment to enhance water-use efficiency

Risk/Opportunity	Impact on the Company	Response
Chronic Risks	Global warming trend	The global warming trend refers to the long-term increase in the planet's overall temperature. Enterprises may face more costs in energy consumption as they try to maintain a stable and appropriate environment for production and storage <ul style="list-style-type: none"> • Formulate documents such as the <i>Energy Performance Assessment Measures</i> and the <i>Energy Procurement Approval Management System</i> to enhance energy management capabilities • Sign Energy Savings Performance Agreements with relevant departments, clearly defining energy conservation targets and responsibilities for specific departments and positions • Actively guide all production bases to purchase green electricity, increasing the proportion of renewable energy usage • Implement energy-saving upgrades at production bases, introduce high-efficiency and energy-saving equipment, optimize the energy structure, and establish a carbon reduction project database to build a project reserve for future emission reductions
Transition risks	Policy	Stricter emission standards and complicated compliance requirements may lead to increased costs and operational adjustments in the operating base and make products subject to stricter access and affect their competitiveness <ul style="list-style-type: none"> • Pay close attention to evolving policies to earlier plan for green technological upgrading and reduce greenhouse gas emissions • Strengthen internal compliance management according to the latest regulatory requirements whereby potential legal risks can be decreased • Upgrade the supplier management system by incorporating ESG performance, carbon footprint, and other indicators into the management framework
	Customer	Customers are gradually extending their climate and energy goals to upstream supply chains, requiring suppliers to assume greater responsibility for carbon reduction. If the Company fails to meet customers' low carbon procurement requirements, it may face the risk of order loss, which could adversely impact operating revenue <ul style="list-style-type: none"> • Introduce external expert resources to provide technical support for greenhouse gas inventory, assist in third-party verification, and offer professional consultation on emission reduction strategies and pathways • Join industry green development initiatives to promote the building of a sustainable value chain
	Market	As client demand for green products grows increasingly, the Company may lose its shares and competitiveness in the market if it fails in timely incorporating carbon footprint management in the product lifecycle and reduction in product-related carbon emissions <ul style="list-style-type: none"> • Launch multiple green products, such as Dioctyl Ether and Cetyl Alcohol, of which Dioctyl Ether has a renewable carbon content of 100% • Require suppliers to provide Sustainable Castor Caring for Environmental and Social Standards (SuCCESS) certification to ensure raw material sustainability, and join the Roundtable on Sustainable Palm Oil (RSPO)
	Technologies	New low-carbon technologies may encounter issues such as research and development failures, cost overruns, and immature processes <ul style="list-style-type: none"> • Make greater efforts to study the feasibility of new technologies, and assess the research direction and applicability in the project approval
Opportunities	Reputation	A history of poor environmental performance or green transformation at a slow pace may damage the corporate image, leading to a decrease in client trust and market share <ul style="list-style-type: none"> • Publicly disclose corporate environmental commitments and progress on official websites, sustainability reports, CDP questionnaires, and other channels
	Products and services	The demand for sunscreen, the main product, may increase and lead to revenue growth in the context of global warming <ul style="list-style-type: none"> • Driven by the core principle of "Green Chemistry" as the core, increase investment in the research and development of environmentally friendly formulations, continuously enhancing the brand's market competitiveness in the field of sustainability
	Brand value	Continuously exceeding market expectations in ESG external assessments will help our company build a differentiated brand image, thereby driving business growth and revenue improvement <ul style="list-style-type: none"> • Establish a product carbon footprint accounting system in accordance with the TFS v3 standard to provide a quantitative foundation for carbon emissions management • Set science-based carbon targets and formulate decarbonization pathway planning aligned with these targets

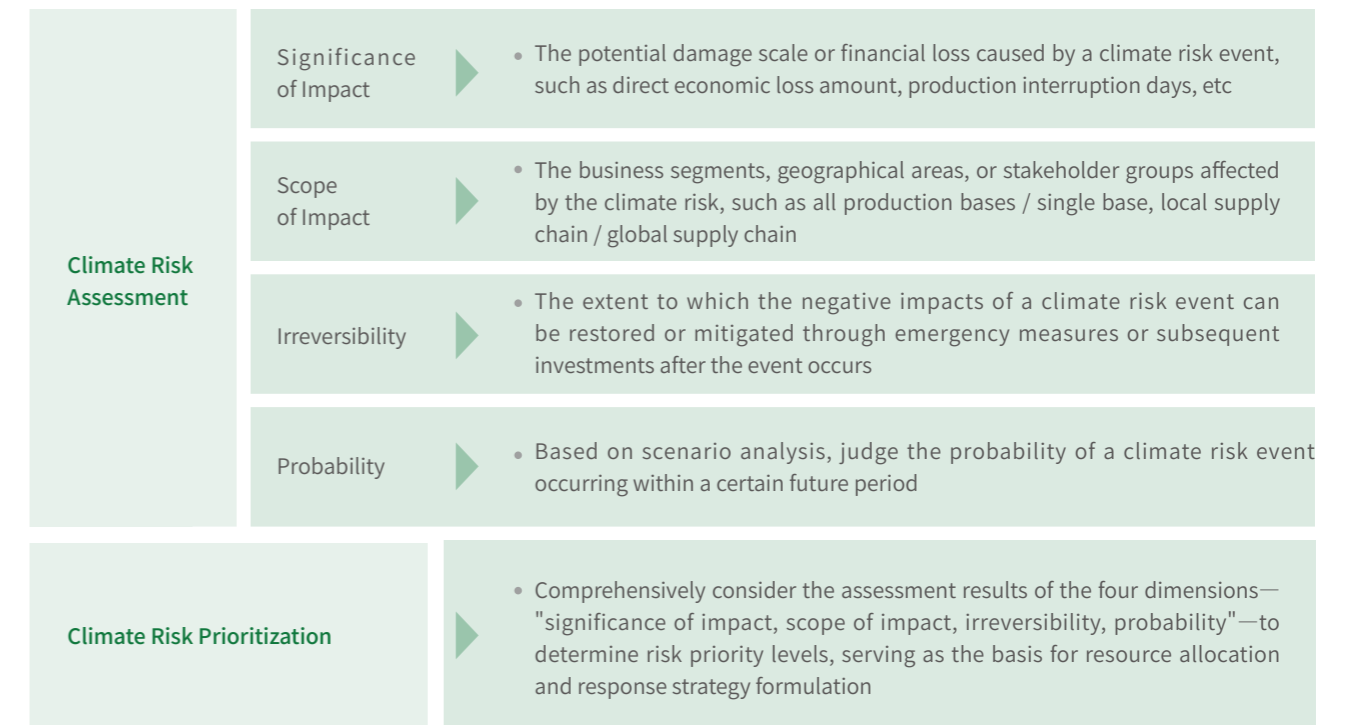
Impact, Risk and Opportunity Management

COSMOS has systematically mapped the correlation between climate risks and traditional operational risks (e.g., categorizing physical risks under operational risk, and aligning transition risks with financial and market risks). In line with the risk management guidelines outlined in the ESG Management Manual, we are progressively advancing the assessment and prioritization of climate risks. By regularly identifying climate-related risks and opportunities, the Company ensures that its climate management strategy dynamically responds to policy evolution, market changes, and customer demands, thereby continuously strengthening overall resilience and adaptability in the face of climate-related risks.

Climate Risk Identification Process

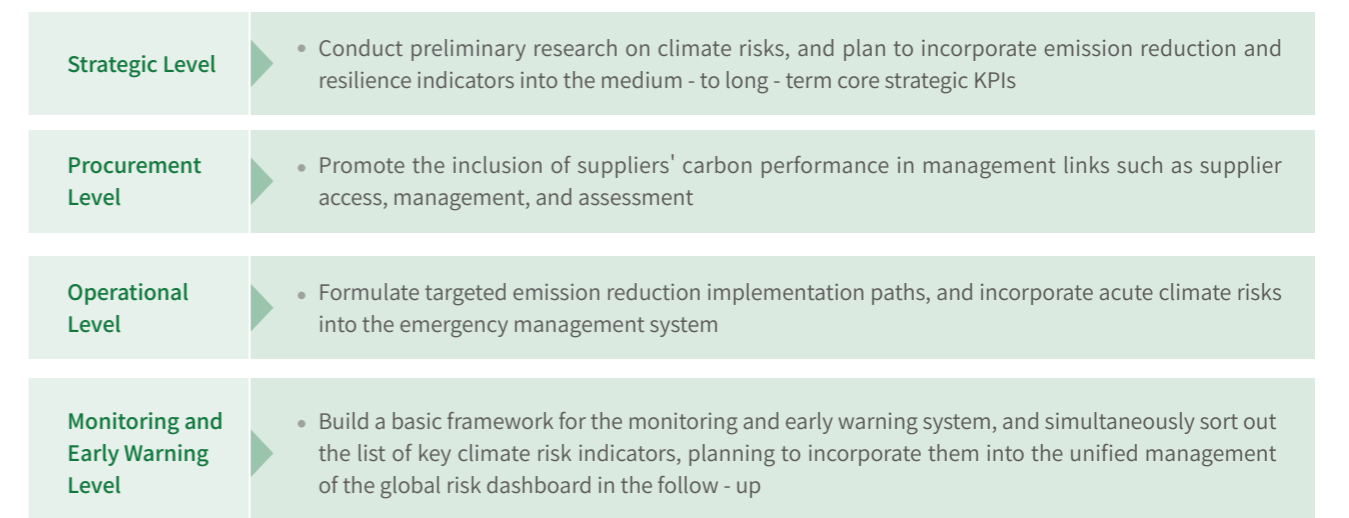


Climate Risk Assessment and Prioritization Process



The Company takes climate risk management as a key entry point, promoting the integration of climate risks with the overall risk management system of the Company at the strategic, procurement, operational, and monitoring and early warning levels. Subsequently, we will gradually establish regular review and dynamic adjustment mechanisms, incorporate the effectiveness of climate risk management into performance evaluations, and continuously disclose integration progress and results to stakeholders through ESG reports and other forms.

Climate Risk Management Process



Metrics and targets

To systematically address the challenges of climate change, we have conducted scientific carbon inventories based on a comprehensive analysis of our own operations. The Company adheres to the principles of transparency and openness, regularly discloses greenhouse gas emissions data and progress on emission reduction targets, proactively accepts public oversight, and earnestly fulfills our corporate climate responsibilities.

In December 2025, the climate targets of COSMOS have been validated by the Science Based Targets initiative (SBTi). The Company commits to promoting emissions reductions across the entire value chain over the next 10 years, ensuring that its climate actions are aligned with the 1.5°C temperature control goal of the Paris Agreement.

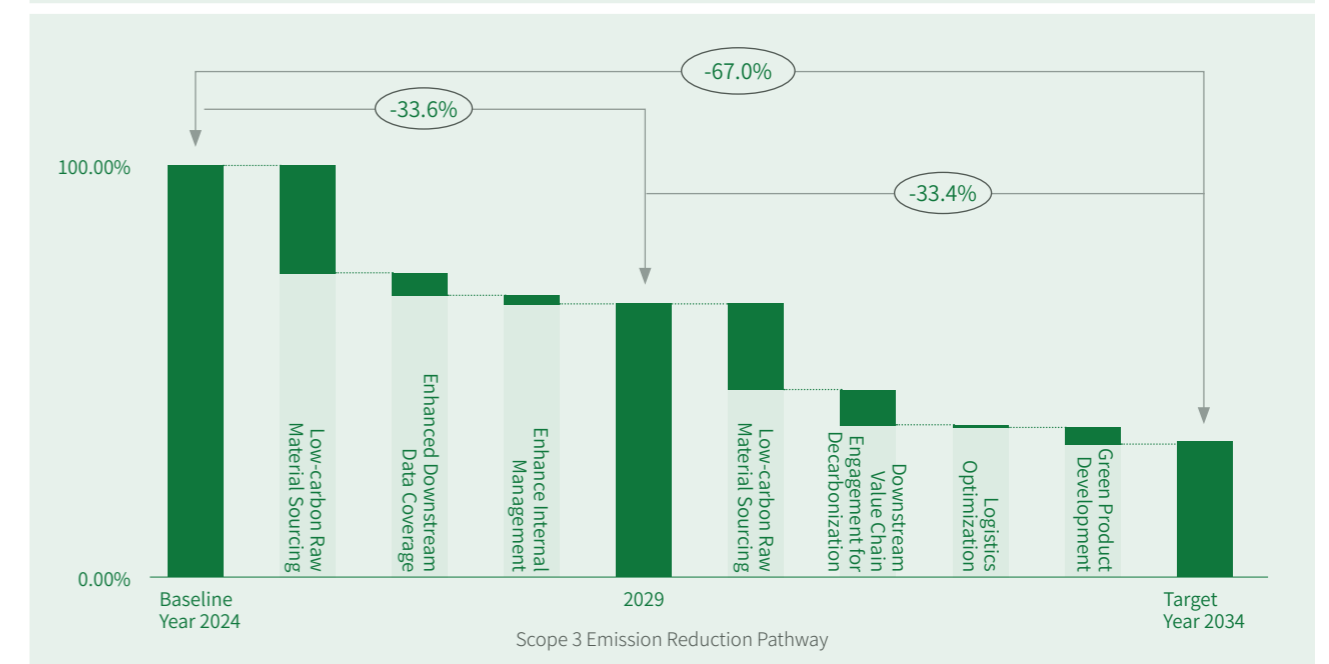
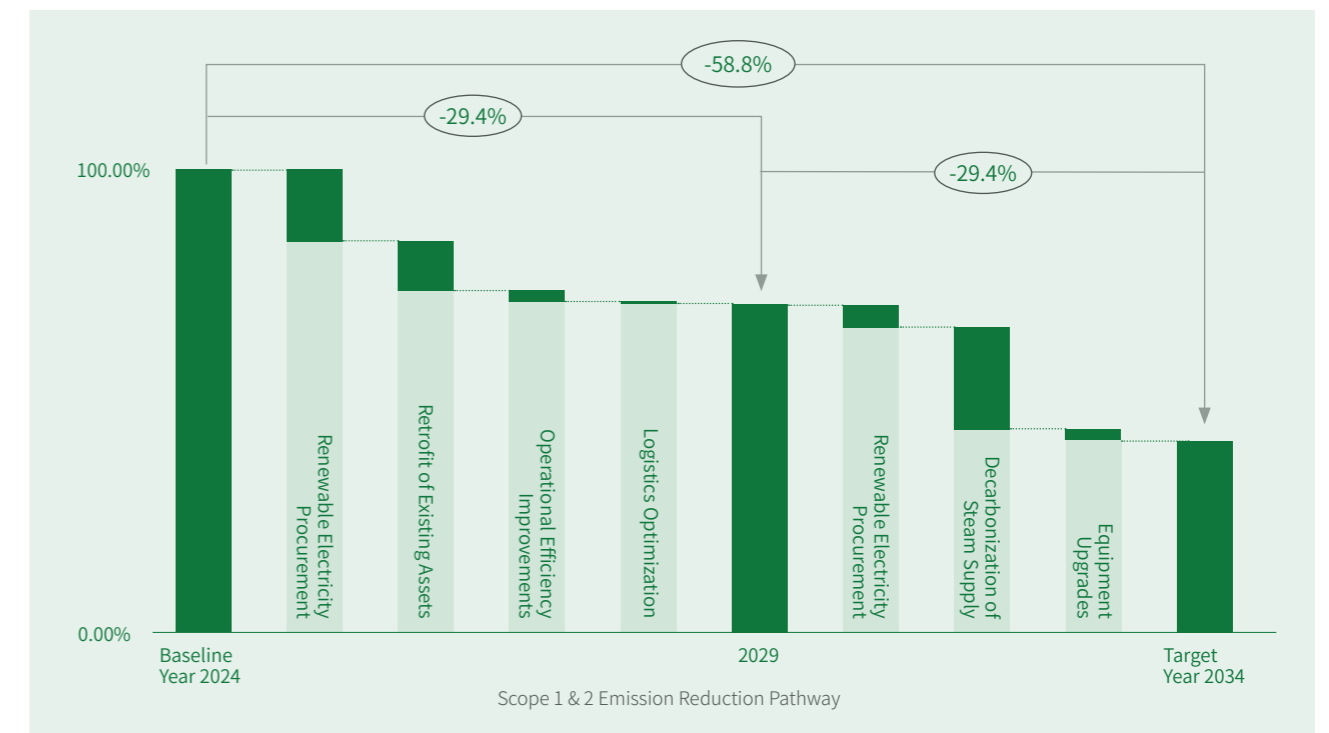
Climate Targets

By 2034, Scope 1 and 2 GHG emissions will be reduced by **58.8%** compared to the 2024 baseline, and Scope 3 GHG emissions per unit of production will be reduced by **67.0%** compared to the 2024 baseline

Indicator	Unit	2025	2024
Direct Emissions (Scope 1)	Ton of CO ₂ equivalent	16,322.87	22,814.13
Indirect Emissions (Scope 2) – Location based	Ton of CO ₂ equivalent	115,574.95	190,135.34
Indirect Emissions (Scope 2) – Market based	Ton of CO ₂ equivalent	110,215.60	190,441.60
Other Indirect Greenhouse Gas Emissions (Scope 3)	Ton of CO ₂ equivalent	40,277.69 ¹	361,098.26
Total Greenhouse Gas Emissions (Scope 1 + Scope 2 + Scope 3) – Market based	Ton of CO ₂ equivalent	166,766.16	574,353.99

¹The Scope 3 emissions inventory for the reporting year cover the following categories: capital goods; fuel- and energy-related activities (not included in Scope 1 or Scope 2); upstream transportation and distribution; waste generated in operations; business travel; employee commuting; upstream leased assets; and downstream transportation and distribution.

