



2025

Environmental, Social and Governance Report

CONTENTS

03	About this Report
05	Message from the Chairman
07	2025 Sustainable Development Highlights
09	About Jinhong Gas
15	Sustainability Management
21	Topic: United for Five Years, Gather Strength to Fulfill Responsibilities, and Jointly Embark on a New Journey of Green Development
99	Look forward to the Future
101	Appendix I: Reporting Index
103	Appendix II: Performance Table
110	Feedback Form

01 Industrial Value

Innovation-Driven	27
Product and Service Safety and Quality	34
Supply Chain Security	43
Data Security and Customer Privacy Protection	46

02 Corporate Governance

Standardized Governance	49
Business Ethics	59

03 Environmental Protection

Climate Change Response	65
Environmental Compliance Management	69
Pollutant Emissions	71
Waste Disposal	73
Energy Utilization	74
Water Resource Utilization	76
Circular Economy	77

04 Social Well-being

Employment, Development and Rights of Employees	81
Occupational Health and Safety	89
Social Contribution	97
Rural Revitalization	98



About this Report

This is the third Environmental, Social and Governance Report released to the public by Jinhong Gas Co., Ltd. (hereinafter referred to as "Jinhong Gas", "the Group" or "we"), which comprehensively details the Group's Environmental, Social and Governance practices and performance in 2025 based on the principles of objectivity, standardization, transparency and comprehensiveness.

Reporting Period

This is a report covering the period from January 1, 2025 to December 31, 2025 (the "Reporting Period"). For the purpose of making the report more comparable and forward-looking, some of the content appropriately refers back to previous years or has forward-looking descriptions. This report is issued on an annual basis, consistent with the financial year.

Reporting Scope and Boundaries

This report covers Jinhong Gas and subsidiaries/branches under its control. Unless specified otherwise, the scope is consistent with that of the Group's Annual Report.

Compilation Basis

This report is prepared with reference to the following documents and standards: Self-Regulatory Guidelines for Listed Companies No. 14 – Sustainability Report (for Trial Implementation) and Self-Regulatory Guidelines for STAR Market Listed Companies No. 13 – Preparation of Sustainability Reports issued by the Shanghai Stock Exchange (SSE); Guidelines for CSR Reports of Chinese Enterprises (CASS-ESG 6.0); GRI Sustainability Reporting Standards (GRI Standards) issued by the Global Sustainability Standards Board (GSSB); UN Sustainable Development Goals (SDGs); and Sustainability Accounting Standards Board (SASB) Standards.

Data Interpretation

The sources of data used in the report include the original data of the Group's actual operation, public data from government departments, annual financial data, relevant internal statistical statements, third-party questionnaires and interviews. The financial data in the report is denominated in CNY, and in case if any inconsistency with the financial report, the financial report shall prevail.



Confirmation and Approval

The Board of Directors of the Group approved this report on March 27, 2026 in conjunction with the Annual Report. The Board is committed to overseeing the content of the report and ensuring its freedom from misrepresentation or misleading statements. It is also responsible for ensuring the truth, accuracy, and completeness of the content.

This report is published in Chinese. The English version shall be translated from the Chinese version and in case of any discrepancy between the two versions, please refer to the Chinese one.

Access to the Report

This report can be viewed and downloaded from the official website of the Jinhong Gas (www.jinhonggroup.com) and Shanghai Stock Exchange (www.sse.com.cn).





Chairman of Jinhong Gas
JIN XIANGHUA

Message from the Chairman

Focusing on sustainable development is the eternal pursuit of the Jinhong Gas

The Group firmly practices the concept that "clear waters and green mountains are invaluable assets", actively responds to the goals of "peaking carbon emissions and subsequent carbon neutrality", abides by international standards, effectively fulfils its social responsibility, and lays the cornerstone of green development. In the market competition, the Group takes sustainable development as a guideline, continuously improves the quality of products and services, optimizes the business structure, contributes to achieving sustainable development goals, and collaboratively builds a better future.

Looking back at the past, the Group has taken solid steps on the path of intelligent transformation, actively responding to the innovation-driven development strategy, transforming industries with digital technologies, and continuously improved the intelligent level. At the same time, it proactively delves into sustainable practices and explored application of renewable energy and has laid a solid foundation for realizing eco-friendly production and low-carbon development.

Maintaining ecology is the solemn commitment of the Jinhong Gas to the future

The Group adheres to the concept of green development and integrates environmental protection into every aspect of development. It has strengthened environmental management and rigorously controlled environmental pollution in the production process to ensure that waste gas, wastewater, waste residue and other pollutants discharged up to standard, while using environmentally-friendly processes to minimize product impact on the environment.

Striving for excellence is the power source of the Jinhong Gas's continuous breakthrough

The Group focuses on innovation-driven development, improves the quality control mechanism, constantly launches new products and services with market competitiveness to meet the diversified needs of clients. As a leading environmentally-friendly, intensive and comprehensive gas service provider in China, it will continue to increase investment, actively explore new technologies and fields, and endeavor to become a leader in the green and low-carbon sector.

Hand in hand, Jinhong Gas embarks on the road to sustainable development

The Group collaborates with partners, industry associations, government departments, and other stakeholders to promote the sustainable development of the industry. Additionally, the Group participates in environmental protection initiatives, promotes green living, and supports the development of green industry chains.

Attaching importance to talent is the key to core competitiveness of the Jinhong Gas

The Group is dedicated to increasing investment, establishing a comprehensive training system, and providing employees with ample development opportunities. It aims to foster an inclusive and innovative culture and encourage active participation in sustainable development practices. The commitment is to cultivate an outstanding team with a strong sense of sustainable development to create a brighter future.

Taking responsibility is an important guarantee for the Jinhong Gas to win the trust of the society

The Group maintains a strong sense of social responsibility and fulfils its obligations as a corporate citizen. It also supports social welfare initiatives and actively participates in poverty alleviation, education support, and other activities to contribute to the development of society.

In the forthcoming voyage, embracing the concept of sustainable development, the Group will relentlessly advance intelligent transformation and the research, development and application of clean technologies. We will intensify our commitment to legal compliance, fortify our endeavors in eco-conscious construction, elevate the quality of our products and services, propel the trajectory towards high-quality development. Hand in hand with our partners and stakeholders from all walks of life, we will collectively foster sustainable evolution of the industry, lending greater impetus to the realization of the vision of a Beautiful China. With unwavering determination, we will strive for a brighter tomorrow!

2025 Sustainable Development Highlights

Economic Performance



Revenue CNY 2,776.58 million	Net Income Attributable to Shareholders of Listed Company CNY 131.92 million
Total Assets CNY 7,778.37 million	Total Tax Payment (Excluding personal income tax) CNY 217.13 million

Environmental Performance



Investment in Environmental Protection CNY 3.94 million	Comprehensive Energy Consumption 77,667.29 tce
Total Water Consumption 3.52 million tonnes	Total Greenhouse Gas Emissions 320,014.27 tCO ₂ e

Governance Performance



Holding of Shareholders' Meetings 3 times	Investor Communication 304 times	Conduct compliance training 3 times	Completed Internal Audit Projects 52 itmes
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ESG Performance



 ESG Rating in 2025: A Wind ESG	 Top 50 Listed Companies ESG Value Ranking —Best ESG Innovation Award
 List of Outstanding ESG Disclosures	 2025 Best ESG STAR Market List Company

Industrial Performance



R&D Investment CNY 103.14 million	Safety Input CNY 30.70 million	
Patent Granted 402 items	Internal Quality Audit 217 times	Coverage of Safety Training 100 %

Social Well-being



Coverage of Five Social Insurances and One Housing Fund 100 %	Coverage of New Employee Training 100 %	Employee Welfare Expenses CNY 57.92 million	Training Investment CNY 0.92 million
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About Jinhong Gas

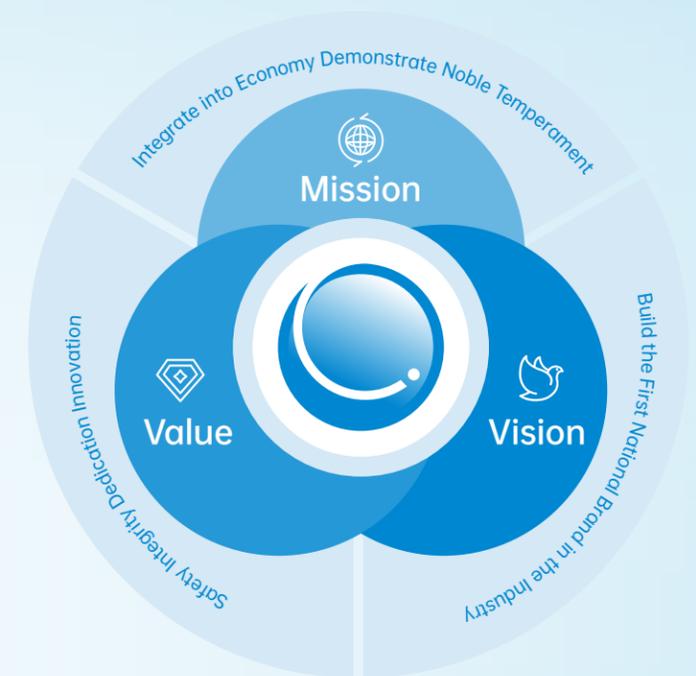
Group Overview

Founded in 1999, Jinhong Gas Co., Ltd. is an environmentally-friendly, resource-efficient and comprehensive gas service provider, specializing in integrated solutions encompassing gas R&D, production, sales and services. The Group's headquarters is located in Panyang Industrial Park, Huangdai Town, Xiangcheng District, Suzhou. It was listed on the STAR Market in June 2020 (Stock Code: 688106). Over decades of development, the Group has established over 90 subsidiaries, committed to building China's leading national brand in the industry and delivering "Supreme Excellence" to clients through its motto: "Jinhong Gas, Exquisite Purity".

Business Overview

Over more than 20 years of exploration and development, the Group has established a comprehensive product portfolio, a well-structured distribution network and reliable delivery capabilities, forming a robust gas supply and service system, becoming capable to provide clients with over 100 gas products including specialty gases and bulk gases, as well as customized gas supply solutions. The Group supplies not only specialty gases such as ultra-high-purity NH₃, high-purity NO₂, TEOS, high-purity CO₂ and high-purity H₂, but also electronic bulk carrier gases for the semiconductor industry and bulk gases used in other industrial fields.

Corporate Culture



Milestones

The First Five-Year Plan 1999~2004

Based in Suzhou, integrated resources and expanded the market.

The Group was established in 1999 on the foundation of the former Suzhou Liquid Oxygen Manufacturing Plant. During this phase, the Group's main products were bulk gases such as O₂, N₂, Ar, C₂H₂. The Group set up a small air separation production unit in Suzhou and acquired part of the gas manufacturing assets of Air Liquide in Suzhou, continuously expanding the market and gradually establishing a sales and service network.

The Third Five-Year Plan 2010~2014

Advanced high-end specialty gases, and upgraded corporate governance.

In 2010, 7N electronic-grade ultra-high-purity NH₃ officially entered production and operation. In 2012, the Group invested in the construction of a natural gas-to-hydrogen project. In 2013, the Group's testing center was accredited as a CNAS-recognized laboratory, significantly improving the quality control capabilities. During this phase, the Group's product variety continued to increase, with significant enhancements in product quality, testing technology, R&D capabilities. With the Group's listing on the National Equities Exchange and Quotations' in 2014, both brand awareness and corporate image were enhanced.

The Fifth Five-Year Plan 2020~2025

Standardized Group Management & High-Quality Corporate Development

The company was listed on the STAR Market in 2020 and issued convertible bonds in 2023, broadening its financing channels. It has thoroughly implemented its vertical and horizontal development strategy. Leveraging the "Acquisition + New Construction" dual-wheel drive, the company has horizontally expanded its industrial landscape, achieving key breakthroughs in electronic bulk carrier gases and medium-to-large on-site gas production. It has successfully established a comprehensive gas supply and service system covering all business models. The company has been conferred with numerous national honors, including National Specialized, Refinement, Differential and Innovation "Little Giant" Enterprise, National Intellectual Property Demonstration Enterprise, National Intelligent Manufacturing Demonstration Factory, and National Green Factory.

The Second Five-Year Plan 2005~2009

Expanded the gas category and enhanced the brand influence.

In 2005, the Group built the first dry ice manufacturing line, expanding the application of CO₂. In 2009, the Group invested in the construction of a 100,000 ton annual carbon capture construction project. In 2009, the Group reformed shareholding, enhancing the overall governance structure. During this phase, the product line of the Group was greatly enriched, initiating a business model of developing circular economy and tail gas recovery as well as utilization.

The Fourth Five-Year Plan 2015~2019

Expanded vertically and horizontally, forging the premier national brand in the gas industry.

The Group proposed the "Vertical & Horizontal Development" strategy. Vertically, the Group developed and produced multiple types of high-barrier specialty gas products through independent research and production, achieved multiple rounds of expansion for ultra-high-purity NH₃, and initiated new projects for high-purity N₂O and H₂, accelerating the industrialization of electronic specialty gases. Horizontally, the Group advanced horizontal expansion and cross-regional development, consolidating the foothold in the Yangtze River Delta market while strategically expanding nationwide, and actively developed retail networks in key regions such as the Pearl River Delta, Beijing-Tianjin area, and Sichuan-Chongqing region.

Awards and Honors

National Awards

- National Enterprise Technology Center
- National High-Tech Enterprise
- National Postdoctoral Programme
- National-Level Smart Manufacturing Excellence Scene
- National Green Factory
- National Service-Oriented Manufacturing Demonstration Platform
- National Excellence-Level Smart Factory
- MIIT Pilot Enterprise for Intellectual Property Application and Utilization
- National Intellectual Property Demonstration Enterprise
- Chinese Well-known Trademark
- National Specialized, Refinement, Differential and Innovation "Little Giant" Enterprise
- China Patent Excellence Award

Provincial Awards

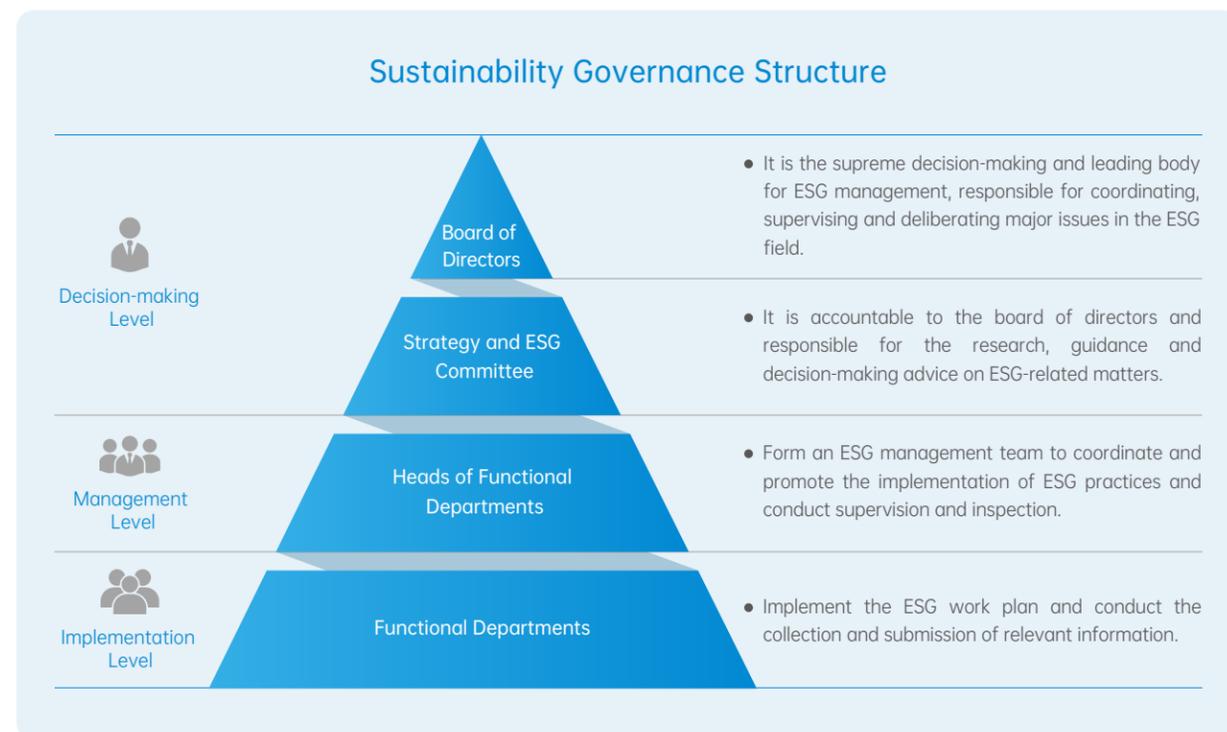
- Jiangsu High Purity Specialty Gases Engineering Centre
- Jiangsu Province Industrial Internet Demonstration Project Five-Star Cloud Enterprise
- Jiangsu Engineering Technology Research Centre for Specialty Gases and Adsorbents Preparation
- "Quality Benchmark" of Jiangsu Province
- Nomination Award of Jiangsu Governor's Quality Award
- Excellent Enterprise with Outstanding Contributions "Made in Jiangsu"
- Jiangsu Provincial Civilized Unit/Internationally Renowned Brands that Jiangsu Province focuses on Cultivating and Development
- Top 100 Innovative Enterprises in Jiangsu Province
- The First Batch of Supply Chain Innovation and Application Key Cultivation Enterprises in Jiangsu Province
- Jiangsu Province Contract-abiding and Credit-worthy Enterprise
- Jiangsu Province May 1st Labor Certificate
- The First Batch of Supply Chain Innovation and Application Key Cultivation Enterprise in Jiangsu Province

Sustainable Development Management

Sustainable Development Governance

The Group adheres to the strategic direction of sustainable development. While pursuing economic benefits, it balances and coordinates environmental protection, social responsibility and long-term growth. Upholding the sustainable development philosophy of "Safety, Reliability, Efficiency and Environmental Protection", the Group keeps pace with global sustainable development trends, collaborates with all stakeholders, and translates sustainable development goals into action through practical measures.

The Group strictly abides by exchange guidelines and applicable laws and regulations, continuously improves the efficiency of sustainability management, and enhances its ESG governance structure. It deeply integrates the concept of sustainable development into the group's development strategy and the entire process of daily production and operation.



The Group attaches great importance to enhancing the ESG awareness and professional expertise of its management and employees, and engages them in sustainability and ESG-related training and activities.

During the Reporting Period, the Group participated in multiple ESG thematic training sessions organized by the Shanghai Stock Exchange, the thematic training on *the Guidelines on the Preparation of Sustainable Development Reports for Listed Companies* by the China Association for Public Companies, and the 1st China Summit Forum on "ESG and Enterprise Value Growth".

Actively Responding to the United Nations Sustainable Development Goals

Amid deepening globalization and rapid technological evolution, ESG-centered sustainable development has become a common practice among global enterprises. The Group recognizes sustainable development capability as key to its core competitiveness and is committed to continuously enhancing its sustainability performance.

Aligning with the UN Sustainable Development Goals (SDGs) and its actual operations, the Group has set management objectives across four dimensions: industrial value, corporate governance, environmental protection, and social well-being. These objectives both chart the course for future development and demonstrate its commitment to global sustainability.

Dimension	SDGs	Actions
Industrial Value	8 高质量发展 9 产业、创新和基础设施 12 负责任消费和生产	The Group remains customer-centric, providing high-quality, reliable gas products and services while optimizing processes, improving resource efficiency, and balancing operational benefits with environmental protection.
Corporate Governance	16 和平、正义与强大机构 17 促进目标实现的伙伴关系	The Group is committed to an efficient, sound corporate governance system built on integrity and legal compliance, continuously enhancing its governance structure. It places great emphasis on shareholders' rights, protecting investors through accurate and timely information disclosure while maintaining active communication with all stakeholders.
Environmental Protection	6 清洁饮水和卫生设施 7 经济适用的清洁能源 13 气候行动	The Group strengthens environmental compliance management, continuously improves energy and water efficiency, actively promotes clean energy applications, and develops carbon capture projects to minimize its environmental impact.
Social Well-being	1 无贫困 2 零饥饿 3 良好健康与福祉 4 优质教育 5 性别平等 10 减少不平等 11 可持续城市和社区	The Group emphasizes employee rights, fostering a safe, inclusive workplace with improved compensation and fair career opportunities to safeguard employees' interests. It also fulfills social responsibilities through public welfare initiatives and contributions to social development.

