



Stock Code 605166

2025 Environmental, Social and Governance Report

Juheshun Advanced Materials Co., Ltd.



Juheshun Advanced Materials Co., Ltd.

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About This Report

This report is the second Environmental, Social and Governance Report (hereinafter referred to as “this report”) issued by Juheshun Advanced Materials Co., Ltd. (hereinafter referred to as “Juheshun”, “the Company”, or “we”). Adhering to the principles of objectivity, standardization, transparency, and comprehensiveness, this report provides a detailed disclosure of the Company’s practices and performance in the areas of environmental protection, social responsibility, and corporate governance during the year 2025. It aims to facilitate effective communication with stakeholders and systematically respond to their expectations and requirements.

Reporting Scope



This report takes “Juheshun” as the main reporting entity and includes its subsidiaries. Unless otherwise specified, the scope of this report is consistent with that of the Company’s annual report.

Reporting Period



This report covers the period from January 1, 2025, to December 31, 2025 (hereinafter referred to as the “reporting period”). In order to enhance the comparability and completeness of the report, some of the contents may appropriately trace back to previous years or have certain forward-looking descriptions.

Preparation Basis



Self-Regulatory Guidelines for Listed Companies No. 14 - Sustainability Report (for Trial Implementation) issued by the Shanghai Stock Exchange
ISO 26000: Guidance on Social Responsibility (2010) issued by the International Organization for Standardization (ISO)
Sustainability Reporting Standards (“GRI Standards”) issued by the Global Reporting Initiative
Guide to Corporate Sustainability Reporting in China(CASS-ESG 6.0) issued by the China Enterprise Reform and Development Society
 Task Force on Climate-related Financial Disclosures (TCFD) Framework
 UN Sustainable Development Goals (SDGs)
 Sustainability Accounting Standards Board (SASB) Standards

Data Explanation



All information and data cited in this report is from the official internal documents, statistical reports and financial reports of Juheshun, and the data disclosed in this report is from the original data of the actual operation of Juheshun, public data of government departments, annual financial data, internal applicable statistical statements, third-party questionnaires, third-party assessment interviews, etc.
 This report doesn’t contain any false records, misleading statements, or material omissions. Unless otherwise specified, all amounts in this report are expressed in RMB.

Confirmation and Approval



This report was reviewed and approved by the Company’s Board of Directors on April 15th, 2026, and was subsequently released in conjunction with the Annual Report. The Company pledges to ensure that this report doesn’t contain any false records, misleading statements, or material omissions, and the Board of Directors is responsible for the authenticity, accuracy, and completeness of this report.

Access to This Report



This report is published in electronic format. It is available on the Company’s official website (<http://www.jhspa6.com>) and the Shanghai Stock Exchange website (<http://www.sse.com.cn>). If you have any questions or suggestions regarding this report, please contact us by email at jhsdm@jhspa6.com or by telephone at +86-571-82955559. This report is available in both Chinese and English. In the event of any discrepancy between the two versions, the Chinese version shall prevail.

Definition



Definitions of common words

The Company, we, Juheshun	refers to	Juheshun Advanced Materials Co., Ltd.
Juheshun Special, Special Materials	refers to	Hangzhou Juheshun Special Materials Technology Co., Ltd.
Juheshun Luhua	refers to	Shandong Juheshun Luhua New Materials Co., Ltd.
Shandong Juheshun	refers to	Shandong Juheshun New Materials Co., Ltd.
Changde Juheshun	refers to	Changde Juheshun New Materials Co., Ltd.
Lunan Chemicals	refers to	Yankuang Lunan Chemicals Co., Ltd.
Yongchang Holdings	refers to	Wenzhou Yongchang Holding Co., Ltd. (controlling shareholder)
Polyamide-6	refers to	PA6 (nylon 6)
Polyamide-66	refers to	PA66 (nylon 66)

Message from Chairman



“

To all partners:

As the seasons change and new chapters unfold, I would like, on behalf of Juheshun, to extend my sincerest gratitude to all partners who have long cared for and supported the Company's development. In 2025, we remained steadfast amidst the tides of industrial transformation, anchoring ourselves in sustainable development. We continued to advance on the path of green transformation, technological innovation, and social responsibility, striving to create greater value for our stakeholders and presenting to all parties our accountability and achievements for the year.

”

Upholding Integrity and Innovating, Anchoring the Industry Value Coordinates

"The wise adapt to the times; the knowledgeable respond to circumstances." We have always remained committed to our core business of polyamide new materials. While consolidating our leading position in the domestic market, we embrace globalization with an increasingly open mindset. By deepening collaboration across the industrial chain, we continuously enhance the core competitiveness and market reputation of our products, striving to establish Juheshun as a globally trusted brand in new materials. We firmly believe that only by deeply integrating industry expertise with value creation can we secure a strong foothold amid changing times and achieve sustainable, long-term development.

Relentless Pursuit, Activating the Engine of Innovation

"Only innovators advance; only innovators thrive." We continue to increase our investment in research and development and deepen industry-academia-research collaborations, focusing on technological breakthroughs and market applications for products such as nylon 66. Guided by a craftsman's spirit of excellence, we refine every product, while our open and inclusive innovation ecosystem brings together collective intelligence, continuously meeting the demand of downstream industries for high-performance and differentiated materials. We recognize that innovation is the inexhaustible driving force behind corporate development; only through continuous breakthroughs can we lead the future of the industry.

Mutual Growth, Building a Collaborative Social Ecosystem

"If you want to go fast, go alone; if you want to go far, go together." We actively implement the concept of a responsible supply chain, promoting collaborative development with upstream and downstream partners in the field of sustainable development, and jointly building a green, safe, and accountable industrial ecosystem. At the same time, with gratitude in our hearts, we actively engage in social welfare initiatives, giving back to society through concrete actions and fulfilling our responsibilities as a corporate citizen. We believe that a company's value lies not only in creating economic wealth but also in contributing to societal progress.

Green Empowerment, Mapping a Low-Carbon Development Blueprint

"Lucid waters and lush mountains are invaluable assets." We integrate the concept of green development throughout our entire production and operation process, continuously promoting energy conservation, consumption reduction, and the application of circular utilization technologies, striving to lower energy consumption and carbon emissions per unit of product. Our production bases actively explore the use of clean energy sources such as photovoltaics and energy storage, accelerating the transition to low-carbon and zero-carbon production models. Through concrete actions, we are committed to protecting the ecological environment and contributing Juheshun's green strength toward achieving China's "dual carbon" goals.

Intelligent Leadership, Opening a New Chapter in Lean Management

"To do a good job, one must first sharpen one's tools." We are accelerating the promotion of digitalization to empower decision-making management, and leveraging technologies such as big data, intelligence, and lean production processes to enhance management efficiency. Through digital empowerment, we achieve precise control and efficient coordination across the entire production process, injecting new momentum into the Company's high-quality development and setting an industry benchmark in intelligent manufacturing.

As we embark on a new journey, the mission rests on our shoulders. Juheshun will continue to uphold our original commitment: creating value for stakeholders, reducing environmental burden, and contributing to social well-being. With greater determination and pragmatic action, we will forge ahead on the path of sustainable development. We will continue to deepen our core business, pursue relentless innovation, and advance green development, working hand in hand with partners across all sectors to write a new chapter of high-quality growth for Juheshun and make an even greater contribution to the rise of China's new materials industry.

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About Juheshun

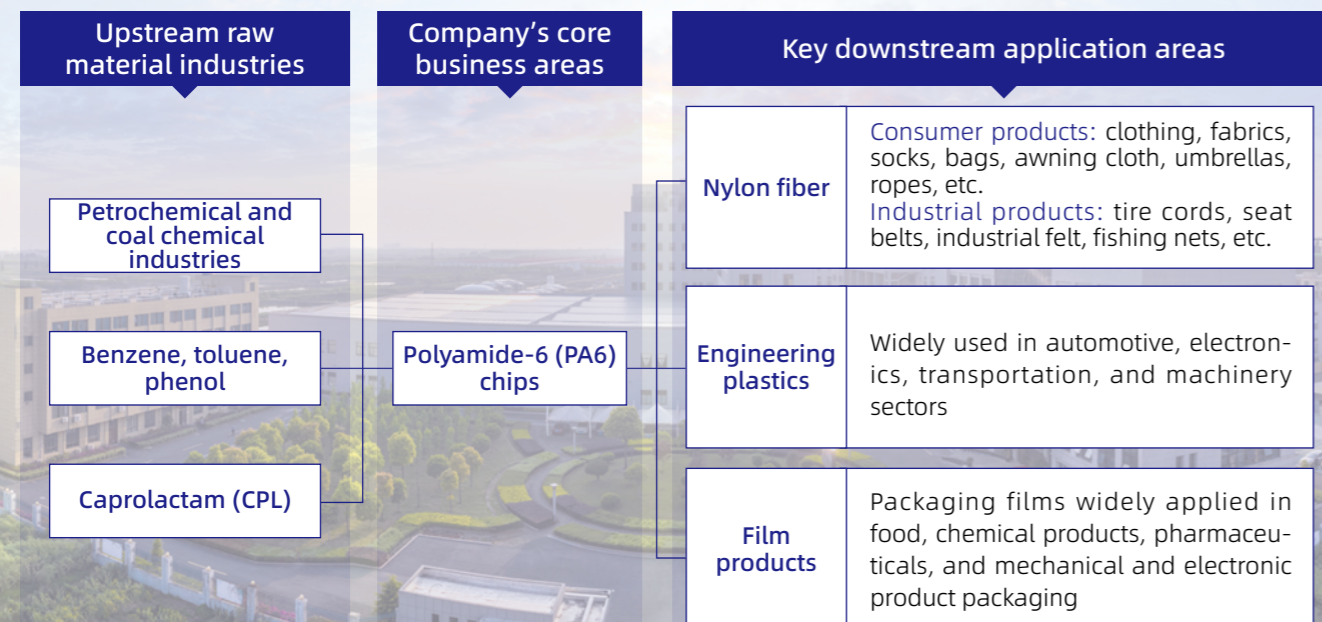
Company Profile

Juheshun Advanced Materials Co., Ltd. was established on November 1, 2013, with its headquarters located in Qiantang District, Hangzhou, Zhejiang. The Company is a national high-tech enterprise and a national specialized, refined, differential and innovative “Little Giant” enterprise, integrating R&D, production, and sales of polyamide-6 (nylon 6) chips.

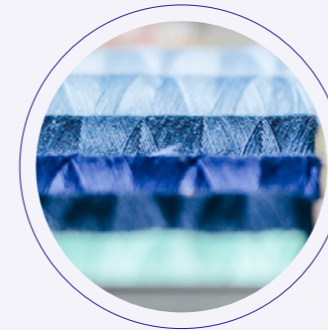
The Company’s core products are polyamide-6 chips (nylon chips), covering fiber-grade, engineering plastic-grade, film-grade, and specialty nylon categories. Its differentiated chip products are widely applied in textiles and apparel, automotive components, electronics and electrical appliances, and food and medical packaging. Leveraging regional advantages for extending and complementing the industrial chain, and being located near adiponitrile raw material sources, the Company actively develops the PA66 and other high-value-added nylon new materials sector. On June 18th, 2020, the Company successfully went public on the Main Board of the Shanghai Stock Exchange (stock code: 605166). With four major production bases in Hangzhou (Zhejiang), Zaozhuang (Shandong), Changde (Hunan), and Zibo (Shandong), combined with technological and R&D strengths, Juheshun has become a leading enterprise in domestic industry with polyamide-6 chips at its core.

Products and Services

Juheshun centers its operations on polyamide-6 (PA6) chips. As a midstream core intermediary in the nylon industry chain, the Company effectively connects upstream chemical raw materials such as caprolactam with diversified downstream applications in textiles, automotive, electronics and electrical appliances, packaging, and new energy sectors. At the same time, the Company actively develops the high-value-added nylon new materials sector, including polyamide-66 (PA66), forming a product matrix based on PA6 and extended into PA66. This enables downstream industries to achieve green upgrading, low-carbon transformation, and enhanced product performance with cost-effectiveness.



● Company Product Ecosystem



Fiber grade chips

01

Main applications: Applicable to the production of civil spinning and industrial spinning materials.

Product features: High spinnability, high strength, high dyeing, including J2403F, J2400F, J2416F and other different models.



Engineering plastic grade chips

02

Main applications: Applicable to the modification of nylon composite materials, the direct injection molding of engineering plastics, and the production of various high-load mechanical parts, electronic and electrical switches and equipment.

Product features: High strength, high toughness, anti-aging, high impact resistance and wear resistance, including J2000, J2400, J2500Z, J2700, J2800 and other different models.



Film grade chips

03

Main applications: Applicable to produce edible/medical packaging film, automotive lithium battery film

Product features: High bidirectional tensile, high strength, high barrier and high transparency, including J2800F, J3200M, J4001M and other different models.



Special nylon

04

Main applications: Widely used in automotive, communications, machinery, electronic appliances, aerospace, sports products, industrial and medical fields.

Product features: High temperature resistance, low water absorption, low temperature resistance, stable size, good toughness, wear-resistant & shock absorption, high rebound, light weight.

● Four Core Product Categories

Market layout



Juheshun’s sales and business network primarily covers the domestic market, with a year-on-year increase of 41% in overseas business revenue in 2025. The Company has established a comprehensive supply chain and marketing system, supported by a mature customer management framework. Domestically, the marketing network is centered in Hangzhou, closely connecting the East China region and extending to North China, South China, and Central China, effectively achieving full coverage across the Greater China market. At the same time, we place strong emphasis on and actively advance our overseas market presence and share. The Company’s core products are exported to Europe, South America, Oceania, and Southeast Asia, forming a dual-cycle market layout of “deep domestic cultivation and global expansion.” This structure efficiently meets the diversified downstream application demands of the textile, automotive, electronics, and new energy sectors.

Global sales layout

Development History



Corporate Culture



Corporate vision

Become a first-class polyamide new material solution provider



Corporate mission

Strive for international brand, achieve industrial power



Corporate spirit

Harmonious, diligent, pragmatic, innovative



Business philosophy

Create value for customers, seek development for employees; create profits for shareholders, take responsibility for society



Corporate core values

Integrity and law-abiding, quality first, focus on performance, constant innovation



Corporate culture concept

People-oriented, fine management; take factory as home, share the benefits



Work style

Rigorous, pragmatic, collaborative, efficient



Learning concept

Diligent in learning, good at communication, and make progress a little bit every day



Quality policy

People-oriented, quality first; customer respect, sincere and trustworthy



Environmental policy


Low carbon energy saving, comply with regulations; protect the environment, constant improvement



Marketing concept


Customer first, sincere service; work together, win-win cooperation

Corporate Honors




Economy and Information Technology Department of Zhejiang Province

Innovative Small and Medium-sized Enterprise in Zhejiang




Economy and Information Technology Department of Zhejiang Province

"Specialized, Refined, Differential and Innovative" Small and Medium-sized Enterprise of Zhejiang Province




Relevant Zhejiang Certification Authority

High-tech Enterprise of Zhejiang Province




Hangzhou Municipal Bureau of Economy and Information Technology

2025 Hangzhou Enterprise Technology Center




Zhejiang Enterprise Confederation, Zhejiang Entrepreneurs Association, Zhejiang Federation of Industrial Economics

Top 100 Fastest-Growing Enterprises of Zhejiang Province in 2025 (Ranked 55th)




Zaozhuang Enterprise Confederation

Top 100 Industrial Enterprises of Zaozhuang in 2024



Zaozhuang Enterprise Confederation

Top 100 Comprehensive Enterprises of Zaozhuang in 2024



Zaozhuang City Industrial and Information Technology Bureau

"One Enterprise, One Technology" R&D Center Enterprise of Zaozhuang in 2025

Performance in 2025

Economic Performance

Total operating income
RMB **5,523.6644** million

Net profit
RMB **163.7646** million

Net profit attributable to shareholders of the listed company
RMB **144.8443** million

Total assets
RMB **5,696.6861** million

Social Performance

Total number of employees
688 persons

Number of employee training sessions
1,134 sessions

Average training hours per employee
39.18 hours/person

Investment in work safety
RMB **3.1912** million

Investment in R&D
RMB **167.8235** million

Product percent of pass
99.84%

Customer complaint resolution rate
100%

Customer satisfaction
96%

Environmental Performance

Environmental investment
RMB **11.4963** million

Total participants of environmental training
699 participants

Total GHG emissions
tCO₂e **156,080.27**

Waste disposal compliance rate
100%

Wastewater recovery and utilization rate
12,325 tons

Total water consumption
63,914,753 tons

Electricity consumption
kWh **115,197,909**

Photovoltaic power capacity
kWh **8,355,419.60**

Electricity cost savings from photovoltaic power generation
RMB **5.381** million

Total energy consumption
tce **52,159.87**

Governance Performance

Number of General Meeting of Shareholders convened
7 times

Number of meetings of Board of Directors convened
12 times

Number of compliance trainings
4 times

Number of information disclosure announcements
125 announcements

Number of investor inquiries responded to via e-interaction platform
116 times

01

Sustainable Governance: Building a Solid Foundation for Long-Term Development

Juheshun consistently regards sustainable development as a core strategy for achieving high-quality corporate growth. It has been deeply integrated into the Company's corporate governance, strategic planning, and the entire process of production and operations. By actively collaborating with upstream and downstream partners across the industrial chain as well as various stakeholders, the Company strengthens the foundation for sustainable development through a well-structured governance system, promoting the coordinated advancement of economic, environmental, and social benefits while empowering the green and low-carbon transformation of the new materials industry.

