



中复神鹰

Stock Code:688295

LET THE WORLD FEEL THE POWER OF CARBON FIBER



2024

ENVIRONMENTAL, SOCIAL,
AND GOVERNANCE REPORT



Zhongfu Shenying Carbon Fiber Co. Ltd.



中复神鹰

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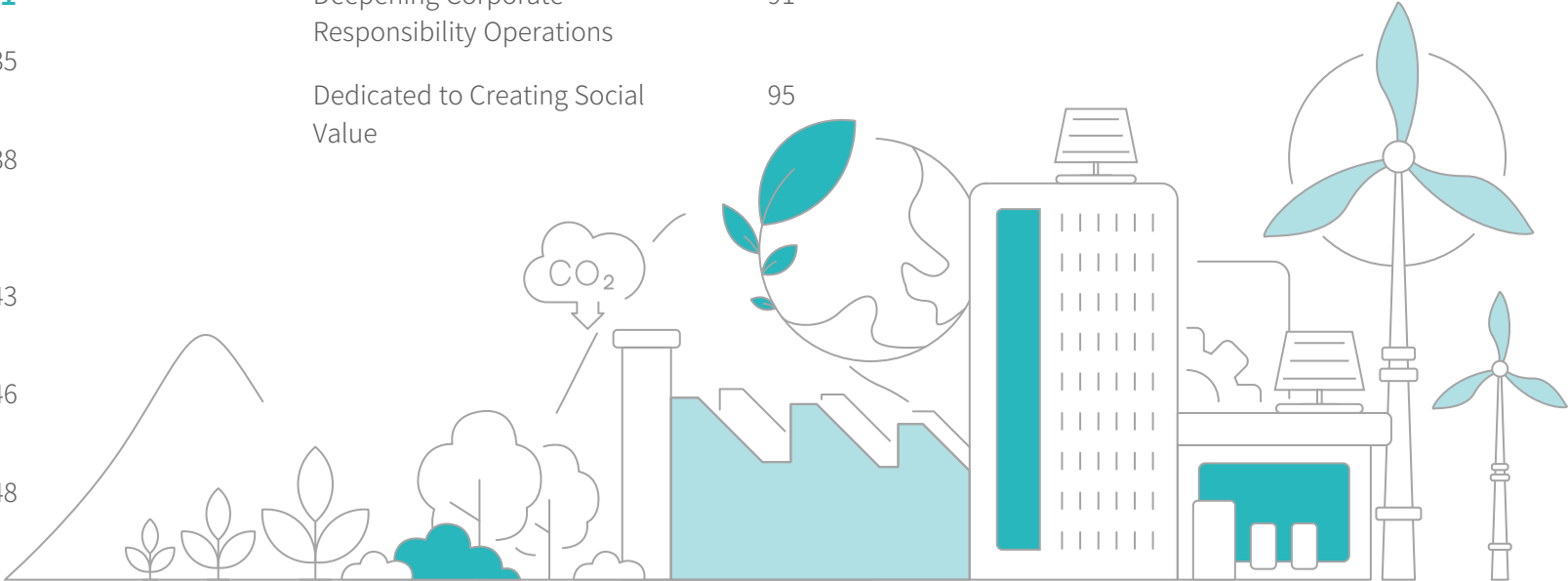
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Introduction

The report describes the performance of Zhongfu Shenying Carbon Fiber Co.,Ltd. (hereinafter “Zhongfu Shenying” , “the Company” “Headquarters” or "We") in environmental, social and governance (ESG) and social responsibility fulfilment in 2024, to facilitate communication with stakeholders and respond to their demands. The Board of Directors of Zhongfu Shenying is fully responsible for the Company's sustainable development, and the report has been reviewed and approved by the Board of Directors.

Reporting period

Unless otherwise specified, this report covers the period from 1 January 2024 to 31 December 2024 (hereinafter "the Reporting Period" or "this year").

Reporting scope

The entity of this report is of Zhongfu Shenying Carbon Fiber Co.,Ltd. The report mainly covers ESG performance related to the Company's core business, as well as related policies and management during the Reporting Period.

Reporting cycle

The Environmental, Social and Governance (ESG) Report of Zhongfu Shenying Carbon Fiber Co.,Ltd.. is published on an annual basis.

Preparation basis

This report is prepared in accordance with the Shanghai Stock Exchange Guidelines No. 14 for Self-discipline Regulation of Listed Companies -Sustainability Report (Trial)¹ and the SASAC's Study on ESG Special Report Compilation for Listed Companies Controlled by Central Enterprises. It also refers to the Sustainability Reporting Standards (2022) released by the Global Reporting Initiative (GRI), the Guidance on Social Responsibility by the International Organisation for Standardisation (ISO 26000: 2010), the National Standard GB/T36000 Guidance on Social Responsibility, and the United Nations' Sustainable Development Goals (SDGs). The results of the materiality assessment conducted in accordance with the reporting principles in the above guidance and standards are also considered as the basis for information disclosure. This report is published in both Chinese and English. In case of any inconsistency between the two versions, the Chinese version shall prevail.

1. During the year, the Company actively responded to the latest ESG information disclosure requirements of the Shanghai Stock Exchange and will continue to improve the quality of information disclosure as required.

Information description

The historical information quoted in this report is final statistics. In case of any inconsistency between the financial information and the annual report, the annual report shall prevail. Unless otherwise specified, the financial figures in this report are denominated in RMB.

Terms and definitions

During the Reporting Period, the following terms shall have the definitions stated below, unless otherwise indicated:

"China"	The People's Republic of China
"CNMB"	China National Building Material Group Company Limited.
"Shenying Dapu"	Zhongfu Shenying Carbon Fiber Company Limited Dapu Branch
"Shenying Xining"	Zhongfu Shenying Carbon Fiber Xining Company Limited.
"Shenying Shanghai"	Zhongfu Shenying (Shanghai) Technology Company Limited.
"Shenying Lianyungang"	Zhongfu Shenying Carbon Fiber Lianyungang Company Limited.

Report access

The download links for the electronic version are listed below:

Shanghai Stock Exchange： www.sse.com.cn

Zhongfu Shenying Carbon Fiber Co., Ltd. Official Website： <https://www.zfsycf.com.cn/#/>

Feedback

The Company attaches great importance to the suggestions or opinions put forward by various stakeholders, if you have any suggestions or comments on the Company's ESG related work, please contact the Company through the following:

Zhongfu Shenying Carbon Fiber Co.,Ltd

Address: No.1-6 Jinqiao Road, Dapu Industrial Zone, Economic Development Zone, Lianyungang City, Jiangsu Province

Email address： stock@zfsycf.com.cn

Official Website： www.zfsycf.com.cn

The questionnaire for feedback is attached in this report on page 111, we welcome you to fill in the questionnaire and send it to our email address.



Chairman's Statement

Embrace Renewal, March Toward the Bright Future

The stars do not forsake those who chase their dreams, and rivers favor those who row with determination. The year 2024 is one filled with both challenges and opportunities, as well as a year of continued in-depth development in the field of carbon fiber. Facing a complex and ever-changing market environment, the people of Shenying have pursued their dreams of the vast cosmos with unwavering focus, bold innovation, courage to take on challenges, and a spirit of teamwork, injecting powerful momentum into the Company's growth.

Caring for the Blue Planet, Practicing Green and Low-Carbon Harmony Between Humans and Nature

In 2024, we firmly grasped the waves of digitalization, intelligence, and green technology revolutions, accelerating the application of carbon fiber in new energy fields such as wind, solar, and hydrogen. Our carbon fiber products have been successfully applied to the world's longest 147-meter offshore wind turbine blades and 131-meter onshore wind turbine blades, adding a touch of green technology to the majestic landscapes and beautiful coastlines of our homeland. We have fully utilized green energy, answering the "must-answer question" of energy conservation and carbon reduction. The proportion of new energy in our electricity consumption exceeded 70%, with a 4% reduction in comprehensive energy consumption per unit of main products and a 4.4% decrease in carbon dioxide emission intensity. At Shenying Xining, hazardous waste generation per unit of product decreased by 21%. We focused on source reduction, recycling, and end-of-pipe treatment, actively building a new industrial ecosystem of "industrial chain recycling + resource recycling," with every step reflecting our firm commitment to low-carbon environmental protection.

Caring for the Nation's Great Causes, Highlighting the "Name Card" of a Strong Technology Nation through High-Level Innovation

Carbon fiber is a typical representative of the material revolution. China National Building Materials Group, with the nation's great causes at heart, is dedicated to creating "national materials," promoting the industrialization of carbon fiber and forming a tiered composite material industrial system to help build a "strong material nation." With Shenying spreading its wings, we keep in mind the "four orientations," fully driving high-level technological self-reliance and self-strengthening, and accelerating the implementation of China National Building Materials' composite material industrial layout. We were honored to be listed on the "2024 Patent-Intensive Products" list, achieving full-series coverage of T700-T1100 and M30-60 high-performance carbon fibers along the eastern coast, and a leap from thousand-ton to ten-thousand-ton production capacity of "black gold" on the snowy plateau. We globally launched the M50X high-strength, high-modulus carbon fiber product, setting new performance benchmarks for the next generation of carbon fibers. We overcame technical challenges such as ultra-high-temperature graphitization and N-atom directional removal, achieving batch production capabilities for M65J and M55J high-modulus carbon fibers. T700-level products were applied to the world's largest solid-fuel rocket, "Gravity-1".

Dedicated to Excellence, Enhancing Life Experiences Through Lean Manufacturing

In 2024, we adhered to expanding increments, optimizing stock, managing variables, and strengthening quality, striving to build a high ground for high-quality development, achieving a 40% increase in production efficiency and a further 1.35 percentage point improvement in customer satisfaction. With "Eagle inside," our products were successfully applied to the world's first commercial carbon fiber subway train, the Carbon Star Express, and carbon-ceramic products were used in high-end mass-produced best-selling models by leading automakers. We actively planned for the low-altitude economy, assisting XPeng Huitian's "X3 Land Aircraft Carrier" in its global debut at the 15th China International Aviation and Aerospace Exhibition. Beyond eVTOL, our products were also applied in the 3C consumer electronics field, including foldable smartphones and laptops, making positive contributions to lightweight, miniaturization, and flexibility. Assisting people in their pursuit of a better life has always been our unwavering belief.

Open, Inclusive, and Striving, Supporting Employees' Dreams Through Growth Ladders

In 2024, the people of Shenying walked through the seasons together, experiencing both storms and rainbows, with countless moments captured in this extraordinary year. We firmly rooted our "strong foundation and soul," using party building to guide corporate governance, improving modern corporate governance mechanisms, adhering to sustainable development concepts, and establishing a Strategic Investment and ESG Committee, actively exploring the unity of economic, environmental, and social responsibilities. We adhered to a people-oriented approach, with women accounting for 44% of the board of directors. Researchers drove high-level technological self-reliance and self-strengthening, with the Shenying Xining "China Strength" core technology research youth collective winning the China Youth May Fourth Medal, and Chen Qiufei's team receiving the "China Youth Science and Technology Award." We upheld social responsibility, with the sales team leveraging professional expertise and sincere service to successfully open new markets and ensure all suppliers signed anti-corruption cooperation agreements. Employees on the production line strictly controlled every production process to ensure stable and reliable product quality. We led the establishment of the Jiangsu Province Carbon Fiber Industry Model Worker (Craftsman) Innovation Studio Alliance, with Shenying Xining winning the Qinghai Province Model Worker Collective and the Qinghai Plateau "Worker Pioneer" titles. Guided by the philosophy of "moving forward together, creating the future," we organized 1,711 training sessions throughout the year, totaling around 55,000 participants. We conducted the "Shenying Education Assistance Program" for four consecutive years, organizing the "Children Building Technology Dreams" resource utilization day open activities, inviting university students and social groups to visit the Zhongfu Shenying high-end production base, and establishing a carbon fiber postdoctoral research workstation on the snowy plateau of Qinghai.

We extend our sincere gratitude to all colleagues and their families who have walked alongside the Company, as well as friends from all walks of life who have consistently supported the development of Zhongfu Shenying. In the new year, we will steadfastly adhere to the strategic positioning of "green, high-end, international, and large-scale" remain customer-centric, and drive forward with technological innovation and precise management. We will continue to undertake major frontier technology research tasks, excellence performance quality improvement activities, and cost-saving plans, building a world-class carbon fiber enterprise with outstanding performance, refined management, top-tier environmental standards, renowned branding, advanced simplicity, and safety and stability.

Let the World Feel the Power of Carbon Fiber!

Zhongfu Shenying Party Secretary and Chairman Zhang Jian

About Us

Brief introduction

Zhongfu Shenying Carbon Fiber Co., Ltd. (hereinafter referred to as Zhongfu Shenying or Company) is a national high-tech enterprise integrating the R&D, production and sales of carbon fiber and composites. With two production bases located at Lianyungang and Xining and one R&D base in Shanghai, the production capacity of Zhongfu Shenying ranks first in China. The Company was successfully listed at the Shanghai Stock Exchange on April 6th, 2022 (Stock Short Name: Zhongfu Shenying, Stock Code: 688295).

The Company has always adhered to the core values of "Innovation, Integration, Strive and Responsibility" and the corporate mission of "Let the world feel the power of carbon fiber", with the vision of building a world-class carbon fiber enterprise with global competitiveness. In the future, the Company will focus on the research and development of the new generation of high-performance carbon fiber with high-strength and high-modulus, accelerate the construction of aviation-level prepreg projects to extend the industrial chain, and pay more attention to the automated and digital production equipment to further improvement of production efficiency and expansion of the large-scale production, achieving energy-saving and green sustainable development to enhance core competitiveness.

Currently, the Company's products cover various types of carbon fiber varieties, including high-strength, high-strength medium modulus, and high-strength high modulus types. They are widely used in high-end and green areas such as aerospace, carbon/carbon composites, pressure vessels, wind turbine blades, and new energy vehicles, as well as infrastructure and daily life areas such as rail transit, architectural bridges, sports and leisure, and electronic 3C. This has greatly promoted the development breadth of the domestic carbon fiber composite materials industry.

Zhongfu Shenying has fully mastered the independent production capacity of 10,000 tons of high-performance carbon fibers throughout the entire process. It has taken the lead in achieving breakthroughs in key technologies and independent production of core equipment for dry-jet wet spinning in China, steadily upgrading its products, and systematically mastering the comprehensive production of 48K large tows, T800 prepregs, and T1100 grade carbon fiber products. In January 2018, Zhongfu Shenying was awarded the First Prize for National Scientific and Technological Progress in 2017 as the primary completing unit. At the end of 2021, the Company's Xining 10,000-ton carbon fiber project was selected as one of the top ten megaprojects of centrally-administered state-owned enterprises. In 2024, the Company was honored with the "Top 50 New Quality Productivity Companies at the 18th China Listed Companies Value Awards" and received an A-grade evaluation for its information disclosure work from the Shanghai Stock Exchange.

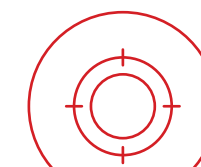


Corporate culture



Enterprise mission

Let the world feel the power of carbon fiber.



Core value

Innovation, Integration, Strive and Responsibility



Strategic positioning

Green, High-end, International, Large-scale



Enterprise vision

We are committed to building a world-class carbon fiber with global competitiveness.

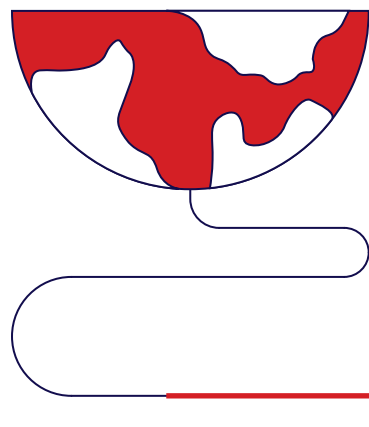


Operating Mission

Uphold our original aspirations and craftsmanship to pursue excellence in quality.
Lead advancements in science and technology and courageously undertake national responsibilities.



Sustainable Development Column



- Sustainable Development Strategy
- 2024 Sustainable Development Management Performance
- Sustainability Management Framework
- Honors and Awards in Sustainability
- Analysis and Evaluation of Sustainable Development Materiality Issues

2024 is a crucial year for achieving the objectives of the "14th Five-Year Plan" and a key stage for Shenying to deepen the implementation of its "green, high-end, international, and large-scale" strategy. We are striving to break through challenges, focusing intensively on organizational resilience, product innovation, market expansion, and risk management. By continuously enhancing the overall operational efficiency of the enterprise, we are committed to building sustainable competitive advantages, stabilizing the core of our business, and advancing the localization of carbon fiber. We are accelerating the construction of an innovation-driven, green, low-carbon, and high-efficiency carbon fiber industrial system.



Sustainable Development Strategy

Zhongfu Shenying continues to drive the green and high-quality development of the Company. Centered on its overarching strategic positioning of "green, high-end, international, and large-scale," the Company has established three guiding principles: advancing product and market high-end development through conceptual innovation, enhancing production capacity and talent team scalability through management innovation, and accelerating green production and operations through technological innovation. This has formed a sustainable development strategic system characterized by "one core and five pillars." This year, the Company vigorously promoted the implementation and practical application of Zhongfu Shenying's sustainable development strategy, effectively advancing its high-quality development.



One Core

With technological innovation as the core, market demand as the guide, and quality upgrade as the goal, we will strengthen the presence of green attributes in products along the development of the value chain and strive to promote high-quality and low-carbon development in society.



Five Pillars

01 Technology Promoting Green Production

The Company will improve resource utilization efficiency and reduce pollutant emission levels through technological upgrades. Besides, the Company will adjust its energy structure utilizing clean energy technologies to implement clean production and reduce the carbon footprint of our products, demonstrating corporate responsibility in supporting the national "Carbon Peaking and Carbon Neutrality" strategy and responding to global climate change.

02 Innovation Driving Circular Economy

Fully integrating the idea of circular economy, the Company will accelerate the improvement of resource recycling efficiency and cascade utilization of energy, aiming to build "zero-emission" factories to boost the development of circular economy in the industry, thereby enabling green and high-quality development.

03 Quality Penetrating High-End Markets

Combining market development needs, the Company has been building a solid research and development foundation to pursue high-quality products and services. Additionally, the Company actively respond to concerns about the Company's sustainable development performance in domestic and overseas markets to explore new high-end markets.



















04 Talents Building Excellent Teams

The Company will safeguard employees' rights and interests, ensure their health and safety, and provide them with a reassuring work environment to enhance their sense of happiness and belonging. The Company has designed career paths that meet employees' needs and promote employee care to attract, cultivate, and retain high-quality employees.

05 Governance Fostering Sustainable Operations

The Company will continuously fortify our responsible corporate image by enhancing the capacity and awareness of our partners in sustainable development and promoting coordinated development in its operational areas, laying a solid foundation for the Company's sustainable development.

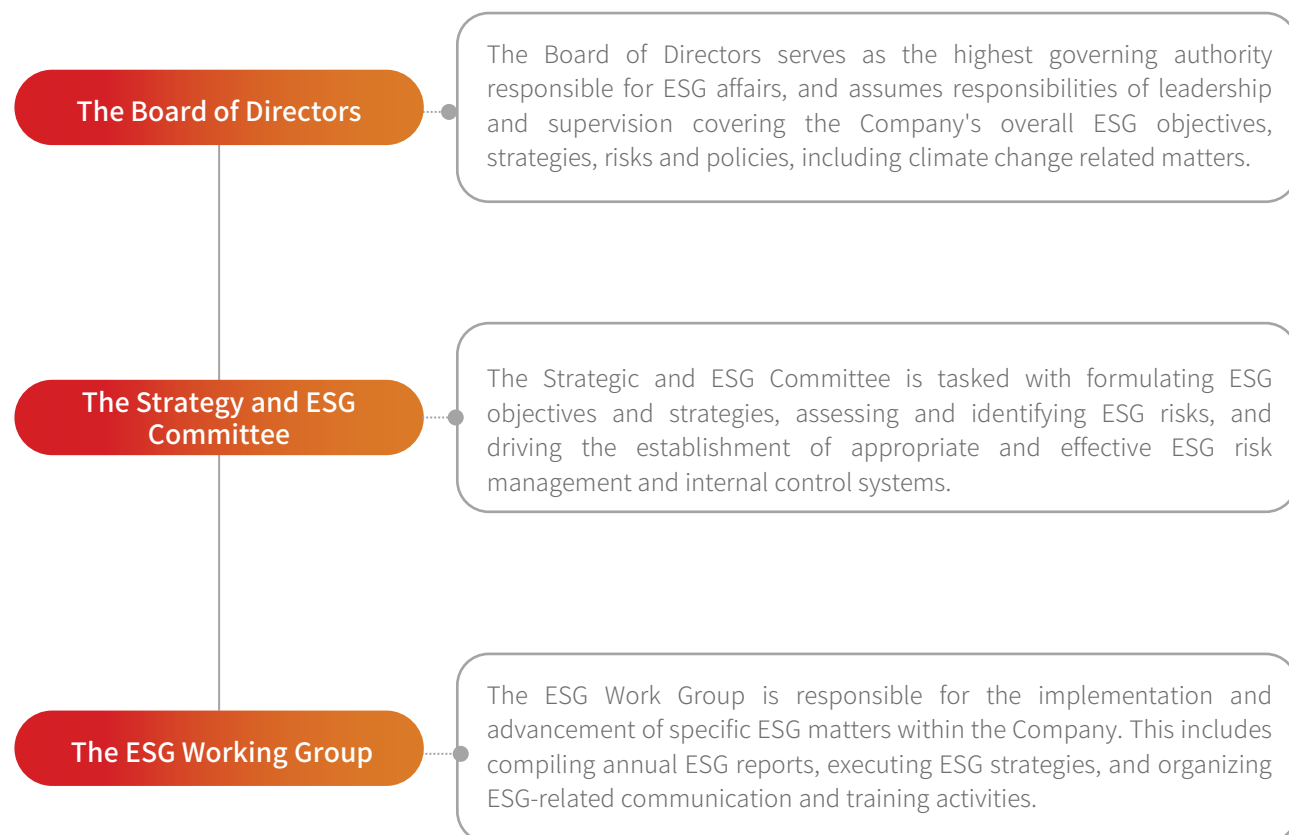
2024 Sustainable Development Management Performance