Stakeholder Communication

The Group values stakeholder communication and management as a key to optimizing sustainable development, building a responsible brand and consolidating its ESG foundation.

It defines core stakeholders including government and regulatory agencies, clients, employees, communities, suppliers, shareholders and investors, industry associations and professional organizations, media, among others. Through surveys and interviews, it conducts due diligence and materiality analysis to understand value chain expectations. It enhances communication platforms and mechanisms to improve transparency, advancing ESG management and achieving win-win results.



Stakeholders	Government and Regulatory Agency	Supplier	Shareholder and Investor	Industry association and Professional Organization
Expectations and Demands	<ul style="list-style-type: none"> • Business Ethics • Environmental Management • Energy Efficiency & Carbon Reduction • Water Management • Circular Economy • Health & Safety 	<ul style="list-style-type: none"> • Supply Chain Management • Product Quality Management • Health & Safety • Digital Intelligence Transformation 	<ul style="list-style-type: none"> • Corporate Governance • Risk & Compliance Management • Business Ethics • Digital Intelligence Transformation • Energy Efficiency & Carbon Reduction • Product Quality Management 	<ul style="list-style-type: none"> • Science and Technology Innovation Achievements • Quality Assurance • Strategic Cooperation • Industry Co-construction
Communication and Response	<ul style="list-style-type: none"> • Government Communications • Information Disclosure • Daily Communication and Reporting • Listed Group Activities 	<ul style="list-style-type: none"> • Supplier Training • Supplier Audit and Supervision • Supplier Exchange Meeting • Technical Exchange and R&D Cooperation • E-Mail & Tele 	<ul style="list-style-type: none"> • General Meeting of Shareholders • Information Disclosure • Investor Hotline • Online Interactive Platform • Email 	<ul style="list-style-type: none"> • Forum • Promotional Event • Other Meetings

Client	Employee	Community	Media
<ul style="list-style-type: none"> • Product Quality Management • Clients Relationship Management • Digital Intelligence Transformation • Circular Economy • Energy Efficiency & Carbon Reduction 	<ul style="list-style-type: none"> • Health and Safety • Employee Training and Development • Employment Practices • Digital Intelligence Transformation 	<ul style="list-style-type: none"> • Environmental Management and Compliance • Water Management • Energy Conservation and Carbon Reduction • Health & Safety • Community Welfare 	<ul style="list-style-type: none"> • Corporate Governance • Community Welfare • Disclosure of Information
<ul style="list-style-type: none"> • Client Visits • Daily Communication • Technical and Product Exchange Meetings • Factory Visits • Client Satisfaction Surveys • Client training • E-mail & Tel 	<ul style="list-style-type: none"> • Employee Representatives Meeting • Employee Forum • Suggestion Box • Employee Satisfaction Survey • Corporate Culture Activities • Proposal Management • Regular Training • Internal Publication • Company Media Matrix 	<ul style="list-style-type: none"> • Social Public Welfare Activities • Community Monitoring and Feedback • Environmental Risk Assessment • Industry Talent Development Program 	<ul style="list-style-type: none"> • Group Official Website • Group Media Matrix • Communication Conference

Material Topic Management

The Group earnestly values the feedback from stakeholders including shareholders, investors, employees, customers, suppliers and industry associations. In accordance with the requirements of stock exchange guidelines and ESG standards and frameworks such as GRI, the Group conducts materiality identification and assessment of ESG topics through stakeholder research, management interviews and other approaches.

Materiality Analysis Process of Topics

Step 1 Understand the background of the Group's operations and business relationships

Analyze the Group's internal operations, business relationships and external objective environment, so as to identify the key stakeholders affected.

Step 2 Establish a topic list

Take the 21 topics specified in the *Self-Regulatory Guidelines for Listed Companies of the Shanghai Stock Exchange No. 14-Sustainable Development Report (for Trial Implementation)* as the basis for the topic list. A complete topic list is formulated by integrating industry characteristics, industry development stage, the Group's business model, its value chain and other relevant factors.

Step 3 Evaluate topic materiality

The Group assesses the financial materiality and impact materiality of each topic based on industry characteristics and its operations, through stakeholder communication, internal interviews and external expert consultation. For material topics, it further evaluates their actual and potential risks and impacts on the Group's business, and analyzes short-, medium- and long-term impacts.

Step 4 Confirm topics

Based on the results of topic materiality evaluation, the Group establishes a material topic matrix.

Materiality Matrix



Material Topics List

Double Materiality

- ✔ Innovation-Driven Development
- ✔ Climate Change Response & Mitigation
- ✔ Occupational Health and Safety

Impact Materiality

- ✔ Product & Service Safety & Quality
- ✔ Supply Chain Security
- ✔ Corporate Governance
- ✔ Environmental Compliance
- ✔ Pollutant Emissions
- ✔ Waste Management
- ✔ Energy Use
- ✔ Water Use
- ✔ Employment & Employee Rights

Moderately Material

- ✔ Due Diligence
- ✔ Stakeholder Engagement
- ✔ Equal Treatment of SMEs
- ✔ Data Security & Customer Privacy Protection
- ✔ Anti-Commercial Bribery & Anti-Corruption
- ✔ Anti-Unfair Competition
- ✔ Circular Economy
- ✔ Rural Revitalization
- ✔ Social Contribution

Non-Applicable Topics

- ✔ Tech Ethics
- ✔ Ecosystem & Biodiversity Conservation



Topic

Five Years of Unity, Joining Forces to Fulfill Responsibilities and March Towards a New Journey of Green Development

Since its listing five years ago*, JinHong Gas has upheld the philosophy that "lucid waters and lush mountains are invaluable assets". Taking technological innovation as the core driver, it has consolidated its innovation foundation through domestic substitution of electronic special gases and low-carbon process upgrading, integrated green development into the whole production and operation, and practiced circular economy to protect the environment. The Company has focused on employee value enhancement, fulfilled social responsibilities via public welfare and industrial collaboration, improved corporate governance and internal compliance, and achieved a qualitative leap of ESG development from compliance response to strategic integration.

With sound sustainable development performance, JinHong Gas has been awarded a Wind ESG "A" rating and a number of key honors including the "2024 Best ESG Practice Award for Listed Companies" and "2025 Best ESG Listed Company on the STAR Market", presenting a remarkable five-year ESG report to all stakeholders.

*Data statistics in this special topic since the Group's listing are based on annual data from 2021 to 2025.

Innovation: Deepening R&D and Driving Value Upgrade

The Group regards R&D and innovation as its core development strategy, with steadily growing annual R&D investment. It has built a high-quality R&D team, expanded its talent echelon, and upgraded both professional competence and technical capabilities. The Group strengthens intellectual property protection and comprehensive IP layout, actively participates in formulating industrial and national standards, and has obtained abundant authoritative recognitions for its core technologies. Continuous technological innovation has laid a solid foundation and injected strong impetus for the Group's high-quality development and industrial efficiency improvement.

The Group focuses on customers' core needs and provides high-quality products and gas solutions with a full-life-cycle quality management system. It has improved the supply chain management system and established a Group Procurement Center for centralized procurement to enhance operational efficiency. The Group implements supplier integrity management and promotes green and sustainable procurement. Through the empowerment of quality and supply chain, the Group deepens industrial ecological collaboration, achieves value co-creation and boosts high-quality industrial upgrading.

R&D Investment

The Group's accumulated R&D investment since listing has reached **0.44** billion over the past five years, with a steady growth trend.

In 2025, its R&D expenditure amounted to **103.14** million, representing a year-on-year increase of **2.34%**.

Recognitions

The Group has successively won honors including National Enterprise Technology Center, National Specialized, Refinement, Differential and Innovation "Little Giant" Enterprise, and National Intellectual Property Demonstration Enterprise.

IP and Standard Development

The Group has been granted **402** patents, including **113** domestic invention patents and **1** foreign invention patent.

5 products have been certified as Patent-Intensive Products.

It has chaired or participated in formulating **39** national standards, and revised a number of national standards as the primary drafter, leading the sound and standardized development of the industry.

Environment: Anchoring the "Dual Carbon" Goal to Build a Green Benchmark

As a national-certified "Green Factory" and eco-efficient integrated gas service provider, the Group upholds the concept that "Lucid waters and lush mountains are invaluable assets", integrating green development into the full lifecycle of procurement, production, storage, transportation and application.

Responding actively to the DC goal, the Group promotes green circular economy and has built multiple tail gas recovery demonstration projects nationwide. It focuses on professional recycling of H₂, CO₂, N₂O and other gases, turning industrial tail gas into reusable resources through efficient resource treatment, effectively easing carbon emission pressure and supporting the national DC strategy.

The Group maintains a sound ISO 14001 environmental management system, with a cumulative environmental investment of xx million yuan since listing. Through technological innovation, it advances high-efficiency energy utilization, pollutant reduction and resource recycling, consolidating the dual lines for ecological protection and green development.



Case Jiaxing Jinhong Carbon Capture Construction Project

Seizing low-carbon transformation opportunities, the Group launched the carbon capture and utilization project at Jiaxing Base. With advanced waste gas recovery and purification technology, the project captures CO₂ from upstream production and converts it into valuable industrial products, realizing the shift from "waste gas" to "resource" and establishing a full-chain low-carbon circular economy system. With remarkable pollution and carbon reduction effects, the project was recognized as *Zhejiang 3rd Synergistic Pollution & Carbon Reduction Pilot Project* and *Zhejiang 2nd Benchmark Project for Pollution & Carbon Reduction*. Jiaxing Jinhong was also awarded 2023 Green Demonstration Enterprise.

The Group will continue to lead upstream and downstream partners in low-carbon transformation and promote the green upgrading of the industrial ecosystem.

Social: Upholding Responsibility for Shared Prosperity

While focusing on the core gas business to achieve steady operation and scale growth, the Group sticks to the mission of "Rooted in society, giving back to society", integrates social responsibility into corporate development, and promotes employee rights protection and social public welfare practices in a coordinated way.

In terms of employee care, the Group highly values employee development and rights protection, improves guarantee mechanisms for labor contracts, compensation and benefits, and occupational health, builds clear career promotion channels and a systematic skills training system to fully empower employee growth. It also pays attention to employees' physical and mental health, optimizes humanistic care measures, and enables employees to share the achievements of corporate development.

In public welfare and donation, the Group focuses on livelihood fields including education support, elderly care, poverty alleviation and assistance for the disabled. It has established a diversified public welfare system of "regular donations + special assistance + voluntary actions", and delivers care through donating to charitable foundations, adopting public welfare projects, providing books and materials, and carrying out community services.

With employee care and public welfare as dual drivers, the Group demonstrates the responsibility of a listed company in the new era and promotes value co-creation between the enterprise and society.



Cumulative donation
3.46 million

Full and timely payment rate of labor remuneration
100%

Cumulative employee welfare expenditure
228.36 million

Cumulative employee training investment
6.44 million

Governance: Strengthening Compliance & Enhancing Governance Effectiveness

The Group regards standardized governance as the foundation of sustainable development, and keeps improving its ESG governance system from fragmented exploration to strategic and systematic management, upgrading the overall governance efficiency.

In governance structure, the former "Strategy Committee" was upgraded to the "Strategy and ESG Committee", integrating ESG framework, objectives and practices into corporate strategy to realize the synergy between ESG and business development.

In risk control, the Group has built a full-closed-loop mechanism: risk identification, assessment, response and review, to effectively prevent operational, compliance and financial risks.

In capacity building, the Group provides special ESG training and regular training on environmental protection, occupational health and compliance to build consensus on sustainable development.

In value sharing, the Group repays shareholders through cash dividends, share repurchases and share cancellation, creating a shared value ecosystem.

The above measures have continuously improved the standardization of corporate governance and laid a solid institutional foundation for the Group's long-term and steady development.

Board of Directors 65 meetings	Shareholders' Meeting 19 meetings	Supervisory Committee 50 meetings
Total announcements disclosed 978		

Cumulative cash dividends 649 million	Cumulative value of shares repurchased and cancelled approximately 155 million
Cumulative share repurchase 249 million	Proposed cash dividend for 2025 119.29 million

Five Years of Practice & Future Outlook

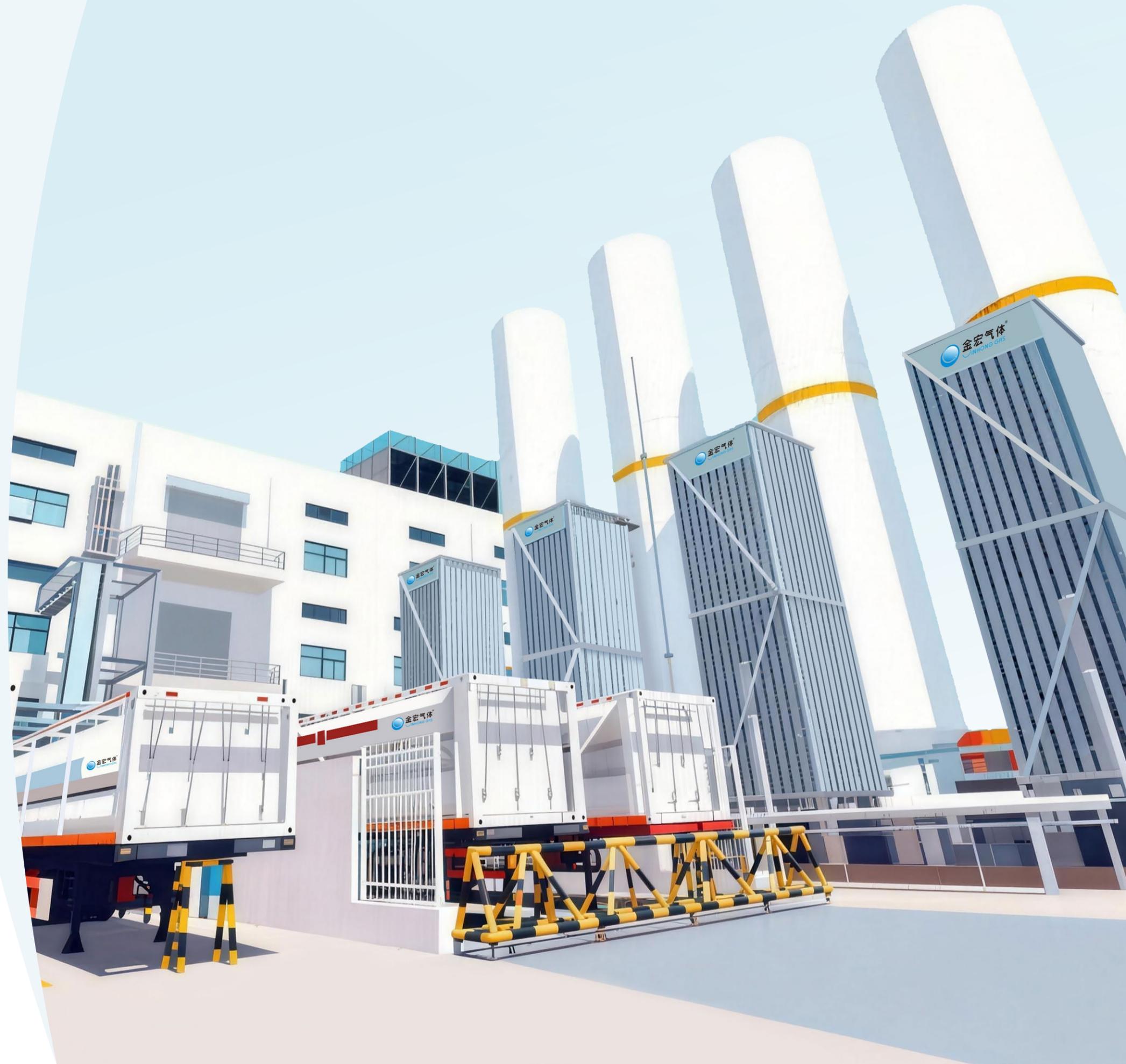
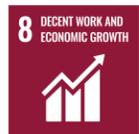
Since its listing five years ago, Jinhong Gas has steadily advanced ESG practices and strengthened the concept of sustainable development.

Taking the 5th anniversary as a new starting point, the Company will further integrate ESG concepts into operation, management and all aspects of corporate development.

Adhering to sustainable development, the Company will create greater value through more solid ESG practices and fulfill its social responsibilities with steady progress. It will join hands with partners to build a new pattern of green, low-carbon and long-term sustainable development.

Industrial Value

- Innovation-Driven
- Product and Service Safety and Quality
- Supply Chain Security
- Data Security and Customer Privacy Protection



Innovation-Driven

Technological innovation is the core driving force of the Group's sustainable development. We are committed to providing society with innovative and high-quality products and services. We have established a sound innovation governance and collaboration system to promote the practical application of technological achievements, deliver excellent service experiences to customers, empower industrial upgrading, and create long-term value.

Governance

The Group has set up a multi-level tech innovation management system with clear duties at each level to ensure smooth and standardized work. The Project Committee reviews long-term innovation plans and major R&D projects, and coordinates resources across R&D, production, marketing, and finance. Using two key platforms—the National Enterprise Technology Center and the Postdoctoral Research Station—the Group works on key tech research and turns ideas into results, forming a closed loop of "decision-making, execution, and implementation." It has also built a full-process, standardized system for tech innovation. Through rules like the R&D Project Change Management System, Pilot Test and Validation Management System, and Confidentiality Management System, the Group builds innovation into its governance and review system, creating a full-chain system for "project review, process control, result application, and IP protection." The Group also has a two-way info system for internal and external talks. Inside, it holds regular R&D meetings to share tech challenges, progress, and user feedback. Outside, it works with universities and research groups on "industry-university-research-application" ties, tracks new tech and policy trends, and makes sure innovation plans fit its long-term green goals.

Strategy

Guided by the philosophy of "anchoring development in vertical and horizontal development strategy to strengthen team cohesion and collaboration, while prioritizing new technologies and products to accelerate progress and innovation for sustained corporate growth." Focusing on the R&D and innovation goals "enhancing technological R&D capabilities, strengthening innovation management, continuously developing new products, and boosting product competitiveness." The Group has established complete product design and R&D processes. It closely links its technology innovation strategy with national strategies and industry needs, and sets three core directions: green and low-carbon development, independent technology breakthroughs, and application empowerment. Guided by sustainable development, the Group has built a four-dimensional collaborative innovation system: "strategy guidance, governance support, system support, and joint collaboration".



Risk	Business Impact	Financial Impact	Time Horizon	Mitigation Measures
Risk of technological R&D failure	Hindered core technology research, delayed product iteration, and loss of market competitive advantages; failed transformation of R&D achievements, affecting business expansion plans	Unrecovered R&D investment and increased sunk costs; additional funds required to restart R&D, exacerbating financial pressure	Short-to-medium term (1-3 years), covering the full cycle of R&D projects	<ul style="list-style-type: none"> Establish a cross-disciplinary expert review team to conduct strict assessment on project initiation and mid-term progress Adopt an agile R&D model with phased goals and acceptance checks Formulate R&D backup plans to reduce the risk of failure of a single technical route
Risk of policy and regulatory changes	Adjustments to environmental and industrial policies may render existing R&D directions non-compliant and make already-invested R&D achievements unable to be commercialized; higher industry access standards increase the difficulty of product marketization	Wasted early R&D investment and additional funds needed for R&D direction adjustment; rising product compliance costs squeeze profit margins	Long term (persistent, dynamically changing with policies)	<ul style="list-style-type: none"> Track relevant domestic and international policy and regulatory changes in real time Strengthen communication with industry associations and regulatory authorities to anticipate policy trends. Build flexibility into R&D projects to allow for policy adaptation
Risk of loss of core R&D talents	Reduced stability of the R&D team and hindered knowledge transfer; potential leakage of core technical secrets, affecting the continuity of R&D work	Increased labor costs for recruiting and training new talents; delayed R&D progress leading to extended project cycles and higher time costs	Medium-to-long term (3-5 years), continuously affecting the construction of the R&D system	<ul style="list-style-type: none"> Establish a competitive salary and welfare system and equity incentive mechanism Build a sound talent training and career development channel Strengthen confidentiality management of core technical documents and implement non-compete agreements
Risk of underperforming transformation of technological achievements	Mismatch between R&D achievements and market demand, making commercialization impossible; technical bottlenecks in the transformation process affecting product quality stability, leading to difficulty in gaining customer recognition	Unconverted R&D investment into revenue and difficulty in capital recovery; potential loss of funds invested in production equipment and process transformation during the transformation stage	Short-to-medium term (1-3 years, focusing on the critical period of achievement transformation)	<ul style="list-style-type: none"> Conduct demand research jointly with downstream customers at the initial R&D stage to ensure technological innovation aligns with the market Establish an R&D-production-market collaboration mechanism to connect production processes and market channels in advance. Carry out small-scale trial production verification and optimize technical solutions in a timely manner

Impacts, Risks and Opportunities Management

To ensure the steady progress of the Group's technological innovation, reinforce its competitive moat in core technologies, and effectively prevent and mitigate technical risks throughout the R&D lifecycle, we have integrated technical risk management into the entire innovation process. This integration aligns with the Group's five-phase R&D workflow: "Project Initiation – Lab Testing – Pilot Testing – Trial Production – Continuous Improvement." For the technical issues involved in each phase, we conduct a systematic identification of potential risks. On this basis, we precisely address various technical risks to minimize their impact on internal and external stakeholders, thereby building a solid foundation for the high-quality development of the Group's technological innovation.