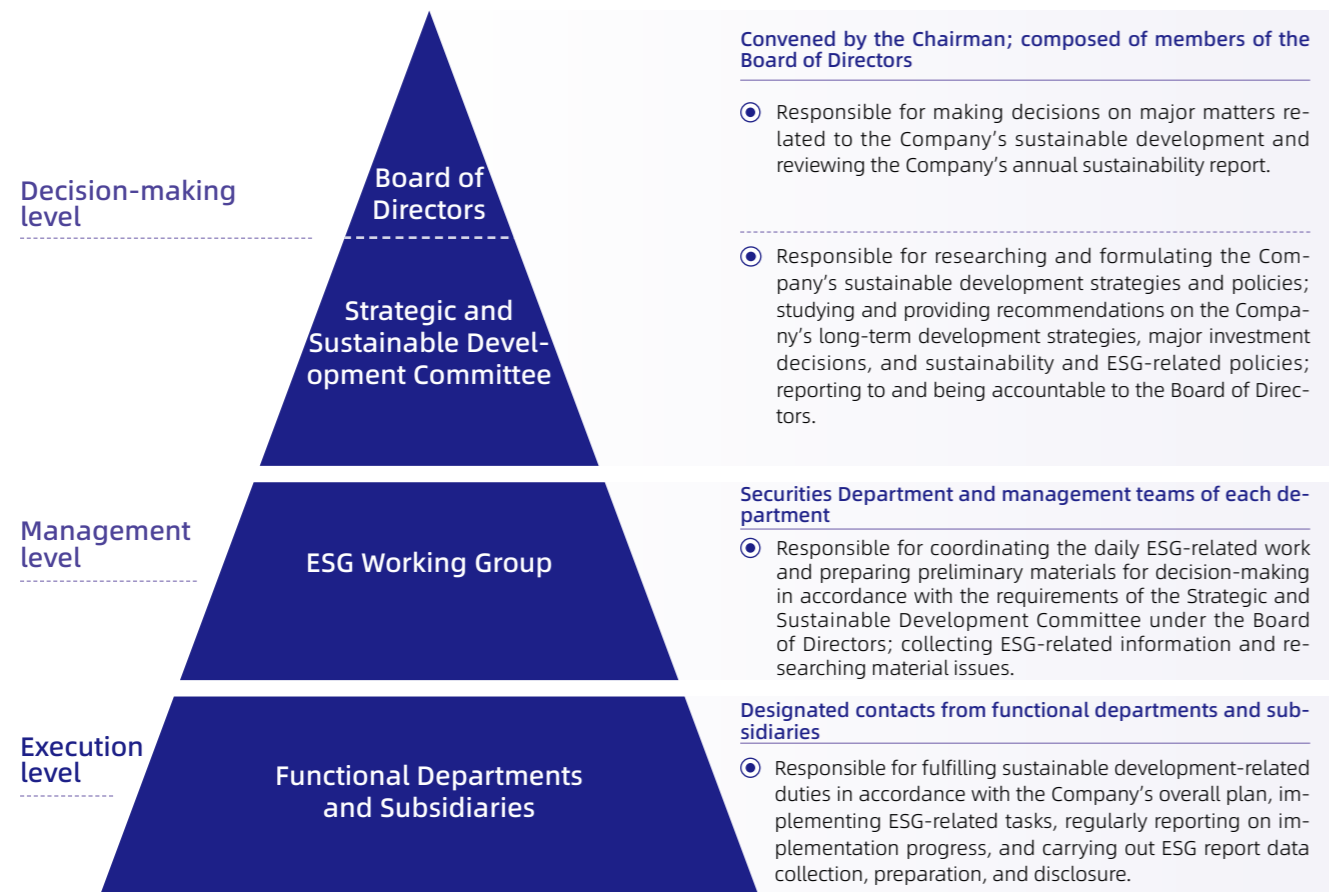
Contents of This Section

- Governance Framework for Sustainable Development
- Sustainable Development Risk Management
- Response to Sustainable Development Goals
- Communications with Stakeholders
- Analysis of Materiality Issues



Governance Framework for Sustainable Development

The Company consistently places sustainable development at a prominent position and continues to advance the development of its ESG management system in accordance with the sustainability guidelines of the stock exchange and other relevant requirements. In 2025, the Company established a sustainable development governance framework characterized by “overall coordination and decision-making by the Board of Directors, implementation by the management team, coordinated collaboration among various departments, and participation by all employees.” The Company also formulated the *Rules of Procedure for the Strategic and Sustainable Development Committee under Board of Directors*, deeply integrating ESG principles into corporate governance, operational decision-making, and daily operations. Through a sound institutional structure, efficient information mechanisms, rigorous supervision and assessment, the scientific integration of decision-making processes, and the enhancement of professional capabilities, the Company promotes the effective implementation of its sustainable development strategy.



The Company has established a sustainable development information reporting mechanism to ensure the authenticity, accuracy, and completeness of information. At the internal level, an information collection process of “regular departmental reporting—review by the responsible department—deliberation by management” has been established. Each production base and business department regularly reports performance data such as energy consumption, pollutant emissions, employee training, and the fulfillment of social responsibilities. These data are consolidated and analyzed by the designated ESG management department, forming special reports to support the Board of Directors’ decision-making. At the external level, the Company strictly complies with regulatory requirements and regularly publishes Environmental, Social and Governance (ESG) reports, proactively disclosing its sustainable development practices and achievements to stakeholders including investors, customers, suppliers, and communities, thereby enhancing the transparency of sustainability information.

To further promote the achievement of sustainable development goals, the Company is gradually establishing an ESG assessment system aligned with its business development. Key ESG performance metrics—such as energy consumption per unit of output value, environmental compliance rate, work safety incident rate, employee training coverage rate, and supplier compliance rate—have been identified and are being progressively incorporated into the performance evaluation system for management and employees in key positions, encouraging departments and employees to actively fulfill their sustainable development responsibilities. Looking ahead, the Company will further define corresponding assessment targets and reward-and-penalty mechanisms, systematically establishing a governance framework characterized by effective supervision and robust performance evaluation measures.

At the same time, the Company places emphasis on building a professional talent pool for sustainable development. By actively organizing specialized training on ESG policy interpretation, environmental protection technologies, and related topics, the Company continuously enhances employees’ ESG awareness and capabilities.



ESG Training Review

The Company engaged external experts to conduct ESG training for the management team and various departments. The training covered topics such as the latest ESG development trends and interpretation of ESG-related policies. This session enhanced the understanding of ESG among the management and departmental teams, improving the professional capabilities and expertise of the Company’s functional departments and management personnel.



Sustainable Development Risk Management

The Company places great importance on sustainable development risk management, establishing a risk management process of “risk identification → risk assessment and grading → prevention and control implementation → monitoring and review → optimization and improvement.” For risks of different levels, the Company develops specialized prevention and control plans, defines specific control measures and execution milestones, regularly tracks the progress of risk mitigation, and dynamically updates risk levels and control strategies, continuously enhancing its capacity to respond to risks.

Since the disclosure of its ESG reports, the Company has regularly conducted ESG risk identification and assessment. Considering industry characteristics and actual production and operational conditions, the Company evaluates the materiality of ESG topics through internal audits, cross-departmental reviews, and external benchmarking, systematically identifying potential risks for each topic and creating a risk and opportunity register. This register specifies risk levels, impact scope, and time-frames, and outlines corresponding mitigation measures. During the reporting period, the key sustainable development risks managed by the Company included, but were not limited to, environmental compliance risks, occupational health and safety risks, climate change transition risks, and product safety and quality risks, with detailed information provided in the relevant sections.









Response to Sustainable Development Goals

SDGs	Action Plan	Achievements
	Leverage the four major production bases to drive local employment, engage in community building and public welfare support, and contribute to local poverty alleviation.	The Hangzhou, Shandong, and Hunan bases created additional employment opportunities across multiple regions; implemented agricultural assistance projects to help increase farmers' income.
	Develop and produce food-contact grade film nylon pellets, strictly controlling product safety standards to ensure the safety of food packaging processes.	Film-grade pellets were stably supplied to the food packaging sector, with all products meeting national food-contact material safety standards.
	Implement occupational health management, conduct regular health check-ups for all employees, provide workplace safety protection, and deliver emergency health training.	In 2025, 100% of employees underwent occupational health check-ups; health protection training for special operations personnel achieved a 100% pass rate.
	Collaborate with universities to build R&D platforms for nylon technology; establish a tiered and categorized employee skills training system.	Strengthened industry-academia-research collaboration; in 2025, employee annual skills and safety training coverage reached 100% .
	Implement anti-discrimination employment policies, ensuring equal rights for male and female employees in recruitment, promotion, and compensation.	In 2025, no gender discrimination-related labor disputes occurred; female employees were evenly distributed across positions, with a fair promotion mechanism in place.
	Optimize water usage processes in production, promote compliant treatment of production wastewater, and implement water recycling technology upgrades.	In 2025, all production bases achieved compliant wastewater discharge; some bases realized recycling of production water, resulting in a year-on-year reduction in water consumption.
	Deploy photovoltaic and energy storage power stations across production bases, gradually increasing the proportion of clean energy use and reducing reliance on conventional energy.	In 2025, all photovoltaic power stations at production bases were operational; the share of green electricity increased year-on-year, continuously optimizing the energy structure for production.
	Protect employees' legal rights and improve compensation and benefits systems; promote capacity expansion and high-end product development, expanding domestic and overseas markets to drive revenue growth.	In 2025, net profit attributable to shareholders was RMB 144.8443 million, overseas sales revenue grew 41% ; 100% of employees had labor contracts and received reasonable compensation.
	Develop high-end polyamide-66 (nylon 66) product lines, upgrade production facilities at bases, and research high-value-added nylon new materials.	The Zibo polyamide-66 (nylon 66) project progressed steadily; high-end products from the Hangzhou base received unanimous customer recognition, and production facilities at all four bases were continuously optimized.

SDGs	Action Plan	Achievements
	Implement fair employment and compensation systems, support small and medium-sized enterprises in the supply chain, and leverage industrial advantages to promote regional industrial coordination at production bases, narrowing development gaps.	In 2025, no labor inequality disputes occurred; supply chain support initiatives were implemented, and industrial resource sharing and coordinated development across production bases were significantly enhanced.
	Practice green production principles, strictly control production pollution, and carry out community welfare and environmental co-construction activities around plant areas.	In 2025, all production bases met environmental discharge standards; community welfare activities were conducted without causing environmental impact to surrounding areas.
	Promote lean production, continuously reduce energy consumption per unit of product, implement recycling of production resources, and optimize full product lifecycle management.	In 2025, energy consumption per unit of product continued to decrease, aiming for the lowest level in the industry; the recycling rate of production resources increased year-on-year.
	Implement energy-saving technological upgrades in production processes, construct clean energy projects, and control carbon emission intensity during production.	Energy-saving upgrades were completed at each base; photovoltaic projects were put into operation to support carbon reduction, resulting in a decrease in production carbon emission intensity compared to the previous year.
	Strictly control production wastewater and solid waste discharge, and establish water pollution prevention mechanisms to avoid impacts of production activities on aquatic ecosystems.	In 2025, all production wastewater was treated and discharged in compliance with regulations, with no ecological damage to nearby rivers, lakes, or other water bodies.
	Standardize industrial solid waste classification, disposal, and recycling; carry out site greening to protect the terrestrial ecological environment around production bases.	In 2025, waste was disposed of or recycled in compliance with regulations; site greening coverage increased, and surrounding terrestrial ecosystems were well protected.
	Improve the governance system of the listed company, operate in compliance with laws, protect the rights of minority shareholders, and establish a fair internal management mechanism.	In 2025, operations were fully compliant with no violations; the rights of minority investors were safeguarded, and no internal management disputes occurred.
	Deepen industry-academia-research collaboration, promote coordination along the industrial chain, expand overseas market cooperation, and engage stakeholders to drive joint development.	In 2025, overseas market expansion achieved significant results, and stable, sustainable partnerships were established with core suppliers.

Communications with Stakeholders

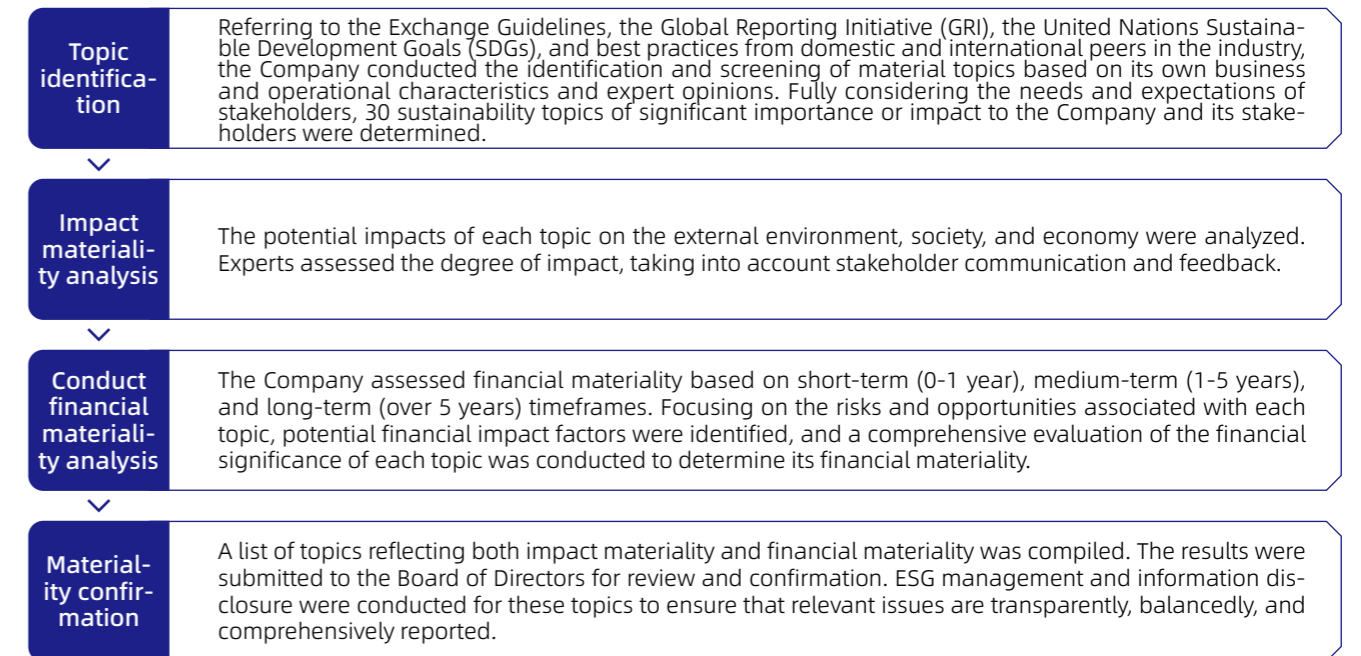
Juheshun places great importance on stakeholder communication and co-creation of value. Focusing on shareholders, investors, customers, suppliers, employees, government authorities, and communities, the Company has established multi-dimensional and regular communication channels to fully listen to the needs of all parties, promote coordinated development among stakeholders, and consolidate collective efforts for the sustainable development of the enterprise.

Stakeholder Category	Demands and Expectations	Communication Channels	Countermeasures
 Government and regulatory agencies	National strategic response Compliance operation Risk management Commercial ethics	Government inspection Compliance inspection Regular meeting communication Participate in government cooperation, exchange and discussion activities	Compliant operation Improve corporate governance structure Respond to national policies
 Shareholders/investors	Stable return on investment Transparent information disclosure Compliance operation Risk management Intellectual property protection Scientific and technological innovation	Regular reports and interim announcements General meeting of shareholders Performance presentation Investor hotline Corporate survey	Enhance operational capability Strengthen risk management Disclose information publicly Continuously innovate and conduct R&D Actively provide shareholder returns
 Customers	Product quality and safety Customer service Responsible business and marketing Scientific and technological innovation Data security	Customer communication and cooperation Customer satisfaction survey Customer daily communication Customer information confidentiality	Strengthen product quality control Continuously innovate and conduct R&D Improve customer service systems and feedback mechanisms Enhance information security protection
 Employees	Employment and employee rights Equality, inclusiveness and diversity Employment development and training Occupational health and safety	Employee training Regular working meeting Employee symposium, democratic communication Employee engagement survey Employee activities	Establish competitive compensation and benefits systems Conduct regular employee training Provide platforms for employee development Organize employee activities Assist employees in need
 Suppliers and partners	Sustainable supply chain management Supplier empowerment Sunshine procurement	Supplier exchange and communication Supplier conference Phone/email communication	Eliminate commercial bribery Strengthen supplier audits Participate in industry exchanges Join industry organizations
 Industry associations	Promotion of industry development Comply with industry standards Promotion of product innovation	Industry seminars Industry exhibitions Industry conference	Participate in standards formulation Strengthen industry-university-research collaboration
 Community and the public	Help industry development Social public benefit contribution Protection of ecological environment	Community visits Public welfare activities Rural revitalization Environmental protection	Support rural revitalization Participate in philanthropic endeavors Focus on habitat conservation
 Media	Information disclosure and dissemination Responsible business and marketing	Regular/temporary information disclosure Marketing information review	Improve information disclosure mechanisms Optimize public opinion feedback channels

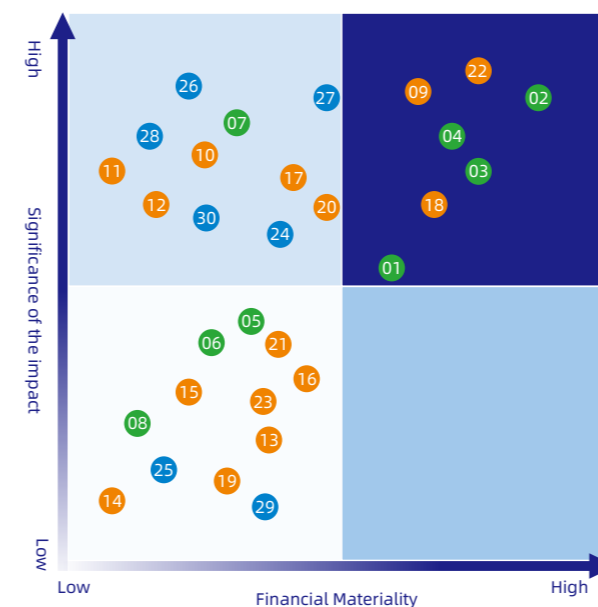
Management of Material Topics

Juheshun places great emphasis on the management of material topics in sustainable development. During the reporting period, the Company referred to the *Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 14 - Sustainability Report (for Trial Implementation)* and international disclosure standards such as the GRI Standards. By incorporating both impact materiality and financial materiality perspectives, the Company identified substantive topics, assessed their significance, and developed the 2025 Materiality Matrix.