Meanwhile, the Company continues to refine its carbon emissions management system. It has systematically developed decarbonization roadmaps covering Scope 1, 2, and 3 emissions, and has preliminarily established a product carbon footprint database, with accounting capabilities covering 15 core products. Through a regular tracking and evaluation mechanism, the Company ensures the effective implementation of its emission reduction targets. In terms of concrete actions, the Company actively implements multiple emission reduction measures in production and operational processes, including improving equipment energy efficiency, implementing dedicated energy-saving retrofits, and adopting clean energy sources, achieving an annual emission reduction of 2,997.27 tons.



Environmental Management

Governance

COSMOS has established a vertically integrated environmental management framework that extends from the Group headquarters to all production bases, clearly defining the responsibilities of the decision-making, management, and implementation levels. Under this framework, each production base strictly implements environmental management objectives and institutional requirements, and undergoes regular internal and external supervision and inspections. This forms a complete closed-loop management system spanning from "strategy formulation → implementation → supervision and inspection → continuous optimization."

COSMOS Environmental Management Framework

<p>The Strategy and Sustainability Committee (Decision-making tier)</p>	<ul style="list-style-type: none"> Responsible for integrating environmental and climate-related topics into the company's development strategy, reviewing and approving environmental policies, objectives, and major action plans Reviewing methodologies for identifying environmental risks and opportunities as well as the results of materiality assessments, monitoring the operational effectiveness of the environmental management system, and regularly evaluating the achievement of key environmental performance indicators Examining the content of environmental disclosures and guiding the company in responding to significant environmental risks and challenges
<p>The Sustainability Leadership Group (Decision-making tier)</p>	<ul style="list-style-type: none"> Overseeing the overall advancement of corporate environmental management and ESG initiatives, developing environmental objectives and annual work plans, and organizing implementation and resource allocation Responsible for decomposing environmental objectives to various departments, branches, and subsidiaries, clarifying responsibilities and division of labor for each unit Approving relevant systems, action plans, and specialized programs Coordinating environmental risk and opportunity management, integrating it into daily management processes, and supervising and evaluating environmental performance Organizing environmental-related information disclosure efforts
<p>The Sustainability Working Group (Management tier)</p>	<ul style="list-style-type: none"> Responsible for the specific formulation, interpretation, and revision of environmental policies, and for continuously optimizing them based on internal and external environmental changes Responsible for implementing the company's environmental policies and objectives, ensuring that production and operations comply with environmental regulations and internal management requirements Responsible for the collection, monitoring, and analysis of environmental data, continuously identifying environmental risks and opportunities, and proposing improvement measures. Regularly report environmental performance and key work progress to the leadership group Supports environmental information disclosure efforts and may establish specialized working groups to advance management of key topics as needed
<p>Subsidiaries (Implementation tier)</p>	<ul style="list-style-type: none"> Strictly implement the company's environmental policies, ensure operations comply with applicable environmental laws, regulations, and internal requirements, and carry out environmental permit and compliance management Communicate the company's environmental policies to all employees in a timely manner to ensure effective implementation at the subsidiary and branch levels Undertake and disaggregate corporate environmental objectives, develop implementation plans, and regularly track performance Implement energy conservation, emission reduction, pollution prevention, and resource efficiency measures in production and operations Establish environmental data monitoring and reporting mechanisms, promptly report anomalies, and drive continuous improvement
<p>Employee (Implementation tier)</p>	<ul style="list-style-type: none"> Strictly abide by the company's environmental policies and related environmental management systems Participate in environmental-related training as required to improve compliance and operational capabilities Timely report environmental risks, non-compliance behaviors or abnormal events, and actively put forward improvement suggestions for the company's environmental protection work Implement energy conservation, emission reduction and resource conservation measures in daily work

In terms of system construction, the Company issued the Environmental Policy at the group level, systematically clarifying the management principles and target requirements in key areas such as climate change response, energy management, pollution prevention and control, and waste management. Each base, based on this policy, formulates supporting management documents tailored to local regulatory requirements and actual production conditions to cover major environmental impact factors and ensure the effective implementation of management measures. In 2025, the Company's subordinate bases updated their environmental management systems, refined post-related environmental responsibilities, optimized environmental performance evaluation indicators, and promoted the continuous standardization and effective operation of the environmental management system.

By the end of the reporting period, four bases of COSMOS had obtained ISO 14001 environmental management system certification through regular internal and external audits.



ISO 14001 Environmental Management System Certificates of the Operating Bases

Strategy

COSMOS has integrated environmental protection into its long-term development strategy, establishing a development goal of "Green, Low-Carbon, Sustainable" and systematically advancing environmental risk prevention and control, as well as resource efficiency enhancement. The Company is committed to reducing its environmental footprint and achieving a win-win outcome in both economic and environmental benefits through technological innovation and management optimization. Additionally, COSMOS incorporates the concept of green development into its corporate culture and daily operations, reinforcing employees' awareness of environmental responsibility through environmental advocacy, specialized training, and practical activities, thereby ensuring the effective implementation of environmental management requirements in production and management activities.

Impact, Risk and Opportunity Management

Environmental Risk Management

COSMOS has established a systematic risk management mechanism covering identification, evaluation, control, and emergency response for environmental risks that may arise from its production and business activities. The Company has formulated management specifications related to environmental factor identification and evaluation, providing a unified institutional framework for environmental risk management. Each production base, in accordance with these regulations and combined with local regulatory requirements and actual production conditions, implements specific control measures to ensure that environmental risks are promptly identified, effectively controlled, and continuously improved.

Environmental Risk Management Process

Risk Identification	All relevant activities at each base that may impact the environment are identified. These activities include procurement, production, inspection, packaging, storage, transportation, sales, maintenance, greening, energy consumption, and more.
Risk Analysis	Using methods such as non-judgment method, horizontal comparison method, and expert scoring method, the influence scale, scope, and degree of environmental factors are analyzed. Thus, the priority control levels of environmental factors are systematically and scientifically determined.
Risk Response	For environmental factors confirmed by evaluation to have potential major environmental impacts, clear and specific operating procedures and quantitative control indicators are formulated and implemented.

In response to environmental emergency incidents, the Company strictly complies with laws and regulations such as the *Law of the People's Republic of China on Emergency Response* and the *Measures for the Emergency Management of Sudden Environmental Incidents in Enterprises and Institutions (Trial)*. Each base has established an emergency management system for environmental incidents. Based on the results of environmental risk assessment, it systematically identifies potential sources of environmental incidents, formulates special emergency plans, and clarifies the emergency organization structure, division of responsibilities, and response processes. The Company has set up an accident emergency command department as the highest decision-making body for the emergency management of sudden environmental incidents. Specialized rescue teams such as public security and protection teams and emergency command teams are set up under this department, responsible for on-site management and disposal of accidents.

To ensure the effective implementation of the emergency management mechanism, the Company's subordinate bases regularly organize relevant personnel to conduct special training and practical drills. At the same time, each base routinely carries out environmental risk investigation and rectification work, timely implements rectification measures, and effectively prevents environmental risks. In addition, in accordance with the *Technical Guidelines for the Formulation of Emergency Emission Reduction Measures for Key Industries during Heavy Pollution Weather* and other regulations, each base has formulated targeted emergency control plans. And by promoting the use of new energy heavy-duty vehicles and prohibiting the loading and unloading of vehicles that do not meet the National emission standards, atmospheric pollution prevention and control are continuously strengthened.

Emergency Management Process for Environmental Incidents

Prevention and Early Warning	The Company identifies hazard sources, conducts hazard analysis, continuous monitoring, regular inspections, and implements early-warning grading and other related work.
Information Reporting	The Company designates persons responsible for internal information reporting, information notification, and information submission, and confirms the information reporting methods.
Emergency Response	According to the response grading, the Company sets up relevant response procedures and allocates effective materials and personnel.
Post-incident Disposal	The Company's relevant responsible persons formulate disposal plans, quickly restore the environment, summarize the incident and put forward improvement suggestions.

During the reporting period, COSMOS and its subsidiaries strictly complied with environmental protection laws and regulations, and no environmental violations or illegal acts occurred. No complaints or penalties related to the environment were received either.

Environmental Culture Cultivation

COSMOS has deeply integrated the concept of environmental protection into its corporate culture. Through continuous environmental awareness advocacy and daily behavior guidance, it encourages every employee to jointly promote green and sustainable development with practical actions. The Company actively practices green office operations, promotes electronic processes to reduce paper consumption, and gives priority to purchasing environmentally friendly and recyclable office supplies, building an environment-friendly office atmosphere.

The Company attaches great importance to environmental protection training. Through a systematic training system, it continuously strengthens the environmental awareness and professional capabilities of all employees. In 2025, COSMOS and its subsidiaries' bases systematically carried out special environmental protection training. Focusing on key areas such as legal interpretation, facility management, and risk prevention and control, a total of more than 200 training sessions were organized, covering nearly 900 person-times, with a total training duration of more than 1,800 hours.

Environmental Protection Training of the Operating Bases in 2025

<p>COSMOS Suqian</p> <p>Organized trainings on environmental protection laws and regulations, waste gas and solid waste management, hidden danger investigation, etc. A total of 89 person-times were trained, with a training duration of 167 hours.</p>	<p>SINOBEST</p> <p>Carried out 69 training sessions around topics such as wastewater, waste gas, solid waste and emergency disposal. The total training duration was 578 hours, covering 220 people.</p>	<p>COSMOS Ma'anshan</p> <p>Organized 74 special trainings, with a total training duration of 678 hours, covering 210 people. The content included environmental protection laws and regulations, hazardous waste management, water-saving publicity and clean production.</p>	<p>COSMOS Anqing</p> <p>Adopted a combination of online and offline methods to carry out trainings on basic environmental protection knowledge, legal publicity, accounting standards and waste gas facility operation. A total of 442 training hours were provided, covering over 900 person times.</p>
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Mobile Environmental Protection Knowledge Training

Case

SINOBEST and COSMOS Ma'anshan innovated the training form. They developed an online environmental protection knowledge learning mini-program and matched it with a special training question bank containing more than 200 quions. The platform supports employees to make use of fragmented time for self-study through mobile terminals, effectively expanding the coverage and flexibility of environmental protection knowledge popularization, and continuously improving the environmental protection knowledge level and practical application ability of all employees.



Environmental Protection Knowledge Training

Metrics and targets

Environmental Management Metrics and Targets

Metric	Management Target	2025 Performance
Improvement of Environmental Management Level	Guided by the principles of "green, low-carbon, and sustainable" development, the Company integrates environmental protection into its long-term development strategy, continuously improves its environmental management system, ensures systematic and standardized operation of environmental management requirements, and steadily enhances its environmental management performance	★★★★★ The Company continues to advance the optimization of its environmental management system. Relevant management policies and operational mechanisms have been implemented as planned. The environmental management system keeps effective in operation and is continuously improved

Energy Management

Governance

COSMOS has established an energy management framework that integrates group - level coordination and base - level implementation. We regard energy management as the core content of climate action, incorporate it into the unified deployment of the climate management system, formulate energy management objectives in a coordinated manner, break down energy - consumption indicators, and establish mechanisms for data statistics, analysis, and tracking. Each production base is headed by a general manager who clarifies the responsibilities of various departments. By signing the Energy Savings Performance Agreement, the energy targets will be gradually broken down to workshops and related positions, so as to implement responsibilities and link them with performance evaluation, thus enhancing the rigidity and execution of energy - saving management.

In terms of system construction, the Company strictly abides by laws and regulations such as *the Energy Conservation Law of the People's Republic of China and the Renewable Energy Law of the People's Republic of China*. COSMOS has established and implemented supporting systems including *the Energy Performance Assessment Measures, the Energy Procurement Approval Management System*, and the Energy Consumption Quota Management System to promote the standardized and refined transformation of energy use. In 2025, each base will continue to reinforce energy - saving management, and strengthen data analysis and process control capabilities through system optimization of digital platforms, so as to systematically improve energy utilization efficiency and management levels.

By the end of the reporting period, all the bases had passed energy audits, internal audits, and management reviews, and obtained ISO 50001 Energy Management System Certification.



ISO 50001 Energy Management System Certificates of the Operating Bases

Strategy

COSMOS has integrated energy management into its long-term development strategy, continuously reducing energy consumption and carbon emissions intensity in operations by focusing on optimizing the energy structure and improving energy efficiency. While steadily increasing the proportion of renewable energy usage, the Company lowers energy consumption per unit of product through process optimization, equipment upgrades, and management efficiency enhancements, driving the transformation of production operations toward a more efficient and low-carbon model. Moreover, leveraging digital energy management tools, the Company continuously strengthens its capabilities in energy data monitoring and performance analysis, enhancing the precision and transparency of energy management. This approach promotes the synergistic achievement of cost reduction, efficiency improvement, and emission reduction goals, supporting the Company' s long-term sustainable development.

Impact, Risk and Opportunity Management

COSMOS has established a systematic mechanism for energy risk identification and management, focusing on key factors such as the stability of energy supply, structural adjustments in energy sources, and changes in energy consumption costs. The Company carries out risk identification and analysis, and develops targeted response measures in alignment with operational realities.

Energy Management Risks and Opportunities

Risks	Opportunities
<p>Increase in Electricity Consumption</p> <p>In severe winters, the steam demand for production increases; in hot summers, the load on refrigeration equipment rises, leading to a surge in electricity consumption and pushing up the overall energy consumption cost.</p>	<p>Renewable Energy Utilization</p> <p>By signing green power procurement contracts, renewable energy can be provided for the Company's production and operation.</p>
<p>Energy Price Fluctuations</p> <p>Affected by factors such as geopolitical conflicts and changes in supply-demand structure, the price of energy required for production has increased, thus pushing up production costs.</p>	<p>Improve Energy Use Efficiency</p> <p>By implementing projects such as the elimination and replacement of high-energy-consuming motors, the Company's overall energy consumption is reduced.</p>
<p>Continuous Strengthening of Energy Use Efficiency Supervision</p> <p>To achieve the "dual-carbon" goals, regulatory policies on the energy use efficiency of production equipment have been continuously tightened. Enterprises need to invest funds to purchase energy-saving equipment with low energy consumption and high efficiency to meet the requirements.</p>	<p>Policy Incentives and Support</p> <p>Projects that conform to relevant incentive policies at the national and local levels, such as energy-saving technological transformation and green power procurement, can apply for financial subsidies or enjoy tax incentives in accordance with regulations.</p>

In response to the identified energy-related risks and opportunities, COSMOS systematically implements energy-saving and consumption-reduction strategies in its daily operations, focusing on energy efficiency improvement and structural optimization as key priorities. Through diversified approaches such as equipment upgrades, process improvements, and operational management, the Company effectively controls energy consumption intensity. With practical measures, it actively addresses the challenges of industrial transformation and operational cost pressures in the context of climate change, continuously strengthens green operational practices, and drives the refinement and intelligent advancement of corporate energy management.