Sustainable Development Strategy Pillar	Core Initiatives	2024 Key Performance and Highlights	Alignment with UN Sustainable Development Goals (SDGs)
Technology Promoting Green Production	In line with the group's strategy, the Company formulated the "Carbon Peak and Carbon Neutrality Work Implementation Plan" and established carbon reduction targets, fully driving the transformation of low-carbon production technologies to reduce energy consumption; continuously increasing the proportion of clean energy usage such as wind, solar, and hydropower; practicing natural ecological protection, strictly implementing environmental management, and improving environmental protection levels in production operations through process improvements.	<ul style="list-style-type: none">Environmental protection investment reached 27.34 million yuan;The proportion of wind, solar, and hydropower consumption at the Xining facility reached 70%;Shenyang Dapu's total exhaust emissions (VOCs) decreased by 21.10% compared to 2023, with total exhaust emissions (VOCs) per unit product reduced by 4.30%;Shenyang Xining advanced waste reduction, achieving a 25.90% year-on-year decrease in hazardous waste generation, a 15.60% year-on-year decrease in general industrial solid waste generation, a 20.79% reduction in hazardous waste per unit product, and a 9.78% reduction in solid waste per unit product.	    
Innovation Driving Circular Economy	The Company continues to advance the "dual-cycle" development model of "industrial chain recycling + resource recycling," efficiently promoting the tiered utilization of energy and water resources, and enhancing the efficiency of waste resource utilization; empowering the lightweight and high-efficiency development of downstream products, accelerating the application of carbon fiber in multiple fields and scenarios; actively researching high-quality and efficient recycling system technologies to promote circular development.	<ul style="list-style-type: none">Shenyang Dapu collaborated with qualified third parties for waste recycling, with nearly 15% of waste used for biomass power generation;Through independent equipment upgrades, waste heat recovery utilization exceeded 70%, reducing greenhouse gas emissions by approximately 50,000 tons of CO₂ annually;Supplied over 8,000 tons of carbon fiber materials to the new energy, public transportation, and low-altitude aviation industries throughout the year.	  
Quality Penetrating High-End Markets	Upholding the "zero-defect" quality management philosophy, the Company continues to explore a quality management system with Zhongfu Shenyang's unique characteristics, comprehensively improving employee quality awareness; building high-quality R&D teams, pursuing the parallel development of technical depth and breadth, and continuously driving the high-end application of products; practicing responsible marketing, fully building mutually beneficial and trustworthy partnerships, and collaborating with partners to create a sustainable operating environment.	<ul style="list-style-type: none">Conducted 105 quality-related training sessions throughout the year, with a total participation of 4,027 person-times;Filed 1 international patent application through the PCT system, with 269 new patents accepted and 107 patents authorized for the year;Achieved the management goal of maintaining customer satisfaction at or above 95 points for two consecutive years.	   
Talents Building Excellent Teams	Adhering to a "people-oriented" approach, the Company fosters a fair, just, diverse, and inclusive work environment, comprehensively promoting talent development; empowering intrinsic safety through technological applications, continuously deepening the construction of the safety production management system, and insisting on managing and preventing production safety from the source; effectively safeguarding employee rights and benefits, continuously enhancing employee happiness and sense of belonging.	<ul style="list-style-type: none">Annual safety production investment reached 17.97 million yuan, a decrease compared to 2023;A total of 45,675 person-times participated in safety training throughout the year;Training hours per capita reached 110.20 hours.	    
Governance Fostering Sustainable Operations	Promote the modernization of governance systems and capabilities, systematically advance institutional and mechanism innovation; optimize the governance structure of the board of directors and supervisory board, focusing on diversity in gender and professional backgrounds to enhance decision-making inclusiveness; emphasize a culture of integrity and anti-corruption, establish a long-term mechanism for integrity risk prevention, and cultivate a foundation of clean and ethical performance to ensure efficient Company operations.	<ul style="list-style-type: none">The proportion of female directors reached approximately 44%, an increase of 20% compared to 2023;The Company conducted 16 integrity-themed training sessions across all levels;100% of suppliers signed anti-corruption cooperation agreements.	 

Sustainability Management Framework

Zhongfu Shenying actively undertakes corporate social responsibility and places high importance on the synergistic development of economic and social benefits. To further advance the implementation of the Company's sustainable development strategy and align with the national strategic deployment of green and high-quality development, the Company has established a top-down ESG governance structure comprising the board of directors, the Strategy and ESG Committee, and the ESG Working Group. The Company continues to strengthen the service and support for the performance of directors, supervisors, and senior management, actively organizing board members to participate in ESG and sustainable development-themed training, including climate change-related topics, and promptly ensuring that the board completes corresponding performance training, injecting new momentum into the Company's sustainable development management.

The Company has deepened its ESG management philosophy, continuously strengthening the governance layer's capabilities in managing and making decisions on ESG-related matters. In the new board of directors, the chairman of Zhongfu Shenying possesses extensive management experience² in areas such as corporate social responsibility, production safety, and technological innovation, all of which are crucial for sustainable development. This provides high-level leadership and a solid foundation for integrating ESG with Zhongfu Shenying's business operations, thereby fully constructing a sustainable enterprise. This year, Company directors (including non-executive directors), supervisors, and senior executives participated in risk-related training organized by institutions such as the Shanghai Stock Exchange, the Jiangsu Securities Regulatory Bureau, and the Jiangsu Listed Companies Association. These included initial training for directors, supervisors, and senior executives, follow-up training for independent directors, compliance training for financial directors, mergers and acquisitions training, and a series of training sessions on high-quality development and regulatory work for listed companies, totaling over 100 hours.



Honors and Awards in Sustainability

Champion Enterprise in Manufacturing Excellence

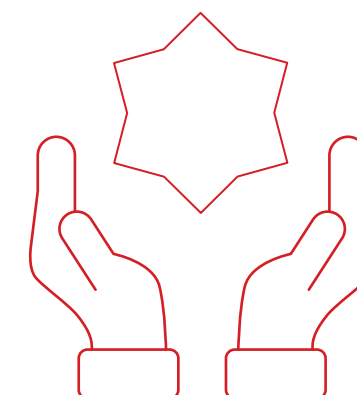
2024 Top 50 New Quality Productivity Companies in China Highest

A-Grade Evaluation (Excellent) for Information Disclosure Work by the Shanghai Stock Exchange

Outstanding Innovative Product at the 20th "CCE-JEC" Innovation Product Awards

The 10th IALTA (China) Automotive Lightweighting Green Technology Innovation Award for the Year 2024

IALTA Green Demonstration Base for Advanced Composite Materials in Automotive Lightweighting Applications



2. For details regarding the resume of the Chairman of Zhongfu Shenying, please refer to the Zhongfu Shenying' s 2025 Annual Report.

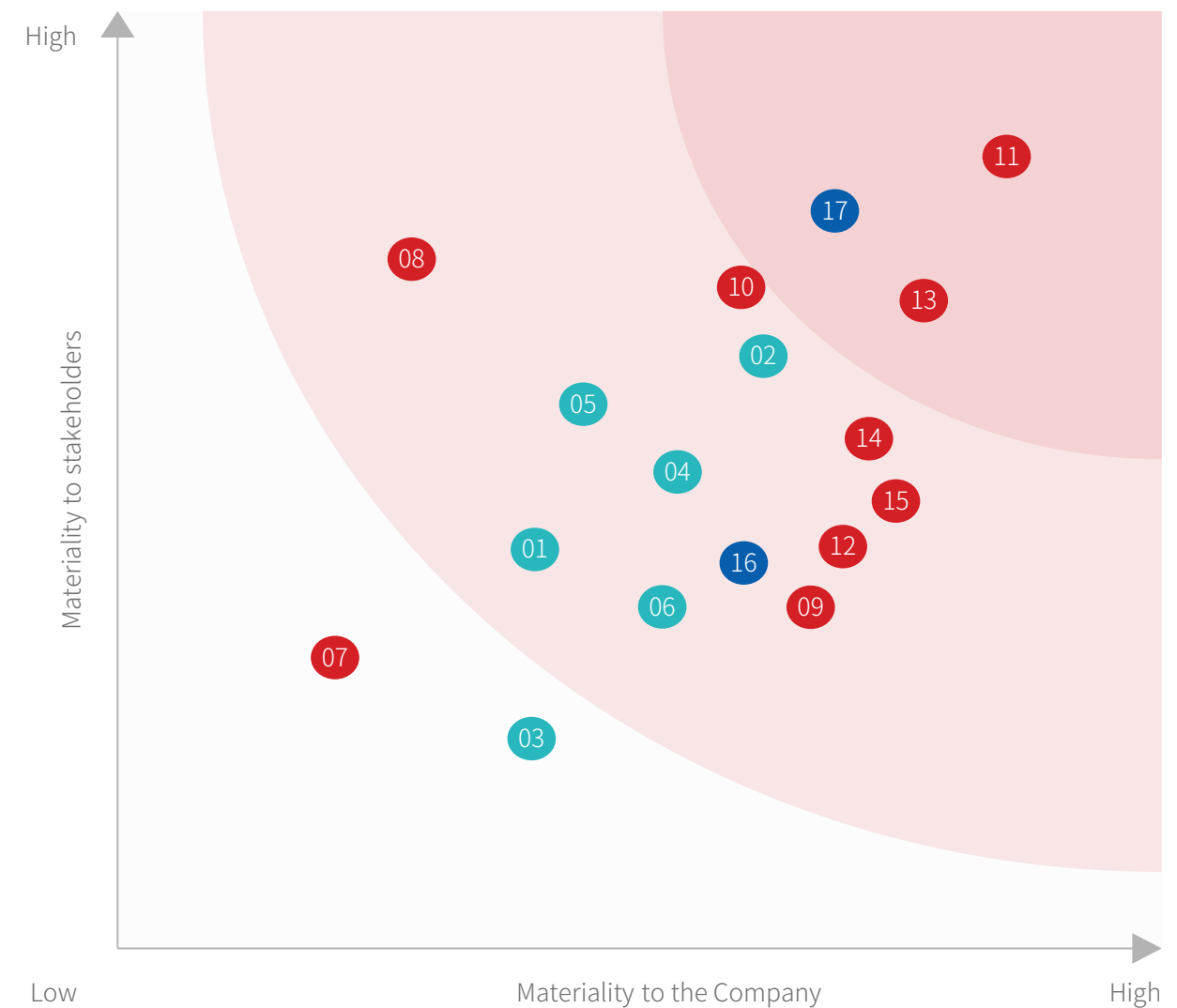
Analysis and Evaluation of Sustainable Development Materiality Issues

To fully understand the key concerns of various stakeholders regarding Zhongfu Shenying's sustainable development, the Company systematically conducted the identification and materiality analysis of sustainability-related issues.

Based on the Company's operational context and the key sustainability focus areas of the industry

the Company has identified **17** material sustainability issues including **6** environmental topics **2** governance and compliance topics **9** social topics

This year, through internal surveys, external expert discussions, and other processes, the Company assessed and confirmed that the ranking of material issues showed no significant changes compared to 2023. The board of directors and the management team reviewed and approved the results of the materiality analysis and provided ESG management recommendations based on the Company's operational conditions.



Environmental issues

- 01 Waste management
- 02 Responding to climate change
- 03 Water resources management
- 04 Promoting circular economy
- 05 Reducing pollutant emissions
- 06 Efficient energy utilization

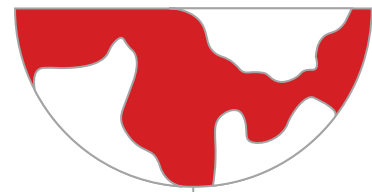
Social issues

- 07 Community contribution
- 08 Sustainable supply chain
- 09 Employee care
- 10 Providing quality services
- 11 Innovative research and development
- 12 Safeguarding employee rights and interests
- 13 Pursuing product quality
- 14 Employee health and safety
- 15 Support for Employee Development

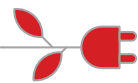
Governance and compliance issues

- 16 Corporate governance
- 17 Business ethics and compliance

01 Governance



- Deepening Comprehensive Corporate Governance
- Continuing to Plough Through Integrity Building
- Smooth Communication with Stakeholders



Pillar of sustainable development strategy

- Management Fostering Sustainable Operations

Responding to material issues



- Corporate governance
- Business ethics and compliance








Deepening Comprehensive Corporate Governance

Party Building as the Guiding Force

Zhongfu Shenying adheres to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, thoroughly implementing the spirit of the Third Plenary Session of the 20th CPC Central Committee, shaping a new style of Party building, and enhancing the quality and efficiency of standardized grassroots Party construction. Simultaneously, the Company actively explores methods and pathways for the deep integration of Party building and business operations, creating a "1+N" Party building brand matrix, continuously promoting the deep integration of Party building and business operations, and achieving high-quality development of the enterprise under the leadership of high-quality Party building, forging "national materials" for the new era.

This year, Zhongfu Shenying Xining Company's "Developing New Productive Force Through the 'Party Building + New Development Concepts' Model Tailored to Local Conditions" was recognized as an outstanding case in national Party building innovation. This marks the second consecutive year of national honors, following the selection of Zhongfu Shenying's "Five-Colored Shenying" Party building brand as an outstanding national enterprise Party building brand in 2023.

Shenying Xining's "Party Building + New Development Concepts" Model

<p>"Party Building + Technological Innovation"</p> <p>Achieving Technological Self-Reliance and Strength</p> 	<p>Through the integrated development model of "Party Building + Technological Innovation," the Company has embedded independent innovation in core carbon fiber technology into the development of new quality productivity, fostering the source of original technological breakthroughs.</p>
<p>"Party Building + Coordinated Planning"</p> <p>Ensuring Industrial Autonomy and Control</p> 	<p>Using the "Party Building + Coordinated Planning" model, the Company balances high-quality development with high-level security, focusing on preventing and mitigating major risks. Corporate culture is cultivated as an intrinsic support for coordinated development, aligning production relations with productive forces to enhance the Company's risk resilience and market competitiveness.</p>
<p>"Party Building + Green and Low-Carbon"</p> <p>Accelerating Green Transformation and Development</p> 	<p>Adhering to the "Party Building + Green and Low-Carbon" model, the Company empowers green technological innovation with digital technologies, enabling real-time monitoring and management of energy consumption in production, manufacturing, and recycling processes. This systematically improves energy and resource utilization efficiency, driving green and low-carbon transformation to support high-quality development.</p>
<p>"Party Building + Open Integration"</p> <p>Enhancing Resource Allocation Capabilities</p> 	<p>Thoroughly implementing General Secretary Xi Jinping's important discourse on talent work and adhering to the principle of Party management of talent, the Company explores a more autonomous, collaborative, and open system for talent "introduction and utilization" through the "Party Building + Open Integration" model. A fair competition mechanism is established across all stages of talent development, including "introduction, utilization, motivation, and evaluation."</p>
<p>"Party Building + Shared Responsibility and Benefits"</p> <p>Stimulating the Vitality of Production Factors</p> 	<p>Through the "Party Building + Shared Responsibility and Benefits" model, the Company continuously strengthens income distribution incentives, fully unleashing the innovative and creative vitality of talent. This creates a cooperative model where the Company and employees "share responsibilities during the development process and share the benefits of development outcomes."</p>

Guiding Scientific Governance Through Party Building

The Company focuses on deepening reforms by integrating Party building deeply into its main work lines and production and operational development. In 2024, to further standardize the Party committee's research procedures, the Company held 30 Party committee meetings, reviewing and determining 424 items; established a "Party building co-construction" mechanism, with subordinate Party branches conducting 4 joint themed Party Day activities with universities, downstream industry chain enterprises, and relevant government departments. Additionally, the Company collected over 100 suggestions and opinions from Party members and the public on energy conservation, quality improvement, efficiency enhancement, and technological breakthroughs, and recognized 12 "role models around us," achieving record-high product quality indicators and historically low production costs.

Case

Zhongfu Shenying Holds Commemoration of the 103rd Anniversary of the CPC Founding, "Two Excellences and One Advanced" Awards, and Party Discipline Learning and Warning Education Conference

To celebrate the 103rd anniversary of the founding of the Communist Party of China, promote the great spirit of Party building, and further consolidate and expand the achievements of thematic education and Party discipline learning, in June 2024, Zhongfu Shenying held the "Two Excellences and One Advanced" Awards and Party Discipline Learning and Warning Education Conference. The conference commended and encouraged outstanding Party members and excellent Party affairs workers. The meeting was conducted via video conference, with the main venue in Lianyungang and branch venues in Xining and Shanghai. Nearly 200 participants attended, including members of the Company's Party committee, leaders of affiliated enterprises, award recipients, all Party members, activist representatives, and youth league representatives.



Guiding Cultural Development Through Party Building

The Company comprehensively implements the spirit of the 20th National Congress of the CPC and the Third Plenary Session of the 20th CPC Central Committee, organizing diverse Party member cultural activities such as the "Striving Forward, Braving the Tide" calligraphy and painting exhibition, outdoor quality development activities for the "May Fourth" Youth Day, and launching the "Party Discipline Education" column for thematic training. Advanced models are highlighted, and multiple channels, including the Company website, official WeChat account, "Smart Party Building" platform, and internal publications, are utilized for promotion, creating a positive online and offline resonance. This year, Party and Youth League branches at all levels organized over 60 Party-building activities.

Case

Celebrating New China, Striving for a New Era—Building Materials Cultural Tour at Zhongfu Shenying Xining Company

To thoroughly study and promote the spirit of the Third Plenary Session of the 20th CPC Central Committee, celebrate the 75th anniversary of the founding of New China, and strengthen corporate culture, in September 2024, the China National Building Materials Group's cultural tour visited Zhongfu Shenying Carbon Fiber Co., Ltd.'s Xining Company, the world's highest-altitude and largest single-site high-performance carbon fiber production base. The tour brought a spectacular cultural feast to all employees of Xining Company. Employees of Zhongfu Shenying Xining also showcased lively ethnic dances, demonstrating mutual respect and inclusivity among ethnic groups, embracing each other like pomegranate seeds, and uniting heart-to-heart and hand-in-hand to fulfill the mission of "Materials Create a Better World."



Guiding Green Development Through Party Building

In order to accelerate the Company's green and low-carbon transformation, Shenying Xining has set up a party member technology research group, relying on the advantages of clean energy on the Tibetan Plateau, and systematically carried out the improvement of equipment and facilities, index testing and other work to achieve an annual water saving of 870,000 tonnes, which guarantees the large-scale production of high-performance carbon fiber while reducing the intensity of water consumption, and helps the Company's green development.



青海省水利厅 青海省工信厅		
青水节函〔2024〕590号		
关于公布2024年省级重点用水企业 水效领跑者、工业废水循环利用 典型案例名单的通知		
各市州水利(水务)局、工业和信息化局,各有关单位: 为深入贯彻落实《国家节水行动方案》,推动企业节 水减排,提升工业用水效率,推广废水循环利用 典型案例。根据《青海省工业和信息化厅 青海省水利厅关 于组织开展2024年省级重点用水企业、工业废水循环利用 典型案例征集工作的通知》(青工信字〔2024〕261号)、《青海省 水利厅 青海省工业和信息化厅关于组织开展工业废水循 环利用典型案例征集工作的通知》(青水节函〔2024〕542 号)要求,经专家评审,认定青海黄河上游水电开发有限 责任公司西宁发电分公司等14家企业为省级水效领跑者 企业,青海云天国际复合肥有限公司等13家企业为工业废 水循环利用典型案例。		
序号	企业名称	行业
1	青海云天国际复合肥有限公司	氮肥
2	青海盐湖钾肥股份有限公司	多晶硅
3	青海盐湖钾业中盐有限公司	多晶硅
4	黄河鑫业有限公司	铝冶炼
5	青海黄河上游水电开发有限责任公司 西宁发电分公司	火力发电
6	青海百川铝业有限责任公司	铝冶炼
7	青海盐湖钾肥股份有限公司	多晶硅
8	中复神鹰碳纤维股份有限公司	碳纤维
9	天合光能(青海)光伏材料有限公司	多晶硅
10	天合光能(青海)光伏材料有限公司	多晶硅
11	青海盐湖钾肥股份有限公司	多晶硅
12	青海云天国际复合肥有限公司	氮肥
13	青海盐湖钾业有限公司	铝冶炼

Governance System

Zhongfu Shenying strictly adheres to laws and regulations such as the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, and the Corporate Governance Guidelines for Listed Companies, and has established a robust governance structure comprising the shareholders' meeting, board of directors, board of supervisors, and management team, known as the "Three Committees and One Layer."³ By refining the authority and responsibility lists of the three committees and standardizing the corporate governance system and operational mechanisms, the Company has effectively enhanced governance efficiency, laying a solid foundation for high-quality and sustainable development. The board of directors has established four specialized committees: the Strategy and ESG Committee, the Audit Committee, the Nomination Committee, and the Compensation and Evaluation Committee, which assist the board in fulfilling its functions in strategic development, auditing, nominations, and compensation and evaluation, respectively, ensuring efficient operation across all business areas.

This year, the Company introduced an Independent Directors' Special Committee within the "Three Committees and One Layer" governance framework and formulated the Zhongfu Shenying Carbon Fiber Co., Ltd. Independent Directors' Work System and the Zhongfu Shenying Carbon Fiber Co., Ltd. Independent Directors' Special Committee Work Guidelines. These measures further standardize and improve the independent directors' work system, enhance their performance capabilities and independence, and effectively leverage their role in corporate governance.

General Meeting of Shareholders



General Meeting of Shareholders: In 2024, the Company held **2** General Meetings of Shareholders, and **13** motions were considered and passed.

Board of Directors



Board of Directors: **9** directors, of which **4** were female, accounting for approximately **44%** non-independent directors and **3** independent directors, a total of **5** board meetings were held **41** motions were reviewed and passed, and **0** cases of rejected motions.

Supervisory Board



Supervisory Board: **3** supervisors, of which **2** are female, with a total of **4** supervisory board meetings held and **17** motions reviewed and passed.

Senior Management



Senior Management: **7** key senior management members, of whom **2** are women.



3. Please refer to Zhongfu Shenying's official website for detailed governance system: <https://www.zfsycf.com.cn/#/manager>

Risk Management

Zhongfu Shenying comprehensively implements national policies and guidelines, continuously improves the *Compliance Management System*, and streamlines compliance management processes. The Company clearly designates the legal department as the lead, with various business departments collaborating to complete daily compliance management tasks. To further enhance the compliance management system, this year, the Company established the Internal Audit and Compliance Department, rigorously carrying out audit compliance, legal compliance, and review compliance work.

The Company conducts annual specialized audits and specific area audits for all departments and affiliated enterprises. Issues identified during audits are promptly communicated to the respective department heads, who are required to complete rectifications and submit rectification reports within the stipulated time. By conducting full-level internal control supervision audits, the Company promotes the "abolition, revision, and establishment" of systems, standardizes the execution of internal control systems, strengthens internal control supervision and inspection, and fosters the Company's healthy and sustainable development. Additionally, the Company undergoes annual internal control supervision and evaluation audits conducted by an external independent third-party organization.

