

Pizu Group Holdings Limited

2024/2025

Environmental, Social and Governance (ESG) Report

Stock Code: 09893.HK

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About the Report

This Environmental, Social and Governance Report (hereinafter referred to as the “ESG Report”) is the ninth ESG Report published by Pizu Group Holdings Limited (the “Company” or “We”) and its subsidiaries (collectively referred to as the “Group”), mainly introducing the Group's policies, performance, and progress in the areas of Environment, Social and Governance (the “ESG”), and responding to ESG issues of concern to stakeholders. The ESG Report should be read in conjunction with the “Corporate Governance Report” section of the *Pizu Group Holdings Limited 2025 Annual Report* (the “2025 Annual Report”) to gain a comprehensive understanding of the Group's ESG performance.

Reporting Time Frame

The ESG Report covers the same time period as the 2025 Annual Report, which is from April 1, 2024, to March 31, 2025 (the “Reporting Period”). To enhance the comparability of the ESG Report, some content extends beyond the aforementioned time frame as necessary.

Reporting Organisational Scope

Unless otherwise stated, the ESG Report covers the Company and its major subsidiaries, with business scope covering two operating segments: explosive trade and blasting services, and mining operations, excluding the discontinued bulk mineral trade business.

Reporting Principles

The ESG Report is prepared in accordance with Appendix C2 of the *Listing Rules of The Stock Exchange of Hong Kong Limited* (the “Listing Rules”), namely the *Environmental, Social and Governance Reporting Guide* (the “ESG Reporting Guide”), issued by the Stock Exchange of Hong Kong Limited (the “Stock Exchange”), and refers to the recommendations of the Task Force on Climate-Related Financial Disclosure (the “TCFD”) for climate-related information disclosure. The ESG Report complied with the provisions of ESG Reporting Guide on “mandatory disclosure” and “comply or explain”, and is prepared based on the four reporting principles of materiality, quantification, balance, and consistency.

Reporting Principle	Application
Materiality	The Group adopted a materiality assessment approach to identify material ESG issues during the Reporting Period. These ESG material topics were then reviewed and confirmed. Therefore, the identified material topics were specifically responded to and disclosed. For details, please refer to the “Materiality Assessment” section of the ESG Report.
Quantification	Standards and methodologies used to calculate relevant data presented in the ESG Report were disclosed, as well as any applicable assumptions.
Balance	The ESG Report impartially presented the Group's performance during the Reporting Period, avoiding selections, omissions, or presentation formats that may inappropriately influence the decisions or judgments of report readers.
Consistency	The Group used consistent statistical methods as those in previous ESG reports and has provided necessary explanations for any changes to these methods.

Statement

The ESG Report has been reviewed and approved by the Board of Directors (the “Board”) on June 27, 2025. All information disclosed in it was derived from internal documents, statistical reports, and relevant public information of the Group.

Publication Format

The ESG Report is published in both Traditional Chinese and English. In case of any discrepancy, the English version shall prevail. You can browse and download it through the Stock Exchange's website (www.hkexnews.hk) and the Group's official website (pizugroup.com).

Feedback

If you have any comments on the ESG Report or the Group's ESG work, please feel free to contact us through the following means:

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About the Group

Group Overview

Pizu Group Holdings Limited (9893.HK) was established in 2003, with its core business currently covering explosives production and trade, blasting services, mineral mining, processing, and sales. In 2025, the Group transferred from a Growth Enterprise Market-listed company to a Main Board-listed company on the Stock Exchange. Leveraging its professional expertise in blasting technology and mineral resources, the Group has developed into a key integrated industrial service provider in mainland China and Central Asia.

The Group has established civil explosive production facilities in Inner Mongolia Autonomous Region of China and Tajikistan, operates a mining product extraction and processing base in Anhui, and is actively advancing the preparation work for the Tibet mining project. The Group has achieved full industrial chain coverage from blasting services to mineral resource development by establishing a regional business layout. We are one of the few civil explosive enterprises that possess both explosive production and construction qualifications and hold relevant blasting operation permits and production qualifications, maintaining a leading position in the industry.

Philosophy and Vision

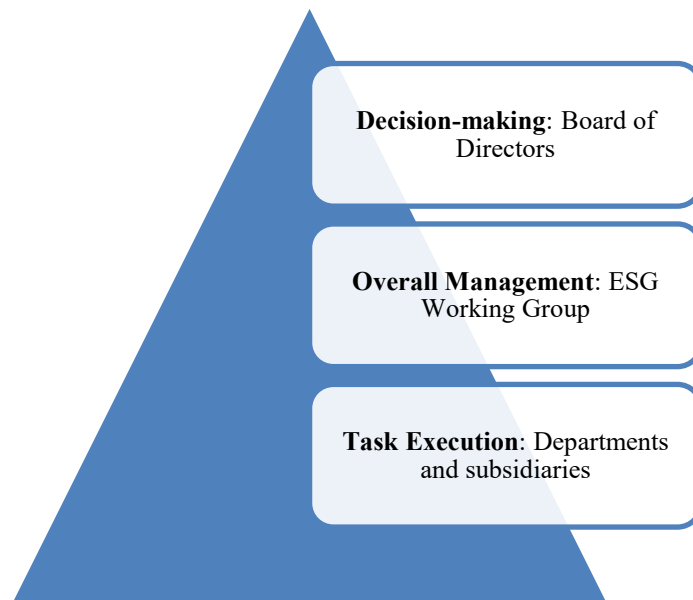
The Group will continuously enhance the technological and management capabilities of its domestic and international subsidiaries, solidify its market in Inner Mongolia, actively respond to market changes, explore new markets, continuously increase the market share and competitiveness, and optimise the management of various projects. At the same time, we actively fulfill our corporate social responsibilities by implementing management in economic, environmental, social and other fields to practice the concept of sustainable development, therefore, consolidating the foundation for future development and ensuring the sustainable development of the Group.

ESG Management

ESG Governance Structure

The Group actively fulfills its corporate social responsibilities and has established a clear organisational-level ESG governance structure, forming a hierarchical management system composed of the Board, senior management, the ESG Working Group, various departments, and subsidiaries.

Among them, the Board serves as the highest decision-making body for the Group's ESG work. It is responsible for overseeing ESG-related matters of the Group, supervising and approving the Group's ESG management policies and strategies, identifying and assessing ESG-related risks and other material issues, and managing these risks to ensure that ESG-related risks are incorporated into the Group's risk management and internal control system. The Board includes ESG-related matters in its annual agenda, and is responsible for approving ESG goals, reviewing the progress, and approving major ESG issues. The ESG Working Group, a working group under the Board, has clear terms of reference that define the scope of rights granted by the Board. It is primarily responsible for the overall management of ESG work, including but not limited to reviewing and supervising the Group's ESG progress, ESG issues, and risk management matters, and reporting on ESG-related work. During the Reporting Period, the ESG Working Group had a total of 27 members. Various departments and subsidiaries are mainly responsible for implementing and fulfilling ESG-related strategies and work.



The Group's ESG Governance Structure

Risk Management and Control

The Group attaches great importance to the construction of the risk management and internal control system, regarding it as the cornerstone of the enterprise's sustainable development. The Group has formulated risk management procedures, including risk identification, risk assessment, risk mitigation, and monitoring, and has implemented risk control work. The Board reviews the internal control system annually. Meanwhile, review and assessment of the internal control system are conducted by the senior management annually to identify and monitor various risk factors. Any findings and measures will be reported to the Board and the Audit Committee to address deviations and identified risks. The Group also actively addresses and manages ESG risks, integrating ESG-related matters into the risk management procedures. For more information about the Group's risk management and control, please refer to the content of the "Corporate Governance Report" chapter of the 2025 Annual Report.

Anti-Corruption and Upholding Integrity

The Group strictly complies with relevant laws and regulations regarding prevention of bribery, extortion, fraud, and money laundering in the places where it operates, including but not limited to the *Anti-Unfair Competition Law of the People's Republic of China* (the “PRC”), the *Regulations on the Punishment of Corruption of the PRC*, and the *Prevention of Bribery Ordinance* (Cap. 201 of the Laws of Hong Kong), etc. The Group has established and strictly implemented internal management measures such as the *Anti-Corruption Management System* and the *Anti-Fraud Management System* to ensure full-process compliance from the decision-making level to the execution level, using institutionalised measures to eliminate improper practices. During the Reporting Period, the Group did not receive any fraud-related litigation cases involving the Group or its employees, including corruption, bribery, extortion, fraud, or money laundering.

The Group attaches great importance to anti-corruption efforts and has established a multi-channel reporting mechanism and standardised handling procedures to enable employees and stakeholders to effectively report irregularities such as corruption, bribery, and fraud, and to protect the rights and interests of whistleblowers. The reporting channels cover various methods such as telephone hotlines, email, and postal mail, allowing employees and stakeholders to report irregularities at any time. The Group also promptly addresses employee grievances or reported misconduct.

In terms of the investigation mechanism, the Group has set up a permanent anti-fraud working institution, which is responsible for establishing and managing reporting channels and handling professional ethics issues and fraud cases, etc. The permanent anti-fraud working institution has been regularly reviewing the reporting information. For suspicious reports involving general employees, relevant departments will conduct joint assessments and decide whether to launch an investigation. In cases involving senior management, the Group will establish a special investigation team to conduct a joint investigation and may introduce external experts when necessary. For real-name reports, the Group provides feedback to the whistleblower on the outcome, regardless of whether an investigation is launched, and strictly safeguards the confidentiality of the whistleblower's information to ensure their rights are not infringed.

To enhance anti-corruption awareness among directors and employees, each subsidiary of the Group conducted anti-corruption training during the Reporting Period. Among them, Anhui Jinding Mining Co., Ltd. (the “Anhui Jinding”) conducted an anti-corruption training for all middle and senior management personnel on September 15, 2024, which interpreted the legal provisions on corruption and bribery and the compliance boundaries of corporate business behavior, supplemented by case analysis. This training enabled management to clearly understand the compliance bottom line and effectively strengthened their “bottom-line thinking” and “awareness of regulatory boundaries”.