Process Stage	Core Actions
 Risk Identification	Full-cycle risk review, dedicated workshops
 Risk Assessment	Probability and impact analysis
 Risk Response	Strategy selection, measure formulation and implementation
 Dynamic Monitoring	Monitoring and tracking, regular reporting
 Iterative Optimization	Review and continuous improvement

Risk Management Process



R&D Process

Indicators and Targets

To systematically measure, manage, monitor and evaluate the effectiveness of the Group's efforts in addressing sustainability-related impacts, risks and opportunities in technological innovation, we have established a tailored indicator system aligned with our development strategy and industry characteristics, and set medium- and long-term development targets.

Indicators Category	Management Objective
 Innovation Inputs and Outputs	Ensure stable R&D investment and sustain the scale and quality of the R&D team to provide solid resource support for technological innovation; continuously improve the efficiency of independent innovation output, strengthen intellectual property layout, drive the iteration and upgrading of new technologies and products, and enhance core competitiveness.
 Risk Control	Embed risk management into the innovation process to ensure the steady advancement of technological innovation.
 Collaborative Development	Deepen internal and external collaborative innovation mechanisms, expand innovation resource channels, improve the effectiveness of innovation ecosystem construction, and facilitate the efficient transformation of innovation achievements.

Key Performance

360 R&D personnel, including **5** doctors and **23** masters,

R&D investment CNY **103.14** million, increased by **2.34** % year on year,

R&D investment as a percentage of revenue **3.71** %





- 6th Forum on Semiconductor Wet Electronic Chemicals and Electronic Gases
- Jiangsu Hydrogen Energy Industry Innovation and Cooperation Matchmaking Conference
- 2025 China International Gas Industry Expo
- 4th China International Gas Separation Industry Conference
- IG CHINA 2025 Industrial Gas High-Quality Development Conference
- 4th China (Jiangsu) Conference on the Integrated Development of New Energy and Hydrogen Storage Industries
- Conference on Innovation and Development of the Green Hydrogen-based Energy Industry
- 2025 China Semiconductor Ecosystem Development Conference
- Review Meeting for the Pilot Project on Overseas Application of Chinese Standards
- Jiangsu Seminar on High-Quality Development of the Hydrogen Energy Industry
- Commemorative Conference for the 40th Anniversary of the National Specialty Gas Information Center & the 27th National Specialty Gas Annual Conference
- 2025 Joint Annual Conference of the Cylinder Filling Subcommittee of the National Technical Committee for Cylinder Standardization & the Mixed Gas Subcommittee of the National Technical Committee for Gas Standardization
-

No.	2025ZB410	侯君怡	苏州大学	401742	B
411	2025ZB411	侯 鑫	中国科学技术大学苏州高等研究院	427327	B
412	2025ZB412	施 文	南京航空航天大学	406705	B
413	2025ZB413	秦树健	中国科学院南京地质古生物研究所	387809	B
414	2025ZB414	袁 丽	南京大学	395957	B
415	2025ZB415	袁 旭	金宏气体股份有限公司	410328	B
416	2025ZB416	耿志明	南京大学	415168	B
417	2025ZB417	耿嘉润	南京理工大学	424843	B
418	2025ZB418	贾 立	中国矿业大学	393023	B
419	2025ZB419	夏海博	无锡市人民医院	407525	B
420	2025ZB420	郑 野	南京航空航天大学	425984	B
421	2025ZB421	钱雨卿	东南大学	418050	B
422	2025ZB422	钱 波	南京航空航天大学	415626	B
423	2025ZB423	徐 江	江苏省环境科学研究院	415487	B

▶ 2025 Jiangsu Excellent Postdoctoral Program

Standard No.	Standard Name
GB/T 14601-2025	Electronic specialty gas—Ammonia
GB/T 14851-2025	Electronic specialty gas—Phosphine
GB/T 45847-2025	Compressed non-breathing air for use in aircraft
GB/T 13591-2025	Rules for the filling of acetylene cylinders
GB/T 46566-2025	Greenhouse gas management systems—Requirements
GB/T 46697-2025	Electronic grade octamethyl cyclotetrasiloxane/Electronic grade octamethyl cyclotetrasiloxane
GB/T 46699-2025	Electronic grade tetramethylsilane
GB/T 8982-2025	Oxygen supplies for medicine and aircraft breathing

• National Standards Issued in 2025

▶ Act as the chief drafter to preside over the revision of the national standard *Electronic Specialty Gases - Ammonia*



▶ SJTU Hydrogen Agriculture Cooperation Signing Ceremony

Intellectual Property Rights

As a national intellectual property demonstration enterprise, the Group adheres to the IP management policy of "boosting corporate upgrading through technological innovation, and maintaining the industry's competitive edge through intellectual property protection." We fully integrate IP management into corporate operations, strengthening technological barriers by building a high-quality patent portfolio, mitigating risks through standardized management, and empowering industrial upgrading via the transformation of technological achievements.

Intellectual Property Governance System

Attaching great importance to IP protection and system development, the Group has formulated policies including the Intellectual Property Maintenance and Control Procedure, the Intellectual Property Risk Control Procedure, and the Measures for the Tiered Management of Intellectual Property to ensure standardized management processes. In 2025, the Group completed the transition audit for the national standard GB/T 29490-2023 Requirements for Enterprise Intellectual Property Compliance Management Systems.



▶ Intellectual Property Management System Certificate ▶ National Intellectual Property Demonstration Enterprise Certificate

Digital Management Development

The Group continuously improves its intellectual property management system and enhances its data integration capabilities to achieve digitalization and process automation for patent applications, maintenance, risk monitoring, and other related activities. By introducing big data and intelligent analytics tools, it can track and evaluate technological trends and competitive dynamics, providing data support for forward-looking patent layout and risk mitigation.

Training Mechanism Development

The Group regularly conducts intellectual property training featuring a combination of online and offline sessions plus case studies, to build a strong awareness of IP protection across the Group. In 2025, the Group launched regular IP training tailored to core business needs, covering trademark protection and infringement response strategies, patent application and layout, and practical operation of the intellectual property management system. The training featured in-depth analysis of typical industry cases and real-world examples of the Group's core technology patent portfolio, enhancing its relevance and practical impact.



During the Reporting Period

- ◎ **66** new patent applications filed, including **33** invention patents
- ◎ **47** new patents granted, including **10** invention patents
- ◎ A total of **402** patents granted, including **114** invention patents
- ◎ **5** products selected in the 2025 List of Patent-Intensive Products



Product and Service Safety and Quality

Quality Management

Quality Management System

The Group strictly follows its quality policy: "Standardized Management, Quality First, Customer Focus, Continuous Improvement," and has established a comprehensive, standardized, and highly efficient integrated quality management system. To further strengthen the system, the Group has benchmarked against ISO 9001 and ISO 22,000 standards, developed a Group-wide Quality and Food Safety Management Manual, and defined the Quality Director's core responsibilities as the Quality Manager and Food Safety Team Leader, establishing a top-down quality accountability framework to ensure quality requirements are embedded throughout the entire value chain, from R&D and procurement to production, testing, and final product delivery.

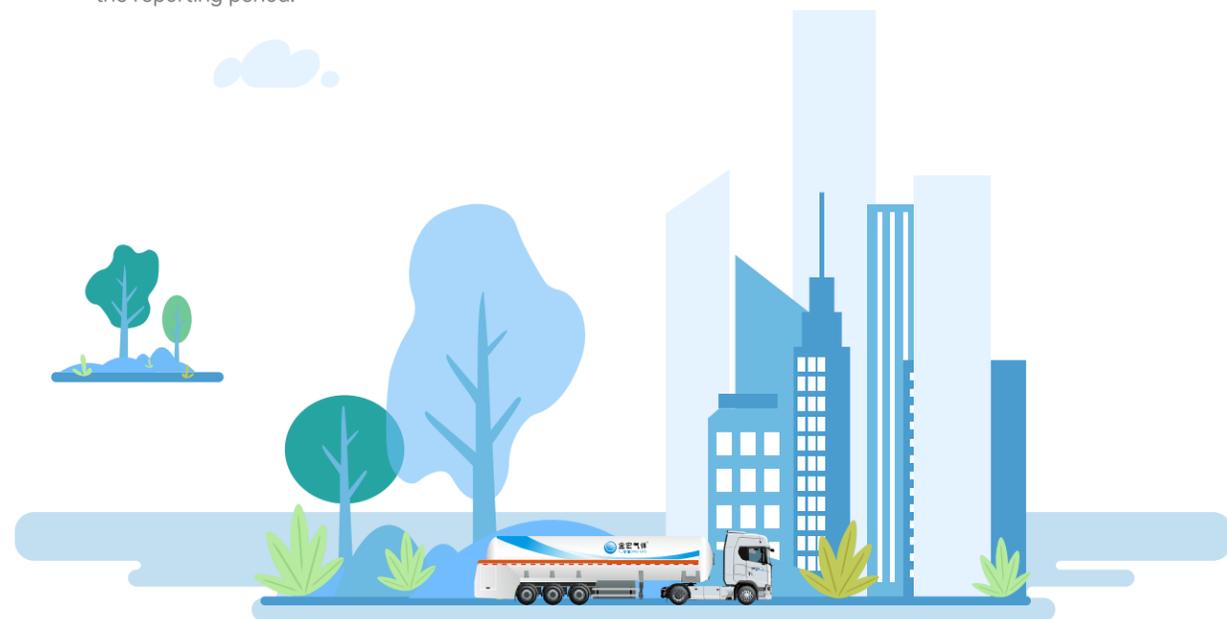
The Group has established a comprehensive internal audit mechanism, including annual audits, regular audits, product audits, and special audits. Building on comprehensive regular audits of all production workshops, relevant subsidiaries/departments,

and the full product range, the Group conducts special audits focusing on highly regulated, high-value-added categories such as electronic-grade specialty gases and food-grade gases, as well as key processes including air separation and purification and cylinder filling, ensuring comprehensive and precise identification of quality risks. For issues identified during audits, the Quality Department follows up to verify corrective and preventive actions, clarifying responsible parties and deadlines to ensure full closure of all non-conformities.

Indicators	2025 Target	2025 Completion
Product Delivery Qualification Rate	≥99.90%	Achieved
Annual External Sampling Qualification Rate of Products (Food)	100%	Achieved
Food Safety Incidents	0	Achieved

Key Performance

- ⦿ In the current year, a total of **217** internal quality audits were conducted, including management system audits and IPQC audits.
- ⦿ **No administrative** penalties were imposed due to product quality or safety issues during the reporting period.



The Group and 12 subsidiaries, including Changsha Mind, Meishan Jinhong, Pingdingshan Jinhong, Jiaxing Jinhong Special Gas, and Chenggang Gas, have all obtained ISO 9001 Quality Management System Certification.



In the field of food safety management, the Group has obtained ISO 22000 Food Safety Management System Certification. Jiaxing Jinhong, its subsidiary, has gone further by securing FSSC 22000 Food Safety System Certification, laying a solid qualification foundation for serving the high-end supply chain in the food industry.



Annual System Audit Successfully Passed

During the reporting period, the Group successfully passed the external surveillance audits of the ISO 9001 Quality Management System and ISO 22000 Food Safety Management System, demonstrating that its quality management systems remain compliant and efficient, and providing solid support for stable product quality and food safety assurance.

In addition, the Group fully leverages its leadership position in the industry and actively participates in the development of the national quality standard system. During the reporting period, it led or participated in the formulation of a number of national standards, including Guidelines for Gas analysis—Guidelines for Purification of Gases for trace analysis instruments, Technical code for safety of methanol preparation from carbon dioxide, and Safety Technical Specifications for Cryogenic Liquefied Gases. Through these standardization efforts, the Group helps elevate the industry's overall quality control level and further strengthens its technical authority and market influence in the gas sector.

Digital & Intelligent Quality Management

The Group has built an intelligent quality control platform through multi-system collaboration and function iteration, enhancing quality management efficiency and data-driven capabilities.

Multi-system collaboration unlocks data connectivity: The Group has integrated the DCS Production Control System, PDA Intelligent Filling System, and QMS Quality Traceability System to break down data silos. Relying on these systems, it realizes automatic adjustment of production parameters, real-time supervision of the filling process, and one-click traceability of quality information, achieving data collaboration among production, filling, and quality links. This has established a full-process intelligent control system covering the entire plant, from raw material receipt to finished product delivery.

On this basis, the Group has further connected the TMS Transportation Management System and HHT Cylinder Traceability System to track product transportation status and record the full life cycle information of cylinders, extending the traceability chain to off-site logistics and container management. This has ultimately formed a full life cycle traceability network covering "Raw Material Receipt - Production & Filling - Finished Product Delivery - Logistics & Transportation - Cylinder Circulation," fully ensuring that product quality is traceable and controllable.

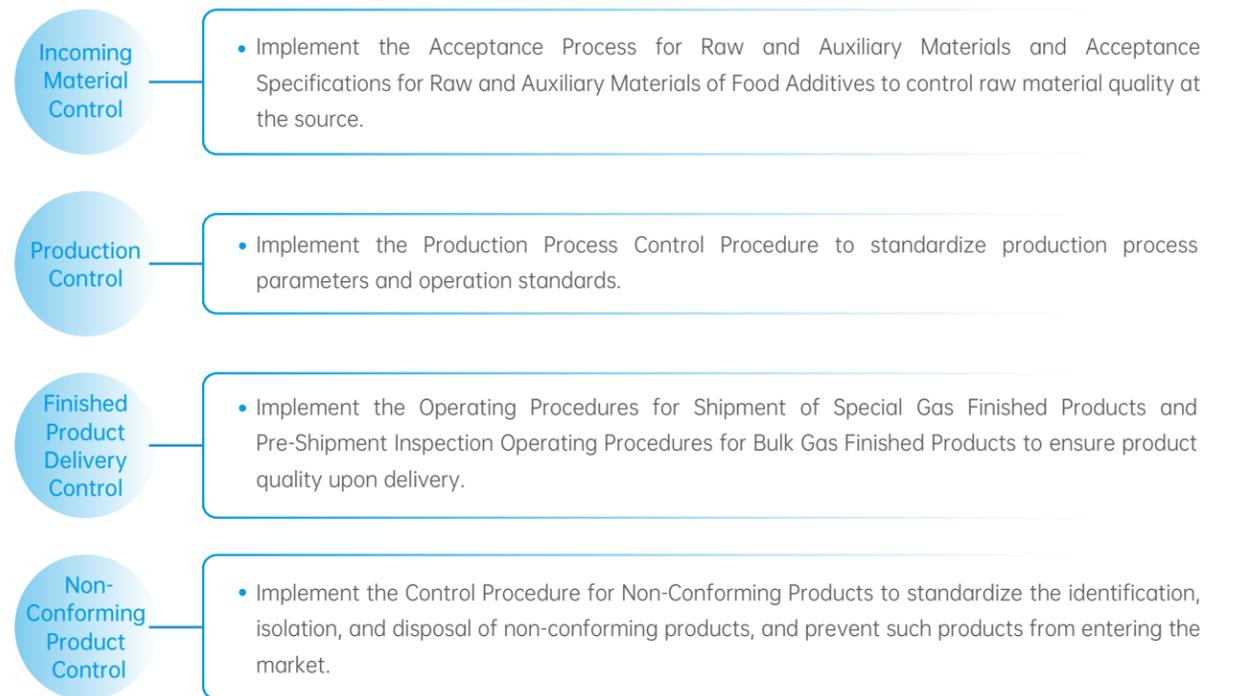
System iteration strengthens new product quality assurance: The Group has continuously upgraded the functions of the QMS Quality Traceability System by adding a new product quality monitoring module, which enables real-time collection and dynamic analysis of quality data during the trial production and mass production stages. This provides accurate data support for process optimization and quality stability improvement of new products.



Product Lifecycle Management

Supported by a sound institutional system and digital traceability tools, the Group ensures full-process quality control from raw material receipt to finished product delivery, identifying and controlling risks at each stage.

The Group has formulated the *Identification and Traceability Procedure*. Relying on the QMS Quality Management System and SPC (Statistical Process Control) tools, it achieves end-to-end traceability for incoming inspection, storage, production and filling, and finished product delivery, ensuring the accuracy and traceability of logistics and quality information. Meanwhile, by establishing a standardized document system covering key quality control points, the Group ensures closed-loop, stage-specific quality management.



▶ Product Lifecycle Management



Quality Culture Development

Quality culture is the cornerstone of the Group's high-quality development. The Group has established a regular quality management training mechanism, under which it formulates and strictly implements an annual training plan. Through systematic training combining theoretical learning and hands-on practice, the Group drives the continuous improvement of quality management capabilities across the organization.

All employees uphold the principle of "Quality First," integrating quality standards into all aspects of production and operation, and striving to uphold the highest standards of product and service quality with a spirit of excellence.

Case Quality Month – QCC Thematic Training

To enhance employees' ability to analyze and resolve quality issues, the Quality Department organized a QCC thematic training activity. Centered on the theme of "Quality for All," the training focused on the practical application of quality management theories and tools, helping frontline staff translate theoretical knowledge into practical skills for quality and efficiency improvement, injecting strong impetus into the Group's continuous improvement and high-quality development. The training covered all staff in production, quality, procurement, and logistics, effectively creating a favorable atmosphere of "Everyone values quality, everyone creates quality, everyone shares quality."



Case PDCA Improvement Project Review

To systematically promote total quality management and foster a culture of continuous improvement among all employees, the Group launched a special initiative on PDCA improvement projects, covering project application, thematic training, project practice, and achievement review. This initiative engaged employees at all levels and produced a number of high-quality improvement achievements, injecting new momentum into the Group's quality and efficiency enhancement. The concept of quality management has been transformed from "post-inspection" to "prevention and continuous improvement," significantly enhancing employees' ability to identify, analyze, and solve problems, further strengthening the Group's quality management foundation and providing sustained momentum for its high-quality development.



Customer Service

Customer Service Management System

The Group has established a responsive and efficient customer service system covering the entire gas application process, providing customers with integrated full life cycle services covering gas planning, scheme design, installation and construction, as well as the R&D, production, filling, distribution, inspection, operation and maintenance, management and recovery of industrial gases, so as to fully meet the differentiated gas demands of customers across various industries.



Indicators	2025 Target	2025 Completion
Annual Customer Satisfaction	≥90%	Achieved
Customer Complaint Handling Rate	100%	Achieved

Customer Communication and Complaint Response

To ensure service quality, the Group has formulated the Customer Complaint Handling Procedure, the Service Control Procedure, and the Provisions on Strengthening Accountability in Complaint Handling, aiming to quickly respond to and effectively resolve customer issues, enhance employee accountability, and continuously optimize the customer service experience.

