

2025

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT



Exploring Chemistry, Improving Life

Zero Hunger

Animal Nutrition

Human Nutrition

Climate Action

Clean Energy

New Materials

香料

树脂

化工品

Community Co-building

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About this Report

Report Briefing

Since releasing its first social responsibility report in 2008, Zhejiang NHU Co., Ltd. ("NHU") published its inaugural Environmental, Social and Governance (ESG) Report in 2025. This Report presents NHU's ESG philosophy and commitments, along with the Company's specific practices and key achievements in the ESG domain.

Organizational Scope

For ease of reading, unless otherwise specified, "Zhejiang NHU Co., Ltd." and its subsidiaries are collectively referred to as "Zhejiang NHU", "NHU", "the Company", or "We."

Reporting Period

The Report covers the period from January 1, 2024, to December 31, 2024. However, to maintain information continuity and integrity, some content may extend beyond this timeframe.

Preparation Basis

Ministry of Finance of the People's Republic of China: Corporate Sustainability Disclosure Standards – Basic Standards (For Trial Implementation)

Ministry of Finance of the People's Republic of China: Corporate Sustainability Disclosure Standards No. 1 – Climate (For Trial Implementation)

Self-Regulatory Guidelines No.17 for Companies Listed on Shenzhen Stock Exchange - Sustainability Report (For Trial Implementation) issued by Shenzhen Stock Exchange;

The United Nations Sustainable Development Goals 2030 (UN SDGs);

Sustainability Reporting Standards by the Global Reporting Initiative (GRI Standards).

Data Sources

The data used in this Report are derived from the Company's internal official documents, internal statistical data, and relevant publicly available materials. Key financial performance data are sourced from the *Annual Report 2025 of Zhejiang NHU Co., Ltd.*, which has been approved by the Company's Board of Directors. Unless otherwise specified, all amounts presented in this Report are in CNY. In the event of any discrepancy between the financial data presented in this Report and those disclosed in the Company's audited Annual Report 2025, the Annual Report 2025 shall prevail.

Report Acquisition Method

This Report is available in both Chinese and English versions for readers' reference. In case of any discrepancies, the Chinese version shall prevail. It can be viewed and downloaded on the Company's website (<https://www.cnhu.com>).

Contact Us

We welcome feedback from all stakeholders. For inquiries or suggestions regarding NHU's sustainable development initiatives or the content of this Report, please contact us through the following channels:



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Message from the Chairman



Against the backdrop of accelerating global sustainable development, climate change, resource constraints, and industrial transformation are profoundly reshaping the corporate operating environment. In 2025, NHU remained committed to the philosophy of sustainable development, continuously strengthening corporate governance and actively fulfilling ESG responsibilities. The Company accelerated its green and low-carbon transformation, achieved breakthroughs in technological innovation, and focused on building a mutually reinforcing industrial ecosystem—contributing its corporate strength to creating a better life and advancing social sustainability.



Chairman Hu Baifan

Zhejiang NHU Co., Ltd.

Confronting global climate change and ecological challenges, we remain steadfast in our green development mission.

Ecological civilization represents the inevitable direction of human progress. We have integrated the "Dual Carbon" goals and sustainable development principles throughout our operations, systematically advancing energy structure optimization, green manufacturing upgrades, and efficient resource utilization. We accelerated the construction of green low-carbon factories and industrial layout optimization, continuously enhancing environmental performance and operational resilience. We commit to reducing greenhouse gas emission intensity per unit of revenue by 25% by 2030, compared to the 2023 baseline, and achieving carbon neutrality by 2060—fulfilling global sustainability expectations through concrete action.

By converging diverse strengths, we jointly promote balanced development.

In the pursuit of high-quality development, we have continuously deepened collaboration with our stakeholders. Guided by an innovation-driven approach, the Company has focused on pioneering key technologies, promoted coordinated industrial growth, and steadily enhanced its capabilities in green smart manufacturing and product value. Upholding the "Harmony" philosophy, we continuously enhance employee safeguards, and optimize talent development systems to forge a community of shared destiny. We are dedicated to establishing a responsible supply chain and product lifecycle management systems, consistently delivering premium, safe, and reliable products and services to customers. Concurrently, we actively fulfill social responsibilities, supporting charitable initiatives including rural revitalization, educational assistance, and ecological conservation, with total contributions reaching CNY 5.53 million. We march forward with stakeholders to jointly build a Beautiful China and create a prosperous future.

Establishing a high-standard governance system, we earn trust through value creation.

Integrity and compliance form the foundation of NHU's steady growth. We strengthen external image-building through enhanced information disclosure and investor communication, boosting transparency and market confidence. Simultaneously, we optimize internal governance by refining systems covering business ethics and intellectual property protection, improving decision-making processes, and reinforcing risk control, thereby solidifying the basis for value creation. In 2025, the Company received rating A in Shenzhen Stock Exchange's information disclosure evaluation for the 17th consecutive year. It was also honored with awards including the "19th Most Valuable Main Board Listed Companies TOP 100" and the "2025 Zhejiang TOP 30 Listed Companies for Best Internal Control". We recognize that only by fortifying governance foundations can we withstand challenges and achieve sustainable progress.

Looking ahead, as a technology-driven enterprise serving the global market, NHU will remain committed to the mission of "Innovating Chemistry for a Better Life". We will further integrate sustainable development strategies into our operations, drive green and low-carbon transformation through technological innovation, and actively respond to global challenges. In doing so, NHU strives to achieve harmonious coexistence between humanity and nature, while consistently delivering long-term, stable, and comprehensive value.



About NHU

Company Profile

Zhejiang NHU Co., Ltd. ("NHU" or "the Company"), a subsidiary of NHU Holding Group, was founded in 1999 and listed on the Shenzhen Stock Exchange in 2004 (Stock Code: 002001).

Maintaining a commitment to innovation-driven development and market-oriented growth, the Company specializes in the R&D, production, sales, and servicing of functional chemicals. Through providing integrated solutions spanning nutrition & health, personal & home care, transportation, environmental protection, and energy sectors, we serve customers across 100+ countries and regions. Our premium-quality, eco-friendly, and low-carbon products continuously improve human wellbeing while generating sustainable value for stakeholders, progressing toward our vision as a global leader in functional chemicals solutions.

| | | |
|-----------------|---|---|
| Founded in 1999 | Provided over 100 comprehensive solutions | Among China's Top 100 Fine Chemical Companies |
| Listed in 2004 | Among China's Top 100 Listed Companies | |

Global Footprint

The Company is firmly advancing its internationalization strategy, with its core sales and R&D functions already operating on a global scale. It is accelerating the layout of overseas production bases, and its business network has now expanded into key Asia-Pacific markets—including Singapore, Japan, and Vietnam—as well as Europe and South America.



NHU Global Layout



Development History

- In 1999** NHU was established by Xinchang County Synthetic Chemical Factory as the initiating entity
- In 2003** The construction of Shangyu Base commenced
- In 2004** NHU became the first company to be listed on the SME board (now the main board) of the Shenzhen Stock Exchange with the stock code of 002001
- In 2006** The development of Coenzyme Q10 was successfully completed, marking its entry into the fermentation sector
- In 2008** The construction of Shandong Base commenced
- In 2013** Zhejiang NHU Special Materials Co., Ltd. was established, signaling NHU's expansion into the new materials sector
- In 2014** The construction of Shandong NHU Amino Acids Co., Ltd. commenced, marking NHU's foray into the amino acid sector
- In 2018** The construction of Heilongjiang Base commenced, laying the foundation for NHU's advancements in bio-fermentation
- In 2021** The NHU Life and Health Industrial Park was completed, heralding a new journey in human nutrition
- In 2023** NHU established a joint venture with China Petroleum & Chemical Corporation (SINOPEC) to form Ningbo Zhenhai Refining & Chemical NHU Biotechnology Co., Ltd. The construction of the 180,000-ton liquid methionine project was also initiated
- In 2024** Tianjin NHU Materials Technology Co., Ltd. was established, strengthening and expanding the new material industry
- In 2025** Ningbo Zhenhai Refining & Chemical NHU Biotechnology Co., Ltd. successfully produced its first batch of liquid egg products, marking a major milestone in China's move toward large-scale, eco-friendly liquid egg production

Corporate Culture

Cultural Characteristics

Teacher Culture

The Wiser Is the Teacher; the More Capable the Teacher; Act in Modesty; Training for Excellence

NHU originated from a school-run enterprise, with its first generation of entrepreneurs primarily consisting of teachers and students. Ever since its inception, NHU has rooted values of respecting teachers and stressing training. In its course of development, Corporate leaders and staff have embodied educator virtues - self-cultivation through mentorship principles and honoring expertise through the title "Teacher". This Teacher Culture, now an organizational hallmark, continues to propel the Company's sustainable development.



Company Honors

| Honor | Awarded by | Winner / Project |
|---|---|---------------------------------------|
| 2025 China's TOP 10 Innovative Fine Chemical Companies (Ranked 1st) | China National Chemical Information Center, China Chemical Industry Information Association | Zhejiang NHU Co., Ltd. |
| 2025 China's TOP 100 Fine Chemical Companies (Ranked 1st) | China National Chemical Information Center, China Chemical Industry Information Association | Zhejiang NHU Co., Ltd. |
| 2024-2025 Information Disclosure Rating A for Shenzhen Main Board Listed Companies (Awarded for 17 Consecutive Years) | Shenzhen Stock Exchange | Zhejiang NHU Co., Ltd. |
| 16th China Listed Companies Investor Relations Management Tianma Award | Securities Times | Zhejiang NHU Co., Ltd. |
| 19th Most Valuable Main Board Listed Companies TOP 100 | Securities Times | Zhejiang NHU Co., Ltd. |
| 2024 Golden Bull Award for Listed Companies with Most Investment Value | China Securities Journal | Zhejiang NHU Co., Ltd. |
| 2024 Golden Bull Award for Listed Companies with Excellent Dividend Returns | China Securities Journal | Zhejiang NHU Co., Ltd. |
| EcoVadis Gold Medal | Corporate Social Responsibility (CSR) Rating Platform | Zhejiang NHU Co., Ltd. |
| National "Little Giant" Enterprise (Specialized, Refined, Unique, and Innovative) | Ministry of Industry and Information Technology | Zhejiang NHU Pharmaceutical Co., Ltd. |
| TOP 10 Companies in the Flavor Sector in China's Light Industry | China National Light Industry Council & China Association of Fragrance Flavor and Cosmetic Industries | Shandong NHU Pharmaceutical Co., Ltd. |



01

Green Development for a Low-Carbon Future

Our Actions

NHU is committed to establishing itself as a global sustainability benchmark in functional chemicals. We have deeply integrated sustainable development into our business operations and formulated an ESG strategy that aligns with the United Nations Sustainable Development Goals (SDGs). This strategy aims to foster a more sustainable industrial ecosystem through innovative fine chemical solutions, and demonstrate Chinese enterprises' contributions to global sustainability.



ESG Strategy

Guided by our corporate mission, "Exploring Chemistry, Improving Life", and our core value of "New, Harmony, and Union", the ESG strategy has been developed in accordance with the UN 2030 Agenda for Sustainable Development and fully integrated into our corporate strategic framework.

- ESG Strategic Vision** | Pioneering Innovation, Shared Prosperity, Sustainable Future
- ESG Strategic Goals** | To establish NHU as a global sustainability benchmark in functional chemicals

Our ESG implementation framework comprises three strategic pillars - "Superior Products", "Harmonious Society" and "Sustainable Environment" - supported by nine concrete initiatives, to achieve the ESG strategic vision and goals of NHU. Through continuous innovation that transcends conventional chemical boundaries, we deliver competitive product and solutions while generating sustainable value for stakeholders. Our efforts address critical challenges in food security, environmental protection, and life quality enhancement, driving balanced and sustainable development for humanity, society, and the planet.

Sustainable Development Strategy Map of Zhejiang NHU Co., Ltd.



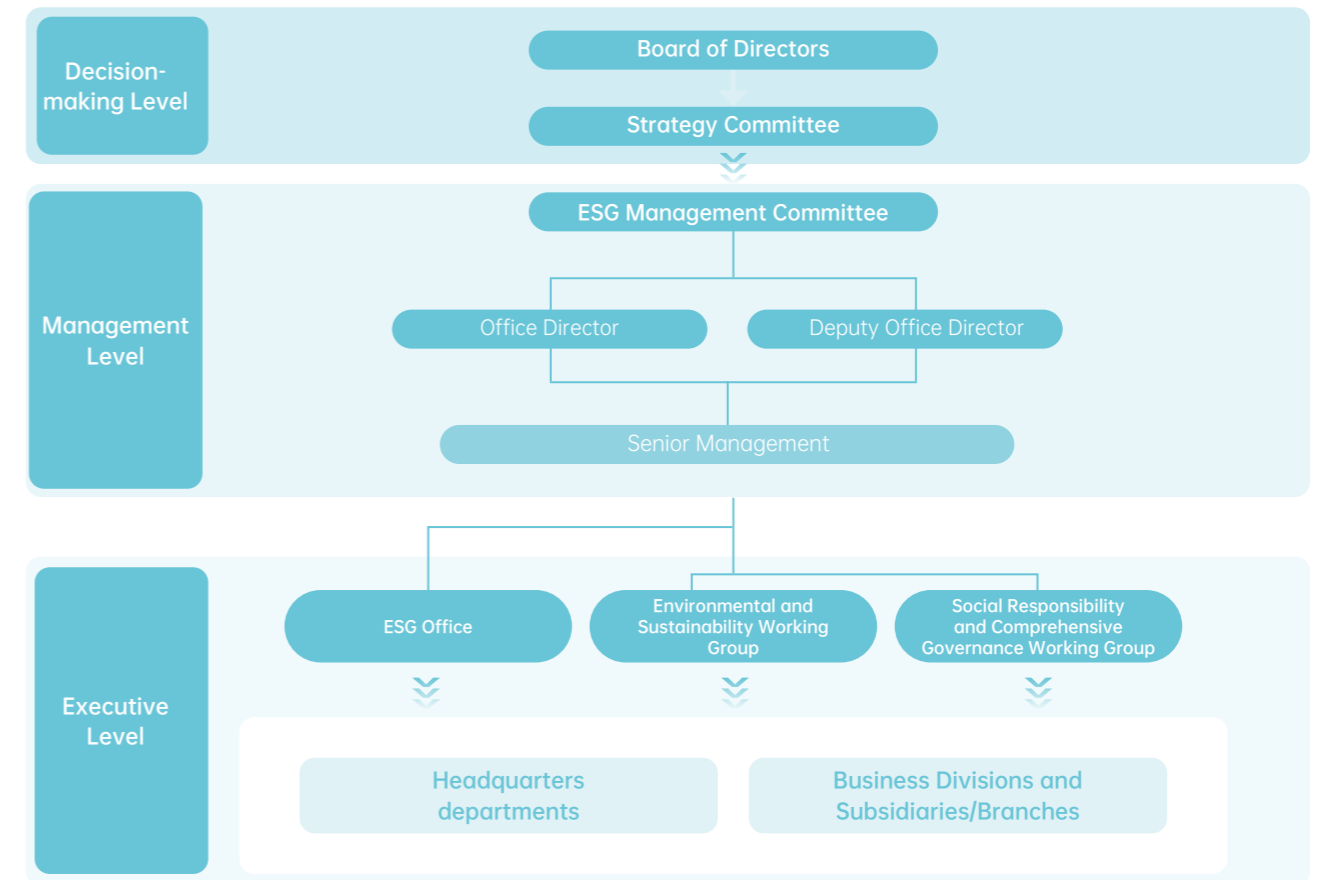
| ESG Key Areas | Goals |
|--|---|
| Superior Products | |
| Digital and Intelligent Empowerment: Drive smart factory development by upgrading entire operations through digitalization, automation, informatization, networking, and intelligentization. | <ul style="list-style-type: none"> Build an ESG Information System. Maintain zero incidents of data security and customer privacy breaches. |
| Innovation-driven Development: Drive industrial transformation through product R&D and technological innovation, delivering high-quality products that contribute to a better life. | <ul style="list-style-type: none"> By 2030, the sales proportion of green and low-carbon products will exceed 15%. By 2030, the coverage rate of quality certification system will reach 100%. |
| Risk Management: Strengthen risk control frameworks to proactively identify, assess, and address sustainability-related risks and opportunities, ensuring sustainable and resilient operations. | <ul style="list-style-type: none"> Conduct due diligence investigations on negative impacts or risks related to sustainable development every 2 years. Complete risk and opportunity assessments related to short-, medium-, and long-term sustainable development every 2 years. |

| ESG Key Areas | Goals |
|---|---|
| Harmonious Society | |
| Ethical Governance: Maintain regulatory-compliant operations, and uphold the highest business ethics standards, with zero-tolerance policies against corruption and malpractice. | <ul style="list-style-type: none"> Conduct a business ethics audit of the production legal entity every three years. Annual business ethics and anti-corruption training coverage reaches 100%. |
| Employee Well-being: Cultivate inclusive and "Harmonious" corporate culture, safeguarding employee health while enabling professional growth. | <ul style="list-style-type: none"> By 2030, the proportion of female senior management will reach 20%. Each employee has an annual learning time of more than 50 hours. Annual number of work-related deaths among employees: 0. |
| Shared Success and Prosperity: Address societal needs and empower partners to drive sustainable development across industries and communities. | <ul style="list-style-type: none"> By 2028, all strategic suppliers will be included in the Company's ESG management and assessment. |

| ESG Key Areas | Goals |
|--|---|
| Sustainable Environment | |
| <p>Low-carbon Transformation: Reduce energy consumption and carbon emissions to achieve a greener energy mix and climate-friendly operations.</p> | <ul style="list-style-type: none"> Achieve operational carbon neutrality by 2060 (Scope 1 + Scope 2). Compared to the 2023 baseline, reduce greenhouse gas (GHG) emissions per unit of revenue 25% by 2030. |
| <p>Harmony with Nature: Enhance environmental management systems to minimize pollution, advance biodiversity conservation, and foster human-nature coexistence.</p> | <ul style="list-style-type: none"> Environmental management system certification maintains a coverage rate of 100%. Maintain zero annual major environmental incidents. Compared to the 2023 baseline, reduce COD emission intensity 30% by 2030. Compared to the 2023 baseline, reduce industrial waste emission intensity 10% by 2030. Compared to the 2023 baseline, reduce hazardous waste generation intensity 10% by 2030. |
| <p>Circular Economy: Implement water conservation and recycling programs while promoting closed-loop resource utilization and renewable material adoption to build resource-efficient circular economies.</p> | <ul style="list-style-type: none"> Compared to the 2023 baseline, the Company's water recycling utilization rate is expected to exceed 95% by 2030. The purchased renewable raw materials reach 200 tons/year. |

ESG Governance

To ensure the scientific rigor and rationality of the Company's ESG development processes from an organizational perspective, the Company has established a comprehensive ESG governance structure with clearly defined hierarchies and responsibilities. This framework specifies duties across all organizational levels, departments, and positions to facilitate robust ESG management systems and mechanisms.



In December 2025, the Company publicly disclosed its *Environmental, Social and Governance (ESG) Management System*, further clarifying its ESG governance structure and responsibilities:

The Board of Directors serves as the supreme decision-making body for the Company's ESG management, assuming ultimate responsibility for the truthfulness, accuracy, and completeness of ESG-related work and report contents. It oversees the overall ESG strategy and make decisions on material matters. Under the Board, the Strategy Committee is responsible for researching and making recommendations on the Company's long-term strategy, major investment decisions, and ESG-related matters. The Committee also reviews, evaluates, and supervises significant ESG matters, including developing strategies or policies, overseeing the implementation of ESG plans and performance assessments, identifying and evaluating risks and opportunities, and reviewing the annual ESG Report and related disclosures, with all findings reported to the Board.

Under the Strategy Committee, an ESG Management Committee has been established. This Committee is responsible for promoting and implementing the Company's ESG-related matters, including but not limited to assessing and researching ESG-related policies, formulating the Company's ESG goals and strategies, and supervising their implementation.

The ESG Management Committee has established an ESG Office, which is responsible for leading and coordinating the ESG Management Committee's functions, overseeing the implementation of tasks and decisions by ESG working groups, and reporting to the ESG Management Committee. The ESG Office performs the following key responsibilities:

- Regularly tracking external regulations and policy developments, staying informed of changes in legal requirements, regulatory frameworks, and international standards, and conducting periodic reviews of the Company's sustainability policies and initiatives;
- Coordinating the development of corporate ESG goals and dual materiality evaluations, and analyzing sustainability-related risks and opportunities;
- Overseeing stakeholder engagement activities, and preparing sustainability reports.

The ESG Management Committee oversees two ESG working groups: the Environmental and Sustainability Working Group and the Social Responsibility and Comprehensive Governance Working Group. Aligned with the Company's ESG strategic roadmap, these working groups operate through clearly defined lead departments and collaborating departments that jointly drive the implementation of specific ESG strategic initiatives.

To strengthen the execution of ESG initiatives at the organizational level and enhance the efficiency of ESG implementation, clearly defined responsible departments and supporting departments have been established under the ESG working groups. Together, they advance the execution of specific tasks under the ESG strategy. Each responsible department has designated at least one ESG Action Officer and one Implementation Coordinator, forming an ESG liaison network. These officers and coordinators are responsible for developing and driving the annual work plan and projects, participating in goal setting and data collection to ensure the breakdown and realization of targets; maintaining routine communication with stakeholders; organizing materiality assessments and data verification; and supporting the preparation of the ESG Report.