Stakeholder Engagement

The Group highly values regular communication with all stakeholders, engaging in various methods to communicate with them. The Group has actively established a two-way communication mechanism to understand and respond to the demands and expectations of stakeholders. During the Reporting Period, the communication and response actions with the main stakeholders of the Group are listed as follows:

Stakeholder Groups	Expectations	Communication Methods	Communication Frequency	Actions of the Group
Government and Regulatory Authorities	<ul style="list-style-type: none"> • Legal operation • Tax payment in accordance with the law • Promote regional economic development and increase employment 	<ul style="list-style-type: none"> • On-site inspection • Work meetings • Information submission • Conduct research and discussions 	<ul style="list-style-type: none"> • Irregularly • Irregularly/regularly • Irregularly/regularly • Irregularly 	<ul style="list-style-type: none"> • Strictly comply with laws and regulations • Tax payment in accordance with the law • Information disclosure • Actively cooperate with research and investigations
Shareholders and Investors	<ul style="list-style-type: none"> • Investment returns • Company profits • Corporate governance • Information disclosure and transparency 	<ul style="list-style-type: none"> • Shareholders' annual meetings and other general meetings • Annual reports, interim reports, ESG reports, announcements and websites • Meetings with investors and analysts 	<ul style="list-style-type: none"> • Irregularly • Regularly/irregularly • Irregularly 	<ul style="list-style-type: none"> • Improve economic efficiency • Improve corporate governance • Strengthen communication • Enhance the quality of information disclosure
Employees	<ul style="list-style-type: none"> • Equal employment and labour rights and benefits • Career development opportunities 	<ul style="list-style-type: none"> • Meetings • Training, seminars and briefings • Cultural and sports activities 	<ul style="list-style-type: none"> • Regularly/irregularly • Irregularly • Irregularly • Irregularly 	<ul style="list-style-type: none"> • Improve the human resources management system and ensure employees'

	<ul style="list-style-type: none"> • Health and safety 	<ul style="list-style-type: none"> • Email and instant messaging systems 		<ul style="list-style-type: none"> rights and benefits • Carry out employee activities • Implement training and development work • Implement occupational health and safety work
Customers	<ul style="list-style-type: none"> • Safe and high-quality services • Stable relationship • Information transparency • Business ethics 	<ul style="list-style-type: none"> • High-quality products and services • Website and published financial reports • Email • Visits and meetings 	<ul style="list-style-type: none"> • Irregularly • Irregularly • Irregularly • Irregularly 	<ul style="list-style-type: none"> • Ensure product quality and safety • Enhance research and development innovation capabilities • Provide excellent customer service • Fulfill cooperation and agreements • Strengthen anti-corruption efforts
Suppliers and Partners	<ul style="list-style-type: none"> • Long-term partnership • Sincere cooperation Fairness and openness 	<ul style="list-style-type: none"> • Business meetings, telephone communication and interviews • Regular meetings • Review and evaluation • Tendering 	<ul style="list-style-type: none"> • Irregularly • Regularly • Irregularly • Irregularly 	<ul style="list-style-type: none"> • Ensure the fairness and transparency of the tendering process • Fulfill cooperation and agreements • Strengthen anti-corruption and upholding integrity efforts
Peers and Industry Organizations	<ul style="list-style-type: none"> • Share experiences and collaborate 	<ul style="list-style-type: none"> • On-site visits • Communication meetings 	<ul style="list-style-type: none"> • Irregularly • Irregularly 	<ul style="list-style-type: none"> • Ensure the fairness and transparency of the tendering process

	<ul style="list-style-type: none"> Fair competition 			<ul style="list-style-type: none"> Strengthen industry communication
The Public and Community	<ul style="list-style-type: none"> Community participation Social responsibility Ecological protection 	<ul style="list-style-type: none"> Charitable activities Volunteer Work Environmental Protection 	<ul style="list-style-type: none"> Irregularly Irregularly Irregularly 	<ul style="list-style-type: none"> Carry out public welfare activities to promote community development Respond to the implementation of the national “Belt and Road” policy Environmental protection measures

Materiality Assessment

To examine the key focus areas of ESG management and gain a deeper understanding of the opinions of various stakeholders on the ESG matters of the Group, the Group carried out an ESG materiality assessment in accordance with the “materiality” principle.

During the Reporting Period, based on the ESG Reporting Guide of the Stock Exchange, and in line with its own development strategy and business characteristics, while also comprehensively considering the development trends and key concerns of the industry, the Group identified, evaluated, reviewed, and confirmed the ESG topics in terms of “materiality to the Group” and “materiality to the stakeholders”. Finally, the materiality topics during the Reporting Period were determined.

Steps	Contents
Step 1 ESG Topics Identification	Based on the ESG Reporting Guide of the Stock Exchange, reviewed the past material topics, and updated the ESG topic database by incorporating elements such as the Group's business development and the topics of common concern in blasting services, explosive production, and mining.
Step 2 ESG Topics Assessment	Fully considered the Group's business nature and development strategy, and evaluated and screened the material ESG topics during the Reporting Period in combination with the opinions of stakeholders.
Step 3 Topics Review and Assessment	The Board, management, and other stakeholders reviewed, verified and examined the material topics to confirm the final material ESG topics.

Through the assessment of material topics, the Group finally determined the following 16 material topics. The ESG Report will present the ESG progress and performance of the following material topics of the Group during the Reporting Period in accordance with the requirements of the ESG Reporting Guide of the Stock Exchange and other relevant requirements.

ESG Material Topics of the Group

Environmental	Social	Governance
<ul style="list-style-type: none"> ●Emissions Management ●Use of Resource ●Impact on and Management of the Environment and Natural Resources ●Addressing Climate Change 	<ul style="list-style-type: none"> ●Employee Rights and Interests ●Occupational Health and Safety ●Training and Development ●Labour Standards ●Product Quality and Safety ●Research and Development Innovation ●Supply Chain Management ●Anti-corruption ●Social Welfare and Development 	<ul style="list-style-type: none"> ●Corporate Governance ●Compliance ●OperationRisk Management

Safety Production, Responsible Leadership

Safety production is the lifeline of the Group's development and also the core reflection of the Group's practice of social responsibility. The Group always prioritises safety through a comprehensive safety management system and strict implementation standards, and has continuously optimised the construction of safety culture, enhancing the safety awareness and emergency capabilities of all personnel from systems to culture, from training to practice. At the same time, the Group has regularly carried out occupational health checks and improved the work injury prevention mechanism, safeguarding the life safety of employees with practical actions.

Safety Production

The Group strictly complies with relevant laws and regulations on work safety, including the *Work Safety Law of the PRC*, the *Fire Control Law of the PRC*, the *Mine Safety Law of the PRC*, the *Occupational Disease Prevention and Control Law of the PRC*, and the *Regulations on Work-related Injury Insurance*. By regularly collecting and updating the list of laws and regulations, the Group ensures that it can promptly identify and respond to the latest legal requirements. Meanwhile, regular compliance assessments have been conducted to detect and rectify any deficiencies promptly, ensuring that production and business activities always comply with legal requirements.

The Group has implemented the work safety policy of “Safety First, Prevention First, and Comprehensive Management” by establishing and continuously improving the work safety management system and related policies. Internal management measures, such as *the Safety Management System*, the *Hidden Danger Investigation and Rectification System*, the *Identification and Control Measures for Major Hazard Sources*, and *the Work Safety Accountability System* have been formulated and are being executed. The work safety responsibilities of the main responsible persons, work safety management personnel, various departments, and positions have been clarified, forming a full-staff work safety accountability system. In addition, safety operation procedures have been established to standardise production operations. Moreover, the Group has entrusted professional third-party institutions to regularly conduct safety status evaluations and promote the construction of work safety standardisation for civil explosive enterprises.

The Group is committed to providing a safe production environment. We have continuously upgraded safety facilities, equipping explosion-proof equipment, monitoring systems, fire protection facilities, testing equipment, etc. On-site operation procedures, occupational hazards, and risk hidden danger notification signs have been installed at operation sites to enhance production environment safety and effectively prevent accidents from happening. Labour protection supplies have been provided to employees as required. The Group has continuously carried out work safety inspections, hidden danger investigation, and treatment work. On-site safety management has been constantly strengthened through daily, weekly, monthly, quarterly, and special inspections. Hidden danger investigation and treatment, risk identification, and assessment have been carried out on a regular basis to comprehensively investigate and rectify hidden danger problems. A hidden danger investigation and treatment ledger has been established to track the rectification of hidden dangers, achieving closed-loop management.

The Group continuously enhances its work safety protection capabilities. In accordance with regulations such as the *Measures for the Management of Production Safety Accident Emergency Plans*, we have improved emergency plans and drills. An emergency plan system has been established, with comprehensive emergency plans, special emergency plans, and on-site treatment measures complementing each other. These plans are updated and refined promptly based on the results of drills, while fully integrating nearby emergency resources, such as emergency rescue teams. In the event of a production safety accident, the Group will immediately activate the emergency plan, take effective measures to prevent the accident from escalating, report the accident in a timely manner as required, cooperate with the investigation and handling process and implement rectification measures.

Case:

On November 2 and 16, 2024, Tibet Tianren Mining Co., Ltd. (the “Tibet Tianren”), in collaboration with Shaanxi Xiaoshan Chuan Mineral Resources Development and Construction Co., Ltd. (the “Shaanxi Xiaoshan Chuan”) Cooperative Unit, conducted an emergency evacuation drill for earthquake disasters and a fire emergency evacuation drill for 79 employees. The drills simulated real-life scenarios such as earthquake evacuation and hands-on practice with firefighting equipment, improving employees’ emergency response speed and practical skills. During the exercise, departments demonstrated clear division of labour and close coordination, further testing the feasibility of emergency plans, strengthening cross-departmental collaboration and coordination with external rescue forces, and effectively promoting the construction of corporate safety culture.