Customer Communication Channels

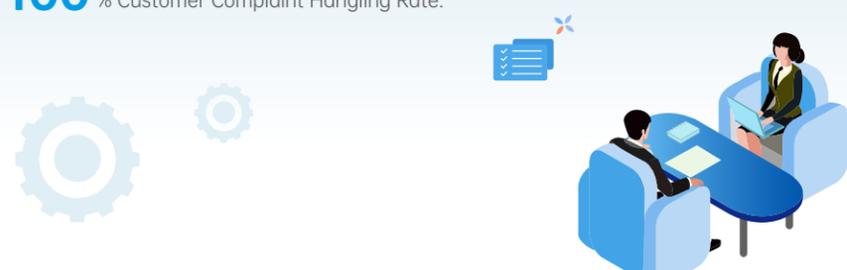
- Website: www.jinhonggroup.com
- Hotline: 400 828 7377-5
- WeChat Official Account: 金宏气体
- Tel: 0512-65767715



Customer Complaint Handling Process

Key Performance

During the reporting period, **100%** Customer Complaint Handling Rate.



Customer Satisfaction Management

The Group incorporates customer satisfaction management as a key component of its ESG practices and has established a customer relationship management system centered on regular systematic satisfaction surveys and supported by ongoing communication mechanisms. The survey covers service, price, delivery, quality, accessories, and other dimensions. By deeply understanding customer needs, efficiently responding to and resolving customer concerns, and continuously optimizing service quality and experience, the Group identifies opportunities for service enhancement, strengthens mutual value creation with customers, steadily improves customer satisfaction and loyalty, and builds a responsible brand reputation.

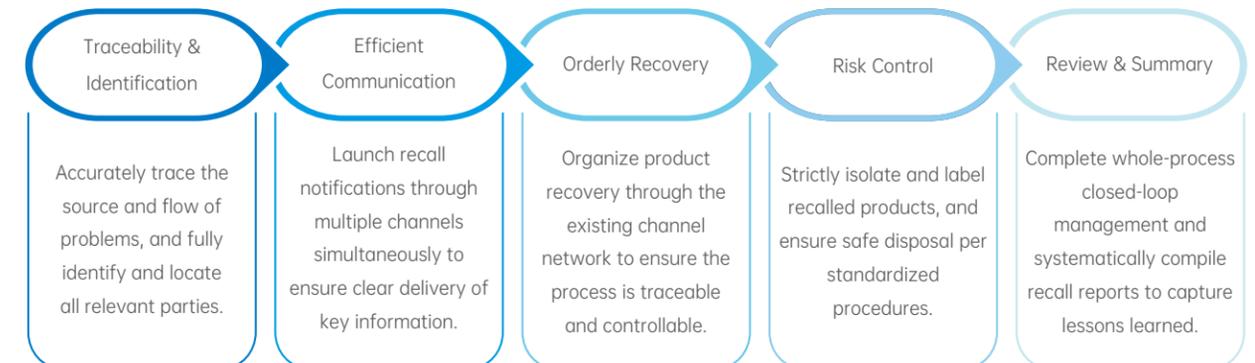
Key Performance



During the reporting period, carried out **2** customer satisfaction surveys, collecting a cumulative total of **3,177** valid questionnaires. The customer satisfaction rate **96.20%** and **98.76%** respectively.

Product Recall Management

The Group has formulated the Product Recall System and the Food Withdrawal and Recall Control Procedure, among others, to enhance emergency response capabilities for product safety incidents and improve relevant management standards. The Group has established a comprehensive product recall process to ensure prompt and effective recall of products when potential safety hazards are identified, thereby protecting customers' interests and safety.



Product Recall Process

Case Product Recall Drill

During the reporting period, the Group carried out a special simulated recall drill for the food additive nitrogen production line. Strictly following relevant product recall policies, the drill fully covered the closed-loop operation of the entire process: Problem Identification & Evaluation - Recall Plan Formulation - Information Release & Communication - Recall Implementation & Disposal - Follow-up Corrective Actions & Optimization

Key Performance



During the reporting period, number of product recall incidents **0**

Supply Chain Security

Supply Chain Governance

The Group prioritizes supply chain governance to ensure stability, compliance, and efficiency. It has established a comprehensive institutional framework, including the Procurement Business Management Process, Supplier Development and Certification Process, Supplier Classification Management Provisions, Supplier Performance Management Provisions, Supplier Documentation Management Provisions, and Procurement Bidding and Tendering Management Process. This framework enables full-chain oversight covering supplier qualification, tiered management, performance evaluation, procurement procedures, bidding compliance, and documentation. It governs the entire supplier lifecycle—from selection and onboarding to performance assessment—ensuring standardized procurement, strong supplier quality control, and reliable supply of raw materials for core products such as specialty and bulk gases.

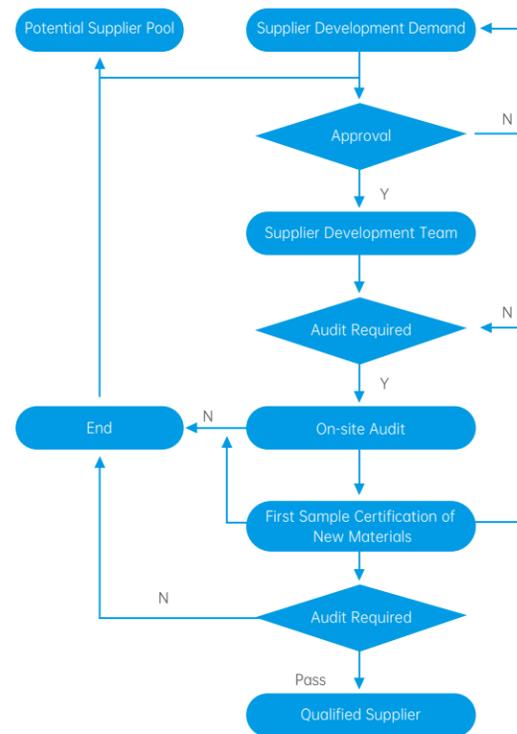
Supplier Management

Supplier Development and Audit

To build a high-quality supply chain ecosystem aligned with the Group's strategic development and achieve win-win cooperation with partners, the Group places supplier development and audit management at the core of its supply chain strategy, employing systematic processes to ensure that suppliers' products and services meet stringent standards for quality, efficiency, and compliance.

In the supplier development stage, the Procurement Center identifies potential suppliers through professional platforms such as industry exhibitions and technical seminars, and collects targeted information by leveraging industry directories, professional databases, and other channels, thereby comprehensively expanding the pool of potential partners.

In the supplier audit stage, the Group has established a comprehensive and standardized qualification audit system with strict evaluation and selection criteria. Through thorough inspections and assessments, rigorous screening, and prudent evaluation, it selects qualified partners to achieve coordinated development of the upstream and downstream industrial chains.



► Supplier Development and Certification Process

Supplier Evaluation and Classification Management

To standardize supplier management and enhance supply chain efficiency, the Group continuously refines its supplier evaluation and classification management and optimizes the categorization system. Suppliers are scientifically classified based on their cooperation attributes, business scale, and other characteristics, enabling targeted oversight and strengthening supply chain reliability.



Sustainable Supply Chain

Integrity in Procurement

The Group attaches great importance to the integrity management of suppliers. It requires all qualified suppliers to sign the Supplier Integrity Commitment and requires procurement personnel to sign the Procurement Personnel Integrity Commitment, thus establishing a strong foundation for ethical cooperation both internally and externally.

The Group is committed to building stable, healthy, and sustainable partnerships with suppliers, firmly opposing commercial fraud and corrupt practices, and upholding the principles of fair trade. In addition, the Group organizes periodic integrity training sessions for procurement staff to enhance their awareness of integrity, thereby maintaining a fair and impartial market environment and healthy, transparent cooperative relations, and achieving mutual benefit and long-term sustainable development.

Green Procurement

The Group deeply integrates the concept of green procurement into the entire supply chain process and collaborates with suppliers to practice green development. In supplier selection and product procurement, the Group prioritizes products and services that meet green standards or possess relevant green certifications.

Key Performance

During the reporting period, the signing rate of the Supplier Integrity Commitment among qualified suppliers reached **100%**.



Digital Supply Chain

Based on the SRM system, the Group has built a digital supply chain management platform. By establishing a supplier information database and formulating standardized access procedures and qualification review mechanisms, it ensures standardized management in the supplier selection process. Meanwhile, the introduction of AI-powered contract management tools significantly enhances the entire supplier management process, continuously driving the intelligent and digital upgrade of supply chain management.

AI Contract Management

It enables core functions such as intelligent extraction of contract elements, automated generation of contract summaries, rapid comparison of multi-version contract texts, and precise identification of contract clause risks, promoting intelligent, end-to-end management of supplier cooperation contracts.



Equal Treatment of Small and Medium-Sized Enterprises (SMEs)

The Group consistently upholds the principles of fairness and equity in its daily operations, treats all SME partners equally, and strives to build long-term, stable cooperative relationships.

Key Performance



- By the end of the reporting period, Overdue unpaid amount **0**
- By the end of the reporting period, Overdue unpaid amount to SMEs **0**



Data Security and Customer Privacy Protection

The Group strictly abides by the Cybersecurity Law of the People's Republic of China, the Data Security Law of the People's Republic of China, and other relevant laws and regulations on data security and privacy protection, and has established a multi-layered, comprehensive protection system.

With the core goal of "building a solid digital security barrier," the Group has developed a secure digital infrastructure architecture featuring "active defense + intelligent control," providing comprehensive support across hardware deployment and network architecture.

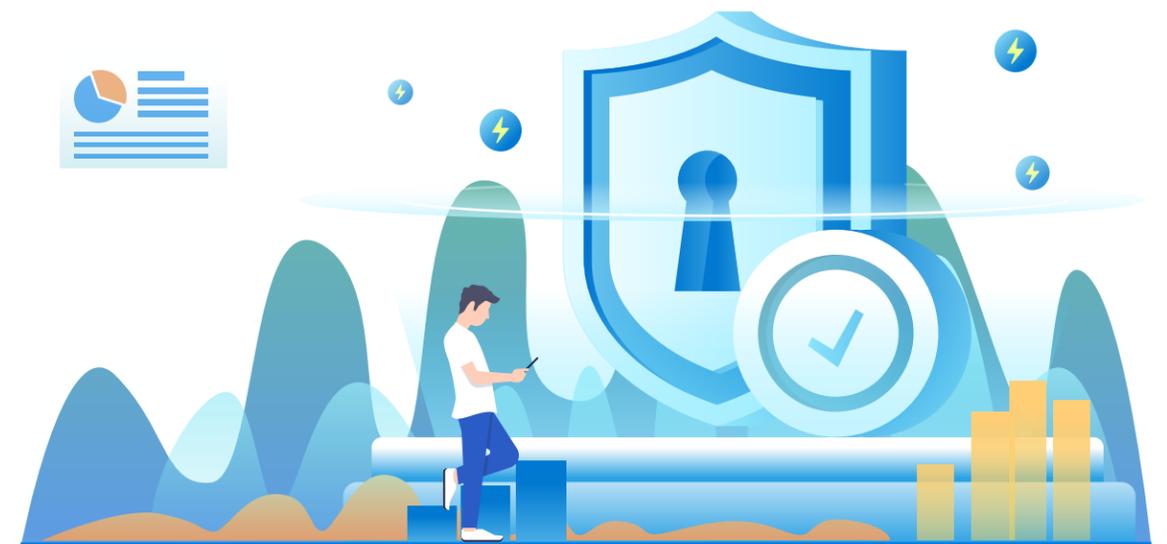
Network Architecture Optimization: The Group adopts a "physical isolation + logical control" model to segregate its internal and external networks. The internal network serves as the core industrial control network, handling PLC and DCS equipment control, as well as production data flow and interaction. The external network functions as a public service network, supporting customer interactions and other external business activities. This ensures risk isolation at the source, reducing potential data leakage and loss.

Deployment of Core Protection Systems: The Group has deployed the Sangfor Network Security System as its core protection solution, effectively defending against external cyberattacks and malicious intrusions. It has also established a document security management system to encrypt and manage sensitive documents—including process parameters, quality data, and customer-related information. The system enforces strict access controls, ensuring data is governed, controlled, and traceable throughout its lifecycle—creation, storage, transmission, use, and destruction—thereby eliminating internal leakage risks.

Key Performance



No data breaches or privacy incidents were reported during the reporting period.



Corporate Governance

- Standardized Governance
- Business Ethics

金宏气体股份有限公司
JINHONG GAS Co.,Ltd.



金宏气体股份有限公司
JINHONG GAS Co.,Ltd.



16 PEACE, JUSTICE AND STRONG INSTITUTIONS



17 PARTNERSHIPS FOR THE GOALS



Standardized Governance

Governance Structure

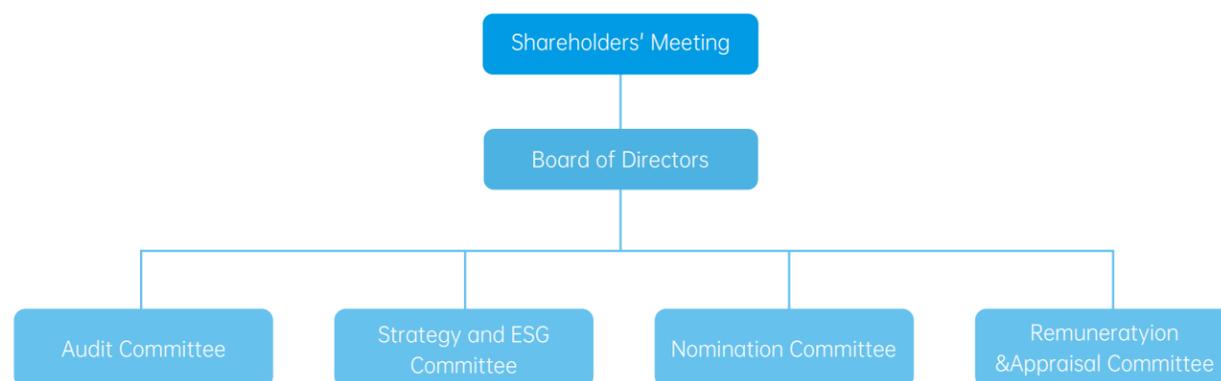
The Group strictly abides by the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China* and other laws, regulations and rules of securities regulators. It has established a corporate governance structure consisting of the Shareholders' Meeting, the Board of Directors and its committees, and senior management. The Group has formulated and dynamically updated a set of rules including the Articles of Association, Rules of Procedure for the Shareholders' Meeting and Rules of Procedure for the Board of Directors of Jinhong Gas Co., Ltd.. It has formed an operational mechanism with clear rights and responsibilities, standardised operation, mutual coordination and checks and balances among the power organ, decision-making organ, supervisory organ and management, which effectively supports the Group's scientific decision-making, standardised operation and efficient collaboration.

To improve its ESG management and sustainable development capabilities, in accordance with relevant laws, regulations and the Articles of Association, the Group held the 10th Meeting of the 6th Board of Directors on 22 August 2025 and approved relevant proposals. The "Strategy Committee of the Board of Directors" was renamed the "Strategy and ESG Committee of the Board of Directors", with additional ESG management responsibilities on the original duties.

To comply with the revised Company Law and supporting rules, and based on its actual development needs, the Group held the 10th Meeting of the 6th Board of Directors on 22 August 2025 and the 1st Extraordinary General Meeting of 2025 on 9 September 2025, approving the *Proposal on the Cancellation of the Supervisory Board*. The Group no longer has a Supervisory Board or supervisors, and the original functions and powers of the Supervisory Board are exercised by the Audit Committee of the Board of Directors.

Key Performance

In 2025, the Group convened **6** meetings of the Supervisory Board and adopted **23** proposals (the Group abolished the Supervisory Board in September 2025).



► Governance Structure Chart

Shareholders' Meeting

The Shareholders' Meeting is the supreme authority of the Group, composed of all its shareholders. The Group strictly convenes and holds shareholders' meetings in accordance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Rules for Shareholders' Meetings of Listed Companies*, as well as the *Articles of Association of Jinhong Gas Co., Ltd.* and the *Rules of Procedure for Shareholders' Meetings of Jinhong Gas Co., Ltd.*

The Group has adopted various measures to optimize the guarantee mechanism for shareholders' participation. In addition to routine practices such as issuing meeting notices in advance, proactively communicating with participants, and adopting both on-site and online voting, the Group has actively launched the shareholders' meeting reminder service ("One-Click Access") provided by Shanghai Stock Exchange Information Network Co., Ltd. It proactively pushes meeting invitations, proposal details and other information to every investor, comprehensively lowers the participation threshold for small and medium-sized investors, significantly increases their voting participation rate in shareholders' meetings, and fully ensures that all shareholders equally enjoy the right to participation and decision-making.

Key Performance

In 2025, the Group held **3** shareholders' meetings and considered and adopted **26** proposals.



Board of Directors

The Board of Directors, as the business decision-making body, is responsible for the decision-making, coordination and management of major daily operations, and is accountable to the Shareholders' Meeting. The Board of the Group strictly operates in accordance with the procedures and standards set out in the *Articles of Association of Jinhong Gas Co., Ltd.* and the *Rules of Procedure for the Board of Directors of Jinhong Gas Co., Ltd.*, with the core objectives of enhancing sound decision-making and ensuring efficient implementation.

To strengthen professional support for decision-making, the Board has four specialized committees, namely the Audit Committee, Strategy and ESG Committee, Remuneration and Evaluation Committee and Nomination Committee. Each specialized committee acts in accordance with its respective rules of procedure, provides solid professional support for the Board's decision-making through specialized division of functions, and lays a firm foundation for the sound and efficient decision-making of the Board.

Key Performance

- The Group held **10** Board meetings, adopting **77** proposals with **100** % attendance of Board members.

- It held **10** specialized committee meetings, adopting **18** proposals:
 - Audit Committee: **5** meetings, **11** proposals adopted;
 - Strategy and ESG Committee: **1** meeting, **2** proposals adopted;
 - Nomination Committee: **3** meetings, **3** proposals adopted;
 - Remuneration and Evaluation Committee: **1** meeting, **2** proposals adopted.

- The Group held **1** special meeting of independent directors, adopting **1** proposal.

Board Diversity and Independence

The Group strives to build a professional and diverse Board team to effectively respond to complex market and operational challenges and consolidate the foundation for sustainable development. In the nomination and appointment of directors, the Group takes full account of professional competence, qualifications and background. By optimizing the Board's overall structure and competency matrix, the Group comprehensively strengthens the Board's ability to identify, assess and address potential risks. One employee representative director was appointed to establish a communication channel between the governance layer and employees, integrate employees' demands into Board decision-making, reflect humanistic care through improved governance structure, and elevate the Group's corporate governance to a higher level.

Independent directors provide the dual core functions of supervision, checks and balances and professional advice in corporate governance, and are critical to ensuring the Group's standardized operation. The Group strictly complies with applicable laws, regulations and internal rules, and improves the performance guarantee mechanism to enable independent directors to fully exert their professional strengths and make independent judgments. Independent directors hold the majority of seats in all special committees of the Board and serve as conveners of all committees except the Strategy and ESG Committee. Such arrangement allows independent directors to deeply participate in key decision-making, deliver professional and targeted opinions and strong support for the Board's sound decision-making, and effectively protect the legitimate rights and interests of the Group and all shareholders, especially minority shareholders.