Assessment Process of Material Topics



Materiality Issues Matrix



Environment

- 01 Address Climate Change
- 02 Environmental Compliance Management
- 03 Waste Management
- 04 Pollutant Emissions
- 05 Energy Utilization
- 06 Water Resources Management
- 07 Recycling Economy
- 08 Ecosystem and Biodiversity Conservation

Governance

- 24 Compliance Operation and Risk Management
- 25 Due Diligence
- 26 Communications with Stakeholders
- 27 Anti-Commercial Bribery and Anti-Corruption
- 28 Investor Relations Management
- 29 Anti-Unfair Competition
- 30 ESG/Sustainability Management

Society

- 09 Occupational Health and Work Safety
- 10 Employee Rights & Interests and Welfares
- 11 Employee Training and Development
- 12 Inclusive and Diverse Workplace Environment
- 13 Community Development and Public Welfare
- 14 Rural Revitalization and Common Prosperity
- 15 Employment Promotion
- 16 Intellectual Property Protection
- 17 Scientific and Technological Innovation
- 18 Supply Chain Security
- 19 Equal Treatment of Small and Medium-Sized Enterprises
- 20 Industrial Chain Coordination
- 21 Responsible Procurement
- 22 Product Quality and Safety
- 23 Information Security and Privacy Protection

02

Robust Governance: Strengthening Unity to Promote Development

Juheshun has always regarded sound governance as the cornerstone of corporate development. The Company continuously improves its governance system, reinforces compliance management and internal control mechanisms, actively upholds business ethics, and safeguards shareholders' rights through diversified and transparent investor communication channels, thereby ensuring sustainable development and long-term value creation.

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- Corporate Governance
- Investor Relations Management
- Compliance Management
- Commercial Ethics
- Party Building Guidance

SDG Addressed



Corporate Governance

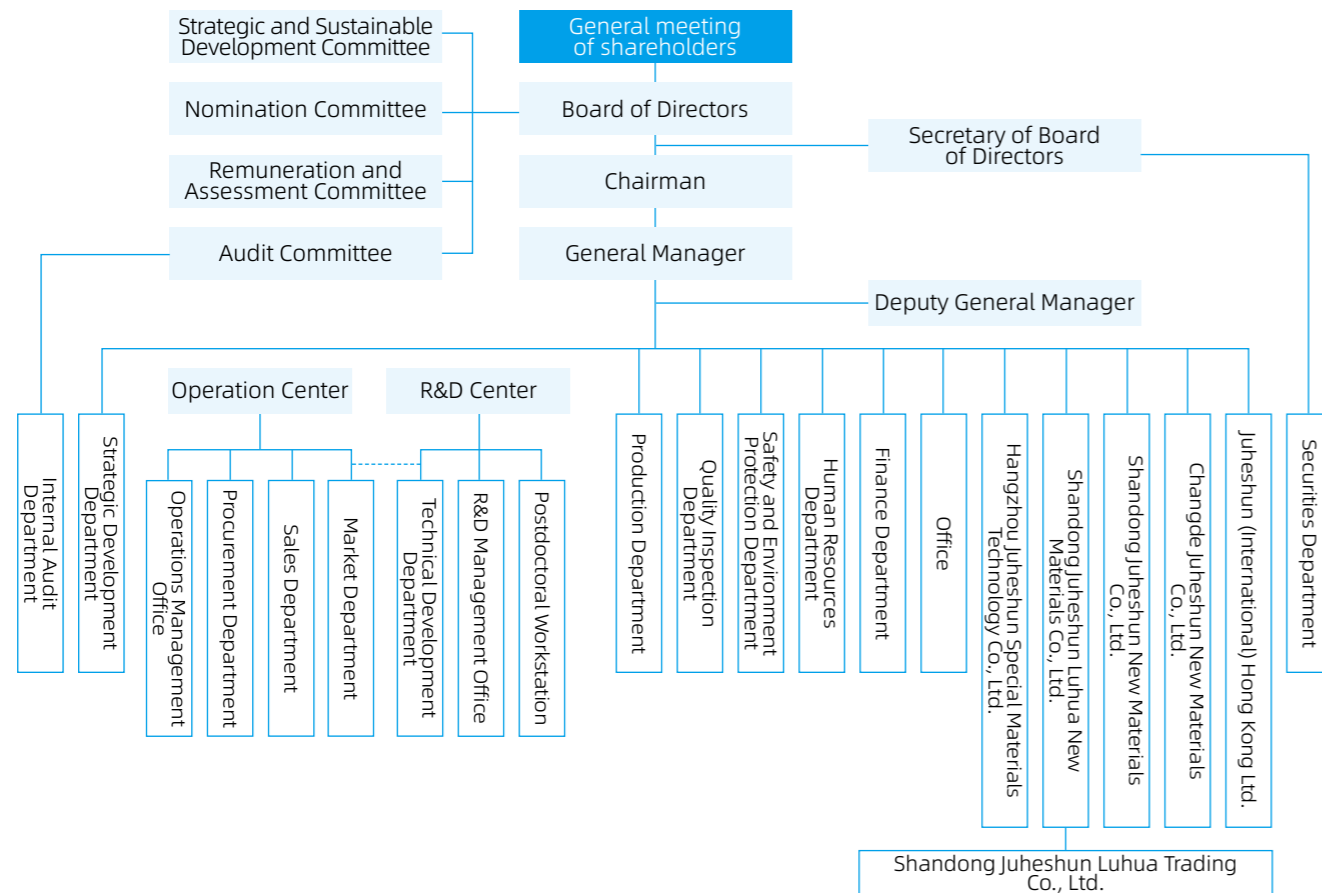
Juheshun continuously improves its corporate governance structure, strengthens the functions of the Board of Directors, optimizes the functions and responsibilities of the four committees, attaches importance to the professional performance of independent directors, and safeguards shareholders' rights. The Company promotes diversity, professionalism, and independence among board members and comprehensively enhances corporate governance effectiveness to support the Company's stable and long-term development.

Governance Structure and Functions

The Company strictly complies with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies*, and other relevant laws, regulations, and regulatory requirements. It has established a modern corporate governance system centered on the *Articles of Association*, encompassing the *Rules of Procedure for Shareholders' Meetings*, *Rules of Procedure for Meetings of Board of Directors*, *Independent Directors' Work System*, and other internal governance policies.

During the reporting period, in accordance with new regulatory requirements and aligned with the Company's operational and development needs, Juheshun revised existing systems, including the *Articles of Association*, and introduced multiple new management policies such as the *Interim Management System for Deferred and Exempted Information Disclosure* and the *Market Value Management System*, further improving the corporate governance framework and operational management structure. During the reporting period, the Board of Directors deepened governance reforms by abolishing the Board of Supervisors, thereby clarifying the boundaries of authority and responsibility. The powers of the General Meeting of Shareholders were strengthened, the Board of Directors' central role in strategic decision-making was emphasized, and the management team's operational responsibilities were reinforced. This established a modern governance structure with a clear separation and effective checks and balances among decision-making, supervision, and execution, further enhancing governance oversight and effectiveness.

Organizational Structure of Juheshun Advanced Materials Co., Ltd.



General Meeting of Shareholders

The General Meeting of Shareholders is the Company's highest authority. The Company strictly follows the *Articles of Association*, *Rules of Procedure for General Meeting of Shareholders*, and other relevant regulations to standardize the convening process, meeting procedures, and voting mechanisms. It ensures equal participation rights for minority shareholders and effectively safeguards all shareholders' legal rights, including the right to information, the right to participate, and the right to vote.

Key performance

The General Meeting of Shareholders convened **7** meetings, and deliberated **26** proposals

Board of Directors

As the Company's highest governance body, the Board of Directors exercises its authority in accordance with the *Articles of Association* and *Rules of Procedure for Meetings of Board of Directors*. It is responsible for convening the General Meeting of Shareholders and reporting on its work, implementing resolutions of the General Meeting of Shareholders, approving the Company's business plans and investment proposals, determining the structure of internal management bodies, and formulating the Company's fundamental management policies, among other major matters.

Diversity of Board of Directors

The Company attaches great importance to the strategic value of diversity of Board of Directors, deeply integrating the concept of diversity into the governance structure optimization process to enhance the scientific basis of decision-making and the Company's competitiveness. The Board of Directors consists of **7** members, covering experts in chemical fiber engineering, financial management, law, and other fields. Among them, **2** are female directors, accounting for **28.57%**, and **3** are independent directors, accounting for **42.86%**. Members of Board of Directors possess the industry experience, knowledge, and risk management capabilities required to perform their duties, supporting the Board of Directors in making optimal decisions and ensuring the Company's sustainable development.

Director Name	Position	Gender	Age	Education	Professional
Fu Changbao	Chairman, Non-Independent Director	Male	57	Master's degree	Business Administration
Mao Xinhua	General Manager, Non-Independent Director	Male	61	Bachelor's degree	Chemical Fiber Engineering
Yao Shuangyan	Deputy General Manager, Chief Financial Officer, Non-Independent Director	Female	47	Bachelor's degree	/
Fu Yongbin	Employee Director	Male	57	High school	/
Zhou Mingsheng	Independent Director	Male	63	Master's degree	Chemical Process Engineering
Han Linjing	Independent Director	Female	48	Doctoral degree	Financial Management
Yin Dejun	Independent Director	Male	43	Master's degree	Law

Board Independence

The Board of Directors includes multiple independent directors to ensure the independence and objectivity of its decision-making. The Company strictly complies with the *Company Law of the People's Republic of China*, the *Measures for the Administration of Independent Directors of Listed Companies*, and other relevant laws and regulations. It has established the *Independent Directors' Work System* and the *Special Meeting Work System for Independent Directors* to ensure that independent directors exercise oversight and checks on key matters such as related-party transactions, major investments, and profit distribution, effectively preventing insider control risks and safeguarding the legal rights of all shareholders, especially minority shareholders.

Key performance

During the reporting period, the Company convened **3** special meetings of independent directors to review and vote on related-party transactions.

Board Committees

The Board of Directors has established four specialized committees: the Strategic and Sustainable Development Committee, Audit Committee, Nomination Committee, and Remuneration and Assessment Committee. Each committee fully exercises its specialized functions, providing support for the Board of Directors' informed and scientific decision-making.

	Meeting Frequency	Deliberated Proposals	Attendance Rate	Percentage of Independent Directors
Board of Directors	12	62	100%	42.86%
Strategic and Sustainable Development Committee	2	2	100%	33.33%
Nomination Committee	3	5	100%	66.67%
Audit Committee	6	14	100%	66.67%
Remuneration and Assessment Committee	1	1	100%	66.67%

Remuneration Management for Directors and Senior Management

The Company attaches great importance to the governance of remuneration for directors and senior management personnel. It has established the *Remuneration Management System for Directors and Senior Management*, creating a scientific and effective mechanism of incentives and constraints to motivate board members and senior executives, improve operational and management efficiency, and promote the Company's healthy and sustainable development. The compensation policy is formulated by the Remuneration and Assessment Committee under the Board of Directors, covering compensation determination mechanisms, decision-making procedures, payment, suspension, and recovery arrangements. A remuneration clawback mechanism is also in place, ensuring that in cases of major decision-making errors or violations, accountability measures are strictly applied. This approach fully reinforces governance effectiveness by balancing incentives and constraints, aligning short-term performance with long-term development.

Metric	2023	2024	2025
Remuneration for directors, supervisors and senior management (including current and former personnel)	RMB 2.5951 million	RMB 3.4622 million	RMB 3.3259 million (excluding supervisors)

Investor Relations Management

Juheshun places great importance on protecting the rights and interests of all stakeholders. Through multi-dimensional measures—including improving the information disclosure system, strengthening public opinion monitoring, and optimizing investor communication mechanisms—the Company ensures that investors can access company information openly, fairly, impartially, and in a timely manner. These efforts enhance the quality of information disclosure and strengthen investor confidence.

Information Disclosure

The Company complies with the *Measures for the Administration of Information Disclosure of Listed Companies* and other relevant laws and regulations. It has established internal policies, including the *Information Disclosure Management System* and the *Accountability System for Major Errors in Annual Report Disclosure*, to standardize the information disclosure process and ensure the authenticity, accuracy, completeness, timeliness, and fairness of disclosed information, thereby reducing information asymmetry risks. In addition, the Company has implemented the *Insider Information Registration Management System* to strengthen the confidentiality of insider information, prevent insider trading, and continuously improve the quality of information disclosure.

Key performance

During the reporting period, the Company disclosed: **4** regular reports; **121** interim reports.

Investor Relations Management

The Company strictly adheres to the *Guidelines for Investor Relations Management of Listed Companies* and other relevant regulations, and has established the *Investor Relations Management Measures* to actively carry out investor relations activities. A comprehensive communication bridge with investors has been built through various channels, including regularly held earnings briefings, investor visits, telephone consultations, and responses to inquiries on the e-interaction platform. The Company maintains active communication with institutional investors, analysts, and minority shareholders, promptly addressing investor concerns and conveying the Company's operational performance and development strategy, thereby creating a stable and harmonious external environment for sustainable development.

Key performance

Earnings briefings held **3** sessions; Investor calls received over **40** times; Investor questions answered via e-interaction platform **116** questions; Response rate on e-interaction platform **100%**



Returns to Shareholders

The Company is committed to enhancing shareholder returns, ensuring that the rights and interests of minority shareholders are treated fairly and fully respected, and sharing the results of the group's business development with all shareholders. While pursuing performance growth, the Company formulates a scientific and reasonable dividend strategy by comprehensively considering its financial position, market conditions, and future development plans. Through a continuous and stable dividend policy, the Company actively rewards investors' trust and support, jointly promoting the Company's long-term and healthy development.

Metric	2023	2024	2025(proposed)
Total cash dividends (tax inclusive)/RMB 10,000	8,993.60	4,197.11	1,982.82
Proportion of net profit attributable to parent company in consolidated financial statements	45.72%	13.98%	13.69%
Proportion in distributable profits in that year	50.18%	15.05%	15.11%

Public Opinion Management

The Company has established the *Public Opinion Management System* to enhance its ability to respond to various public opinion events, setting up rapid response and emergency handling mechanisms. This ensures timely and appropriate management of any impacts on the Company's stock price, corporate reputation, and normal business operations, effectively protecting investors' legal rights. At the same time, by proactively guiding public opinion, the Company communicates its value, strengthens market confidence, and maintains a positive brand image as well as stable investor relations.

Routine public opinion handling

The Secretary of Board of Directors and the Securities Department handle routine public opinion matters flexibly based on the specific circumstances.

Major public opinion handling

The leader of the Public Opinion Task Team convenes meetings as needed to make decisions and deploy measures in response to major public opinion events. The Securities Department conducts real-time monitoring, closely tracking developments, while the task force implements various measures to control the spread of information.



Risk Management and Internal Control

Juheshun adheres to strict compliance and risk control standards, strengthening the foundation of internal control. The Company continuously improves its enterprise-wide risk management and internal control systems, effectively identifying and managing compliance risks to ensure that all business operations are conducted steadily within a compliant framework, thereby laying a solid foundation for high-quality development.

Risk Management

To enhance the Company's ability to perceive and respond to internal and external risks, Juheshun, following requirements such as the *Enterprise Risk Management Framework*, has established a risk management mechanism covering risk identification, risk assessment, risk response, and risk prevention. Risk management is integrated into the Company's business processes to promptly identify and address various risks, ensuring the Company's stable and sustainable development.

Risk Management Process



Conduct comprehensive identification of potential risks in operations through internal audits and external information sources.



Quantitatively analyze identified risks and prioritize them based on their likelihood of occurrence and potential impact on the Company.



Develop targeted risk response strategies to ensure rapid action and control when risk events occur, preventing further escalation.



Summarize lessons learned, optimize the risk management system, and enhance the Company's ability to address future risks.