Stakeholder Engagement

NHU attaches high importance to stakeholders' opinions and suggestions. By establishing diversified communication channels and maintaining regular dialogues, we proactively address inquiries regarding our operational performance and sustainable development. In alignment with our industry characteristics and business nature, we have identified key stakeholder groups including employees, customers, shareholders & investors, government & regulatory bodies, suppliers & business partners, and local communities.

| Stakeholder | Areas of Focus | Communication and Response Channels |
|---|--|--|
|  <p>Customers</p> | <ul style="list-style-type: none"> Customer relationship management Product quality and safety Innovation and R&D Information security and privacy protection | <ul style="list-style-type: none"> Official account information disclosure One on one communication channel Factory tour Customer complaint hotline |
|  <p>Shareholders and Investors</p> | <ul style="list-style-type: none"> Compliance operation Corporate governance Risk management Business ethics and anti-corruption Return on investment Information transparency Responding to climate change | <ul style="list-style-type: none"> Corporate annual reports and announcements Field trip Official account platform Reception Day event Roadshows and special meetings Investor relations website |
|  <p>Government and Regulatory Bodies</p> | <ul style="list-style-type: none"> Compliance operation Corporate governance Tax payment according to law Business ethics and anti-corruption Implementing national strategies Rural revitalization Emission management | <ul style="list-style-type: none"> Responding to government inquiries Participating in government training Regulatory assessment Special meeting |
|  <p>Employees</p> | <ul style="list-style-type: none"> Employee's rights and interests Training and development Occupational health and safety (OHS) Innovation and R&D Intellectual property protection | <ul style="list-style-type: none"> President and General Manager's mailbox Rational suggestions Five mandatory visits and five mandatory conversations Staff and workers' representative congress Symposium & communication Internal reporting and complaint hotline |

| Stakeholder | Areas of Focus | Communication and Response Channels |
|---|---|--|
|  <p>Suppliers and Partners</p> | <ul style="list-style-type: none"> Business ethics and anti-corruption Responsible supply chain Information security and privacy protection Compliance operation | <ul style="list-style-type: none"> Supplier conference Supplier training Whistleblowing hotline and email |
|  <p>Community and the Public</p> | <ul style="list-style-type: none"> Environmental management Biodiversity Rural revitalization Implementing national strategies Public welfare and charity undertakings | <ul style="list-style-type: none"> Provision of jobs Official account and website Assisting in infrastructure construction Public welfare and charity activities Environmental Open Day |

In 2025, the Company strictly complied with laws, regulations, and regulatory requirements such as the *Guidelines for Investor Relations Management of Listed Companies* and the *Stock Listing Rules of the Shenzhen Stock Exchange*. Centered on transparent communication, professional services, and full-cycle management, the Company continues to deepen its investor relations and stakeholder communication system, ensuring timely, accurate, and transparent information delivery and effectively safeguarding the legitimate rights and interests of all shareholders and stakeholders.

The Company further improves its internal policy framework, including the *Investor Relations Management Policy* and the *Market Value Management Regulations*, and optimized two-way online and offline communication mechanisms. A full-channel communication matrix has been established to cover a diverse range of stakeholders, including institutional investors, minority shareholders, analysts, and the media. In 2025, the Company carried out extensive and high-frequency investor relations activities. Throughout the year, it organized or participated in a total of 24 investor meetings, including performance briefings, brokerage strategy sessions, and dedicated exchange meetings. The Company also hosted one on-site investor tour and production base visit, reaching over 300 investors and analysts in total. Online, the Company responded to investor inquiries on a regular basis, maintaining a 100% response rate on the Shenzhen Stock Exchange's Interactive Easy Platform. These efforts helped fully communicate the Company's strategy and business performance, reinforcing the market's long-term understanding of the Company's value.

Since its listing, the Company has consistently paid annual cash dividends as a way to give back to its investors. In 2025, the Company implemented a special dividend, an annual dividend, and a semi-annual dividend, distributing a total of CNY 2.762 billion in cash. Since its listing in 2004, the Company's cumulative cash dividends have reached CNY 16.114 billion, while its total proceeds from its initial public offering and subsequent refinancing amounted to CNY 6.452 billion. The total cash dividends paid represent 249.75% of the total funds raised.



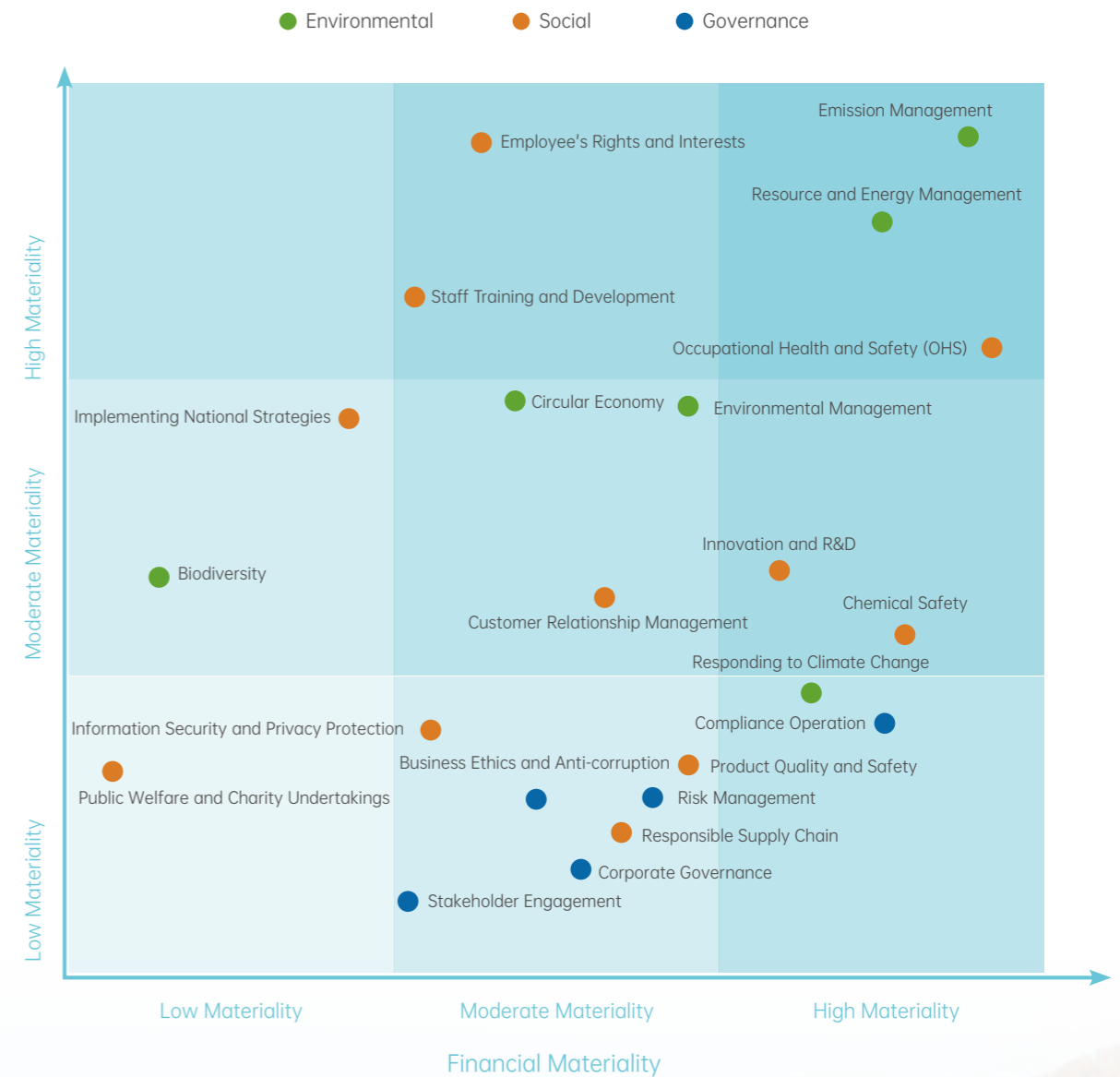
Identification and Analysis of Material Topics

Absent major changes in internal/external environments, NHU conducts a three-year cycle materiality assessment. A comprehensive evaluation occurs in Year 1. Results are verified in Years 2 and 3 to determine adjustment necessity.

Materiality Topics Assessment Process



In 2024, NHU conducted a dual materiality evaluation for sustainable development through a four-phase process: (1) context analysis & topic identification; (2) dual materiality evaluation; (3) materiality prioritization; and (4) review, analysis and confirmation. This methodology enabled us to systematically assess both the impact materiality and financial materiality of ESG topics to our organization. In 2025, following assessment and verification, the Company maintained the materiality assessment results from the previous year, with adjustments made as appropriate.



02

Green Development for a Low-Carbon Future

Our Actions

In response to the global challenges of climate and environmental change, NHU adheres to its green development mission. It proactively shoulders responsibilities, actively responds to China's "Dual Carbon" goals, and deeply integrates into the global climate governance system. By continuously enhancing the efficient utilization of energy resources, we promote the coordinated advancement of production operations and ecological conservation, striving to build a sustainable development model where humans and nature coexist in harmony.

Our Performance

- Energy consumption per output value of CNY 10,000 decreased by

7.53% compared to the previous year

- The amount of wastewater generated per output value of CNY 10,000 decreased by

5.10% compared to the previous year

- The COD per output value of CNY 10,000 decreased by

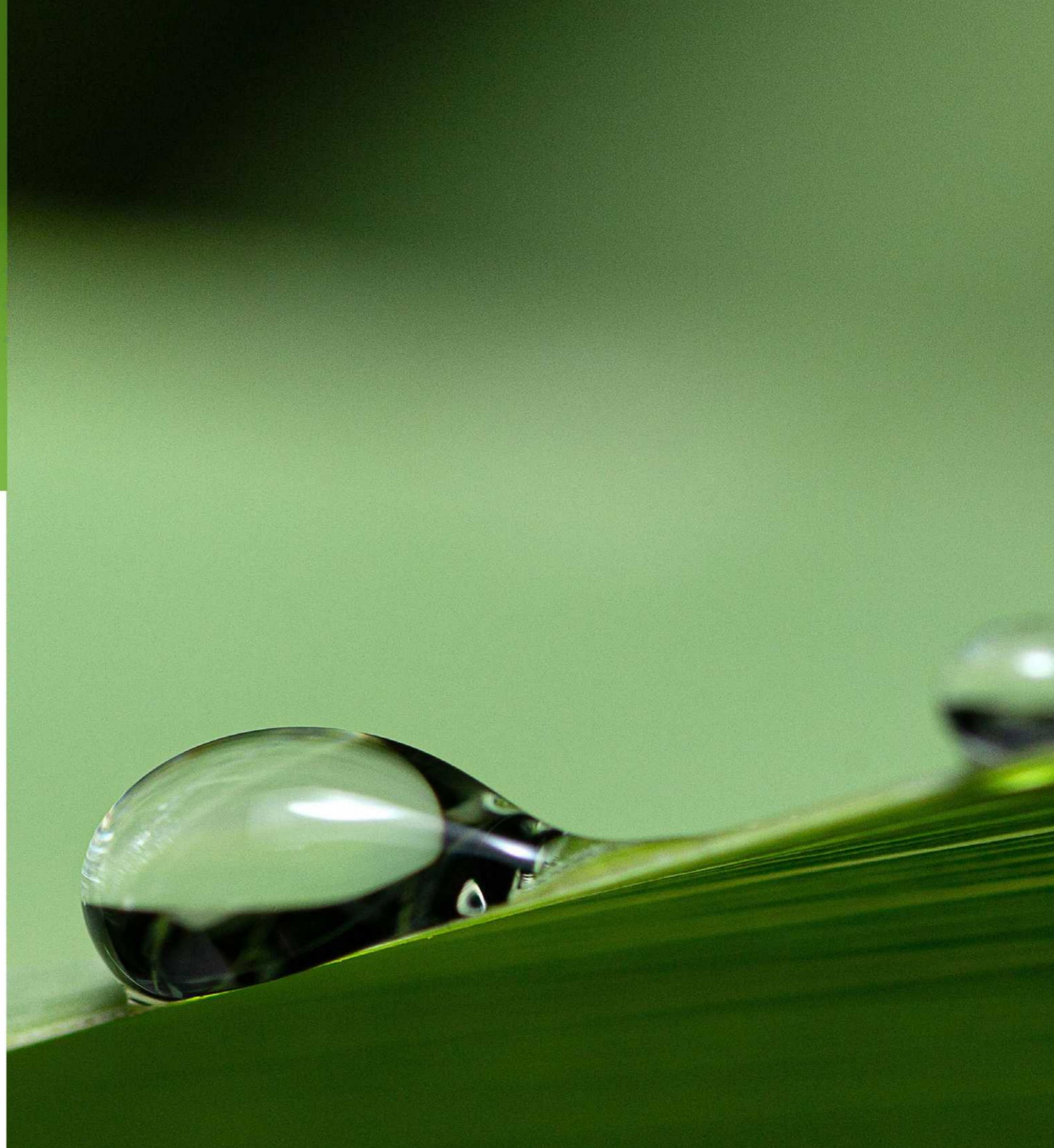
17.07% compared to the previous year

- The water recycling rate was

96.54%

- All wastewater and waste gases were discharged in compliance with standards, and hazardous waste were disposed of legally

SDGs



Addressing Climate Change

Addressing climate change remains an important mission of NHU. We include it in core strategic issues and continuously enhance our greenhouse gas management system. Guided by our low-carbon development principles of "Green and Low-carbon Transition, Energy Efficiency Enhancement, Smart Management, and Continuous Improvement", we drive the transition of the energy structure and reduction of GHG emissions. We implement green, low-carbon and clean production practices to reduce carbon emissions. In 2025, guided by the TCFD framework, we systematically identified climate-related risks and opportunities, and steadily advanced climate actions, contributing to building a low-carbon future.

Governance

We have established a climate-related governance mechanism and built a climate governance structure with the Board of Directors as the highest decision-making level, the ESG Management Committee as the management level, and the Carbon Emission Management Task Force—comprising functional departments of the Headquarters, business divisions, and subsidiaries—as the execution level. This forms a top-down highly coordinated organizational system featuring clearly defined authority and responsibilities.



composed of members of the Board of Directors, is responsible for:

- Overseeing climate change-related matters comprehensively;
- Reviewing and approving the Company's climate change-related strategic plans;
- Periodically reviewing climate change-related targets; and
- Receiving reports from the management on climate change-related work at least once a year and providing recommendations.



The ESG Management Committee, composed of senior executives, is responsible for:

- Comprehensively planning and systematically advancing the Company's climate change-related initiatives;
- Coordinating the formulation of climate-related policies and strategic plans;
- Receiving reports from the execution level on climate change matters, overseeing the implementation of climate policies, and reporting to the Board Strategy Committee; and
- Approving and reviewing major climate-related initiatives at least once a year.



A Carbon Emission Management Task Force composed of functional departments of the Headquarters, business divisions, and subsidiaries is established, with responsibilities as follows:

- The Company's Carbon Management Department implements decisions, plans, and daily tasks; develops annual plans, and sets and breaks down corporate emission reduction targets every year; coordinates and plans carbon emission management initiatives, and regularly reviews the implementation progress.
- Departments of the Headquarters, business divisions, and subsidiaries undertake, translate, and advance tasks, identify climate-related risks and opportunities, and implement climate response plans and carbon reduction measures.
- Subsidiaries implement low-carbon development measures, collect factory carbon emission data, and conduct product carbon footprint verification to ensure the achievement of the Company's green transition goals.

In 2024, we formulated the *Carbon Management Manual*, the *Energy Conservation and Carbon Reduction Management Regulations*, the *Carbon Emission Monitoring Regulations*, and the *Carbon Information Disclosure Guidelines*, among others, based on the TCFD framework and ISO 14090 *Adaptation to Climate Change — Principles, Requirements and Guidelines*. In the reporting year, we continued to advance the operation of the greenhouse gas emission system, and compiled the *Greenhouse Gas Accounting Guidelines*. The information management platform of the Company enabled us to precisely capture emission data from various production bases, providing solid data support for the Company to formulate scientific emission reduction strategies and steadily move towards the "Dual Carbon" goals. In 2025, the Company invited Bureau Veritas to conduct acceptance inspections on the operation of carbon management systems of its subsidiaries in Shangyu and Shandong.

Strategy

Viewing climate actions as a core strategic pivot for the Company's sustainable development, NHU proactively aligns with global climate governance goals and policy trends. Based on science, we systematically identify and assess the physical risks and transition risks posed by climate change. In the selection of new products and projects, priority is given to carbon emission levels to seize development opportunities offered by low-carbon technologies and green markets. We deeply integrate climate governance into strategic planning and business decision-making for ongoing improvement in our climate resilience and low-carbon competitiveness. We also collaborate with supply chain partners to advance climate adaptation and emission reduction actions, contributing to the realization of global carbon neutrality goals through concrete actions.

Impact, Risk, and Opportunity Management

Through a comprehensive assessment of climate-related risks, we have not only identified climate-related risks and opportunities but also systematically identified, prioritized, and managed both physical and transition risks that may affect corporate assets. This process has enabled the formulation of targeted response measures.

We have established clear timeframes for climate-related risks and opportunities, defining 1-2 years as short-term, 3-5 years as medium-term, and over 5 years as long-term. The specific climate-related risks and opportunities identified are as follows:

Physical Risks and Countermeasures

| Risk Category | Potential Impact | Response Measures | Timeframe | |
|---------------|---|--|--|-------------|
| Acute Risks | Typhoon, Rainstorm, Flood, and Waterlogging | Production facilities in coastal or low-lying areas may be shut down due to extreme weather such as typhoons and rainstorms, leading to delays in the delivery of time-sensitive products. If floods or waterlogging occur, workshops may be inundated, prolonging the recovery period and resulting in significant economic losses. | Establish an early warning linkage system for climate, and monitor the drainage system of the factory area in real time. Issue environmental emergency plans, and conduct practical drills to strengthen emergency response capabilities. | Short-term |
| | Prolonged High Temperatures | Prolonged high temperatures may raise workshop cooling costs, increase refrigeration energy consumption, and impact the stability of biological products. | Retrofit workshop equipment for energy saving to reduce energy loss. Install photovoltaic power generation equipment in the factory area to reduce reliance on the traditional power grid and alleviate electricity and cost pressures during high-temperature periods. | Long-term |
| Chronic Risks | Arid Climate & Water Scarcity | High water intensity in chemical production could escalate costs during prolonged droughts. | Construct a reclaimed water reuse system to treat production wastewater for non-production water scenarios such as equipment cooling and floor washing, reducing the intake of fresh water. | Medium-term |
| | Sea-Level Rise | Rising sea levels may increase insurance costs for coastal infrastructure and threaten work safety and stability. | Strategically plan new factory sites and adopt a "1+N" distributed warehousing model. | Long-term |

Transition Risks and Countermeasures

| Risk Category | Potential Impact | Response Measures | Timeframe | |
|------------------------|---|--|--|-------------|
| Policy and Legal Risks | Environmental Regulation Upgrades | Stricter emission requirements from evolving international and domestic environmental regulations may necessitate continuous investment in environmental facility upgrades. | Continuously optimize environmental protection infrastructure to ensure timely regulatory compliance. | Medium-term |
| | International Green Trade Barriers | Policies like the EU Carbon Border Adjustment Mechanism (CBAM) may indirectly impact export product competitiveness. | Enhance carbon emission data management, optimize energy management systems, conduct carbon tariff stress tests, and develop advanced market pricing strategies. | Medium-term |
| | Carbon Pricing and Taxation | Rising carbon costs across the industrial chain may increase operational costs for chemical enterprises. | Actively participate in the carbon market. | Medium-term |
| Technical Risks | Low-carbon Technology Transition Pressure | Green technology R&D has become a critical competitive factor, while traditional processes may face obsolescence risks. | Invest substantially in technology R&D and deploy low-carbon technologies in advance. | Long-term |
| Market Risks | Market Demand Transformation | Downstream clients and consumers are increasingly demanding products with stronger green attributes, which in turn poses higher requirements for companies to provide environmentally friendly products. | Proactively collaborate with downstream clients, fully engage in the development of their green supply chains, and provide customized low-carbon solutions to enhance customer loyalty and cement its place in the market. | Short-term |
| Reputation Risks | Growing Environmental Awareness | Inadequate carbon reduction efforts may damage corporate reputation. | Strengthen communication and interaction with stakeholders such as environmental organizations, communities, and media; regularly organize open days, symposiums, and other events; promptly address societal concerns to establish a responsible corporate image. | Long-term |

Climate Change-related Opportunities

| Opportunity | Transformation Strategy | Timeframe |
|----------------|---|-------------|
| Product | Drive green and low-carbon product innovation, and develop zero-carbon products; verify carbon footprints for products to enhance green competitiveness. | Medium-term |
| Market | International Market Expansion: Mitigate embodied carbon emissions from exported products and reduce potential carbon tariff impacts through supply chain decarbonization. | Medium-term |
| Carbon Trading | Actively participate in the national carbon emissions permit trading market, and obtain surplus carbon allowances through emission reduction projects to increase revenue; explore diversified carbon asset operation models such as green electricity trading. | Long-term |

At the corporate level

Scope 1 and Scope 2 GHG emissions inventories were completed for all subsidiaries as required by ISO140641 in 2025; CDP Climate Change Questionnaire was completed and submitted, with a Rating B.

At the product level

carbon footprint verification was conducted for five finished products (HDI, IPDA, IPDI, trimer, and biuret) in 2025, and ISO 14067 product carbon footprint certification was granted; environmental footprint verification for two products in the moxifloxacin hydrochloride series across the lifecycle was completed.

Indicators and Targets

| Target | Achievement Status of 2025 Target | | | |
|--|-----------------------------------|--------------|--------------|--------------------------------------|
| In 2024, NHU proposed to reduce the carbon emission intensity per unit product by 25% by 2030, on the basis of that in 2023. (Scope 1 + Scope 2) | Achieved | | | |
| Indicator | 2025 Data | 2024 Data | 2023 Data | Unit |
| Scope 1 GHG emissions | 897,516.30 | 765,023.45 | 686,977.86 | tCO ₂ e |
| Scope 2 GHG emissions | 1,983,945.93 | 2,018,419.37 | 1,633,950.65 | tCO ₂ e |
| GHG emission intensity | 2.47 | 2.62 | 2.83 | tCO ₂ e/Ton of production |

Note: Starting from 2025, the reporting scope for product output has been adjusted to exclude intermediate products, with data for the 2023 baseline year and 2024 restated accordingly.