Main Energy-Saving and Consumption-Reducing Measures

COSMOS Suqian	<ul style="list-style-type: none"> Optimize the operation time of air compressors to reduce daily electricity consumption by about 1,800 kWh Improve the thermal storage performance of equipment to reduce daily natural gas consumption by about 520 cubic meters
SINOBEST	<ul style="list-style-type: none"> Reduce steam losses by enhancing workshop thermal insulation to minimize heat dissipation resulting from inadequate insulation performance Purchase 20 second-class energy-efficient motors and start the gradual replacement work of old motors
COSMOS Ma'anshan	<ul style="list-style-type: none"> Adopt a time-based start - stop strategy for chillers, arrange the main operation period at night, and keep them shut down during the day if there is no special need, so as to improve the efficiency of electricity utilization Replace the motors in the AVB outsourcing room that belong to the obsolete product list, and select models with higher energy efficiency, more reliable operation and lower environmental impact The operation mode of the wastewater treatment plant has been adjusted, switching from the original 24 hour continuous operation to 12 hour intermittent operation per day, thereby reducing the energy consumption of high power equipment like blowers
COSMOS Anqing	<ul style="list-style-type: none"> The refrigeration unit uses storage tank cold storage to increase the workshop vehicle temperature and reduce electricity waste The power workshop closes the nitrogen generator unit and switches to liquid nitrogen supply, which effectively reduces electricity consumption Apply solar photovoltaic in the plant road lighting system to realize clean energy supply for street lamps

The Company continues to advance the application of clean energy. By leveraging the resource advantages, policy support, and industrial supporting conditions in the regions where its production bases are located, it systematically promotes green power procurement and renewable energy project deployment, gradually optimizing the energy structure. In 2025, the Company actively advanced the adoption of renewable energy, with all subordinate bases implementing green power procurement plans. COSMOS Ma'anshan procured 3,730 MWh of green power, while SINOBEST completed the procurement of 4,000 MWh of green power during the same period. COSMOS Anqing has initiated preliminary work for the construction of a photovoltaic power generation project. By continuously increasing the proportion of renewable energy usage, the Company steadily advances its low-carbon transformation process.

Metrics and targets

Energy Management Metrics and Targets

Metrics	Targets	2025 Performance
Energy Consumption per Unit Product	By the end of 2028, the Company's energy consumption per unit product will be reduced by 10% compared with the base year of 2024	<p>★★★★☆</p> <p>The Company continues to advance refined energy management and the optimization of energy-saving technologies. Relevant energy-saving measures are being implemented in an orderly manner. During the reporting period, the unit energy consumption was 9.58 MWh/t. Going forward, the Company will continue to enhance energy efficiency and steadily promote the achievement of its 2028 energy reduction targets</p>
Proportion of Renewable Energy	By the end of 2034, compared with 2024, the Company's proportion of renewable energy use will increase by 50%	<p>★★★★☆</p> <p>The Company actively promotes green electricity procurement across its bases. During the reporting period, a total of 7,730 MWh of green electricity was procured. Going forward, the Company will continue to increase the share of renewable energy use, providing substantive support for its overall low-carbon transition</p>

Water Management

COSMOS strictly complies with laws and regulations such as the *Water Law of the People's Republic of China* and the *Water Conservation Regulations*, committing to fully adopt water-saving technologies and equipment, continuously reduce water consumption in production, and ensure a year-on-year decrease in water consumption per unit of output value. The Company systematically integrates water-saving principles into production processes and process designs to minimize the use of fresh water. Additionally, it regularly conducts water-saving publicity and training to enhance employees' awareness of water conservation and promote water-saving practices in daily operations.

The Company attaches great importance to water related risks. With municipal tap water as the primary water source, it does not involve the extraction of surface water or groundwater, thereby avoiding impacts on the local water environment. An assessment using the water risk tool of the World Resources Institute (WRI) shows that the Company's major operational locations in China are not in water stressed areas. During the reporting period, water supply at all production bases remained stable, with no operational disruptions caused by insufficient water supply, abnormal water quality, or water management issues.

Water - Saving Measures

<p>COSMOS Suqian</p>	<ul style="list-style-type: none"> • Set up a steam condensate collection tank and use the recovered condensate for production processes and cooling water system make – up; • Build a rainwater collection tank and reuse the rainwater in the sewage treatment system.
<p>SINOBEST</p>	<ul style="list-style-type: none"> • Establish a water - saving management leading group to coordinate water - saving management work, set up water - using measurement, assessment and reward - punishment mechanisms, and systematically promote the improvement of water resource utilization efficiency. With its systematic water resource management practice, it has successfully obtained the "Water - Saving Enterprise" certification; • Identify weak links in water use during production operations, and continuously reduce fresh water consumption by installing water - saving appliances, implementing water - saving transformations, and promoting the application of new technologies.
<p>COSMOS Ma'anshan</p>	<ul style="list-style-type: none"> • Install 9 independent water meters to realize real - time monitoring and sub - item measurement of water consumption in each workshop. Through the verification of sub - meter and master meter data, water use anomalies and pipeline network leakage can be quickly identified, and the precision of water use management can be improved.
<p>COSMOS Anqing</p>	<ul style="list-style-type: none"> • Collect rainwater into the initial rainwater tank and reuse it for sewage station water distribution, which effectively saves tap water consumption; • Complete the transformation of the circulating water system in Workshop 3, which effectively reduces tap water consumption and improves the utilization rate of water resources.

By the end of the reporting period, all bases of COSMOS had achieved a cumulative water resource recovery and utilization of

173,159 cubic meters



Water Management Metrics and Targets

Metric	Management Target	2025 Performance
<p>Water Withdrawal per Unit Product</p>	<p>By 2030, the water withdrawal per unit product will be reduced by 10% compared with the base year of 2024</p>	<p>★★★★☆ The Company continues to advance various water conservation initiatives, with relevant measures being implemented in an orderly manner as planned. During the reporting period, the water withdrawal intensity was 17.87 m³/t. Going forward, the Company will continue to improve water use efficiency and steadily promote the achievement of its 2030 reduction targets</p>

Emission and Waste Management

Governance

COSMOS has established a systematic governance framework for pollutant emissions and waste management, integrating compliance control, risk prevention, and resource recycling to continuously enhance pollution prevention capabilities and environmental management standards. Each production base has implemented a well structured and responsibility clear emission management system. Strategic decisions are coordinated by the base management, execution is supervised by dedicated mechanisms, and all departments advance specific tasks according to their respective responsibilities, regularly reporting on implementation progress.

COSMOS strictly adheres to laws, regulations, and mandatory standards such as *the Air Pollution Prevention and Control Law of the People's Republic of China*, *the Water Pollution Prevention and Control Law of the People's Republic of China*, *the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, and *the Standard for Pollution Control on Hazardous Waste Storage*. Each base formulates and implements specific management systems covering wastewater, waste gas, noise, solid waste, and recycling and reuse, systematically building a pollution prevention system that covers the entire production and operation process.

During the reporting period, all bases of COSMOS achieved stable and compliant discharges of waste gas and wastewater, all solid waste was safely disposed of in accordance with laws and regulations.

Strategy

COSMOS places high importance on emission and waste management, establishing a systematic management framework centered on "source reduction, process control, end-of-pipe treatment, and recycling." The Company continuously reduces pollutant generation intensity by optimizing production processes, promoting low-emission technologies, and substituting environmentally friendly raw materials, ensuring that all types of emissions comply with or surpass national and local standards. Building on this, the Company actively advances packaging reduction and recyclable design, improves material recovery and resource reuse mechanisms, and promotes the safe disposal and resource-oriented treatment of waste.

Impact, Risk and Opportunity Management

Pollution Prevention System

COSMOS has established a comprehensive, full - chain pollution prevention system covering source control, process prevention, and end - of - pipe treatment. It regularly assesses risks and opportunities related to emissions and waste. Through regular monitoring, quantitative analysis, and strategy iteration, while ensuring compliance, it continuously promotes technological innovation and transformation to systematically enhance the "three wastes" (waste gas, waste water, and solid waste) treatment capacity.

Emissions and Waste Risks and Opportunities

Risks	Opportunities
<p>Odor Diffusion</p> <p>Insufficient efficiency in waste gas collection and treatment will lead to unorganized odor dispersion, which will have a negative impact on the corporate image.</p>	<p>Improvement in Solvent Recovery and Reuse Rate</p> <p>By adopting condensation recovery as the pre-treatment process route for high-concentration volatile organic compounds (VOCs), the solvent recovery and reuse rate is enhanced, thereby reducing costs.</p>
<p>Improper Classification and Management of Solid Waste</p> <p>Mixing storage of hazardous waste and general solid waste may lead to compliance risks or increased disposal costs.</p>	<p>Resource-oriented Utilization of Waste</p> <p>Recyclable waste is uniformly collected and processed for resource-oriented recycling, enabling the reuse of raw materials. This reduces the need for purchasing new materials and lowers production costs.</p>
<p>Excessive Waste Water Discharge</p> <p>Inadequate waste water treatment in some production links of the base may lead to fluctuations in COD or ammonia nitrogen indicators, triggering environmental protection penalties or production shutdowns.</p>	<p>Creating a Benchmark for "Green Factories"</p> <p>Establishing a "Green Factory" demonstration project aims to minimize solid waste, enhance the Company's green image and reputation among industries, regulatory bodies, and the public.</p>

For the identified risks and opportunities related to emissions and waste, the Company formulates response strategies. By combining technical optimization and system improvement, it enhances the level of pollution prevention and resource utilization. At the implementation level, the Company has established a normalized pollution prevention management mechanism, regularly carries out environmental protection training and skill - improvement activities to enhance employees' ability to identify risks and standardize operations. At the same time, each base entrusts qualified third - party institutions to conduct regular environmental detection and form detection reports for continuous tracking and improvement. Gradually, a long - term management mechanism combining self - monitoring and external verification is being built.

In response to the waste gas, wastewater, and solid waste generated during the production process, the Company consistently conducts source identification and classification management. At present, the main sources of waste gas emissions at all bases of Cosmetics Co., Ltd. are workshop process reactions and natural gas combustion, with key pollutants including volatile organic compounds (VOCs) and particulate matter, among others. Wastewater primarily comprises production effluent and domestic sewage, while solid waste includes hazardous waste, general industrial solid waste, and domestic waste. Based on the characteristics of each type of waste, the Company formulates and implements corresponding measures for classification, recycling, and compliant treatment. Specific response measures are outlined as follows:

Type	Name	Treatment Methods
Waste Gas	Volatile Organic Compounds (VOCs)	<ul style="list-style-type: none"> Primarily treated by condensation recovery followed by RTO (Regenerative Thermal Oxidizer). Among these, some VOCs-containing waste gas is treated separately by condensation adsorption or condensation photocatalytic oxidation; Establish a VOCs data management platform to efficiently manage component information, detection information, leakage information, repair information, and emission information in a comprehensive, modular, and visual manner; Particulate matter generated from workshop feeding is pre-treated by a spray system before being discharged up to standard. For solid material feeding, closed and negative pressure feeding methods are adopted to reduce dust generation; Bag filters are added to the exhaust ducts containing particulate matter to intercept and recover powder, reducing the content of particulate matter in the waste gas.
	Particulate Matter	
Wastewater	Production Wastewater	<ul style="list-style-type: none"> Set up a sewage treatment station to centrally collect all wastewaters including process wastewater, washing wastewater, and domestic sewage. Based on the types and water quality characteristics of wastewaters, differentiated grading treatment methods are formulated to ensure that major wastewater pollutants such as COD (Chemical Oxygen Demand), ammonia nitrogen, and total nitrogen meet regulatory standards before being discharged into the municipal sewage network; For cleaning water from some production processes, repeated recycling is carried out to reduce the generation of waste water.
	Domestic Sewage	
Hazardous Waste	Distillation Residues, Spent Activated Carbon, Waste Packaging Bags, Waste Reagent Bottles, Waste Salt, Sewage Treatment Sludge, etc.	<ul style="list-style-type: none"> Temporarily stored in a dedicated hazardous waste warehouse, with warning signs set at the points of hazardous waste generation and storage. Timely transferred and disposed of by qualified third-party agencies.
General Industrial Solid Waste (Non - recyclable)	Construction waste, waste strapping, etc.	<ul style="list-style-type: none"> Waste shall be classified and stored centrally according to whether it is recyclable or not. For recyclable items (such as outer packaging bags of aluminum trichloride), each production base shall uniformly recycle and reuse them; non - recyclable items must be transported and disposed of by government departments or qualified third - party institutions.
General Industrial Solid Waste (Recyclable)	Waste screws, waste blades, waste metal scraps, waste PMMA edge trimmings, waste plastic bags, waste nylon rods, etc.	
Domestic Waste	Waste plastic cups, waste pen refills, waste paper boxes, etc.	

SINOBEST and COSMOS Ma'anshan Newly Built Accident Emergency Pool

Case 

SINOBEST and COSMOS Ma'anshan have built a dedicated accident emergency pool, which is usually kept empty to ensure the wastewater storage capacity for sudden accidents. To monitor the water level of the emergency pool in real - time, both bases have installed level gauges and equipped with lifting pump systems. In case of an accident, the accident wastewater can be timely transported to the plant's wastewater treatment station, and discharged after reaching the standard through treatment, so as to effectively prevent the environmental pollution caused by the leakage of accident wastewater.

Material Recycling

The Company is committed to promoting the efficient utilization of material resources. Focusing on two major directions: source reduction and recycling and regeneration, it systematically reduces the environmental impact of waste. In 2025, the Company further reinforced the practice of recycling. Through process optimization and material reuse measures, it improved the resource utilization efficiency in the production process. At the office operation level, the Company set up express packaging recycling points in the office area to uniformly recycle and reuse packaging materials such as cartons and bubble films, and promoted the integration of the green office concept into daily management.

In terms of specific results, COSMOS Suqian optimizes its process to recycle the waste sulfuric acid generated during production after concentration and purification, achieving resource utilization, with about 75 tons of waste sulfuric acid reused throughout the year. SINOBEST and COSMOS Ma'anshan recover solvents through processes such as distillation, with a factory solvent recovery rate of over 90%. COSMOS Anqing systematically advances the circular management of industrial materials, carrying out standardized recycling and reuse of industrial materials such as scrap metal, accumulating a total of 20.91 tons of scrap metal recovered throughout the year. By continuously promoting recycling, the Company persistently improves resource utilization efficiency and the level of waste reduction.

Practice of Solvent Recycling and By-product Recovery and Utilization

Case 

The Company promotes the recycling of materials in the production process by optimizing process design and resource recovery mechanisms, improving resource utilization efficiency and reducing waste generation. SINOBEST and COSMOS Ma'anshan have achieved efficient material circulation and value recycling in key product production links through solvent recovery and resource utilization of by - products.

In the production process of OMC products, SINOBEST uses isopropanol as a reaction solvent in the esterification process. After the esterification reaction, it enters the condensation reaction stage. For the extract water produced in the condensation reaction, the Company recovers isopropanol from it through a temperature - raising distillation process and reuses it in the esterification process, realizing the recycling of solvents in the production system.

In the production process of AVB products, COSMOS Ma'anshan first separates the oil - water mixture produced in the condensation reaction through two water - washing processes to form oil phase and water phase respectively. The recovered toluene re - enters the toluene rectification tower for separation and purification, and the recovered methanol is further reused or recovered and processed in other production processes. In 2025, the Company recovered a total of 39,309.29 tons of toluene through this system, significantly improving the resource utilization efficiency in the production process.