Internal Control

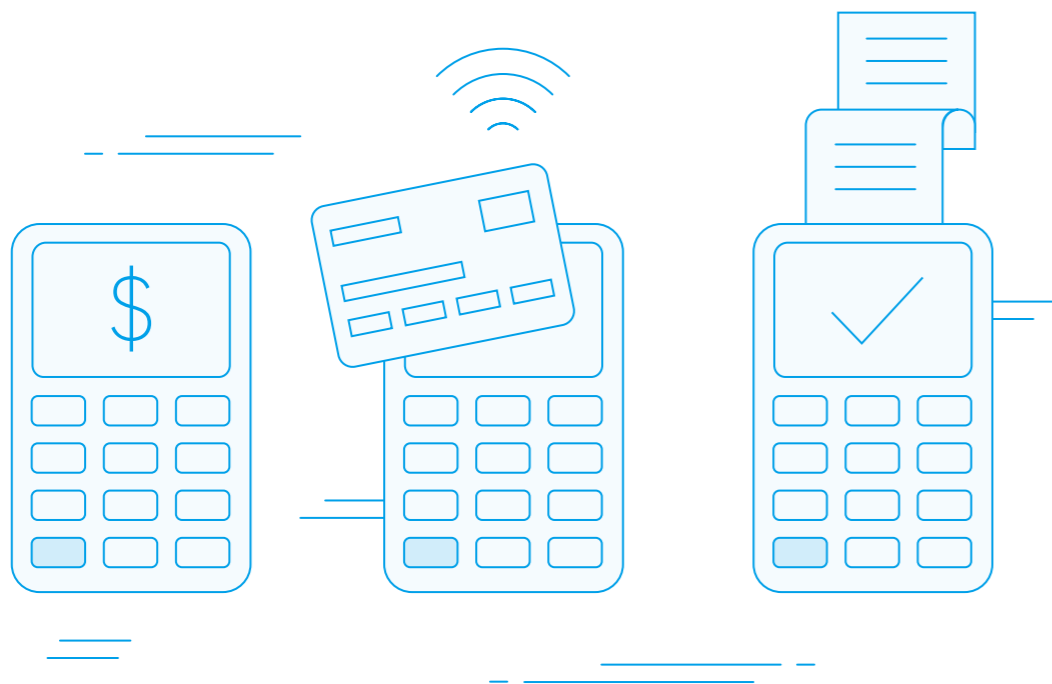
The Company complies with the *Basic Norms for Enterprise Internal Control* and industry-specific internal control regulatory standards, continuously deepening the construction of its internal control management system to promote standardized operations and healthy development, while protecting investors' legal rights. The Company has established an Audit Committee under the Board of Directors to oversee compliance management, supported by a dedicated audit department staffed with a highly qualified and experienced audit team. In accordance with the *Internal Audit System*, the committee members conduct regular internal audits and risk assessments, independently reviewing key business processes, financial reporting, and the effectiveness of internal controls to ensure that all risks are promptly identified and effectively managed.

Tax Management

The Company strictly complies with the *Enterprise Income Tax Law of the People's Republic of China*, the *Tax Collection and Administration Law of the People's Republic of China*, and other relevant laws and regulations, and has established a sound financial management system. Tax declaration, payment, and planning activities are conducted in an orderly manner. The Company regularly carries out internal tax self-checks and external audits for the parent company and all subsidiaries, effectively preventing tax risks and avoiding potential legal liabilities and financial losses from non-compliance.

Key performance

During the reporting period, the Company had no major tax violations and was not involved in any significant tax-related litigation or arbitration.



Commercial Ethics

Juheshun maintains a zero-tolerance approach toward any conduct that violates business ethics. The Company continuously strengthens the governance of business ethics and steadily advances the construction of an integrity system, laying a solid foundation for fostering an ethical business ecosystem and achieving sustainable development.

Anti-Commercial Bribery and Anti-Corruption

The Company upholds the principle of integrity in business operations, strictly adhering to business ethics and complying with relevant anti-bribery and anti-corruption laws and regulations. Internally, the *Employee Handbook* clearly defines business ethics standards and employee conduct rules, explicitly prohibiting any form of bribery, corruption, or improper transactions, thereby standardizing and controlling employee behavior. Externally, the Company signs *Integrity Agreements* with various partners, specifying the parties' obligations and responsibilities regarding integrity in cooperation, ensuring that partners adhere to the principles of ethical business conduct. Juheshun continuously promotes a comprehensive integrity management system across the entire chain, covering institutional constraints, behavioral norms, and monitoring and reporting mechanisms. This fosters a clean, fair, and transparent cooperation environment, strengthening the management defenses against bribery and corruption.

At the same time, the Company emphasizes the cultivation of an integrity-driven corporate culture. Through anti-corruption training programs, including legal education and case analyses, as well as awareness-raising measures such as posting warning slogans, employees' ethical awareness is continuously strengthened, fostering a work environment of integrity and self-discipline.

The Company continuously improves its internal whistleblowing and whistleblower protection mechanisms. Channels such as a dedicated reporting email, SMS reporting, and a communication feedback WeChat group are available 24/7 to receive internal supervision and reports. The Company strictly protects the personal information of whistleblowers, prohibits any form of retaliation, and imposes severe sanctions on personnel involved in illegal disclosure of whistleblower information or retaliation against whistleblowers.



Anti-Corruption and Anti-Bribery Training Session

反贪污反贿赂
培训会

2025年10月



Reporting Channels



Reporting Hotline:
0571-82955559



Reporting Email:
jhsdm@jhspa6.com

Anti-Unfair Competition

The Company consistently adheres to the principle of fair competition, strictly complying with the *Anti-Monopoly Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, and other relevant laws and regulations, thereby maintaining a healthy market order. Juheshun has established a comprehensive anti-monopoly compliance system and regularly conducts self-inspections and risk assessments of business activities to ensure that no monopolistic agreements or abuse of market dominance occur in pricing, sales, or partnerships. During the reporting period, the Company was not involved in any anti-monopoly investigations or penalties, earning the trust and respect of clients and partners while contributing positively to the healthy development of the industry.

Party Building Guidance

The Company consistently upholds Party leadership, guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era. It earnestly studies and implements the spirit of the 20th National Congress of the Communist Party of China and its subsequent plenary sessions, coordinating the development of the Party's organizational, ideological, and disciplinary work. This provides strong political and organizational support for the Company's stable growth, reform promotion, risk prevention, and quality and efficiency improvements.

Organizational Development

The Company continuously strengthens the construction of grassroots Party organizations and the cultivation of cadres and talent, improving the grassroots organizational system and enhancing the education and management of Party members. Efforts focus on building a high-quality cadre team that is loyal, honest, and responsible, guiding Party members to take the lead in the times and serve as exemplary pioneers, thereby providing strong organizational support for the Company's high-quality development. In 2025, **1** new Party member was formally inducted, **2** probationary Party members were trained, and **6** new Party activist candidates were added.

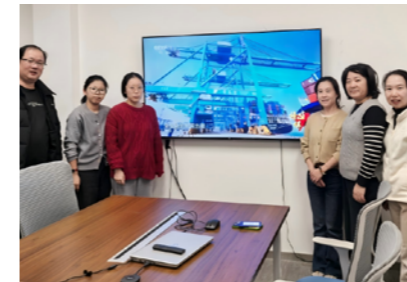
Party Building Events

The Company's Party branch regularly organizes themed Party Day activities, Party lectures, and joint Party-building events, integrating Party work with corporate management and cultural development to achieve a win-win between business growth and social responsibility. During the reporting period, the Party branch held **7** branch meetings, **12** themed Party Day learning activities, and **1** company-wide health check event, providing strong political support and spiritual motivation for the Company's high-quality development.



Implementing Diverse Party-Building Activities

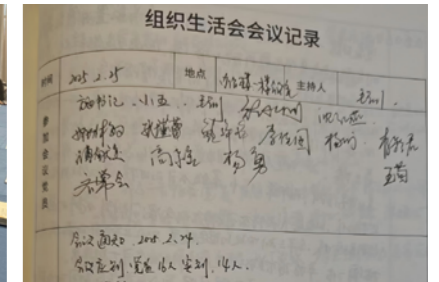
In January 2025, the Party branch effectively advanced diversified Party-building activities, organizing both Party and non-Party staff to study the exemplary deeds featured in *9 Model Figures*, promoting the spirit of role models and fostering motivation for progress. In February 2025, the CPC Hangzhou Linjiang High-Tech Park Working Committee visited the Company and, together with company Party members, held a democratic evaluation meeting and a democratic life meeting.



● Watching *9 Model Figures* broadcast on CCTV-1



● Conducting a democratic evaluation meeting



● Recording minutes of the organizational life meeting

Party Discipline Construction

The Company guides all Party members and cadres to internalize, understand, and adhere to Party discipline, effectively transforming rules and regulations into behavioral norms and conscious actions. Party discipline is integrated throughout the Company's organizational development, using strict enforcement to strengthen binding constraints and rigorously addressing all violations of Party rules, thereby building a solid disciplinary framework.



Studying the Regulations on Disciplinary Actions of the Communist Party of China

In July 2025, Party Branch Secretary Mao Jian conducted a specialized Party lecture on Party discipline construction. The session focused on in-depth study of the *Regulations on Disciplinary Actions of the Communist Party of China* and key provisions such as the Central Eight-Point Regulations, using theoretical learning to strengthen disciplinary awareness and institutional norms to guide behavior, promoting coordinated and effective advancement of Party-building and discipline construction.



● Party Discipline Construction

03

Integration of R&D and Production: Strengthening the Industrial Foundation

Innovation is the core driving force for corporate development, and high-quality products are the fundamental reflection of a Company's competitiveness. Juheshun consistently adheres to the development philosophy of "innovation leads future, quality lays foundation, service achieves value," continuously enhancing product research, development, and production efficiency, ensuring outstanding and stable product quality, and providing customers with solutions that deliver sustained value.

Contents of This Section

- Scientific and Technological Innovation
- Product Quality and Safety
- Customer Service
- Responsible Supply Chain
- Information Security

SDG Addressed



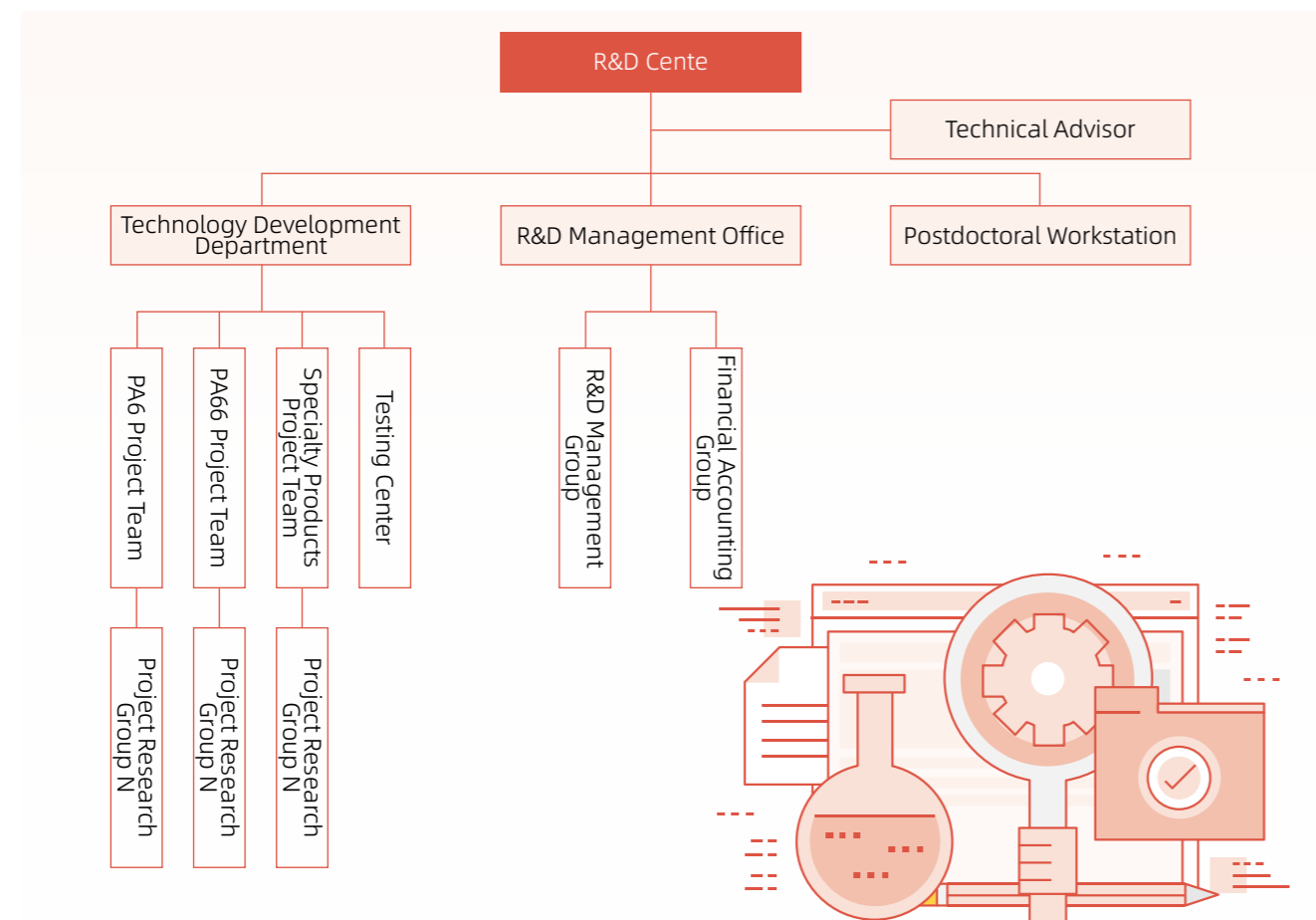
Scientific and Technological Innovation

Juheshun consistently implements an innovation-driven development strategy, placing great emphasis on R&D innovation and green design. Through continuous technological innovation and process optimization, the Company ensures the sustained delivery of innovative outcomes, while establishing a sound intellectual property management system to provide robust legal protection for these innovations, thereby ensuring the sustainability of innovation-driven business development.

Innovation and R&D System

Juheshun focuses on strengthening its independent innovation capabilities by establishing an autonomous innovation system centered on the R&D Center, providing solid technological support for high-quality development. The R&D Center comprises the Technology Development Department, Postdoctoral Research Station, New Product Research Department, and R&D Management Office, and is primarily responsible for formulating and implementing the Company's R&D strategy and new product development plans, systematically carrying out product design, process innovation, and technological upgrades. At the same time, internal regulations such as the *Research and Development Organizational Management System* and the *R&D Investment Accounting System* have been established, forming a complete innovation chain from market research and technological development to testing, validation, and standard-setting. This fully promotes standardized management of the R&D process and ensures the orderly advancement of research activities. The Company is equipped with a fully functional nylon 6 laboratory and pilot production facilities, with continuous investment to expand their scale, providing platform support for innovative research.

R&D Center Organizational Structure



Construction of Innovation Platform

Leveraging its strong R&D capabilities in the nylon segment and continuous innovative achievements, Juheshun has been consecutively recognized as a "National High-Tech Enterprise," a "National Specialized, Refined, Differential and Innovative 'Little Giant' Enterprise," a "Hangzhou Patent Demonstration Enterprise," a "Hangzhou Headquarters Enterprise," a "Hangzhou Kunpeng Enterprise," and one of the "Top 100 Fastest-Growing Enterprises of Zhejiang Province in 2025." The R&D Center has also received titles and honors including the "Hangzhou High-Tech Enterprise R&D Center," "Provincial-Level High-Tech Enterprise R&D Center," "Hangzhou Enterprise Technology Center," and "Provincial Enterprise Research Institute."

Metric	Unit	2025
Investment in R&D	RMB 10,000	16,782.35
R&D investment as a percentage of main business revenue	%	3.04%
Specialized, Refined, Differential and Innovative Enterprise	time	2
National High-Tech Enterprise	time	2



● Showcase of Some Honors

R&D Team Building

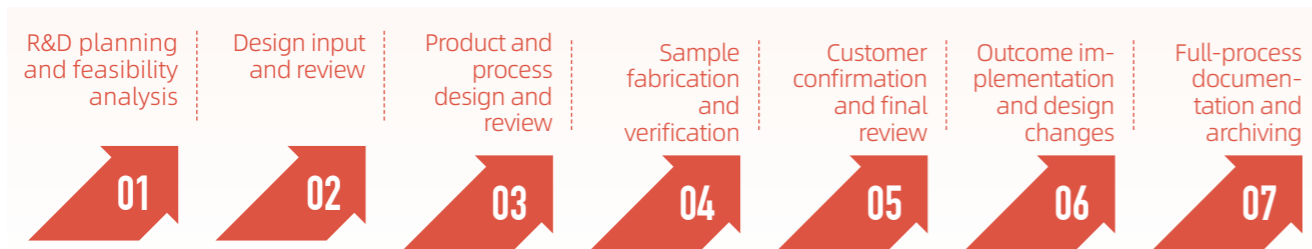
In terms of talent development, Juheshun has established the *Talent Recruitment and Training Management System*, providing differentiated subsidies and support, and focusing on building a training system for mid-to-senior management personnel and senior technicians. The Company actively recruits high-level talents and engages external experts to provide guidance, ensuring a steady talent supply for sustained innovation in the nylon chip sector. As of the end of the reporting period, the R&D Center at the Company's Hangzhou headquarters employs 72 staff members, including 10 with mid-to-senior professional titles, and has appointed several senior domestic industry experts as technical advisors to the center.

Metric	Unit	2025	
Total R&D team members	person	164	
Proportion of R&D personnel to total employees	%	23.84	
By education level	Below bachelor's degree	person	101
	Bachelor's degree	person	61
	Master's degree	person	1
	Doctoral degree	person	1
By gender	Male	person	115
	Female	person	49

R&D Process

During the product design and development phase, Juheshun has established the *Design and Development Control Procedure* and built a standardized R&D management and control system covering key stages such as R&D planning and feasibility analysis, design input, and review, ensuring that each stage is fully controllable. The Company assesses R&D effectiveness through quantitative indicators, conducts multiple rounds of review to reduce risks, relies on error-prevention management to ensure quality, standardizes document retention, and provides support for subsequent R&D optimization.

Design and Development Process



R&D Incentives

To stimulate intrinsic R&D motivation and strengthen technological innovation capabilities, Juheshun has established a scientific and diversified R&D incentive system. The Company has formulated internal regulations such as the *R&D Performance and Technological Innovation Reward System* and the *Employee Rationalization Proposal Management Measures*, following principles of strategic orientation, value linkage, and dynamic adjustment, thereby supporting the enhancement of the Company's core competitiveness.