Conducting Emergency Drills

To fulfill the main responsibility for work safety and achieve the management goal of “Safe Pizu”, the Group has formulated and issued the *Provisions on Work Safety and Environmental Protection of Pizu Group Holdings Limited (Trial)* and the *Assessment Measures for Work Safety on a 100-point System of Pizu Group Holdings Limited (Trial)*. Starting from the five work safety management systems, namely the safety target system, the safety prevention and control system, the process control system, the execution guarantee system, and the basic support system, the Group conducted assessments on relevant units within the Group. A work safety inspection mechanism has also been established. Based on inspection results, subsidiaries have been evaluated using a 100-point assessment system, which is linked to year-end performance evaluations.

Management of Hazardous Chemicals

The Group places high importance on the management of hazardous chemicals, and strictly complies with regulations such as the *Regulations on the Safety Management of Hazardous Chemicals* and the *Measures for the Administration of Safety Licenses for the Use of Hazardous Chemicals*. A comprehensive set of measures has been implemented to ensure proper administration.

The Group requires hazardous chemicals to be stored in dedicated warehouses designed to meet fireproof, explosion-proof, and ventilation requirements, with classification and storage based on their chemical properties. Regular inspections of storage facilities are conducted to ensure integrity. Comprehensive safety operating procedures have been established to identify risks and control measures, and employees have been provided with necessary personal protective equipment. The Group has formulated emergency response plans for hazardous chemical incidents, specifying organisational structures, responsibilities, and response protocols, and regularly conducts drills to enhance employees' emergency response capabilities. In addition, advanced safety technologies and equipment, including automation, unmanned operations, and intelligent systems, have been adopted to reduce on-site operational risks while improving management efficiency and safety.

For the disposal of obsolete hazardous chemicals, the Group strictly adheres to the *Regulations on the Management of Hazardous Waste* to conduct classification, packaging and labeling, and has entrusted qualified entities to implement harmless treatment, with prohibition of arbitrary discharge or disposal.

Safety Culture

The Group places strong emphasis on employee safety education and training. A workplace safety education and training system has been established, taking safety culture development as a core. We require not only employees but also contractors and construction entities to undergo safety training. Additionally, production safety accident emergency rescue plans have been formulated. Through organising systematic safety training and diverse emergency response drills, the Group comprehensively enhanced employees' safety awareness and emergency capabilities.

The Group has regularly organised training on production safety and occupational health, covering topics such as safety knowledge and skills, operational procedures, emergency response measures, fire safety, and occupational disease prevention. During the Reporting Period, subsidiaries tailored their training initiatives to practical needs, including sessions on production safety laws and regulations, case studies of mining and blasting accidents, safety production month campaigns, safety training for external contractors, occupational health and safety education, and fire safety training. These programs have deepened employees' understanding of production and operational safety, improved their skills, equipped them with occupational health knowledge, strengthened safety management practices, and empowered them to protect themselves effectively in daily work.

The Group has further disseminated safety knowledge through channels such as posters and internal WeChat Official Account, integrating safety principles into everyday work scenarios to internalise a safety-first mindset across employees.

Case:

In February 2025, the Wulate Zhongqi Branch of Bayannur Shengan Chemical Limited organised a safety education and training program for all employees. Participants studied Xi Jinping's important remarks on work safety, the *Inner Mongolia Autonomous Region Work Safety Regulations*, and the *Compilation of Safety Management Systems*, while also watching the educational film *Take Responsibility for Yourself*. The training lasted for 3 days, which enhanced participants' safety awareness and skills, followed by a post-training assessment that achieved a 100% pass rate.



Organising A Safety Education Training

The Group has developed emergency drill plans and organised diversified emergency drills during the Reporting Period to further enhance employees' emergency response capabilities, including scenarios such as workplace accidents, flood prevention, fire evacuation and counter-terrorism response. These initiatives have tested the feasibility of emergency plans and strengthened interdepartmental collaboration by simulating real-life emergencies. During the Reporting Period, subsidiaries conducted various emergency drills tailored to their operational contexts to elevate employees' emergency response capabilities.

Case:

On June 25, 2024, Inner Mongolia Otog Banner Shengan 929 Chemical Limited (the “Shengan Chemical (Otog Banner)”) partnered with multiple suppliers to conduct the “Everyone Advocates Safety, Every Individual is Prepared for Emergencies—Clear the Life Channel” production safety accident emergency drill.



Production Safety Emergency Drill Held by Shengan Chemical (Otog Banner)

Case:

Leveraging its professional expertise and extensive experience, the Group participated in the search and rescue mission of the escape tower from China's crewed spacecraft. On October 30, 2024, Inner Mongolia Juli Engineering and Blasting Services Limited took part in the search and rescue operation for the escape tower of the Shenzhou-19 crewed spacecraft. In collaboration with military units, public security authorities, emergency management agencies, and medical institutions, this company formed a joint search and rescue team. Utilising specialised equipment, the team swiftly conducted search operations in a complex environment, successfully locating and recovering the escape tower debris. This achievement provided critical support for subsequent technical analysis.

The Group's involvement in this mission not only demonstrated its emergency response capabilities in extreme conditions but also contributed to the development of China's space industry through practical actions.



Participation in the search and rescue operation for the escape tower of the Shenzhou-19 crewed spacecraft

Employee Health and Safety

The Group strictly complies with the *Occupational Disease Prevention and Control Law of the PRC* and other relevant regulations. We have established the *Occupational Health Management System* to comprehensively build and implement an occupational disease prevention framework. The Group actively cooperates with the government's supervision and inspections, promptly addressing identified issues to ensure employee health and safety. Several subsidiaries within the Group have obtained certification under the Occupational Health and Safety Management System (GB/T45001-2020/ISO45001:2018).

The Group has implemented robust occupational hazards prevention and control, including comprehensive identification of occupational hazards in the workplace, such as dust, noise, and chemical substances. Engineering measures like ventilation systems and automated equipment have been deployed to minimise employee exposure to harmful environments, addressing risks at the source. Meanwhile, personal protective equipment such as masks, earplugs, and protective gloves has been provided to employees, alongside training on proper usage to reduce risk exposure as much as possible. In accordance with the *Industrial Hygiene Design Standard*, the Group commissions certified monitoring institutions to conduct regular dust monitoring, ensuring risks remain controlled and manageable.

The Group has established a comprehensive occupational health monitoring system to ensure the effective implementation of all occupational health measures, including pre-employment and periodic on-the-job health checks for employees to promptly detect potential occupational disease symptoms. For high-risk separated employees, the Group has provided post-employment medical examinations such as lung function tests and hearing tests. The Group has also established individual occupational health records for each employee, dynamically updating their records to track changes in their health status.

Additionally, the Group has organised multiple occupational health training sessions to impart knowledge to employees on hazard identification, application of protective measures, and emergency procedures, therefore effectively enhancing employees' occupational health awareness and self-protection capabilities. Meanwhile, the Group has adequately stockpiled emergency supplies such as first-aid medications and protective equipment, and regularly checked the validity of these supplies to ensure prompt and effective implementation of rescue and control measures in the event of an incident.

Case:

Anhui Jinding provided new employees with safety production and occupational health training, focusing on occupational disease hazards, prevention measures, and key safety production points. Employees must pass an assessment before commencing work. This initiative empowered employees to enhance safety awareness, master protective skills, and reduce the risks of accidents and occupational illnesses.



Anhui Jinding New Employee Health and Safety Training

Environmental Protection, Ecological Sustainability

The Group consistently takes environmental protection and resource management as a key strategic priority. It strictly controls environmental factors in operational processes to ensure compliance with environmental standards, while optimising resource and energy management to improve utilisation efficiency and reduce waste. Furthermore, the Group has actively implemented measures to protect the ecological environment and address climate change challenges, practically embracing the concept of green development. By safeguarding lush mountains and clear waters, the Group contributes to the sustainability of our earth.

Emission Management

The Group strictly complies with relevant laws and regulations regarding exhaust gas and greenhouse gas emissions, sewage and land pollution, and waste generation and disposal, including but not limited to the *Environmental Protection Law of the PRC*, the *Air Pollution Prevention and Control Law of the PRC*, the *Solid Waste Pollution Prevention and Control Law of the PRC*, the *Water Pollution Prevention and Control Law of the PRC*, and the *Soil Pollution Prevention and Control Law of the PRC*. The Group has formulated and implemented environmental protection management measures such as the *Pizu Group Safety Production and Environmental Protection Regulations (Trial)*, while actively promoting the construction of standardised environmental management systems. Several subsidiaries of the Group have obtained certification for their environmental management systems (GB/T24001-2016/ISO14001:2015).

To fully implement environmental protection initiatives, the Group aims for compliant emissions of exhaust gases, wastewater, and waste. Subsidiaries have established environmental management systems based on actual operational conditions and formed Environmental Management Committees, composed of corporate leaders, senior management, and factory/department heads. These committees are responsible for disseminating national environmental policies, formulating environmental management documents and policies, supervising the operation of environmental management systems, ensuring accountability across departments, fulfilling primary environmental protection responsibilities, and effectively advancing ecological and environmental conservation efforts. During the Reporting Period, the Group issued the *Pizu Group Safety Production and Environmental Protection Regulations (Trial)*, requiring subsidiaries to strengthen environmental target responsibility and evaluation mechanisms to prevent major environmental incidents. Environmental prevention and control plans were developed to address pollutants such as exhaust gases, wastewater, waste, and noise. Additionally, the Group has enhanced environmental management awareness and capabilities through improving environmental protection learning and advocacy. Therefore, subsidiaries organised various specific environmental protection training :

- Dissemination and implementation of environmental laws and regulations;
- Introducing pollution prevention and control measures by presenting demonstrations and case studies;
- On-site demonstrations of environmental equipment operations and measures;
- Special environmental training for new employees;
- World Environment Day training on June 5, etc.

Air Pollutants

Air pollutants generated by the Group primarily originated from fossil fuel usage in boilers and engineering equipment, as well as operational processes, including nitrogen oxides, sulfur oxides, and dust. The Group is committed to reducing pollutant emissions by strictly adhering to environmental laws and regulations to improve pollutant management, prevention and control, and has implemented emission monitoring.