Catalyst Recycling Process of COSMOS Suqian Reduces Waste Sulfuric Acid Discharge

Case 

In the production process of p-xylene, sulfuric acid acts as a catalyst in the reaction. The traditional process generates a certain amount of waste sulfuric acid that requires subsequent treatment. To reduce waste sulfuric acid generation and improve resource utilization efficiency, COSMOS Suqian optimized the process: after the reaction, approximately 40% of the waste sulfuric acid is retained in the system, and an appropriate amount of fresh sulfuric acid is supplemented as a catalyst to continue participating in the reaction. This improvement measure realizes the recycling of the sulfuric acid catalyst. While ensuring production efficiency, it reduces the amount of waste sulfuric acid generated at the source, and correspondingly lowers the load of waste treatment and the consumption of fresh sulfuric acid raw materials.

Metrics and targets

Emission and Waste Management Metrics and Targets

Metrics	Management Targets	2025 Performance
Hazardous Gas Compliance Discharge	From 2023 to 2028, ensure 100% compliance of hazardous gas discharge	★★★★★ 100% compliant discharge
Wastewater Compliance Discharge	From 2023 to 2028, ensure 100% compliance of wastewater discharge annually	★★★★★ 100% compliant discharge
Compliant Disposal of Solid Wastes	From 2023 to 2028, ensure all wastes of the Company are disposed of compliantly annually, with a compliance disposal rate of 100%	★★★★★ 100% compliant discharge



Ecological Protection

COSMOS strictly complies with laws and regulations such as *the Environmental Impact Assessment Law of the People's Republic of China* and *the Regulations on Environmental Protection Management of Construction Projects*, and is committed to locating its production bases within planned industrial zones. The Company actively cooperates with local governments in promoting ecological conservation and biodiversity-related policies. It attaches great importance to biodiversity issues and is dedicated to balancing the relationship between conservation and development. During the reporting period, none of the Company's production bases were established in biodiversity-protected areas, and there were no species listed in the IUCN or national-level protection lists within the operational regions.

In internal policies such as *the Environmental Policy* and *the Sustainable Procurement Policy*, the Company clearly outlines requirements for ecological conservation and biodiversity, establishing ecological control mechanisms that cover the entire supply chain and operational processes. Leveraging its existing sustainable development governance structure, the Company systematically advances ecological protection initiatives, incorporating risk identification, target setting, and management measures into routine supervision and continuous improvement processes. Additionally, the Company regularly assesses potential biodiversity related risks and opportunities in its production and operations, continuously strengthening forward looking management.

Ecological Protection Risks and Opportunities

Risks

Impact of Supply Chain Deforestation Risks on Corporate Reputation

If raw materials or packaging materials used in production originate from regions with deforestation risks, it may trigger disputes over product compliance and negatively impact the Company's environmental reputation.

Impact of Market Green Barriers on Corporate Revenue

The EU's "Zero Deforestation Act" requires that related commodities must not involve deforestation; some countries have introduced regulations to ban the use of specific sunscreen ingredients to protect marine ecology; customers require the supply chain to obtain RSPO (Roundtable on Sustainable Palm Oil) certification through sustainable palm oil. If the Company fails to meet these requirements, it may face a decline in revenue.

Opportunities

Green Products

The Company pledges not to purchase raw materials or packaging materials from deforested regions, supports FSC (Forest Stewardship Council) and RSPO (Roundtable on Sustainable Palm Oil), and launches ocean-friendly products and formulas. This helps attract customers who share the same values and build a differentiated high-end brand image.

COSMOS incorporates biodiversity impact assessments into the new product development phase, with a focus on the application of renewable raw materials and potential deforestation risks in the supply chain, and explicitly sets a "zero deforestation" management objective. By refining sustainable procurement policies and supplier management mechanisms, the Company embeds deforestation risk identification and control requirements into the supply chain management process, driving the implementation of related objectives in upstream activities. Meanwhile, the Company actively advances the certification of all production bases under the Roundtable on Sustainable Palm Oil (RSPO) initiative, continuously enhancing the compliance and sustainability of raw material sourcing, and strengthening environmental accountability and ecological risk management capabilities across the industrial chain.

Responsible Bio-based Raw Material Management: Promoting Sustainable Procurement of Palm Oil and Castor Oil

Case

COSMOS continues to strengthen the sustainable management level of key bio-based raw materials, focusing on core raw materials such as palm oil and castor oil, and integrating ecological protection and supply chain responsibility requirements into the entire process of procurement and supply chain management.

In 2025, the Company officially joined the Roundtable on Sustainable Palm Oil (RSPO) and promoted two products to obtain RSPO certification, ensuring that the source of related palm oil raw materials meets international standards such as "no deforestation", protection of High Conservation Value (HCV) areas, and responsible planting. At the same time, the Company requires castor oil suppliers to provide raw materials certified by SuCESS to ensure that their planting processes meet environmental protection and community benefit protection requirements.

By introducing the RSPO and SuCESS international certification frameworks, COSMOS has effectively strengthened risk control capabilities in terms of traceability and ecosystem protection of bio-based raw materials, gradually realizing the transformation of raw material procurement towards "traceable and lower ecological impact", laying a foundation for building a responsible green supply chain.



The Roundtable on Sustainable Palm Oil (RSPO) Certificate

Ecological Protection Metrics and Targets

Metrics	Management Targets	2025 Performance
Certification of Wooden Packaging Materials	From 2025 to 2030, the Company ensures that 100% of wooden packaging materials are sourced from known origins and are certified by FSC/PEFC	★★★★★ All wooden packaging materials are sourced from known origins and are certified by FSC/PEFC

Together for a Better Society

We are committed to cultivating a safe, inclusive, and dynamic workplace. Through systematic talent development and incentive mechanisms, we support our employees' continuous growth, closely aligning individual success with corporate progress. Concurrently, we actively fulfill our social responsibilities. By engaging in community philanthropy and collaborative initiatives, we foster positive interactions between the Company and society, jointly shaping a harmonious and promising future.

UN SDGs Responded in this Chapter



05

Employee Rights and Interests

Respect and Protect Human Rights

COSMOS fully complies with internationally recognized human and labor rights standards, including the *UN's Universal Declaration of Human Rights*. We strictly regulate our employment practices in accordance with laws and regulations such as the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and the *Provisions on Prohibition of Child Labor*.

With the SA8000 Social Accountability System as our core framework, we have established a systematic human rights and labor management mechanism. We formulated and implemented the *Labor Rights and Human Rights Management Policy*, embedding human rights protection requirements into all management processes. During recruitment and hiring, we strictly conduct identity verification and compliance reviews in accordance with the *Recruitment Management System*. Throughout all stages—including compensation and benefits, occupational health and safety, and career development—we comprehensively safeguard our employees' lawful rights. All bases regularly conduct specialized training on labor and human rights protection to solidify human rights awareness across the workforce. Furthermore, we regularly conduct employee rights risk assessments and extend human rights audits to our supply chain. This drives the dynamic monitoring and continuous improvement of our human rights management.

Regarding grievance mechanisms, in accordance with the *Labor Rights and Human Rights Management Policy*, we actively listen and promptly respond to employee concerns through regular meetings, employee representative conferences, and suggestion boxes. This cultivates an open environment of trust and cooperation. All bases have established diversified grievance networks, including online feedback channels, dedicated hotlines, and physical suggestion boxes. This ensures unobstructed channels for employee voices and highly efficient, closed-loop resolution of their requests.

To ensure the efficient operation of our management system, COSMOS has comprehensively strengthened its internal social responsibility audits. We assembled a cross-site CSR internal audit team comprising five trained internal auditors drawn from the Group. Strictly following the SA8000 standard, this team utilized on-site visits, employee interviews, and document reviews to conduct in-depth inspections on core issues. These issues included child and forced labor, health and safety, freedom of association, discrimination, disciplinary practices, working hours, and compensation. During the reporting period, we found no non-conformities related to labor or human rights in any internal or external audits.

By the end of 2025, COSMOS Suqian successfully passed the TFS (Together for Sustainability) audit and established a comprehensive social responsibility management system based on its requirements. Meanwhile, SINOBEST, COSMOS Ma'anshan, and COSMOS Anqing have all obtained the SA8000 Social Accountability System certification.



SA8000 Social Accountability System Certificate of SINOBEST and COSMOS Ma'anshan (Combined)



SA8000 Social Accountability System Certificate of COSMOS Anqing

COSMOS Actively Advanced the "Living Wage" Project Assessment

Case

In 2025, as downstream clients increasingly focused on the "Living Wage" concept, we proactively launched relevant assessment initiatives. This ensures that employee compensation meets the standard for a decent living, firmly safeguarding employee rights.

During implementation, we first conducted an internal employee salary survey. Building upon this, we partnered with the professional organization FAIRWAGE NETWORK, leveraging their specialized methodologies and standardized tools to deepen our analysis. According to the final gap analysis report, the compensation levels at both the SINOBEST and COSMOS Ma'anshan fully meet the "Living Wage" standard. Looking ahead, we will continue to focus on compensation fairness and improving our employees' quality of life. We will further refine our compensation management mechanisms, ensuring that employees share in the fruits of our corporate development.

In 2025, we recorded 0 incidents of child or forced labor

Diversity, Equal Opportunities and Inclusion

COSMOS is committed to fostering a diverse, equitable, and inclusive workplace. We explicitly oppose all forms of discrimination and unfair treatment. By formulating and strictly enforcing relevant policies, we ensure that employees face no discrimination based on race, gender, religion, nationality, or disability during recruitment, compensation, and career development. We maintain a strict "zero-tolerance" policy toward discrimination and harassment. Concurrently, we have established anonymous grievance and rapid-response channels, ensuring all reports are investigated promptly and handled fairly. All bases explicitly prohibit workplace discrimination based on any non-job-related factors and have implemented corresponding investigation and resolution mechanisms.

We prioritize the well-being of our female employees. To this end, we have implemented policies such as the *Management Procedure for Encouraging Female Employment and the Risk Assessment Procedure for New Mothers and Pregnant Employees*. These provide targeted support in areas like maternity protection and nursing facilities. Furthermore, we respect our employees' religious beliefs and spiritual needs, offering dedicated, private, and quiet spaces for those who require them.

In 2025

we recorded 0 complaints or lawsuits related to discrimination, harassment, or unfair treatment

Specialized Risk Assessment for Minors and Pregnant Employees at COSMOS Anqing

Case

To provide targeted protection for the lawful rights of minors and female employees, COSMOS Anqing formulated two dedicated policies: *the Management Procedure for the Prohibition and Rescue of Child Labor and the Protection of Juvenile Workers*, and the *Management Procedure for the Protection of Women*. Guided by these procedures, COSMOS Anqing conducted thorough risk assessments for juvenile workers, pregnant employees, and new mothers. This process successfully identified potential, specific risks across relevant positions and work environments, ensuring the robust implementation of preventative and protective measures.

1,319

Total Employees

310

Total Female Employees

23.5%

Percentage of Female Employees

72

Total Female Employees in Management

25.9%

Percentage of Female Employees in Management

12

Ethnic Minority Employees

Employee Communication

COSMOS has established robust mechanisms for employee communication and feedback. In 2025, our headquarters and all bases convened employee representative conferences. These conferences effectively communicated and approved several critical policies concerning vital employee interests. We also conducted a comprehensive employee satisfaction survey, collecting 1,255 valid responses and achieving an outstanding annual satisfaction rate of 96.13%.

Guided by the headquarters' framework, all bases further refined their internal communication systems. By soliciting employee feedback through democratic processes, we fully protect employees' enthusiasm to participate in corporate governance.

COSMOS Suqian Launched the "Heart-to-Heart Talk and Paired Assistance" Initiative

Case

Spearheaded by the labor union, COSMOS Suqian launched this initiative to encourage management to engage directly with frontline workers. Through one-on-one and one-to-many formats, management conducted in-depth discussions with every employee. The conversations focused on three key areas: employee morale, work-related challenges, and personal difficulties. This approach aims to comprehensively understand and address employees' practical needs.



Event Site

SINOBEST and COSMOS Ma'anshan Built a Two-Way Communication System

Case

SINOBEST and COSMOS Ma'anshan established an integrated online and offline two-way communication system. We set up QR code suggestion boxes and reward adopted suggestions, creating a positive cycle of "submission, adoption, reward, and further submission." In 2025, the two bases received 17 employee suggestions through these boxes, 13 of which were adopted. These suggestions covered various dimensions, including the work environment and process efficiency.



Online Suggestion Box

COSMOS Anqing Held a Special Symposium for Reserve Talent

Case

Led by the Human Resources Department, COSMOS Anqing organized a special symposium for reserve talent. This event directly collected feedback on talent development needs, providing a solid basis for optimizing our training system.



Special Symposium for Reserve Talent

People-Centered Care and Warmth

COSMOS consistently integrates our mission to "Beautify & Brighten Livings" into our employee care practices. By building a comprehensive employee care system, we continuously enhance welfare benefits and foster a humanistic environment.

Regarding welfare and benefits, the Company provides the "five insurances and one housing provident fund" for all employees in accordance with the law. Beyond this, we offer various supplementary benefits, including festival allowances, birthday gifts, and congratulatory bonuses, ensuring comprehensive and systematic welfare coverage. Furthermore, we actively upgrade our recreational facilities, opening diverse venues such as a basketball court, a ping-pong room, a yoga studio, and libraries. We also regularly organize various cultural and sports activities to enrich employees' lives outside of work.

To further deepen our commitment to humanistic care, we advocate for a healthy lifestyle by hosting group birthday parties and health-focused events like the "COSMOS Fun Run." We also plan special cultural activities for major holidays. These initiatives comprehensively strengthen employee belonging and team cohesion, fostering a harmonious and positive corporate atmosphere.

<p>Basic Benefits</p>	<ul style="list-style-type: none"> • Five insurances and one housing provident fund: pension, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, and housing provident fund • Paid leave: public holidays, annual leave, sick leave, wedding leave, maternity leave, bereavement leave
<p>Supplementary Benefits</p>	<ul style="list-style-type: none"> • Congratulatory bonuses: childbirth, wedding, birthday, and other important life events • Festival allowances: gifts, bonuses, or celebration activities • Welfare benefits: Including meal, transportation, and communication allowances, as well as the family visit allowance, offering comprehensive convenience • Injury and illness support and physical examination benefits: Care for physical and mental well-being of employees • Employer liability insurance, safety responsibility insurance: Work-related injury insurance • Employee Care Fund: Financial support for employees who suddenly fall into difficulty • Retirement benefits: Providing in-kind gifts to honor retiring employees



COSMOS Fun Run



Thanksgiving Supplies

COSMOS Suqian Hosted a Retirement Farewell Party

Case

To express gratitude for their long-term dedication, COSMOS Suqian prepared customized gifts and organized a heartwarming farewell party for retiring employees.



Retirement Farewell Party

COSMOS Anqing Organized a Basketball Tournament

Case

In May 2025, the labor union of COSMOS Anqing organized an employee basketball tournament. This event showcased our employees' positive spirit and further promoted team interaction and cohesion.



Basketball Tournament

COSMOS Ma'anshan Hosted a Fun Sports Game

Case

To continuously enhance employee belonging and promote teamwork, COSMOS Ma'anshan successfully hosted a fun sports game.



Fun Sports Game

Green Walking, Low-Carbon Journey

Case

On October 26, 2025, COSMOS organized a green walking event themed "Low-Carbon Trek, Measuring 'Beauty' with Footsteps." The team hiked along the Niushoushan River Greenway, strolled through the Riverside Ecological Park, and followed the shores of Jiulong Lake to reach the southeast plaza of South Lake. This event not only encouraged employees to internalize and practice low-carbon principles but also deeply embedded our "green DNA" into the corporate culture. It vividly demonstrated the practical integration of employee physical and mental well-being with environmental sustainability.