At the end of each year, the Company conducts comprehensive performance evaluations for R&D staff, implementing a compensation structure of "base salary + project performance bonus," closely linking R&D personnel's income to their actual project contributions. Performance assessments focus on five dimensions: project cost, project schedule, completion quality, expense control, and technical difficulty, and are jointly evaluated by the project leader and the R&D Center to ensure objectivity and fairness.

In terms of technological innovation rewards, the Company has established diversified incentive channels, including government innovation awards, professional title promotion rewards, scientific paper publication awards, patent awards, and process and technology innovation rewards. By closely integrating individual growth, team collaboration, and company strategy, Juheshun has fostered a results-oriented innovation culture, providing a solid institutional foundation for continuously enhancing the Company's core technological competitiveness.

R&D Strategy

With the overarching development goal of "striving to become a first-class provider of polyamide new material solutions," Juheshun actively seizes strategic opportunities arising from the domestic breakthrough of upstream raw materials. While maintaining the advantages of existing business, the Company is expanding into higher value-added nylon 66 and specialty nylon sectors, promoting high-end, differentiated, and large-scale development, and focusing on R&D and production of a high-quality, high value-added product portfolio of nylon 6, nylon 66, and specialty nylon.

Goals and Planning

Short-term (1-2 years)	Continue advancing the Tengzhou PA6 Phase II and Zibo PA66 projects, enhancing production capacity and new product development capabilities, and filling the Company's capacity gap in the nylon 66 sector; promote the Company's transformation from a single PA6 product line to a diversified PA6 + PA66 product portfolio.
Mid-term (3-5 years)	Leverage scale advantages to reduce costs and enhance product price competitiveness; continuously expand downstream application scenarios, increasing penetration in automotive lightweighting, medical equipment, and electronics fields, while seizing development opportunities in emerging sectors such as aerospace and smart wearables; continue process innovation to drive green transformation within the industry.
Long-term (over 5 years)	Actively develop a patent early-warning system and international cooperation mechanisms, promoting a global layout; gradually extend from pure material supply to high-end, customized products and services, creating differentiated competitive advantages; improve green production capabilities through technological innovation and production process optimization, seizing opportunities in green transformation to attract more customers and gain policy support; continuously upgrade toward large-scale, automated, and energy-efficient production to achieve cost reduction and efficiency gains.

R&D Results

Juheshun continues to deepen its focus on core business areas, leveraging its comprehensive strengths in technological R&D, resource integration, and innovation platforms. The Company has developed more than 30 new products, with multiple technologies reaching domestic leading levels, establishing itself as a leading enterprise in the nylon chip industry. Its products are widely applied in nylon fibers (including both civil and industrial fibers), engineering plastics, and film manufacturing. Through outstanding products and technologies, Juheshun continuously drives industry development and creates higher value for its customers.

Time	Innovative Results	Achievement Attributes
2025	Development of polyamide materials for enhanced nylon modified composite filament	Independent R&D transformation
	Development of fully matte nylon 66 materials	Independent R&D transformation

In addition, the Company actively organizes internal experts to conduct in-depth research on industry development trends and technological demands, and collaborates closely with peer enterprises, research institutions, and standardization organizations, having led or participated in the formulation of 6 industry standards to date. By transforming its innovative experience into rules followed across the industry, Juheshun not only gains a competitive edge for its own development but also promotes the standardized and regulated advancement of the entire industry.

Participate in Standards Formulation

S/N	Standard Name	Participation Level
1	GB/T38138-2019 <i>Test Methods of Fiber Grade Polycaprolactam (PA6) Chip</i>	Participated in formulation
2	T/ZZB1775-2020 <i>Polyamide/Spandex Air Covered Yarn</i>	Participated in formulation
3	FZ/T51023-2024 <i>Fiber Grade Recycled Polycaprolactam (PA6) Chips</i>	Participated in formulation
4	Q/JHS J 001-2023 <i>Technical Standard for Engineering-Grade polycaprolactam 6 Chips</i>	Led formulation
5	Q/JHS J 002-2022 <i>Nylon 66 Chips</i>	Led formulation
6	Q/JHS J 003-2023 <i>Standard for Film-Grade Polycaprolactam 6</i>	Led formulation

Green Design

Juheshun deeply integrates green principles throughout the entire product design and development process. By implementing multi-dimensional green design, the Company reduces environmental impact, enhances product market competitiveness, and provides practical pathways for the industry's green transformation. While meeting production and market demands, it continuously promotes resource conservation and carbon emission reduction.

Specific Measures and Environmental Benefits

Resource recycling

- Nylon chips are recyclable materials. Nylon waste generated downstream—such as scrap yarn and discarded fishing nets—can be physically and chemically processed into new products, creating a closed-loop resource cycle and reducing resource waste and waste discharge.

Substitute some highly pollutant materials

- High-performance nylon chips are used to replace certain metal materials, resulting in lower energy consumption and pollutant emissions during production. The products are also easier to recycle after use, reducing environmental burdens at both production and disposal stages.

Reduce carbon emissions from downstream industries

- Automotive sector: Nylon 6 chips are used to produce components, replacing steel with plastic; reducing vehicle weight by 100 kg can lower fuel consumption by 0.3-0.6 L/100 km and carbon emissions by 5 g/km.
- Electronics sector: Used for insulating and electronic components, improving device energy efficiency and reducing operational energy consumption.
- Construction sector: Used in sealing and insulation materials, reducing building energy consumption and HVAC equipment usage, indirectly lowering carbon emissions.

Industry-University-Research Collaboration

Building on its independent R&D efforts, Juheshun actively seeks and expands collaboration with universities. Over the past three years, the Company has engaged in industry-university-research cooperation with Wuhan Textile University, Zhengzhou University, and Jiangnan University, focusing on the development of high value-added nylon products.



Development of Fully Matte Nylon 66 Resin for High-Speed Spinning with Controllable Surface Optical Properties

Juheshun deepened collaborative innovation with Wuhan Textile University through the joint project Development of Fully Matte Nylon 66 Resin for High-Speed Spinning with Controllable Surface Optical Properties. Leveraging the university's R&D strengths in textile materials and the Company's industrialization experience, the collaboration overcame key technological bottlenecks. This partnership not only advanced breakthroughs in high-end nylon material technology but also accelerated the industrialization of research outcomes, providing high-performance material support for the textile and high-end manufacturing sectors, and demonstrating the innovative value of integrating industry, academia, and research.



Intellectual Property Protection

Juheshun strictly complies with relevant laws and regulations, including the *Patent Law of the People's Republic of China* and the *Trademark Law of the People's Republic of China*, and has established procedural documents such as the *Intellectual Property Management Control Procedure*. Through standardized process management, the Company strengthens its technical and patent reserves as well as intellectual property protection, ensuring the collection, accumulation, sharing, orderly transfer, and effective application of knowledge within the enterprise. The Company has set up a clearly defined intellectual property management organizational structure, designating the R&D Center as the dedicated department for IP management, responsible for overall supervision and inspection, while each business unit is responsible for implementing IP management requirements within its own domain. During the reporting period, Juheshun obtained certification under the intellectual property management system of GB/T 29490-2013.



Intellectual Property Management System Certification

Juheshun implements standardized management across the entire lifecycle of intellectual property. Through institutionalized and process-driven operations, the Company effectively protects its innovative achievements and mitigates intellectual property risks. Juheshun will continue to refine its IP strategy, strengthen the creation and management of knowledge assets, drive sustainable growth through innovation, and contribute to technological progress within the industry.

Key performance

Number of patents held **77** patents; Number of invention patents held **15** patents; Number of utility model patents held **62** patents; Number of new patents added in the year **7** patents; Number of patents pending **13** patents; Total number of trademarks **53** trademarks; Total number of published papers **2** pieces

Digital Innovation

Juheshun actively embraces digital transformation by introducing digital technologies and comprehensively advancing the development of an intelligent manufacturing system. This enables end-to-end digital management from R&D to production, enhancing resource utilization efficiency and flexible manufacturing capabilities. At the same time, the Company deeply implements the philosophy of lean management, placing refined management and continuous optimization at its core. Through information system development, Juheshun significantly improves production efficiency and product quality, ensuring that every stage of the process meets the highest standards of excellence.

In 2025, Juheshun focused on the goals of "intelligent production, integrated management, and precise safety management," and increased targeted investment in digital technologies. The Company prioritized production control, equipment monitoring, and system integration to achieve systematic, standardized, and scientific workflows, thereby enhancing the overall management capabilities and efficiency of all departments. From 2023 to 2025, Juheshun invested RMB **2.1036** million in the application of digital technologies.

Industrial Ethernet Distributed Control System

The Company has applied an Industrial Ethernet Distributed Control System based on industrial internet technology to its R&D pilot lines and production lines. Through process R&D, it independently designs control system solutions to precisely manage formulations and process parameters. At the same time, by utilizing intelligent sensing equipment, the system enables automatic online data collection, monitors operational data and equipment status, and supports automated and intelligent R&D and pilot production in chemical manufacturing enterprises. This helps reduce R&D labor costs, avoid pilot production errors, improve the success rate of R&D trials, and achieve resource savings in new product development.

ERP Management System

The ERP Management System integrates all internal enterprise resources and plans procurement, production, cost, inventory, distribution, transportation, finance, and human resources, thereby achieving optimal resource allocation and maximizing overall benefits. In a rapidly changing market environment characterized by evolving opportunities, pricing pressures, and service-level challenges, the Company has increased investment in information and digital technologies to reconstruct and improve its information architecture, ultimately enhancing operational efficiency and competitiveness.

In the future, Juheshun will continue to advance its digital transformation through a phased implementation across three stages, steadily and continuously enhancing its level of informatization to support the Company's healthy and rapid development.

Juheshun Digital Transformation Planning

<p>Stage 1: System integration and foundation consolidation (2025)</p>	<p>Integrate existing systems to achieve data consistency and traceability; Improve the efficiency of data collection and processing while reducing manual intervention; Enable procurement price forecasting to lower operating costs; Establish a data warehouse to support subsequent data analysis and decision-making.</p>
<p>Stage 2: Intelligent upgrading and process optimization (2026)</p>	<p>Enhance the level of intelligence in production processes to improve production efficiency and product quality; Optimize the reporting and statistical processes to enable automated data processing and statistical analysis; Strengthen data visualization capabilities to allow real-time monitoring of business indicators and early warning of anomalies.</p>
<p>Stage 3: Digital management and innovation-driven development (2027)</p>	<p>Achieve enterprise-wide digital transformation to improve operational efficiency and decision-making quality; Establish a quality issue database and fault analysis platform to enhance product quality and after-sales services; Continuously promote innovation and explore new business models and growth drivers.</p>

Scientific and Technological Ethics

In conducting its business, Juheshun consistently regards technology ethics as a fundamental prerequisite for technological innovation. The Company strictly complies with relevant national and international laws and regulations, and pays close attention to systematic assessments of environmental, health, and safety impacts throughout product R&D, process optimization, and technology application, ensuring that technological innovation aligns with the ethical principles of sustainable development. During the R&D process, the Company adheres to the principle of integrity, respects and protects intellectual property rights, fulfills responsibilities for data and information security management, and upholds transparency in technology and compliance in processes. At the same time, Juheshun has established and continuously improved its internal ethics review and compliance training mechanisms, strictly preventing any unethical conduct and safeguarding the responsible development of technology through strong ethical governance.

Product Quality and Safety

Juheshun consistently regards product quality and safety as the cornerstone of its development, adhering to the philosophy of "people-oriented, quality first; customer foremost, integrity and sincerity." Through lean operations and standardized management, the Company strictly controls its production processes, continuously enhancing product performance and reliability. By continuously improving its quality management system and fostering a company-wide culture of quality, Juheshun is committed to providing customers with the most reliable, high-quality products.

Governance

Juheshun strictly complies with the *Product Quality Law of the People's Republic of China* and other relevant laws and regulations, and continuously improves its quality management system and governance mechanisms. These systems cover all stages of the product lifecycle, including raw material procurement, production control, product testing, and after-sales service, enabling comprehensive quality control.

To ensure the effective implementation of the quality management system, the Company conducts regular internal audits across all stages of the product lifecycle each year. In addition, Juheshun actively engages external third-party certification bodies annually to carry out quality management audits and certification. As of the end of the reporting period, the Company has obtained ISO 9001 and IATF 16949 quality management system certifications.



● Quality Management System Certification Certificates

Strategy

To ensure product quality, Juheshun systematically identifies potential risks and opportunities and formulates targeted measures accordingly. By effectively managing risks and seizing development opportunities, the Company continuously enhances product quality and strengthens its market competitiveness.

Type of Risk/Opportunity	Description of Risk/Opportunity	Probability of Occurrence	Extent of Impact	Impact Duration	Priority Ranking	Potential Financial Impact	Response Measures
Raw material quality fluctuation risk	If the purity and impurity content of key raw materials (such as caprolactam) are unstable, it will directly affect the molecular weight distribution, color tone, and physical properties of the final products, potentially resulting in nonconforming batches.	High	Low	Short- to medium-term	Medium	May result in nonconforming products and damage to reputation; increase rework or scrapping costs, leading to higher operating costs and reduced operating revenue.	Establish a strict supplier access and regular audit mechanism; implement an inspection system for incoming raw materials.
Product quality and safety risk	If the content of key chemical substances in products (such as residual monomers and plasticizers) exceeds the allowable limits, or if the products fail to meet regulatory requirements and customer standards in specific markets, this may trigger product recall risks.	Low	High	Short- to medium-term	High	High recall costs and legal compensation may arise, leading to increased operating costs.	Establish a product safety and compliance management system covering the entire process; conduct specialized testing and certification in accordance with regulations in target markets.
Green and low-carbon product opportunity	Downstream emerging industries (such as new energy vehicles, low-altitude economy, electronics, and electrical appliances) are experiencing a surge in demand for renewable raw materials (e.g., bio-based nylon) or recyclable nylon.	High	Medium	Medium- to long-term	Medium	Green products may command a market premium, increasing revenue.	Conduct R&D and pilot production of bio-based or chemically recycled nylon; actively pursue internationally recognized green product certifications.
Industrial chain collaboration opportunity	Establish quality standard mechanisms with upstream raw material suppliers to control raw material quality from the molecular design stage; co-develop product standards and testing methods with downstream high-end customers (e.g., food packaging, electronics, and electrical appliances).	High	Medium	Long-term	High	Enhances competitiveness for entering high-threshold supply chains, increasing revenue.	Share process data and improvement targets with core suppliers; promote data integration across the supply chain and build a full-chain quality traceability system.

Impact, Risk, and Opportunity Management

Juheshun places great emphasis on managing risks and opportunities related to product quality and safety. The Company clearly defines the responsibilities of each department in risk management, systematically advances risk identification, assessment, and mitigation, and actively explores development opportunities arising from quality improvements.

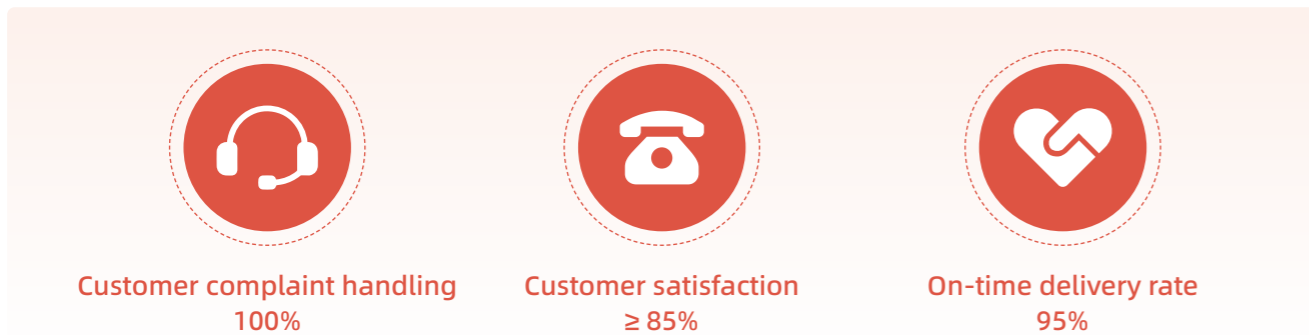
Management Process



Metrics and Goals

To comprehensively enhance product quality, Juheshun has established clear quality objectives from a strategic perspective. The Company continuously improves its end-to-end closed-loop quality management system, promoting multidimensional coordination through standardized procedures, process optimization, technological innovation, and personnel training. This drives quality management from merely meeting standards to leading standards, laying a solid foundation for sustainable development.