Pollution Prevention and Ecosystem Protection

In strict compliance with relevant national laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution*, and the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes* and those in jurisdictions where we operate, NHU implements environmental management throughout the production and operation process. The Company actively practices the concept of green development, comprehensively promotes clean production and resource recycling, and continuously enhances employees' green development awareness and the Company's sustainable development capabilities.

Environmental Management

Governance

NHU emphasizes the leadership role of the management in environmental management, defining environmental responsibilities of all management levels and departments. Based on the ISO 14001 Environmental Management System and its production reality, the Company upgraded its HSE management system and updated its *HSE Management Manual* in 2025. Notably, the Company revised and formulated a total of 20 environmental-related institutional documents, including policies, objectives, and waste gas, wastewater, solid waste and environmental protection facility management measures. In 2025, the Company formulated the *Management Rules for Ozone-Depleting Substances*, listing ozone-depleting substances such as refrigerants involved in the Company's production and operations, and implemented full life-cycle management requirements from procurement, storage, and use to waste disposal. The Company fulfilled its responsibility for protecting the global ozone layer to support national compliance actions, building a more solid compliance foundation for green and low-carbon development. During the reporting period, all subsidiaries of NHU obtained ISO 14001 Environmental Management System certification.

Each subsidiary has developed emergency plans such as the *Emergency Response Plan for Environmental Incidents* and the *Special Emergency Plan for Hazardous Waste Incidents* to enhance their capabilities to respond to and handle environmental emergencies. In case of significant changes in environmental risks, the Company promptly revises emergency response plans; additionally, in accordance with relevant regulations, retrospective evaluations of emergency response plans are conducted at least every three years, with revisions made to such plans based on evaluation results and filed with the competent local ecological and environmental authorities. To safeguard ecological bottom lines, the Company leverages an automated monitoring system to allow round-the-clock online monitoring of pollutants. We conduct environmental audits across subsidiaries every year, thereby ensuring effective implementation of the Company's environmental management requirements.

Shangyu NHU Bio-Chem Co., Ltd. was included in the Positive List for Ecological and Environmental Supervision and Law Enforcement by the Shaoxing Municipal Bureau of Ecology and Environment.

In 2025



the Company recorded **0** environmental emergencies and incurred **no** environmental penalties.

Drill for Secondary Environmental Emergency

To strengthen the ecological environment safety barrier, Shandong NHU Industrial Park worked with the Binhai District Ecology and Environment Branch, Emergency Management Bureau, and other entities to conduct a drill for a secondary environmental emergency. The drill simulated a fire triggered by tank leakage in the factory area. The Company's emergency team rapidly responded, efficiently assembled, and performed coordinated firefighting operations and hazard inspections, containing fire spread immediately. The HSE information platform allowed remote visual command dispatch. Integrated smart solutions including unified emergency command mapping and personnel positioning enabled dynamic monitoring of the entire incident response process. This ensured comprehensive leakage risk control, complete collection of abnormal wastewater, and prevention of secondary environmental pollution at the source.



This drill thoroughly tested the Company's practical response capabilities for environmental emergencies, continuously enhancing employees' emergency handling proficiency and operation collaboration, thereby establishing a robust safeguard for the safety of both the industrial park and the ecological environment.

Attaching great importance to environmental protection training, the Company has formulated and implemented the *HSE Training Management Rules*. Through online and offline courses, it continuously enhances the environmental awareness of leaders and employees at all levels, as well as the technical proficiency and professional competence of environmental specialists.

Indicators and Targets

The Company establishes annual environmental management targets with progress tracking mechanisms, incorporating environmental performance into management remuneration metrics to ensure effective implementation of environmental protection measures.

| 2025 Environmental Management Targets | Target Achievement Status | 2026 Environmental Management Targets |
|---|---------------------------|--|
| Compared with the previous year, the COD per output value of CNY 10,000 will decrease by no less than 5% (inclusive). | Achieved | Compared with 2025, the COD per output value of CNY 10,000 will decrease by no less than 5% (inclusive). |
| Compared with the previous year, the wastewater amount per output value of CNY 10,000 will decrease by no less than 2% (inclusive). | Achieved | Compared with 2025, the wastewater amount per output value of CNY 10,000 will decrease by no less than 2% (inclusive). |
| All wastewater and waste gases will be discharged in compliance with standards, and hazardous waste will be disposed of legally. | Achieved | All wastewater and waste gases will be discharged in compliance with standards, and hazardous waste will be disposed of legally. |
| No environmental emergencies | Achieved | No environmental emergencies |

The Company has set the goal of "reducing the hazardous waste generation intensity by 10% by 2030 against the 2023 baseline", and are committed to continuously minimizing hazardous waste emissions to mitigate environmental pollution.

| Target | 2025 Progress |
|--|---------------|
| Reduce the hazardous waste generation intensity by 10% by 2030 against the 2023 baseline | Achieved |

Emission Management

Strategy

Focusing on emissions of major pollutants such as wastewater, waste gases, and solid wastes, the Company has set quantifiable reduction targets. It reduces emissions of pollutants to safeguard employees' and surrounding community residents' physical health, enhancing the Company's social image, deepening positive interactions with the community, and achieving synergistic development between the enterprise and its surrounding environment and residents.

Impact on employees

Through process improvements, we improve the production environment, reducing the impact of pollutants (such as waste gases, dust, and noise generated during production) on employees. This lowers occupational disease risks and protects employees' physical health. Additionally, we enhance employees' work comfort and sense of belonging to strengthen their environmental awareness and corporate identity.

Impact on local community residents

We effectively control end-of-pipe emissions of pollutants including wastewater, and waste gases to reduce contamination of surrounding air, water bodies, and soil. This mitigates health risks for community residents caused by pollutant exposure and improves the quality of living environment in the community. By regularly holding Environmental Open Days, we invite neighboring residents to visit the plant premises, utilizing "public standards" to evaluate the Company's environmental protection efforts.

Wastewater Management

The Company's wastewater primarily originates from production processes, domestic sewage within factory areas, and initial rainwater, with key pollutants being chemical oxygen demand (COD) and ammonia nitrogen. All factories strictly implement the management principle of "separation of clean and polluted water, segregation of rainwater and sewage, treatment by classification, and cyclic utilization" in their efforts to comprehensively advance efficient water resource utilization and pollution prevention. For source control, workshops rigorously collected wastewater by classification and managed rainwater and sewage by classification, ensuring dedicated use of rainwater pipelines to eliminate mixed discharge of contaminated water. Regarding process control, advanced technologies such as Catalytic Wet Air Oxidation (CWAO) and Mechanical Vapor Recompression (MVR) were introduced for high-COD and high-salinity streams, deepening treatment levels and effectively reducing pollutant concentrations. Besides, the Company promoted the construction of the reclaimed water reuse system to improve industrial wastewater recycling rates. In 2025, 456,380,000 tons of recycled water was reused, representing an 11.5% increase from 2024. The Company continues to reduce freshwater intake and total wastewater discharge, driving water resource recycling toward higher standards.

In 2025



456,380,000

tons of recycled water was reused

representing an **11.5%**

increase from 2024



Waste Gas Management

For comprehensive waste gas management, the Company adheres to an integrated strategy of "source reduction, process control, and end-of-pipe treatment", fully advancing the reduction efforts in Volatile Organic Compounds (VOCs). By promoting raw and auxiliary material alternatives, implementing enclosed storage, closed transportation, and efficient collection/treatment for materials containing VOCs, and constructing supporting sophisticated treatment

facilities like Regenerative Thermal Oxidizers (RTOs), gas-liquid incinerators, and combustion furnaces, the Company completely collects and thoroughly treats organic waste gases. For heavily polluted weather conditions, subsidiaries develop emergency plans for emission reduction, and implement "one policy for one factory" response mechanisms to ensure precise and effective pollution control measures. Besides, the Company focuses on odor issues by implementing an odor operation approval system, and encourages employees to proactively report odor points by giving rewards to them, fostering whole-staff participation in environmental governance, and continuously improving air quality management.

Shangyu NHU Bio-Chem Co., Ltd., Zhejiang NHU Pharmaceutical Co., Ltd., and Zhejiang NHU Special Materials Co., Ltd. were rated as Grade A enterprises in Air Pollution Prevention Performance Evaluation of Key Industries of Zhejiang Province.



Empowering Air Pollution Control with Digital and Intelligent Means, Leading Park Governance as a Benchmark

As an odor control benchmark enterprise in Shangyu Economic and Technological Development Zone, Zhejiang NHU Pharmaceutical Co., Ltd. advances digital transformation in air pollution prevention, becoming the first to connect to Zhejiang Province's first intelligent monitoring, traceability and warning system for odor in the industrial park. The company deployed 43 online odor monitoring points in key factory areas (including workshops, tank farms, and boundaries), enabling 24/7 real-time monitoring of volatile odor substances.

所有废气均达标排放

| Indicator | 2025 Data | Unit |
|---|-----------|------|
| Particulate matter | 30.11 | Ton |
| Nitrogen oxides (NO _x) | 334.27 | Ton |
| Sulfur dioxide (SO ₂) emissions | 66.54 | Ton |
| Volatile organic compounds (VOCs) | 185.28 | Ton |

Solid Waste Management

Always upholding the core principles of "reduction, resource utilization, and harmlessness" in its solid waste management, the Company minimizes waste generation at the source and maximizes resource recycling. At the internal management level, the Company advocates for "zero off-site disposal of hazardous waste", with 53% of hazardous waste treated internally in 2025.



Deep Processing of Phosphorus-Containing Residue to Achieve "Integrated Control of Carbon and Pollution"

1,100 tons of phosphorus-containing residue generated by the Company every year are incinerated in the Company's self-built waste incinerator. Through technical upgrades, about 350 tons/year of this residue are reprocessed into phosphorus-containing raw materials, fully realizing the self-recycling of phosphorus compounds. This significantly reduces hazardous residue generation while substantially lowering carbon dioxide emissions, achieving "integrated control of carbon and pollution".



Resource Utilization of Fermented Bacterial Residue: Innovative Youpo Powder (UPF) Boosts Green Aquaculture

Fishmeal is a costly component in traditional aquatic feed that relies on fishing. By converting fermented bacterial residue into raw materials for aquaculture, the Company developed a novel feed ingredient Youpo Powder (UPF) that partially replaces fishmeal. This resource utilization establishes a circular economy loop, reducing the Company's environmental disposal pressure while providing safe, economical feed sources for downstream aquaculture. It alleviates pressure on wild fish stocks and supports green farming and sustainable agricultural development.

To implement the standardized "Five Immediate" management requirements for hazardous waste (immediate management upon generation, immediate packaging, immediate weighing, immediate labeling, immediate warehousing), the Company has upgraded its integrated smart equipment. This enables traceability from generation and transportation to utilization and disposal of hazardous waste. Besides, the Company actively expands hazardous waste resource utilization channels to promote comprehensive utilization of hazardous waste. In 2025, the landfill rate of hazardous waste significantly decreased to 1.46% from 4.06% in 2024.

In 2025



the landfill rate of hazardous waste significantly decreased to **1.46%** from **4.06%** in 2024

| Indicator | 2025 Data | 2024 Data | Unit |
|--------------------------------------|------------|------------|-----------------------|
| Amount of general solid waste | 242,164.38 | 229,292.18 | Ton |
| Total amount of hazardous waste | 115,852.13 | 109,122.16 | Ton |
| Landfill rate of hazardous waste | 1.46 | 4.06 | % |
| Hazardous waste generation intensity | 0.099 | 0.103 | Ton/Ton of production |

Note: Starting from 2025, the reporting scope for product output has been adjusted to exclude intermediate products, with data for 2024 restated accordingly.

Impact, Risk and Opportunity Management

The Company has the *Management Measures for Identification and Assessment of Environmental Factors* in place, and identifies environmental factors once a year. Besides, specialized identification is promptly performed in response to environmental regulation updates and production process modifications, ensuring the list of environmental factors identified aligns with production and operation realities of the Company and external environmental requirements. Following identification, various environmental factors undergo assessment by classification to identify key control targets. This provides a basis for subsequent clean production, environmental risk prevention, and opportunity exploration. The Company also ensures compliant release of all categories of pollutants.

In 2025, the Company continued to advance clean production, with subsidiaries implementing a total of 80 clean production projects, of which 67 were successfully completed with significant results. To achieve resource efficiency and pollution reduction goals, the Company prioritized key technological breakthroughs in areas such as residue recovery, solid waste characterization analysis, and comprehensive utilization, systematically enhancing waste resource utilization levels. Through optimizing production processes, strengthening process control, and implementing green technology upgrades, the Company cumulatively reduced hazardous waste generation by 4,425 tons, saved steam consumption by 53,000 tons, and cut wastewater discharge by 43,000 tons throughout the year, achieving synergistic improvements in economic and environmental benefits.

In 2025



subsidiaries implementing a total of **80** clean production projects of which **67** were successfully completed with significant results



the Company cumulatively reduced hazardous waste generation by **4,425 tons** saved steam consumption by **53,000 tons** cut wastewater discharge by **43,000 tons**

Ecological and Biodiversity Conservation

The Company strictly complies with relevant laws and regulations such as the *Wildlife Conservation Law of the People's Republic of China* and the *Regulations of the People's Republic of China on Nature Reserves*, and pledges to not construct factories within ecological conservation redlines. Prioritizing the prevention and control of soil contamination, the Company rigorously implements the *Law of the People's Republic of China on Prevention and Control of Soil Contamination* and relevant policy requirements, and systematically screens and manages environmental risks related to soil. It conducts regular inspections in and specialized assessments of its key areas (such as chemical storage zones, production facility areas, wastewater treatment facilities, and temporary storage sites for solid waste) to comprehensively identify potential pollution sources and points with leakage risks.

The Company actively organizes diverse activities and campaigns on environmental protection, including World Earth Day, World Environment Day, National Low Carbon Day, and Energy Conservation Promotion Week. Shangyu Base collaborated with the Propaganda Department of Shangyu District Party Committee to host the Shangyu District "Two Mountains" Theory Promotion Semifinals and Shangyu NHU "Youth Culture Micro-Lecture", where 10 young presenters shared firsthand experiences of implementing the concept that "lucid waters and lush mountains are invaluable assets", transforming green principles from abstract notions into tangible practices. This event not only demonstrated the Company's commitment to green development but also established a "Two Mountains" theory exchange platform for the youth in the district.



Resource Utilization and Circular Economy

Management of Water Resources

Governance

In compliance with laws and regulations such as the *Water Law of the People's Republic of China* and the *Environmental Protection Law of the People's Republic of China*, NHU attaches great importance to water resource management, and incorporates the sustainable utilization of water resources as a key component of the Company's strategic development. In terms of governance structure, NHU has established an ESG Management Committee as the highest decision-making body for the Company's water resource management to be responsible for water resource management strategies and performance.

Strategy

The Company has formulated water management regulations covering the entire chain of water intake, usage, and discharge. It conducts water balance calculations to comprehensively identify key water-consuming processes and potential water-saving opportunities, and determine key control units. On this basis, the Company continuously promotes the optimization of production processes and water-saving technology upgrades, such as adopting high-efficiency cooling systems, to reduce water demand at the source. Meanwhile, the Company vigorously advances the construction of reclaimed water reuse systems, where production wastewater undergoes advanced treatment and is reused for non-potable purposes such as cooling and cleaning, thereby improving the rate of water reuse. The Company advances institutionalization, digitalization, and technological innovation in a coordinated manner to reduce water consumption per unit of output value and enhance water resource utilization efficiency, as part of its efforts to support the green, low-carbon transformation and sustainable development of the Company.

Impact, Risk and Opportunity Management

Subsidiaries set annual water-saving targets based on their production realities, and establish quantitative indicators such as water recycling rates. They regularly monitor target progress through monthly and quarterly tracking mechanisms, and adjust management strategies promptly to ensure quantifiable and assessable water-saving outcomes.

Cascaded Reuse of Condensate Contributes to Water Conservation, Cost Reduction, and Efficiency Enhancement

To address high tap water consumption and low condensate utilization in workshops, the Company implemented an MVR technology upgrade for cascaded reuse of condensate. This project allows the reuse of system-generated condensate at various process points, replacing partial water intake points. The project saves approximately 20 tons of freshwater daily, significantly reducing water procurement and wastewater treatment costs.

Shangyu NHU Bio-Chem Co., Ltd. was recognized as a Water-Saving Benchmark Enterprise in Zhejiang Province, while Zhejiang NHU Pharmaceutical Co., Ltd. and Zhejiang NHU Special Materials Co., Ltd. were designated as Water-Saving Enterprises in Zhejiang Province.

NHU prioritizes aligning with international sustainability standards. In 2025, the Company successfully completed the CDP Water Security Questionnaire and received a B rating in the CDP Water Security category, fully demonstrating its outstanding performance and industry leadership in water resource management.

Indicators and Targets

| Indicator | 2025 Data | 2024 Data | Unit |
|----------------------------------|-----------|-----------|------|
| Water Recycling Utilization Rate | 96.54 | 96.30 | % |

Energy Utilization

Governance

Against the backdrop of the new development stage, NHU embraces the core vision of "energy efficiency improvement and digital empowerment". It has built a modern energy management system that is safe, reliable, economically efficient and green low-carbon, with a sustained focus on raising energy efficiency and driving the green and low-carbon transformation.

Energy Management System

The Company has established and effectively operated an energy management system to ensure the systematic deployment and implementation of energy conservation and carbon reduction targets and measures.

Governance structure and responsibilities

The Company's President serves as the primary responsible person for energy management, providing overall leadership; the Vice President in charge of operations overseas and coordinates energy management; and the Production and Operation Department of the Headquarters, as the competent body, executes the Company's energy development plans and decisions. Authorities and responsibilities are clearly defined at all levels to facilitate collaborative advancement.

Management responsibilities of the Headquarters

The Headquarters coordinates the Company's energy strategy, formulates management policies and standards, sets energy conservation and low-carbon targets and assessment frameworks, organizes technical exchanges and benchmarking, and supervises, guides and assesses production bases. In 2025, the Headquarters organized and implemented 38 major energy-saving measures, saving energy of 23,000 tons of standard coal and reducing carbon emissions by 63,000 tons for the year; it also promoted continuous system improvement through annual reviews and compiled the *Technological Pathways for and Typical Cases on Energy Conservation and Carbon Reduction* to disseminate internal best practices.

Responsibilities of business divisions and production bases

Each business unit is responsible for the whole-process control of energy consumption, optimization of energy use structure, and efficiency enhancement in accordance with the Company's policies. Specific measures in 2025 included the following: Shangyu Base upgraded transformers and motors, reducing carbon emissions by 520 tons for the year; and Xinchang Base upgraded equipment energy efficiency, reducing carbon emissions by 150 tons for the year.

The Company has established systematic management documents including the *Energy Management Manual*, the *Energy Performance Management Measures*, and the *Energy Review Management Measures*, defining responsibilities at all levels and setting targets and performance assessment indicators; it has also established an audit mechanism. Meanwhile, the Company regularly conducts training on energy conservation education and technology to enhance employees' energy-saving awareness and skills, aiming to foster an energy conservation culture of "all-staff participation and whole-process control".

Strategy

The Company has formulated an efficient, clean, and low-carbon energy utilization strategy oriented towards sustainable development. By regularly conducting energy audits, it comprehensively identifies energy consumption weaknesses and conservation potential to systematically optimize energy efficiency in production and operation processes. As part of its efforts to increase the proportion of renewable energy, it advances photovoltaic deployment and green electricity procurement. It strengthens waste heat recovery and digital energy management to reduce energy consumption and carbon emissions per unit of output value. It also incorporates energy performance into risk management and executive assessments to ensure the implementation of strategies for a win-win scenario for both environmental benefits and corporate resilience.

Energy Conservation, Consumption Reduction and Efficiency Improvement

Leveraging energy digital transformation, the Company comprehensively advances the construction of a smart energy management platform to allow real-time energy consumption monitoring, data analysis, and optimized scheduling, thereby enhancing the intelligence and refinement of management. By improving the energy consumption indicator control system for production processes, it implements precise management at critical nodes.

Our energy conservation management focuses on four aspects:

Strengthening source design

We incorporate lifecycle energy conservation concepts in the planning and design of new projects, and emphasizes synergistic optimization of process, equipment and system energy efficiency, driving the transition from "end-of-pipe treatment" to "source control" in energy management.

Building a robust supply system

We optimize the energy structure and expand supply channels and forms to enhance energy security and risk resilience.

Building a cost control system across the value chain

We implement fine management across the energy chain of "procurement-conversion-transportation-utilization-recovery" to establish a comprehensive energy cost control system.

Practicing green and low-carbon initiatives

We systematically advance projects such as distributed photovoltaic systems, waste heat and pressure recovery, and smart energy platforms, and actively explore transformation pathways that combine management innovation with technological upgrades.

Systematic Integrated Optimization of Process and Equipment

To address high steam energy consumption caused by substantial solvent recovery in post-extraction processes, Heilongjiang Base implemented systematic integrated optimization of process and equipment. Through precise control and integrated innovation, the base made technical modifications to key areas including reaction temperature control, chromatography process, crystallization conditions, and vacuum pump units in the Q10 production line. This resulted in annual steam savings of approximately 24,000 tons, equivalent to 2,200 tons of standard coal, reducing CO₂ emissions by about 7,000 tons per year.

Full-process Revamping for Enhanced Resource Recycling

The original distillation system in VE production line of Shandong NHU Industrial Park faced issues including redundant column configuration, low thermal energy utilization efficiency, and ineffective recovery of low-grade waste heat. Centered on "resource recycling," the project underwent full-process revamping through systematic approaches such as distillation column integration for optimization, low-grade heat recovery, and cascaded utilization of energy. After put into operation, the system achieves steam savings of 10,800 tons annually, equivalent to approximately 1,020 tons of standard coal, reducing CO₂ emissions by about 3,800 tons per year.