Sound risk management mechanism

The Company has set up a 'three lines of defence' risk management mechanism, with the first line of defence consisting of each department (including business personnel and the person in charge), the second line of defence is the legal department, and the third line of defence consisting of the Internal Audit and Compliance Department and the Supervision and Discipline Comprehensive Office. During the year, the Company formulated qualitative and quantitative risk rating standards, classifying risks into high, medium and low according to the likelihood of occurrence, degree of impact and amount of loss, and built a risk classification management system accordingly, requiring relevant departments to fill in a risk classification management form and propose risk response measures.

Enhancing risk compliance awareness

In order to further enhance its risk management capability, Zhongfu Shenying actively carried out risk compliance training of various types and dimensions covering all levels of employees. During the year, the Company actively participated in risk compliance training organised by third parties such as China National Building Material Group, with a total of more than 30 management-level relevant personnel attending, and organised internal legal compliance capacity building training activities.



Continuing to Plough Through Integrity Building

Zhongfu Shenying continued to deeply integrate the construction of a clean culture in the new era into the corporate governance system, systematically promote the basic project of 'not daring to corrupt, not being able to corrupt and not wanting to corrupt', and comprehensively enhance the awareness of employees at all levels of anti-corruption and prevention of change through the construction of the mode of 'system improvement + culture construction'. In 2024, the Company did not have any corruption incidents related to embezzlement and bribery, and will maintain clean and honest operation.

Deepen institutional construction

The Company strictly enforced institutional norms and strengthened the application of the results of supervision and inspection. During the year under review, the Company further improved the 'Measures for Handling Employee Disciplinary Violations' and other institutional provisions, established the 'Provisions on the Registration and Management of Gifts and Premiums' and the 'Notice on the Reporting of Wedding, Funeral and Celebration Matters by Leading Cadres of the Company', and further perfected the management of gifts, premiums and the reporting of marriage, funeral and celebration matters by leading cadres. In addition, the Company has refined the list of duties performed by discipline inspection members, improved the 'Assessment Measures for Heads of Discipline Inspection Institutions and Members of Discipline Inspection Institutions of Enterprises Attached to the Company', and assessed the performance of heads of discipline inspection institutions and members of discipline inspection institutions of enterprises attached to the Company at the end of each year.

Strengthening Supervision and Operation

The Company has continued to operate the 'big supervision' system, through the formation of the 'big supervision' system talent pool, strengthening the supervision synergy, exploring risk warning measures, and continuously improving the supervision coordination mechanism, and continuously amplifying the supervision effectiveness.

Big Supervision' system talent pool

The formation of a large supervision system talent pool, and constantly broaden the supervision channels, extend the supervision of the tentacles to ensure that they can quickly respond to and participate in the supervision and inspection work, this year, departments at all levels, a total of 48 professionals into the talent pool.

Joint Supervision

Joint audit, finance and legal personnel have carried out 6 special supervision and inspection of key links in the areas of procurement and bidding, travel reimbursement, official reception reimbursement, vehicle management and use, and issued 3 supervision and inspection recommendations; and carried out 1 special research on integrity risks of the enterprises, to promote the formation of a synergy of supervision and enhance the quality of supervision and management.

Risk warning

Explore the establishment of risk warning mechanism, supervision and inspection process found in the system deficiencies, management loopholes or weaknesses in the work, the establishment of integrity risk reminder sheet, timely notification, reminder, and urge to continuously enhance the awareness of integrity risk prevention.

Build a firm line of defence of integrity

The Company layers of compaction of the main responsibility, and make every effort to promote the construction of clean party and anti-corruption work, to strengthen the 'key minority'⁴ supervision, and solidly carry out the party discipline learning and education. Through organizing warning education conferences, collective integrity talks, and integrity training sessions for cadres, the Company guides all employees to enhance their awareness of discipline, truly understand laws and regulations, foster a sense of reverence and caution, and uphold moral boundaries. This approach strengthens their commitment to integrity and self-discipline, building a solid ideological defense against corruption.

Key Performance in Integrity Risk Management

Strengthening Accountability

Signed **36** copies of the "Responsibility Statement for Party Conduct and Clean Government Construction" with various departments and affiliated enterprises.

Enhancing Supervision of Cadres

Strengthened supervision of leaders and leadership team, conducted

57 instances of in-depth talks

Undertook pre-appointment integrity talks for cadres to

24 person per capita

Signed **218** copies of the "Integrity Commitment Statement" with middle managers and key position personnel

Sustained Rectification of the "Four Malpractices"

Carried out

4 internal self-inspections and routine supervision on the implementation of the Central Eight Provisions.

Conducting Integrity Education

Organized **12** sessions of the "Monthly Integrity Discussion at Office Meetings"

Conducted **10** sessions of integrity employment training for new employees at all levels

with a total of **96** participants

Compiled **4** sessions of the "Micro Classroom on Discipline and Law"

Organized **16** sessions of warning education

at all levels to achieve **100%** coverage of warning education

4. Key Minority: refers to the key factors that drive development and, although small in number, lead the greatest strengths and forces for development.

Smooth reporting channels

The Company continues to improve the supervision and protection network, open mailboxes, telephone and other channels for reporting letters and visits, clear acceptance of the scope of letters and visits, strict protection of the legitimate rights and interests of whistleblowers and privacy; in the public bidding, selection of cadres, the person in charge of the enterprise to perform the duties of the treatment of the inspection, inspection, etc. work procedures in the notice announcement, conscientious acceptance of public supervision, to achieve the supervision of the 'zero-distance, full coverage' to create a good environment for clean and upright officers and entrepreneurs.



Letter-or-visit telephone: +86-0518-86070006



Complaint E-mail: jdzjzhs@zfsycf.com.cn



Integrity Warning Education Activity

Smooth Communication with Stakeholders

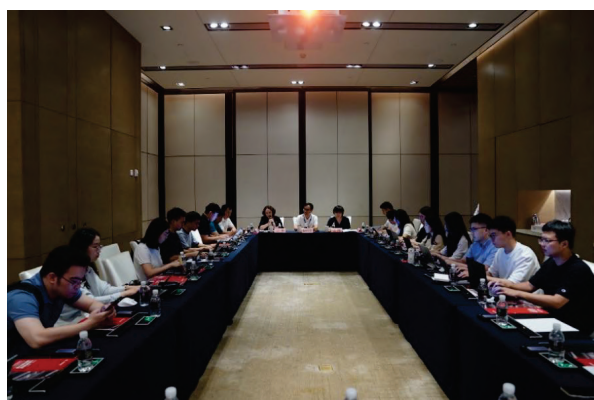
Zhongfu Shenying actively establishes diversified communication channels, making full use of 'traditional media + Internet', and takes the lead in organising a number of performance briefing sessions, special investor relations forums and investor relations research activities. While maintaining high-frequency exchanges, in-depth communications and multi-angle analyses, the Company maintains open and transparent information on platforms such as SSE e-Interactive, investor relations mailboxes and investor relations phone lines through the trinity of 'reading, expressing and communicating' to achieve efficient dissemination of information and accurate delivery, so as to join hands with its partners to jointly achieve sustainable development. together with our partners to achieve sustainable development.



Honors and awards: SSE information rating 'A' in 2024.

Case | Diversified activities, smooth investor communication channels

In 2024, the Company organised a number of characteristic anti-roadshow communication activities in Shanghai during large-scale industry exhibitions. The chairman and general manager of the Company attended in-depth exchanges with a number of investment institutions and research analysts on the status quo of the carbon fiber industry, technology research and development and its downstream application development, etc., which guided the investors to deeply understand the Company's development strategy and operation situation, and conveyed the industry prospect and investment value to the market, thus promoting effective closed-loop communication and market feedback mechanism. Promote the effective closed loop of investment communication and market feedback mechanism.



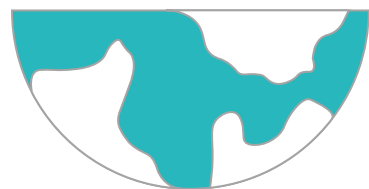
Investor Relations Seminar



Stakeholder	Main communication methods and channels
 Main shareholders	General Meetings, press releases/announcements, Annual/Interim Results Conferences, Analyst Conferences, roadshows, Company introduction days
 Potential investors and financial institutions	Investor conferences, press releases/announcements, Annual/Interim Results Conferences, roadshows, Company introduction days
 Government and regulatory bodies	Telephone/ e-mail, government and regulatory meetings and trainings, local government and corporate project cooperation, regular corporate reporting
 Employees	Corporate platforms, suggestion boxes and labor union channels, team building activities, employee satisfaction surveys, workers' congress
 Customers	Meetings and conferences, customer service hotline, customer satisfaction surveys, official account, social media
 Partners	Work inspections and monitoring, supplier/contractor conferences, telephone/e-mail, meetings and conferences, supplier evaluations

02

Environment



- Accelerating the Transition to Low-Carbon Production
- Continuing to Promote Environmentally Friendly Production
- Accelerating the Construction of a Circular System
- Driving Green and Lightweight Development
- Proactively Addressing Climate Change



Pillars of sustainable development strategy

- Technology Promoting Green Production
- Innovation Driving Circular Economy

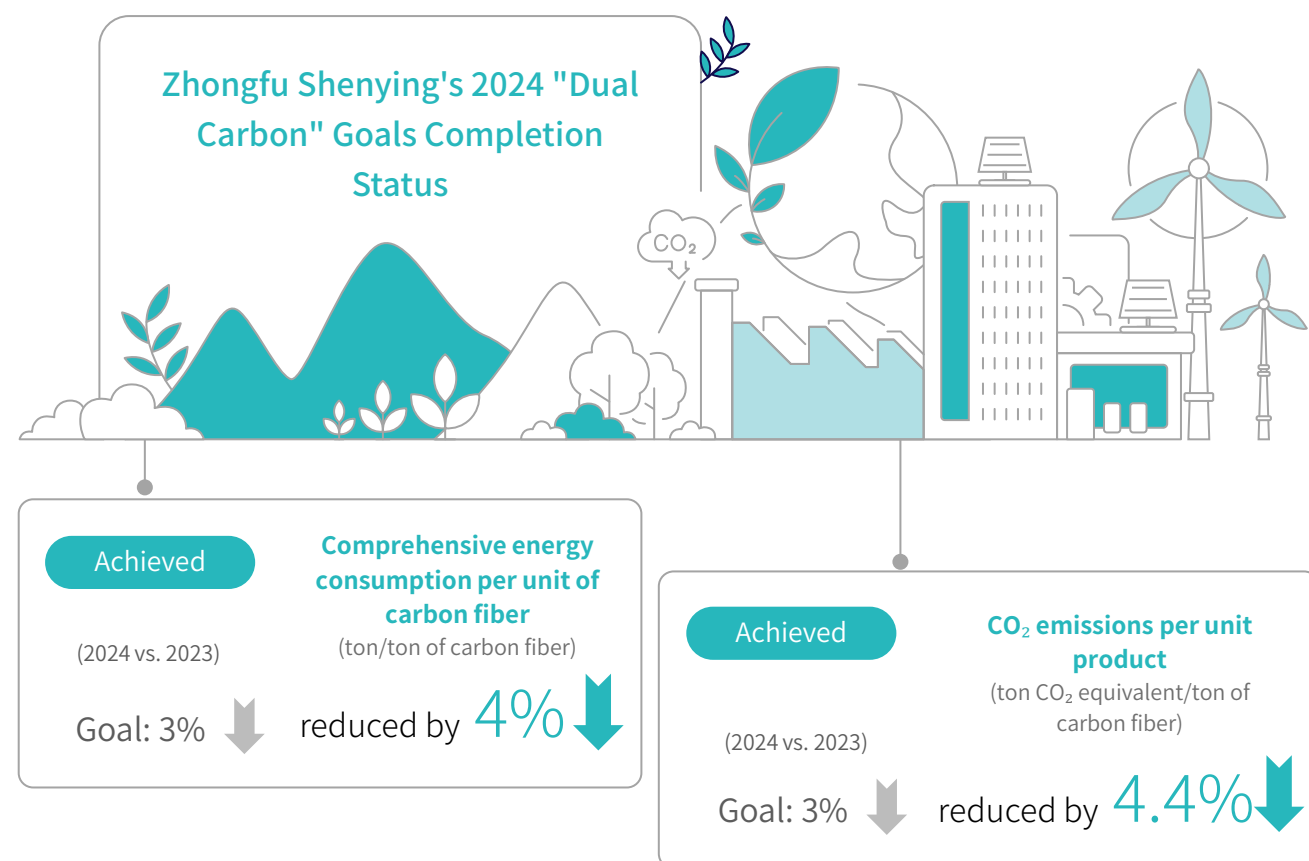
Responding to material issues



- Efficient energy utilization
- Reducing pollutant emissions
- Responding to climate change
- Waste management
- Water resources management
- Promoting circular economy



Zhongfu Shenying integrates green development into the core strategy of the Company, and continues to promote the implementation of the Carbon Peak Achievement and Carbon Neutral Work Implementation Programme with the principles of 'low-carbon leadership and technology-driven' and the path of 'circular economy and green empowerment'. Focusing on the optimisation of industrial structure layout, green and low-carbon energy transformation, resource conservation and efficient utilisation and other aspects of the progress of work, the Company set 'dual-carbon' targets in line with the development of enterprises, and set up energy-saving special teams, the implementation of the energy performance appraisal system, to help achieve the goals. 2024, the Company completed the established goals and set the 'dual-carbon' targets for 2025. In 2024, the Company achieved its target and set a 'dual carbon' target for 2025 to consolidate the results of related work.



Zhongfu Shenying's 2025 "dual-carbon" goals



The comprehensive energy consumption per unit of carbon fiber in 2025 will decrease by 5% compared to 2024.



The carbon dioxide emission per unit of carbon fiber in 2025 will decrease by 6% compared to 2024.

Zhongfu Shenying's key energy-saving and carbon reduction performance

Key energy-saving and carbon reduction performance: Comprehensive energy-saving retrofitting has been carried out. Through the upgrade of energy-saving process technologies and the recycling of energy for savings,

the annual energy consumption has been effectively reduced by

15,000 tons of standard coal

which can reduce greenhouse gas emissions by approximately

39,000 tons of CO₂ equivalent

The greenhouse gas emission per unit of product is

29.85 tons of CO₂ equivalent per ton of carbon fiber

The comprehensive energy consumption per unit of product is

8.32 tons of standard coal per ton of carbon fiber

Compared with 2023:

The specific electricity consumption of the product has decreased by

2% ↓

The specific steam consumption has decreased by

8% ↓



Accelerating the Transition to Low-Carbon Production

Zhongfu Shenying adheres to the principle of technology-driven low-carbon production. By optimizing production processes, upgrading high-efficiency production equipment, and implementing intelligent energy management platforms, the Company is accelerating the optimization of its energy structure and reducing carbon emissions from production operations. In 2024, the Company's main production base has obtained ISO 50001 Energy Management System certification.

Promoting Energy Conservation and Emission Reduction Measures

The Company is committed to efficient energy use and reducing energy consumption as the core of its energy-saving and carbon-reduction initiatives, accelerating the replacement and upgrading of green and low-carbon production equipment. At the same time, the Company emphasizes and continuously conducts daily energy-saving training for all employees, deepening their awareness of energy conservation and enhancing the efficiency of the green and low-carbon transition. This year, Zhongfu Shenying has implemented the following measures to promote energy conservation and emission reduction:

Adopting low-temperature operation processes, achieving a reduction in steam consumption by approximately 15%;



Optimizing the operational load of production, lighting, air conditioning, and other equipment to avoid the "big horse pulling a small cart"⁵ phenomenon, effectively reducing energy waste;



Collaborating with external organizations to carry out electricity-saving renovations, improving energy use efficiency.



Replacing Coal-Fired Boilers with Natural Gas Boilers to Reduce Energy Consumption and Carbon Emissions

This year, the company has transitioned to using natural gas boilers in its production processes, achieving a significant enhancement in boiler thermal efficiency. This advancement has led to a 22.2% reduction in the comprehensive energy consumption per ton of steam. Moreover, when compared to traditional coal-based methods, and taking into account both thermal efficiency and carbon emission factors, the carbon dioxide emissions per ton of steam have been approximately halved with the use of natural gas, showcasing a 50% decrease relative to coal.

For measures related to energy recycling, please refer to the "Energy Cascade Utilization" section.



5. Big horse pulling a small cart refers to the power or capacity of power equipment (e.g. motor, boiler, engine, etc.) is much larger than the actual demand

Promoting Intelligent Energy Management

The Company is comprehensively advancing the construction of an intelligent energy management system, vigorously promoting the application of online energy monitoring platforms and Energy Management Systems (EMS). By utilizing sensors to collect real-time energy consumption data from production lines and dynamically adjusting the operating modes of production equipment through intelligent management systems, the Company has achieved refined energy management. This year, the Company deployed temperature sensors in carbonization furnaces, combined with algorithms to dynamically adjust heating curves, reducing process deviations and ensuring the stability of the carbonization process, thereby further enhancing energy use efficiency.

Zhongfu Shenying's Xining facility has established a new three-dimensional integrated warehouse, introducing automated equipment such as robotic arms and conveyor vehicles to replace manual operations. The use of electronic labels and automated warehousing systems enables real-time tracking of raw material and finished product inventory, significantly improving storage turnover efficiency and data accuracy, while effectively enhancing resource utilization.

Accelerating the Green Energy Transition

This year, the Company has accelerated the adoption of clean energy and the transition to green electricity. Leveraging the geographical advantages of its operational locations, the Company has collaborated with nearby power stations to prioritize the procurement and use of clean energy. Additionally, the Company actively participates in carbon market mechanisms to expedite the comprehensive green transformation of its energy sources. This year, the Company's total annual consumption of renewable energy, including wind, solar, and hydropower, reached 321.80 million kilowatt-hours, with the purchase of "certified and integrated" green electricity amounting to 53.74 million kilowatt-hours.

Furthermore, upon the completion of Zhongfu Shenying's Lianyungang 30,000-ton high-performance carbon fiber production base, the facility will actively utilize steam generated from nearby clean energy sources and offshore photovoltaic power, among other clean energy solutions, to comprehensively expand the coverage of clean energy use and effectively reduce carbon emissions from production operations.



Implementing Comprehensive Green Office Practices

This year, the Company has implemented comprehensive water and energy-saving activities in office operations and strive to achieve paperless office operations goal, actively practicing the concept of green office:

Energy-Saving Measures



- Revised the *Air Conditioning Management System*, requiring summer air conditioning temperatures to be set between 20-26°C and winter temperatures between 18-22°C. Energy-efficient lighting has been installed, and motion-sensor/voice-activated lights are used in office buildings. Employees are encouraged to turn off lights during lunch breaks, and regular inspections are conducted to ensure lights and air conditioning are turned off when not in use.
- Implemented stricter management of official vehicles to reduce fuel consumption and optimized shuttle bus routes by canceling unused stops, improving transportation efficiency, and reducing empty vehicle runs.
- Replaced kitchen utensils with energy-efficient ones, utilized variable frequency and timed controls for kitchen air conditioning and ventilation systems, and strictly enforced the policy of "lights off when leaving and power off after work."

Water-Saving Measures



- Conducted regular maintenance of water and electrical equipment in office buildings to avoid resource waste.

Paperless Office Practices



- Adopted digital office solutions, transitioning processes such as form applications and official seal usage to online approvals. The double-sided printing policy was strictly enforced, saving approximately 20,000 sheets of paper annually and reducing the printing of paper materials by about 1,500 copies.
- Organized multiple paperless office training sessions to enhance employees' environmental awareness and technical application capabilities.

Continuing to Promote Environmentally Friendly Production

Zhongfu Shenying has always adhered to the principle that "lucid waters and lush mountains are invaluable assets," integrating ecological and environmental protection into every aspect of its production and operations to comprehensively advance clean production. The Company actively optimizes its environmental management system, vigorously promotes green and efficient production processes, and adopts low-emission, environmentally friendly production equipment to further reduce its environmental impact. This year, Zhongfu Shenying was awarded the Lianyungang Enterprise Environmental Protection Quality Award.

Improving Environmental Management

Zhongfu Shenying continues to strengthen its environmental governance system, strictly complying with local laws and regulations. Through institutionalized management, the Company has solidified the foundation of its environmental protection efforts. It has established internal management systems such as the *Ecological and Environmental Protection Responsibility System* and the *Energy Conservation and Ecological Environmental Protection Supervision and Management Measures* to standardize the environmental management processes of its daily operations. This year, all of the Company's production bases have obtained ISO 14001 Environmental Management System certification.

Optimizing the Environmental Management Structure

To efficiently advance environmental management, the Company has adjusted its environmental management structure this year. Under the Company headquarters, an Environmental Protection Leadership Group has been established to coordinate safety and environmental protection management. A management system has been built with headquarters control as the core, guided by the Digital Information Department, and with subsidiaries and workshops assuming primary responsibilities.

Environmental Protection Leadership Group

Composed of the general manager as the director, deputy general managers as deputy directors, and heads of subsidiaries, departments, and mid-level managers from headquarters, responsible for overseeing the Company's environmental protection work.

Digital Information Department (Safety and Environmental Protection Department) at Headquarters

Under the guidance of the Environmental Protection Leadership Group, responsible for formulating environmental management policies and objectives.

Subsidiaries and Workshops

Responsible for implementing ecological and environmental protection measures in production according to established policies.

Refining Environmental Management Systems

To further implement environmental management, Zhongfu Shenying revised the *Ecological and Environmental Protection Management Manual (Interim)* this year, clarifying the scope of institutional processes and management responsibilities as follows:

1 Updating and Integrating Existing Environmental Systems

Conducted in-depth revisions to 16 core systems, including the Environmental Protection Responsibility System, Emission Permit Management, Environmental Emergency Management, and Hazardous Waste Management, optimizing management processes.

2 Adding New Environmental Management Systems

Introduced systems for environmental safety hazard inspections, environmental information disclosure, pollution source monitoring, Leak Detection and Repair (LDAR) management, and clean production, enhancing refined management of volatile organic compounds (VOCs) emissions, wastewater reuse, and solid waste reduction.

3 Clarifying Responsibilities

Detailed the responsibilities of workshops for managing "three wastes" treatment facilities and solid waste storage; clarified the division of responsibilities for waste gas, wastewater treatment, and emergency response; and standardized the entire process of hazardous waste classification, temporary storage, and disposal to ensure the efficient operation of the environmental management system.

Zhongfu Shenying's Xining branch revised the *Zhongfu Shenying Carbon Fiber Xining Co., Ltd. Ecological and Environmental Protection Responsibility System* and the *Zhongfu Shenying Carbon Fiber Xining Co., Ltd. Environmental Protection Management System Compilation*, further clarifying and detailing the environmental responsibilities of positions and the management requirements for production process emissions, strictly implement the responsibility for ecological and environmental protection, achieving more efficient environmental management.