Green Walking Event

Employee Rights Metrics and Targets

Metric	Management Target	2025 Performance
Working Conditions	Between 2025 and 2030, ensure a 100% annual social insurance coverage rate for all employees	★★★★★ Achieved 100% social insurance coverage rate for employees
Social Dialogue	By 2030, achieve a 97% employee satisfaction rate	★★★★☆ Employee satisfaction survey reached 96.13%
Child Labor, Forced Labor, and Human Trafficking	Between 2025 and 2030, ensure 0 incidents of child labor and forced labor within the Company and the supply chain	★★★★★ 0 incidents of child labor and forced labor within the Company and the supply chain
Diversity, Equity, and Inclusion	By 2030, achieve 30% female representation in corporate management	★★★★☆ As of the end of the reporting period, female representation in management reached 25.9%

Employee Development

Talent Attracting

COSMOS strictly adheres to the principle of "fairness and impartiality" in recruitment. By continuously optimizing our *Recruitment Management System*, we standardize the entire recruitment process. In 2025, COSMOS actively advanced the building of a young talent pipeline. Through initiatives such as the "COSMOS Special Scholarship," we deepened industry-university-research cooperation with key universities. This enables us to proactively reserve and attract outstanding young talent, continuously injecting new momentum into our corporate development.

"Gathering Talent at COSMOS" - Anqing Normal University Delegation Visited COSMOS Anqing

Case

To deepen the collaborative talent cultivation mechanism between the university and the enterprise, COSMOS Anqing and the School of Chemical Engineering at Anqing Normal University jointly hosted the "Gathering Talent at COSMOS" site visit and exchange event on May 16, 2025. Over 50 teachers and students majoring in chemical engineering visited our front-line production facilities. Through on-site tours, thematic presentations, and interactive discussions, they gained insights into the production operations, technological applications, and future directions of a modern chemical enterprise, as well as the career growth paths for chemical engineering professionals. The safe and orderly production environment, highly professional operational management, and positive corporate culture at COSMOS Anqing left a profound impression on the delegation.

During the exchange session, our management representatives welcomed the guests and introduced the Company's development history, industrial layout, and business systems. They expressed a strong expectation for further strengthening university-enterprise cooperation, aiming to achieve mutual empowerment and synergistic development through joint talent cultivation and collaborative technical research.



"Gathering Talent at COSMOS" Site Visit and Exchange Event

Compensation and Performance

COSMOS strictly implements the principle of "equal pay for equal work." Guided by the *Employee Compensation Management System* and the *Performance Management System*, we have built a diversified compensation structure centered on job value. This structure encompasses base salary, performance bonuses, skill-based pay, and seniority pay. Simultaneously, we established a comprehensive performance management process covering target setting, communication and evaluation, and feedback interviews. The assessment results are directly linked to salary adjustments, bonus distribution, awards, and promotions. Under the headquarters' framework, each base tailors localized compensation management procedures and reward/penalty guidelines, ensuring a clear, transparent, and executable performance evaluation process.

Talent Development

COSMOS places great importance on internal talent development. We have built a systematic training framework covering four major dimensions: new employee onboarding, general skills enhancement, professional skills strengthening, and leadership development. Through holistic planning and resource integration, we provide clear direction and support for corporate-wide training. Building upon this, each base implements routine on-the-job mentoring, professional skills certification, and various specialized training sessions. This creates a complete, integrated online-and-offline training pipeline that spans the entire employee career lifecycle.

In 2025, we successfully hosted the "Annual High-Potential Talent Debriefing." This event provided a platform for 82 high-potential employees to showcase their achievements and outline their future plans. It enabled management to accurately identify reserve leadership, effectively driving the continuous development of our internal talent pool.

SINOBEST and COSMOS Ma'anshan Launched a Training WeChat Mini-Program

Case

To enhance the competency of employees across all positions, SINOBEST and COSMOS Ma'anshan launched the "Daily Practice" program. Through normalized, bite-sized knowledge exercises, it helps employees continuously consolidate and deepen their role-specific knowledge, cultivating an excellent habit of daily learning.

Training Practices at COSMOS Suqian

Case

In 2025, to elevate employee capabilities and organizational efficiency, COSMOS Suqian formulated and fully implemented both annual and specialized training plans. Through centralized planning, the base organized 20 company-level, 564 department-level, and 15 specialized training sessions throughout the year. The curriculum covered new employee onboarding, leadership development, general skills enhancement, and professional deepening, forming a well-structured and highly comprehensive training system.

Internal Training Empowerment at COSMOS Anqing

Case

To deepen our talent cultivation system and promote the accumulation and transfer of internal knowledge, experience, and skills, COSMOS Anqing launched its inaugural Train the Trainer (TTT) specialized program in May 2025. Corporate management and core personnel from various functional and business units participated.

The training centered on the "core competencies of an excellent trainer," focusing on key modules such as effective opening design, stage presence cultivation, teaching skill enhancement, curriculum development optimization, and impactful conclusion. By combining theoretical instruction with practical exercises, the program comprehensively elevated participants' professional teaching and content-delivery capabilities. Additionally, the course incorporated group discussions and scenario-based role-playing to facilitate cross-departmental experience sharing and knowledge co-creation, sparking internal learning vitality and synergistic effects.



TTT Training Session

1,319

Total Employees Trained

100%

Employee Training Coverage Rate

2,311

Total Training Sessions

RMB 1.82 million

Total Training Investment

69.38 hours

Average Training Hours per Employee

Talent Development Metrics and Targets

Metric	Management Target	2025 Performance
Employee Training	By 2030, achieve 100% employee training coverage and an average of at least 30 training hours per employee annually	★★★★★ Achieved 100% employee training coverage; average training hours reached 69.38



Occupational Health and Safety

Governance

COSMOS always considers "Life First, Safety First" as our core principle. We are committed to building and continuously optimizing our occupational health and safety (OHS) management system. Guided by risk prevention, this system ensures employee health and safety and promotes orderly operations through institutionalized management, full participation, and dynamic improvement. We have formulated and strictly enforced a series of internal regulations, including the *Safe Production Responsibility System* and the *Occupational Health Management Procedures*, ensuring all safety management is well-regulated and traceable.

To ensure management effectiveness, all bases have dedicated safety management departments responsible for implementing safety targets and standards. We also introduced routine internal and external audit mechanisms, forming a closed-loop process of "strategy formulation, execution, supervision, and continuous optimization" to guarantee the highly efficient operation of our safety production system.

To further consolidate safety responsibilities, the heads of all base units are directly accountable for their departments' safety performance. We established a positional safety responsibility checklist covering everyone from management to frontline employees, clarifying duty boundaries and assessment metrics. We encourage full employee participation in safety management, providing various online and offline feedback channels. We incentivize employees to actively report hazards and propose improvements, offering special rewards for contributions that yield significant results. Currently, all operational bases have obtained the ISO 45001 Occupational Health and Safety Management System certification.



ISO 45001 Occupational Health and Safety Management System Certificates of the Operating Bases

Strategy

COSMOS adheres to the safety production policy of "People-oriented, Healthy and Safe, Risk Control, and Continuous Improvement." We manage OHS risks and opportunities through systematic processes to comprehensively understand potential short-, medium-, and long-term risks and opportunities in our operations.

As a company dedicated to the R&D and production of personal care ingredients, our operations involve organic synthesis and fine chemicals. Compared to the basic chemical industry, we must prevent sudden safety risks while placing greater emphasis on long-term environmental monitoring, dynamic tracking of employee occupational health, and refined full-process control.

Aligning with industry characteristics, we proactively anticipate and dynamically track OHS risks across production, project construction, and value chain extension. We pinpoint critical control points and formulate targeted strategic responses. This safeguards operational continuity and stability while further enhancing our core competitiveness.

Impact, Risk, and Opportunity Management

Risk Control and Emergency Management

Regarding risk and opportunity management, COSMOS has established an institutionalized, normalized closed-loop for identification, assessment, and dynamic improvement. We implemented internal policies such as the *Hazard Identification and Risk Assessment Management System* and the *Dual Prevention Mechanism Management System for Safety Risk Classification Control and Potential Hazard Detection and Governance* to systematically screen risks across all operational processes.

In practice, we utilize professional analysis tools, including the Safety Checklist (SCL), Hazard and Operability Analysis (HAZOP), Layers of Protection Analysis (LOPA), Likelihood-Exposure-Consequence (LEC) / Job Hazard Analysis (JHA), and Failure Mode and Effects Analysis (FMEA). We scientifically identify and grade all hazards qualitatively and quantitatively, categorizing risks into four levels: major, considerable, general, and low. We then develop specific technical measures and management plans for each level, ensuring all risks are visible and controllable. For opportunity identification, we closely track regulatory policies and industry technological trends. We uncover room for improvement across multiple dimensions, such as compliance upgrades and technological innovation, using enhanced management to drive efficiency and achieve continuous improvement in safety performance.

Under the unified COSMOS management framework, all production bases formulate and execute specific, effective risk management measures tailored to their unique characteristics:

Risk Management Measures at Each Base

COSMOS Suqian

Standardizes occupational health surveillance archives and strengthens the provision and use of personal protective equipment (PPE). Accelerates the upgrading of aging equipment and implements a "Winter Anti-Freezing" plan deployed for extreme low temperatures to control risks at the source.

Continues to optimize the dual-control platform and video surveillance systems, and revises multiple OHS policies to solidify compliance operations.

SINOBEST

Conducts comprehensive risk identification annually, classifying hazards into a four-tier "Red, Orange, Yellow, Blue" management system with targeted controls.

Establishes a "daily departmental and team inspection, monthly corporate inspection" mechanism, utilizing IT platforms to ensure a closed-loop resolution for hazard rectification.

Fosters a proactive safety culture by using reward mechanisms to encourage total employee participation in hazard screening, deploying QR codes on the shop floor for easy mobile reporting during patrols.

COSMOS Ma'anshan

Reinforces the execution of the three-tier hazard screening and governance system. Establishes a public disclosure system for hazard rectification, publishing progress and responsible persons weekly.

Links inspection and rectification outcomes to performance appraisals to enforce accountability and ensure effective closed-loop hazard management.

COSMOS Anqing

Conducts regular retrospective risk analyses for all workshops and warehouses, formulating differentiated patrol plans based on risk levels.

Leverages the "InRoad" system to comprehensively execute dual prevention for risks and hazards, systematically pushing patrol tasks to employees at all levels to achieve systemic risk patrol inspection management.

COSMOS has built a systematic emergency response mechanism strictly following laws, regulations, and relevant standards. Centered on safety, environmental, and occupational health risks that could severely impact operations, all bases have established emergency response plans and on-site disposal procedures covering core scenarios like fires, explosions, and natural disasters. This firmly builds a protective defense line for employee safety and health.

Emergency Response and Rectification for Safety Incident at COSMOS Ma'anshan

Case

In January 2025, an employee at COSMOS Ma'anshan suffered a fracture after falling from a stepladder due to operational non-compliance. The Company immediately provided medical treatment and launched an accident investigation. To draw profound lessons, we rapidly implemented four rectification measures: 1) conducting specialized training on working at heights; 2) strictly standardizing operation preparation and personal protection; 3) comprehensively inspecting, scrapping, and documenting substandard climbing tools; and 4) refining systems for regular tool inspection, maintenance, and dedicated management. These actions elevated the standardized operation level of all staff and fortified our safety defenses.

Training and Drills

COSMOS is committed to continuously enhancing company-wide safety awareness and risk prevention capabilities. We regularly conduct thematic safety training covering various subjects, including three-tier safety education, standard operating procedures, re-education on high-frequency risks and error-prone steps, hazardous chemicals, and specialized training for special operation supervisors. This ensures comprehensive and highly focused training coverage.

We equally prioritize emergency capability building. All bases effectively elevate employees' emergency response skills by organizing systematic training and equipment drills.

Emergency Practical Capability Building at COSMOS Suqian

Case

In 2025, COSMOS Suqian focused on strengthening practical emergency capabilities by organizing diverse, multi-scenario comprehensive emergency drills. This included two rounds of randomized workshop mobilization drills and daily emergency drills during the May Day holiday, effectively simulating scenarios like leaks, fires, and confined space asphyxiation. Additionally, the Company hosted internal firefighting skill competitions and dispatched representatives to chemical park tournaments. The team won the Second Prize in the "Nangong Environment Cup" Firefighting Skills Competition and the Third Prize in the "Lianheng Cup" Safety Knowledge Competition, significantly improving employees' practical emergency response skills.



"Nangong Environment Cup" Firefighting Skills Competition



"Lianheng Cup" Safety Knowledge Competition

Safety Re-education Training for Veteran Employees at COSMOS Ma'anshan

Case

In 2025, COSMOS Ma'anshan rolled out safety re-education training tailored for veteran employees. Throughout the year, 62 sessions were conducted, covering 1,091 participants. The training focused on high-frequency risks, error-prone operational steps, and the latest safety management requirements. Utilizing case studies and practical reviews, the program helped veteran employees reinforce knowledge and standardize behaviors, effectively elevating their risk anticipation and on-site response capabilities.

Safety Production Month Knowledge Competition at COSMOS Anqing

Case

To comprehensively elevate safety literacy and emergency response capabilities, and to foster a culture where "everyone talks about safety and knows how to respond to emergencies," the Safety Production Committee and Labor Union of COSMOS Anqing jointly organized the "2025 Safety Production Month Knowledge Competition." The event attracted 11 representative teams from various departments, including frontline production, equipment management, and administration. Corporate management and over a hundred employees attended to observe.



Safety Production Month Knowledge Competition



Emergency Capability Competition at COSMOS Anqing

Case

Centered on the theme "Fire Safety for All, Life First," COSMOS Anqing hosted a practical emergency capability competition. Leaders from the Anqing Municipal Fire Department were invited to provide on-site guidance. The Company's General Manager and heads of all production and functional departments fully participated, joining employees to watch the elite emergency responders compete. This further elevated the professionalism and standardization of our emergency response.



Fire Safety Month Activities

Metrics and Targets

Occupational Health and Safety Metrics and Targets

Metric	Management Target	2025 Performance
Employee Health and Safety	Between 2025 and 2030, ensure 100% of workplaces are covered by health and safety risk assessments, and all employees receive safety training at least twice a year	★★★★★ All workplaces have completed health and safety risk assessments; all employees have received safety training at least twice
	Between 2023 and 2028, ensure 100% of employees have access to safe Water, Sanitation, and Hygiene (WASH) services	★★★★★ 100% employee access to safely managed Water, Sanitation, and Hygiene (WASH) services

Community Engagement

Community Impact

COSMOS pays close attention to the impact of our operations on local communities, actively driving synergistic development between the Company and society. In 2025, through regular and diverse community engagement, we accurately identified the core needs of our local communities across livelihood security, environmental governance, cultural development, and employment opportunities. Based on these insights, we optimized our business planning and directed our philanthropic investments to further foster deep integration with the community.

We highly value building and maintaining harmonious community relations. All production bases conduct community impact assessments in strict accordance with regulatory requirements. Before launching new projects or expanding production scale, departments such as safety and environmental management comprehensively evaluate the project's potential impacts on the local environment (including air and water quality, and noise), traffic, residents' daily lives, and employment opportunities. Take the production expansion project at COSMOS Ma'anshan as an example. Before initiation, we commissioned professional agencies to scientifically forecast the environmental load. We also extensively solicited public feedback through information disclosure, firmly safeguarding the surrounding communities' right to know and participate.

Philanthropic Activities

Philanthropy is a vital way for enterprises to fulfill their social responsibilities. In 2025, COSMOS and all its bases deepened community interactions through charitable donations and community visits. We use philanthropy as a bridge to foster a mutually supportive and caring community atmosphere.

Supporting the Disabled to Build an Inclusive Society

Case

In June 2025, COSMOS Suqian made a dedicated charitable donation to the Suqian De'ai Inclusive Arts and Culture Troupe. All donated funds were used to help individuals with disabilities improve their living conditions and acquire adaptive assistive devices. Guided by the Group, COSMOS Suqian will continue to focus on and participate in philanthropic causes. We fulfilled our corporate social responsibility through concrete actions, joining hands with all sectors of society to build a better environment for everyone.