Refrigeration System Optimization for Energy Conservation and Carbon Reduction

Shandong NHU Amino Acids Co., Ltd. continuously identifies efficiency bottlenecks. In 2025, it strengthened the energy efficiency weaknesses of refrigeration units by adding air coolers to improve cooling efficiency. This measure is expected to save approximately 6.8 million kWh of electricity annually and reduce carbon emissions by about 3,800 tons.

Process Optimization for Enhanced Energy Efficiency

Responding to national green development and "Dual Carbon" goals, Heilongjiang Base conducted detailed research on steam usage processes in backend workshops and operational conditions of post-extraction equipment, and optimized the outlet steam pressure of thermoelectric turbines to enhance overall power generation efficiency while improving system safety and reliability. This measure increased the power generation capacity of turbines by approximately 780 kW, saving over 840 tons of standard coal and reducing carbon emissions by about 2,100 tons annually.

Clean and Renewable Energy Utilization

The Company actively increases the proportion of clean energy to reduce reliance on traditional fossil fuels. In 2025, 72.07 million kWh of clean electricity (including green certificates) was comprehensively utilized.

Green power generation

The Company continued to expand photovoltaic deployment, with cumulative installed capacity of 12,820 kW, while increasing the procurement of green power and green certificates, reducing carbon emissions by approximately 37,490 tons for the year.

Expanding Photovoltaic Deployment

Xinchang NHU Vitamins Co., Ltd. continuously utilizes new energy and expands photovoltaic deployment. In 2025, the Phase II expansion project utilized vacant land and parking sheds within the industrial park, reducing carbon emissions of approximately 650 tons annually.

Biogas recovery and utilization

The Company innovatively recovered fermentation biogas from wastewater treatment stations for use in production processes and environmentally friendly combustion, replacing fossil fuels. In 2025, 12.64 million standard cubic meters of biogas was utilized, reducing carbon emissions by 20,201 tons for the year.

In the future, the Company will continue to increase investment and deployment in the clean energy sector, persistently elevate the proportion of renewable energy, and steadfastly advance towards green and low-carbon development.

Impact, Risk and Opportunity Management

The Company has established a systematic impact, risk and opportunity management mechanism focusing on key areas of energy utilization. On one hand, it identifies high energy-consuming processes through real-time monitoring and energy efficiency benchmarking, and implements equipment upgrades, process optimization, and lean management to drive energy conservation, consumption reduction and efficiency improvement; on the other hand, it actively evaluates opportunities arising from policies, the market and technology trends, accelerating the deployment of rooftop photovoltaics, green electricity procurement, and direct renewable energy supply to steadily increase the proportion of clean energy.

Indicators and Targets

| Indicator | 2025 Data | 2024 Data | Unit |
|-----------------------------|-----------|-----------|----------------------|
| Total Energy Consumption | 860,800 | 809,200 | Ton of standard coal |
| Direct Energy Consumption | 594,000 | 560,600 | Ton of standard coal |
| Indirect Energy Consumption | 266,800 | 248,600 | Ton of standard coal |

Energy Target

| Energy Target | Achievement Status of 2025 Target | 2024 Data |
|---|-----------------------------------|-----------|
| The energy consumption per output value of CNY 10,000 will decrease by no less than 5% compared with the previous year. | 7.53% | 7.67% |

¹ The standard used for calculating energy consumption is the General Principles for Calculation of the Comprehensive Energy Consumption (GB/T2589-2020).

Circular Economy

Upholding the concept of green operations, NHU deeply implements the development model of circular economy, committed to efficient resource utilization and recycling. It promotes the transition from a linear model to a closed-loop model of "Resource—Product—Recycled Resource", facilitating high-quality industry development and harmonious coexistence with the ecological environment.

Raw Material Recycling

Dedicated to reducing resource consumption at the source, the Company actively adopts renewable biomass-based raw materials to replace traditional fossil-based raw materials. We have set a target to procure 200 tons of renewable raw materials annually, leading the green transformation of the supply chain. In the field of bio-fermentation, we use sustainable corn as the primary raw material to make target products through advanced microbial fermentation technology, facilitating the green transition of raw material pathways.

- Green procurement and source control

We establish a scientific procurement management system and collaborate with suppliers to promote green procurement. By implementing on-demand requisition and professional requisition mechanisms, we strictly control the category, quality, and quantity of raw and auxiliary materials at the source, effectively avoiding over-procurement and resource waste.

- Process optimization and material circulation

We have established and improved an internal material recycling system, implementing standardized management and full-process tracking for reusable materials. We optimize scheduling through digital means to enhance recycling efficiency.

Process Optimization Contributes to Raw Material Conservation and Recycling

Through process optimization, Shangyu NHU Bio-Chem Co., Ltd. increased the recovery rate of effective components in taurine mother liquor by 1%, reducing mother liquor discharge by 270 tons and recovering 500 tons of raw materials in 2025, achieving conservation and circular utilization of raw materials.



Packaging Material Recycling

The Company has systematically built a full-lifecycle management system for green packaging, committed to packaging reduction, circularity, and material renewability.



- **Packaging form innovation and reduction**

We reduce packaging through technological transformation. For example, we adopt liquid-state processes for intermediate materials to replace traditional solid packaging with pipeline transportation and tanker trucks; we prioritize renewable or easily recyclable materials such as cartons, iron drums, and aluminum bottles to reduce environmental footprint.

- **Reuse and efficiency enhancement**

The Company vigorously promotes standardized recycling and reuse of packaging materials across all bases. For example, Shangyu Biopharmaceutical repeatedly recycled packaging materials like VA iron cages and main-ring packaging bags, with cumulative number of reuses amounting to several thousand times; Shandong NHU Amino Acids Co., Ltd. optimized paper bag design and stacking processes, reducing packaging layers and eliminating the usage of top cardboards while ensuring quality.



Optimized Utilization of Packaging Materials

In 2025, Shandong NHU Industrial Park continued to optimize packaging specifications and structures, achieving 100% recycling for internally circulated palletized packaging materials. Through material improvements, plastic usage in certain product packaging decreased by 20%, and paper consumption reduced by 33%. Decommissioned packaging materials were cleaned and repurposed for filling three-waste materials, enabling resource cascading utilization.

Through these systematic practices, NHU has not only reduced resource consumption and environmental impact from its operations but also promoted circular economy collaboration across the industrial chain, making active contributions to sustainable production and consumption models.

03

Responsible Commitment: Co-creating a Better Life

Our Actions

NHU leverages chemical innovation as its core driver to develop cutting-edge products and solutions that propel the chemical industry. Together with all stakeholders, we are committed to contributing our expertise to enhancing people's livelihoods, fostering economic development, and advancing social progress—ultimately building a better future for humanity.

Our Performance

- Annual customer satisfaction index:

94.08 points

- Total employee training hours:

517,978

- Investment in rural revitalization and public welfare and charity:

CNY **5.53** million

SDGs



Rural Revitalization and Social Welfare

Guided by the enterprise purpose of "Creating Wealth, Elevating Employees, and Benefiting Society", NHU actively responds to national strategies for rural revitalization and common prosperity, participates in the Belt and Road Initiative projects, and fulfills corporate social responsibility through tertiary distribution while pursuing high-quality development. In 2025, the Company invested CNY 5.53 million in rural revitalization and public welfare and charity, with products exported to over 100 countries and regions globally, covering Southeast Asia, South Asia, the Middle East, Africa and other areas along the Belt and Road. During business expansion, we actively integrated into local communities, promoted economic cooperation and livelihood improvements, created long-term social value, and demonstrated corporate responsibility.

Rural Revitalization

In alignment with national common prosperity initiative, NHU proactively implements the "third distribution" mechanism through strategic philanthropic investments. These include supporting Nanmulin County in Tibet, funding the Qixing Subdistrict Common Prosperity Partnership in Xinchang County, establishing the Community Charity Endowment Fund, and contributing to Weifang Basic Livelihood Security Service Center, thereby driving local economic development and improving public welfare. In 2025, approximately CNY 600,000 was invested in rural revitalization efforts. These initiatives not only created employment opportunities and income sources for local residents while improving living conditions for disadvantaged groups, but also fostered regional exchanges and cooperation, contributing to the building of a harmonious society.

Public Welfare

Guided by its "Harmony" and "Balance" principles, NHU continues to advance initiatives in education, livelihood, and community development to build a harmonious and sustainable society.

Education Empowerment

- The Company maintains scholarship programs at Zhejiang University, Beijing University of Chemical Technology, and Tianjin University, rewarding over 400 chemical engineering students over the past decade to cultivate future industry talent. Through the "New Light Education Assistance" project, NHU donated CNY 3.2 million to enhance educational facilities at primary and secondary schools in Weifang Binhai District, supporting underprivileged teachers and students while inspiring youth to contribute to national strategic fields. Overseas subsidiaries focus on youth development by partnering with local foundations and child aid organizations to support sports clubs, kindergartens, and universities, promoting educational equity and talent cultivation.

Poverty Alleviation

- This year, 16 individuals from impoverished families received assistance to improve living conditions affected by illness.

Volunteer Services

- NHU has established three professional volunteer teams and five volunteer associations, creating a service network characterized by "corporate coordination, employee participation, and community benefit". In 2025, volunteers contributed over 500 person-times with cumulative service hours exceeding 800, covering diverse activities including street cleaning, appliance repairs, free haircuts, science popularization, elderly care home support, and school assistance, injecting warmth into social harmony.

Blood Donation

- For over two decades, NHU has organized regular blood donation drives, establishing an institutionalized, large-scale, and sustainable donation mechanism. In 2025, the Company organized three voluntary blood donation events, contributing a total of 31,200 milliliters throughout the year. Over the past three years, cumulative donations reached 142,000 milliliters.

Innovation-driven Development

Following the development principles of "Integration, Serialization, and Synergy", NHU leverages its core "Chemical+" and "Bio+" technology platforms to conduct precision and forward-looking R&D aligned with market demands.

R&D and Innovation

Governance

We have established a comprehensive R&D and innovation management framework, formulating regulations such as the *R&D Program Management Regulations* and the *R&D Program Incentive Management Regulations*. The Company has built a three-tier R&D system covering "Scientific Exploration – Technology Development – Application Transformation", with the Headquarters Research Institute at its core and business divisions providing support, forming an integrated internal-external R&D network.

Strategy

We are committed to building a complete industrial chain from bulk raw materials to fine chemical products. Through serialized extension and synergistic integration, we continuously enrich our product portfolio, providing customers with cost-effective comprehensive solutions for mutual growth.

To support systematic innovation, the Company actively expands global collaborations. We have established a Forward-Looking Technology Research Center with Zhejiang University, set up joint laboratories with institutions like Anhui Innovation Technology Co., Ltd., and deployed overseas research institutes in Japan and Singapore, creating an open innovation ecosystem with international vision.



Technology Platform Construction

Guided by the strategy of "Accelerating Technology Application, Deepening Technical Expertise, and Broadening Technological Scope", the Company systematically constructs a professional technology matrix through enhanced internal collaboration and deepened external partnerships. Concurrently, we advance the development of unit technology resource libraries, standardizing key unit technologies through modular integration and knowledge-based management. This effectively promotes rapid reuse of technical experience and capability diffusion, achieving significant progress in both generic and specialized technology platforms as well as overall technical capacity enhancement. Breakthroughs in hydrogenation and oxidation technologies accelerate the industrialization of related products. Systematic research in synthetic biology facilitates rapid iteration of fermentation strains, fundamentally enhancing the technical competitiveness of our fermentation segment. The systematization of pharmaceutical compliance helps ensure product quality and market competitiveness while meeting international standards.



Digital Transformation in R&D

This year, the Company vigorously promoted digital transformation in R&D, completing Phase 1 deployment and launch of the Electronic Lab Notebook (ELN) and Laboratory Information Management System (LIMS). The systems enable structured data entry and full-process traceability of experiments, facilitate knowledge accumulation and sharing, and improve laboratory resource allocation and standardization of testing procedures. Through digitalization and paperless operations, the Company has enhanced R&D efficiency while further advancing its green and low-carbon operational philosophy.



NHU prioritizes talent cultivation as the core pillar of its innovation-driven R&D system, treating "human capital" as its primary resource. By implementing efficient talent development mechanisms, it accelerates professional growth and injects sustainable momentum into the Company. NHU focuses on building a robust R&D talent structure, systematically developing three core teams: technology leaders, high-potential young professionals, and skilled R&D practitioners. This approach drives integrated talent acquisition, deployment, and development. For technology leaders, the Company employs precision recruitment aligned with strategic needs through channels like talent referrals, while providing open platforms and resource support. For young professionals, it implements a dual-mentorship system and industrial practice rotations, offering dual career paths in both technical and managerial tracks. For skilled practitioners, it deepens university-industry collaboration and enhances hands-on training with skills competitions. Concurrently, the Company establishes fault-tolerant mechanisms and diversified incentives including project awards and equity incentives. It overcomes geographical constraints through talent apartments and competitive remuneration, fostering mutual growth between talent and the enterprise.

During the reporting period, the Company held certifications including: 9 National High-Tech Enterprises, 1 National Key "Little Giant" Enterprise, 2 National "Little Giant" Enterprises, 2 National Manufacturing Single Champion Products, and 3 Provincial Manufacturing Single Champion Products. It ranked first in China's TOP 100 Fine Chemical Companies, and featured in China's Top 50 Multinational Corporations, TOP 100 Internationalized Private Enterprises, TOP 10 Companies in the Flavor Sector in China's Light Industry, and TOP 500 Petroleum and Chemical Enterprises.



Our sustained innovation vitality and stable output in product R&D earned authoritative recognition: topping China's TOP 10 Innovative Fine Chemical Companies, ranking in the TOP 500 Private Enterprises for R&D Investment and Invention Patents. The patents *A Method for Selective Hydrogenation of Propargyl Alcohol to Allyl Alcohol, A Recombinant Microorganism, Preparation Method Thereof, and Application in Coenzyme Q10 Production, and A Method for Preparing Polyphenylene Sulfide Resin, and Polyphenylene Sulfide Resin Prepared Thereby* won the 25th China Excellent Patent Award. In addition, the project *Development and Industrialization of High-Quality Solid Methionine Manufacturing Technology* received the First Prize for Scientific and Technological Progress from the China Petroleum and Chemical Industry Federation (CPCIF).

During the reporting period

| | | | |
|---|---|---|---|
|  | 9 National High-Tech Enterprises |  | 1 National Key "Little Giant" Enterprise |
|  | 2 National Manufacturing Single Champion Products |  | 3 Provincial Manufacturing Single Champion Products |
| | |  | 2 National "Little Giant" Enterprises |

Risk Management

In 2025, the Company enhanced its R&D project management system by establishing a comprehensive evaluation mechanism covering technology maturity, process integrity, safety, quality, intellectual property, and organizational effectiveness. This facilitated over 60 new products advancing to subsequent R&D stages. We rigorously implemented tiered laboratory safety management and embedded Process Hazard Analysis (PHA) throughout the R&D lifecycle, covering 14 ongoing projects. Simultaneously, we strengthened the confidentiality management system through clarified classification standards and multi-dimensional controls covering personnel, equipment, materials, methods, and environment to fortify information security.

Indicators and Targets

As of December 2025, the Company maintained a high-caliber structured R&D team of 2,841 members, accounting for 24.69% of total employees. Master's degree holders constituted 33.65% and PhD holders 3.03% of the R&D team.

For over two decades, NHU has deepened expertise in fine chemicals, building innovation chains, optimizing industrial chains, and elevating value chains. It dedicates substantial annual resources to cutting-edge technology exploration and product development, with R&D expenditure reaching CNY 4.665 billion over the past five years, averaging over 5.19% of annual sales revenue. In 2025, NHU invested CNY 1.099 billion in R&D, representing 4.94% of core business revenue. It ranked 149th in the "TOP 500 R&D Investment" and 96th in the "TOP 500 Invention Patents" lists released by the All-China Federation of Industry and Commerce.

In 2025




the Company maintained a high-caliber structured R&D team of **2,841** members accounting for **24.69%** of total employees

Master's degree holders constituted **33.65%** of the R&D team


PhD holders **3.03%** of the R&D team

Over the past five years



R&D expenditure reaching CNY **4.665** billion averaging over **5.19%** of annual sales revenue

In 2025



NHU invested CNY **1.099** billion in R&D representing **4.94%** of core business revenue

Empowering Industrial Development

Leveraging its role as an innovation driver, NHU focuses on addressing critical technological challenges in nutrition & health, green transportation, semiconductors, and environmental protection industries. Guided by high-tech and low-emission principles, the Company systematically develops new processes and products, embedding green, low-carbon, and circular economy concepts throughout the R&D-to-industrialization chain to propel industrial transformation toward high-end, intelligent, and sustainable development.

Industry Empowerment and Ecological Co-construction

Through technology transfer and joint R&D initiatives, NHU actively engages in value co-creation across the industrial chain to accelerate sustainable development and innovation-led upgrading. Our approach encompasses: (1) Upstream Empowerment: Deploying technical teams and sharing quality management expertise to enhance suppliers' manufacturing processes and product quality. (2) Downstream Collaboration: Co-developing market-driven solutions by integrating our material science capabilities with customers' application scenarios through joint R&D initiatives.

Integrated Rumen-Protected Methionine Solution

Addressing dairy farms' differentiated needs for rumen protection rate, intestinal release efficiency, and palatability of rumen-protected methionine, NHU's application service team transformed customer pain points into R&D priorities. Through joint feeding trials and productivity validation with key customers, we established correlation models between methionine specifications and milk yield, milk protein content, and feed conversion efficiency. This evolved our offering from standalone products to a holistic "Product + Technology + Data" solution, continuously elevating our professional service capabilities and customer value creation.

Embracing open collaboration, NHU deepens diversified innovation mechanisms to integrate global resources, share development opportunities, and co-create the future. We have conducted technical exchanges with over 40 renowned institutions including National University of Singapore, University of Tokyo, Chinese Academy of Sciences, and Chinese Academy of Agricultural Sciences, resulting in 21 substantive collaborations. The Company hosted 13 expert lectures, participated in 64 industry conferences and exhibitions, completed 24 technology/equipment integration projects, and conducted field visits to multiple countries across Asia, Europe, and America. These initiatives enhance our insights into global technological frontiers, expand international cooperation channels, and strengthen innovation capabilities.

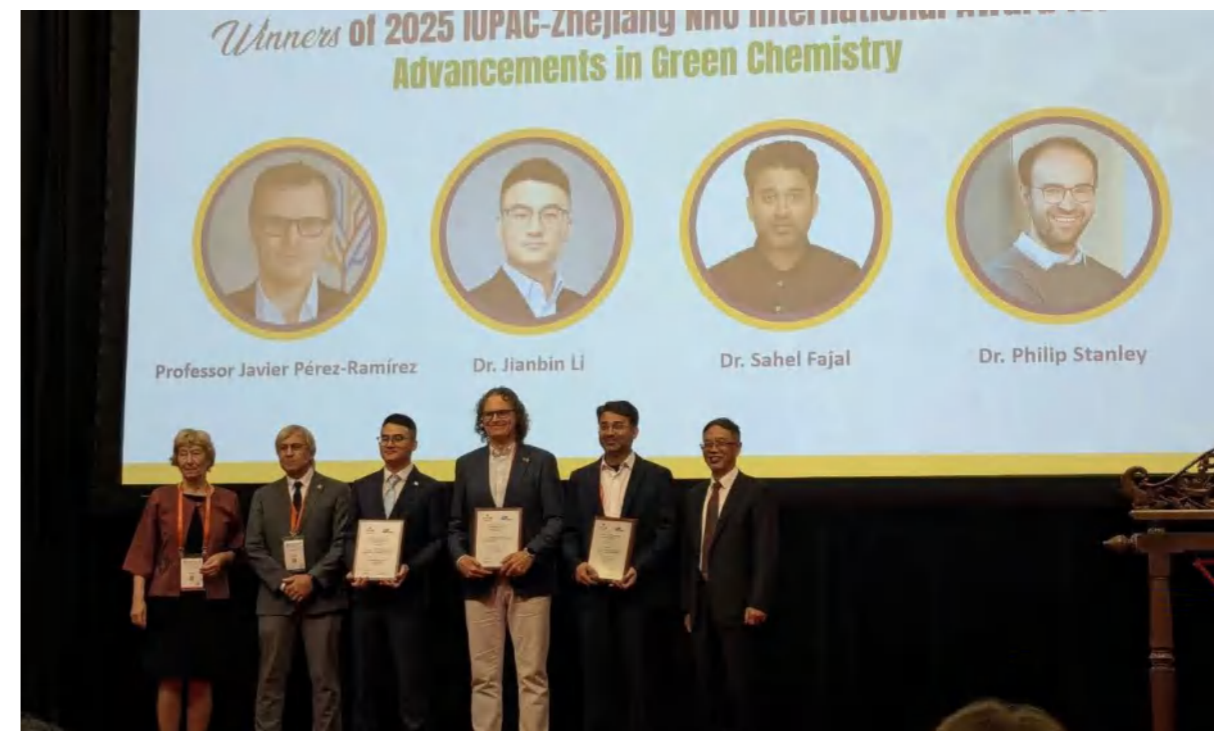
"IUPAC-Zhejiang NHU International Green Chemistry Award" Unites Global Expertise

From July 12-19, the 53rd IUPAC General Assembly and 50th World Chemistry Congress convened in Kuala Lumpur, Malaysia, themed "Chemistry for Sustainable Future". NHU joined over 3,000 chemists worldwide to explore chemistry's pivotal role in addressing sustainability challenges. As founder of the "IUPAC-Zhejiang NHU International Green Chemistry Award", NHU presented honors to distinguished laureates.

Prof. Javier Pérez-Ramírez (ETH Zurich) received the "Outstanding Green Chemist" award, while Dr. Jianbin Li (Chinese University of Hong Kong), Dr. Philip Stanley (Technical University of Munich), and Dr. Sahel Fajal (Indian Institute of Science Education and Research) were honored as "Emerging Green Chemists".

Committed to a green, low-carbon, and sustainable development path, NHU partnered with the International Union of Pure and Applied Chemistry (IUPAC) – the world's largest chemical organization – to establish this award in 2019. It recognizes global achievements in green chemistry research and dissemination, with 16 eminent chemists honored to date.