Implementing Environmental Performance Evaluation

The Company systematically promotes the implementation of environmental indicators and goals by incorporating energy conservation, emission reduction, and other environmental metrics into the annual performance evaluations of management. Leaders at all levels are required to sign the *Energy Conservation and Environmental Protection Target Responsibility Agreement*, clarifying their environmental responsibilities and performance evaluation criteria. This has established a management mechanism where environmental responsibilities are progressively enforced and evaluations are stringent, effectively enhancing management's awareness of environmental protection.

Real-Time Environmental Monitoring

The Company actively encourages its subsidiaries to fully identify and proactively prevent environmental risks. It requires the formulation of self-monitoring plans for the environment and regularly collaborates with external professional organizations to conduct environmental monitoring. This ensures real-time tracking of emission data and effectively controls compliance risks related to emissions. This year, the Company's monitoring results have all met national standards, and it has fully achieved its annual environmental protection goals.

Ensuring Emergency Safety

The Company continues to adhere to management systems such as the *Zhongfu Shenying Carbon Fiber Co., Ltd. Emergency Environmental Incident Management Measures* and the *Zhongfu Shenying Carbon Fiber Co., Ltd. Emergency Environmental Incident Response Plan Management Measures*. It has also revised the *Zhongfu Shenying Carbon Fiber Xining Co., Ltd. Emergency Environmental Incident Response Plan* to improve emergency response measures for natural disasters. Additionally, the Company has installed lightning protection and flood control emergency response equipment in workplaces. This year, the Company organized both comprehensive and specialized emergency drills to enhance its ability to respond to environmental emergencies and improve emergency risk management capabilities.



Continuing to Promote Clean Production

Zhongfu Shenying is continuously improving its pollutant management measures, intensifying efforts to treat waste gas, waste materials, and wastewater, and steadily advancing the application of diversified emission reduction measures. In 2024, Zhongfu Shenying successfully achieved its annual pollutant emission targets and has set goals for 2025 based on actual conditions. Details are as follows:

Pollutant	2024 Target	Progress	2025 Target
Waste Gas	3% reduction in emissions compared to 2023	Achieved	2% reduction in emission intensity per unit product
Waste Materials	100% compliance rate for general solid waste and hazardous waste disposal	Achieved	100% compliance rate for general solid waste and hazardous waste disposal
Wastewater	3% reduction in emissions compared to 2023	Achieved	3% reduction in emission intensity per unit product

Waste Gas Management

The Company maintains high standards and strict requirements for waste gas emission management, vigorously promoting the upgrading and replacement of waste gas treatment facilities to enhance the efficiency of waste gas collection and treatment. This ensures effective implementation of full-process waste gas management.

This year, the Company's total waste gas emissions (VOCs) decreased by

21.10% ↓ compared to 2023

and the waste gas emission (VOCs) intensity per unit product was reduced by

4.30% ↓



Application of Diversified Exhaust Emission Reduction Measures

Collection and Treatment of Unorganised Exhaust Gases

- Implement the project of collecting unorganised waste gas in the polymerisation workshop, adopting the process of 'pre-treatment + alkaline washing + acid washing + water washing' to realise the organised emission of waste gas.
- Plastic roller blinds are installed in the raw silk workshop to reduce the confined space, improve the efficiency of exhaust gas collection, and prevent and control the spread of odour.

Optimisation of equipment and storage tanks

- Modify the waste water storage tank of the original silk workshop, and change the underground low-level tank into an above-ground horizontal tank, so as to reduce the failure rate of pumps and the escape of disorganised waste gas, and reduce the risk of soil and groundwater pollution.

Application of electrostatic oil removal technology

- Normal temperature electrostatic degreasing technology is introduced into the drying waste gas treatment in the raw silk workshop, which effectively removes the odour of silicone oil and ensures that the discharge meets the standard through multi-stage purification such as pre-treatment filtration, spraying, and rapid cooling tower.
- In the carbonisation workshop, the combination process of 'circulating water cooling + high-energy electromagnetic ionisation + deep purification and whitening' is adopted to provide in-depth treatment of the exhaust gas, remove the odour and achieve colourless gas emission.

Combined deep purification process

- In the waste gas treatment of carbonisation workshop, combining the front-end processes such as rapid cooling tower, oxidation tower and absorption tower, we have added the technology of 'high-energy electromagnetic ionisation + deep purification and whitening', which further reduces the odour and improves the cleanliness of the emission.

Waste Management

The Company adheres to the principles of "safety, compliance, and reduction," strictly complying with national laws, regulations, and local requirements. It has established a comprehensive management system covering waste classification, temporary storage, and transfer, focusing on system construction, process control, employee training, and technological upgrades to achieve refined management of the entire waste lifecycle and ensure 100% compliance with disposal standards. Specifically for hazardous waste, each of the Company's production bases has established independent hazardous waste storage points and containers. Leveraging digital information technology, the Company collects real-time data on the types and weights of waste, ensuring that waste information is manageable, visible, and controllable. Additionally, the Company collaborates with qualified third parties to ensure compliant disposal of waste, achieving "zero external discharge" of hazardous waste.

This year, Zhongfu Shenying's Xining facility advanced waste reduction by strengthening waste storage management. As a result,

hazardous waste generation decreased by

25.90% ↓ year-on-year

Furthermore, hazardous waste generation per unit product decreased by

20.79% ↓

general industrial solid waste generation decreased by

15.60% ↓

and solid waste generation per unit product decreased by

9.78% ↓

and the comprehensive recycling rate of general solid waste increased by

18% ↑



Wastewater Management

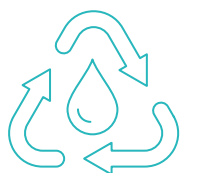
The Company strictly adheres to national laws, regulations, and local wastewater discharge standards, continuously strengthening wastewater discharge control. Multiple measures are employed to ensure compliant wastewater treatment and reduce wastewater emissions.

This year, wastewater discharge at Zhongfu Shenying Dapu facility decreased by

24.54% ↓ year-on-year

while at the Xining facility, it decreased by

34.97% ↓



Establishing Rainwater Collection Pools

The Dapu facility has equipped its workshops with rainwater collection facilities and emergency pools.

Pipeline Network Renovation and Inspection

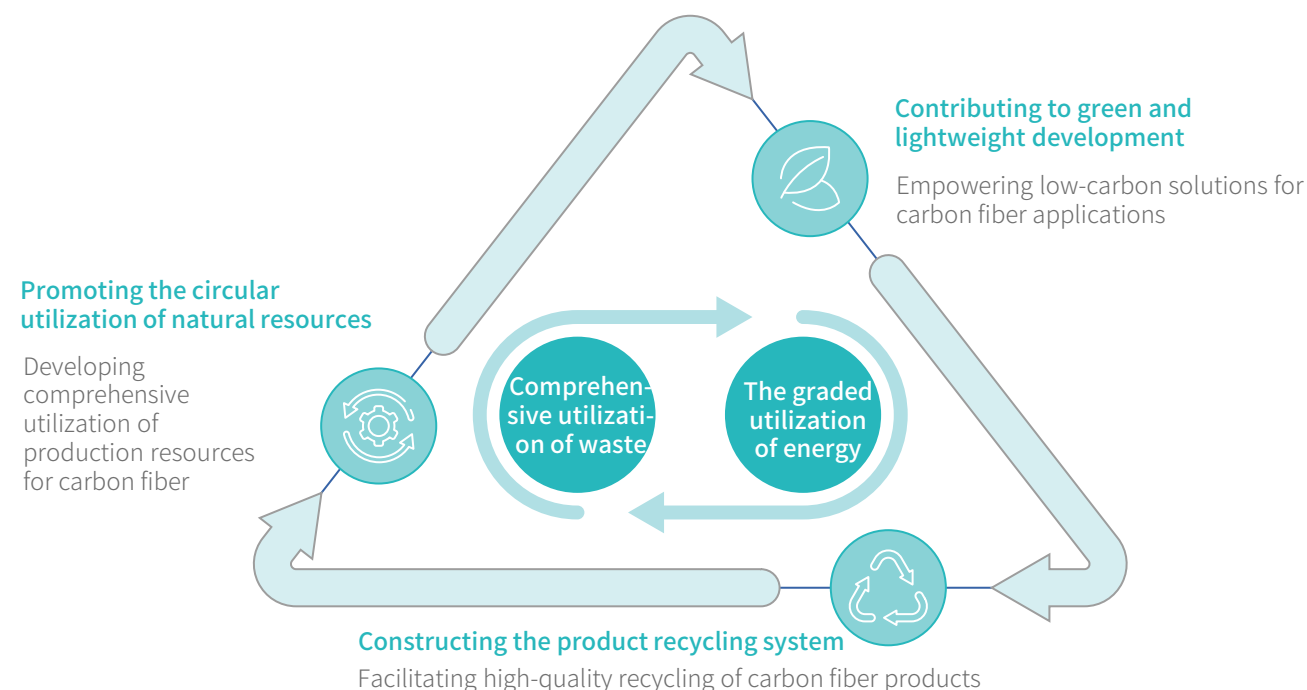
The Xining facility conducted pipeline network renovations and inspections to address rainwater leakage and potential pollution sources, ensuring compliant sewage discharge.

Ammonia Nitrogen Special Treatment

The Xining facility utilized wastewater ammonia evaporation equipment to reduce ammonia nitrogen levels, followed by biochemical system treatment. Throughout the year, 69,070 cubic meters of high ammonia nitrogen wastewater were treated.

Accelerating the Construction of a Circular System

Zhongfu Shenying “double recycling” development model



Zhongfu Shenying is vigorously advancing the circular use of natural resources through technological innovation and practical applications in four key areas: energy cascade utilization, water resource recycling, waste resource utilization, and resource recovery. The Company actively promotes measures such as waste heat recovery and reclaimed water reuse to maximize resource efficiency and reduce the consumption of natural resources.

Energy cascade utilization

The Company continuously promotes energy recycling technologies within its production processes to achieve efficient energy utilization. This year, the Company has actively implemented measures to recover waste heat and steam during production stages. It utilizes externally purchased steam and the waste heat generated from high-temperature flue gases during the carbonization process, classifying them based on pressure and temperature. These resources are effectively allocated according to production needs: high-temperature heat is prioritized for production processes, while low-temperature heat is used for preheating materials and raising ambient temperatures. This approach ensures "high-quality use for high-demand purposes and low-quality use for low-demand purposes," transforming external energy input from "linear consumption" to "circular utilization." This reduces external energy dependency and indirectly lowers greenhouse gas emissions. Additionally, the integration of intelligent technologies further enhances the efficiency of energy cascade utilization. During the year, the Company achieved a waste heat recovery utilisation rate of 70% through the application of its own upgraded equipment, which reduced greenhouse gas emissions by approximately 50,000 tonnes of carbon dioxide emissions equivalent for the year.

The Company actively promotes flue gas waste heat recovery technology by installing multi-stage heat exchangers inside boilers to collect high-temperature waste heat for supplying condensers and preheating boiler water. It employs an intelligent control system to dynamically adjust the load of recovery equipment, maximizing the efficiency of waste heat recovery and enhancing the cascade utilization of energy.

This initiative saves over **19,000** tons of standard coal annually and reduces greenhouse gas emissions by approximately **47,000** tons of CO₂ equivalent



Additionally, the Company implements flash steam recovery technology for raw silk production, capturing flash steam generated from high-temperature cylinder condensate.

This saves 1 ton of steam per hour, equivalent to **1,100** tons of standard coal annually and reduces greenhouse gas emissions by approximately **2,800** tons of CO₂ equivalent



Recycling of water resources

Aiming for "zero discharge" and "full recycling" of industrial wastewater, the company vigorously promotes wastewater recycling in production. It collects high - quality condensate from carbonization workshop equipment like dryers and boilers, recovering 15 tons per hour to cut water waste. A multi - stage circulation water - making process boosts membrane separation efficiency and uses the separated water for firefighting, dust control, and irrigation, maximizing reuse. This year, the company increased investment in reclaimed water projects to enhance the wastewater recycling system's efficiency, achieving:

the water reuse is increased to
1,451,500 tonnes

the amount of fresh water withdrawn is reduced by
700,000 tonnes



Waste Resource Utilization

The Company emphasizes strengthening the resource utilization of waste and actively collaborates with qualified third-party waste treatment entities to recycle and reuse waste suitable for biomass power generation. Together, we strive to promote the development of a circular economy in society.

In 2024, Shenying Dapu recycled nearly
15%

of waste used for biomass power generation through partnerships, implementing the concept of waste resource utilization.



Resource Recycling and Utilization

The Company enhances the circular utilization of production resources and focuses on technological improvements to boost recycling efficiency. Through independent research and development, the Company has designed a multi-level, high-airflow dimethyl sulfoxide (DMSO) recovery system, achieving complete recovery of high-concentration DMSO non-condensable gases. Additionally, the Company has conducted multi-level technological research and application, utilizing high-temperature steam extraction processes to fully recover DMSO from waste slurry.

By employing these systems, the Company purifies and reuses DMSO, reducing the consumption of DMSO materials per unit product by over

10% year-on-year



Driving Green and Lightweight Development

Zhongfu Shenying continues to deepen the low-carbon transformation of its value chain, providing high-quality carbon fiber materials to enhance energy efficiency in downstream industries. Leveraging its excellent properties of high strength, low density, and high-temperature resistance, the Company's products are widely used in aerospace, automotive, rail transportation, and construction and bridge sectors. These applications significantly reduce the weight of downstream products, effectively lower energy consumption during usage, extend product lifespan, and strengthen the circular economy attributes of the products. Simultaneously, the Company continues to supply high-performance, high-quality carbon fiber products to industries such as new energy, public transportation, and low-altitude aviation, providing core raw materials to customers across multiple sectors and supporting the vigorous development of green industries.

Automotive Industry

The Company's high-strength, medium-modulus carbon fiber products have been successfully applied in the automotive sector, reducing the weight of certain components by approximately 30%-60%, improving fuel efficiency by about 20%-50%, and decreasing fuel consumption by 1.8-7.2 liters per 100 kilometers.

Rail Transportation

The Company's high-strength, medium-modulus carbon fiber products have been effectively utilized in rail transportation, reducing train weight by 10%-25% and lowering energy consumption by 15% for the same distance traveled.

Construction Applications

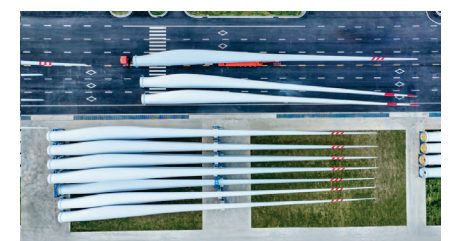
The Company's high-strength, medium-modulus carbon fiber products have been implemented in cable-stayed bridges. Compared to traditional steel materials, carbon fiber's lightweight, high stiffness, low creep, and corrosion-resistant characteristics can extend the lifespan of bridge construction projects by 30 years.

New Energy Sector

This year, the Company has supplied over 8,000 tons of carbon fiber materials to the new energy, public transportation, and low-altitude aviation industry, comprehensively empowering the rapid development of the sector.

Case | Zhongfu Shenying Contributes to the Creation of the World's Longest Onshore Wind Turbine Blade

In January 2024, the world's longest 131-meter onshore wind turbine blade was successfully manufactured and rolled out in China. The core material of this blade is derived from Zhongfu Shenying's dry-jet wet-spun 48K high-performance carbon fiber. Leveraging the properties of carbon fiber, the product extends the length of the blade, increasing the swept area of the wind turbine. This enhancement significantly boosts the power generation capacity of a single unit and reduces the number of turbines required for the same energy output, effectively improving the efficiency of wind power generation.



Case | Zhongfu Shenying Contributes to the Launch of the World's First Commercial Carbon Fiber Metro Train

In June 2024, the world's first commercially operated carbon fiber metro train, the "CETROVO 1.0 Carbon Star Express," was officially unveiled in Qingdao. Utilizing Zhongfu Shenying's T700-grade high-performance domestically produced carbon fiber, the train successfully incorporates composite load-bearing components—carbon fiber metro bogies. Compared to traditional metal components, this innovation achieves a 50% weight reduction, enabling the metro train to increase its speed by 55% and reduce operational energy consumption by 7%. Each train can reduce carbon dioxide emissions by approximately 130 tons annually, equivalent to afforesting 101 acres of land.



Case | Zhongfu Shenying Supports the World's First Flight of a New Energy Flying Car

In November 2024, the 15th China International Aviation and Aerospace Exhibition officially commenced in Zhuhai, Guangdong. Leveraging its lightweight, high-strength, and temperature-resistant dry-jet wet-spun carbon fiber, Zhongfu Shenying successfully contributed to the world's first flight of a flying car. The use of lightweight and high-strength carbon fiber materials in key components such as the fuselage, wings, and seats not only significantly enhances the performance of the eVTOL (electric Vertical Take-off and Landing aircraft) but also effectively improves its flight efficiency.



Proactively Addressing Climate Change

Zhongfu Shenying deeply recognizes the impact of climate change on the sustainable development of enterprises and places high importance on the risks and opportunities it presents to daily operations. Drawing on the *Task Force on Climate-related Financial Disclosures (TCFD)*, the Company integrates key factors such as market dynamics, industry characteristics, and its sustainable development strategic planning to further identify and analyze the impact of climate change. It has systematically outlined major risks, opportunities, and corresponding mitigation measures.

Governance

To better address the challenges posed by climate change, the Company has embedded climate change considerations into its sustainable development governance framework (see the "Sustainable Development Governance Framework" section of this report). This ensures the effective implementation of climate strategies, reduces the impact of climate risks on operations, and identifies climate-related opportunities. By leveraging the trends of clean energy transition and low-carbon development, the Company supports its own green growth and that of society as a whole.

Strategy

Based on its operational realities and future climate change trends, the Company analyzes the potential short-, medium-, and long-term impacts of climate risks and opportunities on its development strategy and business model. It actively optimizes its risk management system and action plans to achieve systematic management of climate-related risks and opportunities.

According to the analysis, the Company primarily faces transition risks related to policies and regulations, technology, and market/reputation. While these may have some impact in the medium to long term, the Company is mitigating these risks by increasing the use of clean energy in production, developing integrated offshore wind and solar power projects, and optimizing high-energy-consuming equipment (see the "Accelerating Low-Carbon Transition" section). Additionally, it actively monitors policy trends related to low-carbon transition, resulting in a relatively low impact from transition risks.

Regarding physical climate risks, the Company has identified acute and chronic risks such as increased extreme weather events and rising sea levels in the medium to long term. However, considering its operational locations, continuous improvement of risk monitoring systems, and robust emergency response measures (see the "Risk Management" and "Enhancing Environmental Management" sections), the overall level of physical climate risks remains low.

The table below details the climate risks identified by the Company based on its business characteristics.

Identify climate risks			
Transition risks	Risk description and potential impact	Timeframe	Response measures
Policy and legal	<p>As the nation actively advances its "Dual Carbon" goals, regions across the country have introduced new carbon reduction policies, imposing stricter decarbonization requirements on high-emission economic activities, which may increase the Company's compliance costs.</p> <p>With the steady growth of Zhongfu Shenying's business and its gradual expansion into overseas markets, the introduction and guidance of the United Nations' Paris Agreement have prompted countries and regions worldwide to implement more stringent carbon emission policies (such as the European Union's Carbon Border Adjustment Mechanism). This could lead to higher operational compliance costs for the Company.</p>	Medium, long-term	Proactively monitor industry and regional low-carbon policy changes, and based on the Company's sustainable development strategy, continuously increase the proportion of clean energy such as photovoltaic and wind power. Gradually implement product carbon footprint certification, adhere to the principles of the circular economy, and accelerate the green and low-carbon transformation of the Company's operations and products.
Technology	Against the backdrop of the nation's ongoing optimization of energy consumption structures, the Company needs to accelerate the iteration of low-carbon process technologies, thereby increasing the economic costs associated with research and technological substitution.	Short, medium term	Enhance the efficiency of clean technology research and transformation, encouraging all production bases to actively adopt new technologies and methods for energy conservation and carbon reduction, striving to achieve synergistic development of low-carbon transformation and cost efficiency.
Market/reputation	Downstream customers and value chain partners are increasingly prioritizing the low-carbon attributes of products and services, placing higher demands on Zhongfu Shenying's products. If the Company fails to swiftly adapt to market changes and meet market expectations, it may face barriers to developing new markets.	Short, medium, long term	<p>Proactively identify the low-carbon requirements for carbon fiber products in domestic and international markets, and carry out work to reduce the carbon footprint of products in a step-by-step manner.</p> <p>Actively communicate with partners, promoting the advantages of products in facilitating low-carbon development, and conducting low-carbon-related certification for products to enhance market recognition.</p> <p>Implement the sustainable development strategy, improve ESG and other sustainable development information disclosure, and elevate the Company's sustainable development image.</p>

Physical risks	Risk description and potential impact	Timeframe	Response measures
Immediate	Climate change has led to an increased frequency of extreme weather events such as floods and typhoons, which may result in power outages, water shortages, and damage to transportation infrastructure. These disruptions can affect the Company's normal operations and cause economic losses.	Short, medium, long term	<p>Establish a supply chain protection mechanism and conduct emergency drills for natural disasters based on the climatic characteristics of the operational locations to ensure sufficient emergency supplies.</p> <p>Upgrade production and operational equipment to be more resilient to climate-related challenges, enhancing the ability to withstand natural disasters.</p>
Long-term	Climate change is causing a continuous rise in global temperatures, potentially leading to chronic risks such as rising sea levels, changes in water resource distribution, and increased occurrences of extreme heat. These factors may have long-term impacts on the Company's operations, including the need for relocation of operational sites, increased demand for cooling equipment, and higher frequency of equipment maintenance. Such scenarios could significantly increase the Company's operational costs.	Medium, long term	



Seizing Climate Opportunities

Zhongfu Shenying consistently promotes the innovative application of carbon fiber materials, focusing on providing high-quality carbon fiber products to emerging green and low-carbon industries such as low-altitude aviation, public transportation, new energy vehicles, wind turbine blades, and energy storage. This ensures precise alignment with the evolving low-carbon development needs of value chain partners. By capitalizing on new market opportunities for low-carbon development, the Company is building a green technology ecosystem, driving green technology upgrades across the industrial and value chains, and injecting strong momentum into the green transformation and sustainable development of society as a whole.

The table below details the climate opportunities identified by the Company based on its business characteristics.