Police-Enterprise Collaboration to Build a Safe Community

Case

In January 2025, COSMOS Anqing partnered with the Shankou Police Station to conduct a joint Party building and Spring Festival visit event. This initiative aimed to deepen police-enterprise cooperation and jointly fortify community safety defenses. Concurrently, we extended our Spring Festival greetings and care to the frontline police officers dedicated to their posts.



Spring Festival Condolences

Appendix

ESG Performance Table

Economic Performance

Indicator	Unit	2024	2025
Operating revenue	RMB 10,000	227,598.46	148,317.09
Net profit	RMB 10,000	56,111.25	9,896.75

Environment Performance

Indicator	Unit	2024	2025
Environmental Management			
Number of environmental penalties	Case	0	0
Total amount of environmental penalties	RMB 10,000	0	0
Total number of environmental accidents	Case	0	0
Number of environmental complaints	Case	0	0
Air Pollutant Emissions			
Total air pollutant emissions	Ton	24.51	20.07
VOCs emissions	Ton	15.86	14.87
Sulfur oxides (SOx) emissions	Ton	0.07	0.09
Nitrogen oxides (NOx) emissions	Ton	6.26	3.36
Particulate matter (PM) emissions	Ton	2.32	1.75
Wastewater Discharge			
Total wastewater discharge	Cubic meter	678,391.98	357,954.83
Wastewater discharged to urban sewage pipeline	Cubic meter	0	0
Wastewater discharged to sewage-treatment plant	Cubic meter	678,391.98	357,954.83
Wastewater discharged to surface waters	Cubic meter	0	0
Wastewater discharged to the ocean	Cubic meter	0	0
Other channels for wastewater discharge	Cubic meter	0	0
Ammonia nitrogen (NH ₃ -N)	Ton	0.86	0.19
Chemical Oxygen Demand (COD)	Ton	76.29	28.99

Indicator	Unit	2024	2025
Total Nitrogen (TN)	Ton	5.84	1.30
Total Phosphorus (TP)	Ton	0.18	0.17
Solid Waste Discharge			
Total waste generated	Ton	20,962.88	11,411.03
Total hazardous waste generated	Ton	20,668.55	10,760.67
Total non-hazardous waste generated	Ton	294.33	650.36
Intensity of hazardous waste generation	Ton per RMB million	9.08	7.26
Intensity of non-hazardous waste generation	Ton per RMB million	0.13	0.44
Total waste disposed	Ton	20,678.90	10,942.88
Hazardous waste disposed	Ton	20,384.57	10,675.71
Incineration	Ton	/	8,606.58
Landfill	Ton	/	1,584.92
Others	Ton	/	484.20
Non-hazardous waste disposed	Ton	294.33	267.17
Incineration	Ton	/	198.80
Landfill	Ton	/	0
Others	Ton	/	68.37
Waste recycling and reuse			
Hazardous waste diverted from disposal	Ton	/	610.38
Preparation for reuse	Ton	/	495.13
Recycling	Ton	/	115.25
Other recovery operations	Ton	/	0
Non-hazardous waste diverted from disposal	Ton	/	367.65
Preparation for reuse	Ton	/	0
Recycling	Ton	/	367.65
Other recovery operations	Ton	/	0
Preventive Waste Reduction	Ton	/	74.80
Total Waste Recycled and Reused	Ton	/	978.03
Rate of hazardous waste recycled and reused	%	3.15	5.67
Rate of non-hazardous waste recycled and reused	%	65.89	56.53

Indicator	Unit	2024	2025
Material Consumption			
Total solvent used	Ton	177,566.24	62,140.06
Percentage of recycled feed used	%	94.89	98.45
Water Resource Management			
Total water withdrawal	Cubic meter	967,185.58	514,426.00
Surface water	Cubic meter	0	68,515.00
Groundwater	Cubic meter	0	0
Municipal water (recycled water / tap water)	Cubic meter	967,185.58	445,911.00
Seawater	Cubic meter	0	0
Others	Cubic meter	0	0
Water withdrawal intensity	Cubic meter per RMB million	424.95	346.84
Percentage of water withdrawal from water-stressed areas	%	/	0
Wastewater discharge (by destination)	Cubic meter	/	357,953.83
Surface water	Cubic meter	/	0
Groundwater	Cubic meter	/	0
Seawater	Cubic meter	/	0
Others	Cubic meter	/	357,953.83
Wastewater discharge (categorized by "Freshwater" and "Other water")	Cubic meter	/	357,953.83
Freshwater	Cubic meter	/	200,377.01
Other water	Cubic meter	/	157,576.82
Total water consumption	Cubic meter	288,793.60	156,472.17
Water consumption intensity	Cubic meter per RMB million	126.89	105.50
Alternative water source use			
Reclaimed water used	Cubic meter	79,800.00	42,600.00
Rainwater used	Cubic meter	9,875.00	28,607.00
Volume of water recycled and reused	Cubic meter	39,572.00	173,159.00
GHG Emissions			
Green electricity purchased	MWh	4,419.80	7,730.00
Total GHG emissions (Scope 1 + Scope 2 + Scope 3) - Market-based	Ton of CO ₂ equivalent	574,353.99	166,766.16

Indicator	Unit	2024	2025
GHG emissions (Scope 1)	Ton of CO ₂ equivalent	22,814.13	16,322.87
Stationary sources	Ton of CO ₂ equivalent	4,731.38	3,680.24
Mobile sources	Ton of CO ₂ equivalent	134.08	84.45
Fugitive emissions	Ton of CO ₂ equivalent	16,390.96	10,721.37
Industrial process emissions	Ton of CO ₂ equivalent	1,557.72	1,836.80
GHG emissions (Scope 2) - Market-based	Ton of CO ₂ equivalent	190,441.60	110,215.60
Purchased electricity - Location-based	Ton of CO ₂ equivalent	68,026.64	43,295.61
Purchased electricity - Market-based	Ton of CO ₂ equivalent	68,332.90	37,936.25
Purchased steam	Ton of CO ₂ equivalent	122,108.70	72,279.35
GHG emissions (Scope 3)	Ton of CO ₂ equivalent	361,098.26	40,227.69 ²
GHG emission intensity (Scope 1)	Ton of CO ₂ equivalent per RMB million	10.02	11.01
GHG emission intensity (Scope 2)	Ton of CO ₂ equivalent per RMB million	83.67	74.31
GHG emission intensity (Scope 3)	Ton of CO ₂ equivalent per RMB million	158.66	27.12 ³
Energy Management			
Total energy consumption	MWh	456,827.38	275,750.64
Renewable energy consumption	MWh	4,419.80	7,730.00
Direct energy	MWh	24,097.28	19,070.68
Natural gas from stationary sources	MWh	23,494.92	18,285.70
Liquefied Petroleum Gas (LPG) from stationary sources	MWh	81.70	83.96
Gasoline from mobile sources	MWh	456.67	298.91
Diesel from mobile sources	MWh	63.98	402.10
Direct energy consumption intensity	MWh per RMB million	10.59	12.86
Indirect energy	MWh	432,730.11	256,679.92
Electricity	MWh	121,108.49	69,882.42
Steam	MWh	311,621.61	186,797.50
Indirect energy consumption intensity	MWh per RMB million	190.13	173.06
Total energy consumption intensity	MWh per RMB million	200.72	185.92

², ³The Scope 3 emissions inventory for the reporting year cover the following categories: capital goods; fuel- and energy-related activities (not included in Scope 1 or Scope 2); upstream transportation and distribution; waste generated in operations; business travel; employee commuting; upstream leased assets; and downstream transportation and distribution.

Social Performance

Indicator	Unit	2024	2025
Labor Management			
Total number of employees	/	1,686	1,319
Employees by employment type			
Number of full-time employees	/	1,686	1,319
Number of part-time employees	/	0	0
Number of flexible employment employees	/	0	0
Employees by gender			
Number of male employees	/	1,311	1,009
Number of female employees	/	375	310
Employees by age			
Number of employees aged under 30	/	411	254
Number of employees aged 30-50	/	1,091	887
Number of employees aged over 50	/	184	178
Human Rights Protection			
Operations with risks of child labor	/	0	0
Operations with risks of young workers exposed to hazardous work	/	0	0
Operations with risks of forced labor	/	0	0
Diversity, Equity, and Inclusion			
Number of women in management	/	81	72
Percentage of women in management	%	28.13	25.90
Number of employees with disabilities	/	1	1
Number of veteran employees	/	24	13
Number of ethnic minority employees	/	22	12
Total number of incidents of discrimination	/	/	0
Number of male employees entitled to paternity leave and parental leave	/	1,311	1,009
Number of female employees entitled to maternity leave, breastfeeding leave, and parental leave	/	375	310
Number of male employees who took parental leave	/	/	3
Number of female employees who took parental leave	/	/	4
Return-to-work rate of male employees after parental leave	%	/	100

Indicator	Unit	2024	2025
Return-to-work rate of female employees after parental leave	%	/	100
Retention rate of male employees after parental leave	%	/	100
Retention rate of female employees after parental leave	%	/	100
Employee Benefits			
Coverage rate of commercial accidental insurance	%	/	57.47
Number of employees covered by commercial accidental insurance	/	/	758
Employee satisfaction rate	%	/	96.13
Total employee benefit expenses	RMB million	14.34	9.18
Average employee benefit expenses per person	RMB per person	8,503.68	6,957.82
Employee Turnover			
Number of employee separations	/	286	486
Number of male employee separations	/	232	395
Number of female employee separations	/	54	91
Employee turnover rate	%	14.50	32.35
Male employee turnover rate	%	11.76	34.05
Female employee turnover rate	%	2.74	26.57
Employee Training and Development			
Total number of employees trained	/	1,686	1,319
Number of female employees trained	/	375	310
Number of male employees trained	/	1,311	1,009
Total number of training sessions	/	/	2,311
Total training hours	Hour	76,064	91,510
Training hours of female employees	Hour	12,465	19,130
Training hours of male employees	Hour	63,599	72,380
Average training hours per person	Hour per person	45.12	69.38
Average training hours per female employee	Hour per person	33.24	61.71
Average training hours per male employee	Hour per person	48.51	71.73
Total investment in employee training	RMB 10,000	/	182.41
Employee training coverage rate	%	100	100

Indicator	Unit	2024	2025
Coverage of employee performance evaluation	%	100	100
Occupational Health and Safety			
Work-related fatalities	/	0	0
Rate of work-related fatalities	%	0	0
Number of incidents causing severe work-related injuries	/	0	0
Rate of incidents causing severe work-related injuries	/	0	0
Number of incidents causing lost time	/	10	6
Lost Time Injury Rate (LTIR) per million work hours	/	2.95	2.27
Physical examination coverage rate	%	100	100
Number of occupational disease incidents	/	0	0
Occupational Illness Frequency Rate (OIFR) per million hours	/	0	0
Coverage rate of work-related injury insurance	%	/	100
Coverage rate of work safety liability insurance	%	/	100
Number of emergency drills	/	/	240
Total number of occupational health and safety training participants	/	1,524	1,319
Total occupational health and safety training hours	Hour	23,872	20,667
Community Impact			
Total number of volunteer participants	/	/	92
Total volunteer hours	Hour	/	368
Innovation and R&D			
R&D expenditure	RMB million	115.95	65.94
Proportion of R&D expenditure	%	5.09	4.45
Number of R&D personnel	/	316	243
Proportion of R&D personnel	%	18.74	18.42
Number of applications for invention patents	/	8	7
Number of invention patents granted	/	14	2
Number of valid invention patents	/	59	61
Number of valid patents granted	/	203	204

Indicator	Unit	2024	2025
Product and Service Responsibility Management			
Customer satisfaction rate	%	/	98.16
Number of customer complaints	/	10	9
Number of customer complaints handled	/	10	9
Customer complaint handling rate	%	100	100
Number of product and service responsibility incidents during the reporting period	/	/	0
Amount of fines involving product and service incidents during the reporting period	RMB 10,000	/	0
Number of responsible marketing violations during the reporting period	/	0	0
Amount of fines involving responsible marketing violations during the reporting period	RMB 10,000	0	0
Number of products recalled	Ton	0	0
Product recall rate	%	0	0
Sustainable Procurement			
Total number of suppliers ⁴	/	285	295
Number of suppliers in Mainland China	/	279	288
Number of overseas suppliers	/	6	7
Proportion of expenditure on purchasing from local suppliers ⁵	%	32.81	38.27
Number of annual new suppliers	/	51	15
Number of suppliers under ESG risk assessment	/	65	192
Proportion of new suppliers under ESG risk assessments	%	25.49	100
Percentage of FSC-certified wooden pallets and cardboard boxes (by purchase weight)	%	78.67	100
Number of new suppliers under ESG risk assessment	/	13	15
Percentage of key raw material suppliers passing Quality Management System certification	%	/	86.11
Percentage of key raw material suppliers passing OHS Management System certification (as % of Category I production suppliers)	%	/	72.22
Percentage of key raw material suppliers passing Environmental Management System certification (as % of Category I production suppliers)	%	/	75.00
Number of suppliers participating in anti-corruption training	/	/	288
Supplier anti-corruption training coverage rate	%	/	97.63

⁴The scope of statistics covers raw material and auxiliary material suppliers.

⁵"Local suppliers" refer to suppliers located in the same regions as the Company's operations, specifically those based in Jiangsu Province and Anhui Province.

Governance Performance

Indicator	Unit	2024	2025
Corporate Governance			
Number of directors	/	9	9
Independent directors	/	3	3
Executive directors	/	6	6
Percentage of independent directors on the Board	%	33	33
Number of management personnel	/	288	278
Business Ethics			
Total number of directors participating in anti-corruption training	/	9	9
Anti-corruption training coverage rate for directors	%	100	100
Total number of senior management participating in anti-corruption training	/	/	7
Anti-corruption training coverage rate for senior management	%	/	100
Total number of employees participating in anti-corruption training	/	/	1,319
Anti-corruption training coverage rate for employees	%	100	100
Signing rate of Supplier Integrity Agreements	%	100	100
Number of operations assessed for corruption risks	/	/	5
Percentage of operations assessed for corruption risks	%	/	100
Number of negative business ethics incidents	/	0	0
Number of corruption and conflict of interest incidents	/	0	0
Number of lawsuits related to anti-competitive behavior	/	/	0
Risk and Compliance			
Major incidents of violation of laws and regulations	/	0	0
Incidents resulting in fines	/	0	0
Incidents resulting in non-monetary sanctions	/	0	0
Amount of fines paid due to non-compliance	RMB 10,000	/	0
Fines for non-compliance occurring during the current reporting period	RMB 10,000	/	0
Fines for non-compliance occurring during previous reporting periods	RMB 10,000	/	0
Data Security			
Incidents of information and privacy leakage	/	0	0
Specific amount involved in customer privacy leakage incidents	RMB 10,000	0	0
Number of complaints concerning breaches of consumer information	/	0	0
Number of participants in information security training	/	1,686	1,319
Information security training coverage rate	%	100	100

Index of Indicators

Index of GRI Standards

Statement of use	COSMOS has reported the information cited in this GRI content index for the period January 1, 2025 to December 31, 2025 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI	Disclosure Item	Disclosure Section
GRI 2: General Disclosures 2021		
The organization and its reporting practices		
2-1	Organizational details	About COSMOS
2-2	Entities included in the organization's sustainability reporting	About This Report
2-3	Reporting period, frequency and contact point	About This Report
2-4	Restatements of information	No restatement of information
2-5	External assurance	Third-party Assurance Statement
Activities and workers		
2-6	Activities, value chain and other business relationships	About COSMOS; Product and Service Responsibility Management; Sustainable Supply Chain
2-7	Employees	Employee Rights and Interests; Employee Development; Occupational Health and Safety
2-8	Workers who are not employees	Sustainable Supply Chain
Governance		
2-9	Governance structure and composition	Corporate Governance
2-10	Nomination and selection of the highest governance body	Corporate Governance
2-11	Chair of the highest governance body	Corporate Governance
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance
2-13	Delegation of responsibility for managing impacts	Corporate Governance
2-14	Role of the highest governance body in sustainability reporting	About This Report; Sustainability Management
2-15	Conflicts of interest	Business Ethics
2-16	Communication of critical concerns	Sustainability Management
2-17	Collective knowledge of the highest governance body	Sustainability Management
2-18	Evaluation of the performance of the highest governance body	Sustainability Management
2-20	Process to determine remuneration	Corporate Governance