At the congress forum, Prof. Li Haoran, Honorary Dean of NHU Research Institute, delivered a keynote titled "Green Oxygenation Mediated by Geminal-Diol Type Species", highlighting clean production strategies for vitamins E/K3 and innovative pathways for efficient green synthesis.



Advancing Green Industrial Development

In response to global resource and climate challenges, we remain committed to green and low-carbon innovation. By 2025, breakthroughs in key technologies for multiple new products across business segments will establish a solid technical foundation for advancing sustainable development in related industries.

Nutraceuticals Segment

- The deep integration of "biotechnology + green chemistry" has enabled the implementation of fully circular green synthesis technology for methionine, reducing waste emissions by over 30% for certain fermentation products.

Flavors & Fragrances Segment

- Upgraded green processes earned EcoVadis Silver Medal in sustainability; Green citral production resolved environmental challenges while expanding new downstream applications for natural eco-friendly fragrances.

New Materials Segment

- Major breakthroughs in bio-based materials include the debut of bio-based PPS and the entry of green closed-loop IPDI product series into high-end markets.

Active Pharmaceutical Ingredients (API) Segment

- Significant optimization of green synthesis processes enabled in-house production of moxifloxacin side chains. The green ibuprofen production line has completed validation and will commence construction shortly.

Green Synthesis and Lean Manufacturing of Pharmaceutical-grade Vitamin B6

NHU is dedicated to embedding "Green Chemistry" principles throughout the product lifecycle from R&D to production. The Company's proprietary pharmaceutical-grade Vitamin B6 process, anchored in "clean production technology" and "safety-first" principles, achieved milestone objectives through innovative reagents and reaction redesign: simplified flows, high space-time yield, continuous hazardous steps, and drastic waste reduction. Environmentally unfriendly solvents were entirely replaced by biodegradable alternatives or solvent-free systems. Additionally, the production line features fully enclosed solid handling systems and advanced crystallization, drying, and sieving controls. Integrated separation technologies significantly reduce saline wastewater generation while minimizing electricity and steam consumption, ensuring safe, green, and energy-efficient operations.

Low-Carbon Amino Acid Manufacturing Driven by Synthetic Biology

Leveraging its synthetic biology platform, the Company has developed green fermentation processes using renewable starch as feedstock to produce various amino acids and vitamins. This approach replaces traditional high-energy-consumption chemical synthesis routes and eliminates the use of hazardous chemicals. The relevant products have passed regulatory reviews by the Ministry of Agriculture and Rural Affairs (MARA) and the National Health Commission (NHC), achieving industrial-scale application. This has significantly reduced energy consumption and carbon emissions per unit of product, supporting the green transformation of the feed industry.

Sustainable Production of Algal DHA Oil

Through heterotrophic fermentation technology, algal DHA oil is produced using sustainably sourced glucose via engineered algal strain selection and precision fermentation control. The fully enclosed process demonstrates high resource utilization efficiency, substantially reducing water consumption and waste discharge while decreasing reliance on marine ecosystems. The product features high purity and excellent stability, earning recognition from domestic and international customers as a sustainable plant-based Omega-3 solution for the nutrition and health industry.

PPS Materials Contributing to Global Carbon Reduction

The Company's new materials division delivers comfortable, eco-friendly, and healthier material products through efficient, stable, energy-saving, and environmentally specialized production. By 2025, PPS material solutions for thermal management and electric systems in new energy vehicles (NEVs) will reduce carbon emissions by 4 tons per vehicle annually, contributing to an estimated 20 million ton reduction in NEV carbon emissions. Applications of PPS fibers in eco-friendly filtration materials reduced global particulate emissions by approximately 40 million tons by 2025.

Comprehensive Advancement in Green Raw Material Substitution to Build Compliant and Diversified Product Systems

We are committed to promoting the systematic replacement of traditional animal-derived components with plant-based raw materials. For instance, natural wood salt, gum arabic, and other plant-based materials are progressively replacing animal-derived ingredients like gelatin across multiple product lines. This transition not only significantly reduces reliance on animal farming supply chains and associated environmental risks but also actively addresses diverse cultural and religious consumption needs such as Halal and Kosher. Through rigorous benchmarking against domestic and international regulations and comprehensive functional validation of raw materials, we have established a plant-based ingredient system aligned with global compliance trends that balances functionality and sustainability, laying a solid foundation for expanding our green product portfolio.



Standard Development

As a technological pioneer driving industry advancement, NHU has consistently transformed its technical expertise and practical insights into standardized specifications to foster healthy industry development. During the reporting period, the Company led the formulation of two national standards: *Food Additive Hydroxycitronellal* and *Feed Additives – Part 1: Amino Acids, Their Salts and Analogues – Taurine*. It participated in developing 20 national standards including *Plastics – Determination of Temperature of Deflection Under Load – Part 1: General Test Method*. Additionally, NHU led or participated in formulating two industry standards for *Feed Additive Calcium D-Pantothenate* and four group standards including *Food Additive Raspberry Ketone*, steering industrial upgrading and supporting standardized, high-quality sector development. During the reporting period, 28 such items were released.

During the reporting period



the Company led the formulation of **2** national standards

It participated in developing **20** national standards

NHU led or participated in formulating **2** industry standards

4 group standards

28 such items were released



Suppliers and Customers

NHU consistently develops a high-standard, rigorous, and sustainable supply chain management system and quality management system. Through full lifecycle compliance control, end-to-end quality management, and customized innovation, we provide customers with premium, safe, and reliable products and services that meet their needs and expectations.

Responsible Supply Chain

NHU is committed to establishing a responsible and sustainable supply chain system. Through stringent supplier qualification, auditing, and risk management mechanisms, we ensure compliance with quality, environmental, and social responsibility requirements while enhancing supply chain sustainability.

Supplier Management Mechanism

NHU has established a scientific and rigorous full lifecycle management system covering supplier onboarding, operational assessment, and dynamic exit. Strictly adhering to the *Supplier Management Regulations* and related procedures, we conduct comprehensive reviews of suppliers' operational status, certifications, and quality, environmental, and safety management systems. Regardless of supplier size, all evaluations follow uniform standards to ensure fairness and transparency in supplier selection. Based on material risk classification (Category A/B/C), NHU implements a multi-stage evaluation process including pilot testing, mass production trials, and on-site audits. This ensures both material quality and suppliers' production & quality control capabilities align with the Company's internal control standards.

NHU is systematically integrating and deepening ESG requirements across the supply chain. Suppliers admitted into the qualified vendor system are required to execute binding agreements including the *Environmental and Occupational Health & Safety Commitment*, *Code of Ethical Business Conduct*, *Integrity and Fair Competition Agreement*, and *Quotation Commitment Letter* thereby reinforcing their social responsibility obligations. Strategic suppliers undergo regular ESG performance evaluations using a combined approach of the "Supplier ESG Questionnaire" and "ESG Scorecard", covering environmental management, labor practices, business ethics, etc. Evaluation outcomes inform both risk identification and procurement decisions: Suppliers with outstanding ESG performance receive pricing incentives, while those failing standards or inadequate rectification face measures such as order reductions or suspended cooperation, establishing effective incentives. NHU requires suppliers to strictly adhere to environmental regulations, safeguard employees' occupational health and safety (OHS), and uphold ethical business practices. This collaborative approach fosters a fair, transparent, and sustainable supply chain ecosystem. As of the reporting period end, no overdue payments to SMEs occurred.

NHU promotes a secure and competitive supply chain ecosystem. Regular integrity training for procurement staff-featuring case studies and policy reviews-strengthens compliance awareness. Integrity requirements are embedded in supplier collaboration guidelines, supported by strict implementation of the *Integrity Management Measures* and multi-channel whistleblowing mechanisms. This creates a closed-loop integrity management system of "training guidance, policy constraints, and oversight safeguards" to ensure full-process transparency. Additionally, we collaborate with suppliers to sign Integrity Partnership Agreements, advocating ethical operations and fair competition while prohibiting commercial bribery and unfair practices. This fosters a supply chain ecosystem grounded in "mutual trust, shared responsibility, and clean collaboration".

In process management, we implement a strict "Yellow Card" suspension and "Black Card" delisting mechanism. Suppliers exhibiting quality instability, severe delivery delays, environmental penalties, or business ethics violations face temporary transaction suspension (3 months or 1 year) based on severity. Suppliers causing significant losses, violating core business ethics, or failing consecutive evaluations are permanently disqualified and blacklisted.

In 2025, the Company terminated partnerships with 96 suppliers due to expired qualifications, integrity issues, and the discontinuation of certain materials as part of its product upgrading initiatives.

| Indicator | 2025 Data | Unit |
|---|-----------|-----------|
| Suppliers | 4,581 | Companies |
| Suppliers' signing rate of integrity agreements | 100 | % |

Supplier Performance Evaluation

Annually in December, NHU conducts comprehensive performance evaluations for all suppliers. Evaluations for raw materials and auxiliaries suppliers are jointly performed by production workshops, quality assurance departments across production bases, warehouse operations teams, and the purchasing department. Equipment suppliers are assessed by the equipment management division in collaboration with the purchasing department. The rating system categorizes suppliers into four tiers: Excellent, Good, General, and Unsatisfactory. Subsequent risk assessments and procurement decisions are formulated based on these evaluation outcomes.

Daily Audit of Suppliers

All production bases and business divisions implement batch-by-batch incoming inspection for raw materials and auxiliaries, with strict quality compliance verification prior to warehouse acceptance and production usage. Each base's Quality Assurance Department establishes annual supplier audit plans aligned with operational requirements. Primary raw material suppliers undergo on-site audits every three years, while secondary suppliers complete desk audits through standardized questionnaires every six years.

Supplier Training

NHU prioritizes sustainable supply chain development, not only enforcing stringent quality and technical standards but also advancing collaboration in EHS and international regulatory compliance.

Bases and business divisions regularly organize specialized training sessions and on-site exchanges, focusing on core dimensions such as product technical requirements, quality inspection standards, updates to environmental regulations, and work safety protocols. Specifically, in the specialized management of key material suppliers (e.g., packaging materials and pharmaceutical excipients), we systematically communicated the latest regulatory requirements, such as the updated Pharmacopoeia, ensuring supply chain compliance with domestic and international regulatory dynamics.

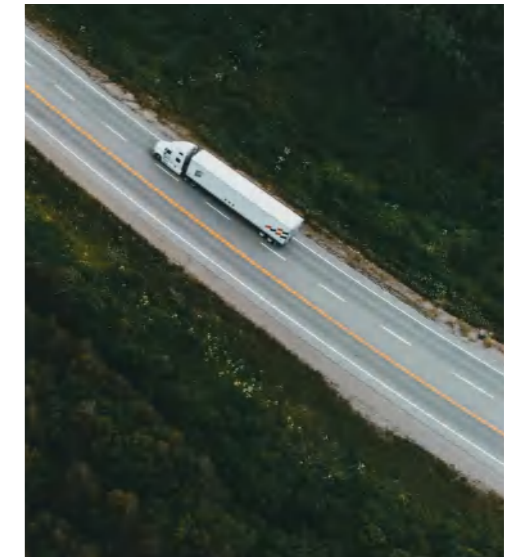
Additionally, we treat every on-site quality audit and ESG assessment as a crucial opportunity for bidirectional communication and training. During audits, our professional teams conduct face-to-face technical workshops and regulatory interpretations with suppliers, addressing identified issues and best practices, particularly providing targeted guidance on evolving international client requirements and overseas market access standards.

Supply Chain Risk Management

NHU conducts comprehensive risk assessments for new suppliers, covering operational dimensions including production capacity, process stability, geographic location, transportation methods, and delivery reliability. Mandatory submission of compliance documents (e.g., EIA and safety assessments) is required to review environmental and safety risks. For qualified suppliers, the Company utilizes the periodic *Supplier Risk Assessment Form* to organize cross-departmental on-site inspections or written surveys, systematically evaluating performance in quality, commercial, financial, environmental safety, and delivery aspects. Differentiated controls are implemented based on risk levels (High/Medium/Low): High-risk suppliers are inspected at least semi-annually, medium-risk suppliers annually, and low-risk suppliers as needed. Cooperation is terminated immediately upon identification of uncontrollable risks. This mechanism, combined with the "Yellow Card" (suspension) and "Black Card" (delisting) management system, forms a complete risk response framework, effectively isolating major risk sources.

Green Supply Chain

We are actively exploring pathways to green transformation in logistics and transportation, striving to build a low-carbon, efficient, and sustainable modern supply chain system. In response to the national "dual carbon" strategic goals and ecological and environmental protection requirements, the Company continues to advance the development of a green logistics system. Systematic improvements have been implemented in areas such as transportation modes, fleet management, route planning, and loading efficiency, significantly reducing energy consumption and carbon emissions in logistics operations. Regarding transportation equipment, the Company has fully phased out all outdated vehicles that fail to meet environmental standards. Vehicles with emission levels below China National V Standard are completely prohibited from participating in the Company's logistics operations, ensuring that all carrier vehicles comply with China National V Standard or above. Concurrently, the Company is actively promoting the adoption of new energy vehicles. In terms of transportation organization, methods such as bulk cargo consolidation and shared container shipping are used to reduce shipping frequency and optimize logistics efficiency. The Company implements full-coverage ESG management for its strategic suppliers, requiring them to provide product life-cycle carbon footprint data. This drives the development of a low-carbon, transparent, and sustainable supply chain.



Product Quality and Safety

NHU regards product quality and safety as the cornerstone of sustainable development, adhering to a "customer-centric" quality philosophy. We have established a comprehensive quality assurance system dedicated to providing high-quality, high-safety products.

Quality Management System

The Company has established and continuously improved an integrated quality management system. The Headquarters Production & Operations Department oversees quality policies and objectives, while site QA departments execute standard development and product sampling. Multi-department collaboration mechanisms enhance process safety management. Currently, NHU has systematically implemented and maintains internationally recognized certification systems including ISO 9001, ISO 14001, ISO 45001, FAMI-QS, ISO 22000, BRC, FSMA, HALAL, NSF, and GMP, setting stringent internal control standards for each product category.

Through regulatory documents such as the *Quality Laws and Regulations Identification, Evaluation, and Compliance Monitoring Regulations*, *Production Process Quality Monitoring Regulations*, and *Hazardous Materials Sales Management Regulations*, quality management is embedded throughout R&D, production, sales, and after-sales processes, ensuring consistent and reliable product quality. No major product or service quality liability incidents occurred during the reporting period.

Product Design and Development

- Emphasizing early-stage risk prevention, we embed quality and safety requirements into product design through in-depth customer needs analysis and specialized risk assessments, eliminating potential hazards at the source.

Production Process Monitoring

- We continuously optimize production techniques and proactively adopt advanced quality control technologies globally to enhance efficiency while ensuring products meet customer specifications and benchmarking standards.

Establishing Tiered Product Priority Matrix

- Through quota management in production (raw/auxiliary materials, packaging inventory, finished goods inventory, spare parts inventory, etc.), we implement tiered classification based on product line risk levels and criticality to mitigate supply chain risks.

Quality Risk Control

- We have established robust product risk control mechanisms utilizing professional quality management and risk identification tools. Through regular specialized inspections, we identify critical control points, implement corresponding measures, and conduct continuous review and evaluation. Additionally, through pre-/post-shift meetings, Five-Type Team initiatives, and quality workshops, we foster a quality culture at the grassroots level, empowering frontline staff to proactively identify risks and propose improvements—shifting quality control upstream and strengthening organization-wide prevention capabilities.

Product Testing and Auditing

- With in-house testing facilities and specialized teams, we achieve comprehensive product testing coverage and establish preventive testing mechanisms for proactive quality risk control. Annual quality audits conducted by headquarters experts across all bases, supplemented by internal/external audits, enable timely issue identification and correction, driving continuous quality management enhancement.

To reinforce company-wide quality awareness, we implement annual quality control and product safety training covering quality regulations, quality system knowledge, and risk management requirements for all employees. Targeted training for quality personnel and production staff—such as on-site quality management workshops during 2025 Quality Month covering defect analysis and quality tool applications—enhances critical control point mastery and hazard identification. SOP training and standardized skill competitions further elevate professional competencies while embedding customer-centric quality principles.

We advance digital-intelligence integration in quality management by linking core systems like LIMS (Laboratory Information Management System) and QMS (Quality Management System), breaking data barriers across MES, WMS, and other platforms to achieve cross-functional quality data traceability and process efficiency—establishing an end-to-end digital quality control system.

Technologically, we continuously adopt advanced inspection methods and develop AI-powered quality inspection solutions tailored for industrial scenarios using AI and big data. This elevates inspection precision while reducing manual intervention, optimizing processes, minimizing resource consumption and human error—laying a technological foundation for consistent and sustainable product quality.

Product Recall

To address potential product safety issues, the Company has established a product recall control procedure based on HACCP principles, ISO 22000, BRCGS, and other management system standards, as well as relevant national and industry regulations. This procedure defines the recall process in the event of product safety hazards, improving emergency response efficiency and minimizing losses for both customers and the Company. At the same time, all branches, subsidiary and business units have developed recall procedures for their respective product categories based on the Company's documents, and conducts regular drills to ensure fast and effective crisis management.

In 2025



NHU maintained

0 product recalls attributable to quality deficiencies

| Topic | Indicator | 2025 Data | Unit |
|-----------------------------|---|-----------|------|
| | Quality certification system coverage | 100 | % |
| Product Quality and Service | Percentage of products recalls attributable to quality deficiencies in the total number of sold or delivered products | 0 | % |

Customer Services

NHU consistently upholds the marketing philosophy of "Creating Demand, Serving Customers" and the quality concept of "Customer Centric", committed to delivering efficient, professional, and sustainable service experiences. Through systematized customer service management, structured complaint handling mechanisms, customer satisfaction survey, and digital transformation of sales operations, the Company has achieved holistic improvements in service quality, resulting in enhanced customer satisfaction and loyalty.

Customer Service Management

To standardize full customer lifecycle management, the Company has established the Customer Management Regulations, defining departmental responsibilities, operational procedures, and management standards to ensure accurate customer records and elevate service efficiency. To strengthen customer credit risk management, the Company has concurrently formulated the *Customer Credit Management Measures* to standardize credit assessment, quota determination, and dynamic management, establishing a comprehensive customer credit management system. The Company also implements the *Sales Management Regulations* to continuously optimize sales processes and ensure efficient and standardized operations.

For brand management, the *Product Brand Management Measures* has been established to unify brand image standards and enhance market recognition and core competitiveness. Regular specialized training on brand knowledge is conducted to deepen employees' understanding and commitment to brand values, driving the implementation of brand strategies. To ensure after-sales service quality, the *Delivery & Returns Management Regulations* has been developed, clarifying domestic/overseas logistics procedures and return/exchange workflows to guarantee timely, accurate deliveries and improve customer satisfaction.

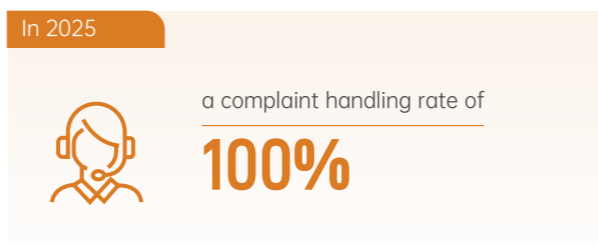


Developing Plant-Based Functional Materials for Green Development

Addressing growing market demand for clean, green-sourced products, we focus on independent innovation and industrial application of plant-based materials. A cross-functional team spanning R&D, process, marketing, and compliance has successfully developed a modified starch-based coating material system, applied in producing core nutrients (e.g., VA, VE, VD3). This initiative achieves synergistic sustainability upgrades from raw materials to end products while delivering high-performance, eco-friendly solutions that enhance customers' green competitiveness.

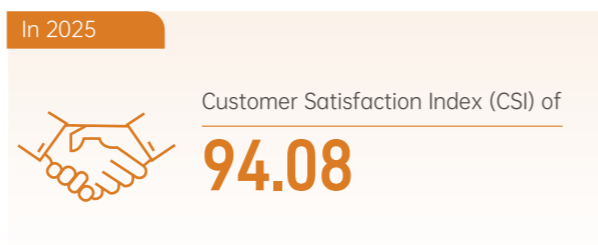
Customer Complaint Management

The Company has established the *Customer Information Feedback Management Regulations* and related protocols to define complaint resolution processes, track effectiveness, and verify outcomes. Quality follow-ups via onsite/online channels are conducted to identify additional needs, which are incorporated into continuous improvement plans. In 2025, the Company received a total of 12 complaints regarding products and services, with a complaint handling rate of 100%.



Customer Satisfaction Survey

To further enhance product and service quality, the Company has established the *Customer Satisfaction Survey Management Regulations*, administered by the Marketing Management Department and implemented by the Quality Assurance Departments across business divisions, branches and subsidiaries. This year, the Company conducted comprehensive customer satisfaction surveys encompassing product performance, brand perception, and service delivery, achieving an annual Customer Satisfaction Index (CSI) of 94.08. Identified improvement areas were systematically analyzed to develop optimization plans, continuously refining the quality management system.



Intelligent Sales

To build precise customer profiles and enhance service experience, the Company actively advances sales intelligence transformation. In 2025, the Company fully launched sales intelligence initiatives, establishing a non-smart factory production-sales coordination module to achieve efficient supply-demand linkage. Concurrently, ERP and CRM system deployments have been implemented for overseas subsidiaries, with successful rollouts in Germany, Mexico, Brazil, Vietnam, and Turkey, significantly improving marketing and operational management precision. Concurrently, we have consolidated global customer resources through standardized information management and service process optimization, delivering more efficient support for overseas customers.

Data Security and Customer Privacy Protection

Throughout its comprehensive digital transformation, the Company prioritizes information security and customer privacy at the strategic core, systematically building a holistic protection framework covering "personnel, processes, technology, and ecosystem". Through company-wide security training, in-depth audits, public-private partnerships, and system upgrades, the Company fortifies its digital security defenses, laying a solid foundation for business excellence and customer trust.