Opportunity Description and Potential Impact	Timeframe	Response Measures
Products and Services	Short, Medium, Long-term	Zhongfu Shenying is committed to assisting the value chain in achieving green and low-carbon development. The Company is significantly increasing the proportion of green and clean energy use, gradually optimizing production processes, and striving to create green and low-carbon products. By proactively addressing low-carbon development needs, Zhongfu Shenying provides greener and lighter solutions for downstream customers and supplies high-quality carbon fiber for industries such as wind power, photovoltaics, and energy storage, supporting the high-quality development of the new energy sector.
Market	Medium, Long-term	To achieve low-carbon development goals, countries and regions worldwide are strongly supporting the application of carbon fiber materials in industries such as aerospace, wind turbine blades, and automotive manufacturing. Zhongfu Shenying has established a "high-end" strategic positioning, actively responding to the demand for the green and environmentally friendly attributes of carbon fiber materials across industries. The Company is seizing new market opportunities and creating new growth points for its business.
Energy Sources	Short, Medium, Long-term	Zhongfu Shenying continues to increase the proportion of clean energy use, with wind, solar, and hydropower accounting for 70% of its energy mix. The Shenying Lianyungang facility will utilize offshore photovoltaic and steam generated from clean energy as energy sources, effectively addressing the rising compliance costs due to carbon reduction policies and preparing for future participation in the carbon market, unlocking new commercial opportunities.

Risk Management

Zhongfu Shenying remains vigilant about the impact of climate-related risks on its operations and actively identifies, analyzes, and assesses these risks and opportunities. During the risk identification process, the Company engages in extensive communication with various stakeholders to thoroughly understand potential risk types. It conducts detailed analyses of the impacts of key risks identified through these interactions, ensuring comprehensive identification of climate change-related risks. For more detailed information on risk management, please refer to the section "Deepening Comprehensive Corporate Governance – Risk Management."

Metrics and Targets

Zhongfu Shenying recognizes that reducing its own carbon emissions is an effective way to manage climate-related risks. The Company has developed a detailed energy conservation and emission reduction plan and regularly reviews its progress. For more information on Zhongfu Shenying's climate-related energy conservation and carbon reduction targets, please refer to the section "Environment: Zhongfu Shenying's 2025 'Dual Carbon Goals'."



03 Social



- Strictly Ensuring Product Quality
- Commitment to Technological Innovation
- Steadfastly Advancing Intelligent Development
- Implementing Intrinsic Safety
- Fully Safeguarding Employee Rights
- Comprehensively Promoting Talent Development
- Deepening Corporate Responsibility Operations
- Dedicated to Creating Social Value



Pillars of sustainable development strategy

- Talents Building Excellent Teams
- Quality Penetrating High-End Markets

Responding to material issues



- Pursuing product quality
- Innovative research and development
- Employee health and safety
- Safeguarding employee rights and interests
- Support for Employee Development
- Employee care
- Providing quality services
- Sustainable supply chain
- Community contribution



Strictly Ensuring Product Quality

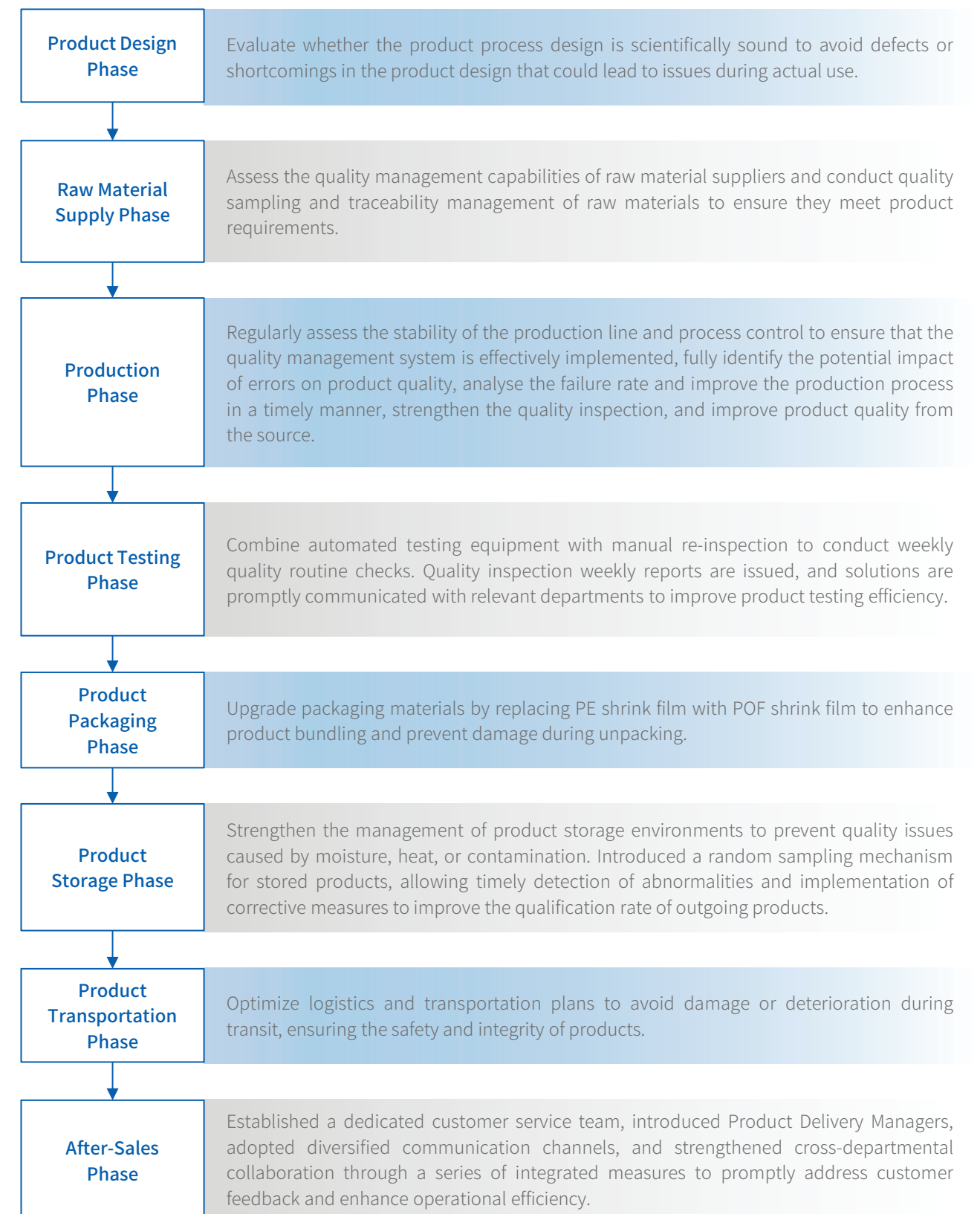
Zhongfu Shenying consistently adheres to the "zero-defect" quality management philosophy, viewing product quality assurance and enhancement as the cornerstone of the Company's high-quality development. Centered on the principle of "The systematisation of the quality management system and the quality-oriented systematisation of management," and guided by the excellence performance management model, the Company continuously explores and optimizes a quality management system with Zhongfu Shenying's unique characteristics. In 2024, all major production bases of the Company have obtained ISO9001 Quality Management System certification, and no product recalls due to safety or quality issues occurred.

Strengthening Quality Management Capabilities

Zhongfu Shenying continuously strengthens its quality management capabilities by improving the quality management system, enhancing raw material management, tightening production process controls, introducing new technologies and materials, establishing a quality auditor system, and actively listening to customer feedback. Based on the management requirements and actual operations of the quality management system, the Company clearly delineates the functions of various departments and designates specialists to supervise and inspect the system's implementation. Through a combination of "positive promotion + reverse inspection," potential weaknesses in system management and operational issues are promptly identified. The Company conducts thorough reviews and rectifications of identified problems, continuously tracks the effectiveness of these rectifications, and ensures the effective operation of the quality management system.



Zhongfu Shenying's Comprehensive Quality Management Process



We also place great emphasis on potential health and safety risks during product usage. We regularly conduct health and safety risk assessments from three perspectives: product safety, user operation risks, and environmental adaptability. This ensures that our products do not pose any harm to customer health and effectively safeguards their well-being and safety.

Zhongfu Shenying Product Health and Safety Risk Assessment

Product Safety Assessment

Conduct safety tests on products to ensure they comply with relevant safety standards and regulations, preventing any adverse health impacts on users during product usage.



User Operation Risk Assessment

Analyze potential improper operations or misuse by users during product usage. Based on these findings, we prepare product usage instructions and provide safety warnings to guide users in correct product usage, avoiding potential safety issues.



Environmental Adaptability Assessment

Evaluate the adaptability and stability of products under different environmental conditions to ensure they function properly in various scenarios, thereby preventing potential health and safety hazards.



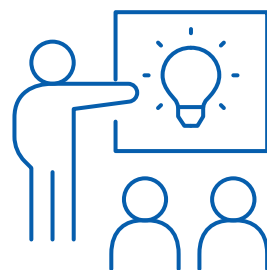
Cultivating a Culture of Quality Improvement

Zhongfu Shenying focuses on enhancing product quality by fostering a culture that prioritizes accident prevention and quality improvement. The Company continuously strengthens the quality awareness of all employees and encourages them to proactively engage in quality improvement activities. This year, the Company further refined the Quality Accountability and Incentive System, detailing the classification of quality incidents and the accountability process, and introduced special rewards for quality improvement initiatives. This ensures clarity in quality management responsibilities, fair rewards and penalties, and a well-documented foundation for actions.

We fully leverage the roles of quality auditors in the Company's quality management system, including supervision, advisory, communication, interface, and leadership. The Company has formulated and issued the Internal Auditor Management Measures, implementing a registration, evaluation, and tiered management mechanism for quality auditors. This ensures the effective operation and continuous improvement of the Company's quality management system.

Case | Internal Quality Auditor Enhancement Program

To improve the comprehensive capabilities of internal quality auditors, the Company established a Quality Auditor Enhancement Program. Through knowledge sharing, interactive discussions, and practical case studies, the program helps quality auditors master more practical quality management techniques and methods, continuously enhancing their quality management and auditing skills. In 2024, the Company organized 11 training sessions for the Quality Auditor Enhancement Program, with 123 participants successfully completing the training.



This year, the Company launched a "Quality Month" event with the theme "Cultivating a Quality Culture, Building Quality Trust." The event focused on six key modules: quality competitions to showcase skills, risk identification to eliminate hazards, quality improvement for breakthroughs, quality training for growth, quality audits for enhancement, and quality culture to foster awareness. These initiatives aimed to comprehensively elevate the quality management awareness and capabilities of all employees.

The Company conducted a total of **105** quality-related training sessions across all levels, involving **4,027** participants.



Quality Competition to Showcase Strength

Organized an online knowledge competition for all employees to enhance quality awareness, with 2,826 participants. Conducted the "Courage to Innovate, Forever Craftsmanship" selection activity, recognizing 8 employees with outstanding contributions, high professional standards, and strong innovation capabilities, setting benchmarks and promoting the spirit of craftsmanship.



Quality Knowledge Competition

Quality Training for Growth

Organized 105 specialized training sessions on system knowledge, QC case analysis, and job skills for quality management personnel, process technicians, and frontline workshop employees, achieving 4,027 qualified training participants. This initiative further strengthened quality responsibility and enhanced overall quality awareness. Shenying Xining conducted 38 specialized training sessions, with 2,226 qualified participants.



Quality Knowledge Competition

Quality Audits for Improvement

Guided by the goal of management enhancement, a series of quality audit activities were organized, including internal audits, cross-audits, and supplier audits. These activities systematically and independently inspected and evaluated the quality system, solidifying the foundation of quality management and safeguarding product quality.



Quality Audit

Cultivating a Quality Culture

Launched quality essay and micro-video collection activities, rooted in full employee participation, to implement the quality culture of "Building Dreams with Originality, Pursuing Excellence with Craftsmanship." This initiative continuously communicates Zhongfu Shenying's quality management philosophy.



Quality Essay Competition

Risk Identification to Eliminate Hazards

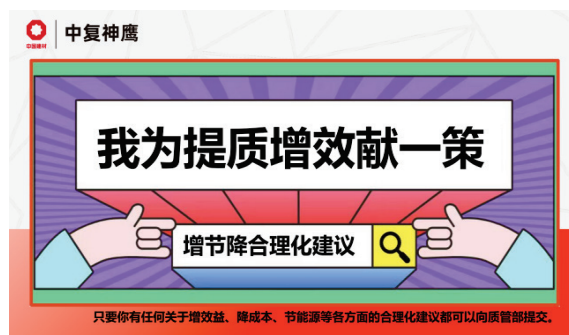
Carried out quality risk identification and investigation activities, pinpointing 14 high-risk key processes and formulating corresponding measures. Standardized product realization process management and strengthened production process stability.



Quality Risk Identification

Quality Improvement for Breakthroughs

Established a Company-wide quality management platform and launched the "Challenge Board" initiative to address key and challenging aspects of quality improvement. Encouraged employees to actively contribute ideas for quality enhancement, further solidifying and advancing quality improvement efforts.



Encouraging Employee Suggestions

Strengthening Quality Testing Capabilities

This year, the Company's testing center successfully passed the CNAS system re-evaluation and expanded the testing items and methods for polyacrylonitrile-based carbon fibers, achieving a recognized capability scope of 23 items. Additionally, the Company innovated and improved 9 testing methods, enhancing testing efficiency and accuracy while effectively reducing testing costs, providing solid support for ensuring product quality. In 2024, the Company's testing center achieved a 100% accuracy rate and a 100% timeliness rate for test results.



Commitment to Technological Innovation

Zhongfu Shenying is steadfast in driving sustainable enterprise development through technological innovation, shouldering the national responsibility in the field of new materials. Rooted in independent innovation, the Company aligns with international advanced carbon fiber manufacturing technologies and standards, continuously promoting the diversification and high-end application of its products. Faced with industry "bottleneck" technical challenges, the Company has leveraged its four core technology systems to drive independent innovation, advancing the evolution of carbon fiber industry through four generations of technology. It has achieved breakthroughs in core technologies and equipment, including ultra-large-capacity polymerization, high-speed dry-jet wet spinning, rapid homogeneous pre-oxidation and carbonization, fiber surface treatment, and refined process control. These efforts have accelerated the efficiency of core technology breakthroughs and the transformation of achievements, continuously enhancing product competitiveness. Additionally, the Company has strengthened intellectual property management, elevated the level of technological innovation, and promoted high-quality industry development with an open and equitable scientific research spirit.

This year, the proportion of R&D investment in the Company's operating income has increased by

2.55% percentage points.



High-capacity polymerization and homogenization raw liquid preparation technology

Large-capacity homogeneous high efficiency oxygen carbonization preparation technology

"Four Core" Technology System



High-strength/medium-modulus carbon fiber precursor dry-jet wet spinning key technology

10,000-ton full-process high performance carbon fiber independent production technology

Enhancing Innovation and R&D Capabilities

Zhongfu Shenying implements innovation management regulations such as the "Work Plan for Further Enhancing Enterprise Technological Innovation Capabilities" and strictly adheres to a series of rules and systems, including the "Research Project Management Measures," to continuously improve R&D efficiency and the transformation rate of innovative achievements. The Company adheres to the core principle of integrating "R&D, production, and market," building a R&D system centered on "discovering clues and creating value." It continuously optimizes the three-line management model of "project-based R&D activities, performance-based achievement evaluation, and systematic product development," achieving a virtuous cycle of technology flow and value flow, and facilitating the efficient transformation of technological innovation into new productive forces.

To further strengthen innovation and R&D capabilities, the Company has implemented various technical personnel grouping systems, including technician grouping, team leader, project leader, product leader, market leader, and departmental military orders, to stimulate the innovation vitality and collaborative efficiency of R&D teams. Additionally, the Company actively improves the professional title evaluation and appointment system, opens and broadens promotion channels for technical positions, and continuously refines the distribution mechanism. It establishes a scientific research performance evaluation system centered on positive incentives to enhance the enthusiasm of researchers.

6. Refers to being restricted in key technologies or resources and not being able to control them independently, thus affecting the development of the whole project or industry.

Case | Zhongfu Shenying 2024 Scientific Research Work Meeting

Zhongfu Shenying convened the 2024 Annual Scientific Research Work Meeting. The meeting began with an overview of the Company's patents and R&D achievements for the year, systematically analyzing the current state of technological innovation, discussing existing technical development needs, and outlining the direction for the 2025 scientific research efforts. The conference further clarified the strategic plan for the Company's technological development, driving the upgrade and breakthrough of core technologies, and laying a solid foundation for the high-quality advancement of the Company's scientific research initiatives.

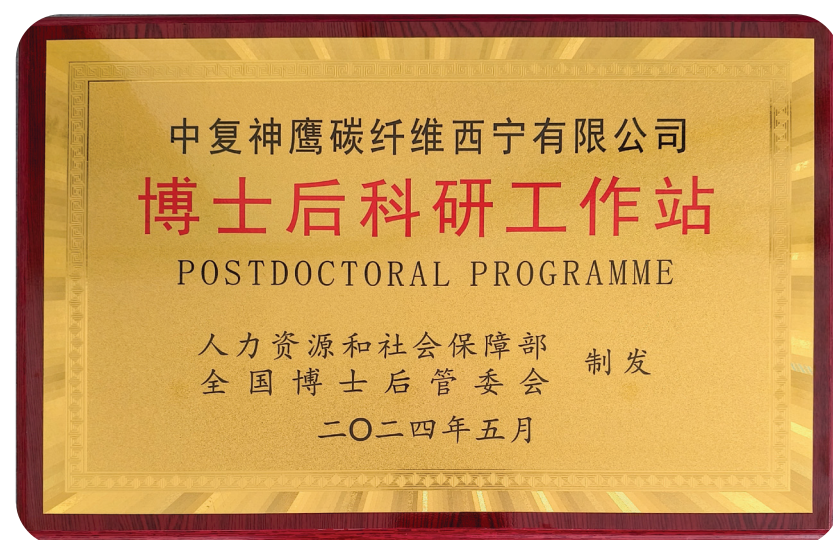


2024 Scientific Research Work Meeting

At the same time, the Company continues to advance the construction of a full-process R&D platform, establishing a "technology R&D - engineering testing - industrialization verification - applied research" R&D platform. It has developed a collaborative R&D model across Lianyungang, Xining, and Shanghai, while refining the analysis and evaluation system to effectively ensure the smooth progress of R&D efforts.

Case | Zhongfu Shenying's Xining Company Approved as National Postdoctoral Research Station

In August 2024, Zhongfu Shenying's Xining Company was approved as a national postdoctoral research station. This approval marks a new milestone in the construction of the Company's technological innovation platform, signifying its enhanced capabilities in fostering the deep integration of industry, academia, and research. It holds significant importance for attracting and cultivating high-level scientific research talent, improving technological innovation capabilities, and promoting the transformation and application of scientific and technological achievements.



In 2024, Zhongfu Shenying successfully achieved the following key R&D milestones and expanded the application of carbon fiber across multiple fields:

Global Breakthrough: Developed the world's first industrialized high-strength, high-modulus **SYM50X carbon fiber and high-strength, high-modulus M46X-grade carbon fiber.** ✓

Technical Maturity Certification: Successfully passed the carbon fiber technical maturity evaluation by the China Chemical Fiber Association, achieving **Level 8 maturity** for M40-grade carbon fiber technology and **Level 7 maturity** for M40J-grade carbon fiber technology. Notably, SYM40 was applied in the electronics 3C field. ✓

Aerospace Advancements: Completed the **development of dry-jet wet spinning engineering preparation technology for M55J-grade and M60J-grade high-modulus products**, and conducted application verification on structural components such as satellites. Additionally, initiated verification of high-temperature toughened epoxy resin prepreg and became an emergency alternative material evaluation supplier for domestic large aircraft. ✓

Construction and New Energy Applications: Successfully applied **dry-jet wet spun T700-48K large-tow carbon fiber in bridge cable stays, the world's longest 131-meter onshore wind turbine blades, and the world's longest 147-meter offshore wind turbine blades.** ✓

High-End Sports and Leisure: Successfully utilized **T1100-grade and M40X-grade carbon fiber in premium sports and leisure products.** ✓

Strengthening Intellectual Property Protection

Zhongfu Shenying upholds the protection of intellectual property (IP) as a core element in encouraging employee innovation and ensuring fair competition. This year, the Company strictly adhered to the national "Enterprise Intellectual Property Management Standards" and engaged professional institutions to optimize its internal regulations, including the "Patent and Thesis Management Measures," "Intellectual Property Management System," and "Technical Secrets Protection Management Measures." This effort further refined the IP management system, establishing a comprehensive, end-to-end IP protection framework.

To ensure the efficient transformation and full protection of the Company's technological innovations, we established an IP management working group. This group is responsible for formulating the Company's IP strategic plans, making decisions on major IP matters, guiding the direction of IP work, and driving the high-quality development of IP initiatives, thereby safeguarding the Company's innovative achievements from infringement.

We rigorously manage the IP transformation process, continuously monitor IP infringement risks, and place special emphasis on overseas IP risk prevention and control. By engaging professional third-party agencies, we strengthen the monitoring of product infringement activities to avoid violating others' IP rights. Additionally, the Company regularly conducts IP training for personnel mastering key core technologies, fostering a positive atmosphere for IP protection.

Case | Zhongfu Shenying Intellectual Property Training

In April 2024, Zhongfu Shenying organized a patent training session, with simultaneous sessions held at its Xining and Shanghai branches. The event covered all R&D personnel from the headquarters and its affiliated companies. The training provided a comprehensive explanation of the fundamental concepts of intellectual property, basic knowledge of patents, the patent application process, and the Company's patent management system. This initiative aimed to enhance the understanding and application of patent knowledge among R&D staff, safeguard the transformation of technological innovation achievements, and strengthen the protection of intellectual property. It also contributed to the high-quality enhancement of the Company's core competitiveness.



Zhongfu Shenying's first intellectual property training session

This year, we continued to strengthen our global intellectual property layout:

- Filed 1 international patent application through the PCT (Patent Cooperation Treaty), bringing the total number of PCT patents applied by the Company to 6 (with 4 already entering the European application phase).
- The Company's patent "Method for Preparing Low-Ash Polyacrylonitrile-Based Carbon Fiber" was awarded the Silver Prize at the 25th China Patent Awards by the National Intellectual Property Administration.
- Actively pursued patent pre-examination or priority examination to expedite the patent review process and accelerate patent authorization.

Zhongfu Shenying's Core R&D Performance in 2024

Total Patent Applications	including invention patents	utility model patents	design patent
781	421	359	1
Newly Accepted Patents	Including invention patents	Authorized Patents	including invention patents
269	166	107	12
by End of 2024			
Cumulative Authorized Patents	comprising invention patents	utility model patents	design patent
319	59	259	1

Promoting Industry Collaborative Development

As a leader in the carbon fiber industry, Zhongfu Shenying remains committed to driving the high-quality development of the sector. The Company continues to enhance communication and collaboration with research institutions, effectively integrating industry, academia, and research to accelerate the transformation of scientific and technological achievements. Actively partnering with leading enterprises in fields such as pressure vessels and carbon/carbon composites, Zhongfu Shenying has signed strategic agreements with key clients to leverage their respective strengths, strengthen resource integration, and jointly advance the rapid development of the carbon fiber industry and the localization substitution process.