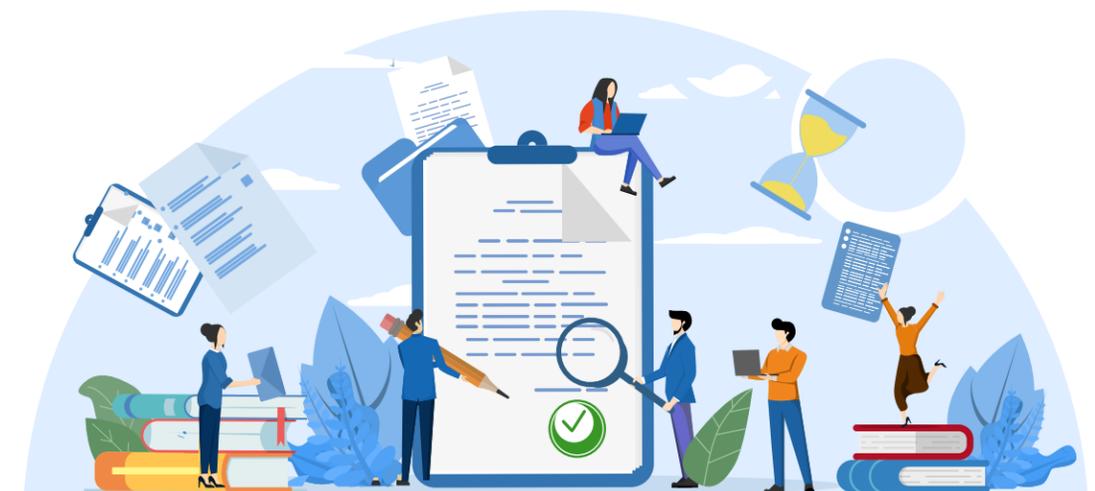
Key Performance

As of the reporting period end, the Group had **9** directors, including **1** female director, **1** employee director and **3** independent directors.

Specialized Committees	Independent Directors (No.)	Non-independent Directors (No.)	Independent Director serve as Chairperson?
Audit Committee	2	1	YES
Nomination Committee	2	1	YES
Remuneration and Evaluation Committee	2	1	YES
Strategy and ESG Committee	3	2	NO

Improvement of Supporting Governance Systems

During the reporting period, to implement the requirements of relevant laws, regulations and normative documents including the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the Guidelines for the Articles of Association of Listed Companies, the *Rules for the Listing of Stocks on the Science and Technology Innovation Board of the Shanghai Stock Exchange* and the *Self-Regulatory Guidelines for Listed Companies on the Science and Technology Innovation Board of the Shanghai Stock Exchange No. 1 – Standard Operation*, the Group has formulated and revised certain governance systems in light of its actual operation and development, so as to further improve its corporate governance and management system.



Compliance & Operations	Information Disclosure	Governance Structure
Measures for the Administration of Raised Funds	Information Disclosure Affairs Management System	Articles of Association
Internal Audit Work System	Internal Management System for Suspension and Exemption of Information Disclosure	Rules of Procedure for the Shareholders' Meeting
External Guarantee Management System	Internal Reporting System for Material Information	Rules of Procedure for the Board of Directors
Inside Information Management System	Investor Relations Management System	Independent Directors System
Connected Transaction Management System	Commitment Management System	Detailed Rules for the Work of Special Meetings of Independent Directors
Major Operation and Investment Decision Management System	External Information User Management System	Rules of Procedure for the Strategy and ESG Committee of the Board
Profit Distribution Management System		Rules of Procedure for the Audit Committee of the Board
Management System for Shares Held by Directors and Senior Management and Their Changes		Rules of Procedure for the Nomination Committee of the Board
Selection and Appointment System for Accounting Firms		Rules of Procedure for the Remuneration and Evaluation Committee of the Board
Market Value Management System		Detailed Rules for the Work of the General Manager
		Work System for the Secretary of the Board of Directors
		Management System for the Resignation of Directors and Senior Management
		Subsidiary Management System

Investor Relations and Shareholder Rights

Investor Relations Management

The Group regards investor relations management as a core task in improving corporate governance and protecting shareholder rights. Under the leadership of the Chairman of the Board, the Secretary of the Board takes charge of the organization and coordination of investor relations management, and the Securities Department implements specific affairs such as liaison, coordination and information transmission, so as to effectively safeguard the legitimate shareholder rights of investors. During the reporting period, the Group revised and improved the Investor Relations Management System, and carried out daily investor relations management in strict accordance with the system, establishing an investor relations management system featuring "sound systems, standardized procedures and transparent information".

The Group actively builds a communication bridge with investors, and delivers its core values through diversified channels such as visualized interpretation of financial reports, investor surveys, participation in industry exhibitions and self-media promotion. It has also set up communication channels including investor hotline and e-mail to continuously broaden the access to information for small and medium-sized investors, strengthen interaction and communication with investors, and protect investors' legitimate rights such as the right to information and voting right on a fair basis.

Key Performance



- ◎ **4** performance briefings
- ◎ **54** SSE e-Interaction Responses, with a **100** % reply rate
- ◎ **304** investor communication sessions, covering **1,122** participants
- ◎ **90** investor calls answered

Standardized Information Disclosure

The Group strictly complies with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Measures for the Administration of Information Disclosure of Listed Companies* and other relevant laws and regulations. During the reporting period, the Group revised the *Information Disclosure Affairs Management System* to further standardize its information disclosure activities and clarify the responsibilities and obligations of all relevant departments in information disclosure management. The Board uniformly leads and administers the Group's information disclosure affairs, faithfully fulfills its information disclosure obligations, and ensures the disclosure of information in a true, accurate, complete, timely and fair manner to protect the legitimate rights and interests of investors. The Group also attaches importance to the confidentiality of undisclosed information and exercises strict management over its internal publications, websites and promotional materials to prevent the leakage of undisclosed information. By strengthening publicity and education as well as daily management, the Group fosters employees' compliance awareness, reduces information disclosure risks and guards against insider trading. No information disclosure violations occurred during the reporting period.

Key Performance



- ◎ **4** periodic reports
- ◎ **153** ad hoc announcements

Recognitions

During the reporting period, the Group was rated A (the highest grade) in the 2024-2025 Information Disclosure Work Assessment by the Shanghai Stock Exchange and received the *Most Investment Value Award* in the Annual Most Influential Enterprises List by Caixin Media.

The Secretary of the Board received multiple recognitions, including New Fortune Gold Medal Board Secretary and *Golden Dawn Excellent Board Secretary Award*.

序号	证券代码	证券简称	评价结果
334	688095	福昕软件	A
335	688099	晶晨股份	A
336	688100	威胜信息	A
337	688105	诺唯赞	A
338	688106	金宏气体	A
339	688111	金山办公	A
340	688112	惠阳科技	A
341	688116	天秦科技	A
342	688120	华海清科	A
343	688126	沪研产业	A
344	688139	海尔生物	A
345	688147	康希诺	A
346	688160	步科股份	A
347	688172	燕京微	A
348	688185	康希诺	A
349	688187	时代电气	A
350	688188	柏楚电子	A
351	688205	德科立	A



Active Return to Shareholders

On the basis of ensuring its own sustainable development, the Group has always attached great importance to the long-term investment return of shareholders and established a value sharing system with shareholders through multi-dimensional institutional improvement.

In terms of profit distribution, the Group has adopted the core principle of giving priority to cash dividends and the supporting decision-making mechanism. It strictly follows the profit distribution policies set out in the *Articles of Association* and the *Profit Distribution Management System* to ensure continuous and stable dividend distribution. Meanwhile, the Group has formulated the *Shareholder Dividend Return Plan of Jinhong Gas Co., Ltd. for the Next Three Years (2025-2027)* to further improve a sound, scientific and sustainable dividend mechanism. It has also issued the *Market Value Management System* and adopted standardized market value management measures to align the Group's intrinsic value with market performance, so as to steadily promote the realization of shareholders' long-term investment value.

During the reporting period, the Group conducted its third special share repurchase. A total of 2,465,747 shares were repurchased, with a total amount of 45.00 million (excluding transaction fees such as stamp duty and trading commissions). Through such concrete actions, the Group repays the trust of shareholders and steadily enhances their long-term investment value.

Key Performance



- As of the end of the reporting period, the Group's cumulative cash dividends since listing amounted to **649** million.
- The proposed cash dividend for the current year is **119.29** million, accounting for **90.42%** of the net profit attributable to shareholders of the listed Company for the current year.
- Since its listing in 2020, the Group has repurchased a total of **10.51** million shares, accounting for **2.18%** of the total share capital as of December 31, 2025, with a total repurchase amount of **249** million.

Compliance Operation

The Group adheres to the philosophy of "Corporate Governance by Law, Compliance First", integrates compliance management into its core strategy, and builds a "three-full" compliance system covering all business entities, sectors and processes.

Guided by its core values, the Group complies with the Company Law, the Securities Law and other regulatory requirements. It continuously improves its compliance system with clear rights and responsibilities, and sets up a full-time compliance department under the supervision of the Board's special committees. The department carries out compliance review, risk monitoring, inspections and training, forming a dual-driven compliance governance structure supported by systems and organizations.

The Group conducts systematic training on contract compliance, anti-corruption and corporate governance, covering relevant laws, regulations and practical norms. Through case studies, seminars and online-offline programs, it enhances employees' compliance awareness and professional competence, providing a solid foundation for the Group's compliant and steady development.

Key Performance



3 compliance training sessions held, covering **299** participants



Case Compliance Training

In October 2025, the Group specially invited external lawyers to conduct a special training on "Corporate Governance and Standard Operation of Listed Companies". The training provided detailed interpretation on major transactions, connected transactions, information confidentiality and other aspects in the daily operation of listed companies. Through the explanation of laws and regulations, case analysis, on-site Q&A and other methods, it further enhanced employees' compliance awareness and professional competence.

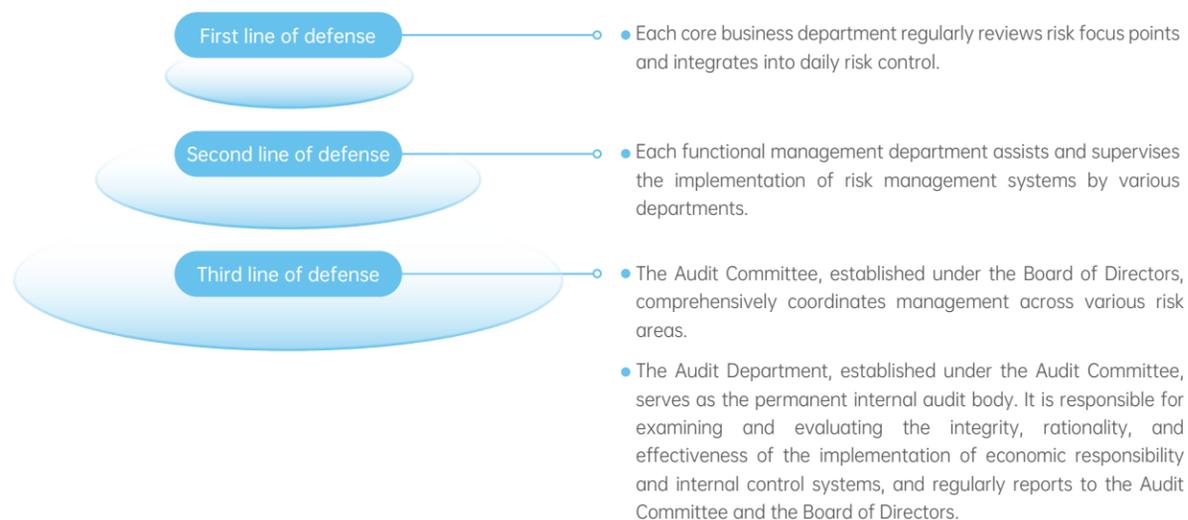


Risk and Internal Control

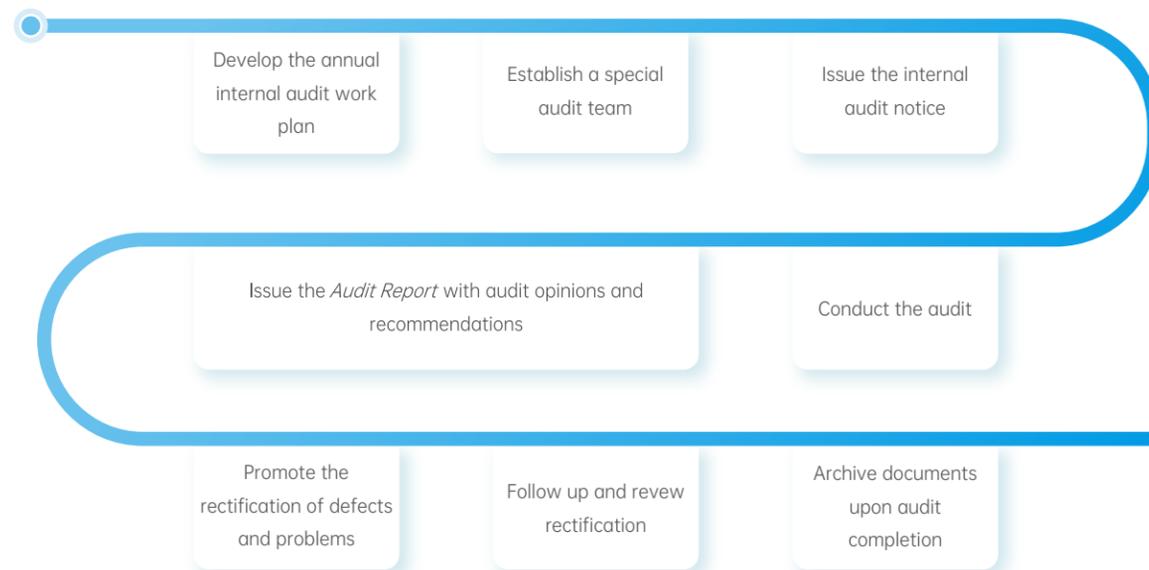
The Group upholds the value of "Risk Prevention as the Foundation, Steady Operation as the Core", integrates compliance and internal control into its overall strategy, and builds a refined full-process compliance management system. It embeds compliance requirements into business operations, strictly follows laws and regulations, and accurately identifies and mitigates potential risks.

On this basis, the Group has formulated and dynamically improved a series of core systems, including the *Rules of Procedure for the Audit Committee of the Board of Directors*, *Internal Audit Work System*, *Internal Audit Charter* and *Internal Audit Rectification Management System*, and established a proactive and forward-looking internal control management system.

The Group has established a professional internal control structure independent of business departments, and continuously strengthened the "three lines of defense" for risk management. The coordination of compliance and internal control safeguards the Group's steady operation.



▶ Three Lines of Defense for Risk Management



▶ Internal Audit Process

The Group has established a dual-track internal audit system of "regular audit + routine supervision". Regular special audits ensure objective and accurate judgment of major risks; routine daily inspections and special supervision are carried out in business processes. By building an internal control matrix and sorting out internal control procedures and risk management measures, the Group has formed complete internal audit documents to ensure standardized and efficient management.

To strengthen internal control implementation, the Group continuously provides compliance and risk training for directors, senior management and all employees. Targeted courses improve legal awareness and risk prevention capabilities, turning rules into effective practice and fully supporting the Group's steady operation.

Key Performance

- Conducted **48** routine audits and **4** other investigations.
- During the reporting period, **0** material or significant internal control defects were identified, the rectification completion rate of identified general issues and defects reached **96%**.

Business Ethics

Anti-Commercial Bribery and Anti-Corruption

The Group strictly complies with applicable anti-corruption and anti-bribery laws and regulations in all countries/regions where it operates. It abides by integrity and anti-corruption rules and commitments with business partners, strengthens integrity culture, and maintains a zero-tolerance attitude toward corruption.

In terms of systems, the Group has issued the *Anti-Fraud and Whistleblowing System* and *Code of Integrity and Self-Discipline* that apply to all subsidiaries and employees, providing clear conduct standards for business ethics management. For organizational structure, the Group has set up a clearly defined anti-corruption system led by the General Manager, with joint participation from all business divisions, departments, subsidiaries, Legal Department, Financial Management Center, Human Resources and Information Management Department, and Audit Department. The Audit Department investigates and follows up on business ethics issues and reports to the Audit Committee of the Board, forming a fully coordinated management structure.



During implementation, the Group clarifies the anti-fraud duties and authorities of all departments. It enhances employees' anti-corruption awareness through regular and ad hoc integrity self-inspections, training and publicity. It integrates anti-corruption requirements into internal management and external cooperation, and prohibits corruption, bribery and abuse of power. The Group signs integrity commitments with partners and conducts relevant promotion to strengthen their self-discipline.



Specialized training on business ethics

With complete systems, organizational support and effective implementation, the Group consolidates its anti-corruption foundation, fosters a clean and compliant environment, and supports its long-term steady development.



Key Performance

During the reporting period, **0** lawsuits or major administrative penalty cases involving commercial bribery and corruption occurred in the Group.



The Group has established a sound reporting and supervision mechanism, and actively promoted the reporting policy at the headquarters and all subsidiaries. It encourages employees and partners to report acts violating integrity standards and fraud issues. The Audit Department is the competent department for reporting clues, responsible for clue reception and investigation organization. A whistleblower protection mechanism is also implemented to effectively safeguard the legitimate rights and interests of whistleblowers.



Reporting Policy Promotion

Reporting Channel

Reporting Hotline: 0512-65767715-8110/8106

Reporting Email: 17798596707@163.com



Whistleblower Protection

- Acceptance of the report or participate in the investigation of personnel to strictly protect the relevant information of the whistleblower, the specific content of the report, the relevant investigations are carried out without revealing the identity of the whistleblower. Unless the whistleblower agrees, in any case, not to disclose the whistleblower's name, contact details and other information.
- For violation of confidentiality or improper performance of duties of the staff, according to the situation and the consequences of serious treatment. Constitutes an offence, transferred to the judicial authorities.
- Any unit or individual shall not use any excuse to block, suppress the whistleblowers report, shall not take any way to retaliate against whistleblowers. Individuals who engage in retaliation against whistleblowers will be subject to serious disciplinary action in accordance with the Group's relevant regulations once the facts are verified. Those who violate the law will be transferred to the judicial authorities for legal processing.

Anti-Unfair Competition

The Group strives to build a fair and equitable business environment, and strictly abides by the *Anti-Monopoly Law*, *Anti-Unfair Competition Law*, *Supervision Law of the People's Republic of China* and other relevant laws and regulations. Adhering to the principle of fair competition, the Group firmly eliminates all forms of unfair competition, ensures full compliance of commercial activities, and fosters a fair and transparent market ecosystem.

For future development, the Group will continue to uphold compliance requirements, follow competition-related laws, safeguard fair market competition, protect equal opportunities for all market participants, and promote the sound and healthy development of the industry.

Key Performance



During the reporting period, **0** lawsuits or major administrative penalties caused by unfair competition occurred.



Environmental Protection

- ◉ Climate Change Response
- ◉ Environmental Compliance Management
- ◉ Pollutant Emissions
- ◉ Waste Disposal
- ◉ Energy Utilization
- ◉ Water Resource Utilization
- ◉ Circular Economy



Climate Change Response

Climate change is a core global issue. With the deepening of the Paris Agreement targets, China's "Dual Carbon" goals, and stricter 2025 regulations, corporate climate governance requirements are clearer than ever. The Group embeds climate governance into its core development and actively supports the low-carbon transition.

Governance

The Group has a clear and efficient governance system. The Strategy and ESG Committee sets climate strategies, goals, and oversees progress. All departments integrate climate requirements into production, R&D, and supply chains to ensure effective action. Operationally, the Group cuts emissions, promotes clean energy, and boosts efficiency. Led by its national "Green Factory," it takes concrete steps to mitigate climate impact.

Moving forward, the Group will strengthen climate governance, embed low-carbon thinking into operations, and respond to national "Dual Carbon" and global goals—seizing green opportunities to drive sustainable growth.

Strategy

To meet regulatory demands, the Group follows the Self-Regulatory Guidelines for Listed Companies No. 14 – Sustainability Report (for Trial Implementation) and Self-Regulatory Guidelines for STAR Market Listed Companies No. 13 – Preparation of Sustainability Reports issued by the Shanghai Stock Exchange (SSE), actively identifies climate risks and opportunities. It then assesses how its strategy and business model align with climate trends.