To minimise air pollutant generation and mitigate environmental impact on the surrounding environment. On the one side, the Group has improved the operation and maintenance of environmental protection facilities by installing efficient desulfurisation equipment and dust removal systems for boilers and production facilities, achieving a desulfurisation efficiency of over 96% and a dust removal efficiency of over 95%. High-quality refined coal has been used to reduce pollution brought by impurities. The Group has also deployed spraying equipment to suppress dust at sources such as mining areas and factories. For instance, in the mining business, wet drilling has been adopted, and water spraying for dust removal has been carried out after blasting.

Greenhouse Gases

The Group actively responds to the national “Carbon Peak” and “Carbon Neutrality” (“Dual-Carbon”) strategies, adopting energy-saving measures to reduce greenhouse gas emissions. Details on resource and energy management are outlined in the “Resource and Energy Management” section of the ESG report.

The Group is committed to the goal of reducing greenhouse gas emissions and has actively implemented several emission reduction measures. These include actively encouraging employees to use electric vehicles or electric buses for travel; formulating conservation policies for business travel to promote the adoption of video conferences and telephone conferences, thereby reducing the frequency of company vehicle use and encouraging the use of public transportation; planting flowers, grass and trees in office areas, production areas and surrounding regions to increase vegetation coverage, which helps improve the air quality in the surrounding areas and absorb greenhouse gases.

Wastewater

The Group has conducted wastewater treatment and discharge in accordance with relevant wastewater treatment regulations. Wastewater treatment facilities have been equipped and regularly maintained to ensure effective operation. In addition, the Group has continuously enhanced wastewater treatment efforts by upgrading and renovating wastewater facilities to elevate their treatment capacity. Moreover, rainwater and sewage separation systems have been deployed and improved across facilities. Wastewater and rainwater are collected and treated before being discharged in compliance with standards. The Group has entrusted third-party testing agencies or government authorities to conduct regular emission testing of pollutants generated during production and operation. Online monitoring devices have been deployed at discharge outlets for real-time tracking of chemical oxygen demand, ammonia nitrogen, pH, and flow rate, with data linked to local environmental bureaus to ensure that wastewater discharge meets national standards.

Waste

The Group adheres to the principles of reduction, reuse, and recycling to achieve comprehensive waste management, with the dual objectives of minimizing waste generation and enhancing the comprehensive utilisation of waste. By implementing classified waste management and ensuring compliant disposal, the Group promotes recycling and reusing waste, therefore contributing to the circular economy.

During production and operations, the Group generated non-hazardous waste, primarily consisting of tailings and domestic waste, as well as hazardous waste, including expired or used laboratory chemicals, waste oil, and batteries. For non-hazardous waste, most tailings were utilised for backfilling underground goaf areas, while the remainder was dewatered in dry drainage workshops and either sold to qualified entities for reuse in building materials or disposed of compliantly in tailings reservoirs. Domestic waste was sorted and collected by qualified third-party service providers for disposal or recycling. Hazardous waste, such as waste from production processes, was stored in designated facilities as required by environmental approvals and entrusted to qualified units for disposal. Office-generated hazardous waste, including ink cartridges and fluorescent tubes, was collected separately in dedicated bins and managed by qualified units. The Group has also encouraged employees to conduct paperless office practices to reduce the generation of hazardous waste like ink cartridges.

During the Reporting Period, Tibet Tianren actively participated in hazardous waste environmental management training workshops organised by local regulatory authorities. These sessions covered the interpretation of laws and regulations related to hazardous waste management and treatment, analysis of typical cases, and best practices, thereby enhancing the Group's hazardous waste management capabilities and supporting eco-friendly initiatives in Tibet.

Resource and Energy Management

During operations, the Group primarily utilises fossil energy, electricity, water, and other raw materials. The Group strictly complies with the *Energy Conservation Law of the PRC* and other resource-and energy-related regulations, actively responds to national policies such as the *14th Five-Year Plan for Energy Conservation and Emission Reduction*, implements efficient management of resources and energy, and advances green transformation.

Energy

The Group has established the *Energy Control Procedure* and multiple management approaches, including energy measurement, statistics, quotas, and benchmarking. To reduce energy consumption, the Group has monitored and managed energy use while implementing a series of energy-saving measures to achieve energy conservation and consumption reduction.

The Group has proactively utilised clean energy sources, including heat supplied by clean energy providers, and used solar-powered systems for factory-area streetlights and water heating systems in the dormitory, canteen and bathroom facilities. Moreover, high-efficiency processes and equipment are prioritised. Office lighting has been fully upgraded to energy-saving lamps with motion-sensor controls to prevent unnecessary corridor lighting at night to reduce energy waste. Moving forward, the Group will continue to advance energy-saving and emission reduction efforts and practice eco-friendly philosophies.

Water Resources

The Group attaches great importance to the efficient use of water resources, formulating water usage policies and promoting water-saving measures across all business segments with the goal of improving water efficiency, continuously enhancing water resource utilisation. Since the Group has fully considered water intake during project design, researching water resource distribution and precipitation in the project locations to select suitable construction areas, there were no issues with water source acquisition during the Reporting Period. To achieve water-saving objectives, the Group has implemented reclaimed water recycling measures at various business sites, including collecting boiler steam via condensation tanks for reuse in boilers; using wastewater purified by water treatment equipment for toilet flushing; and applying sedimentation-treated sewage and domestic wastewater for landscaping purposes. Employees are also reminded to turn off faucets after use, water-saving toilets have been installed, and leaking fixtures are promptly repaired to avoid unnecessary water waste.

Packaging Materials

The Group's primary packaging materials include paper, plastic, metal, and fabric. To reduce consumption, we encourage customers to return packaging for reuse, adopt biodegradable materials to minimise environmental impact, and use recycled materials to lower resource depletion.

Green Living

The Group actively promotes energy conservation and environmental protection in daily life, continuously enhancing employees' environmental awareness through the following measures:

- Maintaining office air conditioning at 25°C for energy savings and setting idle computers to power-saving mode;
- Requiring employees to turn off non-essential equipment and machinery after working hours;
- Encouraging double-sided printing and paperless operations;
- Donating obsolete electronic devices to charity groups or recycling by companies;
- Organising regular environmental training to strengthen employees' conservation awareness.

Ecological Protection

The Group strictly complies with laws, regulations and relevant policy requirements related to minimising significant impacts on the environment and natural resources, including but not limited to the *Environmental Impact Assessment Law of the PRC* and the *Soil and Water Conservation Law of the PRC*, and is committed to implementing ecological protection work. The Group has carried out environmental impact assessment for construction projects as required, identified key environmental impact factors, formulated and implemented various environmental protection measures. During engineering construction, mining and project operation, strict ecological protection management has been implemented to ensure that the impact of operations on the ecological environment is minimised.

The Group has established a sound emergency management system and plans for sudden environmental incidents, covering command systems, emergency response, emergency support, damage assessment, incident investigation and post-incident handling. In the event of a sudden environmental incident, the Group will immediately activate its environmental emergency plan to implement environmental impact control.

For the mining business, the Group has implemented mine geological environment protection work in strict compliance with laws and regulations on the protection of mining resources. The Group has formulated and implemented ecological restoration and land reclamation to promote the rational development and utilisation of mineral resources and the coordinated development of economy, society, resources and environment. At the same time, the Group fully implements the requirements of the *Implementation Opinions on Accelerating the Construction of Green Mines* and other relevant regulations, and has actively carried out the construction of green mines. Anhui Jinding was officially listed in the provincial green mine directory by Anhui Provincial Department of Natural Resources in September 2023 after a public announcement.

The Group has actively carried out greening work in its plant areas. We have planted grass and shrubs around tailings ponds and planted green belts and trees in open spaces in mining areas to increase the greening rate and solidify soil and water. Meanwhile, the Group has encouraged subsidiaries to carry out voluntary tree-planting activities, contributing to ecological protection and building a beautiful green home together.

Addressing Climate Change

With the increasing adverse impacts brought by climate change, such as the rising frequency of extreme weather events and the intensification of global warming, enterprises therefore face more climate-related risks and should strengthen their climate resilience to actively address climate change. The Group actively addresses the international framework of the *Paris Agreement* and the national Dual-Carbon strategic goals. Based on the TCFD recommended framework, the Group formulated corresponding management strategies through systematically identifying climate-related risks and opportunities within its operational scope. Thereby, we could effectively control climate change risks, seize transformation opportunities, and enhance our climate response capabilities and climate resilience. The Group continues to advance climate-related management and information disclosure across four dimensions: “governance-strategy-risk management-metrics and targets”.

Climate Governance

Climate-related matters constitute a key component of the Group's ESG management system, managed by members of the ESG governance structure. The Board regularly oversees climate-related matters and risks at Board meetings and ensures their integration into the Group's development strategies. The ESG Working Group is responsible for the effective governance of environmental, social, and climate-related matters within the Group's operations, including but not limited to identifying and assessing climate-related risks and opportunities, formulating climate response strategies, etc. The ESG Working Group also collaborates closely with various departments and subsidiaries of the Group to advance the implementation of climate strategies and regularly reports to management on goal achievement progress and work progress.

Climate Strategy

The Group attaches great importance to climate-related risks and opportunities and their impacts on its business. It has identified and evaluated the potential impacts and development opportunities of climate-related matters on the Group while defining response strategies.