Continuous Management System Enhancement to Consolidate the Institutional Foundation

To refine the information security governance framework, the Company has completed a comprehensive upgrade and restructuring of its ISO/IEC 27001:2022 Information Security Management System. This upgrade involved revising 41 policy documents, achieving deep optimization from architecture to workflows, and advancing systematic, standardized, and unified information security management.

Deepening Public-Private Collaboration to Foster a Joint Security Ecosystem

The Company partners with public security authorities to establish a "Cybersecurity Co-governance Demonstration Site", exploring innovative governance models featuring government-enterprise coordination and multi-stakeholder participation. This collaboration facilitates a shift from unilateral protection to open co-governance while strengthening the Company's engagement and coordination effectiveness in public security domains.

Strengthening Group-wide Security Coordination to Drive Unified Defense

To build an integrated group security framework, NHU conducted specialized information security inspections covering its headquarters and four major production bases. The inspections comprehensively evaluated equipment operations, control implementation, and policy effectiveness, driving the establishment of a group-level security mechanism featuring "unified policies, unified strategies, and unified protections" to achieve standardized cross-regional and cross-hierarchy security controls.

Company-wide Security Awareness and Skills Enhancement

Systematically strengthening organizational security capabilities, we continuously conduct specialized training on information security and privacy protection. Through multi-level, practical courses and drills, we achieve full coverage and deep participation from management to frontline employees. This enhances the entire staff's awareness of identifying and preventing security threats.

Employees

NHU consistently upholds sustainable development principles. We prioritize building balanced stakeholder relationships among people, society, and nature as the cornerstone of harmonious growth. Particularly, we emphasize the strategic value of human capital in enhancing corporate core competitiveness. Through robust governance mechanisms and social value practices, we foster a community of shared interests, career aspirations, and common destiny between employees and the enterprise.

Employee Recruitment and Human Rights

NHU strictly complies with the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China* to regulate recruitment and employment management. We have established internal policies including the *Anti-Discrimination, Anti-Harassment and Anti-Abuse Regulations and the Prohibition of Forced Labor Regulations*, firmly opposing human rights violations such as child labor, forced labor, and discrimination. No incidents involving child labor, malicious harassment, discrimination, or labor disputes occurred at NHU during the reporting year.



The Company has established the *Recruitment Management Measures*, supported by detailed operating procedures, SOPs, and an Employee Onboarding Guide. These documents standardize procedures, uphold fundamental recruitment principles, and ensure fairness, impartiality, and transparency – preventing external violations while eliminating internal malpractice. This year, we established key partnerships with institutions including Zhejiang University and received multiple employer accolades. NHU was honored as "The Most Popular Global Employer" at GUCDC 2025 and "China's Best Employer | Ningbo's Best Employer" by Zhaopin in 2025. Our subsidiary, Heilongjiang NHU Biotechnology Co., Ltd., was recognized by the Ministry of Human Resources and Social Security as a "National Advanced Private Enterprise in Employment and Social Security".

Remuneration and Benefits

Guided by fairness and value co-creation principles, NHU has established a position-value-based remuneration system. This ensures equal pay for equal work regardless of gender and provides market-competitive remuneration. We regularly benchmark remuneration levels against the market and dynamically adjust strategies to maintain industry competitiveness for core positions.

We strictly implement national regulations by contributing to employees' social insurance and housing provident funds. Remuneration levels are dynamically adjusted based on actual contributions and job performance, ensuring a shared growth mechanism between employee income and corporate development. Clear provisions are established regarding employee remuneration, working hours, and rest periods. We legally implement working hour systems with defined overtime limits. For overtime required by production needs, department and project managers are required to notify employees in advance with justifications and arrangements. Overtime pay is promptly provided or compensatory time-off is arranged in accordance with the law.

For sales personnel and certain frontline staff, we implement flexible working hour systems.

We have developed a diversified incentive structure comprising four components: fixed income, variable income, allowances/subsidies, and benefits for all employees. Variable income is linked to company performance and individual contributions. Through performance evaluations and remuneration incentives, we closely align employee efforts with career development to drive workforce engagement. Guided by the "contributor-centric" philosophy, NHU has established initiatives such as Management Innovation Awards and Project Achievement Awards, enabling core employees to share in corporate development outcomes while fostering organizational vitality and innovation.

To establish and improve benefit-sharing mechanisms for employees and shareholders while enhancing workforce cohesion and corporate competitiveness, NHU has implemented five phases of Employee Stock Ownership Plans (ESOP) since its IPO in 2004, covering approximately 2,700 employees cumulatively.

We continuously optimize our benefits system through employee satisfaction surveys, launching personalized welfare programs covering health protection, housing support, and others to strengthen employees' sense of belonging and well-being. Furthermore, by revising *Employee Wellness & Leave Management Measures* and *Retired Management Re-employment Measures*, NHU has enhanced its holistic welfare framework to support employees throughout all career phases.

Employee Communication

NHU respects and values the opinions and suggestions of every employee, establishing diversified and multi-tiered communication channels and platforms. Through thorough implementation of the "Five Mandatory Visits and Five Mandatory Conversations" mechanism, we effectively monitor employees' psychological status and professional/personal needs, ensuring timely identification and resolution of issues. The Company maintains a dedicated General Manager's Mailbox that encourages both named and anonymous feedback, complaints, and suggestions, with strict confidentiality protections for whistleblowers to foster a secure and transparent communication environment. In 2025, monthly canteen satisfaction surveys were conducted, with management methods dynamically optimized based on feedback, resulting in progressively improving employee satisfaction.

We conduct regular employee forums and Staff and Workers' Representative Congresses to create open and inclusive dialogue platforms. These platforms enable employees to share professional experiences, developmental challenges, and improvement proposals, serving dual purposes of informing management decision-making and strengthening cultural alignment and organizational commitment. In compliance with legal requirements, NHU has established a Labor Dispute Mediation Committee comprising employee representatives, administrative personnel, and trade union delegates. Operating under principles of fairness and impartiality, the committee ensures prompt resolution of workplace disputes at early stages, thereby safeguarding employee rights while supporting sustainable corporate development.

Employee Care

NHU regards talent as its primary resource, consistently implementing the "Teacher Culture" and "Harmony" philosophy to advance a caring culture. The Company consistently prioritizes employees' physical/mental well-being and professional development. Through regularly organized cultural and recreational activities including storytelling sessions, team-building events, and recreational sports competitions, we help employees alleviate work-related stress while enhancing workplace satisfaction and organizational commitment, thereby fostering a supportive and collaborative work environment. To accommodate diverse employee interests, NHU has established officially registered clubs for yoga, football, basketball, badminton, tea ceremonies, and other hobbies, enabling staff to cultivate personal interests beyond work responsibilities and maintain healthy work-life integration. The Company has also developed comprehensive welfare facilities, including standardized basketball courts, fully-equipped fitness centers, and the NHU Town community complex, providing employees with comfortable and accessible spaces for both professional and leisure activities.

NHU established a comprehensive employee care mechanism, providing professional services such as mental and physical health counseling, legal assistance, children's school enrollment support, and medical green channels to effectively help employees resolve work-life challenges.



"E-Care Initiative" Launched to Enhance Employee Well-being

On March 4, 2025, NHU partnered with Zhejiang Provincial Political Research Association and Zhejiang Corporate Culture Construction Association to launch the "E-Care" employee support program, simultaneously activating a 24/7 mental health hotline. Employees participated in interactive sessions including one-on-one psychological counseling, stress-relief brainwave lamps, OH Card introspection, traditional Chinese ear acupressure, and traditional Chinese medicine wellness consultations. The professional expertise and meticulous service helped participants gain self-awareness, process emotions, alleviate stress, and recharge mentally, earning positive feedback.



Implementing Targeted Care to Strengthen Employee Cohesion

In 2025, NHU's Shandong base continued its "Practical Solutions for Employees" campaign, addressing daily concerns through vehicle management services, meal delivery, home cleaning assistance, and dormitory facility upgrades. The program expanded its scope to include youth social events, psychological counseling, legal aid, hardship support, and educational/medical access facilitation to boost employee belongingness.

Diversity, Equity and Inclusion

NHU is dedicated to fostering a diverse and inclusive workplace through institutionalized mechanisms and systematic implementation of our *Anti-Discrimination, Anti-Harassment and Anti-Abuse Regulations*. The principle of equity is embedded throughout the employee lifecycle - from talent acquisition to development, retention, and succession planning - ensuring equal opportunities and value co-creation across all departments in job placement, performance appraisal, promotion recommendations, and incentive allocation. We rigorously uphold gender equality in recruitment practices, fully complying with national regulations to prohibit any form of discrimination based on gender, marital status, ethnicity, or religion, while providing female employees with equitable career advancement opportunities. Additionally, we hire qualified persons with disabilities, supporting their employment and ensuring their effective workplace integration. This year, we employed 33 persons with disabilities.



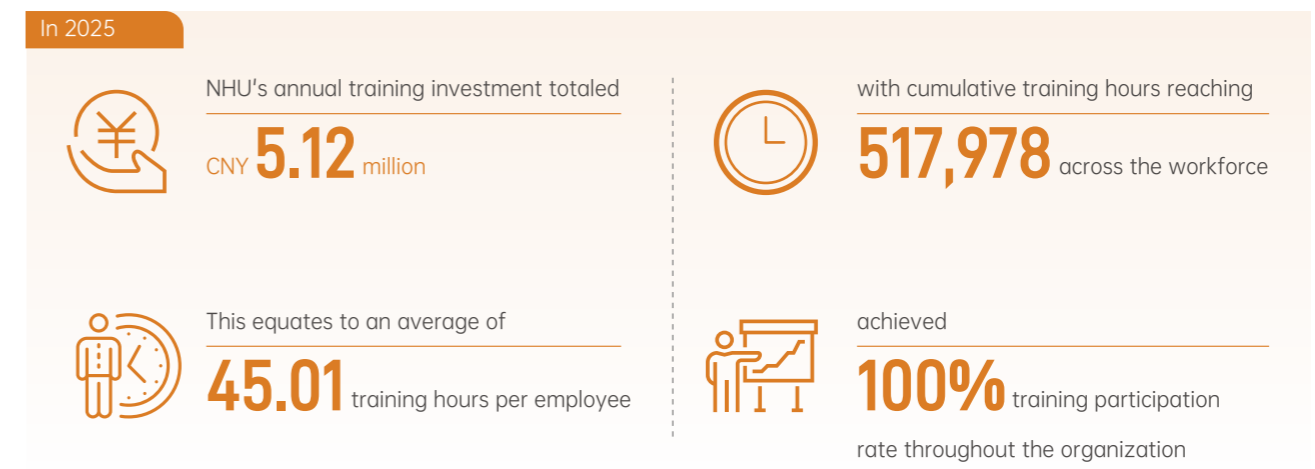
The Company strictly complies with laws including the *Law of the People's Republic of China on the Protection of Rights and Interests of Women*, *Special Provisions on Labor Protection for Female Employees*, and *Zhejiang Provincial Population and Family Planning Regulations*, establishing internal *Welfare Management Measure* to safeguard female employees' rights. We implement

statutory maternity leave, breastfeeding breaks, and Women's Day holidays, distributing care packages and organizing annual health checkups for all female employees during Women's Day. The Company consistently prioritizes female employees' physical and mental well-being through regular yoga sessions, specialized health check-ups, parent-child activities, and wellness initiatives, fostering a respectful, equitable, and caring workplace.

Based on the Company's employer branding initiatives and business needs, targeted recruitment of interns is conducted. For interns in functional roles, the compensation package is highly competitive in the market. Interns in production roles enjoy equal pay for equal work under legally binding agreements that safeguard their working conditions, safety, and health rights. Regular training and assessments ensure interns' skill development aligns with job requirements. Interns benefit from comprehensive labor protection and career guidance, with their responsibilities, rotation plans, and growth trajectories integrated into the Company's talent pipeline strategy.

Staff Training and Development

NHU places great emphasis on employee training and development, having established a comprehensive career-cycle training system that provides diverse and multi-tiered learning platforms with tailored growth pathways. By refining pedagogical, instructional, and curricular frameworks, NHU ensures the effective implementation of its talent development system. We cultivate five core talent categories—management professionals, global talents, leaders, technical experts, and skilled specialists—continuously enhancing organizational competitiveness.



Employee Promotion

The Company offers a dual-track career progression system (management and professional tracks), providing diversified development options. Promotional assessments for both tracks strictly adhere to performance-driven and competency-based principles, ensuring equitable and transparent selection processes. Additionally, NHU facilitates internal mobility opportunities with corresponding training support, enabling employees to chart optimal career paths aligned with personal aptitudes and organizational needs.

Management Sequence

- Grassroots management - middle management - senior management, successively undergo Yang Fan, Qi Cheng and Yuan Hang programs to cultivate reserve talents

Professional Sequence

- Proficient → Advanced → Expert → Senior Expert → Chief Expert

Staff Training

NHU has established a comprehensive career-long training system covering multiple dimensions including new employee onboarding training, position-specific skill enhancement, technical expertise development, and management capacity building. The Company develops annual training programs that systematically guide the implementation of structured learning initiatives. Employing a blended learning approach that combines online and offline formats with internal faculty and external specialists, the organization ensures industry-relevant and future-oriented training content. Through meticulously designed curricula encompassing corporate culture, professional ethics, technical expertise, and managerial competencies, the programs holistically enhance employees' comprehensive quality and operational capabilities.

For technical expertise, certification programs such as Equipment Technology Expert Certification and Workshop Management Leadership Program have been established to cultivate technical specialists and modernize workshop management, driving the organization's strategic transformation toward youthful dynamism and professional excellence.

Capitalizing on digital learning advancements, NHU provides global-standard courses and industry-leading knowledge through its XiaoXin Digital Academy platform, empowering employees to expand professional horizons and strengthen competitive edge. The Company actively encourages employee participation in external training and degree advancement programs, while regularly hosting premium academic conferences to provide enriched learning resources and growth opportunities, fostering synergy between personal development and organizational objectives.

Occupational Health and Safety (OHS)

NHU prioritizes employee well-being, pursuing the "Three Zeros" goal—zero accidents, zero violations, zero emissions—as its core objective. We continuously enhance our HSE and OHS Management Systems to achieve inherent safety and foster secure enterprise development.

Governance

NHU strictly complies with OHS laws and regulations, including the *Work Safety Law of the People's Republic of China*, the *Occupational Disease Prevention and Control Law of the People's Republic of China*, the *Fire Protection Law of the People's Republic of China*, and the *Regulations on the Safety Management of Hazardous Chemicals*. We actively benchmark against industry best practices such as the *Guidelines for Chemical Process Safety Management (AQ/T 3034)* and the *Guidelines for Inherent Safety Assessment of Chemical Processes (T/CCSAS 044)* to establish a comprehensive OHS management system.

The Company has developed and implemented comprehensive internal regulations including the *HSE Risk Management Regulations*, *Work Safety Information Management Regulations*, *Process Hazard Analysis Management Regulations*, *Accident and Incident Management Regulations*, *Factory Change Management Regulations*, *Contractor HSE Management Regulations*, *HSE Training Management Rules*, *Occupational Disease Prevention and Control Measures*, *Management Regulations for Identification and Monitoring of Occupational Disease Hazards*, and *Occupational Health Surveillance and Records Management Measures*. These collectively form an HSE management regulation that comprehensively covers all aspects of OHS management. We provide work-related injury insurance for all employees. In 2025 we have invested CNY 1,230,000 in purchasing work safety liability insurance for high-risk positions, achieving nearly 100% coverage.

The Company has linked management compensation incentives to HSE performance assessments, thereby reinforcing HSE management responsibilities and enabling the efficient operation and continuous improvement of the HSE system. HSE performance metrics include both outcome-based and process-based indicators: Outcome-based indicators: thousand-person injury rate, total direct economic losses from accidents, number of fire/explosion incidents with losses exceeding CNY 10,000, and new occupational disease cases. Process-based indicators: safety leadership engagement, quantitative audit scores for work permits, alarm rate, and on-time completion rate of HSE training programs. Through scientifically designed management metrics, the management can accurately identify systemic weaknesses, clarify improvement priorities, and drive comprehensive enhancement of OHS performance.

➤ NHU proactively implements mandatory standards like the *General Specification for Work Safety Standardization of Hazardous Chemical Enterprises (GB 45673-2025)*, integrating requirements from the *Guidelines for Chemical Process Safety Management (AQ/T 3034-2022)*. By adopting industry best practices, we systematically identified gaps in existing management systems and executed a comprehensive HSE system upgrade.

This overhaul updated 38 management documents including the *HSE Management Manual*, *Full-Coverage Work Safety Responsibility System Procedures*, *HSE Risk Management Regulations*, and *Hidden Hazard Investigation and Control Procedures*. The enhanced system emphasizes risk control, specialized safety, and lifecycle management principles. It strengthens whole-process, end-to-end safety supervision and establishes a lifecycle management framework spanning design, construction, operation, maintenance, and decommissioning phases—solidifying inherent safety foundations and elevating overall safety management standards.

Deepening Engagement in Fine Chemicals – Co-drafting Industry Safety Standards

In 2025, leveraging its decades of deep cultivation and accumulated expertise in the fine chemical industry, NHU contributed substantively to drafting the *Safety Management Code for Fine Chemical Enterprises (AQ 3062-2025)* led by the Ministry of Emergency Management, with the standard published during the reporting period.



Strategy

Work Safety

NHU regards work safety as a prerequisite of corporate operations. The Company not only maintains rigorous internal safety management but also extends compliance requirements to suppliers and contractors. In accordance with the *Contractor HSE Management Regulations* and *Stakeholder HSE Management Regulations*, the contractors are mandated to adhere to work safety standards and implement operational safety protocols throughout project execution.

Pre-contractual

Conduct compliance verification of contractor qualifications and personnel certifications, maintain valid documentation with explicit accountability for record integrity;

During contract signing

HSE agreements are executed with contractors, with mandatory pre-entry safety training for all personnel and documented safety inspections of construction tools/equipment. Before any operational activity, safety condition confirmation, risk notification, and technical safety briefings must be conducted.

During operations

Multi-tier supervision is performed by guardians, contract holders, and HSE personnel, covering: contractor pre-entry safety training compliance, risk and technical safety communication effectiveness, tool/equipment safety, regulation/procedure adherence, safety measure completeness, and contractor behavioral compliance. Identified issues require immediate rectification with feedback loops to contractors and contract holders.

The Company prioritizes Process Safety Management (PSM), advancing application of advanced tools like HAZOP (Hazard and Operability Analysis) and LOPA (Layer of Protection Analysis) for systematic reviews of high-risk process units. A process safety management system covering "pilot testing - scale-up - design" phases was developed, alongside a 571-point PHA Checklist standardizing risk identification and management procedures. This PSM approach transforms safety management from reactive response to preventive action, strengthening inherent safety foundations to support sustainable operations.

HSE Excellence Engineer Training Program Launched

To enhance resource sharing and collaboration, NHU co-organized the HSE Excellence Engineer Training Program with Zhejiang Petroleum and Chemical Industry Association during September 24-26, 2025, training 58 safety engineers from diverse chemical enterprises. Focused on "cultivating HSE excellence engineers for fine chemical industry sustainability", the program employed a "theory + practice + site visits" model to elevate participants' expertise.



Occupational Health

For employee occupational health management, the Company strictly adheres to regulations including the *Occupational Disease Prevention and Control Measures* and *Personal Protective Equipment Management Measures*, continuously improving its occupational health management system. All subsidiaries have obtained ISO 45001 OHS Management System certification, institutionalizing employee health protection. Subsidiaries conduct annual systematic detection and evaluation of occupational hazards, employing advanced risk assessment methodologies for comprehensive workplace hazard identification. The Company arranges annual occupational health examinations, establishing individualized surveillance files for at-risk employees to dynamically monitor health status. Concurrently, proactive occupational health initiatives are implemented to identify, prevent, and control occupational disease hazards, effectively mitigating risks of health hazards to employees.

The Company annually organizes events such as the *Occupational Disease Prevention and Control Law* awareness week, health knowledge lectures, and emergency rescue training to comprehensively enhance employees' health protection awareness and self-management capabilities, thereby reducing the incidence of occupational health issues among employees at the source.

In 2025, NHU conducted 193 OHS training sessions, with participation reaching 43,218 person-times, achieving 100% employee coverage rate and substantially strengthening overall safety awareness and practical response capabilities.

In 2025



NHU conducted **193** OHS training sessions

with participation reaching **43,218** person-times

achieving **100%** employee coverage rate

"Family-Enterprise Partnership for Safe" Initiative

Shandong NHU Amino Acids Co., Ltd. launched the "Family-Enterprise Partnership for Safety" initiative, inviting employees' family members to visit worksites, observe working conditions, and understand the importance of work safety, thereby encouraging family members to become "safety supervisors". Through joint participation of family members and employees, this initiative deepens employees' sense of responsibility for work safety, enhances family members' identification with the Company, fosters mutual understanding and support, collectively elevates safety awareness, transforms families into safety barriers for the factory, and effectively advances the implementation of family-enterprise collaboration.



Impact, Risk and Opportunity Management

The Company regularly conducts emergency plan drills. While meeting regulatory requirements, it mandates each shift to perform at least one emergency skills training or drill monthly, and each workshop section to conduct on-site contingency plan exercises quarterly. In 2025, the Company continuously improved its emergency response system by refining the *Emergency Organization and Resource Management Measures* and *Emergency Preparedness and Response Management Measures*. A total of 4,087 on-site contingency plan drills and 452 specialized plan exercises were conducted across all production bases.

In 2025



A total of **4,087** on-site contingency plan drills



452 specialized plan exercises

Practical Video-Linked Emergency Drills

To test and enhance multi-level coordinated response capabilities during emergencies, on June 21, the Company headquarters and Shandong NHU Pharmaceutical Co., Ltd. utilized digital platforms to conduct a cross-regional video-linked emergency drill simulating real-world scenarios. This drill simulated a leakage accident at Shandong NHU Pharmaceutical Co., Ltd., focusing on testing emergency response coordination, information sharing, command decision-making, and joint disposal effectiveness between headquarters and the production base.