Promoting Industry Exchange

The Company is committed to fostering a collaborative ecosystem within the industry. This year, Zhongfu Shenying actively participated in industry exhibitions, promoted industry exchange, and worked with partners to drive industry development.

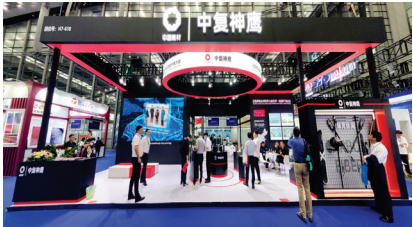
JEC World 2024

In March 2024, Zhongfu Shenying showcased its flagship products, including SYT49S-24K and SYT50S-36K, as well as the world's first dry-jet wet spun 48K large-tow carbon fiber series at JEC World in Paris. The exhibition highlighted the Company's advanced carbon fiber technologies and high-end products to a global audience.



Shenzhen International Composites Industry Technology Exhibition (Shenzhen CCE)

In March 2024, Zhongfu Shenying made its second consecutive appearance at the Shenzhen CCE, displaying its “Black Gold” series, SYM40X, SYT70, and other high-performance products. The SYT49S series remained a highlight, while new products such as 48K, 36K, and Y603 (T800-grade) prepreg attracted significant attention, demonstrating the Company's application advantages in aviation, new energy, and sports industries.



SAMPE China 2024 Annual Conference

In June 2024, Zhongfu Shenying participated in the SAMPE China 2024 Annual Conference and the 19th International Advanced Composites Exhibition, showcasing its SYT70, SYT45S-48K, and SYT49S series. The event highlighted the Company's latest innovations in carbon fiber, helping to expand its domestic and international markets and explore new business opportunities.



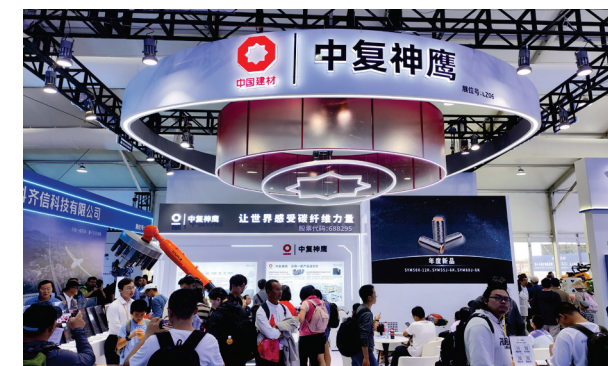
Shanghai International Composites Industry Technology Exhibition (Shanghai CCE)

In September 2024, at the Shanghai CCE, the largest and most influential composites exhibition in the Asia-Pacific region, Zhongfu Shenying displayed its full range of products, including general-purpose, high-end, and flagship models. The Company also globally launched three new products: the world's first industrialized high-strength, high-modulus carbon fiber SYM50X-12K, and high-interface performance dry-jet wet spun high-modulus carbon fibers SYM55J-6K and SYM60J-6K. Additionally, Zhongfu Shenying's SYT45-3K carbon fiber won the CCE-JEC Innovation Product Award, further demonstrating the Company's innovation capabilities.



15th China International Aviation & Aerospace Exhibition ("Zhuhai Airshow")

In November 2024, the 15th China International Aviation & Aerospace Exhibition opened in Zhuhai. Zhongfu Shenying showcased its key carbon fiber and composite products, including the new M50X, M55J, and M60J-grade technologies. The Company gained significant attention for being the first in China to achieve T1100-grade mass production. Its T700 and T800-grade prepreg products, matched with self-developed resin systems, also attracted numerous inquiries, highlighting Zhongfu Shenying's strong contribution to the aerospace industry.



promote industry co-creation



Shenyang Shanghai Product Exhibition Hall

Strengthen enterprise-university collaboration

Guided by the philosophy of "Advancing Together, Creating the Future" in university-enterprise collaboration, the Company strategically focuses on integrating industry, academia, and research, actively expanding cooperation and exchange with universities. By deeply exploring talent cultivation and broadly extending scientific innovation, the Company is dedicated to building a mutually beneficial ecosystem for university-enterprise partnerships. We invite faculty and students to visit our exhibition halls and production workshops, helping them gain a thorough understanding of the carbon fiber production process. Through engaging with our team, we aim to attract more outstanding talents to the carbon fiber industry, injecting continuous vitality into its long-term development.

Case | University-Enterprise Collaboration to Cultivate Emerging Industry Talent

This year, the Company partnered with Northwestern Polytechnical University (NPU) to organize a visit for a 6-member doctoral team from NPU. The team toured the Company's exhibition hall and production lines, followed by a discussion session focused on the university and enterprise profiles, talent cultivation, and talent needs. This initiative not only strengthened the connection between the Company and academic institutions but also provided students with a more intuitive and in-depth understanding of the industry. It facilitated the sharing of high-quality resources and complementary strengths between the university and the enterprise, laying a solid foundation for mutual collaboration and win-win outcomes.



Steadfastly Advancing Intelligent Development

Zhongfu Shenying adheres to the philosophy of "driving business with data and enhancing efficiency with intelligence" in its informatization development. The Company has established an informatization leadership group with the General Manager as the primary responsible person, supported by an informatization working group led by management to promote the Company's informatization strategy and cybersecurity initiatives. Focusing on innovation-driven development, the Company prioritizes three key areas: safety management, procurement cost control, and information security. It comprehensively advances refined operations and digital transformation to support efficient and high-quality development. This year, the Company experienced no negative incidents related to information security breaches.



Safety Management

Intelligent Safety Management System

Established an intelligent safety management and "Five-in-One" platform, deeply integrating cutting-edge technologies such as video AI and high-precision facial recognition. The platform combines core functions including safe office operations, education and training, dual prevention mechanisms, hazard monitoring and risk control, and precise personnel positioning. This achieves intelligent, efficient, and comprehensive safety management, building a digital defense line for enterprise production safety (see the "Implementing Intrinsic Safety" section of this report for details).



Procurement Cost Control

Intelligent Procurement Management Platform

Utilized an online platform to integrate high-quality supplier resources and optimize procurement processes. Through automated procurement, data analysis, and forecasting, the platform effectively reduces procurement costs, enhances procurement efficiency, and supports optimal resource allocation for the enterprise.



Information Security

Intelligent Information Security Technology

Introduced advanced cybersecurity technologies and equipment to construct a comprehensive network security management system. This effectively defends against external cyberattacks, ensuring the stable operation of the enterprise's information systems.

Zhongfu Shenying Invites External Third Party to Conduct Training on Information System Protection Products

To further enhance the Company's cybersecurity management capabilities, Zhongfu Shenying actively organized cybersecurity training. This year, the Company invited an external institution to provide on-site training on information system protection products.

Implementing Intrinsic Safety

Zhongfu Shenying consistently upholds the safety production philosophy of "embedding safety in the heart" and adheres to the safety production policy of "safety first, prevention led", and comprehensive management." With the goals of "no responsibility accidents causing minor injuries or above throughout the year" and "zero fatalities," the Company has fostered a unified safety culture across all levels, ensuring that "everyone emphasizes safety in everything they do." Zhongfu Shenying continues to drive improvements in safety governance at all levels, implementing intrinsic safety to safeguard the Company's stable, orderly, and high-quality development.

The Company leverages technology as a guide and management enhancement as a tool, relying on the application of digital and intelligent production facilities and management systems, combined with continuously refined safety management systems, to steadily enhance intrinsic safety capacity building.

In 2024, the Company invested

17.97 million yuan

in safety production



Empowering Intrinsic Safety with Technology

Zhongfu Shenying is committed to building an intrinsically safe enterprise, continuously improving employee safety skills and enhancing the Company's safety production conditions. The Company conducts comprehensive intrinsic safety improvements across equipment and facilities, personnel conditions, management processes, and operational environments.

This year, the Company established a smart safety information platform and fully integrated the "Five-in-One" and dual-system digital safety management platforms, achieving digital management of all safety production elements. Guided by the principles of "automation, intelligence, and informatization," the Company accelerated the modernization of management processes and the standardization of operational procedures, promoting quality and efficiency in safety management and effectively enhancing intrinsic safety levels.



Building an Intelligent Safety Production Management System

New Video AI Alarm System

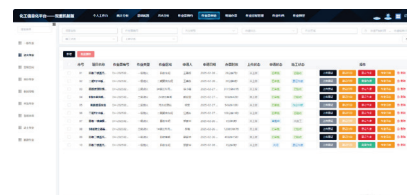
We prevent personnel from entering hazardous areas by using electronic fences and intelligent alarm systems. During collaborative operations, the system manages personnel positioning to avoid mechanical injuries caused by misalignment. At the same time, the system automatically records employee violations and notifies supervisors via SMS or app messages, enabling real-time automatic alerts for violations.



Video AI Alarm System

New Hazardous Work Approval System

We implemented hierarchical and classified management of hazardous operations in line with the national "Safety Specifications for Special Operations in Hazardous Chemical Enterprises" (GB 30871-2022). It ensures that the next step in the approval process cannot proceed until the previous step is completed, including personnel information, risk identification, and on-site measures, with photos uploaded to the platform. This prevents safety incidents caused by inadequate implementation of on-site measures.



Work Approval System

Comprehensively integrate and improve the "Chemical Informationization - Dual Mechanism Edition" safety management platform:

Major hazard monitoring

Implement video surveillance and monitoring and early warning of key indicators (such as temperature, pressure, and liquid level in tank areas) for major hazards.

Full-process automation retrofit

Adopt full automation for chemical processes to avoid safety injuries caused by on-site personnel operations. An independent safety instrumented system (SIS) from the production system is used to provide emergency shutdown or venting in the event of potential safety risks.

Automated robotic arms

Use automated robotic arms in packaging workshops to reduce the risk of safety injuries to personnel during the packaging process.

Improved working environment

Install toxic and combustible gas detection and alarm systems linked with on-site fans and emergency shutdown systems to ensure employee safety.

Facial recognition access control

Implement a "one-face-pass" access control system to monitor the entry and exit times and frequencies of employees registered in the system. Capture real-time images of unfamiliar individuals not registered in the system and issue alerts to ensure effective control of personnel access.

Related party management

Through the "Related Party Management" module of the platform, unify the management of enterprise qualifications and personnel information for both fixed and temporary external contracting units. Effectively monitor the work conditions of external personnel, issue alerts for non-compliant enterprises and individuals, and take measures such as information updates or removal from the site to ensure the standardization and safety of external contracting unit management.



Hazard Monitoring Platform

Empowering Intrinsic Safety through Management

The Company strictly adheres to laws and regulations such as the "Work Safety Law of the People's Republic of China" and the "Occupational Disease Prevention and Control Law of the People's Republic of China." It has established management measures, including the "Work Safety Management Manual" and the "Occupational Health Management System," to define health and safety management processes at all levels, providing employees with comprehensive occupational health and safety protections. This year, Shenying Xining revised 58 safety-specific management systems and 19 process and equipment-specific management systems based on actual production and operational conditions, continuously improving the Company's work safety management framework.

To strengthen the foundation of work safety and fundamentally eliminate potential hazards, the Company developed the "Three-Year Action Plan for Fundamental Work Safety Improvement (2024–2026)" and a task list. It also established "Five Strengthening Measures" ⁷ to ensure the effective implementation of work safety tasks, accelerate the enhancement of intrinsic safety levels, and prevent various production safety incidents.

Three-Year Action Plan for Fundamental Improvement in Work Safety (2024–2026)

Work Objectives	Main Tasks
Deepen the effectiveness of the special action for work safety rectification and improvement.	Special treatment of hazardous chemicals and other key high-risk areas
Strengthen the concept of coordinating development with work safety.	Major accident hidden danger investigation and rectification project
Improve the work safety responsibility system and the mechanism for preventing and controlling safety risks.	Construction of intelligent production safety management system
Enhance the level of inherent safety and the skills and qualities of personnel.	Special rectification of special work
Perfect the risk monitoring and early warning system as well as the basic support and guarantee system.	Accident Alert Education and Quality Improvement of Employees
Transform the safety governance model for hazardous chemicals towards pre-incident prevention.	

In 2024, the Company established and achieved the following health and safety goals. In 2025, we will continue to strive to achieve the following health and safety goals:

0	0	0.05%
fatalities in work safety accidents for which the Company is responsible	work safety responsibility accidents resulting in minor injuries or above	The work safety accident rate will not exceed
0	0	
new cases of occupational diseases	fire, explosion, or acute poisoning accidents in production and operation sites or construction sites for which the Company is responsible	
100%	completion rate for the rectification of major hidden dangers	



Safety Production Management System

Zhongfu Shenying has established a top-down health and safety management structure, including the Board of Directors, the Headquarters Safety Production Management Committee, and the Subsidiary Safety Production Management Committees. A Safety Director has been appointed at the headquarters to oversee the Company's health and safety matters. We emphasize the safety management principles of "horizontal coverage, vertical depth" and "one position, one responsibility," clearly defining safety management responsibilities at all levels, continuously clarifying safety management processes, and facilitating communication channels between different levels to lay a solid foundation for the orderly implementation of safety work. By the end of 2024, all production bases of the Company have obtained ISO 45001 Occupational Health Management System certification.

Board of Directors

As the highest governing body for safety-related matters, the Board of Directors is responsible for overseeing the Company's safety production management.

Headquarters Safety Production Management Committee

The SPMC serves as the leadership and decision-making body for the Company's safety management, with the General Manager as its highest authority. It formulates and promotes the effective implementation of safety management policies, organizes and deploys safety production management tasks, and is responsible for the execution and supervision of the Company's safety management and performance.

Subsidiary Safety Production Management Committees

These committees are responsible for carrying out the safety management tasks delegated by the headquarters. They are established within each subsidiary and include subcommittees for special operations, fire safety management, and equipment management. The General Manager of each subsidiary serves as the primary responsible person, overseeing daily safety production matters, monitoring, identifying, and managing health and safety risks, ensuring the effective implementation of various safety management measures, and regularly reporting to the headquarters.



7. "Five Enhancements" : Enhancing organizational leadership, enhancing coordinated advancement, enhancing supervision and service, enhancing exemplary guidance, and enhancing assessment and accountability.

Safety Production Risk Prevention and Control

Zhongfu Shenying is committed to managing and preventing production safety risks from the source, emphasizing the principle that "safety must be managed in all industries, all operations, and all production and business activities." Guided by the principle of "continuous improvement and optimal operation," the Company has established and implemented the "Three Lists and One Linkage" ⁸mechanism.

We continuously deepen the safety risk management principles of "full participation, full-process control, and full-direction coverage," formulating the *Zhongfu Shenying Dual Prevention Mechanism Digital Application Enhancement Implementation Plan*. This plan enforces the dual prevention systems of "risk hierarchical control" and "hidden hazard investigation and management." After risk identification, we establish safety production risk ledgers and hidden hazard investigation forms, employing risk prevention, risk control, and hazard investigation to avoid accidents and achieve systematic management of health and safety risks.

This year, we adopted a multi-department collaboration mechanism to conduct safety hazard investigations and engaged external experts to enhance our hazard investigation capabilities. The Company requires all employees to fully understand the risk points of their positions and perform daily inspections according to plan, ensuring comprehensive coverage of both professional content and specific locations.

In 2024

the Company organized nearly
181
specialized safety inspections

identified over
4,257
hidden hazards

supplemented and refined
9,704
risk factors

completed over
110
safety improvement projects

achieving a hidden hazard
rectification rate of over
99%



Zhongfu Shenying Work Safety Bulletin Board



On-site Safety Hazard Investigation

8. "Three Lists and One Linkage": This refers to the implementation of the "Three Lists"—Risk List, Control List, and Responsibility List—while linking safety risk management with employee performance evaluations.

In 2024, Shenying Dapu conducted a systematic evaluation of the equipment in the acrylonitrile tank area and invited third-party professional institutions to inspect the pipelines. Old equipment in the tank area was replaced with newer, safer alternatives. Shenying Xining conducted a major hazard source assessment for the acrylonitrile tank area and filed it with government authorities, further strengthening on-site safety management to ensure employee safety.

The Company has formulated the Safety Production Assessment and Reward-Punishment System, incorporating health and safety indicators such as the number of minor injury and above safety responsibility accidents and the work-related injury rate into employee performance evaluations. These indicators are updated annually based on safety risk identification results. In the event of a safety production accident, the Company will impose disciplinary and financial penalties on responsible parties according to the severity of the accident. For major safety production accidents, we implement a "one-vote veto" system, leading to the dismissal of responsible personnel.

In terms of accident investigation and remediation, the Company has established the Production Safety Accident Management System, which sets stricter standards than national regulations. This system clearly defines accident investigation procedures and remediation measures. In the event of an accident, the Company will immediately activate the emergency response mechanism, initiate rescue operations at the first opportunity, and promptly report the incident to the local government and higher-level Company authorities.

Additionally, the Company forms accident investigation teams to conduct a comprehensive analysis of the causes of accidents following the "Four No Letting Go" principle. Based on the investigation results, responsible parties are dealt with seriously. After the investigation, the Company organizes accident warning education for all employees to ensure relevant personnel receive adequate training and education. Furthermore, the Company develops detailed rectification measures based on the causes of the accident and ensures their effective implementation to prevent similar incidents from recurring.

Ensuring the Safety of Outsourced Employees

Zhongfu Shenying applies the same occupational health and safety management standards to outsourced employees as to Company employees. The Company has established internal systems such as the *Contractor Safety Management System* and the *Contractor Safety Responsibility Management Measures*. Before outsourced employees enter the site, safety education and training are conducted, and safety risks and countermeasures are communicated to ensure they fully understand the risks.

We strictly control the occupational health and safety management capabilities of contractors. Before signing contracts, we review the contractor's qualifications and personnel credentials (e.g., special operation certificates) and sign safety management agreements with them. Contractors are required to purchase health and safety insurance for their employees to ensure their safety. Additionally, we conduct annual safety reviews of contractors and implement a blacklist system, disqualifying contractors with multiple violations or fraudulent credentials from future cooperation.

Occupational Disease Detection and Prevention

Zhongfu Shenying places great emphasis on occupational disease prevention and is committed to providing employees with a healthy and safe working environment. In accordance with the *Workplace Occupational Health Management Regulations* and other relevant systems, the Company has formulated an occupational disease prevention plan and control implementation plan. Annually, we conduct hazard factor testing for all job positions and provide pre-employment, on-the-job, and post-employment occupational health check-ups for all employees. If an employee is found unfit for a specific position after the check-up, they are reassigned or not hired. Additionally, we equip all employees with qualified personal protective equipment and monitor its proper use to safeguard their health and safety.

Cultural Empowerment for Intrinsic Safety

Zhongfu Shenying places great emphasis on and meticulously deploys the construction and promotion of safety culture. The Company actively conducts various safety culture exchange and training activities to continuously enhance employees' safety awareness.

Emergency Drills for Unexpected Incidents

To effectively respond to sudden safety accidents, the Company has continued to improve its emergency response measures for natural disasters this year. The *Production Safety Accident Emergency Plan* has been revised, detailing key aspects such as disaster warning, emergency response, personnel evacuation, and resource allocation. The Company has refined the emergency management mechanism characterized by "unified command, hierarchical management, clear responsibilities, resource sharing, and quick response." The Emergency Management Office is responsible for overall coordination, while the emergency command organization handles specific incident responses, continuously improving the Company's emergency rescue command capabilities and overall response effectiveness.

Additionally, Shenying Xining formulated and issued the *Special Emergency Plan for Mechanical Injury Accidents*, procured emergency rescue equipment, and established emergency material storage points in key areas. Regular training on the use of emergency equipment is provided to ensure all employees are proficient in operating emergency tools, enabling swift and effective actions in emergencies.

This year, the Company actively conducted various types of emergency drills at all levels, with a total safety investment of 892,100 yuan, including:

Comprehensive emergency drills

4 times

involving

183 participants

Special plan emergency drills

63 times

involving a total of

678 participants

On-site emergency response plan drills

213 times

involving a total of

1,462 participants



Comprehensive Emergency Rescue Drill



Deepening Safety Awareness Training and Promotion

To comprehensively enhance employees' safety awareness, the Company, in accordance with internal systems such as the *Training Management System* and the *Safety Production Manual*, has leveraged digital systems to conduct various types and forms of safety awareness training in an orderly manner. In 2024, the Company provided safety training to 45,675 participants. During the Safety Production Month, the Company organized the "First Responsible Person Talks Safety" themed training and assessed the training outcomes of all mid-level and above cadres, achieving a 100% pass rate.



"First Responsible Person Talks Safety" Themed Training



In 2024, the Company conducted six specialized safety training sessions on confined space operations, hydrogen peroxide/ammonia usage, and other topics, covering 10,311 participants. Shenying Xining organized 16 batches of safety training for new employees, involving 449 participants, with corresponding assessments conducted. Those who did not pass the assessment were not hired by the Company.



Safety training

The content covered multi-level safety training, including new employee onboarding training, factory-level training, certification training for special operations personnel, and internal training for safety management personnel. The themes encompassed four major areas: production safety, occupational health, fire safety, and environmental protection.

Throughout the year, a total of **1,103** safety education

achieving a coverage rate of **100%**

training sessions were conducted, involving **45,675** participants

Case | Shenying Dapu Conducts Special Training on Injury Prevention and First Aid Knowledge

In 2024, Shenying Dapu organized and conducted special training on injury prevention and first aid knowledge, inviting external experts to provide on-site guidance. A total of 35 participants, including workshop team leaders and safety management personnel from various departments, attended the training. Through hands-on demonstrations, the training effectively enhanced employees' safety awareness and self-protection capabilities.



Shenying Dapu Conducts Special Training on Injury Prevention and First Aid Knowledge

Zhongfu Shenying Holds Safety Month Knowledge Competition



Zhongfu Shenying's 2024 Safety Month Knowledge Competition

Fully Safeguarding Employee Rights

Zhongfu Shenying adheres to the core development philosophy of "people-oriented" and is committed to creating a fair, just, diverse, and inclusive working environment. We continuously improve the employee rights protection system, enhance communication channels, and strengthen talent team building and development, laying a solid talent foundation for the Company's sustainable development.

Zhongfu Shenying strictly complies with laws and regulations such as the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China*. This year, the Company revised seven internal systems, including the Employment Management System, further clarifying regulations on employee recruitment and termination, talent cultivation and development, performance evaluation, and compensation, promoting the scientific and standardized management of employment practices.