Climate-Related Risk Impacts and Responses

Climate-related Description	Risk	Potential Financial Impact	Key Response Measures
Physical Risks			
Acute Risks			
<ul style="list-style-type: none">● Increased frequency and intensity of extreme weather events (such as typhoons and floods) may cause damage to equipment and factories● Increased drought risks may trigger water supply restrictions● Increased risk and severity of wildfires may lead to production disruptions and economic losses	<ul style="list-style-type: none">● Operating and maintenance costs may increase● Revenue may decrease	<ul style="list-style-type: none">● Closely monitor and regularly update climate data to understand climate change conditions, and issue timely warnings to adjust work plans● Strengthen EHS (Environment, Health and Safety) management and formulate measures and work plans to address extreme weather● Reinforce outdoor equipment to prevent damage from strong winds, floods, etc.● Enhance equipment and facility maintenance to ensure smooth drainage systems, and add temporary protective measures such as sandbags and waterproof tarps to protect critical facilities	
Chronic Risks			
<ul style="list-style-type: none">● More frequent and intense extreme weather changes, such as frequent heat waves and cold snaps, may affect facility operations	<ul style="list-style-type: none">● Revenue may decrease due to decreased production	<ul style="list-style-type: none">● Plan facility upgrades to enhance their ability to cope with climate change and improve long-term climate resilience	

<ul style="list-style-type: none"> ● Increased vulnerability of ecosystems may lead to earthquakes, affecting mining operations and increasing operational and safety risks 	<ul style="list-style-type: none"> ● Maintenance costs may increase ● Operating costs may increase 	<ul style="list-style-type: none"> ● Install cooling and heating facilities to ensure safe operation of facilities
Transition Risks		
Policy and Legal Risks		
<ul style="list-style-type: none"> ● Governments may introduce stricter environmental and safety regulations requiring metal mines, factories, and blasting product production sites to upgrade safety facilities and reduce noise and water quality impacts ● International, national, and regional greenhouse gas emission restriction treaties may increase additional expenses ● Failure to comply with stricter climate change regulations may lead to litigation risks 	<ul style="list-style-type: none"> ● Compliance costs may increase ● Operating costs may increase 	<ul style="list-style-type: none"> ● Closely monitor the latest policies, regulations, and treaties to avoid non-compliance and cost increases ● Actively implement compliance requirements in accordance with laws and regulations to avoid unnecessary costs due to non-compliance
Technological Risks		
<ul style="list-style-type: none"> ● Transition to a low-carbon economy, implementation of energy-saving strategies and low-carbon production may increase technological innovation costs 	<ul style="list-style-type: none"> ● Research and development costs may increase 	<ul style="list-style-type: none"> ● Increase investment in technological innovation and vigorously develop low-carbon and energy-saving technologies
Market Risks		
<ul style="list-style-type: none"> ● Increased public awareness of climate change may affect demand for low-carbon products and services, impacting markets for civil explosives, blasting services, minerals, etc. ● Rapid development of non-traditional oil and gas resources, alternative energy, new energy, and new products may bring competitive pressures 	<ul style="list-style-type: none"> ● Revenue may decrease due to reduced commodity demand and production capacity ● Operating costs may increase ● Production costs may increase 	<ul style="list-style-type: none"> ● Monitor market trends, implement clean production, reduce unit costs, and improve efficiency ● Develop energy-saving and consumption-reduction strategies to enhance the high-quality sustainable development capabilities of mining areas ● Incorporate climate factors into investment decision-making processes and increase investment in new energy and alternative energy

<ul style="list-style-type: none"> ● Fierce competition for foreign resources and overcapacity may lead to price declines 	<ul style="list-style-type: none"> ● Operating income may decrease 	
Reputational Risks		
<ul style="list-style-type: none"> ● Failure to achieve low-carbon development goals or deviation from expected roadmaps and measures may negatively impact the Group's reputation and image ● Climate-related litigation may affect the Group's reputation and image ● Standardisation, green and low-carbon factories for civil explosive products, and metal mines have become key external labels of the Group. Failure to achieve development goals or encountering unexpected obstacles in achieving them may negatively impact the Group's reputation and image 	<ul style="list-style-type: none"> ● Operating costs may increase ● Operating income may decrease 	<ul style="list-style-type: none"> ● Accelerate low-carbon transformation, achieve enterprise standardisation, and develop green mines ● Expand external communication and engagement ● Improve the level of corporate sustainable development and enhance the quality and transparency of ESG information disclosure

Climate-related Opportunity and Impacts

Climate-related Opportunity Description	Potential Financial Impact	Key Response Measures
Resource Efficiency		
<ul style="list-style-type: none"> ● Adopt efficient transportation, production, and distribution methods to improve production efficiency ● Promote circular use of resources and reduce resource consumption 	<ul style="list-style-type: none"> ● Operating costs may decrease 	<ul style="list-style-type: none"> ● Continuously monitor and apply high-efficiency production methods and equipment ● Promote clean production
Energy Sources		
<ul style="list-style-type: none"> ● Use low-emission or renewable energy sources to reduce dependence on fossil 	<ul style="list-style-type: none"> ● Operating costs may decrease ● Cash flow stability may increase 	<ul style="list-style-type: none"> ● Adopt renewable energy sources ● Monitor and apply new energy-saving technologies

<ul style="list-style-type: none"> fuels and mitigate energy crisis risks ● Adopt new technologies to reduce energy consumption 	<ul style="list-style-type: none"> ● Return on low-emission technology investments may improve 	
Products and Services		
<ul style="list-style-type: none"> ● Develop new products or services through research and development and innovation to meet market demands ● Diversify business to enhance market adaptability 	<ul style="list-style-type: none"> ● Operating income may increase 	<ul style="list-style-type: none"> ● Launch products or services that meet market demands
Market		
<ul style="list-style-type: none"> ● With increased consumer awareness of green and low-carbon practices, markets favor green and low-carbon products and services. Therefore, enterprises with green and low-carbon advantages are more likely to be welcomed by the market and enter emerging markets 	<ul style="list-style-type: none"> ● Operating income may increase 	<ul style="list-style-type: none"> ● Launch products or services that meet market demands and enter emerging markets ● Promote corporate green and low-carbon transformation
Adaptability		
<ul style="list-style-type: none"> ● Develop extreme weather response strategies and action plans in response to climate change to enhance risk management capabilities and market competitiveness ● Participate in renewable energy programs and implement energy-saving measures to reduce energy consumption ● Achieve resource substitution or diversification to reduce dependence on fossil fuels ● Enhance product or service diversity to meet 	<ul style="list-style-type: none"> ● Operating income may increase ● Operating costs may decrease ● Cash flow stability may decrease ● Market valuation may increase 	<ul style="list-style-type: none"> ● Enhance market valuation through climate adaptability planning (e.g., infrastructure, land, and buildings) ● Enhance supply chain reliability and operational capabilities under various conditions ● Adopt renewable energy and high-efficiency equipment and facilities ● Develop new adaptability-related products and services

market demands in climate change scenarios		
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Climate Risk Management

The Group has integrated climate risk management into its risk management processes. Through business value chain analysis and in accordance with the latest climate information disclosure guidelines of the Stock Exchange and the TCFD recommended framework, combined with scenario analysis methods, reference is made to the Turquoise Scenario (*Paris Agreement*-aligned scenario, with global temperature rise of 1.5°C to 2°C by 2100) and the Brown Scenario (greenhouse gas scenario, with global temperature rise of 4°C to 5°C by 2100) to carry out climate-related risk identification, assessment, and management. Risk assessment uses standardised risk-based methods, incorporating national and local data, and expert knowledge to analyse how climate change may complicate existing risks or generate new risks. The specific steps taken are as follows:

Step 1: Establish Context

- Goals/Objectives: Clarify the objectives and expected outcomes of the assessment;
- Scope: Define the assessment scope and business areas involved;
- Timeframe: Set the time framework for the assessment;
- Climate Change Scenarios: Consider major climate change scenarios in the regions where operations are conducted.

Step 2: Identify Climate-related Risks

- Historical Climate Disaster Records: Identify past climate disaster records in the region;
- Existing Risk Management Strategies: Evaluate risk management strategies developed to address future disasters.

Step 3: Identify Future Risks and Opportunities

- Climate Change Projections: Explore climate change projections under selected timeframes and emission scenarios;
- Potential Crises: Identify possible potential crises;
- Future Changes in Existing Risks: Investigate whether the existing risks identified in Step 2 may deteriorate under future projected changes;
- New Risks: Identify new risks that may emerge under future projected changes.

Step 4: Analyse and Evaluate Risks

- Decision Scope or Systems: Identify a range of decision-making scopes or systems that may face risks in the future, including regions, business operations, assets, ecosystems, etc.

Climate Metrics and Targets

The Group has continuously promoted greenhouse gas emissions reduction and energy use efficiency improvement, and has set specific objectives for environmental aspects such as greenhouse gases and energy use, while implementing energy conservation and emission reduction measures. For details, please refer to the “Emissions Management” and “Resource and Energy Management” sections of the ESG Report.

The Group annually compiles annual greenhouse gas emission data. For specific greenhouse gas emission data during the Reporting Period, please refer to the “Environmental Key Performance” section of the ESG Report.

Innovation Leading, Excellence in Quality

The Group has always regarded product quality as its lifeline by strictly implementing quality management, tightly implementing supply chain management, and establishing long-term and stable cooperative relationships with high-quality suppliers, therefore ensuring the high-quality supply of raw materials. Meanwhile, the Group highly values consumer rights and interests, adopts a customer-centric approach, and provides high-quality, safe, and reliable products and services. Additionally, the Group continues to invest in research and development innovation, continuously launches high-quality products that meet market demands, drives development with innovation, empowers operations with digitalisation, and wins the future with quality.

Product Quality

The Group strictly complies with laws and regulations such as the *Product Quality Law of the PRC* and the *Consumer Rights Protection Law of the PRC* to ensure product health and safety. The Group has established a comprehensive production management system, including a series of product quality management systems such as the *Raw and Auxiliary Material Inspection System*, the *Product Quality Supervision and Inspection Management System*, and the *Online Quality Control System*, covering the entire process from product research and development, production, to storage. Multiple subsidiaries of the Group have obtained Quality Management System Certifications (GB/T19001-2016, ISO9001:2015).

The entire production process of raw materials, semi-finished products, and finished products of the Group is strictly monitored by its quality department. Only products that pass all tests and quality inspections can be delivered to customers. For the civil explosives business, the Group enforces strict source control: unqualified raw and auxiliary materials are never put into production, and unqualified semi-finished products are never allowed to flow into the next production process. The Group has established quality control and inspection systems such as the *Physical and Chemical Analysis Quality Management System* and the *Explosive Performance Test Quality Management System*, and has established an internal physical and chemical analysis laboratory to conduct various tests and sampling inspections, including sympathetic detonation, brisance, and detonation velocity, to evaluate product quality and safety. The Group has also regularly submitted samples to the National Civil Explosives Quality Inspection Centre for testing to ensure compliance with relevant specifications and safety requirements. At blasting production sites, the Group implements a security cordon and perimeter control during operations, strictly prohibiting the use of expired or non-compliant detonators or explosives to ensure safety. Post-blasting inspections are conducted to verify whether the blasting effects meet the expected results. For the mining business, the Group's quality inspection department tests key indicators such as product moisture content and metal content, and sends samples of high-value mining products to third-party testing institutions for compliance testing before sale, ensuring product eligibility for market release.