Quality goal



Metric	Unit	2025
Product percent of pass	%	99.84
Number of internal quality audits conducted	time	1
Major quality incident rate	%	0

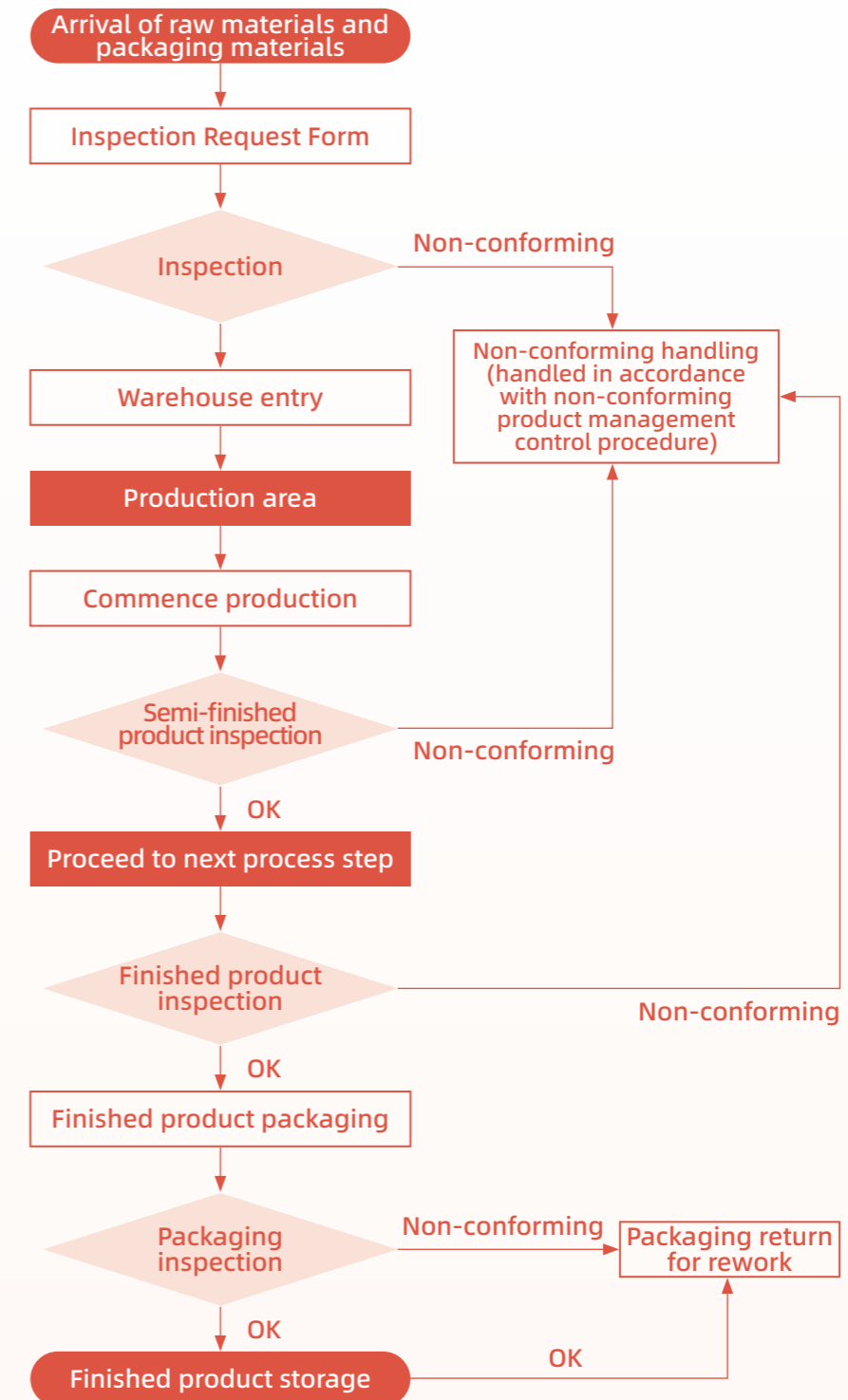
Process Quality Management

Juheshun has established a comprehensive quality control mechanism covering the entire process from raw and auxiliary material intake to production and finished product delivery, ensuring stable and reliable product quality. At the raw material stage, the Company has formulated the *Standards for Raw and Auxiliary Material Receipt and Use*, detailing the full-process requirements for material inspection and procedures for handling abnormalities. All incoming materials are strictly tested in accordance with these requirements to ensure compliance with production formulations and process specifications, reducing quality risks originating from raw materials and strengthening raw material management. During the production process, from semi-finished products to final products, strict inspections are conducted according to the *Standards for Semi-Finished and Finished Product Inspection*, ensuring that all critical product performance indicators fully meet customer agreements as well as national and international standards.

The Company strictly implements a closed-loop management mechanism for nonconforming products. In accordance with the *Nonconforming Product Management Control Procedure*, whenever a nonconformity is identified at any stage, the Quality Inspection Department immediately issues a nonconformance notice to the responsible department, requiring the formulation and implementation of corrective and preventive actions. After the rectification is completed, the Quality Inspection Department conducts a dedicated verification of the results, forming a full-process management loop of “detection → correction → verification → closure,” systematically preventing the recurrence of quality issues.

Through institutionalized processes and standardized operations, the Company achieves proactive prevention, in-process control, and post-event improvement of quality risks, fundamentally ensuring consistency and reliability across the entire product chain, from raw materials to final products.

Quality Control Process Flow



Quality Culture Development

A well-established quality culture provides Juheshun with a sustainable driving force for the effective operation of its quality management system. To continuously enhance the Company's quality management effectiveness, Juheshun actively integrates internal and external resources, optimizes quality management training programs, and improves employees' theoretical knowledge and practical skills in product quality management. The Company also continuously carries out organization-wide quality improvement initiatives, streamlines core business processes, and steadily enhances personnel quality management capabilities.

During the reporting period, the total training time reached 2 hours, covering 25 participants.



Quality Training to Enhance Quality Awareness

In March 2025, the Quality Inspection Department conducted a training session for marketing personnel on product quality. The training provided a detailed overview of the inspection items and objectives at each stage of the product lifecycle, as well as their impact on downstream application performance. Through this training, marketing staff enhanced their quality awareness and were able to accurately relay customer requirements to production and quality inspection teams in a timely manner, ensuring that products met customer expectations.



Standardization Training to Enhance Quality

The Company organized employees to participate in a training program jointly held by the Qiantang District Market Supervision Administration of Hangzhou and the Hangzhou Standards Research Institute, focused on using standardization to improve quality. Through systematic learning, employees further strengthened their awareness of standardization and acquired fundamental standardization skills.



Customer Service

Juheshun adheres to a "customer-centric" service philosophy, continuously improving its customer service system and optimizing complaint response mechanisms. Through multiple channels—including industry forums, trade exhibitions, proactive client visits, and various forms of online and offline meetings—the Company sincerely gathers feedback on its products and services. Juheshun is committed to providing global customers with standardized service processes and reliable solutions.

Customer Complaint Management

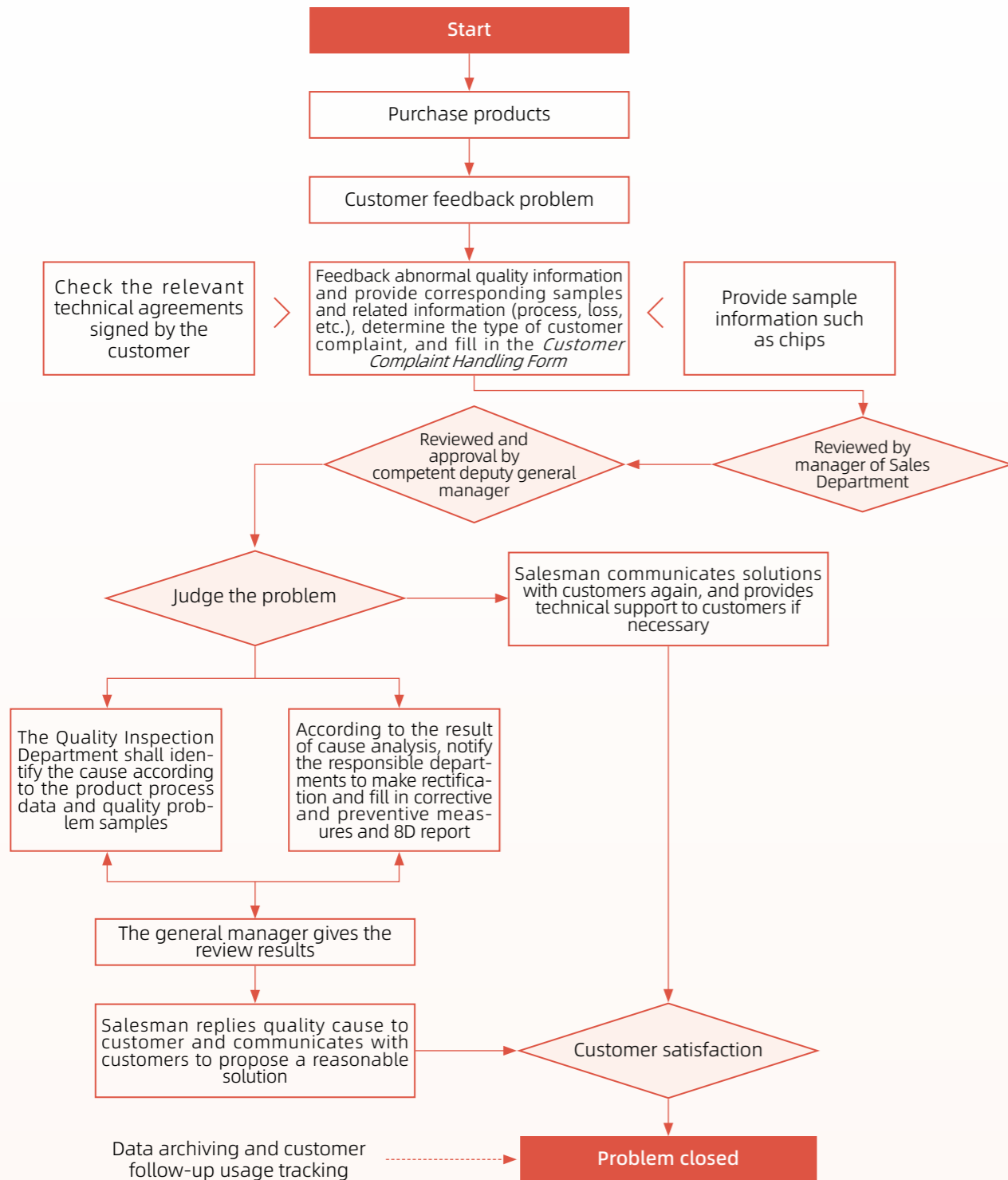
In accordance with the *After-Sales Service Management Control Procedure* and the *Business Process Regulations of the Operations Center*, Juheshun has established a comprehensive customer service standard and complaint handling process, continuously innovating service models and improving service quality. The complaint handling process covers the entire workflow, including information entry, task assignment, root cause analysis, implementation of corrective measures, and result verification, ensuring that every customer feedback item receives timely response and closed-loop resolution. By periodically reviewing and analyzing feedback data in depth, the Company systematically identifies areas for improvement across operations and service processes, continuously enhancing customer satisfaction and overall operational quality.

Key performance

During the reporting period, the Company received 1 customer complaint and resolved 1 complaint, achieving a 100% complaint resolution rate.



Customer Complaint Process



Customer Satisfaction

Juheshun consistently regards customer satisfaction as a key indicator for measuring service quality. To this end, the Company has established and continuously improved systems such as the *Customer Satisfaction Management Control Procedure*. Through regularly conducted satisfaction surveys, the Company proactively collects customer opinions and feedback, analyzes the data, and identifies areas for improvement to continuously enhance customer satisfaction.

Customer Satisfaction Survey Process



Key performance

During the reporting period, Juheshun distributed **50** customer satisfaction surveys, achieving a **98%** effective response rate, with an overall customer satisfaction rate of **96%**.



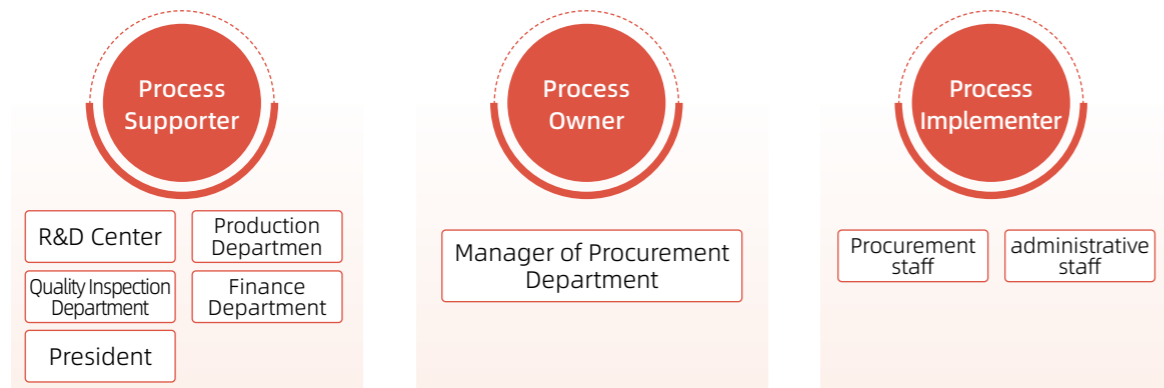
Responsible Supply Chain

Juheshun is committed to building a stable, transparent, and green supply chain system. The Company deepens resource integration and complementary advantages with upstream and downstream partners, promotes standardized supplier management, and enhances supply chain risk management capabilities, contributing to industry upgrading and sustainable development.

Governance

The Company continuously improves its supply chain management system, establishing and implementing the *Supplier Management System* and *Procurement Management System*, clarifying the division of responsibilities among functional departments, and standardizing the development, selection, management, and maintenance of suppliers. This builds a stable, reliable, and high-quality supplier base and continuously optimizes procurement processes by setting quantifiable indicators for detailed steps, improving procurement quality and transparency.

Departmental Responsibilities

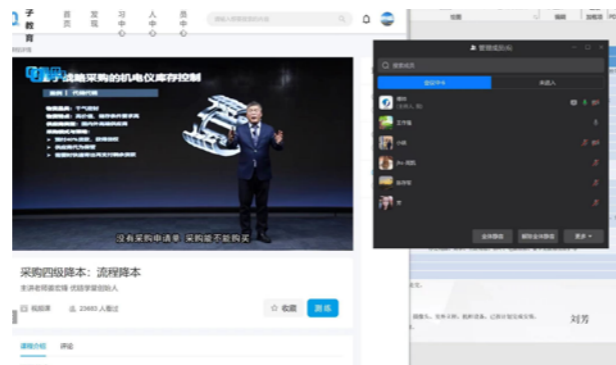


The Company continuously develops procurement capabilities through a systematic and professional training mechanism, steadily enhancing the professional knowledge, operational skills, and overall competency of relevant personnel. This deepens employees' understanding and control of the entire procurement process, effectively improving overall operational proficiency and integrated management capabilities.



Specialized Training on Procurement Cost Reduction

During the reporting period, the Company organized a specialized training program on procurement cost reduction, systematically enhancing the cost control awareness and practical skills of personnel in relevant positions. The program promoted lean and standardized cost-reduction practices throughout the procurement process, achieving reasonable optimization of procurement costs while simultaneously improving supply chain operational quality.



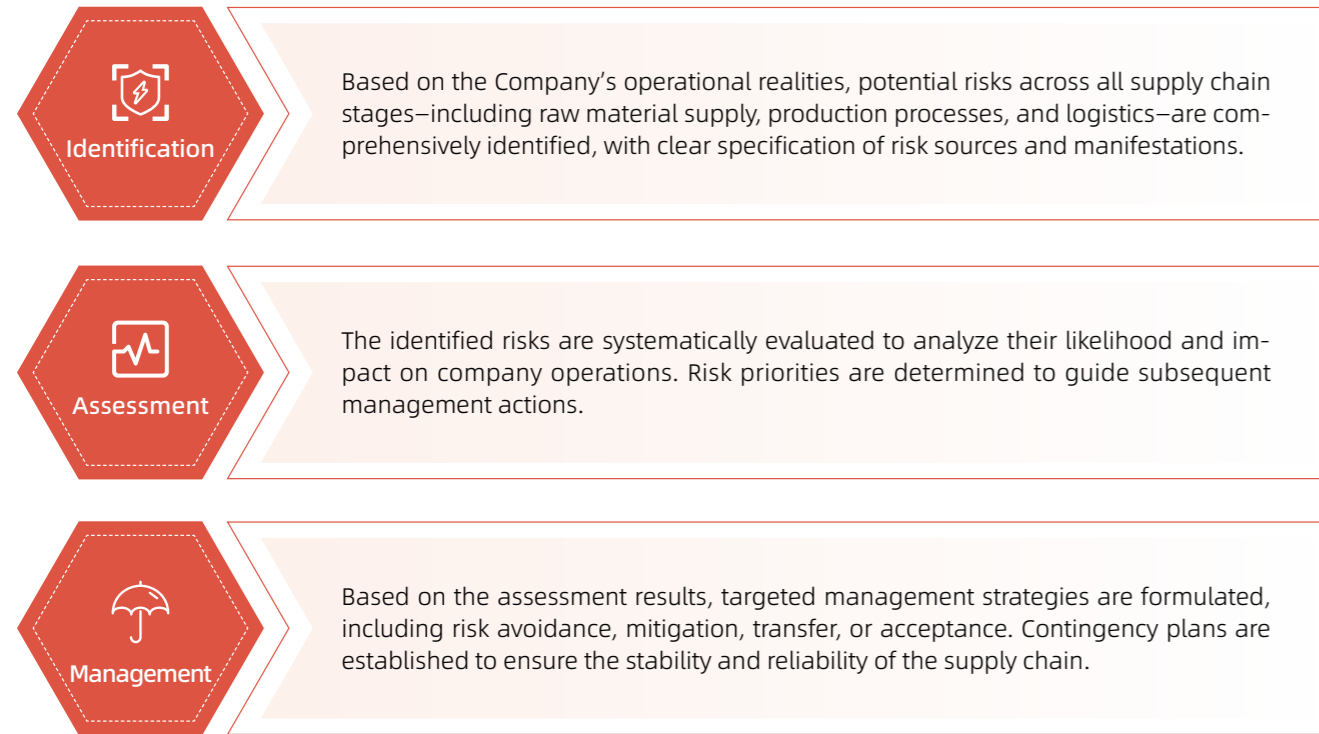
Strategy

The Company actively identifies and addresses challenges to supply chain stability while exploring new opportunities in the process of sustainable development. It aims to ensure business continuity and compliance, while promoting sustainable growth across the entire supply chain and creating greater value.