Climate Risk Identification and Response

Risk & Description	Timeframe	Value Chain	Potential Impact		Response Measures	
			Risk Impact	Financial Impact		
Physical Risks	Acute Typhoon Flood Extreme temp. Extreme wind	Short-term (< 1 yr)	Prod. Ops. SC Logistics	Raw material delays, SC disruption, prod. stability decrease	Asset loss equip damage ops. cost increase	<ul style="list-style-type: none"> Form emergency team, coordinate response, weather warnings; Develop emergency plans, clarify responsibilities of depts. & personnel;
	Chronic Sea level rise heatwaves Water scarcity	Long-term (> 5 yrs)	Prod. Ops.	Long-term climate shifts threaten employee safety/health, ops. efficiency decrease	Ops. cost increase	<ul style="list-style-type: none"> Stop hazardous ops in extreme weather; Regular site/equip inspections; Check drainage systems
Transition Risks	Market Low-carbon economy transition	Med-long term (3-5 yrs)	Ops.	Shift in S&D for goods/services pressures ops	Revenue decrease	<ul style="list-style-type: none"> Enhance SC risk mgmt, resilience; Collect/analyze global market info
	Policy stringent global climate policies	Med-long term (3-5 yrs)	Ops.	Stricter emission reduction and disclosure responsibilities	Ops. cost increase	<ul style="list-style-type: none"> Track climate laws/policies; Ensure compliance; Explore emission reductions for itself & partners, build green value chain
	Reputation Stakeholder sust. focus increase Disclosure demands increase	Med-long term (3-5 yrs)	Ops.	Reputation harm if env. performance unmet	Brand decrease, investor confidence decrease, financing cost increase, revenue decrease	<ul style="list-style-type: none"> Establish/improve env. mgmt system, ensure effective implementation; Comply with climate disclosure; Address stakeholder concerns, pursue sust. dev.

Risk & Description	Timeframe	Value Chain	Potential Impact		Response Measures
			Risk Impact	Financial Impact	
Technology Growing demand for low-carbon products, low-carbon economy advances	Med-long term (3-5 yrs)	R&D Ops.	Low-carbon transition accelerates clean tech R&D, tech pressure	Revenue decrease	<ul style="list-style-type: none"> ✔ Increase R&D in sust. products/tech; ✔ Advance carbon capture & utilization projects

Climate Opportunity Identification and Response

Opportunity Type and Description	Timeframe	Value Chain	Potential Financial Impact	Response Measures
Market Opportunities Global low-carbon economy accelerates, green product demand grows	Med-long (3-5yrs)	Procurement Prod. Ops.	Revenue increase, market share increase	<ul style="list-style-type: none"> ✔ Strengthen green gas product/service portfolio, offer clean low-carbon solutions
Policy Opportunities Strong national 'Dual Carbon' policies & support	Short-med (1-3yrs)	Ops.	Policy support access	<ul style="list-style-type: none"> ✔ Monitor policy to align business with green transition; ✔ Build low-carbon tech reserve, accelerate core R&D
Resource Efficiency Opportunities Improving energy efficiency saves energy, aids low-carbon transition	Med-long (3-5yrs)	Procurement Prod. Ops.	Ops cost decrease	<ul style="list-style-type: none"> ✔ Enhance energy efficiency via tech upgrades/process optimization; ✔ Promote water/gas recycling
Energy Source Opportunities Global energy shift to clean sources; green energy mainstream	Med-long (3-5yrs)	Prod. Ops.	Ops. cost decrease, resilience against energy price volatility increase	<ul style="list-style-type: none"> ✔ Optimize energy mix, reduce fossil fuel dependence, lower emissions; ✔ Increase renewable energy share

Management of Impacts, Risks and Opportunities

As a one-stop gas solutions provider, the Group follows China's "Dual Carbon" goals as its guiding framework and is committed to green, low-carbon development. It systematically analyzes how these goals impact its financial position and business growth, driving emission cuts through both technological innovation and concrete actions to strengthen its overall climate response capacity.

Climate Risk Identification and Management

Based on the industrial gas industry's operational traits and asset distribution, the Group focuses on climate change impacts on production stability, supply chain security, energy costs, and market demand, continuously enhancing its climate response capacity. Key steps:



Indicators and Goals

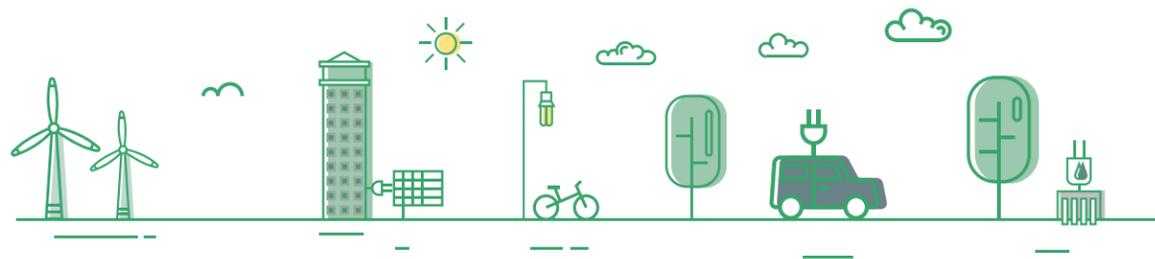
To advance green, low-carbon, and high-quality development, the Group takes a long-term view, crafting a dedicated climate strategy and seizing opportunities from climate trends. Aligned with its medium to long-term sustainability goals, it steadily drives low-carbon transformation across its production, operations, and services value chain, strengthening the foundation for sustainable growth.

Key Performance

GHG Emission	Unit	2025
GHG (Scope 1) Emissions	tCO ₂ e	14,652.44
GHG (Scope 2) Emissions	tCO ₂ e	305,361.83
GHG Emissions (Scope 1 & Scope 2)	tCO ₂ e	320,014.27
GHG Emissions Directly Reduced by Emission Reduction Measures	tCO ₂ e	4,834.46

Case Chenggang Gas Oxygen System Energy-Saving Upgrade

In 2024, Shanghai Jinhong (a Group subsidiary) signed an Industrial Gas Supply Contract with Yunnan Qujing Chenggang Iron and Steel. Through acquiring and upgrading three oxygen units and backup systems, it now supplies oxygen, nitrogen, argon and other gases to the client. Post-renovation in 2025, the system's specific power consumption dropped 7.3%, cutting CO₂ emissions by 10,334.86 tons annually—equal to saving 5,463 tons of standard coal (equivalent value). The project created an integrated "asset upgrade + long-term supply" model and a replicable "efficiency gain – carbon value" dual-driver approach. It optimizes regional energy use, upgrades the steel gas support industry toward greener, high-end development, and boosts low-carbon transition and regional "Dual Carbon" goals.



Environmental Compliance Management

The Group strictly follows the Environmental Protection Law, Energy Conservation Law, and other environmental regulations. Adhering to its policy—"Safety First, Prevention First; Improve Environment, Protect Health; Comprehensive Management, Continuous Improvement; Comply with Laws, Advance Holistically"—it ensures efficient and compliant environmental management.



► ISO 14001 Environmental Management System Certification

Achieved

100%

Compliance of wastewater, air, dust and noise emissions



0

Chemical spills incidents



100%

Compliant disposal of solid wastes



0

Fire and explosion incidents



Environmental Risk Management

For environmental risk control, the Group upholds green development principles, strengthens source prevention and comprehensive management, and builds a long-term mechanism. It adopts diverse measures to ensure effective environmental risk control. In daily operations, it monitors waste gas, wastewater, and other pollutants in the plant area, while establishing investigation and emergency response mechanisms to effectively manage the environmental impact of its activities.

Systematic Environmental Risk Management

The Group has established the Management Procedure for Identification and Evaluation of Risks and Opportunities and the Emergency Plan for Sudden Environmental Incidents. It identifies environmental factors in operations and takes corresponding actions.

Planning and Source Control

The Group conducts hazard inspections and self-corrections to prevent recurrence. All hazards are logged into a tracking system for timely rectification. It also organizes environmental emergency training and drills, and stocks emergency supplies.

Regular Inspections & Training

At the design stage, health or environmental protection zones are set, with no sensitive targets within them.

► Preventive Measures

Environmental Emergency Management

The Group has a tiered response system and dedicated emergency command, supported by professional teams and facilities. Regular drills improve response capability.

Emergency drill plans include LNG Leak Emergency Drill Plan and Hazardous Waste Warehouse Fire Drill Plan.

Pollutant Emission

The Group complies with all relevant environmental laws (e.g., Environmental Protection Law, Air Pollution Law, Water Pollution Law, Solid Waste Law) and has a full-process environmental management system. It ensures emissions meet standards while reducing environmental impact through tech upgrades.



Waste Gas Management

The Group prioritizes air quality, follows design specs, and uses adsorption, wet scrubbing, combustion, condensation (single or combined) for waste gas treatment.

Emissions of Exhaust Gas Pollutants	Unit	2025
Total Waste Gas Emissions	10 ⁴ m ³	30,689.00
PM Emissions	kg	965.30
SO _x Emissions	kg	24.00
NO _x Emissions	kg	9,940.00

Wastewater Management

Through systematic wastewater management and water recycling, the Group reduces freshwater demand, contributing to ecological protection and demonstrating its firm commitment to sustainable development.

Source Management

Cleaner production and water recycling systems cut fresh water use and wastewater generation at source.

Full-Process Monitoring

A full-process monitoring system tracks wastewater concentration in real time, covering COD, BOD₅, total phosphorus, total nitrogen, ensuring traceability.

Treatment Facilities

Advanced facilities use physical, chemical, biological methods for compliant discharge. A sludge filter press converts sludge to solid waste, cutting costs and improving efficiency.

► Wastewater Management Measures

Wastewater Discharge	Unit	2025
Total Wastewater Discharge	tonne	93,651.33

Noise Management

The Group integrates noise control into production, forming an integrated system of source prevention, process interception, and end-of-pipe treatment.

Source Prevention

Selecting low-noise equipment, optimizing layout, and adding vibration dampeners to cut noise at source.

Process Interception

Based on noise characteristics of different work environments, targeted measures are implemented: sound-insulated control rooms, sound enclosures for high-noise units, sound absorption in reverberant areas, mufflers at sound sources and along propagation paths, and vibration isolation for equipment. These actions fully block noise transmission, achieving both workplace noise reduction and community noise control.

End-of-Pipe Treatment & Compliance

A regular monitoring system is in place. In 2025, third-party boundary noise tests met all national standards. Data tracking enables risk detection and preventive maintenance, ensuring compliance and continuous improvement.

Waste Disposal

The Group strictly follows national standards including the Standard for Pollution Control on Storage and Landfill of General Industrial Solid Waste and Standard for Pollution Control on Hazardous Waste Storage. It has built a full-process waste management system and works with qualified third parties for safe, compliant disposal. Regular inspections and full-process control over waste classification, storage, and treatment ensure effective implementation.

Waste Management	Unit	2025
Total Waste Generation	tonne	92.43
General Industrial Waste		
Total General Industrial Waste Generation	tonne	51.45
General Industrial Waste Compliant Disposal Rate	%	100
General Industrial Waste Generation Intensity	t/million	0.019
Hazardous Waste		
Total Hazardous Waste Generation	tonne	40.98
Hazardous Waste Generation Intensity	t/million	0.015
Hazardous Waste Compliant Disposal Rate	%	100

*Waste Intensity = Waste Generation / Annual Revenue

Energy Utilization

The Group adheres to the energy policy of "Consuming Less and Producing More Efficiently, Conserving Energy and Reducing Emissions, Striving for Profitability, Operating in Compliance, Innovating Technologically, Pursuing Excellence.", and actively carries out energy conservation and emission reduction activities. A series of measures have been adopted to reduce energy consumption and emissions, including improving production processes and implementing energy management. These measures not only help the Group save energy and reduce costs, but also make positive contributions to environmental protection. The Group has obtained the ISO 50001 Energy Management System Certification.



► Energy Management System Certification Certificate

► Energy Saving Initiatives

The Group stepped up its emission reduction efforts and actively optimized its energy mix. During the reporting period, its distributed photovoltaic power generation reached 692,448.00 kWh.

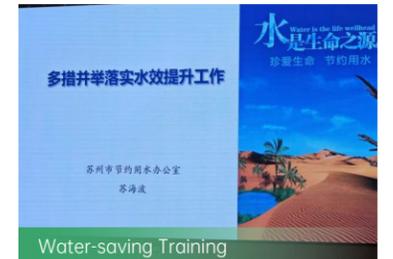
Energy Consumption ¹	Unit	2025
Comprehensive Energy Consum	tce	77,667.29
Of Which: By Energy Type		
Natural Gas	10 ⁴ m ³	3.65
Gasoline	tonne	119.52
Diesel	tonne	4,594.40
Purchased Electricity	kWh	574,842,000.40
Purchased Heat	GJ	3,187.89
Direct Energy Consumption	tce	6,910.50
Indirect Energy Consumption	tce	70,756.79
Comprehensive Energy Consumption Intensity	tce/million	27.97
Clean Energy Consumption	kWh	692,448.00
Renewable Resources Consumption	tce	85.10
Renewable Resources Consumption Ratio	%	0.11

¹Reference: GB/T 2589-2020 General Principles of Comprehensive Energy Consumption Calculation

Water Resource Utilization

The Group places high importance on water conservation, strictly follows the Water Law of the People's Republic of China, and responds to regulatory requirements by sending personnel to water-saving training for advanced tech and management

expertise. In practice, it raises awareness through posters and campaigns, while driving tech upgrades and system optimization—completing projects like pure water renovation for hydrogen production and condensate water renovation for ultra-high purity ammonia, and building a circulating water system to recycle production wastewater and cut water use at source. By supplying specialty gases to semiconductor and high-end manufacturing customers, the Group helps them replace high water-consumption processes, boosting water efficiency and value across the industrial chain.



Application Scenario	Traditional Issues	Jinhong Gas's Solutions & Products	Water & Environmental Benefits
Semiconductor Chip Manufacturing	High ultrapure water consumption; generates complex chemical wastewater (difficult & costly to treat).	Ultra-high purity N ₂ for dry processes (drying, purging) to partially replace wet cleaning steps.	Direct Water Saving: Reduces ultrapure water consumption. Source Pollution Reduction: Cuts fluorine- and phosphorus-laden wastewater, lowers terminal treatment load.
Precision Metal Cutting (e.g., stainless steel, titanium alloy)	Large amounts of high-pressure water mixed with abrasives, and generating sludge wastewater containing metal powder.	High-purity oxygen (O ₂) or nitrogen (N ₂) as auxiliary gases for laser cutting, enabling a dry process.	Water-Free Process: Eliminates industrial water use. Zero Wastewater: No sludge wastewater; metal waste is dry and clean, easier to recycle.
Industrial & Municipal Water Treatment	Uses strong acids or alkalis for neutralization, corrosion risks, safety hazards, ecological damage.	Carbon dioxide (CO ₂) as a mild pH adjuster, dissolving in water to form carbonic acid for neutralization.	Green Process: Mild and controllable reaction; introduces no strong acid anions (e.g., SO ₄ ²⁻ , Cl ⁻), reduces ion load and scaling risk. Higher safety.
Precision Industrial Cleaning	Uses solvent-based or water-based cleaners, causing VOC emissions or hazardous wastewater.	High-purity carbon dioxide (CO ₂) as a supercritical fluid cleaning agent under specific conditions.	Replaces Water & Chemicals: No water or solvents needed; residue-free with instant drying.

Water Resource utilization ²	Unit	2025
Total Water Consumption	tonne	3,524,500.82
Water Intensity	t/million	1269.37

²Water Intensity = Water Consumption / Annual Revenue

Circular Economy

The Group follows circular economy principles—Reduce, Reuse, Recycle—across operations. Through innovation and optimization, it has developed scalable green practices delivering both economic and environmental benefits.

Circular Economy Models

Lean Water Management: Preventive maintenance and lean management eliminate water waste.

Waste Heat Recovery: Steam Recycling Technology captures by-product steam from hydrogen production for heating in ultra-high purity ammonia production, with condensed steam returned to hydrogen units. This cross-unit energy cascade cuts steam and fresh water use.

Green Procurement: High-efficiency, low-impact equipment is prioritized in investments, securing energy and carbon savings from the start.

Cylinder Recycling: Gas cylinders are reused after inspection, maintenance, cleaning, and testing—reducing disposable packaging waste and extending product responsibility across the life cycle.



Case Green Gases Driving Downstream Transformation

The Group provides large-scale on-site gas production solutions to help customers address the resource utilization challenge of high-sulfur petroleum coke. Through the POX process, it converts this feedstock into syngas, reducing reliance on traditional energy sources and lowering carbon emissions while ensuring a reliable gas supply for long-term sustainable development.



The Group recovers coke oven gas for efficient, comprehensive utilization through a low-carbon, circular approach, producing liquid ammonia, LNG, and high-purity hydrogen. It also supports downstream customers in electronics, semiconductors, and other industries, boosting economic returns while enhancing environmental performance.

For the biomass liquid fuel project, we have provided green oxygen and nitrogen, along with a supporting investment in a green carbon dioxide recovery unit. This has significantly reduced the carbon emissions of the project and provided critical support for the production of green methanol.



Social Well-being

- Employment, Development and Rights of Employees
- Occupational Health and Safety
- Social Contribution
- Rural Revitalization



Employment, Development and Rights of Employees

Talent Acquisition

The Group adheres to the principles of openness, impartiality and fairness in employment. It has established a labor management system centered on the Employee Handbook, Recruitment Management System, Labor Contract Management System and Management System for Personnel Stationed Abroad, to safeguard employees' legitimate rights and interests at the institutional level. Furthermore, it strictly prohibits child labor and forced labor, and eliminates discrimination based on gender, race, marital status, region, religious belief or other identities throughout the recruitment and employment process. The Group is committed to fostering an equal and transparent professional development environment for all employees.

Multi-Channel Recruitment

The Group prioritizes person-job fit as its core recruitment criterion. It attracts talent through diverse channels—including campus recruitment, online platforms, on-site job fairs, headhunting services, and internal referrals—to continuously strengthen its talent pool. To better identify candidates with relevant experience, the Group has established partnerships with industry associations and platforms such as Dahua Chemical Talent Network and CHENHR.COM. Leveraging these channels enables the Group to stay informed on market dynamics and talent trends, facilitating targeted recruitment of experienced professionals.



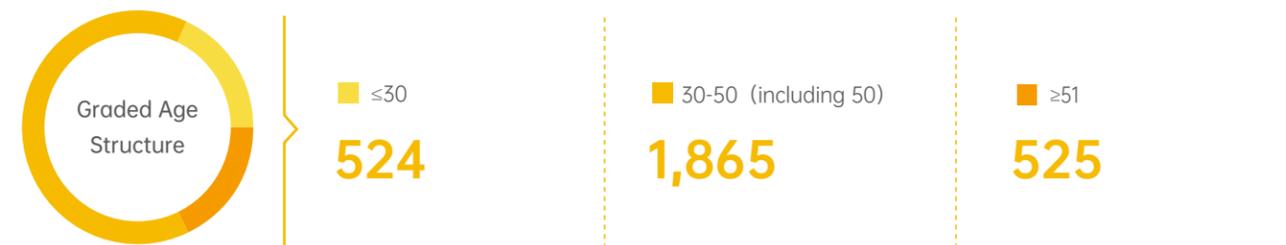
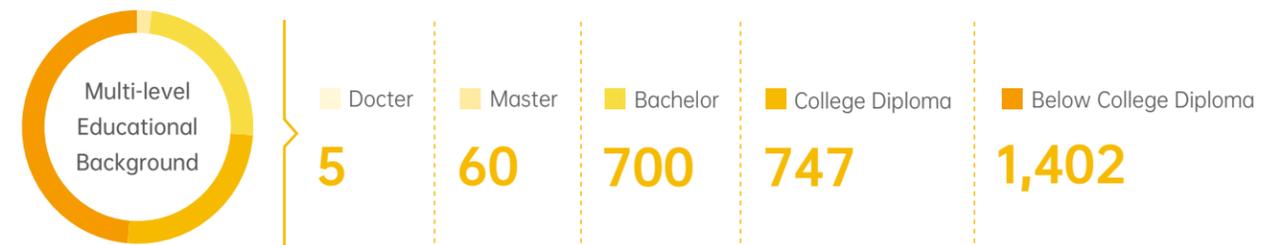
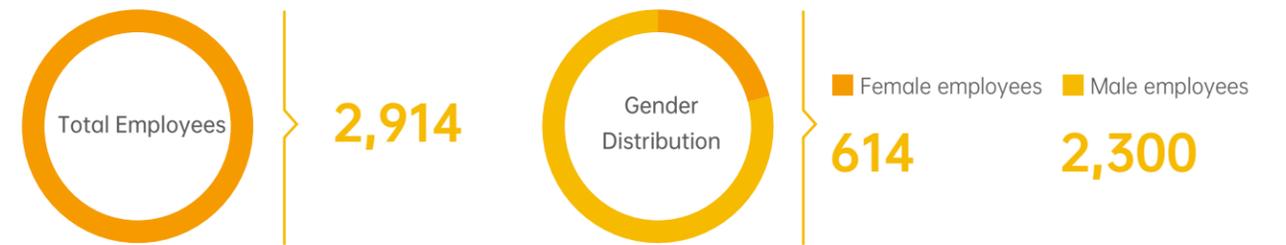
► The Group received the "2026 TOP Employer" Award from 51job

Key Performance

491 new employees (including those from newly consolidated subsidiaries), **84** new female employees

Diversified Employee Structure

Guided by its people-first philosophy, the Group fosters a diverse and inclusive workplace culture, cultivating a high-caliber and professional talent team.