The Group has established detailed product recall management measures and procedures. According to the *Quality Management System*, if a product recall is confirmed necessary, the Group will assist customers in handling legal procedures with public security authorities, cooperate with product recall, and handle the products according to the substandard products and waste material quality management systems and other relevant measures.

The Group strictly complies with the mandatory standards for product safety performance in the *Product Quality Law of the PRC*, labeling product information such as name, ingredients, execution standard, and warning signs. We also strictly comply with the *Advertising Law of the PRC* to ensure that advertisements are truthful and legal. The content of bilingual brochures is strictly reviewed by various departments to ensure that no false propaganda or misleading information is included.

Supply Chain Management

The Group is committed to building a sustainable supply chain together with suppliers, continuously improving its supplier management system by formulating internal documents such as the *Materials Procurement Management System* and the *Supplier Management Measures*. These measures strictly govern supplier screening, qualification, evaluation, and audit processes to effectively manage environmental and social risks in the supply chain.

In the process of selecting suppliers, the Group has conducted qualification reviews, performance and reputation assessments, product quality and technical capability evaluations. Meanwhile, the Group comprehensively considers suppliers' production environment, employee benefits, pollution control measures, and other environmental and social performance factors, and requires suppliers to provide qualification certificates for verification, such as environmental management system certifications, quality management system certifications, etc. Furthermore, the Group has established corresponding screening methods for different types of suppliers:

- The determination of suppliers for major hazardous chemicals, especially those directly affecting quality and safety (such as detonators, explosives, etc.), must undergo small-scale production trials. Suppliers are only added to the qualified supplier list after passing storage performance tests and all other inspections, and are registered and archived in accordance with ISO9001:2015 standards.
- The determination of component suppliers must be responsible by the Engineering Business Department for product application validation. Suppliers are selected through comparative quality and price evaluation after being assessed as reliable in terms of supply capacity, reputation, and service. The Engineering Division Department conducts an annual comprehensive evaluation to track and manage suppliers.
- For bulk materials and equipment eligible for tender procurement, the Group establishes a bidding team to select suppliers from the qualified supplier list or those meeting eligibility criteria through organised bidding meetings.

The Group advocates green procurement by prioritising suppliers with superior environmental and social performance under otherwise equal conditions. We require suppliers to ensure intact product packaging to prevent environmental pollution caused by damaged packaging, and also require suppliers to use environmentally friendly vehicles during transportation to reduce vehicle emissions.

To ensure that suppliers continuously meet screening and qualification standards, the Group conducts regular evaluations, dynamic assessments, and quantitative indicator-based evaluations. Through meetings, discussions, and on-site inspections, suppliers are reviewed to promote ongoing compliance. All suppliers must comply with all applicable laws and regulations. In the event of any violations, the Group will terminate the supplier relationship.

Consumer Rights and Benefits

The Group has established systems such as the *Quality Information Feedback Management System* and the *Product Quality Accident Management System*. When receiving customer feedback on product quality, the Group's sales personnel will immediately communicate with the customers and promptly report the relevant situation to the quality and technical management departments. Subsequently, the quality and technical management departments will organise an investigation and provide the findings back to the customers as soon as possible. If the situation is verified, the Group will actively negotiate and resolve the quality issues based on customer feedback. Meanwhile, adhering to the “Four Nos” principle, the Group has formulated corresponding preventive and corrective measures to prevent the recurrence of similar issues. In addition, the Group regularly distributes customer satisfaction surveys and conducts periodic telephone follow-ups to understand customers' opinions and suggestions on the products and services.

“Four Nos” principle:

- No closure until responsibilities are clarified;
- No closure until responsibilities are assigned to accountable persons and the accountable persons are disciplined;
- No closure until corrective and preventive measures are implemented;
- No closure until the incident accountable persons and relevant personnel have received education.

The Group strictly complies with laws and regulations such as the *Personal Information Protection Law of the PRC* and the *Cybersecurity Law of the PRC*. We also have established information security management measures and confidentiality policies to implement information security and privacy protection work. The Group requires employees to sign confidentiality agreements and fully comply with guidelines prohibiting any unauthorised disclosure of confidential information.

Research and Development Innovation

The Group highly values research and development and innovation, having established research and development systems such as the *Enterprise Research and Development Project Management System* and the *Organisational Implementation and Incentive System for Achievement Transformation* to continuously enhance its independent innovation capabilities. The Group has continuously improved its research and development system and increased investment in research and development technology, introducing and cultivating a team of high-level technical and managerial talents. Meanwhile, the Group maintains long-term and stable industry-university-research cooperation relationships with higher education institutions to enhance its innovative capabilities. Some subsidiaries of the Group, due to their outstanding research and development and innovation capabilities, have been recognised as “National High-Tech Enterprises” and “Enterprise Research and Development Centres”, and have obtained numerous utility model patents and invention patents. During the Reporting Period, the Group obtained 35 invention patents and 28 utility model patent authorisations. The total number of valid patents was 86.

The Group also places a high emphasis on intellectual property protection and strictly complies with laws and regulations such as the *Copyright Law of the PRC* and the *Patent Law of the PRC*. We have established internal management measures such as the *Intellectual Property Management Measures*, clarifying the management regulations, responsibilities, requirements, and reward and punishment systems for intellectual property, comprehensively strengthening the creation, utilisation, protection, and management of intellectual property. This enhances the company's core competitiveness and actively prevents intellectual property infringement risks. In addition, the Group also values new technological transformations such as digitalisation and intelligence, actively promoting enterprise management innovation and business model upgrading. On the one hand, we apply business information platforms to improve operational efficiency; on the other hand, we utilise intelligent equipment such as unmanned operation vehicles and robots to reduce operational safety risks, ensure inherent safety, and inject new momentum into sustainable development.

Case:

During the Reporting Period, Anhui Jinding continued to increase the level of intelligent management of the mine, and has established a mine command supervision and inspection platform, thereby enabling real-time monitoring and management of underground operations in the mine, effectively reducing the number of underground workers, and achieving precise positioning underground, mechanisation, and automation, promoting cost reduction and efficiency enhancement for the enterprise, and achieving inherent safety.



Anhui Jinding's Mine Command Supervision and Inspection Platform

People-oriented, Community Co-construction

The Group adheres to the concept of diversity and inclusion, upholds the principle of equal employment, safeguards employees' rights and interests, and cares for employee welfare, actively creating a warm workplace. Moreover, we continuously improve the training system to help employees enhance their skills and career growth, providing employees with broad development opportunities. Meanwhile, the Group actively responds to the “Belt and Road” initiative, expands overseas markets, and increases international influence. We also proactively fulfill corporate social responsibilities by promoting rural revitalisation, supporting education and public welfare, thereby conveying warmth and care.

Equal Employment

The Group strictly complies with labour-related laws and regulations, including the *Labour Law of the PRC*, the *Labour Contract Law of the PRC*, the *Social Insurance Law of the PRC*, the *Regulations on the Prohibition of Child Labour*, and the *Employment Ordinance* (Cap. 57 of the Laws of Hong Kong). The Group has formulated and is continuously improving human resource management systems such as the *Employee Handbook*, covering policies on remuneration and termination, recruitment and promotion, working hours, leave, equal opportunities, diversity, anti-discrimination, other benefits, and the prevention of child labour or forced labour.

The Group strives to create a fair and diverse employment environment, adheres to the principle of equal employment, and proactively promotes the localisation talent strategy. By prohibiting discrimination based on gender, age, disability, religion, race, etc., it is able to ensure that every employee works in an equal atmosphere. The Group attracts talents through multiple channels such as campus recruitment, local government job fairs, and online recruitment. During the recruitment process, the Group strictly verifies the information of applicants and resolutely prohibits hiring minors under the age of 16. In the event of child labour discovery, the Group will immediately handle the issue according to relevant laws and regulations, conduct investigations, take remedial measures, and prevent the recurrence of such incidents. Employees have legally entered into labour contracts with the Group, specifying matters such as remuneration and benefits, position and grounds for termination of employment.

In terms of compensation, the Group has established a remuneration and benefits management system, implemented a performance evaluation system, adhering to principles such as position-based pay, labour-based remuneration, efficiency-prioritised principles, and equity-considered fairness. This ensures that employees receive competitive remuneration and opportunities for career advancement. The compensation structure includes basic salary, performance bonus, position allowance, and other incentives and benefits.

In accordance with the provisions of the *Pizu Group Employee Handbook* and the *Personnel Management System*, the Group has established a clear promotion system comprising three pathways: job level promotion, skill advancement, and management leadership promotion. Based on employees' performance evaluation results, the Group gives priority to promoting those with excellent performance and outstanding achievements.

In terms of working hours and leave, the Group implements a 40-hour workweek system, specifying that weekly working hours shall not exceed 40 hours (average 8 hours per working day). It guarantees all employees' rights and benefits to enjoy paid annual leave, statutory public holidays, marriage leave, mourning leave, maternity leave, paternity leave, family visit leave, and other leave, strictly prohibiting forced labour. If overtime working hours on weekdays and rest days are required due to work reasons, the *Labour Contract Law of the PRC* and relevant internal regulations shall apply.

The Group has established a resignation process in compliance with relevant laws and regulations, ensuring the procedure is legally compliant and fully protects employees' rights and interests. As required, employees must submit a 30-day prior resignation notice, which must be approved by the General Manager before completing legal procedures and work handovers.