Type of Risk/Opportunity	Description of Risk/Opportunity	Probability of Occurrence	Extent of Impact	Impact Duration	Priority Ranking	Potential Financial Impact	Response Measures
Price fluctuation risk	Influenced by changes in industry policies and raw material price volatility, which may lead to increased production and procurement costs for the Company.	High	Medium	Medium-term	High	Increased operating costs, reduced revenue.	Closely monitor market trends, anticipate market movements, and reasonably adjust production and procurement plans to mitigate risks posed by market fluctuations.
Supply interruption risk	Supply disruptions caused by natural disasters, production accidents, or other factors, affecting the Company's normal production.	Low	High	Short- to medium-term	High	Increased costs, reduced revenue.	Establish a diversified supplier system to reduce dependence on a single supplier and mitigate the risk of supply interruptions.
Digital transformation opportunity	Realizing supply chain visibility and real-time monitoring through information technology to improve supply chain transparency and collaboration efficiency.	High	Medium	Medium- to long-term	Medium	Reduced management expenses and labor costs.	Build a comprehensive supply chain management system, break down data silos, and achieve end-to-end supply chain data visualization and tracking.
Market expansion opportunity	Promote the establishment of a diversified supply chain mechanism by signing strategic cooperation agreements with market-advantaged suppliers to jointly explore new markets.	High	High	Medium- to long-term	High	Revenue growth and profit increase	Deepen supply chain integration with key customers, sign long-term strategic cooperation agreements, and stabilize the core demand base.

Impact, Risk, and Opportunity Management

The Company has established a comprehensive supply chain risk management process, rigorously identifying potential risks introduced by suppliers. It conducts regular assessments to quantify supplier-related risks in areas such as technology, quality, and cost, while seeking optimization opportunities to ensure the long-term sustainable development of the supply chain.



Metrics and Goals

Metric	2025
Total number of suppliers	13 suppliers
Number of suppliers certified under quality management systems	13 suppliers
Number of suppliers certified under environmental management systems	13 suppliers
Number of suppliers certified under occupational health and safety management systems	13 suppliers
Number of suppliers suspended due to non-compliance	0 suppliers
Number of prospective suppliers rejected due to non-compliance	0 suppliers
Total number of suppliers signing integrity agreements	13 suppliers
Coverage rate of supplier integrity agreements	100%

Full Lifecycle Management of Suppliers

The Company has established standardized management policies and strict audit procedures to implement full lifecycle management of suppliers. By setting entry criteria, conducting regular on-site evaluations, performing performance assessments, and facilitating supplier capability improvements, the Company ensures that procured products and received services are effectively controlled, meeting both customer and company requirements.

Full Lifecycle Management of Suppliers

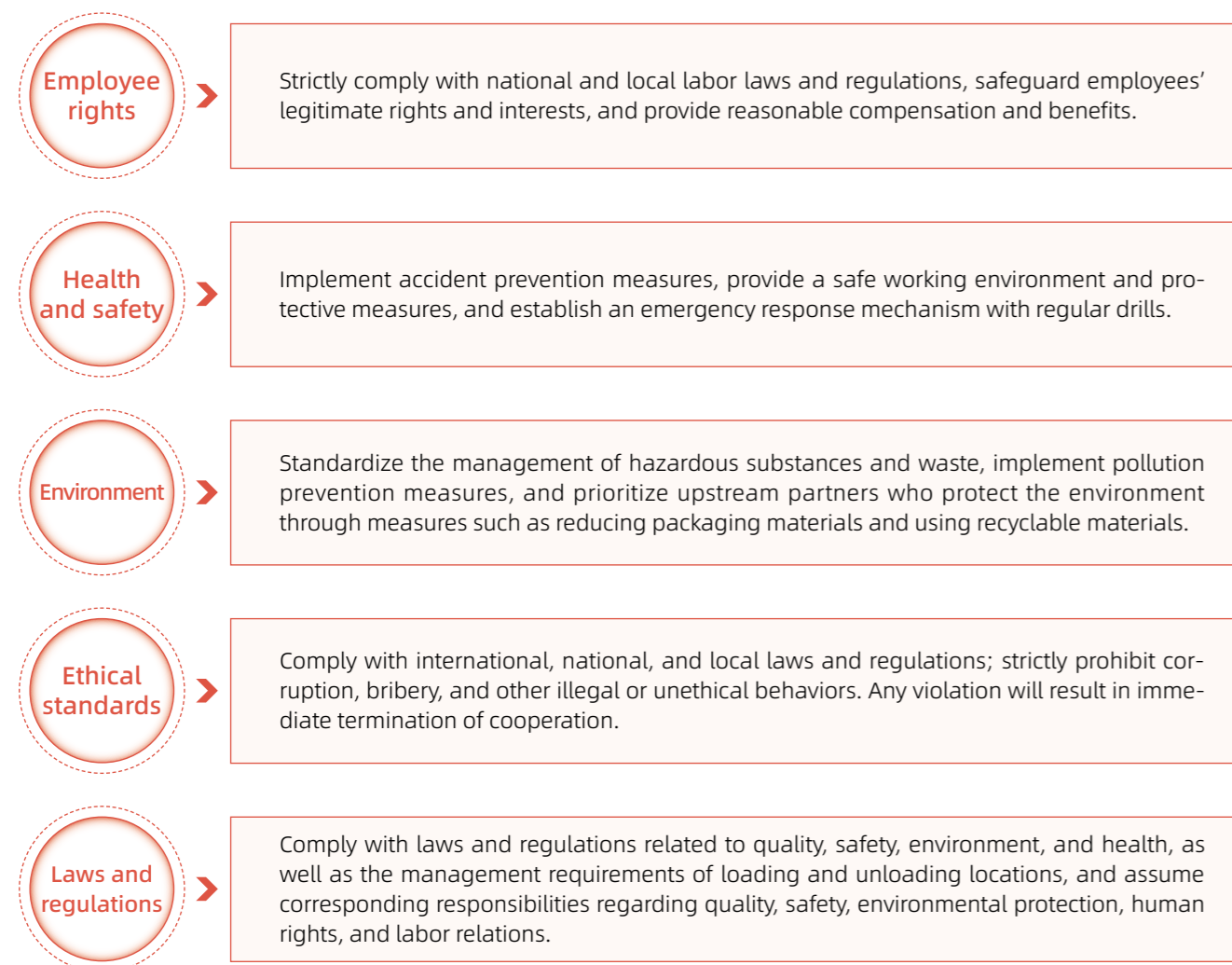


Sustainable Supply Chain

The Company is committed to building a sustainable supply chain system. While ensuring its own procurement needs and timely fulfillment, it actively guides and encourages suppliers to enhance their sustainable development capabilities. Based on international standards such as ISO 14001, the Company advocates and promotes the establishment of management practices by suppliers that align with the ESG framework, using ESG requirements as key criteria for supplier selection and evaluation, thereby creating a transparent and sustainable supply chain ecosystem. As of the end of the reporting period, all raw material suppliers listed in the Company's approved supplier directory had certifications for environmental, quality, and occupational health and safety management systems.

The Company deeply implements the concept of sustainable procurement by requiring suppliers to sign the *Supplier Code of Conduct*, which clarifies their responsibilities and obligations in areas such as environmental protection, work safety, business ethics, and human rights. All partners are encouraged to adopt sustainable production and operational practices to reduce compliance, environmental, and safety risks, working together to build a sustainable supply chain.

Supplier Code of Conduct



Transparent Supply Chain

The Company firmly opposes any form of bribery or unfair competition and maintains honest and integrity-based relationships with suppliers, carriers, and contractors. All partners are required to sign the *Integrity Agreement*, strictly prohibiting acts such as embezzlement, bribery, fraud, or extortion. Partners must not provide, receive, or indirectly offer or accept gifts, payments, or other improper benefits to induce personnel to violate their duties or seek undue advantages. The Company consciously upholds a regulated and orderly market competition environment, working together with partners to foster an honest and trustworthy business ecosystem.

Green Supply Chain

Focusing on the concept of sustainable development, the Company promotes the construction of recycling economy, and formulates green supply chain construction plans to guide supplier selection and raw material procurement. In order to ensure the smooth progress of the construction, the Company has developed various safeguard measures to promote corporate procurement as planned.

The Company requires supply chain partners to strictly comply with the RoHS Directive, REACH Regulation, and the Company's *Prohibited/Restricted Hazardous Substances List and Standards* through the signing of the *Supplier Agreement on Non-Use of Hazardous Substances*, prohibiting the use of environmentally harmful substances. At the same time, the Company has established third-party testing, sampling verification, and dynamic traceability mechanisms, encouraging suppliers to simultaneously implement hazardous substance management systems. This ensures that both material sources and production processes meet green compliance requirements, thereby establishing a full-chain green control system from source to end and effectively enhancing the environmental responsibility and sustainable development capability of the supply chain.

Corporate Green Supply Chain Construction Plan

Short-term	<ul style="list-style-type: none"> Formulate supplier evaluation standards: Formulate green supplier evaluation standards, covering the environmental protection of raw materials, energy consumption in production process, waste treatment and other aspects. Conduct primary evaluation of existing major suppliers, and establish environmental protection files of suppliers. Release green procurement guidance: The Company has officially released its internal green procurement guidance, which aims to clearly define the environmental criteria and procurement priorities that procurement staff shall follow when selecting raw materials and products.
Medium-term	<ul style="list-style-type: none"> Supplier training and cooperation: Based on the evaluation results, we will provide training and technical support to suppliers that fail to meet the requirements, helping them improve their production process and improve environmental protection. We establish long-term strategic partnerships with quality suppliers to jointly conduct green R&D projects. Green supply chain information sharing platform construction: Establish an information sharing platform to exchange environmental protection information, new technologies and new policies with suppliers in real time, promoting the green development of the entire supply chain.
Long-term	<ul style="list-style-type: none"> Comprehensive green transformation of supply chain: Ensure that the entire supply chain realizes green transformation, from raw material procurement, manufacturing, product transportation to sales and use, and the whole process is in line with recycling economy and environmental protection requirements. We will encourage upstream and downstream enterprises in the supply chain to jointly formulate and implement recycling economy development strategy.

Responsible Supply Chain

Juheshun consistently upholds the concept of responsible supply chain management, deeply integrating human rights protection and sustainable development principles throughout the entire upstream and downstream chain. The Company strictly regulates supplier onboarding and routine evaluations, with a focus on core issues such as labor rights, occupational health, environmental protection, and work safety, encouraging partners to simultaneously enhance their sustainable management capabilities. Through collaborative empowerment and mutual oversight, Juheshun works together with upstream and downstream partners to build a compliant and responsible supply chain system, effectively safeguarding the legitimate rights and interests of all parties and supporting the stable and sustainable development of the industry chain.

Equal Treatment of Small and Medium-Sized Enterprises

Juheshun strictly complies with laws and regulations such as the *Law of the People's Republic of China on the Promotion of Small and Medium-sized Enterprises*, the *Regulations on Ensuring Payment to Small and Medium-sized Enterprises*, and the *Interim Regulations on Enterprise Information Disclosure*, adhering to the principles of equality and mutual benefit while respecting and treating small and medium-sized enterprise (SME) partners fairly. The Company has established clear support policies for SMEs in procurement, collaboration, and payment processes, ensuring that SMEs enjoy equal opportunities in competition and providing them with tailored assistance and guidance. By leveraging its own strengths, Juheshun empowers SMEs and promotes the healthy and orderly development of the industry. During the reporting period, the Company maintained long-term and stable cooperative relationships with numerous SMEs, with no overdue payments to any SMEs.

Industry Collaboration

Juheshun fully leverages the pivotal role of intermediaries in bridging upstream and downstream segments. By supporting upstream capacity expansion and extending the new materials industry chain to downstream chemical terminals, the Company achieves an extended-chain layout, highlighting the value and synergy advantages within the industry chain. At the same time, Juheshun actively participates in the formulation of industry standards and conducts R&D collaborations with universities, promoting technological advancement and the industrialization of research achievements. By leveraging its industry layout, the Company empowers the industry ecosystem to reduce costs and improve efficiency, laying a solid foundation for high-quality development through industry collaboration.

Information Security

Juheshun attaches great importance to information security and privacy protection, strictly complying with laws and regulations such as the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China*, and the *Personal Information Protection Law of the People's Republic of China*. The Company actively promotes the construction of an information security management system and rigorously implements measures to ensure the security of information and data.

Information Security Management System

To ensure the secure and stable operation of information systems, Juheshun has established a comprehensive information security management framework. The General Manager leads and coordinates strategic decision-making for informatization, safeguarding cybersecurity and system stability throughout project development and implementation. The Office, as the information management department, is responsible for project management, system operation and maintenance, and security assurance, while each department's informatization lead collaborates to advance system construction and maintenance. This forms a full-chain control system of "decision-making - execution - implementation," effectively supporting the secure and stable operation of information systems. At the same time, the Company has formulated the *Informatization Management System* to standardize informatization management practices and ensure the security, stability, and efficient operation of information systems.

Information Security Management Structure

General Manage

Responsible for leading the Company's informatization management, making decisions on informatization strategic planning, policy formulation, and related matters.

Informatization Management Department

Responsible for managing the Company's informatization projects, system operation and maintenance, security assurance, and training. Ensures the rational allocation and effective utilization of informatization resources. The Company's current informatization management department is the Office.

Departmental Informatization Leads

Responsible for collecting and providing feedback on their department's informatization needs, cooperating with the Informatization Management Department to complete the construction, use, and maintenance of departmental information systems, and ensuring smooth system operation within the department. The head of each functional department serves as the departmental informatization lead.

Protection of Information Security

In daily cybersecurity operations, Juheshun employs advanced technical measures such as data encryption, firewalls, and intrusion detection systems. The Company also conducts regular training and drills to enhance employees' familiarity with information systems, improve their capability to respond to security incidents, and reduce the potential impact of data security events, fully safeguarding data security and business continuity. During the reporting period, the Company adhered to strict confidentiality principles, rigorously controlling the access, storage, transmission, and use of critical information. No major information security incidents occurred, effectively ensuring the stable operation of the Company's business.

Key performance

Number of data security-related training sessions: **1**; Total duration of data security-related training: **2** hours



Industrial Data Security Classification and Grading System Deployment Training

In response to the call from the Qiantang District Bureau of Economy, Informatization, and Science and Technology in Hangzhou, Juheshun organized relevant personnel to attend the Industrial Data Security Classification and Grading System Deployment Training on November 25, 2025. Through system-based training sessions and on-site Q&A for data entry, participants gained an in-depth understanding of the requirements for data security classification and grading in the industrial sector. This further enhanced the Company's data security management capabilities and laid a solid foundation for the subsequent implementation of data security protection and compliance management.



04

Low Carbon for Green Future: Painting a New Ecological Landscape

Juheshun integrates the concept of green and environmental protection into every aspect of its production and operations. The Company actively addresses the challenges of climate change, transforming environmental responsibility into a driving force for development. It vigorously promotes energy conservation and emissions reduction, continuously reduces pollutant emissions, lowers water and energy consumption, advances resource recycling and reuse, and protects biodiversity, thereby contributing through concrete actions to the building of a beautiful China.

Contents of This Section

- Address Climate Change
- Resource Management and Recycling
- Environmental Compliance Management
- Ecosystem and Biodiversity Conservation

SDG Adresse



Address Climate Change

Juheshun is firmly advancing the green and low-carbon transformation of its operations while continuously strengthening its capacity to address climate-related risks. With reference to the framework of the Task Force on Climate-related Financial Disclosures (TCFD), the Company has conducted a systematic identification and assessment of climate-related risks and opportunities from four aspects—governance, strategy, impact and risk and opportunity management, as well as metrics and targets—providing guidance for the Company’s further climate actions.

Governance

To comprehensively advance its sustainable development vision, Juheshun has continuously improved and established a climate governance structure with clear hierarchy and well-defined responsibilities, forming a four-tier climate governance framework of “decision-making - leadership - management - execution.” At the decision-making level, the structure consists of the Board of Directors and its Strategic and Sustainable Development Committee. At the leadership level, an Environmental Protection Leadership Team has been established and is headed by the General Manager, responsible for making decisions on and arranging key environmental protection initiatives and activities. At the management level, an Environmental Protection Daily Management Team has been set up to carry out routine environmental inspections and related tasks, reporting directly to the leadership level. At the execution level, the Safety and Environment Protection Department oversees and coordinates relevant work, while business departments and production workshops cooperate in implementation, providing solid support for the Company’s low-carbon transition and sustainable development.

Climate Change Governance Structure



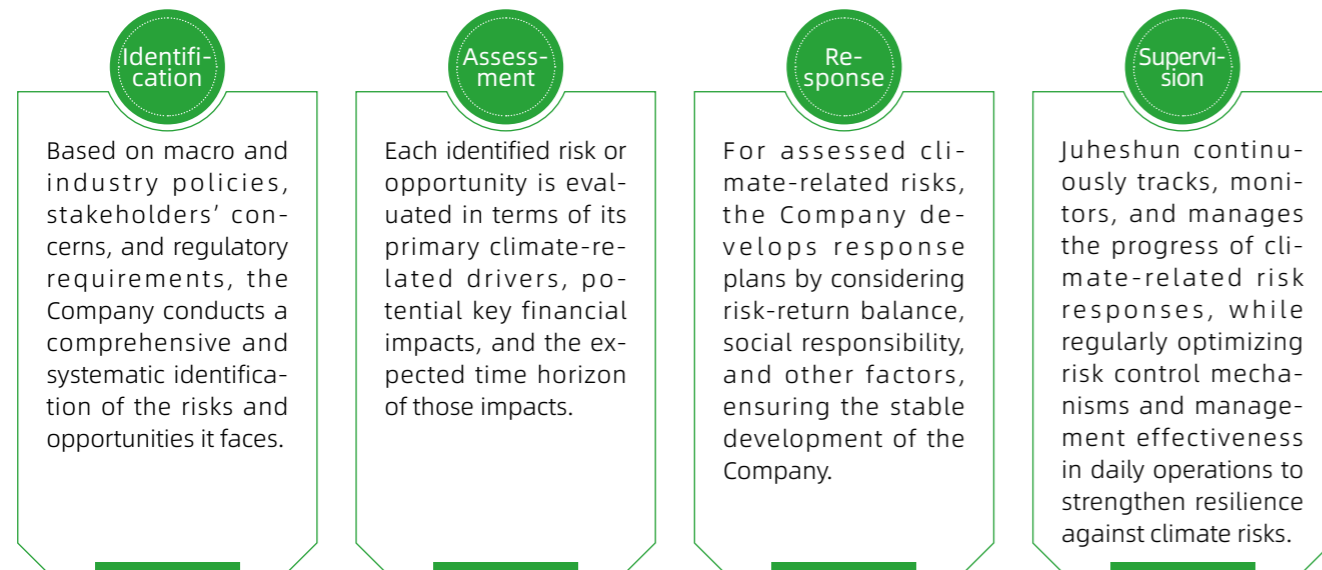
Strategy

In the face of the challenges posed by climate change, Juheshun recognizes that accurately identifying climate-related risks and opportunities is key to an effective response. The Company closely follows industry development trends and, in light of its own business layout and characteristics, systematically identifies potential climate-related risks and opportunities. It also assesses their expected time horizons and potential financial impacts.