Indicators and Targets

| Indicator | 2025 Data | Unit |
|---|-----------|------------|
| Work injury insurance expenditure | 620 | CNY 10,000 |
| Work injury insurance coverage rate | 100 | % |
| Work safety insurance expenditure | 123 | CNY 10,000 |
| Percentage of employees covered by OHS training | 100 | % |

Chemical Safety

The Company is committed to managing chemicals throughout their entire life cycle—from raw material procurement, R&D design, manufacturing, product packaging, sales distribution to waste disposal—to minimize environmental impact and risks to employee health and public safety. Through an information management system, the Company implements digital monitoring and dynamic traceability across all processes, including supplier qualification, sales tracking, and hazardous waste disposal, ensuring controllable risks and verifiable accountability at each stage. Subsidiaries conduct monthly self-inspections and corrective actions for potential hazards related to hazardous chemicals.

Governance

In institutional development, the Company continuously enhances chemical safety management. In 2025, it comprehensively revised and implemented the *Chemical Safety Management Measures*, further clarifying management responsibilities and operational requirements at all levels. Additionally, specialized management regulations were introduced, including the *Special Controlled Chemicals Management Rules*, *New Chemical Substances Management Rules*, and *Ozone-Depleting Substances Management Rules*. These establish differentiated control mechanisms for high-risk and regulated chemicals, strengthening source prevention and process supervision.

Strategy

To enhance inherent safety management, NHU refined and upgraded its reaction/combustion-explosion risk assessment protocols based on the HSE Risk Management Regulations. The *Reaction/Combustion-Explosion Safety Risk Assessment Rules* apply to risk evaluations during pilot testing, scale-up testing, and mass production trials stages, covering reaction thermal risks, physical unit operation thermal risks, gas (vapor) combustion-explosion risks, and dust explosion risks. In 2025, NHU optimized six hazardous processes and six combustion-explosion risk processes. It also organized specialized training on oxidation reaction and dust explosion risk assessments for relevant personnel, improving their risk identification and emergency response capabilities.

Impact, Risk and Opportunity Management

To extend the safety management chain, the Company expands chemical risk control to logistics transportation by revising the *Logistics Carrier HSE Management Rules*. These clarify responsibilities among logistics carriers, suppliers, and receivers, establishing a multi-party collaborative governance mechanism. Focusing on risk identification, responsibility allocation, and process control in chemical transportation, the initiative drives stakeholders to fulfill work safety obligations and shifts management from "single-point control" to "full-chain collaborative governance". Institutionalized and standardized requirements ensure effective oversight of high-risk activities like hazardous material transportation, effectively preventing transport safety incidents.

Indicators and Targets

| Indicator | 2025 Data | Unit |
|--|-----------|------|
| Qualified rate of chemical procurement and sales | 100 | % |
| Chemical-related accidents of general level or above | 0 | Case |

04

Integrity and Compliance: Fortifying Governance Foundations

Our Actions

Only with solid foundations can we withstand storms. NHU consistently strives to build high-standard governance frameworks, ensuring stability through standardization, earning trust through transparency, and driving growth through efficiency. During the reporting period, we strengthened the Board's strategic oversight, deepened risk and compliance management, and upheld business ethics and compliance standards to ensure corporate decisions align with legal requirements and stakeholders' long-term expectations. We believe continuous governance enhancement will provide enduring organizational support for sustainable innovation and our mission of industrial contribution to the nation.

Our Performance

- Maintained rating "A" in the Shenzhen Stock Exchange's information disclosure evaluations for

17 consecutive years

- Ranked among "2025

TOP 30 Best Internal Control

Awards for Zhejiang Listed Companies"

• **100%** coverage of
business ethics training

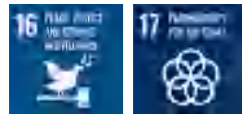
• **1,339**
patents granted globally

• **866**
currently valid

• **5** newly certified patent-
intensive products

• **15** newly registered products

SDGs



Compliance Governance

NHU continuously optimizes corporate governance by strictly adhering to the *Company Law*, *Securities Law*, and *Articles of Association*. Through systematic institutional reforms and organizational refinements, we enhance governance standardization and effectiveness.

To meet internal governance requirements and regulatory guidelines, the Company consistently updates its governance framework. Following approvals of the board of directors (BoD) meetings and General Meeting of Shareholders in 2025, we revised 30 governance documents including the *Articles of Association*, *Rules of Procedure for Shareholders' Meetings*, *Rules of Procedure for the Board of Directors*, and *Independent Director System*. Three new policies were established: *Market Value Management Regulations*, *ESG Management Regulations*, and *Executive Departure Management Regulations*. The Company has established a well-defined governance structure centered on the *Articles of Association*, clearly delineating responsibilities among Shareholders' Meetings, BoD, specialized committees, and management.

The BoD comprise 11 directors: 4 independent directors and 7 non-independent directors. Adhering to the principles of independence and diversity, the Company's BoD comprises members with expertise across multiple fields including chemical engineering, accounting, law, and management, ensuring professional and efficient decision-making. In 2025, the Company completed its supervisory board reform by abolishing the supervisory board and adding one employee director. The governance model transitioned from the structure of General Meeting of Shareholders, BoD, and supervisory board to the structure of Shareholders' Meeting and BoD, with strengthened responsibilities of the Audit Committee assuming former supervisory functions.

Internal Audit

The Company has established a robust internal audit system with a dedicated professional audit team. Regular reporting throughout the entire review process has been designated as a core audit responsibility. The team conducts diversified internal audit activities, including internal control audits of financial reporting, operational audits, business ethics audits, leadership departure audits, and accountability audits. The audit scope covers the entire financial reporting process, related party transaction management, procurement, sales, bidding, and other key operational and information disclosure procedures. The focus is on verifying the authenticity of financial data in regular reports, the compliance of accounting treatments, and the completeness of information disclosure, ensuring that all reports comply with applicable accounting standards for business enterprises and regulatory disclosure requirements. The entire audit process is strictly supervised by the Audit Committee of the Board. The head of internal audit reports directly to the Board of Directors. This structure—encompassing organizational setup, performance protocols, and reporting mechanisms—fully safeguards the fairness, objectivity, and independence of the audit function, thereby reinforcing a robust quality defense line for information disclosure and protecting the legitimate rights and interests of all shareholders and stakeholders.

In 2025, the Company optimized 12 specialized audit management regulations including the *Internal Audit Regulations* and *Engineering Audit Management Measures*, completing 50 departure audits for executives, 12 special audits, and 1 audit rectification verification project. Audit coverage included: performance and economic responsibility evaluations for executives, AEO certification compliance audits, subsidiary operations reviews, new product project management assessments, joint venture governance examinations, procurement and bidding audits, cafeteria management reviews, transportation cost controls, and follow-up audits on prior-year rectifications.

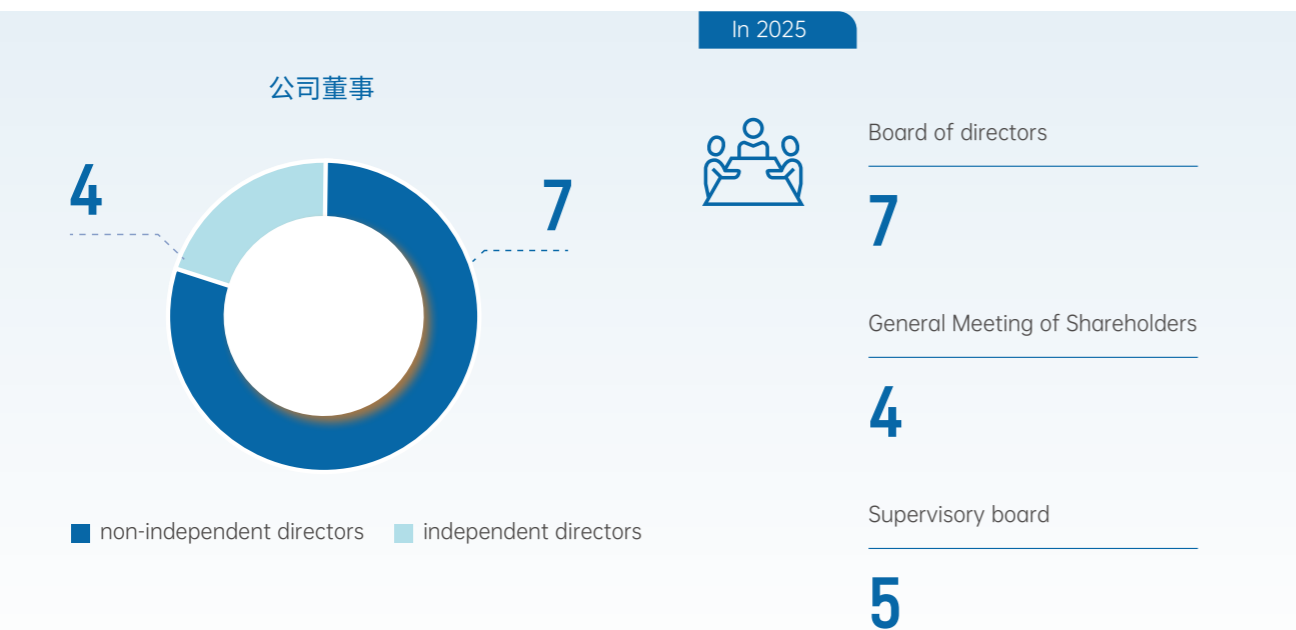
Information Disclosure

The Company revised its *Information Disclosure Management Regulations* per latest regulatory requirements, enhancing quality control and process management. A multi-tiered review system ensures the authenticity, accuracy, completeness, timeliness, and fairness of disclosures. The Company maintained rating "A" in the Shenzhen Stock Exchange's information disclosure evaluations for 17 consecutive years.



Risk Governance

The Company continuously enhances its risk management system to ensure operational stability. In 2025, the Company developed a comprehensive risk inventory system by extending risk identification from individual contracts to the entire business chain. Core regulations including the *Contract Management Measures* were updated to integrate systems with operational practices, establishing a management loop from issue identification to system optimization. Concurrently, the Company expanded the application of electronic seals in overseas subsidiaries, standardizing operational principles and seal usage to enhance legal risk prevention capabilities in cross-border operations.



Compliance Management

Under the oversight of the BoD meetings and shareholders' meetings in 2025, the Company enhanced its *Internal Control System*, focusing on strengthening management controls over subsidiaries. Specialized control policies and procedures were optimized for high-risk areas including connected transactions, external guarantees, use of raised capital, major investments, and information disclosure. For overseas subsidiaries, the Company has established foundational compliance frameworks through regulations such as the *Overseas Subsidiary Management Regulations* and *Overseas Subsidiary Compliance Management Measures*, standardizing operational principles and strengthening cross-border compliance governance.

The Company proactively conducts risk management training, delivering specialized legal programs tailored to different hierarchies and functions. For directors, supervisors, and senior management, listed company compliance and internal control training was organized; For all executives and business unit heads, signing compliance sessions reinforced risk control in overseas documentation processes; Sales, finance, and other operational teams received anti-dumping practical training to build professional capabilities in addressing international trade barriers, creating a legal risk defense system spanning from management to execution levels.

Recognized for outstanding risk control capabilities, NHU was honored among the "2025 TOP 30 Best Internal Control Awards for Zhejiang Listed Companies".

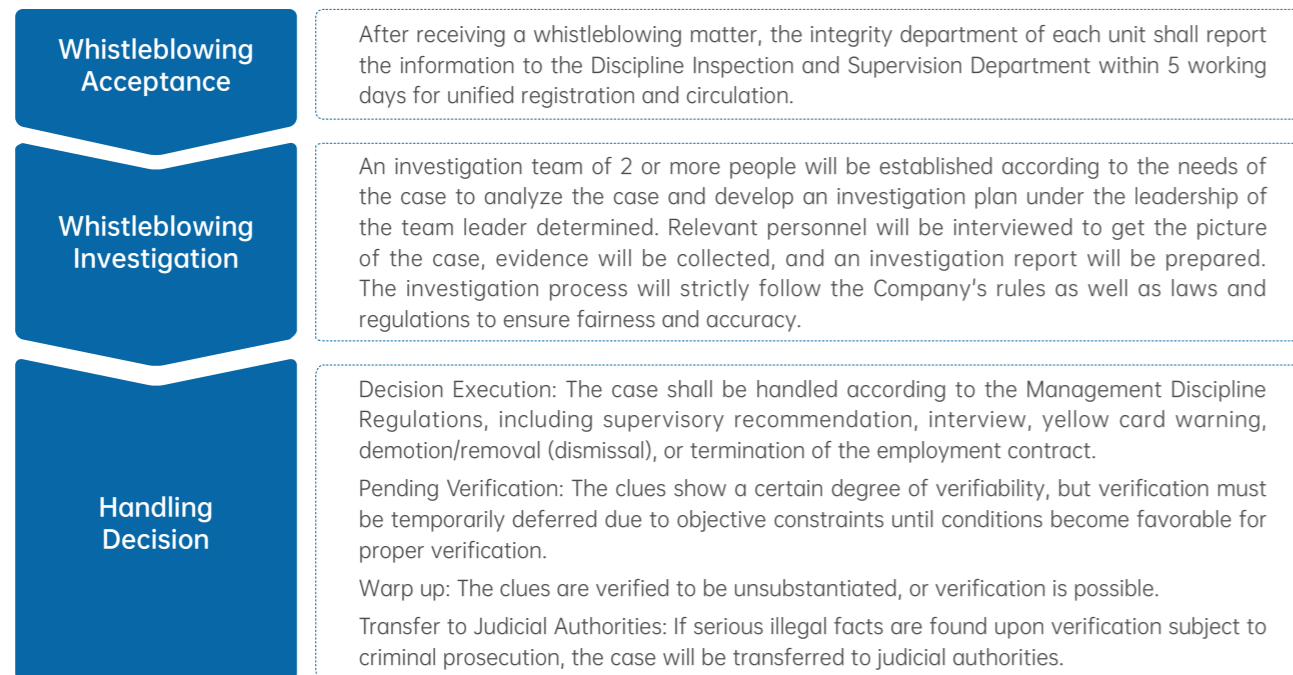
Business Ethics

NHU regards business ethics as the cornerstone of compliant operations, strictly adhering to relevant laws and ethical standards while fostering trustworthy, fair, and sustainable business partnerships. A well-structured governance framework with clear accountability has been established, with the BoD overseeing leadership, supervision, and decision-making for business ethics development. At the operational level, the Integrity Committee is responsible for integrity system development, training organization, and whistleblowing case management. Internal management regulations including the *Business Ethics Governance Procedures*, *Management Discipline Regulations*, *Whistleblowing Management Measures*, and *Relative Employment Management Measures* explicitly define anti-bribery and anti-unfair competition provisions. The internal audit department conducts regular on-site inspections and audits to monitor integrity risks.

Whistleblowing Handling Procedure

Multi-channel reporting systems (dedicated hotline, email, CEO/General Manager mailbox) operate under standardized procedures. The *Management Discipline Regulations*, *Employee Reward and Punishment Management Measures*, and *Integrity Baseline Handbook* establish disciplinary boundaries and behavioral guidelines, adopting a "corrective and educational" approach to promptly address misconduct. We rigorously protect whistleblower rights in accordance with company requirements, ensuring confidentiality of personal information and report content. Every case receives follow-up and feedback, enabling employees to work securely in an ethical environment conducive to professional growth.

The whistleblowing handling process is as follows:

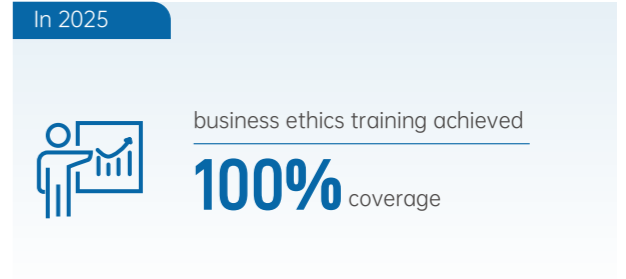


Reporting channels: Telephone, corporate website, email, mail, and in-person visits

- Reporting hotline: 13819569096
- Reporting email: jubao@cnhu.com
- Mailing address and in-person visits: West Xinchang Avenue No.418, Xinchang County, Shaoxing City, Zhejiang Province
- On-site Reporting: Direct reporting available at agreed time and location

Business Ethics Training

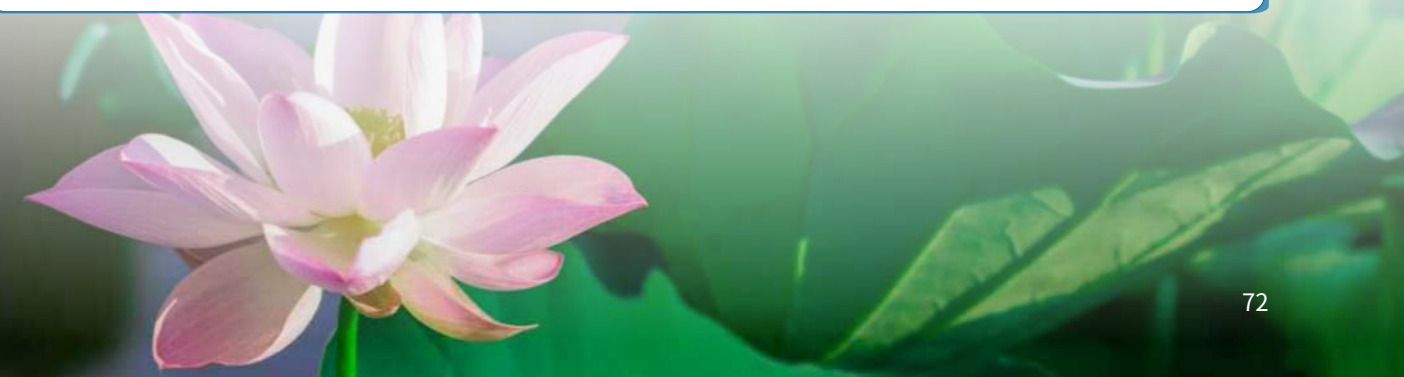
Upholding its "Teacher Culture", NHU integrates integrity awareness as a core component of employee development. The Company employs diverse training methods to internalize compliance principles. In 2025, NHU issued the *Code of Conduct for Integrity*, clearly defining ethical boundaries for all positions to guide self-assessment and ensure every employee adheres to the principle of "Conducting Business with Honesty and Diligence". This year, business ethics training achieved 100% coverage across all employees (including part-time staff) and contractors.



| Indicator | 2025 Data | Unit |
|---|-------------------|---------------|
| Management's Signing Rate of Integrity Agreements | 100 | % |
| Employees' Signing Rate of Integrity Agreements | 100 | % |
| Coverage Rate of Anti-corruption Training | 100 | % |
| Anti-Corruption Training Participants | Directors | 11 Person |
| | Senior Management | 4 Person |
| | Employees | 11,508 Person |

Integrity Short Video Creation

To deepen integrity culture development, the Company continuously explores innovative educational approaches that integrate learning with entertainment and artistic expression, enriching the substance and delivery channels of integrity culture. The Company actively responded to and participated in the "Clean Practices, Integrity in Action" short video competition organized by the NHU Holding Group, extending integrity education from traditional didactic methods to dynamic visual storytelling. All business units enthusiastically engaged in the initiative, developing a series of compelling integrity-themed short videos through meticulous planning, scriptwriting, and performance based on their operational realities and workplace narratives. Multiple entries stood out among numerous submissions, winning first, second, and third prizes respectively, demonstrating the Company's achievements in integrity culture development and employees' commitment to ethical conduct.



Publication of *Integrity Baseline Handbook*

Focusing on integrity risk points across positions, the Company systematically reviewed business processes and published the *Integrity Baseline Handbook*, establishing behavioral standards covering all operational roles. Mandatory for new hires, transferred employees, and newly appointed managers during onboarding discussions, this Handbook defines non-negotiable behavioral boundaries. It enables continuous self-assessment and provides clear guidance for maintaining an ethical work environment.



Ethical Collaboration

NHU is committed to building a transparent, mutually trustworthy ecosystem for open cooperation. The Company extends business ethics requirements to supply chain management through a rigorous supplier qualification system, comprehensively evaluating vendors' operational credentials and quality, environmental, and safety management systems. We fortify integrity defenses via contractual agreements with partners, achieving 100% supplier integrity agreement/clause signing rate by 2025. We proactively promote sustainability throughout the value chain, establishing long-term strategic partnerships with sustainability-aligned suppliers to drive collective progress and innovation in the industry.

During the reporting period, the Company did not experience any corruption incidents that seriously affected the financial reports or the Company's operations.

In 2025



achieving
100% supplier integrity agreement/clause signing rate

Fair Competition

Upholding fair competition principles, the Company strictly complies with the *Anti-Monopoly Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, and the *Anti-Monopoly Compliance Guidelines for Business Operators*. We institutionalize legal requirements through our Anti-Monopoly Compliance Management Regulations and establish a closed-loop risk management mechanism via periodic publication of the *Competition Compliance Handbook: Case Studies & Regulatory Guidelines* and compliance inspection reports.

In 2025



the Company **did not** have any violations related to unfair competition.

Intellectual Property Protection

NHU places great emphasis on intellectual property (IP) protection and management, consistently regarding it as a core pillar for corporate innovation and development. The Company continuously enhances its IP management system covering patents, trademarks, trade secrets, and other areas. It has established and implemented internal regulations including the *Patent Management Regulations*, *Trademark Management Regulations*, *Basic Confidentiality Management Regulations*, *Intellectual Property Emergency Response Plan*, and *Confidentiality Violation Investigation Procedures*, building a comprehensive IP protection mechanism to ensure effective safeguarding of innovation outcomes. By actively implementing the national standard GB/T 29490-2023 *Requirements for Enterprise Intellectual Property Compliance Management Systems* and the international standard ISO 56005 *Innovation & Intellectual Property Management Capability*, NHU continuously optimizes and improves its IP management, systematically enhancing standardization and effectiveness.