The Group adheres to international standards such as the *International Covenant on Human Rights* and the *Universal Declaration of Human Rights*, strengthens employment practices and standards to prevent forced labour, and has established a mechanism for investigating and addressing employment violations. The Group has also conducted regular self-inspections of employment practices. In the event of violations, the Group will immediately take action in accordance with relevant laws and regulations, conduct investigations, and implement corrective measures to prevent recurrence.

Training and Development

The Group is committed to continuously promoting the development of employees. We have established a comprehensive employee training system and framework and provide diversified training programs to meet the needs of different levels and positions, aiming to enhance employees' overall competencies and support their career growth.

The Group's training initiatives are mainly categorised into internal and external programs. Internal training mainly includes onboarding training, job transfer training, specialised training for specific personnel, pre-operation training, thematic training, and skill enhancement training. During the Reporting Period, in addition to regular safety training, the Group launched group-wide training for safety management personnel. External training includes various training courses organised by external institutions and field visits for management or professional personnel.

Through accurate training needs analysis, strict training discipline, and post-training evaluations, the Group ensures the standardisation and effectiveness of its training programs. By implementing a systematic training mechanism, the Group aims to build a solid talent pipeline for long-term development. During the Reporting Period, apart from safety production-related training, subsidiaries conducted task-specific training based on operational needs, including annual training for blasting operators, specialised training for special positions, and skill enhancement programs to improve employee proficiency.

Case:

To enhance the safety awareness, professional skills, and operational levels of blasting personnel, Shaanxi Xiaoshan Chuan has provided professional training for its employees and requires all blasting personnel to complete sufficient hours of training annually. During the Reporting Period, Shaanxi Xiaoshan Chuan, in collaboration with external organisations, organised systematic blasting operations training. Employees learned core content such as blasting theory, practical drills, and the use of safety equipment, thereby mastering cutting-edge blasting technologies. Through this training, the professional capabilities and safety awareness of the blasting personnel were effectively enhanced, providing strong support for employee career development and enterprise safety production.



Annual Training of Blasting Personnel of Shaanxi Xiaoshan Chuan

Employee Care

The Group is dedicated to fostering a dynamic, motivated, and cohesive work environment that prioritises employee care. In compliance with the laws and regulations of the jurisdictions where it operates, the Group provides comprehensive benefits packages, individual insurance and discretionary bonuses, including pension insurance, unemployment insurance, medical insurance, work-related injury insurance, maternity insurance, and housing provident funds for Mainland China employees, provides safety production liability insurance for frontline staff; and the Mandatory Provident Fund (MPF) retirement scheme for employees in Hong Kong, China. Additionally, the Group offers festive gifts, health check-ups, and other welfare benefits to enhance employee satisfaction and foster mutual growth between employees and the Group.

Moreover, recognising the importance of employee activities and care, the Group integrates corporate culture development with operational activities and workforce management. Through a rich variety of activities and caring initiatives, we have enhanced the cohesion and sense of belonging among employees. During the Reporting Period, the Group organised diverse thematic employee activities around key festivals and campaigns, including International Women's Day (March 8th), International Labour Day (May 1st), Work Safety Month, Quality Awareness Month, National Day (October 1st) celebrations, New Year's Day events, as well as skill proficiency competitions and knowledge contests. These initiatives enriched employees' cultural lives while strengthening team cohesion.



Bayannur Shengan Chemical Limited Organised Employee Knowledge Contests

The “Belt and Road” Initiative Collaboration

The Group actively responds to the national “Belt and Road” Initiative, seizing the opportunity of increased demand for civil explosives in countries along the route to expand its civil explosives production and sales into Central Asia. By doing so, it not only provides high-quality products and services to local mining enterprises but also contributes to the economic and social development of the countries along the “Belt and Road” corridor.

On March 20, 2017, the Group established KM Muosir Limited Liability Company in Tajikistan invested in factory construction to engage launched civil explosives production and sales operations. This initiative achieved localised production of industrial explosives, enabling the Group to provide high-quality products to local mining enterprises in a more efficient and cost-effective manner. By forming a closed-loop service model encompassing “Equipment Supply–Blasting Services–Mining Construction Contracting”, the Group enhanced the supply chain resilience of its mining clients. In September 2024, the groundbreaking ceremony for the Group's detonator with shock-conducting tube project was honored by the personal attendance and participation of Tajikistan's President Emomali Rahmon. The launch of this project is expected to stimulate local economic growth through the production of high-quality products. In December 2024, following the successful export of emulsion explosives, KM Muosir Limited Liability Company achieved another milestone by exporting detonator with shock-conducting tube to Uzbekistan. These detonators have obtained EAC certification, with their quality and performance receiving high acclaim from customers. This breakthrough not only expands the Group's market presence in Uzbekistan but also contributes to the high-quality development of the “Belt and Road” Initiative.



Tajikistan's President Emomali Rahmon (the sixth person from right) attended the groundbreaking ceremony for the Group's detonator with shock-conducting tube project

In addition, with the upcoming construction of the China-Kyrgyzstan-Uzbekistan Railway, Kyrgyzstan's mining industry has entered a new growth phase, driving significant demand for civil explosives. In response, the Group has increased its investment in Kyrgyzstan and accelerated business expansion. In June 2024, the Group's Kyrgyzstan branch entered into a strategic cooperation framework agreement for the supply and sales of civil explosives to provide eco-friendly, safe and efficient high-quality civil explosives with Kyrgyzstan National Coal Corporation at the 8th China-Europe-Asia Expo in Urumqi, Xinjiang, thereby enhancing the level of local mineral resource development.



Entering into a strategic cooperation framework agreement for the supply and sales of civil explosives

We actively advance our localisation talent strategy by creating employment opportunities in our operational locations including Tajikistan and providing professional training for local employees to foster talent development. As of the end of the Reporting Period, the Group has 82 local employees from Tajikistan. Furthermore, we facilitate cultural exchange between China and host countries like Tajikistan through diverse employee activities, demonstrating our respect and care for local cultures through concrete actions.

Community Contributions

The Group actively fulfills its corporate social responsibilities by formulating corporate investment policies and supporting community development through various means, contributing to environmental protection, community living standards, cultural projects, and educational development with dedication and care.

The Group organises annual voluntary tree planting activities to participate in the community's ecological environment construction. Subsidiaries actively respond to the rural revitalisation policy by purchasing local agricultural products, assisting villagers in road construction, solving employment issues, and addressing unsold agricultural products to boost rural revitalisation.

Since 2021, the Group has established the Shengan Foundation for Poverty Alleviation, focusing on assisting impoverished students, single-parent orphaned children or orphans, people with disabilities, and those in poverty due to illness. We have been helping them overcome difficulties through financial support. The Group also actively mobilises employees to conduct material collection activities, donating clothes to children in impoverished mountainous areas to convey warmth and care. Some subsidiaries have also established volunteer firefighting teams, which rush to the frontline for rescue operations during disasters such as floods and fires. During the Reporting Period, the Group's total charitable and other donations amounted to approximately RMB4.0634 million, and the total cumulative hours of participation in volunteer activities reached 43 hours.

Case:

Bayannur Shengan Chemical Limited has been committed to public welfare and charity for many years, establishing a strong relationship with Wulan Village through a village-enterprise mutual assistance model. By helping villagers build roads, process livestock products, address unsold agricultural products, and solve employment issues, the company actively participates in community development and supports rural revitalisation.



Organising Visits to Impoverished Individuals in Wulan Village

ESG Key Performance

Environmental Key Performance¹

Air pollutants²

Indicators	Unit	2025	2024
Nitrogen oxides (NOx) emissions	kg	11,972.02	5,998.75
Sulphur oxides (SOx) emissions	kg	209.36	14,461.22

Greenhouse gas

Indicators	Unit	2025	2024
Scope 1 greenhouse gas emissions ³	Tonnes of CO ₂ equivalent	3,859.11	2,444.67
Scope 2 greenhouse gas emissions ⁴	Tonnes of CO ₂ equivalent	45,203.12	66,794.75

¹ During the Reporting Period, the calculation denominator for environment-related intensity data was changed to annual revenue (in RMB million), resulting in changes to relevant historical data.

² Air pollutant emissions primarily originated from fossil energy used in stationary sources, on-road mobile sources, and non-road mobile sources. The calculation methods and emission factors referred to the *Technical Guidelines for Compiling Emission Inventories of On-Road Mobile Pollution Sources (Trial)* and the *Technical Guidelines for Compiling Emission Inventories of Non-Road Mobile Pollution Sources (Trial)* issued by the Ministry of Ecology and Environment of the PRC, as well as relevant calculation conversion factors from the U.S. Environmental Protection Agency (EPA) and the European Environment Agency (EEA). The data show significant changes compared to last year, primarily due to the following reasons: ①Expanded statistical scope. The coverage has been broadened to include stationary sources and non-road mobile sources, in addition to road mobile sources; ②Revised calculation methodology and emission factors. Adopting latest calculation methodology and emission factors, such as changing to taking reference with the sulfur content values (10 mg/kg) from *GB 19147-2016 Automotive Diesel* and *GB 17930-2016 Motor Gasoline*; ③Enhanced emission reduction measures. The Group has adopted advanced environmental equipment, such as high-efficiency desulfurisation systems capable of achieving up to 95% desulfurisation efficiency, significantly reducing sulfur oxides emissions.

³ Scope 1 greenhouse gas emissions primarily originated from the use of fossil fuels in stationary sources, on-road mobile sources, and non-road mobile sources. The calculation methodology and emission factors were referenced from the *Guidelines for Calculation and Reporting of Greenhouse Gas Emissions from Land Transportation Enterprises (Trial)* and the *Guidelines for Calculation and Reporting of Greenhouse Gas Emissions from Other Industrial Sectors* issued by the National Development and Reform Commission (“NDRC”) of the PRC, as well as “Appendix 2: Environmental Key Performance Indicators Reporting Guidelines” in the Stock Exchange’s *How to Prepare ESG Reports*.