Implementing Employee Rights

Recruitment and Termination

In accordance with relevant laws and regulations, the Company has formulated and implemented internal systems such as the *Zhongfu Shenying Carbon Fiber Co., Ltd. Employee Handbook* (hereinafter referred to as the "Employee Handbook"). These systems emphasize the prohibition of discrimination based on gender, ethnicity, religious beliefs, age, or region during recruitment, promotion, development, benefits distribution, and termination of labor contracts, ensuring fair and just treatment of every employee and safeguarding their rights.

The Company strictly prohibits the recruitment of child labor and forced labor. In line with laws such as the *Law of the People's Republic of China on the Protection of Minors* and the *Regulations on the Prohibition of Child Labor*, the Employee Handbook explicitly states that child labor must not be employed. Additionally, the Company requires new employees to submit authentic and valid documents, including identification, before onboarding to prevent the hiring of child labor at the source. The Company signs labor contracts with employees based on the principles of equality and voluntariness, ensuring all employees are voluntarily employed. The Company also strictly monitors third-party employment, imposing severe penalties for illegal hiring practices to eliminate any instances of child labor or forced labor. During the reporting period, no cases of child labor or forced labor occurred.



Compensation and Performance

Based on internal systems such as the *Zhongfu Shenying Carbon Fiber Co., Ltd. Compensation Plan*, the *Executive Compensation Management Measures*, and the *Total Wage Management Measures*, the Company has established an employee hierarchy system, emphasizing the integration of the compensation system with performance evaluation results. This year, the Company formulated the *Management Member Tenure and Contractual Management Measures* and the *Management Member Performance Evaluation Measures*, and revised the *Mid-Level Cadre Performance Evaluation and Compensation Management Measures* to further motivate management personnel and enhance team collaboration and operational efficiency.

 Linking Sustainable Development Performance to Executive Compensation

The Company links sustainable development performance to the General Manager's compensation, signing the *2024 Annual Business Performance Responsibility Agreement for the Management Layer and General Manager*. Quantitative and qualitative performance goals related to environmental, social, and governance (ESG) aspects, including technological innovation, carbon reduction, safety, environmental protection, and product quality assurance, are set and evaluated at year-end, with the results impacting compensation.

Fair and Transparent Promotions

The Company continuously improves the internal hierarchy management system, further clarifying the conditions for promotion, demotion, and exit at each level. To ensure fair and transparent promotions, the Company adopts a competitive recruitment system, publicly announcing vacant positions and allowing eligible employees to apply. In cases of unfair practices, employees can report to relevant departments to ensure their rights are legally and reasonably protected.

Promoting Diversity and Equality

The Company continues to build a diverse and equal healthy workplace environment, improving equal employment policies to ensure fairness in recruitment, employment, promotion, and compensation. The Company values and protects the rights of female employees, empowering female talent and encouraging them to enhance leadership skills and assume management roles.

This year

The percentage of female employees in the Company reaches **41.3%**

The percentage of female employees in management reaches **28%**

The percentage of minority employees **7.5%**



Open Communication Channels

The Company has established open communication channels for employees, fully respecting their rights to information, participation, expression, and supervision. We have implemented a democratic management system centered on the Workers' Congress, widely collecting employee proposals during the congress, understanding reasonable suggestions, promptly proposing improvement measures, and monitoring their effectiveness.

We advocate for a transparent communication mechanism, encouraging sincere and friendly communication among employees and between different levels of management, fostering a harmonious and collaborative work environment. This year, we conducted a comprehensive employee satisfaction survey, collecting feedback through questionnaires and interviews to better understand employee needs.

Employee Care and Support

Zhongfu Shenying is committed to growing together with its employees, continuously practicing the value of "employees first," and prioritizing their physical and mental health. We strive to build a warm and responsible employer brand, providing various benefits to employees and their families, and fostering a caring corporate atmosphere.



Employee Health

We organize annual health check-ups for all employees, helping them understand their physical condition comprehensively. We also offer critical illness insurance and employee mutual aid insurance to provide effective protection.



Employee Support

We conduct special support initiatives, such as birthday, maternity, retirement, and bereavement support, benefiting 3,372 employees throughout the year. We also carry out "warmth delivery" assistance programs, supporting 34 employees in need. This year, we donate 43,400 yuan for this program.



Employee Children's Education Assistance

We provide scholarships to 13 employees' children admitted to universities and assist 10 children of employees in financial need through the "Golden Autumn Assistance" program to apply for financial aid.

In 2024, the Company organized a series of diverse and engaging employee activities, continuously enhancing employees' happiness and sense of belonging, and strengthening team cohesion.

Case | Uniting Hearts, Showcasing Vitality, Winning the Future | Zhongfu Shenying's Third Employee Sports Conference Concludes Successfully

To enrich the cultural life of employees and encourage active participation in fitness activities, the Company successfully held its third Employee Sports Meet this year. Nearly 800 participants formed 14 teams to compete in various events, helping employees unwind from their busy work schedules, enhance their physical fitness, and strengthen the cohesion and unity of the entire Company.



Zhongfu Shenying's Third Employee Sports Conference

Case | Summer "Cooling Relief" | Zhongfu Shenying's Workshop Employee Care Activity

This year, facing the ongoing challenges of high temperatures, Zhongfu Shenying launched the "Cooling Relief" initiative to ensure effective heatstroke prevention and cooling measures. We equipped workshops with air-conditioned rest areas, placed ice blocks for cooling in non-air-conditioned zones, arranged for the canteen to prepare mung bean soup daily, and provided unlimited salted soda water. These thoughtful measures ensured the health and well-being of our employees.



Summer Cooling Relief: Preventing Heatstroke and Ensuring Well-being

Safeguarding Employee Family Welfare

The Company is committed to providing employees with diverse and high-quality welfare benefits. In terms of family welfare, we offer paid maternity leave, parental leave, only-child nursing leave, and family visit leave. Additionally, we have established nursing rooms to provide female employees with a safe, comfortable, and private environment for breastfeeding and rest.

Maternity Leave

Female employees are entitled to one hour of paid maternity leave per day during the breastfeeding period.

Parental Leave

Employees can enjoy 10 days of paid parental leave per year until their child reaches the age of three.

Nursing Leave

Employees who are only children are entitled to 5 days of paid nursing leave per year when their parents, aged 60 or above, are hospitalized due to illness.

Family Visit Leave

Employees who do not live with their parents and cannot reunite during public holidays may be granted approximately 20 days of family visit leave, with round-trip travel expenses reimbursed by the Company.

The Company also focuses on enhancing welfare for female employees, continuously organizing team-building activities and holding forums to listen to their voices. We provide female employees with top-tier insurance and maternity insurance, and offer specialized health check-ups to consistently support their physical and mental well-being.



Case | Warmth to the Frontline: Workshop Female Employee Appreciation and Forum

To effectively fulfill the role of the labor union in leading, connecting, and serving employees, the Company's vice-chairman of the labor union visited production lines this year, engaging in forums with female employees in various workshops and extending holiday greetings and heartfelt wishes. During the meetings, the vice-chairman had warm conversations with frontline female employees, understanding their work and life situations. He acknowledged their dual responsibilities in balancing family and work, reflecting the responsibility and commitment of women in the new era, and encouraged them to continue carrying forward the fine tradition of women excelling in their roles, making contributions in their positions.



Workshop Female Employee Appreciation and Forum

Case | Zhongfu Shenying's International Women's Day Series of Activities Successfully Held

To enrich the daily work and life of female employees, Zhongfu Shenying headquarters organized a variety of activities for International Women's Day this year, including film screenings on legal education, professional photo shoots, and fun sports events. Shenying Xining and Shenying Shanghai respectively organized floral arrangement activities and a series of handicraft activities themed "Polishing Sand into Pearls, Refining Craftsmanship." Additionally, on the day of the festival, the Company distributed holiday benefits to all female employees, extending sincere holiday greetings and expressing gratitude for their dedication and professionalism in their daily work.



Shenying Xining and Shenying Shanghai Organize International Women's Day Series of Activities

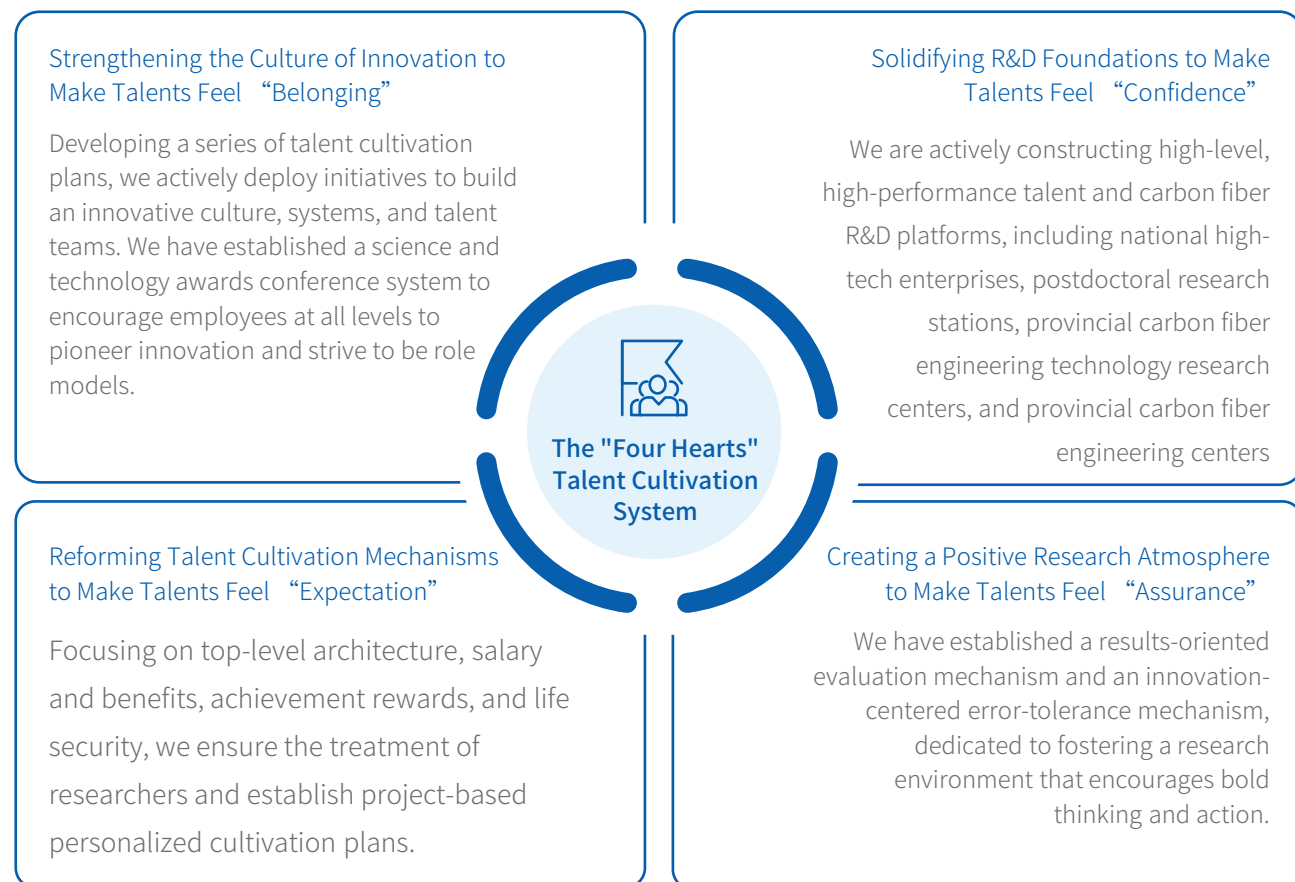


Comprehensively Promoting Talent Development

Zhongfu Shenying places high importance on the personal growth and career development of its employees, striving to build a diverse and dynamic talent pool. The Company is committed to creating a multifaceted, equitable, and healthy professional development environment for its employees. We provide comprehensive talent development pathways, a robust talent cultivation system, and mechanisms to enhance employees' professional capabilities in all aspects. This supports employees in realizing their personal value and aligns with the "Talent Strengthens the Enterprise" strategy.

Perfecting the Talent Cultivation System

The Company steadily promotes the construction of the "Four Hearts" talent cultivation system, adhering to the principles of prioritizing technological research and development and determining outcomes based on efficiency. We emphasize the cultivation of professional skills and innovative capabilities among talents. Actively implementing medium- and long-term incentive programs, we have established an enterprise annuity plan that covers all levels of the Company, fully unleashing employees' potential and creativity.



Case | The Second Science and Technology Awards Conference of Zhongfu Shenying

On February 19, 2024, Zhongfu Shenying held the Second Science and Technology Awards Conference to honor collectives and individuals who have made significant contributions to technological innovation and scientific advancement. The conference aimed to thoroughly implement the innovation-driven development strategy and foster a work environment that respects labor, knowledge, talent, and creativity. A total of 36 projects were awarded, including 9 Science and Technology Progress Awards, 19 Technological Innovation Awards, 2 Patent Awards, 5 Technical Report Awards, and 1 Excellent Project Management Award. The awards recognized 198 individuals, further motivating the enthusiasm and creativity of scientific and technological workers, and promoting the Company's scientific and technological progress and innovative development.



The Second Science and Technology Awards Conference of Zhongfu Shenying



Strengthening the Talent Cultivation Mechanism

To continuously improve the talent cultivation mechanism, the Company has revised the "Training Management System" in line with industry development trends and its own business needs. Adopting a classified and hierarchical training approach, we are constantly deepening and expanding the scope and depth of talent development. Additionally, within the framework of the "Annual Training Plan," we have defined annual training objectives, rationally planned and managed training resources, and continuously enhanced the effectiveness of training and the conversion rate of learning outcomes.



Internal Trainer Cultivation System

To enhance the Company's talent development environment and improve employees' professional competence, the Company has established a "Internal Trainer System" covering all levels of employees based on the "Internal Trainer Management Guidelines." We have formed an internal trainer team and strengthened its management to standardize the training process.

In line with the Company's strategic needs and business characteristics, we provide comprehensive training for internal trainers, including courses on training system promotion, training process standardization, and training material compilation and submission. This provides strong support for the smooth implementation of the Company's training programs. In 2024, we organized an internal trainer evaluation meeting and selected 10 trainers to be awarded instructor certificates.



New Talent Cultivation Plan

To strengthen the Company's production management talent reserve, the Company has established a two-tiered linkage cultivation management mechanism based on the "Production Management Trainee Recruitment and Cultivation Plan." This mechanism involves workshop supervisors overseeing and guiding the execution of the plan, helping the Company achieve high-quality talent team development. In 2024, 37 employees participated in the cultivation plan, achieving dual improvements in practical experience and professional capabilities.



Enhancing Effectiveness Evaluation

To strengthen the effectiveness of talent cultivation, the Company has enhanced the statistical capabilities of employee training records based on the "Employee Training Record Book." This enables effective management and evaluation of employee training progress and outcomes, efficient identification of training needs, and continuous optimization of training plans, ensuring the scientific, rational, standardized, and effective management of Company training.

Core Training Performance

This year, the Company training sessions on topics such as job skills, quality systems, safety production, and regulations



■ Safety Production Training

With a total of

1,711 training sessions

With a cumulative attendance of

55,575 participants

Establishing a Talent Reserve System

The Company is committed to building a diversified talent reserve system. We continuously refine the cultivation mechanism for young cadres and collaborate with industry forces to foster innovative craftsmen, thereby strengthening the Company's high-quality talent pool and comprehensively enhancing its innovation level and market competitiveness.

Strengthening the Reserve of Young Cadres



The Company continues to reinforce the construction of young talent teams, injecting new vitality into its development. We have established a targeted reserve cadre system for young talents, standardizing the selection and appointment process for young reserve cadres. A comprehensive reserve cadre cultivation plan has also been implemented. By the end of 2024, young cadres born in the 1980s and 1990s accounted for nearly 90% of the total cadres selected and appointed across all levels.

Vigorously Cultivating Innovative Talents



The Company places high importance on the cultivation of innovative talents. This year, we spearheaded the establishment of the Jiangsu Province Carbon Fiber Industry Model Worker (Craftsman) Innovation Studio Alliance, contributing to the industry's efforts to nurture more innovative craftsmen. Additionally, we actively carried out talent project applications, organizing 23 talent application projects this year, with 32 individuals successfully approved.

Case | The Official Inauguration of the Jiangsu Province Carbon Fiber Industry Model Worker (Craftsman) Innovation Studio Alliance

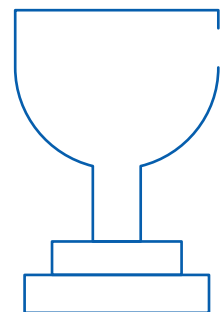
In December 2024, the Model Worker (Craftsman) Innovation Studio Alliance of the Carbon Fiber Industry in Jiangsu Province (hereinafter referred to as the "Alliance") was officially inaugurated in Nanjing. The Alliance aims to thoroughly study and implement the spirit of the Third Plenary Session of the 20th CPC Central Committee, earnestly carry out the "Opinions on Deepening the Reform of Industrial Worker Team Construction" issued by the CPC Central Committee and the State Council, vigorously promote the spirit of model workers, labor, and artisans, and unite and lead model workers and advanced practitioners in the carbon fiber industry to play a demonstrative and leading role. Focusing on areas such as new product development, industrial upgrading, and application improvement, the Alliance seeks to further enhance the technological innovation capabilities and development levels of the carbon fiber industry.



Inauguration Ceremony of the Jiangsu Province Carbon Fiber Industry Model Worker (Craftsman) Innovation Studio Alliance

Case | Zhongfu Shenying Organizes Grassroots Employees to Apply for Scientific and Technological Innovation Achievements

In 2024, the Company organized grassroots employees to apply for 21 provincial and municipal "Five Small" innovation projects. Among them, 6 projects participated in the selection of outstanding projects in the Jiangsu Province Employees' "Five Small" Activities, and 3 won first and second prizes in the Xining City "Five Small" Innovation Achievement Competition. Additionally, the Company assisted grassroots employees in applying for 21 municipal scientific and technological innovation achievement awards for 2023, of which 6 were honored with the titles of "Outstanding Innovation Achievements in Employee Innovation Activities" and "Advanced Employee Operation Methods" this year.



Awards from the "Five Small" Innovation Achievement Competition



Deepening Corporate Responsibility Operations

Zhongfu Shenying adheres to the principles of integrity, fairness, and transparency, respects and safeguards the legitimate rights and interests of partners, and strives to build mutually beneficial and trustworthy cooperative relationships. Together with our partners, we are committed to creating a sustainable operating environment. This year, 100% of the Company's suppliers signed anti-corruption cooperation agreement.

Implementing Green Procurement

Supplier ESG Audits

- **Entry Stage:**
A multi-department supplier evaluation team is established to review and conduct on-site audits of suppliers' environmental management, occupational health and safety management, and other ESG-related practices. Relevant documents such as the "Supplier Survey Form" and "Supplier Risk Assessment Form" are created. Only qualified suppliers are included in the list of approved suppliers.
- **Routine Audits:**
Methods such as document reviews and on-site inspections are used to conduct annual audits, routine spot checks, and usage-phase inspections of suppliers, ensuring continuous control over their ESG performance.
- **Performance Evaluation:**
An annual performance evaluation is conducted for all suppliers, including ESG-related performance assessments. Suppliers with unsatisfactory evaluations are disqualified, and the list of approved suppliers is revised based on the results, achieving dynamic supplier management.

Enhancing Supplier ESG Awareness

- Advocate green procurement and give preference to suppliers with low-carbon and environmentally friendly production processes under the same conditions, so as to effectively promote the low-carbon development of the supply chain.
- Long-term suppliers are required to sign compliance agreements and other compliance agreements, requiring both parties to jointly comply with national laws and regulations and relevant internal management regulations, so as to ensure that the cooperation between the two parties is honest and transparent.

Implementing Responsible Marketing

Zhongfu Shenying upholds a customer-centric service philosophy, continuously improving service quality and actively responding to customer needs. The Company focuses on building a comprehensive and systematic service network, enhancing brand marketing capabilities through regular customer visits, invitations to renowned domestic and international exhibitions, and the distribution of internal publications. This year, the Company revised its customer management system to standardize daily sales processes and improve service communication efficiency.

Expanding High-End Markets

This year, the Company deepened the application of carbon fiber in high-end manufacturing and clean energy sectors. Based on high-quality products and efficient R&D, we steadily advanced in domestic and international markets, further solidifying the foundation of our "high-end" strategy.

Established a carbon fiber photovoltaic application technology research group to further develop and verify the feasibility of carbon fiber applications in more areas.

Accelerated the expansion of overseas applications in pressure vessels, wind power, and sports sectors, conducting visits to key overseas clients and taking solid steps toward global expansion.

Actively responded to the latest demands in the electronics 3C and new energy vehicle sectors, engaging in in-depth communication with customers to broaden carbon fiber application scenarios.

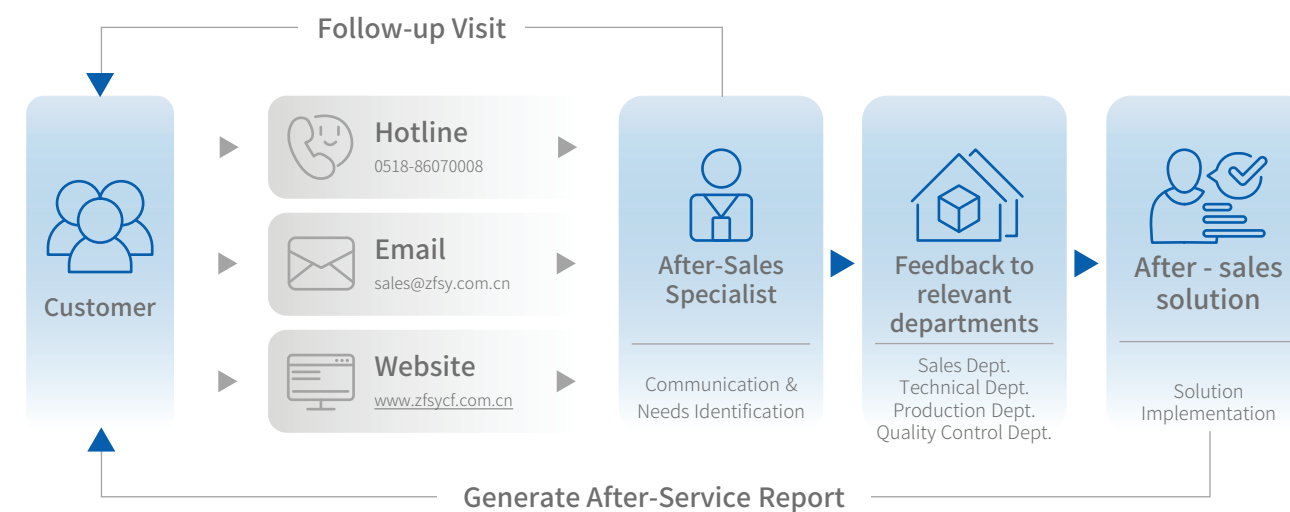


Customer Complaint Management

The Company actively responds to customer complaints and consistently adheres to the "Delivery and Service Control Procedures," ensuring that customer complaints are handled by designated departments, following standardized processes, and employing efficient resolution methods. The Company requires that complaints be acknowledged within 24 hours and resolved within 48 hours, ensuring prompt attention to customer feedback.