Employee Rights Protection

The Group signs labor contracts with all regular employees in accordance with the law and ensures the full and timely payment of compensation, effectively safeguarding the legitimate rights and interests of its entire workforce. Additionally, the Group has established dedicated procedures for handling labor disputes. These mechanisms ensure that employee concerns are fully understood and that the employer-employee relationship can be promptly mediated when disputes arise, thereby maintaining a harmonious and stable employment relationship.

Key Performance



- ⦿ The Group **did not** encounter any violations such as the use of child labor, forced labor, or discrimination.
- ⦿ Labor contract signing rate **100%**
- ⦿ Full and timely payment rate of labor compensation **100%**
- ⦿ Coverage of five social insurances and one housing fund **100%**

Democratic Governance for the Workforce

The Group has established and continuously improves its democratic governance system, centered on the Staff Representative Committee, to seamlessly integrate democratic supervision with management. It has implemented an employee satisfaction framework and developed diverse communication channels to understand employee needs and respond with timely, targeted solutions. The Group fully respects employees' rights to information, participation, expression, and supervision—fostering a strong sense of belonging and well-being that drives mutual growth for both employees and the Group.

Employee Satisfaction Surveys

Monthly satisfaction surveys are conducted to actively gather employee feedback, with the Group ensuring every concern is addressed through timely communication.

Management Trainee Forums

Regular forums are held with management trainees for in-depth discussions on career development, work-related challenges and daily living needs—creating a supportive environment that empowers young talent and drives high-quality growth.

Daily Communication

The Human Resources and Information Management Department maintains regular communication with employees, listening to their concerns and helping resolve work-related issues.



Employee Remuneration and Benefits

The Group has established a comprehensive remuneration and benefits framework, anchored by policies including the Remuneration Management System and Benefits Management System. Centered on optimizing a scientific and rational compensation structure and supported by diverse benefit offerings, this framework provides multi-faceted protection for employees.

Remuneration Composition

- Base Salary (including Performance-Related Pay)
- Variable Pay (including Piece-rate Wages, Overtime Pay, Subsidies, Assessment Bonuses)
- Year-end Bonuses & Benefits Allowances

The Group conducts performance assessments on a quarterly basis, evaluating frontline employees, sales personnel, and non-sales personnel through differentiated assessment criteria. Assessment results serve as a key reference for employee development. The Group values communication between employees and their supervisors, which is integrated throughout the entire performance assessment process. Employees who have objections to their assessment ratings and results may submit a written appeal to their skip-level supervisor or the HR Department.

Five social insurances & one housing fund

Basic Endowment Insurance, Basic Medical Insurance, Unemployment Insurance, Maternity Insurance, Work-Related Injury Insurance, Housing Provident Fund

Types of Leave

Annual Leave, Personal Leave, Sick Leave, Marriage Leave, Prenatal Leave, Maternity Leave, Breastfeeding Leave, Bereavement Leave, Work-related Injury Leave, Compensatory Leave

Welfare Allowances & Benefits

Annual Health Check-up, Festival Gifts & Allowances, Free Meals, Free Shuttle Bus, High Temperature Allowance, Sickness & Injury Subsidy, Occupational Health Check-up, Financial Hardship Assistance, Trade Union Benefits

Other Benefits

Team-building Activities, Home-return Shuttle Bus, Birthday Celebrations, Maternity Congratulations

Employee Benefits System

The Group is committed to promoting work-life balance and the physical and mental well-being of its employees. It has established several clubs, including badminton, basketball, LOHUO running, and table tennis clubs, and organizes various interest-based activities to enrich employees' after-work life.



Employee Wellbeing Activities

Case Fun Sports Day

On May 10, 2025, the Group hosted a Fun Sports Day for employees under the theme "Fun as Fuel, Win-Win through Collaboration," attracting the enthusiastic participation of hundreds of staff members. The event not only provided a platform for employees to showcase their athletic talents but also fostered team collaboration and communication, enhancing employee cohesion and sense of belonging—infusing the corporate culture with energy and enthusiasm.



Case "Mid-Autumn & National Day Celebration" Event

In line with its people-first philosophy, the Group hosted a "Mid-Autumn & National Day Celebration" on the afternoon of September 26, 2025, to foster a stronger sense of belonging and identity among employees. The event thoughtfully incorporated traditional elements such as the full moon and festive lanterns, creating a warm and joyful atmosphere for the dual celebrations while offering employees an immersive experience of traditional Chinese culture. The activity enriched employees' spiritual and cultural life, strengthened team cohesion, and embedded humanistic care into the fabric of corporate culture—reinforcing employees' sense of belonging and well-being.



In terms of support for female employees, the Group has set up on-site nursing rooms and put in place a comprehensive system of paid maternity leave and breastfeeding leave, and it prohibits gender discrimination in daily work, performance assessments and other related processes, committing to creating a warm, equal and opportunity-rich development environment for female employees.

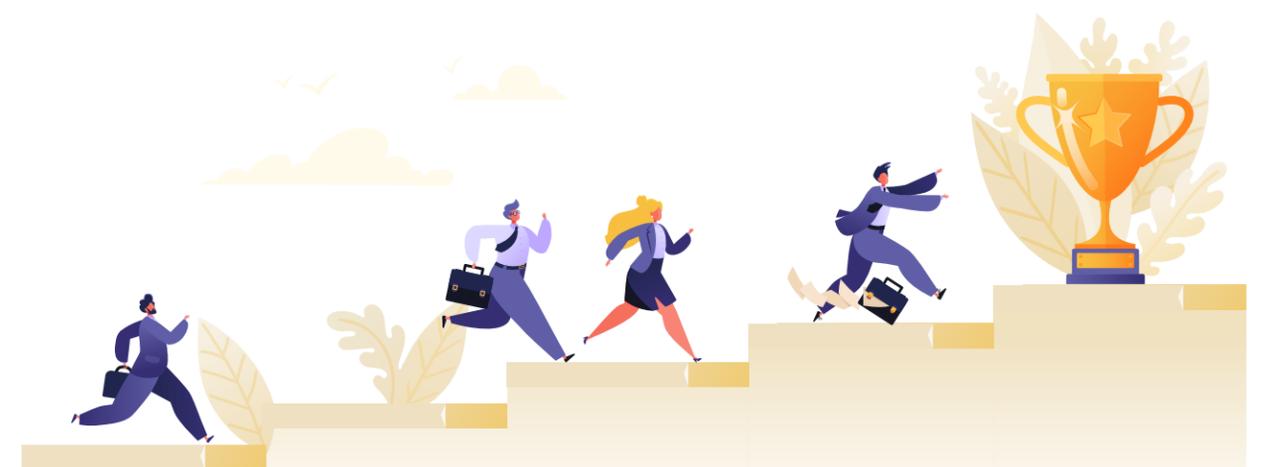
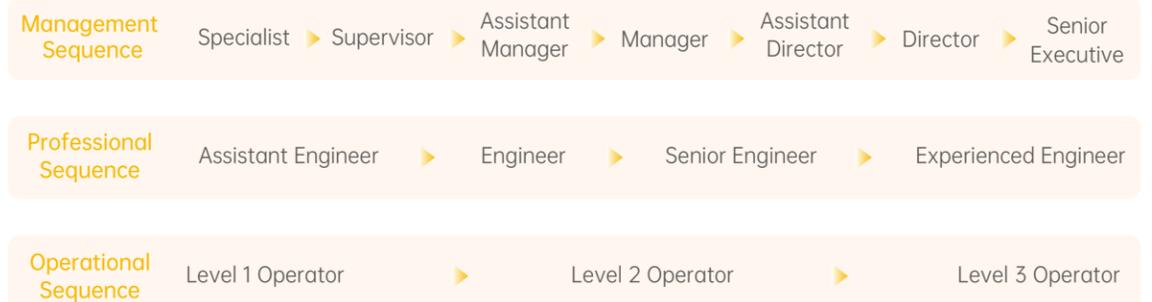
Employee Training and Development

The Group has always placed talent development at the core of its strategy and attached great importance to employees' career advancement and personal growth. It has established a systematic talent cultivation framework covering the full employee lifecycle and across all dimensions, empowering employees to grow in sync with the Company and achieve mutual success.

Employee Development

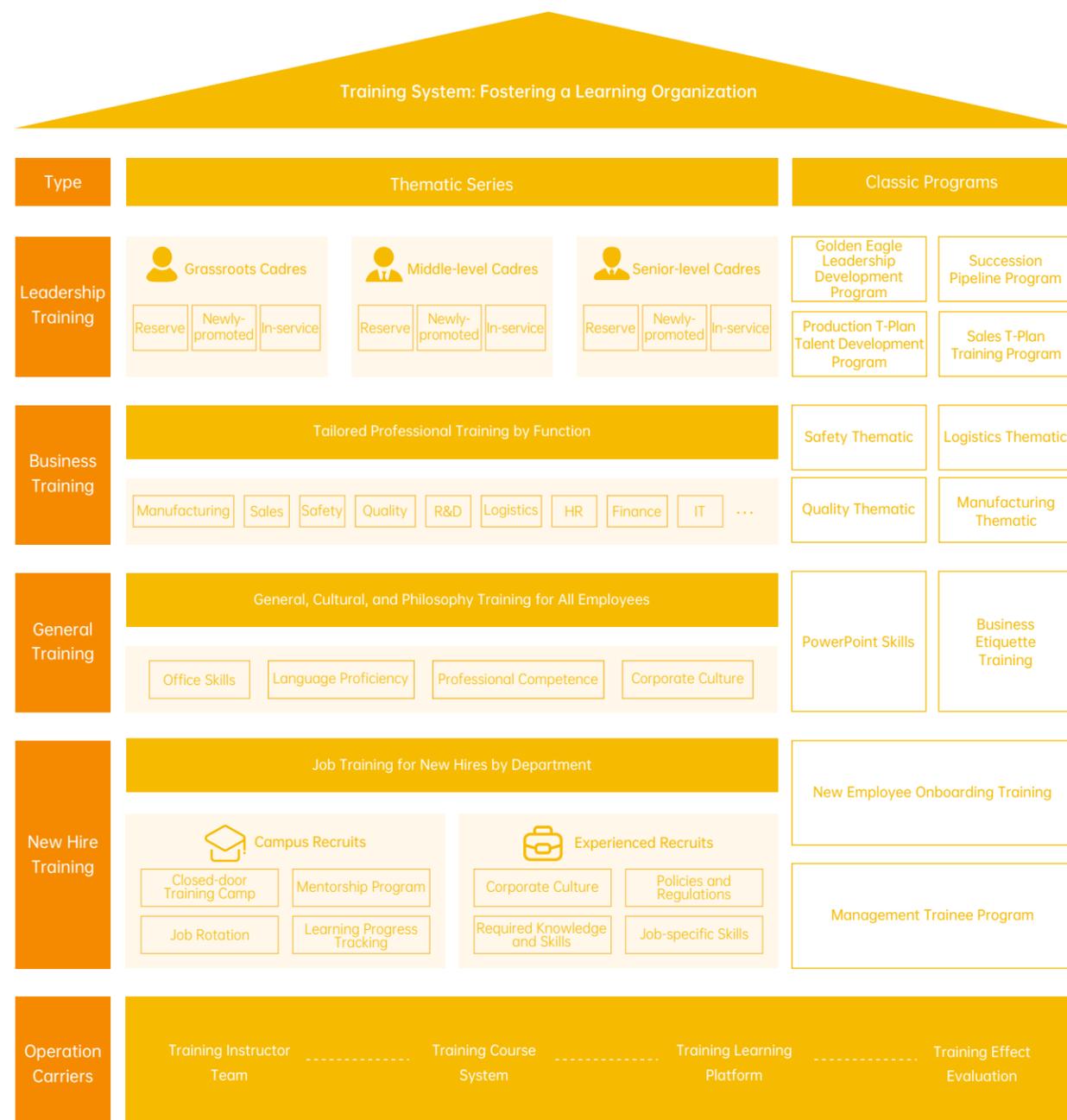
The Group has established policies—including the Remuneration Management System, Measures for Professional Title and Vocational Skill Evaluation, and Measures for Academic Education Improvement—to standardize job rankings and promotion mechanisms, support professional title evaluation and academic advancement, and provide clear growth pathways for employees. In 2025, six employees received senior professional titles, seven intermediate titles, two assistant engineer titles, and five Certified Safety Engineer certifications. Nine employees were supported in academic pursuits. As of period-end, 321 employees had obtained Senior Worker, Technician, or Senior Technician qualifications.

Career Development and Promotion Pathways



Employee Training

With building a learning organization as its core goal, the Group has formulated training systems including the Mentorship Management Regulations and Management Trainee Development Measures, continuously enriching resources to support top talent. It offers differentiated, customized and systematic training programs for different employee groups: the Management Trainee Program for campus recruits with one-on-one mentorship and regular tracking, and management empowerment programs like the Golden Eagle Leadership Development Program and Deputy Leadership Development Program for cadres at various levels.



Key Performance



During the reporting period, the Group organized a total of **236** offline core training sessions and multiple online learning programs

Training Investment: **0.92** million

The coverage rate of new employee training: **100** %

The number of internal instructors: **53**



Case The 2nd Sales T-Plan Training Program

In April 2025, the 2nd Sales T-Plan training courses of the Group were successfully completed. Targeting outstanding sales employees, this training aimed to reserve a "talent reserve echelon" for the Group's future development. The training program included a total of 17 courses, covering three categories: general management courses, professional capabilities and general skills. It adopted various teaching methods such as offline and online courses, post-class exams and graduation reports, with the satisfaction rate of each course reaching over 95%.



Case Golden Eagle Leadership Development Program

During the reporting period, the Group launched the Golden Eagle Leadership Development Program, focusing specifically on improving the management capabilities of middle-level cadres. With the core keynote of "Enhancing Leadership Awareness, Strengthening Management Skills and Promoting Team Integration", the program adopted a teaching model combining internal and external instructors, covering key areas such as product knowledge and management methodologies. It targeted to solve the actual management challenges faced by cadres in performing their duties and fully empowered the growth of middle-level cadres.



Risk/ Opportunity Type	Risk/Opportunity Description	Financial Impact	Time Horizon	Value Chain Segments Affected	Mitigation Measures
Brand Risk	If safety incidents or occupational disease issues occur due to inadequate work safety management of the Group, the resulting negative public opinion may erode market and customer trust in the Group and undermine its brand image.	Revenue Decline	Long-term (more than 5 years)	Operations & Downstream	Continuously improve the safety production management system and post operating procedures to ensure the rigid implementation of all safety norms throughout the entire production process; and comprehensively enhance employees' awareness of safety compliance and standardized operation capabilities through regular safety training and special skills education, thus fortifying the defense line of brand value with the goal of zero accidents.
Market Opportunity	Developing a sound occupational health and safety management system, implementing the governance principle of safety first, and building a responsible brand image will help enhance the Group's attractiveness to customers.	Revenue Growth	Long-term (more than 5 years)	Operations & Downstream	Deepen the management of occupational health and safety, continuously improve the full-process health protection and safety training system for employees, and capture new market opportunities with a performance of zero workplace injuries and high compliance.

Key Performance

11,090 safety hazards were inspected and identified, with a rectification rate of **99.60%**

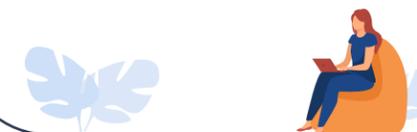
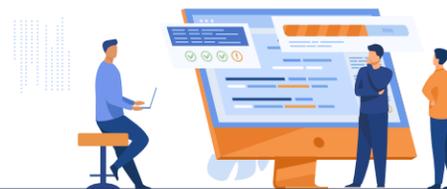


Emergency Preparedness and Drills

Upholding the principle of "Safety First", the Group has established a comprehensive emergency management system. Core policies, including the Emergency Management System and the Work Safety Accident Management System, are developed and continuously updated to systematically govern the entire emergency process—covering prevention, initial response, on-site handling, and post-incident management. This framework ensures rapid and precise responses to work safety accidents, effectively curbing incident escalation and safeguarding employee safety and corporate assets.

Case Confined Space Emergency Drill

In August 2025, the Group conducted a combat-ready emergency drill focused on confined space operations, a high-risk area in work safety. By simulating real-life scenarios and executing full-scale response procedures, the drill tested the feasibility of the emergency plans and enhanced both risk prevention capabilities and collaborative response coordination among personnel.



Management of Impacts, Risks and Opportunities

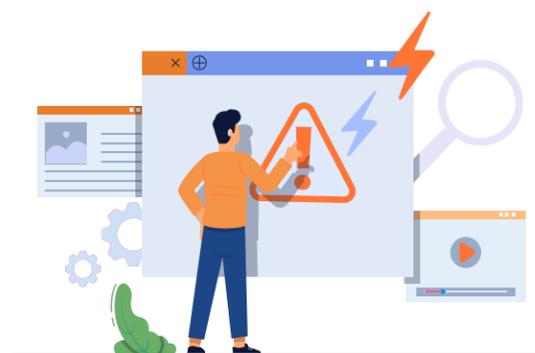
Risk and Impact Identification

The Group has established a sound long-term risk control mechanism, formulated and dynamically revised the Risk Management System, governing the entire risk process such as identification, assessment, classification, control, and reporting.

The Group systematically conducts safety risk identification and evaluation once a year, classifying safety risk levels into four grades from high to low: "Major, Significant, General and Low ". It implements precise prevention and control, decomposes and assigns risks level by level to each post, and promotes full-staff participation and full-domain coverage in safety management.

Safety Hazard Investigation

The Group has implemented a long-term mechanism for safety production accident prevention. Guided by the Safety Inspection and Hazard Investigation and Treatment System and an annual inspection plan, all departments conduct routine hazard identification and rectification. The QHSE Department oversees implementation and monitors corrective actions, systematically eliminating potential hazards to minimize and prevent accidents.



Targets and Performance

The Group has established clear occupational health and safety management objectives. Multiple safety accountability indicators—including the number of major accidents, minor work safety injuries, and the occupational health examination rate—are incorporated into performance appraisals to ensure the achievement of annual occupational health and safety goals.

2025 Occupational Health and Safety Target	Performance Status
Zero serious injury or fatal injury accidents	Achieved
Zero fire and explosion accidents	Achieved
Zero occupational disease injury accidents	Achieved
Production safety minor injury accidents ≤ 6 cases	Achieved
Work-related injury incidents ≤ 10 cases	Achieved
100% on-time reporting, investigation, rectification and warning rate of accidents	Achieved
100% occupational health check-up rate	Achieved
100% abnormal disposal rate	Achieved
100% qualification rate of the operation of occupational health and safety standardization system elements	Achieved

Key Performance

Indicator	unit	2025
Safety Production Investment Amount	million	30.70
Employee Work-Related Injury Insurance Investment Amount	million	1.90
Employee Work-Related Injury Insurance Coverage Rate	%	100
Employee Work Safety Liability Insurance Investment Amount	million	0.63
Employee Work Safety Liability Insurance Coverage Rate	%	100
Occupational Health and Safety Training Participation	Person-times	26,862

Case Xi'an Weiguang Subsidiary Awarded the Advanced Unit in Municipal Three-Year Work Safety Fundamental Improvement Action

Case



Response Measures

Safety Culture Education

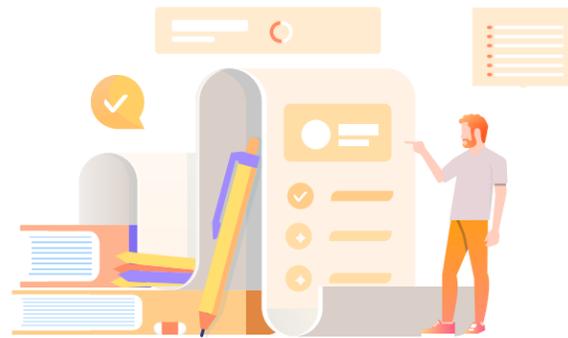
The Group has developed a tiered and specialized training system for safety production and occupational health, aligned with its core business characteristics and the latest regulatory requirements. Tailored training programs are designed for professionals at various levels, focusing on enhancing management's safety compliance awareness and professional oversight capabilities, thereby strengthening the frontline defense against safety risks for all employees.