GRI	Disclosure Item	Disclosure Section
Strategy, policies and practices		
2-22	Statement on sustainable development strategy	Sustainability Management
2-23	Policy commitments	Sustainability Management; Business Ethics; Climate Change Response; Environmental Management; Sustainable Supply Chain; Employee Rights and Interests
2-24	Embedding policy commitments	Sustainability Management; Business Ethics; Climate Change Response; Environmental Management; Sustainable Supply Chain; Employee Rights and Interests
2-25	Processes to remediate negative impacts	Business Ethics; Product and Service Responsibility Management; Employee Rights and Interests
2-26	Mechanisms for seeking advice and raising concerns	Business Ethics; Employee Rights and Interests
2-27	Compliance with laws and regulations	Business Ethics; Compliance and Risk Management; Environmental Management; Employee Rights and Interests
2-28	Membership associations	Sustainability Management
Stakeholder engagement		
2-29	Approach to stakeholder engagement	Sustainability Management
2-30	Collective bargaining agreements	Employee Rights and Interests
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	Sustainability Management
3-2	List of material topics	Sustainability Management
3-3	Management of material topics	Sustainability Management
GRI 201: Economic Performance 2021		
3-3	Management of material topics	Climate Change Response; Employee Rights and Interests
201-1	Direct economic value generated and distributed	ESG Performance Table
201-2	Financial implications and other risks and opportunities due to climate change	Climate Change Response
201-3	Defined benefit plan obligations and other retirement plans	Employee Rights and Interests
GRI 204: Procurement Practices 2016		
3-3	Management of material topics	Sustainable Supply Chain
204-1	Proportion of spending on local suppliers	ESG Performance Table
GRI 205: Anti-corruption 2016		
3-3	Management of material topics	Business Ethics
205-1	Operations assessed for risks related to corruption	Business Ethics
205-2	Communication and training about anti-corruption policies and procedures	Business Ethics
205-3	Confirmed incidents of corruption and actions taken	ESG Performance Table

GRI	Disclosure Item	Disclosure Section
GRI 206: Anti-competitive Behavior 2016		
3-3	Management of material topics	Business Ethics
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	ESG Performance Table
GRI 207: Tax 2019		
3-3	Management of material topics	Compliance and Risk Management
207-1	Approach to tax	Compliance and Risk Management
207-2	Tax governance, control, and risk management	Compliance and Risk Management
GRI 301: Materials 2016		
3-3	Management of material topics	Emissions and Waste Management
301-1	Materials used by weight or volume	ESG Performance Table
301-2	Recycled input materials used	ESG Performance Table
GRI 302: Energy 2016		
3-3	Management of material topics	Energy Management
302-1	Energy consumption within the organization	ESG Performance Table
302-3	Energy intensity	ESG Performance Table
302-4	Reduction of energy consumption	ESG Performance Table
302-5	Reductions in energy requirements of products and services	Energy Management
GRI 303: Water and Effluents 2018		
3-3	Management of material topics	Water Management
303-1	Interactions with water as a shared resource	Water Management
303-2	Management of water discharge-related impacts	Emissions and Waste Management
303-3	Water withdrawal	ESG Performance Table
303-4	Water discharge	ESG Performance Table
303-5	Water consumption	ESG Performance Table
GRI 304: Biodiversity 2016		
3-3	Management of material topics	Ecological Protection
GRI 305: Emissions 2016		
3-3	Management of material topics	Climate Change Response
305-1	Direct (Scope 1) GHG emissions	Climate Change Response; ESG Performance Table
305-2	Energy indirect (Scope 2) GHG emissions	Climate Change Response; ESG Performance Table
305-3	Other indirect (Scope 3) GHG emissions	Climate Change Response; ESG Performance Table
305-4	GHG emissions intensity	ESG Performance Table

GRI	Disclosure Item	Disclosure Section
305-5	Reduction of GHG emissions	ESG Performance Table
305-6	Emissions of ozone-depleting substances (ODS)	Not applicable
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	ESG Performance Table
GRI 306: Waste 2020		
3-3	Management of material topics	Emissions and Waste Management
306-1	Waste generation and significant waste-related impacts	Emissions and Waste Management
306-2	Management of significant waste-related impacts	Emissions and Waste Management
306-3	Waste generated	ESG Performance Table
306-4	Waste diverted from disposal	ESG Performance Table
306-5	Waste directed to disposal	ESG Performance Table
GRI 308: Supplier Environmental Assessment 2016		
3-3	Management of material topics	Sustainable Supply Chain
308-1	New suppliers that were screened using environmental criteria	Sustainable Supply Chain; ESG Performance Table
308-2	Negative environmental impacts in the supply chain and actions taken	Sustainable Supply Chain; ESG Performance Table
GRI 401: Employment 2016		
3-3	Management of material topics	Employee Rights and Interests
401-1	New employee hires and employee turnover	Employee Rights and Interests; ESG Performance Table
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Rights and Interests
401-3	Parental leave	Employee Rights and Interests
GRI 402: Labor/Management Relations 2016		
3-3	Management of material topics	Employee Rights and Interests
GRI 403: Occupational Health and Safety 2018		
3-3	Management of material topics	Occupational Health and Safety
403-1	Occupational health and safety management system	Occupational Health and Safety
403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety
403-3	Occupational health services	Occupational Health and Safety
403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety
403-5	Worker training on occupational health and safety	Occupational Health and Safety
403-6	Promotion of worker health	Occupational Health and Safety
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety
403-8	Workers covered by an occupational health and safety management system	Occupational Health and Safety

GRI	Disclosure Item	Disclosure Section
403-9	Work-related injuries	ESG Performance Table
403-10	Work-related ill health	Occupational Health and Safety
GRI 404: Training and Education 2016		
3-3	Management of material topics	Employee Development
404-1	Average hours of training per year per employee	Employee Development; ESG Performance Table
404-2	Programs for upgrading employee skills and transition assistance programs	Employee Development
404-3	Percentage of employees receiving regular performance and career development reviews	Employee Development
GRI 405: Diversity and Equal Opportunity 2016		
3-3	Management of material topics	Corporate Governance; Employee Rights and Interests
405-1	Diversity of governance bodies and employees	Corporate Governance; Employee Rights and Interests; ESG Performance Table
GRI 406: Non-discrimination 2016		
3-3	Management of material topics	Employee Rights and Interests
406-1	Incidents of discrimination and corrective actions taken	Employee Rights and Interests
GRI 407: Freedom of Association and Collective Bargaining 2016		
3-3	Management of material topics	Employee Rights and Interests; Sustainable Supply Chain
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Employee Rights and Interests; Sustainable Supply Chain
GRI 408: Child Labor 2016		
3-3	Management of material topics	Employee Rights and Interests; Sustainable Supply Chain
408-1	Operations and suppliers at significant risk for incidents of child labor	Employee Rights and Interests; Sustainable Supply Chain
GRI 409: Forced or Compulsory Labor 2016		
3-3	Management of material topics	Employee Rights and Interests; Sustainable Supply Chain
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Employee Rights and Interests; Sustainable Supply Chain
GRI 413: Local Communities 2016		
3-3	Management of material topics	Community Engagement
GRI 414: Supplier Social Assessment 2016		
3-3	Management of material topics	Sustainable Supply Chain
414-1	New suppliers that were screened using social criteria	ESG Performance Table
414-2	Negative social impacts in the supply chain and actions taken	Sustainable Supply Chain; ESG Performance Table
GRI 416: Customer Health and Safety 2016		
3-3	Management of material topics	Product and Service Responsibility Management

GRI	Disclosure Item	Disclosure Section
416-1	Assessment of the health and safety impacts of product and service categories	Product and Service Responsibility Management
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Product and Service Responsibility Management
GRI 417: Marketing and Labeling 2016		
3-3	Management of material topics	Product and Service Responsibility Management
417-1	Requirements for product and service information and labeling	Product and Service Responsibility Management
417-2	Incidents of non-compliance concerning product and service information and labeling	Product and Service Responsibility Management
417-3	Incidents of non-compliance concerning marketing communications	Product and Service Responsibility Management
GRI 418: Customer Privacy 2016		
3-3	Management of material topics	Product and Service Responsibility Management
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	ESG Performance Table

Index of Self-Regulatory Guidelines No. 17 for Companies Listed on Shenzhen Stock Exchange– Sustainability Report (For Trial Implementation)

Disclosed Issues	Disclosure Section	
Climate action	Climate Change Response	
Pollutant emissions	Emissions and Waste Management	
Waste treatment	Emissions and Waste Management	
Environment	Ecosystem and biodiversity protection	Ecological Protection
	Environmental compliance management	Environmental Management
	Energy utilization	Energy Management
	Water resource utilization	Water Management
Circular economy	Energy Management; Water Management; Emissions and Waste Management	
Rural revitalization	The Company's operations do not involve rural areas, and its main business has low correlation with rural revitalization.	
Social contribution	Community Engagement	
Innovation-driven	R&D and Innovation	
Technology ethics	The Company's business does not involve life sciences or AI; this issue is not applicable.	
Social	Supply chain security	Sustainable Supply Chain
	Fair treatment of SMEs	Involves sensitive company information; not disclosed for the time being.
	Product and service safety and quality	Product and Service Responsibility Management
	Data security and customer privacy protection	Information Security
Employees	Employee Rights and Interests; Employee Development; Occupational Health and Safety	
Due diligence	Sustainability Management; Compliance and Risk Management	
Governance Related to Sustainable Development	Stakeholder communication	Sustainability Management
	Anti-commercial bribery and anti-corruption	Business Ethics; Compliance and Risk Management
	Anti-unfair competition	Business Ethics; Compliance and Risk Management

Index of International Financial Reporting Standards for Sustainability Disclosure No. 2 (IFRS S2)

Subject	Subject description	Disclosure requirements	Disclosure Section
Governance	The governance body(s) or individual(s) responsible for oversight of climate related risks and opportunities, and management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	How the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities	Climate Change Response
		How the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities, including whether and how related performance metrics are included in remuneration policies	Climate Change Response
		Climate-related risks and opportunities that could reasonably be expected to affect the entity's development prospects	Climate Change Response
Strategy	Strategies used to manage climate-related risks and opportunities	Current and expected impacts of climate-related risks and opportunities on its business model and value chain	Climate Change Response
		Impact of climate-related risks and opportunities on the entity's strategy and decision-making, including information on its climate-related transformation plans	Climate Change Response
		Impact of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period and the expected impact on the entity's financial position, financial performance and cash flows in the short, medium and long term	Climate Change Response
		Climate resilience of the entity's strategies and business model to climate-related change, development and uncertainty	Climate Change Response
Risk Management	Processes by which the entity identifies, assesses, prioritizes and monitors climate-related risks	The entity's processes and related policies for identifying, assessing, prioritizing and monitoring climate-related risks, including the inputs and parameters used by the entity, whether and how climate scenario analyses are used to help identify climate-related risks, how the nature, likelihood and magnitude of risk impacts are assessed, and whether there have been any changes in the processes compared to the previous reporting period	Climate Change Response
		Processes the entity uses to identify, assess, prioritize and monitor climate-related opportunities, including whether and how climate scenario analysis is used to help identify climate-related opportunities	Climate Change Response
		The extent to which and how the processes used by the entity to identify, assess, prioritize and monitor climate-related risks and opportunities are integrated into the entity's overall risk management processes	Climate Change Response
Metrics and Targets	Performance of the entity in relation to climate-related risks and opportunities, including its progress towards achieving its climate-related targets	Cross-industry metric	Climate Change Response; Energy Management; ESG Performance Table
		Industry-specific metrics	Climate Change Response; Energy Management; Water management; ESG Performance Table
		Targets set	Climate Change Response

Content Index of SASB

Indicators	Unit	Disclosure Section
Greenhouse gas emissions		
RT-CH-110a.1	Gross global scope 1 emissions	Ton of CO ₂ equivalent
	Percentage of gross scope 1 emissions covered under emissions limiting regulations	%
RT-CH-110a.2	Discussion of long-term and short-term strategy or plan to manage scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	/
Air quality		
RT-CH-120a.1	Air emissions of the following pollutants: · NO _x (excluding N ₂ O) · SO _x · Volatile organic compounds (VOCs) · Hazardous air pollutants (HAPs)	Metric tons(t)
Energy management		
RT-CH-130a.1	· Total energy consumed · Percentage grid electricity · Percentage renewable · Total self-generated energy	Gigajoules(GJ)%
Water management		
RT-CH-140a.1	· Total water withdrawn · Total water consumed	Cubic meters (m ³)
	· Percentage of total water withdrawn in regions with high or extremely high baseline water stress · Percentage of total water consumed in regions with high or extremely high baseline water stress	%
RT-CH-140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Item
RT-CH-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	/
Hazardous waste management		
RT-CH-150a.1	Amount of hazardous waste generated	Metric tons(t)
	Percentage recycled of amount of hazardous waste generated	%
Community relations		
RT-CH-210a.1	Discussion of engagement processes to manage risks and opportunities associated with community interests	/
Employee health & safety		
RT-CH-320a.1	· Total recordable incident rate(TRIR)	/
	· Fatality rate for direct employees	%
	· Fatality rate for contract employees	%

⁶Total energy consumed is disclosed in megawatt-hours (MWh).

Indicators		Unit	Disclosure Section
RT-CH-320a.2	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	/	Occupational Health and Safety
Product design for use-phase efficiency			
RT-CH-410a.1	Revenue from products designed for use-phase resource efficiency	Reporting currency	The Company has not collected data for this indicator, and will improve the data collection system in the future
Safety & environmental stewardship of chemicals			
RT-CH-410b.1	Percentage of products that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances	%	Information involving sensitive corporate matters is not disclosed at this time
	Percentage of such products that have undergone a hazard assessment	%	Information involving sensitive corporate matters is not disclosed at this time
RT-CH-410b.2	Strategies and approaches for companies to manage chemicals that may raise human/environmental health concerns	/	Chemical Safety Management
	Discussion of strategy to develop alternatives with reduced human and/or environmental impact	/	Chemical Safety Management; R&D and Innovation
Genetically modified organisms			
RT-CH-410c.1	Percentage of products by revenue that contain genetically modified organisms (GMOs)	%	The Company's products do not contain GMOs
Management of the legal & regulatory environment			
RT-CH-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	/	Sustainability Management; Compliance and Risk Management; Product and Service Responsibility Management; Climate Change Response; Environmental Management; Energy Management
Operational safety, emergency preparedness and response			
RT-CH-540a.1	· Process Safety Incidents Count (PSIC) · Process Safety Total Incident Rate (PSTIR), and · Process Safety Incident Severity Rate (PSISR)	Number, %	Chemical Safety Management; ESG Performance Table
RT-CH-540a.2	· Number of transport incidents	Number	Chemical Safety Management
Category of production			
RT-CH-000.A	Product category and output	Cubic meters or tons	Please refer to the Annual Report for further details

Greenhouse Gas Verification Statement



SGS-VVS-GHG-V-E260301

GHG Verification Statement

Applicant

Nanjing COSMOS Chemical Co., Ltd.
 Organization Address: NO. 19 Suyuan Avenue, Jiangning Economic and Technological Development, Nanjing City, Jiangsu Province, P.R. China.
 Organizational boundary: All facilities and activities that generate GHG emissions and removals under the applicant's operational control.