⁴ Scope 2 greenhouse gas emissions calculations adopted electricity emission factors based on the latest calculation factors as of the end of the Reporting Period in the jurisdictions where operations were conducted, including

Total greenhouse gas emissions	Tonnes of CO ₂ equivalent	49,062.23	69,239.42
Greenhouse gas emission intensity	Tonnes of CO ₂ equivalent/annual revenue of RMB million	28.94	50.67

Wastes

Indicators	Unit	2025	2024
Hazardous wastes			
Hazardous waste generated	Tonnes	3.26	0.05
Intensity of Hazardous waste generated	Tons/annual revenue of RMB million	0.0019	0.000037
Non-hazardous wastes			
Non-hazardous waste generated	Tonnes	75.94	88.71
Non-hazardous waste recycled	Tonnes	12.82	13.92
Intensity of non-hazardous waste generated	Tonnes/annual revenue of RMB million	0.045	0.055
Mining rock	Tonnes	960,942.94	897,283.91

Energy and resources

Indicators	Unit	2025	2024
Indirect energy consumption			
Purchase electricity	MWh	79,261.85	82,513.46
Indirect energy consumption intensity	MWh	79,261.85	82,513.46
Direct energy consumption ⁵			

the *Announcement on the Release of 2023 Power Carbon Footprint Factor Data* by the Ministry of Ecology and Environment of the PRC, the *2024 Sustainability Report* of HK Electric Investments Limited, and data on national power generation and carbon emissions of Tajikistan from the International Energy Agency (IEA).

⁵ Calculations were performed in accordance with “Appendix 2: Guidance on Reporting Environmental Key Performance Indicators” in the Stock Exchange’s *How to Prepare An ESG Report* and the calculation methods and

Liquified Petroleum Gas (LPG)	MWh	32.29	41.40
Diesel	MWh	1,246.41	1,185.27
Petrol	MWh	2,989.09	1,815.33
Coal	MWh	6,400.44	4,867.85
Methanol	MWh	25.44	-
Natural gas	MWh	36.52	-
Direct energy consumption	MWh	10,730.20	7,909.85
Total energy consumption			
Energy consumption	MWh	89,992.04	90,423.31
Energy consumption intensity	MWh/annual revenue of RMB million	53.08	66.18
Water resources ⁶			
Water consumption	m ³	120,958.88	60,122
Water consumption intensity	m ³ /annual revenue of RMB million	71.34	44.00
Packaging materials			
Paper	Tonnes	4.33	29.14
Plastic	Tonnes	236.11	118.77
Metal	Tonnes	35.87	6.72
Fabric	Tonnes	0	7.13
Total packaging materials consumption	Tonnes	276.31	161.76
Packaging materials consumption intensity	Tonnes/annual revenue of RMB million	0.16	0.12
Other resources			
Office paper consumption	Tonnes	2.75	-

Social Key Performance

Employee data

Indicators	Unit	2025	2024
Employee Compositions			
Total employees by gender			

coefficients specified in NDRC's *Greenhouse Gas Emission Accounting Methods and Reporting Guidelines for Enterprises in Other Industrial Sectors (Trial)*.

⁶ Due to the expansion of the statistical scope of water consumption during the Reporting Period compared to the previous reporting period, resulting in more complete data calculation, water consumption has increased.

Male	Person	887	850
Female	Person	224	212
Total employees by employment type			
Senior management	Person	72	64
Middle management	Person	94	85
General staff	Person	934	903
Contract/short-term staff	Person	11	11
Total employees by age group			
Age 30 or below	Person	184	181
Age 31-40	Person	351	382
Age 41-50	Person	344	308
Age 51 or above	Person	232	191
Total employees by geographical region			
Mainland China	Person	1,019	977
Hongkong, China	Person	10	11
Tajikistan	Person	82	74
Employee turnover rate			
Employee turnover by gender			
Male	%	15.11	22
Female	%	11.61	11
Employee turnover by age group			
Age 30 or below	%	14.13	25
Age 31-40	%	10.26	16
Age 41-50	%	11.05	19
Age 51 or above	%	25.86	26
Employee turnover by geographical region			
Mainland China	%	14.72	18
Hongkong, China	%	0	35
Tajikistan	%	12.20	47

Training of employee

Indicators	Unit	2025	2024
Percentage of employees trained ⁷			

⁷ The percentage of employees trained in 2025 was calculated in accordance with the recommended formula in “Appendix 3: Guidance on Reporting Social Key Performance Indicators” of the Stock Exchange's *How to Prepare An ESG Report*, which is expressed as: Number of employees trained by gender and by employee category / Total number of employees trained.

Percentage of employees trained by gender			
Male	%	80.84	85
Female	%	19.16	15
Percentage of employees trained by employment type			
Senior management	%	4.63	5
Middle management	%	8.32	8
General staff	%	86.53	87
Contract/short-term staff	%	0.53	-
Average training hours per employee ⁸			
Average training hours per employee by gender			
Male	Hour	14.36	12.04
Female	Hour	11.03	7.92
Average training hours per employee by employment type			
Senior management	Hour	9.81	10.42
Middle management	Hour	14.11	12.87
General staff	Hour	14.02	11.11
Contract/short-term staff	Hour	7.45	-

Health and safety

Indicators	Unit	2025	2024
Work-related fatalities ⁹	Person	0	0
Percentage of work-related fatalities	%	0	0
Lost days due to work injury	Day	0	0

Supply chain management

Indicators	Unit	2025	2024
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⁸ The average training hours per employee in 2025 were calculated in accordance with the recommended formula in “Appendix 3: Guidance on Reporting Social Key Performance Indicators” of the Stock Exchange's *How to Prepare An ESG Report*, which is expressed as: Total training hours per employee by gender and by employee category / Total number of employees in the specific category.

⁹ The number of work-related fatalities and the related fatality rate for the Group were both zero in 2025, 2024, and 2023.

Number of suppliers by geographical region			
Mainland China	Supplier	903	131
Hongkong, China	Supplier	0	0
Tajikistan	Supplier	18	4
Russia	Supplier	0	1
Uzbekistan	Supplier	1	1
Other countries/regions	Supplier	0	0
Number of suppliers where supplier management practices are being implemented	Supplier	922	137

Product responsibility

Indicators	Unit	2025	2024
Percentage of total products sold or shipped subject to recalls for safety and health reasons	%	0	0
Number of products and service-related complaints received	Item	0	0

Anti-corruption

Indicators	Unit	2025	2024
Concluded legal cases regarding corrupt practices brought against the Group or its employees			
Number of concluded legal cases regarding corrupt practices	Item	0	0
Number of employees receiving anti-corruption training			
Director ¹⁰	Person	-	-
Senior management	Person	42	16
Middle management	Person	77	34
General staff	Person	768	431
Number of anti-corruption training hours			
Director	Hour	-	-

¹⁰ The Group will further develop specialised anti-corruption training programs for directors in the future, and continuously enhance anti-corruption awareness and skills.

Senior management	Hour	234	53
Middle management	Hour	456	135
General staff	Hour	3,376	1,504

Community investment

Indicators	Unit	2025	2024
Charitable contributions and other donations	RMB yuan	4,063,382.00	1,626,975

Content Index of the ESG Reporting Guide of The Stock Exchange

Major Scopes, Aspects, Mandatory Disclosure, General Disclosure and Key Performance Indicator (“KPI”)		Related Section(s)/Remark
Mandatory Disclosure		
Governance Structure	A statement from the Board containing the following elements: (i) a disclosure of the Board’s oversight of ESG issues; (ii) the board’s ESG management approach and strategy, including the process used to evaluate, priorities and manage material ESG-related issues (including risks to the issuer’s businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses.	Philosophy and Vision ESG Governance Structure
Reporting Principle	A description of, or an explanation on, the application of the Reporting Principles in the preparation of the ESG report	About the Report; Stakeholder Engagement; Materiality Assessment
Reporting Boundary	An explanation of the reporting boundary of the ESG report and a description of the process used to identify which entities or operations are included in the ESG report. For any change in the reporting boundary, the issuer should identify and give reasons for the change.	About the Report
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emission Management
KPI A1.1	The types of emissions and respective emissions data.	Environmental Performance Key
KPI A1.2	Direct (scope 1) and indirect energy (scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production	Environmental Performance Key

	volume, per facility).	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance Key
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance Key
KPI A1.5	Description of the emissions target(s) set and steps taken to achieve them.	Emission Management
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and description of reduction target(s) set and steps taken to achieve them.	Emission Management
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Resource and Energy Management
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Environmental Performance Key
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental Performance Key
KPI A2.3	Description of the energy use efficiency target(s) set, and steps taken to achieve them.	Resource and Energy Management
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Resource and Energy Management
KPI A2.5	Total packaging materials used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Environmental Performance Key
Aspect A3: Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Emission Management; Ecological Protection
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Emission Management; Ecological Protection
Aspect A4 : Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have	Addressing Climate Change

	impacted, and those which may impact, the issuer.	
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Addressing Climate Change

Major Scopes, Aspects, Mandatory Disclosure, General Disclosure and KPI		Related Section(s)/Remark
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	Equal Employment; Employee Care
KPI B1.1	Total workforce by gender, employment type (for example, full-time or part-time), age group and geographical region.	Social Key Performance
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Social Key Performance
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Safety Production, Responsibility Leadership
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years (including reporting years).	Social Key Performance
KPI B2.2	Lost days due to work injury.	Social Key Performance
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and	Safety Production, Responsibility Leadership

	monitored.	
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Social Key Performance
KPI B3.2	The average training hours completed per employee by gender and employee category.	Social Key Performance
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Equal Employment
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Equal Employment
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Equal Employment
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Social Key Performance
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management; Social Key Performance
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management

Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	Product Quality; Consumer Rights and Benefits
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Social Key Performance
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Consumer Rights and Benefits; Social Key Performance
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Research and Development Innovation
KPI B6.4	Description of quality assurance process and recall procedures.	Product Quality
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Consumer Rights and Benefits
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-Corruption and Upholding Integrity
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	Anti-Corruption and Upholding Integrity
KPI B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	Anti-Corruption and Upholding Integrity
Indicator B7.3	Description of anticorruption training provided to directors and staff.	Anti-Corruption and Upholding Integrity; Social Key Performance
Communities		

Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Contributions
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Contributions
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Contributions; Social Key Performance