This year, to further optimize customer complaint management, the Company implemented a series of measures to enhance complaint handling efficiency:

- Established a dedicated customer service team and provided professional training to improve communication skills, problem-solving abilities, and emotional management, thereby enhancing the capacity to handle customer complaints.
- Added after-sales service representatives and product delivery managers to provide one-on-one follow-up throughout the "pre-sale, during-sale, and post-sale" stages, ensuring real-time tracking and timely feedback on customer needs.
- Expanded communication channels, including phone, WeChat, and email, to offer customers multiple ways to communicate.
- Implemented a digital system to record and track complaints, improving transparency in the complaint handling process.
- Adopted cross-departmental collaboration to identify and resolve recurring issues, increasing processing efficiency.
- Using scientific analysis to find the root of problems, improve product quality step by step, and boost customer satisfaction.
- Strengthened customer privacy protection measures, strictly adhering to privacy policies and requiring all employees to sign confidentiality agreements to ensure customer information is safeguarded, maintaining customer trust.



Customer Complaint Handling Process at Zhongfu Shenyang

Customer Satisfaction Surveys

The Company continuously implements the "Customer Satisfaction Measurement Control Procedures," regularly conducting satisfaction surveys covering product performance, service quality, and delivery timeliness to effectively gather feedback on the Company's products and services. Based on the survey results, the Company generates satisfaction reports, formulates targeted improvement plans, and monitors the effectiveness of these measures, ensuring a closed-loop management system for service enhancement.

This year, the Company set and achieved a management goal of maintaining an average satisfaction score of no less than **95** for two consecutive years.



Dedicated to Creating Social Value

Zhongfu Shenying actively fulfills its social responsibilities, consistently focusing on the well-being of the communities where it operates. Leveraging its business and resource advantages, the Company continues to support rural revitalization and public welfare initiatives, contributing to social progress, enhancing people's livelihoods, and realizing the vision of "a better life for the people."

Demonstrations of Responsibility

Continuous Four-Year "Shenying Scholarship" Program

In October 2024, the Youth League Committee of Zhongfu Shenying's Xining branch

assisted

6 impoverished students from Houyao Village,
Handong Township, Huangzhong District

providing a total of

12,000 RMB
in scholarships



Case | Shenying Xining Boosts Rural Revitalization

In April 2024, responding to the Xining General Trade Union's call for rural poverty alleviation, Shenying Xining donated poverty alleviation funds and medicines worth a total of 60,000 yuan to 85 households in Xiakuan Village, Duolin Town, Datong County, Xining.



Case | Shenying Xining Launches Fundraising Campaign

In December 2023, a 6.2 - magnitude earthquake struck Jishishan County, Linxia, Gansu Province, affecting Zhongchuan, Guanting and other townships in Minhe County, Hai dong Prefecture, Qinghai Province and causing significant casualties and property damage. The Shenying Xining Company Trade Union called for active donations from its employees, with 1,965 people participating and a total of 89,700 yuan raised, demonstrating the cohesion and unity of the Company's employees.



Case | Celebrating New China, Inspiring Young Minds | Zhongfu Shenying Hosts "Resource Efficiency Day" Open Event

In August 2024, Zhongfu Shenying hosted the fifth "Resource Efficiency Day" open event under the China National Building Materials Group, themed "Celebrating New China, Inspiring Young Minds." The event invited over 100 children and family members of employees to immerse themselves in the Company's environment, embarking on a warm and engaging "Shenying Walk." Participants visited the corporate exhibition hall to learn about the history and applications of carbon fiber, gaining insight into Zhongfu Shenying's commitment to national responsibility, overcoming global carbon fiber challenges, and realizing the dream of "Made in China" carbon fiber. Additionally, children participated in carbon fiber tensile experiments, deepening their understanding of its exceptional properties and sparking their interest in scientific knowledge.



■ Celebrating New China, Inspiring Young Minds" Youth Science Open Day Event



■ Shenying Xining Donates Aid Funds



■ Collective Fundraising for Jishishan Earthquake Relief

Sustainable development KPIs⁹

Environmental KPIs

Indicator		Unit	2023	2024
Energy				
Comprehensive energy consumption		tce	180,371.63	163,336.09
Comprehensive energy consumption per ton of carbon fiber		tce/ton carbon fiber	8.67	8.32
Total direct energy consumption ¹⁰		tce	2,589.08	2,045.55
Total indirect energy consumption ¹¹		tce	177,782.55	161,290.54
Include: Total purchased electricity consumption		tce	61,549.34	55,859.24
Include: Total purchased heat consumption		tce	116,233.21	105,431.30
Greenhouse Gas				
Total GHG emissions ¹²		ton of CO ₂ e	650,218	586,016
GHG Emission per ton of carbon fiber		ton of CO ₂ e/ton carbon fiber	31.24	29.85
Include: Direct GHG emissions(Scope 1) ¹³		ton of CO ₂ e	4,642	20,420
Include: Indirect GHG emissions(Scope 2)		ton of CO ₂ e	645,576	565,596
Waste				
Hazardous waste generated		ton	1,941.16	1,504.98
Hazardous waste generated per ton of carbon fiber		ton/ton carbon fiber	0.09	0.08
Non-hazardous waste generated		ton	2,741.90	2,720.92
Non-hazardous waste generated per ton of carbon fiber		ton/ton carbon fiber	0.13	0.14
Waste disposal ¹⁴	Industrialized treatment	ton	1,010.30	2,661.56
	Landfill	ton	1,251.20	350.00
	Incineration power generation	ton	492.36	40.00
	Incineration without power generation	ton	1,929.20	1,298.36

Indicator		Unit	2023	2024
Resources consumption				
Consumption of non-renewable materials		10,000 ton	4.35	3.89
Materials consumption per ton of carbon fiber		ton/ton carbon fiber	2.09	1.98
Total water discharge		10,000 ton	173.64	118.21
Total water withdrawal ¹⁶		10,000 ton	313.71	243.35
Total water withdrawal per ton of carbon fiber		ton/ton carbon fiber	150.72	123.96
Recycled water consumption		10,000 ton	10,103.66	10,248.81
Environmental protection investment				
Environmental protection expenditure ¹⁷		10,000 RMB	3,770.72	2,733.75

9 The coverage of the following KPIs is the same as that of the consolidated statements. In case of any discrepancies between the total number and the sum of the data and ratios disclosed herein, it is due to rounding.

10 Direct energy consumption mainly covers natural gas. The result is calculated in accordance with the General Rules for Calculation of the Comprehensive Energy Consumption (GB/T2589-2020).

11 Indirect energy consumption covers purchased electricity and purchased heat. The result is calculated in accordance with the General Rules for Calculation of the Comprehensive Energy Consumption (GB/T2589-2020).

12 The calculation of GHG-related emissions has referred to the Notice on the Key Work Related to the Management of Enterprise Greenhouse Gas Emission Reporting in 2022 ,the General Guideline of the Greenhouse Gas Emissions Accounting and Reporting for Industrial Enterprises (GB/T32150-2015), as well as other national and international standards.

13 This year, the Company has adjusted its energy consumption structure by increasing the proportion of natural gas usage. As a result, the proportion of Scope 1 and Scope 2 greenhouse gas emissions has shifted accordingly.

14 In response to external policies related to waste management, the Company has revised its methods for disposing of non-hazardous waste.

15 All water acquired by the Company is from tap water that provided by the third-party Company, and there is no water acquired by high water pressure regions.

16 Environmental protection expenditure includes the expenditures for environmental protection and ecological restoration.

Social KPIs

Indicator		Unit	2023	2024
Employees				
Total number of employees		Person	3,719	2,955
By gender	Male	Person	2,139	1,734
	Female	Person	1,580	1,221
By ethnicity	Han employees	Person	3,414	2,735
	Minority employees	Person	305	220
By position level	Senior employees	Person	9	9
	Include: Female	Person	2	2
	Middle-level employees	Person	70	77
	Include: Female	Person	20	22
	General employees	Person	3,640	2,869
	Include: Female	Person	1,558	1,197
By age	Under 30 years old	Person	1,455	928
	30-50 years old	Person	2,169	1,944
	Over 50 years old	Person	95	83
Employees with STEM ¹⁷ relative work		Person	325	303
Include: Female employees with STEM relative work		Person	73	76
Total number of newly recruited employees		Person	1,082	366
Include: Total number of internally recruited employees		Person	143	144
Total number of internally recruited employees		%	13.22	39.34
Employee turnover rate ¹⁸		%	14.52	14.26
Employee training				
Average training hours of employees		hours	128.61	110.20

Indicator		Unit	2023	2024
By gender	Male	hours	127.07	110.17
	Female	hours	130.73	110.22
By position level	Senior employees	hours	38.89	103.11
	Middle-level employees	hours	128.62	116.45
	General employees	hours	128.85	110.05
By age	Under 30 years old	hours	128.08	111.08
	30-50 years old	hours	130.63	110.86
	Over 50 years old	hours	88.82	84.48
Number of environmental training sessions and participants	Number of environmental training sessions	Case	10	12
	Number of environmental training participants	Person-time	3,078	1,103
Employee's right				
Number of employees joining staff union		人	3,719	2,955
Percentage of employees joining staff union		%	100	100
Percentage of employees signing collective contracts		%	100	100
Percentage of employees represented through the staff and workers' congress		%	100	100
Safety and health				
Number of work-related fatalities		Person	0	0
Death rate per 1,000 employees		‰	0	0
Number of deaths of contractors due to work		person	0	0
Number of lost workdays due to occupational injuries		day	0	0
Lost time injury frequency rate (LTIFR) for employee		day	0	0
Lost time injury frequency rate (LTIFR) for contractor		day	0	0
Expenditure for production safety		10,000 RMB	1,981.51	1,797.08

Indicator		Unit	2023	2024
R&D				
Number of intellectual property	Patents applied for during the year	piece	230	269
	where patents for inventions	piece	123	166
	Patents granted during the year	piece	95	107
	where patents for inventions	piece	17	12
	Cumulative valid patents	piece	212	319
	where patents for inventions	piece	47	59
	Cumulative software copyrights registered	piece	3	5
Responsible operation				
Proportion of customers participating in satisfaction surveys		%	100	100
Average satisfied rate of customer ¹⁹		%	95	96.35
Number of cases of employees violating corporate Code of Conduct (Including corruption or bribery, discrimination or harassment, customer privacy leaking, conflicts of interest, money laundering, or insider trading)		case	0	0
Number of sign of integrity agreement	Signed Party Conduct and Integrity Building Responsibility Agreements	number	24	36
	Signed Integrity and Self-discipline Commitment Agreements	number	205	218
Supplier management				
First tire supplier with training happened ²⁰		number	165	178
Important first tier supplier with training happened ²¹		number	17	17
Percentage of expenditure that trading with important first tier supplier to total expenditure with all suppliers		%	27.59	35.60

Indicator		Unit	2023	2024
Important supplier non-first tier supplier with training happened		number	0	0
Total number of important supplier in the year		number	55	60
Number of supplier that undertake desk and on-site assessment		number	55	63
Number of supplier that engaged the Company's capacity building programs		number	8	8
Ratio of important supplier to total suppliers that engaged the Company's capacity building programs		%	30.9	28.0
Public welfare				
Investment to public welfare		10,000 RMB	46.6	16.2
Educational assistance	Number of needy who accept the assistance	Person-time	17	26
	Costs to needy who accept the assistance	10,000 RMB	2	1.3
	Total number of assistance to University student	person	25	13
	Total amount of scholarships distributed in the year	10,000 RMB	10	1.3
Welfare event	Offering condolences to employees in need	Person-time	34	34
	Costs to offering condolences to employees in need	10,000 RMB	4.67	4.34

17 STEM stands for Science, Technology, Engineering, and Mathematics.
18 Employee turnover rate = number of employees turned over throughout the year / number of employees at the end of the period.
19 Customer satisfaction refers to the score calculated through the results of the annual customer satisfaction survey.
20 First tier supplier is the supplier who take direct trading with the Company.
21 Important supplier is the **combination** of category A and category B.

Perspective

Looking to the future, Zhongfu Shenying will continue to deepen the implementation of the green and high-quality development concept, firmly anchor the strategic direction of "green, high-end, international, large-scale", and combine the core ideas of "innovation-driven breakthroughs, in-depth market demand, and quality lean management". It will deepen the enabling role of its products in the green transformation of the entire industrial chain, accelerate the construction of a low-carbon circular system for the carbon fiber industry, and comprehensively enhance the competitiveness of the enterprise in the global value chain. With determination and unity, Zhongfu Shenying will strive to create green and high-quality carbon fibers, and contribute to the evolution of the global carbon fiber industry towards greater efficiency, cleanliness, and sustainability.

Appendix

Index table of indicators

Index of Reference of ESG Indicators System for ESG Reports of Listed Companies Controlled by Central Enterprises

Disclosure			Chapter, page number or other descriptions
Environmental			
Primary indicators	Secondary indicators	Tertiary indicators (to be filled)	
Resource consumption	Water	E1.1.1 Fresh water usage	Environment - Continuing to Promote Environmentally Friendly Production; Index table of indicators - Environmental KPIs
		E1.1.2 Circulating water consumption	
		E1.1.3 Percentage of recycled water usage	
		E1.1.4 Intensity of water consumption	
Resource consumption	Energy	E1.3.1 Fossil energy consumption	Index table of indicators - Environmental KPIs
		E1.3.2 Non-fossil energy consumption	
		E1.3.3 Proportion of non-fossil energy use	
		E1.3.4 Total energy consumption	
		E1.3.5 Energy intensity	
Prevention and control of pollution	Packaging materials	E1.4.2 Packaging material lightweight reduction	Environment - Accelerating the Transition to Low-Carbon Production
	Wastewater	E2.1.1 Wastewater discharge compliance	Environment - Continuing to Promote Environmentally Friendly Production; Index table of indicators - Environmental KPIs
		E2.1.2 Wastewater management and abatement measures	
		E2.1.3 Wastewater discharge	
		E2.1.4 Wastewater pollutant emissions	
		E2.1.5 Wastewater pollutant discharge concentration	
	Waste gas	E2.2.1 Waste gas emission compliance	
		E2.2.2 Emissions of waste gas pollutants	
		E2.2.3 Waste gas pollutant emission	
	Solid waste	E2.3.1 Legal compliance for solid waste disposal	Environment - Continuing to Promote Environmentally Friendly Production; Index table of indicators - Environmental KPIs
		E2.3.2 General industrial solid waste management	
		E2.3.3 General industrial solid waste disposal	
Prevention and control of pollution	Solid waste	E2.3.4 Hazardous waste management	Environment - Continuing to Promote Environmentally Friendly Production; Index table of indicators - Environmental KPIs
		E2.3.5 Hazardous waste disposal volume	

Disclosure			Chapter, page number or other descriptions
Primary indicators	Secondary indicators	Tertiary indicators (to be filled)	
Climate Change	GHG emissions	E3.1.1 Sources and types of greenhouse gases	Environment - Proactively Addressing Climate Change; Index table of indicators - Environmental KPIs
		E3.1.2 Greenhouse gas emissions management	
		E3.1.3 Scope I emissions	
		E3.1.4 Scope II emissions	
Climate Change	Emission reduction management	E3.1.6 Greenhouse gas emission intensity	Environment - Accelerating the Transition to Low-Carbon Production; Index table of indicators - Environmental KPIs
		E3.2.1 Greenhouse gas emission intensity	
		E3.2.2 Greenhouse gas emission reductions	
		E3.4.1 Climate risk management	
Resource and environmental management systems and measure	Climate risk management	E3.4.1 Climate risk management	Environment - Proactively Addressing Climate Change
	Low-carbon development goal setting and strategic measures	E5.1.1 Low-carbon development goal-setting and strategic measures	Sustainable Development Column - Sustainable Development Strategy; Environment - Accelerating the Transition to Low-Carbon Production
	Resource management measures	E5.2.1 Water use management	Environment - Continuing to Promote Environmentally Friendly Production; Environment - Accelerating the Transition to Low-Carbon Production; Index table of indicators - Environmental KPIs
		E5.2.2 Material Use Management	
	Green actions and measures	E5.2.3 Energy use and energy conservation management	Environment - Accelerating the Transition to Low-Carbon Production; Index table of indicators - Environmental KPIs
		E5.4.1 Cleaner production	
		E5.4.2 Green technologies and recycling	
	Green/ low-carbon certifications	E5.4.4 Green office and operations	Environment - Accelerating the Transition to Low-Carbon Production; Index table of indicators - Environmental KPIs
		E5.4.5 Green procurement and green supply chain management	
		E5.5.1 Environmental management system certification	
Resource and environmental management systems and measure	Green/ low-carbon certifications	E5.5.2 Green low carbon enterprise certification	Environment - Accelerating the Transition to Low-Carbon Production
		E5.5.3 Certification of green and low carbon products and services	
Resource and environmental management systems and measure	Green/ low-carbon certifications	E5.6.1 Emergency response plan for environmental emergencies	Environment - Continuing to Promote Environmentally Friendly Production

Disclosure			Chapter, page number or other descriptions
Social			
Primary indicators	Secondary indicators	Tertiary indicators (to be filled)	
Employees' rights and interests	Recruitment and employment	S1.1.1 Corporate recruitment policy and implementation	
		S1.1.2 Employee structure	
		S1.1.3 Avoidance of child or forced labor	
	Employee remuneration and benefits	S1.2.1 Compensation philosophy and policy	
		S1.2.2 Working hours and rest and vacation	
		S1.2.3 Security of remuneration and benefits	
		S1.2.4 Democratic management of employees	
	Health and safety	S1.3.1 Employee occupational health and safety management	
		S1.3.2 Employee safety risk prevention and control	
		S1.3.3 Responding to safety accidents and workplace injuries	
		S1.3.4 Employee care and support	
Employee development and training	S1.4.1 Employee incentive and promotion policy		
	S1.4.2 Employee education and training		
Employee satisfaction	S1.5.1 Employee satisfaction survey		
	S1.5.3 Employee turnover		
Product and service management	Product safety and quality	S2.1.1 Policies and measures for standardised manufacturing management	
		S2.1.2 Quality management	
		S2.1.4 Negative events for products or services	
	Customer service and rights	S2.2.1 Customer satisfaction	
		S2.2.2 Customer complaints and responses	
	Innovative development	S2.3.1 R&D and innovation management systems	
		S2.3.2 R&D investment	
		S2.3.3 Achievements in Innovation	
		S2.3.4 Protection of intellectual property	

Disclosure			Chapter, page number or other descriptions
Primary indicators	Secondary indicators	Tertiary indicators (to be filled)	
Supply chain safety and management	Supplier management	S3.1.1 Supplier selection and management S3.1.2 Number and distribution of suppliers	Social - Deepening Corporate Responsibility Operations; Index table of indicators - Social KPIs
	Supply chain management	S3.2.1 Policies and measures in supply chain management S3.2.2 Supply chain security assurance and contingency plans S3.2.3 Significant risks and impacts (supply chain)	Social - Deepening Corporate Responsibility Operations
Contribution to society	Prosperity with the community	S4.2.1 Policies and measures in local community building S4.2.2 Contribution and impact on local communities	Social - Dedicated to Creating Social Value
	Social welfare activities	S4.3.1 Policies and measures to participate in social welfare activities S4.3.2 Investment and performance in social welfare activities	
	Response to national strategies	S4.4.1 Industrial transformation S4.4.2 Rural revitalisationand regional coordinated development	Social - Commitment to Technological Innovation; Social - Dedicated to Creating Social Value
Governance			
Primary indicators	Secondary indicators	Tertiary indicators (to be filled)	
Governance strategy and organisational structure	Governance strategy and process	G1.1.1 Governance strategy formulation G1.1.2 Governance policy supervision process G1.1.3 Approval and review process of governance policy G1.1.4 Party Building leads	Governance - Deepening Comprehensive Corporate Governance
	Organisational structure and functions	G1.2.2 Organizational structure and functions of the Board of Directors, the Board of Supervisors and the Management	
Standardised governance	Internal control	G2.1.1 Internal audit	
	Integrity building	G2.2.1 Regulations and norms of integrity construction G2.2.2 Effectiveness of integrity construction measures	

Disclosure			Chapter, page number or other descriptions
Primary indicators	Secondary indicators	Tertiary indicators (to be filled)	
Investor relation management and shareholders' equity	Investor relation management	G3.1.1 Investor relations management strategy	Governance - Smooth Communication with Stakeholders
		G3.1.2 Investor communication	
	Shareholders' equity	G3.2.1 Shareholders' Meeting (General Meeting)	
		G3.2.2 Shareholder communication	
Transparency in Information disclosure	Shareholders' equity	G3.2.3 Shareholders' right to know and participate in decisionmaking	
	Information disclosure policy	G4.1.2 Non-Financial information disclosure	Governance - Deepening Comprehensive Corporate Governance
	Quality of information disclosure	G4.2.1 Regular monitoring, auditing, and evaluation of all disclosed information compliance and risk management	Governance - Deepening Comprehensive Corporate Governance
Compliance operation and risk management	Compliance operation	G5.1.1 Compliance operation system	
		G5.1.2 Status of compliance system development	
Compliance operation and risk management	Compliance operation	G5.1.3 Specific process of compliance review	
	Risk management	G5.2.1 Risk identification and early warning	Governance - Deepening Comprehensive Corporate Governance
		G5.2.2 Risk control and tracking	
		G5.2.3 Risk reporting and management	

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Feedback

Dear readers,

Thank you for reading this report. To improve the ESG management and better meet your expectations, we expect your valuable feedback and suggestions.

Please fill in the following information, which will be kept confidential:

Name: Unit/Occupation:

Tel: Email:

Address: Postcode:



Close questions

1. Are you satisfied with this report as a whole ?
☐ Yes ☐ No ☐ Neutral
2. Is all the information you are concerned about available in this report?
☐ Yes ☐ No ☐ Neutral
3. Do you think this report faith fully presents Zhongfu Shenying’ s ESG work as well as the impact on stakeholders?
☐ Yes ☐ No ☐ Neutral
4. Can you easily locate the information you are concerned about in this report?
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5. Are you satisfied with the layout and design of this report?
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Open questions

1. Which aspect of this report are you most satisfied with?
2. What do you want to know more about Zhongfu Shenying?
3. Do you have any suggestions for our future ESG work/social responsibilities and ESG reporting?