Report time boundary: 2025.01.01-2025.12.31

The organization's GHG emissions are:

Category		GHG emissions (ton CO ₂ eq)
Direct emission	Category 1: Direct GHG emissions	16322.87
Indirect GHG emission	Category 2: Indirect GHG emissions from imported energy	115574.95 (Location-based) 110215.60 (Market-based)
	Category 3: Indirect GHG emissions from transportation	1182.73
	Category 4: Indirect GHG emissions from products used by organization	39044.96
	Category 5: Indirect GHG emissions associated with the use of products from the organization	Not applicable
	Category 6: Indirect GHG emissions from other sources	Not applicable
	Total emission	



The GHG emissions calculation and report provided by the mentioned organization have been verified by SGS according to ISO 14064-3:2019 Greenhouse gases – Part 3: Specification with guidance for the verification and validation of greenhouse gas statements, as comply for:ISO 14064-1:2018 Greenhouse gases –Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals, Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard and Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

This verification is based on the report and supporting materials submitted by above Organization on 22/03/2026, details please refer to SGS report: SGS-VVS-GHG-VR-260301.


Signed by
Ruthie Fan
Issue Date: 25/03/2026
Carbon Footprint of Product Certification Centre



SGS-CSTC Standards Technical Services Co., Ltd.
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*This document is issued by the Company under its General Conditions of Service accessible at <http://www.sgs.com/en/Terms-and-Conditions.aspx>. Attention is drawn to the limitation of liability, indemnification and jurisdiction issues defined therein.
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SGS-VVS-GHG-V-E260301, continued
Applicant
Nanjing COSMOS Chemical Co., Ltd.

Organization Address: NO. 19 Suyuan Avenue, Jiangning Economic and Technological Development, Nanjing City, Jiangsu Province, P.R. China.
Organizational boundary: All facilities and activities that generate GHG emissions and removals under the applicant's operational control.

Name of Applicant: Nanjing COSMOS Chemical Co., Ltd.
Address of Applicant: NO. 19 Suyuan Avenue, Jiangning Economic and Technological Development, Nanjing City, Jiangsu Province, P.R. China
Organizational Boundary: All facilities and activities that generate GHG emissions and removals under the applicant's operational control, including the following 6 organizations:

Name	Address
Nanjing COSMOS Chemical Co., Ltd.	NO. 19 Suyuan Avenue, Jiangning Economic and Technological Development, Nanjing City, Jiangsu Province, P.R. China
Suqian COSMOS Chemical Co., Ltd.	Yangzi Road, Suqian Ecological Chemical Technology Industrial Park, Suqian, Jiangsu Province, P.R. China
Sinobest Cosmeceutical Co., Ltd.	No.905, Taizi Road, Chiu Industrial Park, Ma'anshan City, Anhui Province, P.R. China
Ma'anshan COSMOS Chemical Co., Ltd.	No. 2 Miaopu Road, Chiu High Tech Industrial Development Zone, Ma'anshan City, Anhui Province, P.R. China
Anqing COSMOS Chemical Co., Ltd.	No. 8, Yingshan Road, High-Tech Development Zone, Anqing City, Anhui Province, P.R. China
COSMOS PERSONAL CARE (MALAYSIA) SDN. BHD.	PTD5046, JALAN RUMBIA 2 KAWASAN PERINDUSTRIAN TG LANGSAT, 81700 PASIR GUDANG, JOHOR, MALAYSIA



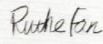
Data Collection: The GHG emissions calculation and report provided by the mentioned organization based on the data collected from January 1st 2025 to December 31st 2025 have been verified by SGS.

Calculation Approach: The calculation has been verified by SGS as comply for ISO 14064-1:2018 Greenhouse gases -Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals, Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard and Corporate Value Chain (Scope 3) Accounting and Reporting Standard.


Verification Guidelines: ISO 14064-3:2019 Greenhouse gases - Part 3: Specification with guidance for the verification and validation of greenhouse gas statements

Verification Opinions and Conclusions: Unmodified opinion. Nanjing COSMOS Chemical Co., Ltd. declares that its greenhouse gas emissions, removals, and storage from 01/01/2025 to 31/12/2025 comply with the ISO 14064-1:2018 Greenhouse gases -Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals and fairly reflect its carbon footprint in all significant aspects. The greenhouse gas data and information stated in the declaration are indeed reflected and supported by sufficient and appropriate evidence.

Level of Assurance: Reasonable Assurance
Materiality: 5%
SGS Verification Report: SGS-VVS-GHG-VR-260301
Verification plan: SGS-VVS-SOP-GHG-01

Signature

Issue Date: 25/03/2026
Carbon Footprint of Product Certification Centre

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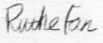
SGS-VVS-GHG-V-E260301, continued
Applicant
Nanjing COSMOS Chemical Co., Ltd.

Organization Address: NO. 19 Suyuan Avenue, Jiangning Economic and Technological Development, Nanjing City, Jiangsu Province, P.R. China.
Organizational boundary: All facilities and activities that generate GHG emissions and removals under the applicant's operational control.

Appendix
Greenhouse Gas Emissions Inventory (GHG protocol)


Category	GHG emissions (ton CO ₂ eq)
Scope1 direct GHG emissions	16322.87
Scope2 indirect GHG emissions from imported energy	115574.95 (Location-based) 110215.60 (Market-based)
Category1-Purchased goods and services	Not applicable
Category2-Capital goods	552.49
Category3-Fuel and energy related activities (not included in scope1 and scope2)	25939.05
Category4-Upstream transportation and distribution	61.72
Category5-Waste generated in operations	12521.50
Category6-Business travel	459.38
Category7-Employee commuting	287.73
Category8-Upstream leased assets	31.92
Category9-Downstream transportation and distribution	373.91
Category10-Processing of sold products	Not applicable
Category11-Use of sold products	Not applicable
Category12-End-of -life treatment of sold products	Not applicable
Category13-Downstream leased assets	Not applicable
Category14-Franchises	Not applicable
Category15-Investments	Not applicable



Signature

Issue Date: 25/03/2026
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Third-Party Assurance Statement




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INDEPENDENT ASSURANCE STATEMENT



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Objectives of Work

Bureau Veritas Certification (Beijing) Co., LTD ("BUREAU VERITAS") has been engaged by Nanjing COSMOS Chemical Co., Ltd. (hereafter referred to as "Cosmos Share") to conduct an independent Assurance of its 2025 Sustainability Report (the "Report"). This Assurance Statement applies to the related information included within the scope of work described below.

This information and its presentation in the report are the sole responsibility of the management of Cosmos Share. Our sole responsibility was to provide independent assurance on the accuracy of information included.

Scope of work

The assurance process was conducted in line with the requirements of the Assurance Standard AA1000AS (V3) Type 2 assurance. The scope of work included:

Data and information included in the Report for the reporting period 1 January – 31 December 2025;

Appropriateness and robustness of underlying reporting systems and processes, used to collect, analyse and review the information reported;

Evaluation of the Report against the main principles of the AA1000 Assurance Principles and AA1000 Assurance Standards

- Inclusivity
- Materiality
- Responsiveness
- Impact


Evaluation of the Report against the principles of Materiality, Accuracy, Completeness, Balance, Clarity and Comparability, as defined in the GRI Sustainability Reporting Guidelines;

Excluded from the scope of our work is any assurance of information relating to:

- Activities outside the defined assurance period;
- Positional statements (expressions of opinion, belief, aim or future intention by Cosmos Share) and statements of future commitment;
- Financial data and information that has been audited by a third party.


The levels of AA1000 assurance are as follows:

Report Section	Level of Assurance
Sustainability Management	Moderate
Responsibility-Driven Long-Term Value Creation	Moderate
Quality Excellence for Better Lives	Moderate
Green Actions for Environmental Stewardship	Moderate
Together for a Better Society	Moderate
ESG Performance Table	Moderate



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INDEPENDENT ASSURANCE STATEMENT



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Level of assurance: Reasonable Assurance

Assurance standard

1. AA 1000 AP (2018) & AA 1000 AS (V3)
2. International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000 (Revised)"), developed by the International Auditing and Assurance Standards Board;
3. GRI Sustainability Reporting Standards, published by the Global Reporting Initiative

Methodology

As part of its independent assurance, Bureau Veritas undertook the following activities:

1. Interviews with relevant personnel of Cosmos Share;
2. Review of documentary evidence produced by Cosmos Share;
3. Audit of performance data, tracing and checking the sample data according to the sampling principle;
4. Site visit to Cosmos Share headquarter (located at 10th Floor, Building C1, Jiulonghu International Enterprise Headquarters Park, No. 19 Suyuan Avenue, Jiangning Economic and Technological Development Zone, Nanjing City, Jiangsu Province, China);
5. Review of Cosmos Share data and information systems for collection, aggregation, analysis and review;
6. Review of stakeholder engagement activities of Cosmos Share by review the outcomes and approaches used by Cosmos Share;

Our work was conducted against Bureau Veritas' standard procedures and guidelines for external Assurance of Non-financial Reports, based on current best practice in independent assurance. The work was planned and carried out to and concluded based on reasonable, rather than absolute assurance, as determined by Bureau Veritas.

Assurance Conclusion

On the basis of our methodology and the activities described above, it is our opinion that:

- The information and data included in the Report are accurate, reliable and free from material mistake or misstatement;
- The Report provides a fair representation of Cosmos Share's activities over the reporting period;
- The information is presented in a clear, understandable and accessible manner, and allows readers to form a balanced opinion over Cosmos Share's performance and status during the reporting period;
- Cosmos Share has established appropriate systems for the collection, aggregation and analysis of relevant information;
- Cosmos Share has processes in place for consulting and engaging with its key stakeholders in a structured and systematic manner;
- The Report properly reflects the organisation's alignment to and implementation of the AA1000AS (V3) principles of Inclusivity, Materiality, Responsiveness and Impact in its operations. Further detail is provided below;

Alignment with the principles of AA1000AS (V3)

Inclusivity



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Progress on the Ten Principles of the United Nations Global Compact (UNGC)

UNGC	Ten Principles	Corporate Progress	Disclosure Section
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	With SA8000 as the core framework, the Company has established a systematic human rights and labor management mechanism. The requirements of the <i>Labor Rights and Human Rights Management Policy</i> are embedded into various management processes to fully protect employee rights, including compensation and benefits, occupational health, and career development. All bases conduct normalized special training to enhance human rights awareness among all staff, perform regular risk assessments of employee rights, and extend human rights audits to the supply chain to drive continuous management optimization.	Employee Rights and Interests
	Principle 2: Businesses should make sure that they are not complicit in human rights abuses.		
Labor Standards	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	The Company is committed to building a diverse, equal, and inclusive workplace and explicitly opposes all forms of discrimination and harassment. By implementing relevant policies, the Company ensures that employees are free from discrimination in recruitment, compensation, and career development. An anonymous complaint and processing mechanism has been established, maintaining a "zero tolerance" attitude toward discriminatory or harassing behavior.	Employee Rights and Interests
	Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labor.	In accordance with the <i>Labor Rights and Human Rights Management Policy</i> , the Company has established diverse communication channels, including employee representative assemblies, hotlines, suggestion boxes, and online feedback platforms, ensuring that employee demands receive timely responses and closed-loop processing. During the reporting period, the Company formed a cross-base CSR internal audit team to conduct in-depth inspections of core labor issues such as child labor, forced labor, health and safety, freedom of association, discrimination and harassment, disciplinary measures, working hours, and compensation based on SA8000 standards. No non-conformities were identified.	
	Principle 5: Businesses should uphold the effective abolition of child labor.		
	Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.		
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges.	The Company has formulated and released the Environmental Policy, systematically defining management principles and targets for key areas such as climate change response, energy management, pollution prevention, and waste management. The Company's climate targets have been validated by the Science Based Targets initiative (SBTi), committing to drive emissions reductions across the entire value chain over the next 10 years.	Climate Change Response; Environmental Management; Energy Management; Water Management; Emission and Waste Management
	Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.	The Company integrates energy management into its long-term development strategy, continuously reducing operational energy consumption and carbon emission intensity by optimizing its energy structure and improving energy efficiency. Meanwhile, the Company fully adopts water-saving technologies and equipment to reduce water consumption in production and regularly conducts water-saving publicity and training to enhance employees' water-saving awareness.	
	Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.	Through source reduction, process control, end-of-pipe treatment, and recycling, the Company continues to reduce the intensity of pollutant generation, ensuring that all types of emissions meet or exceed national and local standards. Building on this, the Company actively advances process optimization and material reuse to ensure efficient resource utilization.	
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	The Company adheres to the principle of integrity in operations, maintaining a zero-tolerance attitude toward corruption, fraud, and other improper conduct, and integrating the principles of fairness and transparency into the entire process of governance and decision-making. Through internal supervision and culture building, the Company effectively prevents compliance and reputational risks. The Company has formulated and implemented the <i>Business Ethics Policy</i> , clarifying responsibilities at all levels, covering areas such as anti-corruption, anti-bribery, conflicts of interest, and anti-money laundering. During the reporting period, the Company continued to improve its anti-bribery governance system according to the ISO 37001 standard. It drove the headquarters and all operating bases to obtain ISO 37001 Anti-bribery Management System certification. Integrity and compliance requirements were extended to the entire process of supply chain cooperation, adhering to the principles of fairness and justice while resisting unethical business practices..	Business Ethics; Compliance and Risk Management

Bureau Veritas Certification



Cosmos Share has processes in place for engaging with a range key stakeholders including clients, suppliers, investors, government officials, representatives from a range of NGO's and industry associations and has undertaken a number of formal stakeholder engagement activities covering a range of topics such as Organization Governance, Product Responsibility, Environmental Responsibility, Employee Responsibility, Social Responsibility and so on.


Materiality
The Report addresses the range of environmental, social and economic issues of concern that Cosmos Share has identified as being of highest material importance. The identification of material issues has considered both internal assessments of risks and opportunities to the business, as well as stakeholders' views and concerns. The material issues disclosed in the report and the relevant data and information are of Materiality.

Responsiveness
Cosmos Share is responding to those issues it has identified as material and demonstrates this in its policies, objectives, indicators and performance targets. The reported information can be used by the organisation and its stakeholders as a reasonable basis for their opinions and decision-making.

Impact
Cosmos Share takes responsibility for the governance, environmental, and social issues involved in its operational activities, as well as the positive and negative impacts it brings. The company conducts appropriate quantitative monitoring and evaluation of the impacts of these material issues, and based on the results of performance monitoring, adopts relevant continuous improvement measures.

Based on the work conducted, we recommend Cosmos Share to consider the following:
The company has established a relatively well-developed stakeholder management and communication system. It is recommended that in the future, the company continue to consistently optimize its stakeholder communication mechanisms, build a dynamic response system, and ensure the completeness and responsiveness of content related to material issues in a systematic manner.

Statement of independence, impartiality and competence
Bureau Veritas is an independent professional services company that specialises in Quality, Environmental and Occupational Health and Safety, Social Responsibility with more than 190 years history in providing independent assurance services. Members of the assurance team have no interests or conflicts of relationship with Cosmos Share. We have conducted this Assurance independently and impartially. Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day to day business activities.



AA1000
Licensed Report
000-514/V3-S4HLD



Fanny Zou
Director of Greater China Region
Bureau Veritas Certification (Beijing) Co., LTD
2026.04.14



Wendy Zhao
Assurance Team Leader
Bureau Veritas Certification (Beijing) Co., LTD
2026.04.10

BUREAU VERITAS
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Feedback from Readers

We appreciate your engagement with the COSMOS 2025 Sustainability Report. To provide you and other stakeholders with more valuable information and enhance the management capabilities of COSMOS in terms of ESG, we sincerely welcome your feedback and suggestions regarding this report. You may submit your responses through the following channels:

Email: cosmos@cosmoschem.com

Address: 10/F, C1 Tower, Jiulonghu International Corporate Headquarters, No. 19 Suyuan Avenue, Jiangning District, Nanjing, China

1.What is your overall evaluation of this report?

Good Fair Average Poor

2.How do you assess the clarity, accuracy, and completeness of the information, data, and indicators presented in this report?

Good Fair Average Poor

3.Do you believe this report comprehensively reflects COSMOS's performance in relation to environmental, social, and governance factors?

Good Fair Average Poor

4.Is the language used in this report clear and easily understandable?

Good Fair Average Poor

5.Has the formatting of this report facilitated your understanding of the relevant information?

Good Fair Average Poor

6.In your opinion, what is the most critical area for improvement in this report?

7.Do you have any additional opinions or suggestions regarding COSMOS's sustainable development management and information disclosure?



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