While refining internal management, NHU steadfastly adheres to the principle of respecting others' IP rights and strictly prevents infringement of any third-party legitimate interests. We require business partners to commit that their products and services do not infringe others' IP rights. We strengthen compliance reviews and risk controls during collaborations to foster a fair, standardized, and mutually trustworthy IP protection environment. Through continuous improvement of IP portfolio strategies and risk prevention mechanisms, we consistently enhance independent innovation capabilities and brand reputation, providing solid support for high-quality development.

During the reporting period, amid global economic shifts and technological transformations, the Company's IP work transitioned from quantity accumulation to building high-value patent portfolios and systematic protection systems. As of December 31, 2025, the Company had filed 1,339 patents globally and held 866 valid patents, including 726 domestic valid patents (588 invention patents) and 140 overseas valid patents (126 invention patents).

During the reporting period, NHU successfully completed the certification upgrade for the new national standard GB/T 29490-2023. It also continuously optimized IP management per ISO 56005 standards, with two subsidiaries renewing Level 4 certification for Innovation & Intellectual Property Management Capability (ISO 56005). As a pioneer in Zhejiang Province's High-Value Patent Cultivation Base initiative, NHU comprehensively implemented the *Advanced Polymer Materials Industry High-Value Patent Cultivation Base*, further improving cultivation mechanisms and strengthening project management. This year, five products were newly certified as patent-intensive, with 15 additional filings recorded.





Total Valid Patents

866

Overseas Valid Patents

140



Domestic Valid Registered Trademarks

365

International Valid Registered Trademarks

305



Standards Development Participation

107



National Technology Invention Second Prizes

2



China Patent Gold Awards

2



China Patent Silver Awards

1



China Patent Excellence Awards

3

Key IP Protection Initiatives in 2025:

Deepened High-value Patent Portfolio Strategies

- Upholding the "Innovation-Driven Development" principle, NHU shifted its patent strategy focus from quantity accumulation to quality enhancement and core business protection in 2025, transforming innovations into technical barriers and commercial advantages. We actively pursued patent applications for advantageous fermentation strains and novel pigment formulations, conducted forward-looking patent deployment around key projects such as the nylon industrial chain, and comprehensively implemented the *Zhejiang High-Value Patent Cultivation Base for Advanced Polymer Materials Industry* project to strengthen the patent protection network.

Enhanced Front-loaded Reviews and Full-process Risk Management

- NHU embedded intellectual property reviews at critical stages of major project decision-making and operations through deep front-loading. We implemented the new *Intellectual Property Management System* standard and ISO 56005 international standard, systematically integrating risk management throughout the innovation lifecycle to upgrade continuous risk prevention across project lifecycles.

Systematically Built Trade Secret Protection Frameworks

- NHU refined trade secret management regulations and implemented project confidentiality measures through key special programs. We conducted regular confidentiality inspections, onboarding/offboarding training, and in-service education to establish "protecting trade secrets" as fundamental professional ethics for every employee.

Advanced IP Training and Cultural Development

- Internally, the Company designed courses and delivered hands-on training covering the entire innovation chain; created an environment where "everyone values innovation and protects outcomes" through the Intellectual Property Month campaign series; and organized 11 internal IP training sessions annually with over 10,000 employee participations, significantly enhancing organization-wide IP protection awareness and practical skills. Externally, the Company proactively shared management expertise by disclosing R&D full-process practices on provincial/municipal government platforms; and engaged deeply in international standard trainings and industry talent development while continuously absorbing advanced concepts through exchanges to strengthen internal systems.

In April 2025, during the 14th Intellectual Property Month, the Company conducted trainings including "Efficient Literature Retrieval & Reading", "Patent Creativity Mining", "Patent Invalidation & Litigation Knowledge", and "Patent Risk Assessment & Response".



In June 2025, the Company delivered corporate IP system construction and risk management training at the "Stepping Stone" Collaborative Innovation Empowerment - Spring IP Training Camp hosted by Hangzhou High-Tech Zone (Binjiang) Market Supervision Administration and organized by Guozhi Intellectual Property Consulting Co., Ltd.

In July 2025, the Company participated in the "ZheZhiZhi" online public lecture series by Zhejiang Intellectual Property Association, sharing "Full-Process IP Management in Corporate R&D" with provincial innovators.

Appendixes

Appendix I: Key Performance Table

| Aspect | Topic | Quantitative Indicator | 2025 Data | Unit |
|---------------|---------------------------------|---|-------------------------------------|--------------------------------------|
| Environmental | Emissions | Nitrogen oxide (NO _x) emissions | 334.27 | Ton |
| | | Ozone depleting substances (ODS) emissions | 1.93 | Ton |
| | | Sulfur oxides (SO ₂) emissions | 66.54 | Ton |
| | | Hazardous air pollutants (HAP) emissions | 0 | Ton |
| | | Volatile organic compounds (VOC) emissions | 185.28 | Ton |
| | | Particulate matter emissions | 30.11 | Ton |
| | | Waste | Total amount of general solid waste | 242,164.38 |
| | Density of general solid waste | | 0.207 | Ton/Ton of production |
| | Total amount of hazardous waste | | 115,852.13 | Ton |
| | Density of hazardous waste | | 0.099 | Ton/Ton of production |
| | Greenhouse gas (GHG) | Total GHG emissions (Scope 1 + Scope 2) | 2,881,462.22 | tCO ₂ e |
| | | Scope 1 GHG emissions | 897,516.3 | tCO ₂ e |
| | | Scope 2 GHG emissions | 1,983,945.93 | tCO ₂ e |
| | | GHG emission intensity (Scope 1 + Scope 2) | 2.47 | tCO ₂ e/Ton of production |
| | | Scope 1 GHG emission intensity | 0.77 | tCO ₂ e/Ton of production |
| | | Scope 2 GHG emission intensity | 1.70 | tCO ₂ e/Ton of production |
| | Utilization of resources | Total energy consumption | 860,800 | Ton of standard coal |
| | | Direct energy consumption | 594,000 | Ton of standard coal |
| | | Indirect energy consumption | 266,800 | Ton of standard coal |

| Aspect | Topic | Quantitative Indicator | 2025 Data | Unit |
|------------------------------------|-------------------------------|---|-----------|--|
| Environmental | Utilization of resources | Coal consumption | 765,000 | Ton |
| | | Natural gas consumption | 4,940 | 10,000 standard cubic meters |
| | | Liquefied petroleum gas consumption | 0 | 10,000 standard cubic meters |
| | | Gasoline consumption | 0 | Liter |
| | | Diesel consumption | 79,245.11 | Liter |
| | | Energy consumption intensity | 0.74 | Ton of standard coal/Ton of production |
| | | Year-on-year decrease rate of energy consumption per CNY 10,000 output value | 7.53 | % |
| | | Electricity consumption | 149,100 | 10,000 kWh |
| | | Electricity intensity | 1,277 | KWh/Ton of production |
| | | Purchased electricity | 131,000 | 10,000 kWh |
| | | Self-consumed photovoltaic electricity | 1,410 | 10,000 kWh |
| | | Clean energy electricity consumption (including green electricity and green certificates) | 7,207 | 10,000 kWh |
| | | Installed capacity of deployed photovoltaic power projects | 12.82 | MW |
| | | Proportion of clean energy consumption | 2.46 | % |
| | Management of water resources | Consumption of renewable resources | 21,133 | Ton |
| | | Total solar energy consumption by the Company | 1,733 | Ton of standard coal |
| | | Total biomass resource consumption by the Company | 12,275 | Ton of standard coal |
| | | Total green electricity purchased by the Company | 7,125 | Ton of standard coal |
| | | Proportion of renewable resources | 2.46 | % |
| | | Proportion of solar energy used by the Company | 0.20 | % |
| | | Proportion of biomass resources used by the Company | 0.83 | % |
| | | Proportion of green energy purchased by the Company | 1.43 | % |
| | | Coverage scope of water intake data | 100 | % |
| Coverage scope of water usage data | 100 | % | | |

| Aspect | Topic | Quantitative Indicator | 2025 Data | Unit |
|---------------|-------------------------------|---|--------------|-----------------------|
| Environmental | Management of water resources | Total water intake | 16,353,000 | Ton |
| | | Fresh water intake | 15,985,000 | Ton |
| | | Other water intake | 368,000.00 | Ton |
| | | Total water consumption | 472,733,000 | Ton |
| | | Fresh water consumption | 15,985,000 | Ton |
| | | Fresh water consumption intensity | 13.69 | Ton/Ton of production |
| | | Recycled water volume | 456,380,000 | Ton |
| | | Water recycling utilization rate | 96.54 | % |
| | | Proportion of fresh water intake | 97.75 | % |
| | | Discharge amount of industrial wastewater | 9,465,965.80 | Ton |
| | | Discharge intensity of industrial wastewater | 8.11 | Ton/Ton of production |
| | | COD emissions | 2,100.88 | Ton |
| | | Ammonia nitrogen emissions | 122.80 | Ton |
| | | Total phosphorus emissions | 42.16 | Ton |
| | Total nitrogen emissions | 246.97 | Ton | |
| | Packaging materials | Packaging material consumption | 49,037 | Ton |
| | | Paper category | 6,972 | Ton |
| | | Wood category | 17,935 | Ton |
| | | Metal category | 12,065 | Ton |
| | | Plastic | 6,755 | Ton |
| | | Density of packaging materials used | 0.042 | Ton/Ton of production |
| | Others | Environmental protection investment | 46,061.81 | CNY 10,000 |
| | | Number of environmental incidents or administrative penalties related to environmental issues | 0 | Times |
| | | Percentage of factories certified with ISO 14001 Environmental Management System | 100 | % |

| Aspect | Topic | Quantitative Indicator | 2025 Data | Unit | | |
|--------|---|---|--|------------------------------|--------|--------|
| Social | Employee employment | Total number of employees | 11,508 | Person | | |
| | | Number of employees by employment category | Permanent employees | 11,305 | Person | |
| | | | Temporary employees | 203 | Person | |
| | | | Non-guaranteed working hours employees | / | Person | |
| | Employee employment | Number of employees by employment level | Senior management | 4 | Person | |
| | | | Middle management | 376 | Person | |
| | | | General management | 758 | Person | |
| | | | Ordinary employees | 10,370 | Person | |
| | | Number of employees by gender | Male | 9,208 | Person | |
| | | | Female | 2,300 | Person | |
| | | Proportion of women in senior management | 25.00 | % | | |
| | | Proportion of women in executive management | 14.02 | % | | |
| | | Employee employment | Number of employees by education level | Senior high school or below | 1,985 | Person |
| | | | | Junior college degree | 3,975 | Person |
| | | | | Bachelor's degree | 4,120 | Person |
| | | | Number of employees by age | Postgraduate degree or above | 1,428 | Person |
| | Under 30 years old | | | 5,024 | Person | |
| | 30-50 years old | | | 5,988 | Person | |
| | Number of employees by region | Over 50 years old | 496 | Person | | |
| | | Mainland China | 11,421 | Person | | |
| | | Hong Kong, Macao and Taiwan | 0 | Person | | |
| | Number of employees by ethnicity | Overseas | 87 | Person | | |
| | | Han Chinese | 11,231 | Person | | |
| | | Ethnic minorities | 277 | Person | | |
| | Total number of disabled employees employed | 33 | Person | | | |

| Aspect | Topic | Quantitative Indicator | 2025 Data | Unit | |
|--|--------------------------------------|--|-----------------------------|--------|--------|
| Social | Employee employment | Total number of veterans employed | 296 | Person | |
| | | Number of employed persons hired (new employees) | 829 | Person | |
| | | Number of new employees | Male | 635 | Person |
| | | | Female | 194 | Person |
| | | Average tenure of employees in the Company | Male | 7.89 | Year |
| | Female | | 7.09 | Year | |
| | Employee turnover | Employee turnover rate | 4.29 | % | |
| | | Employee turnover rate by gender | Male | 4.07 | % |
| | | | Female | 5.15 | % |
| | | Employee turnover rate by age | Under 30 years old | 7.15 | % |
| | | | 30-50 years old | 2.03 | % |
| | | | Over 50 years old | 1 | % |
| | | Employee turnover rate by region | Mainland China | 4.28 | % |
| | | | Hong Kong, Macao and Taiwan | 0 | % |
| | | | Overseas | 1.14 | % |
| | Employee's rights and interests | Percentage of labor contract coverage | 100 | % | |
| | | Percentage of employees with social insurance | 100 | % | |
| | | Annual average paid leave days per employee | 9.54 | Day | |
| | Occupational health and safety (OHS) | Number of new occupational disease cases | 0 | Person | |
| | | Physical examination rate of employees | 100 | % | |
| | | OHS examination rate of employees | 100 | % | |
| | | Number of work-related deaths | 0 | Person | |
| | | Occupational disease incidence rate | 0 | % | |
| Proportion of factories certified by ISO 45001 OHS Management System | | 100 | % | | |
| Investment amount of work injury insurance | | 620 | CNY 10,000 | | |

| Aspect | Topic | Quantitative Indicator | 2025 Data | Unit | |
|--------|---|---|---------------------------------------|----------------------------|--------|
| Social | Occupational health and safety (OHS) | Work injury insurance coverage rate | 100 | % | |
| | | Investment amount of work safety liability insurance | 123 | CNY 10,000 | |
| | | Personnel coverage rate of work safety liability insurance | 100 | % | |
| | | Lost time injury frequency rate (LTIFR) per million man-hours | 0.74 | Case/Million working hours | |
| | | Number of OHS training sessions conducted | 193 | Times | |
| | | Number of participants in OHS training | 43,218 | Participant | |
| | | Proportion of employees covered by OHS training | 100 | % | |
| | | Number of safety drills conducted | 452 | Times | |
| | | Staff training and development | Employee training coverage rate | 100 | % |
| | | | Number of training sessions conducted | 4,838 | Times |
| | Total number of employees trained | | 11,508 | Person | |
| | Proportion of trained employees by gender | | Male | 80.01 | % |
| | | | Female | 19.99 | % |
| | Number of trained employees by gender | | Male | 9208 | Person |
| | | | Female | 2300 | Person |
| | Proportion of trained employees by employee level | | Senior management | 0.03 | % |
| | | | Middle management | 3.27 | % |
| | | | General management | 6.59 | % |
| | | | Gross-root employee | 90.11 | % |
| | Number of trained employees by employee type | | Senior management | 4 | Person |
| | | | Middle management | 376 | Person |
| | | General management | 758 | Person | |
| | | Gross-root employee | 10,370 | Person | |

| Aspect | Topic | Quantitative Indicator | 2025 Data | Unit | |
|---|---|---|--------------------|------------|------|
| Social | Total training hours by gender | Male | 405,631 | Hour | |
| | | Female | 112,347 | Hour | |
| | Total training hours by employee type | Senior management | 70 | Hour | |
| | | Middle management | 13,180 | Hour | |
| | | General management | 37,382 | Hour | |
| | | Gross-root employee | 467,346 | Hour | |
| | Staff training and development | Total training hours for employees | | 517,978 | Hour |
| | | Average training hours per employee | | 45.01 | Hour |
| | Average training hours per employee by gender | Male | 44.05 | Hour | |
| | | Female | 48.85 | Hour | |
| | Average training hours per employee by employee level | Senior management | 17.5 | Hour | |
| | | Middle management | 35.05 | Hour | |
| | | General management | 49.32 | Hour | |
| | | Gross-root employee | 45.07 | Hour | |
| | Annual training expenditure amount | | 512 | CNY 10,000 | |
| | Product quality and service | Percentage of products recalls attributable to quality deficiencies in the total number of sold or delivered products | | 0 | % |
| | | Number of product recalls | Severe (Level 1) | 0 | Case |
| | | | Moderate (Level 2) | 0 | Case |
| | | | Minor (Level 3) | 0 | Case |
| | | Total number of complaints received regarding products and services | | 12 | Case |
| Complaint handling rate regarding products and services | | 100 | % | | |
| Customer satisfaction | | 94.08 | Point | | |
| Proportion of products certified by various quality standards | | 100 | % | | |

| Aspect | Topic | Quantitative Indicator | 2025 Data | Unit | |
|-----------------------------|--|---|--|------------|-------------|
| Social | Data security and privacy protection | Number of information security training sessions conducted | | 73 | Times |
| | | Number of participants in information security training | | 11,508 | Participant |
| | | Proportion of employees covered by information security training | | 100 | % |
| | | Frequency of internal information security audits | | 2 | Times/year |
| | | Frequency of third-party information security audits | | 1 | Times/year |
| | | Number of incidents involving breaches of customer privacy and information security | | 0 | Case |
| | | R&D investment | R&D investment (funds related to technological innovation) | | 10.99 |
| | Proportion of R&D investment amount to main business revenue | | 4.94 | % | |
| | R&D Team | | Total number | 2,841 | Person |
| | | | Proportion | 24.69 | % |
| | Domestic invention patents | | 866 | Item | |
| | Domestic valid patents | | 726 | Item | |
| | Domestic invention patents | | 588 | Item | |
| | Overseas valid patents | | 140 | Item | |
| | Overseas invention patents | | 126 | Item | |
| | Product R&D | | Number of standards participated in drafting | Cumulative | 107 |
| | | Newly granted | | 26 | Item |
| | | Newly added national standards | | 22 | Item |
| | | Number of standards participated in drafting | Newly added industry standards | 2 | Item |
| | | | Newly added association standards | 4 | Item |
| Newly added local standards | | | 0 | Item | |

| Aspect | Topic | Quantitative Indicator | 2025 Data | Unit | |
|--------|---|---|---|------------|-------------|
| Social | Product R&D | Number of sessions conducted | 11 | Times | |
| | | Intellectual property-related training | Cumulative time | 17.25 | Hour |
| | | | Number of participants | 10,000 | Participant |
| | | Participant Number of trademark rights | | 670 | Item |
| | | Number of copyrights | | 408 | Item |
| | | Number of products with carbon footprint certificates | | 41 | / |
| | | Supply chain management | Total number of suppliers | | 4,581 |
| | Number of suppliers by region | | Mainland China | 3,581 | Companies |
| | | | Hong Kong, Macao and Taiwan | 2 | Companies |
| | | | Overseas | 46 | Companies |
| | | | Number of suppliers assessed against environmental and social standards | | 86 |
| | Suppliers' signing rate of integrity agreements | | 100 | % | |
| | Amount of delayed payments to small and medium-sized enterprises (SMEs) | | 0 | CNY 10,000 | |
| | Public welfare and charity undertakings | | Total investment in rural revitalization | | 60 |
| | | Investment in public welfare and charity undertakings | | 493 | CNY 10,000 |
| | | Number of participants in public welfare and charity undertakings | | 450 | Person |
| | | Number of people participating in volunteer activities | | 500 | Person |
| | | Total hours dedicated to volunteer activities | | 800 | Hour |

| Aspect | Topic | Quantitative Indicator | 2025 Data | Unit | |
|----------------------------------|--|--|-------------------|--------------|-----------------------|
| Governance | Anti-corruption training participants | Directors | 96 | Persons | |
| | | Senior management | 782 | Persons | |
| | | Employees | 10,889 | Persons | |
| | Anti-corruption training hours | Directors | 9 | Hour | |
| | | Senior management | 12 | Hour | |
| | | Employees | 5 | Hour | |
| | Anti-corruption | Proportion of employees receiving anti-corruption training by category | Directors | 100 | % |
| | | | Senior management | 100 | % |
| | | | Employees | 100 | % |
| | Number of anti-corruption training participants | | 11,508 | Person | |
| | Management's signing rate of Integrity Agreements | | 100 | % | |
| | Employees' signing rate of Integrity Agreements | | 100 | % | |
| | The amount involved due to the company's unfair competition behavior | | 0 | CNY (10,000) | |
| | Economic performance | Operating revenue | | 待补 | CNY (hundred million) |
| | | Total assets | | 待补 | CNY (hundred million) |
| | | Net profit attributable to shareholders of the listed company | | 待补 | CNY (hundred million) |
| | Corporate governance | Number of directors | | 11 | Person |
| Proportion of women in directors | | 0 | % | | |

Appendix II: Self-Regulatory Guidelines for Listed Companies—Sustainability Report (For Trial Implementation)

| Aspect | S/N | Topic | Clause | Chapter of the Report |
|---------------|-----|---------------------------------------|-------------------|---|
| Environmental | 1 | Responding to climate change | Articles 21 to 28 | Responding to climate change |
| | 2 | Pollutant discharge | Article 30 | Pollution prevention and ecosystem protection |
| | 3 | Waste disposal | Article 31 | Pollution prevention and ecosystem protection |
| | 4 | Ecosystem and biodiversity protection | Article 32 | Pollution prevention and ecosystem protection |
| | 5 | Environmental compliance management | Article 33 | Pollution prevention and ecosystem protection |
| | 6 | Energy utilization | Article 35 | Resource and energy management |
| | 7 | Utilization of water resources | Article 36 | Resource and energy management |
| | 8 | Circular economy | Article 37 | Circular economy |
| Social | 9 | Rural revitalization | Article 39 | Rural revitalization and social welfare |
| | 10 | Social contributions | Article 40 | Rural revitalization and social welfare |
| | 11 | Innovation-driven development | Article 42 | Innovation-driven development |
| | 12 | Ethics of science and technology | Article 43 | N/A |
| | 13 | Supply chain security | Article 45 | Suppliers and customers |
| | 14 | Equal treatment of SMEs | Article 46 | Suppliers and customers |
| | 15 | Product and service safety & quality | Article 47 | Suppliers and customers |
| | 16 | Data security and privacy protection | Article 48 | Suppliers and customers |

| Aspect | S/N | Topic | Clause | Chapter of the Report |
|-----------------------------------|-----|---|------------|------------------------|
| Social | 17 | Employees | Article 50 | Employees |
| Sustainability-related governance | 18 | Due diligence | Article 52 | ESG governance |
| | 19 | Stakeholder engagement | Article 53 | Stakeholder engagement |
| | 20 | Anti-commercial bribery and anti-corruption | Article 55 | Business ethics |
| | 21 | Anti-unfair competition | Article 56 | Business ethics |



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