During the reporting period, in accordance with the *Safety Education and Training Management System* and other relevant policies, the Group formulated the 2025 safety education and training plan. It systematically organized training sessions covering management personnel, operators of special equipment, personnel engaged in special operations, and new employees. Safety promotion activities, including the "Safety Production Month" campaign, were also carried out to continuously enhance the safety competency of all employees.



Case "Safety Production Month" Campaign

During the 24th National "Safety Production Month", the Group organized various safety promotion activities centered around the theme "Everyone Learns Safety, Everyone Knows Emergency Response — Identify Safety Hazards Around You". Activities included safety skills competitions, work safety knowledge contests, and banner campaigns, all designed to enhance employees' safety awareness and emergency response capabilities, thereby strengthening workplace safety.



Specific Management Measures

- 1 • Occupational Hazard Identification & Reporting
 - The Group conducts an annual identification of occupational hazard factors across the company, compiling the Statistical Table of Occupational Hazard Identification and Management, and submits annual reports or updates on occupational hazards.
- 2 • Hazard Warnings & Notification
 - When signing labor contracts and conducting pre-job training for new employees, the Group truthfully informs them of potential occupational disease hazards, their consequences and benefits of protective measures;
 - Warning signs and instructions are posted at work posts and sites with occupational hazards;
 - Nutrition allowances are provided to special operation personnel.
- 3 • Occupational Health Training
 - The Group provides professional training for occupational health management personnel, popularizes occupational health knowledge and urges employees to comply with relevant laws and regulations on occupational disease prevention.
- 4 • Safety and Health Protection
 - Providing personal protective equipment and conducting regular inspection and management of occupational disease protection facilities;
 - Conducting regular occupational health check-ups;
 - Annual third-party entrusted detection of occupational disease hazard factors;
 - Establishing an emergency rescue plan for occupational disease hazards

Safety Management of Related Parties

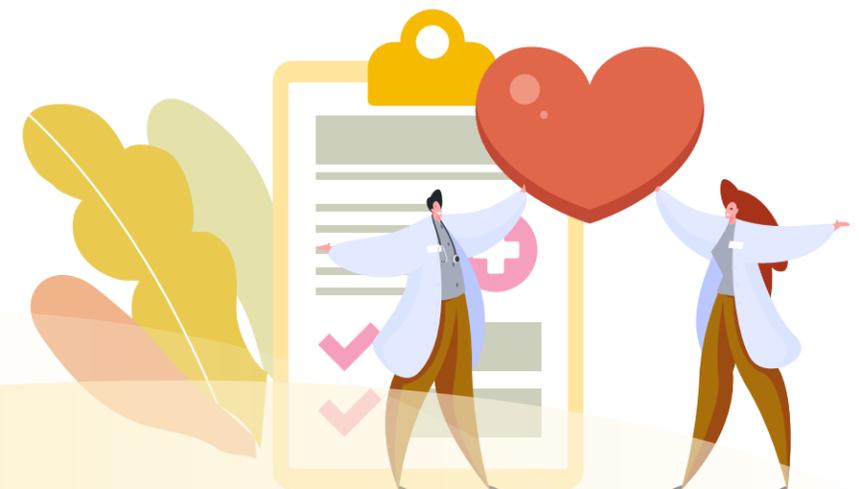
The Group has strengthened safety management for related parties by establishing the Contractor and Supplier Safety Management System. This system standardizes safety management procedures for external contractors and suppliers, covering aspects such as pre-qualification, selection process, pre-work preparations, operational supervision, and performance evaluation for contract renewal.

Employee Health Protection

The Group places high importance on employee physical and mental well-being. Relevant policies, including the Occupational Health Management System and the Labor Protection Equipment Management System, have been formulated to standardize occupational health management for employees and comprehensively improve occupational health management standards.

Key Performance 

During the reporting period, the Group conducted occupational health examinations for employees in special operation positions, achieving **100%** coverage of occupational health checks.



Social Contribution

The Group steadfastly fulfills its duties as a corporate citizen, remaining dedicated to giving back to society and enhancing public wellbeing. Through active participation in public welfare initiatives and social responsibility practices, it strives to leverage high-quality development outcomes to benefit the community, demonstrating its enduring commitment to social responsibility.



Key Performance

Charitable donations: **0.60** million

Case "Dream Scholarship" Donation

The Group is deeply committed to supporting youth development, with a long-standing dedication to educational initiatives and adolescent welfare as part of its corporate social responsibility efforts. During the reporting period, the Group actively participated in the "Dream Scholarship" donation program, providing targeted assistance to empower young people and contributing tangibly to the growth of the next generation.



Case Blood Donation Drive



For many consecutive years, the Group has organized employees to participate in voluntary blood donation activities in Huangdai Town, with hundreds of person-times taking part in total. It conveys warmth through blood donation, contributes to sustaining lives, and earnestly fulfills the social responsibilities of a corporate citizen in practicing and promoting the humanitarian spirit.

Rural Revitalization

The Group has actively responded to the national call for the rural revitalization strategy and maintained a consistent focus on rural revitalization initiatives. While advancing the development of its core business, it leverages its own resource advantages to participate in and support the development of livelihood security in a pragmatic manner. It provides targeted assistance services to vulnerable groups in rural areas, earnestly fulfilling its corporate social responsibility.

Case Targeted Assistance for Families in Need

Subsidiary Jiaxing Yaoyi Gas Co., Ltd., actively fulfills its corporate social responsibility by consistently participating in the paired assistance program between Yuanhua Town and Kalong Town, providing concrete support to families in need.



Case Supporting Vulnerable Groups through Gas Safety Initiatives

Subsidiary Suzhou Su-Tong LPG Co., Ltd., addressed the living needs and safety concerns of rural families in poverty and those with children left behind. It organized professional teams to conduct door-to-door gas safety inspections, thoroughly examining gas facility conditions and educating residents on safe usage practices. Simultaneously, it provided free gas component replacements and basic gas supply assistance to families in need, delivering precise solutions to the most pressing challenges faced by vulnerable groups.



Look Forward to the Future

The growth of enterprises and the undertaking of social responsibility are interrelated, they mutually influence each other and collaboratively promote the development of businesses. To achieve healthy and sustainable development, enterprises focus should extend beyond their own operations and profits, but also actively fulfill their social responsibilities. Corporate social responsibility can not only enhance brand image and reputation, but also create broader development space and opportunities for enterprises.

Jinhong views environmental, social, and corporate governance as integral components of fundamental operations, alongside research and development, production, and sales. This approach not only serves as a cornerstone for Jinhong's sustainable and long-term development, but also represents a crucial means for enterprises to fulfill their social responsibilities. In our daily operations, we prioritize balancing the interests of all parties, with a particular focus on environmental protection, social responsibility, and corporate governance matters. We are committed to actively fulfilling the needs of all stakeholders, safeguarding their rights and interests.

As a preeminent Group in the domestic industrial gas industry, we fully grasp the significance of corporate social responsibility and seamlessly integrate it into our long-term development strategy. We examine the intricate nexus between social responsibility and the enduring prosperity of enterprises through the prism of societal, environmental, and economic harmony. Our endeavor is to transform social responsibility into a catalyst for enterprise growth and enduring benefits. We aim to achieve a harmonious blend of economic profitability and societal welfare, thereby contributing to the sustainable development of society as a whole.



Appendix I : Reporting Index

Corresponding Section	Self-Regulatory Guidelines for Listed Companies No. 14 – Sustainability Report (for Trial Implementation)	GRI Standards	
About this Report	/	2-1/2-2/2-3	
Message from the Chairman	/	/	
2025 Sustainable Development Highlights	/	/	
About Jinhong Gas	/	2-1/2-6	
Sustainability Management	Sustainable Development Governance	Article 51/Article 52	2-9/2-14/2-22
	Actively Responding to the United Nations SDGs	Article 11	2-9/2-14/2-22
	Stakeholder Communication	Article 9/Article 53	2-16/2-29/3-1-3-3
	Material Topic Management	Article 5	3-1/3-2/3-3
Topic: United for Five Years, Gather Strength to Fulfill Responsibilities, and Jointly Embark on a New Journey of Green Development	/	/	
Industrial Value	Innovation-Driven	Article 42	203-2
	Product and Service Safety and Quality	Article 44/Article 47	416-1/416-2
	Supply Chain Security	Article 44-Article 46	2-6/204-1/308-1/308-2/414-1/414-2
	Data Security and Customer Privacy Protection	Article 44/Article 48	418-1
Corporate Governance	Standardized Governance	Article 12/Article 51	2-9-2-13/2-16-2-20/2-23/2-24/2-27/405-1
	Business Ethics	Article 54-Article 56	2-16/2-24/2-26/205-2/205-3/206-1

Corresponding Section	Self-Regulatory Guidelines for Listed Companies No. 14 – Sustainability Report (for Trial Implementation)	GRI Standards	
Environmental Protection	Climate Change Response	Article 20-Article 28	305-1/305-2/305-4/305-5
	Environmental Compliance Management	Article 29/Article 33	2-12/2-17
	Pollutant Emissions	Article 29/Article 30	305-7
	Waste Disposal	Article 29/Article 31	306-1/306-2/306-3/306-4/306-5
	Energy Utilization	Article 34/Article 35	302-1/302-3/302-4/302-5
	Water Resource Utilization	Article 34/Article 36	303-1/303-3/303-4/303-5
	Circular Economy	Article 34/Article 37	302-4
	Social Well-being	Employment, Development and Rights of Employees	Article 49/Article 50
Occupational Health and Safety		Article 49/Article 50	403-1/403-2/403-3/403-4/403-5/403-6/403-7/403-8/403-9/403-10
Social Contribution		Article 38/Article 40	203-1/413-2
Rural Revitalization	Article 12/Article 51	203-1/413-2	

Appendix II: Performance Table

Dimensionality	Indicators	Unit	2025
Economic Performance	Revenue	million	2,776.58
	Net Income Attributable to Shareholders of Listed Company	million	131.92
	Total Assets	million	7,778.37
	Total Tax Payment (Excluding personal income tax)	million	217.13
Standardized Governance			
Governance Performance	Supervisory Board Meetings	Time	6
	Proposals Reviewed by the Supervisory Board	Item	23
	Shareholders' Meetings	Time	3
	Resolutions Approved by Shareholders' Meeting	Item	26
	Board meetings	Time	10
	Proposals Reviewed by the Board of Directors	Item	77
	Attendance Rate of Board Members	%	100
	Specialized Committee Meetings	Time	10
	Proposals Reviewed by Special Committees	Item	18
	Audit Committee Meetings	Time	5
	Proposals Reviewed by the Audit Committee	Item	11
	Strategy and ESG Committee Meetings	Time	1
	Proposals Reviewed by the Strategy and ESG Committee	Item	2
	Nomination Committee Meetings	Time	3
	Proposals Reviewed by the Nomination Committee	Item	3
	Remuneration and Evaluation Committee Meetings	Time	1
	Proposals Reviewed by the Remuneration and Evaluation Committee	Item	2
	Special Meetings of Independent Directors	Time	1
	Proposals Reviewed by the Special Meetings of Independent Directors	Item	1
	Board Members	person	9
Female Directors	person	1	

Dimensionality	Indicators	Unit	2025	
Governance Performance	Employee Directors	person	1	
	Independent Directors	person	3	
	Performance Briefing	Time	4	
	SSE e-Interaction Responses	Time	54	
	SSE e-Interaction Response Rate	%	100	
	Number of Investor Communication Sessions	Time	304	
	Number of Investor Communication Participants	Person-times	1,122	
	Number of Investor Calls Answered	Time	90	
	Number of Periodic Reports	Piece	4	
	Number of Current Announcements	Piece	153	
	Total Dividend Amount since Listing	million	649	
	Cash Dividend Per Share (Tax Included)	Yuan	0.25	
	Total Amount of Cash Dividends Disbursed (Tax Included)	million	119.29	
	Percentage of Net Income Attributable to Shareholders of Listed Company in Consolidated Statement	%	90.42	
	Total Repurchased Shares since Listing	thousand shares	1,051	
	Percentage of Total Share Capital	%	2.18	
	Total Repurchase Amount	million	249	
	Compliance-related Training Conducted	Time	3	
	Number of Compliance Training Participants	Person-times	299	
	Routine Audits	Item	48	
	Other Investigations	Item	4	
	Rectification Completion Rate	%	96	
	Business Ethics			
		Litigation or Major Administrative Penalty Cases Involving Commercial Bribery and Corruption	Piece	0

Dimensionality	Indicators	Unit	2025
Environmental Performance	Litigation or Major Administrative Penalty Cases Resulting from Unfair Competition Practices	Piece	0
	Climate Change Response		
	GHG (Scope 1) Emissions	tCO ₂ e	14,652.44
	GHG (Scope 2) Emissions	tCO ₂ e	305,361.83
	GHG Emissions (Scope 1 & Scope 2)	tCO ₂ e	320,014.27
	GHG Emissions Directly Reduced by Emission Reduction Measures	tCO ₂ e	4,834.46
	Environmental Compliance Management		
	Compliance of wastewater, air, dust and noise emissions	%	100
	Compliant disposal of solid wastes	%	100
	Chemical spills incident	Time	0
	Pollutant Emission		
	Total Waste Gas Emissions	10 ⁴ m ³	30,689.00
	PM Emissions	kg	965.30
	SO _x Emissions	kg	24.00
	NO _x Emissions	kg	9,940.00
	Total Wastewater Discharge	tonne	93,651.33
	Waste Disposal		
	Total Waste Generation	tonne	92.43
	Total General Industrial Waste Generation	tonne	51.45
	Total Hazardous Waste Generation	tonne	40.98
	General Industrial Waste Generation Intensity	t/million	0.019
	Hazardous Waste Generation Intensity	t/million	0.015
	General Industrial Waste Compliant Disposal Rate	%	100
	Hazardous Waste Compliant Disposal Rate	%	100
	Energy Utilization		

Dimensionality	Indicators	Unit	2025	
Environmental Performance	Comprehensive Energy Consum	tce	77,667.29	
	Of Which: By Energy Type			
	Natural Gas	10 ⁴ m ³	3.65	
	Gasoline	tonne	119.52	
	Diesel	tonne	4,594.40	
	Purchased Electricity	kWh	574,842,000.40	
	Purchased Heat	GJ	3,187.89	
	Direct Energy Consumption	tce	6,910.50	
	Indirect Energy Consumption	tce	70,756.79	
	Comprehensive Energy Consumption Intensity	tce/million	27.97	
	Clean Energy Consumption	kWh	692,448.00	
	Renewable Resources Consumption	tce	85.10	
	Renewable Resources Consumption Ratio	%	0.11	
	Water Resource Utilization			
	Total Water Consumption	tonne	3,524,500.82	
	Water Intensity	t/million	1,269.37	
	Industrial Performance	Innovation-Driven		
		R&D personnel	person	360
		R&D Personnel Ratio	%	12.35
		R&D investment	million	103.14
Year-on-Year Growth in R&D Investmen		%	2.34	
R&D investment as a percentage of revenue		%	3.71	
Number of Invention Patents Applied in Main Business		Item	114	
New Patent Applications		Item	66	
New Application for Invention Patent		Item	33	
New Patents Granted		Item	47	
New Invention Patents Granted	Item	10		

Dimensionality	Indicators	Unit	2025
Industrial Performance	Total Patents Granted	Item	402
	Total Invention Patents Granted	Item	114
	Product and Service Safety and Quality		
	Product Delivery Qualification Rate	%	99.997
	Annual External Sampling Qualification Rate of Products (Food)	%	100
	Food Safety Incidents	Item	0
	Internal Quality Audit	Time	217
	Annual Customer Satisfaction	%	98.76
	Customer Complaint Handling Rate	%	100
	Product Recall Incidents	Time	0
	Supply Chain Security		
	Qualified Supplier Integrity Commitment Signing Rate	%	100
	Overdue Unpaid Amounts at End of Reporting Period	million	0
	Overdue Unpaid Amounts to SMEs at End of Reporting Period	million	0
Data Security and Customer Privacy Protection			
Information Security, Data Breach and Privacy Incidents	Item	0	
Employment, Development and Rights of Employees			
New Employees (including those from newly consolidated subsidiaries)	person	491	
New Female Employees (Including Newly Merged Subsidiaries)	person	84	
Total Employees	person	2,914	
Of Which: Classified by Gender			
Female employees	person	614	
Male employees	person	2,300	
Of Which: Classified by Age			
≤30	person	524	
30-50 (including 50)	person	1,865	

Dimensionality	Indicators	Unit	2025
Social Performance	≥51	person	525
	Percentage of Female Management	%	18.44
	Ethnic Minority Employees	person	61
	Child Labor, Forced Labor and Discrimination Violations	Time	0
	Labor Contract Signing Rate	%	100
	Full and Timely Payment Rate of Labor Compensation	%	100
	Coverage of Five Social Insurances and One Housing Fund	%	100
	Training Sessions	Time	236
	Training Investment	million	0.92
	New Employee Training Coverage Rate	%	100
	Internal Instructors	person	53
	Occupational Health and Safety		
	Safety Hazard Investigation	Item	11,090
	Safety Hazard Rectification Rate	%	99.60
Serious Injury and Above Accidents	Time	0	
Fire and Explosion Accidents	Time	0	
Occupational Disease Cases	Time	0	
Accident Timely Reporting, Investigation, Rectification and Warning Rates	%	100	
Occupational Health Examination Rate	%	100	
Abnormal Disposal Rate	%	100	
Qualified Rate of Operation of Safety Production Standardization System Elements	%	100	
Safety Production Investment Amount	million	30.70	
Employee Work-Related Injury Insurance Investment Amount	million	1.90	
Employee Work-Related Injury Insurance Coverage Rate	%	100	
Occupational Health and Safety Training Participation	Person-times	26,862	

Dimensionality	Indicators	Unit	2025
Social Performance	Employee Work Safety Liability Insurance Investment Amount	million	0.63
	Employee Work Safety Liability Insurance Coverage Rate	%	100
	Social Contribution		
	Charitable Donations	million	0.56

Feedback Form

Thank you for taking the time to read Jinhong Gas CO.,LTD. 2025 Environmental, Social and Governance Report. We greatly appreciate your feedback on our ESG efforts and this report. as it serves as a crucial foundation for us to continually enhance the level of transparency in our ESG information disclosure. Your comments and suggestions are invaluable in promoting the management and practice of sustainable development within our enterprise. Kindly complete the form below and send us your feedback via email.



Mail : dongmi@jinhonggroup.com

1. As far as Jinhong Gas is concerned, your identity is:

- Regulatory agency
 Client
 Employee
 Public
 Supplier
 Shareholders and Investors
 Trade association
 Media
 Other _____

2. Your overall assessment of our ESG performance is:

- Excellent
 Good
 Neutral
 Poor
 Bad

3. Your overall assessment of this report is:

- Excellent
 Good
 Neutral
 Poor
 Bad

4. What do you think of the quality of ESG information disclosed in this report?

- Excellent
 Good
 Neutral
 Poor
 Bad

5. What do you think of the structure of this report?

- Excellent
 Good
 Neutral
 Poor
 Bad

6. What do you think of the layout and presentation of this report?

- Excellent
 Good
 Neutral
 Poor
 Bad

7. Can you easily find the information you are interested in in the report?

- Yes
 Neutral
 No

8. What are your comments and suggestions on our specific actions to fulfill our social responsibility and sustainable development, as well as this report?

9. In addition to what has already been revealed in this report, what other information would you like to see?