Type of Risk/Opportunity	Description of Risk/Opportunity	Probability of Occurrence	Extent of Impact	Impact Duration	Priority Ranking	Potential Financial Impact	Response Measures
Climate disaster risk	Extreme weather events (such as floods and severe cold) may affect the normal operations of production bases located in Shandong, Hunan, and other regions, as well as the logistics and transportation of raw materials and products.	Medium	High	Short-term	High	Direct production losses; supply chain disruptions may increase procurement and logistics costs.	Improve emergency response plans for all production bases; maintain safety stock of key raw materials; purchase insurance for relevant assets.
Policy and legal risk	With increasingly stringent domestic environmental and low-carbon policies, production activities are subject to stricter requirements. If Juheshun fails to meet new emission reduction standards in a timely manner, the Company may face substantial fines and the risk of losing market share due to production restrictions.	High	High	Medium-to long-term	High	To meet low-carbon requirements, the Company needs to increase environmental protection investments, leading to higher operating costs.	Strictly comply with environmental regulations; continuously reduce energy consumption per unit of product through process improvements and equipment upgrades; conduct carbon inventories and promote the low-carbon transformation of products.
Green market opportunity	The expansion of emerging markets such as new energy vehicles and the low-altitude economy is driving increased demand for environmentally friendly materials such as lightweight nylon.	High	High	Medium-to long-term	High	Enhancement of overall gross profit margin and brand value.	Integrate green concepts into R&D and design to ensure that products have a positive environmental impact.
Resource efficiency	Continuously optimizing energy, water, and material consumption per unit of product in processes such as polymerization, spinning, and chipping, directly reducing production costs and carbon footprint.	High	Medium	Short-to medium-term	High	Increase gross margin and reduce operating costs.	Enhance the use of clean energy, optimize the energy structure of production, and continuously explore efficiency potential in each process stage.

Impact, Risk, and Opportunity Management

In its climate change management efforts, Juheshun has established a comprehensive risk management process to identify, assess, and respond to various risks and opportunities that may affect the Company's development.



Metrics and Goals

Juheshun has reviewed and is gradually establishing a climate action metrics system closely aligned with its business development. The Company is committed to reducing carbon emissions in production and operational processes through clear and well-defined emission reduction pathways (specific carbon reduction actions are detailed in the "Resource Management and Recycling" section), contributing to the national "dual-carbon" goals. At the same time, Juheshun regularly engages qualified third-party professional institutions to conduct systematic audits and verification of full-scope greenhouse gas emissions, producing an annual *Greenhouse Gas Emissions Verification Report*. This ensures the objectivity, accuracy, and transparency of carbon emission data and provides a solid data foundation for developing scientifically based carbon reduction pathways.

During the reporting period, Juheshun's greenhouse gas emissions were as follows:

Emission Category	Unit	2025
Scope 1 GHG emissions	tCO ₂ e	24,665.75
Scope 2 GHG emissions	tCO ₂ e	131,414.52
Total GHG emissions (Scope 1 + Scope 2)	tCO ₂ e	156,080.27
Reduced carbon dioxide emissions	tCO ₂ e	6,859.80
GHG emission intensity	tCO ₂ e/RMB 1 million	28.26

Resource Management and Recycling

Guided by the principle of sustainable development, Juheshun deeply integrates the concept of resource conservation throughout its operations. By adopting advanced energy-saving technologies and equipment, the Company effectively reduces production energy consumption, while simultaneously constructing water recycling systems to improve water use efficiency and systematically promote intensive resource utilization. In the field of circular economy, Juheshun actively implements waste recycling and resource recovery, converting recyclable materials from the production process into high-value resources. This approach not only reduces environmental impact but also enhances economic benefits and operational resilience, supporting the Company's green and low-carbon transformation.

Energy Utilization

Juheshun strictly complies with the *Energy Conservation Law of the People's Republic of China* and other relevant policies and regulations. The Company has formulated internal policies such as the *Energy Saving and Consumption Reduction Management System* and the *Energy and Resource Management System*, incorporating energy conservation and consumption reduction into the core aspects of its corporate strategy and daily operations.

Energy Management System

Juheshun has established a three-tier energy management network of "company - departments - employees" to ensure responsibilities are implemented at every level. In addition, an Energy Conservation Committee, led by the Production Department Manager and composed of departmental leaders, has been set up to comprehensively coordinate energy-saving planning, supervise implementation, and conduct performance evaluations, ensuring standardized and efficient energy management. During the reporting period, the Company obtained ISO 50001 Energy Management System certification and regularly undergoes supervision and audits by third-party organizations to ensure the system's continued effective operation, providing a foundation for improving energy management performance.

Energy Management Goals

To further improve energy utilization efficiency and fulfill its sustainable development commitments, Juheshun has established clear, phased energy management targets at the strategic planning level.



Metric	Unit	2025
Comprehensive energy consumption	tce	52,159.87
Natural gas consumption	m ³	11,407,768
Electricity Consumption	kWh	115,197,909
Steam consumption	ton	213,001.56
Electricity cost savings from photovoltaic power generation	RMB 10,000	538.10
Photovoltaic power capacity	kWh	8,355,419.60

Actions for Energy Conservation and Emission Reduction

To ensure the effective implementation of its energy management targets, Juheshun has established a dual-driven implementation system centered on refined operational control and strategic technological investment. Through standardized and regulated daily energy management, the Company strengthens the foundation of energy efficiency at a granular level. At the same time, by making forward-looking resource investments, Juheshun vigorously promotes the application of clean energy such as photovoltaic power and implements technological upgrades in key processes, systematically driving energy structure optimization and overall efficiency improvement.

Daily Energy Management

Production equipment operation management

- ⊙ Improve load efficiency: Optimize production scheduling to ensure equipment maintains reasonable utilization rates, strictly avoiding idle running or no-load operation.
- ⊙ Implement start-stop management: During non-production periods or standby, promptly shut down unused production equipment and power sources.

Compressed air system management

- ⊙ Prevent leakage and waste: Inspect pipelines, valves, joints, and tools daily, and repair or replace any air leaks immediately.
- ⊙ Standardize usage: Compressed air must not be used for non-production purposes, such as cleaning personnel or floors.
- ⊙ Strengthen end-point control: After completing operations, pneumatic tools must be promptly turned off, and supply valves confirmed fully closed.

Air conditioning and ventilation system management

- ⊙ Efficient resource utilization: In winter, the Company utilizes the condensate water recovery system to achieve efficient utilization between water resources and thermal energy.
- ⊙ Standardize usage behavior: Follow the “turn off when leaving” principle; doors and windows must be closed when the air conditioning is on to ensure efficiency.
- ⊙ Regular maintenance: Clean fan coil units, filters, and other components on schedule to ensure continuous and efficient system operation.

Optimization of Energy Structure

To accelerate the green transformation of its energy structure, Juheshun continues to vigorously advance distributed photovoltaic (PV) projects and the substitution of traditional energy in transportation.

As of now, multiple phases of the Company’s distributed PV projects have been completed. At the headquarters base, Phase I and Phase II have installed a total of 8,680 m² of PV panels across more than 13,000 m² of rooftop space. The electricity generated is fully integrated into the production system, effectively reducing reliance on the traditional power grid and achieving significant electricity cost savings and environmental benefits.

At the same time, Changde Juheshun is actively promoting the application of clean energy. Phase I, a 1 MW photovoltaic power station, has been operating stably with an annual generation of approximately 1 million kWh. Phase II, a 1.6 MW project, was successfully connected to the grid in the first quarter of 2025, with an expected annual generation of about 1.6 million kWh. Together, the two phases are projected to generate approximately 2.6 million kWh per year, continuously providing green energy for the Company’s operations and effectively supporting its low-carbon development.



● PV Power Generation Facilities of Juheshun

In the transportation segment, Changde Juheshun has taken the lead in promoting electric vehicles (EVs) and building supporting infrastructure. By encouraging employees and customers to use EVs and strategically installing charging stations in production workshops, warehouses, and main office areas, the Company provides convenient and safe charging support. This initiative not only reduces reliance on traditional fuel vehicles and associated exhaust emissions at the source, effectively lowering greenhouse gas emissions from commuting and logistics, but also demonstrates Juheshun’s commitment to corporate green responsibility, contributing to low-carbon development in the regional transportation sector.



● New Energy Charging Station of the Company

Energy-Efficient Technology Upgrading

Juheshun regards technological innovation as the core driving force for achieving deep energy savings and carbon reduction. The Company not only focuses on improving efficiency in daily operations but also commits to implementing fundamental and systematic technology upgrade projects. These initiatives aim to overcome energy efficiency bottlenecks in traditional processes and explore new pathways for green production.



Triple-Effect Waste Heat Steam Recovery System - Driving Dual Improvements in Production Efficiency and Product Quality

To address energy waste in nylon polymerization, Juheshun developed and installed a triple-effect waste heat steam extraction and water reconcentration system. The system recovers and reuses waste heat, reducing steam consumption and achieving efficient in-system energy utilization. Simultaneously, it reconcentrates the extracted water, effectively lowering the water content in the concentrate, thereby improving product quality and polymerization efficiency.



Application of Variable Frequency Drive Technology - Achieving Energy Savings, Efficiency Gains, and Operational Optimization

To reduce production energy consumption and improve equipment reliability, Juheshun Luhua installed variable frequency drive (VFD) control systems on key motor-driven equipment. By dynamically adjusting motor speeds to precisely match output power with production loads, the system provides electricity on demand, enhancing overall energy efficiency. At the same time, it reduces equipment failures caused by frequent start-stop cycles and overload operation, thereby extending the service life of the equipment. This approach achieves both energy savings and optimized operational performance.



Energy Management Training

Juheshun integrates the concepts of energy conservation and emission reduction into its corporate culture. Through regularly organized seminars, on-site practical guidance, and other activities, the Company provides training for all employees to enhance their awareness and hands-on capabilities in energy conservation and emission reduction, supporting the effective implementation of energy-saving measures.

Water Resources Management

Juheshun strictly complies with the *Water Law of the People's Republic of China*, the *Water Conservation Regulations*, and other relevant laws and regulations, actively carrying out water resource management. By setting clear water-saving targets and implementation pathways, the Company has established a tiered approach—from leak prevention at the source, unconventional water utilization, to deep wastewater reuse—comprehensively promoting water conservation and efficient use across production operations and daily office activities. This has continuously driven a steady reduction in water consumption intensity. During the reporting period, the Company did not cause any significant direct or indirect impact on water resources due to water intake or consumption, nor did it encounter any difficulties in water acquisition.

Water Resources Management Goals



Short-Term Goals

- Inspect and update water recycling facilities, repairing any leaks.
- Install water meters to monitor water usage in real time.
- Continuously optimize small-scale rain-water collection systems within the plant for landscaping irrigation.



Long-Term Goals

- Construct reclaimed water treatment facilities for deep purification of production wastewater and domestic sewage.
- Reuse treated water for production processes with lower water quality requirements and for facility cleaning within the plant.

The Company implements a series of control measures in daily operations and production to strengthen water management and reduce water waste. Recycling water is treated as a key initiative: by using reclaimed water equipment and technologies, constructing cooling towers, and other measures, Juheshun reduces the intake of fresh water at the source, protecting freshwater resources.

Water Resource Management Measures

Management Mechanisms

- The Company implements a categorized water use responsibility system, with separate lines for domestic and production water. The administrative and production technology departments are respectively responsible for operation and maintenance, prohibiting unauthorized disassembly to ensure pipeline safety.
- Full implementation of quota-based and planned water use management, encouraging each unit to maximize the use of reusable water sources.
- Achieve 100% closed-loop recycling of extracted water on production lines.

Process Monitoring

- Establish a daily water use statistics and anomaly analysis mechanism to promptly identify causes of waste.
- Conduct regular pipeline inspections to proactively detect and repair leaks, minimizing hidden losses.



Condensate Water Recovery System - Achieving Dual Circulation of Water and Heat Resources with Double Benefits

By introducing a condensate water recovery system, Juheshun has realized efficient, coordinated utilization of water and thermal energy. The system can recover approximately 112,000 cubic meters of condensate water annually, which, after treatment, is reused in production cooling, heating, and insulation processes, significantly reducing fresh water intake.

At the same time, the recovered thermal energy effectively lowers steam and electricity consumption. Following implementation, wastewater discharge has decreased by about 30%, saving water treatment costs, extending equipment lifespan, and enhancing production stability. The project has achieved notable economic and environmental benefits.



In addition, the Company actively organizes water-saving initiatives, posting notices on water conservation in office areas and encouraging employees to participate in water resource protection efforts, thereby further enhancing staff awareness of water-saving practices.

Metric Name	Unit	2025
Total water consumption	ton	63,914,753.00
Freshwater withdrawal volume	ton	668,315
Water consumption intensity per unit of revenue	ton/RMB 1 million in revenue	11,571.08
Recycled water consumption	ton	63,246,438
Recycled water ratio	%	95.47
Wastewater reuse rate	%	24.66

Recycling Economy

Juheshun adheres to the recycling economy principles of “reduce, reuse, recycle”, integrating efficient resource utilization throughout the entire production process. The Company has established comprehensive management systems related to the recycling economy and built a “resources – products – recycled resources” resource recycling framework. This approach continuously enhances resource utilization efficiency, reduces resource consumption and waste generation from the source, and promotes the implementation of recycling economy practices through institutionalized and standardized management, supporting the Company’s green, low-carbon, and high-quality development.

Juheshun Recycling Economy Safeguards



Set up a special leadership team

This team is headed by corporate senior leader, and the heads of all departments are members, responsible for the formulation, promotion and supervision of the recycling economy target plan



Enhance employee training

Regularly organize employees to participate in knowledge and skills training related to recycling economy, enhance employees’ environmental protection awareness and participation



Increase fund input in recycling economy field

Special funds are set for key links such as technology R&D, equipment renewal and project construction. Meanwhile, actively strive for government support funds and preferential policy support



Establish an assessment mechanism

Incorporate the completion of recycling economy targets into the performance assessment system of departments and employees. Departments and individuals with outstanding performance will be given honors and substantial rewards, while strict accountability mechanisms will be implemented for those who fail to complete the targets

Standardized Material Management

Juheshun has established the *Management Goals and Results of Raw Materials and Packaging Materials*, clearly defining management objectives for raw and packaging materials. By optimizing inventory management and packaging design, the Company reduces material consumption and improves material utilization. This approach not only achieves effective inventory management but also minimizes negative environmental impacts.

Management Goals and Results of Raw Materials and Packaging Materials

Management Goals of Raw Materials	Management Goals of Packaging Materials	Management Results
Ensure raw material quality	Ensure packaging material quality	Cost control
Optimize inventory management	Optimize packaging design	Quality improvement
Reduce procurement costs	Reduce packaging costs	Efficiency improvement
Improve material utilization rate	Promote green packaging	Environmental contribution

Key performance

Number of pallets used for materials: **294,011** ; Number of packaging bags used: **7,108,553**

Recycling and Reuse

Juheshun actively leverages innovative processes and technological upgrades to recover materials during production and recycle packaging materials, minimizing resource consumption and waste generation.

Material reuse

Enhance the capability for production material recycling by optimizing production processes and updating technologies, enabling efficient recovery and circulation of materials within production, reducing raw material waste and external dependency.

Packaging reuse

Optimize the packaging recycling system by actively reducing the use of new packaging materials, implementing initiatives such as wooden frame reuse programs, reusable plastic pallets for shipments, and converting tonnage packaging to container bags, achieving packaging reduction and reuse across multiple stages.

Green Office

Juheshun actively promotes green office practices with full employee participation and has implemented a series of initiatives to minimize resource consumption, reduce environmental impact, and create a low-carbon office environment, continuously advancing energy savings, cost reduction, and efficiency improvement.

01

Apply the principle of “use when needed, power off when away” for commonly used devices such as computers, printers, and fax machines;

02

For devices equipped with sleep or energy-saving modes, preset and enable automatic energy-saving settings to minimize standby time and reduce unnecessary energy consumption;

03

Before leaving the workplace at the end of the day or for extended periods, employees are required to check and completely turn off all personal devices and auxiliary equipment, eliminating electricity consumption outside of working hours at the source.

Environmental Compliance Management

Juheshun adheres to the environmental policy of “low carbon and energy saving, compliance with laws, environmental protection, and continuous improvement”, continuously reviewing and improving environmental management systems across all operational processes. The Company integrates environmental compliance requirements into every stage of production and operations, establishes a standardized environmental management system, and steadily enhances its environmental governance and green development capabilities.

Principles of Environmental Protection Management

01

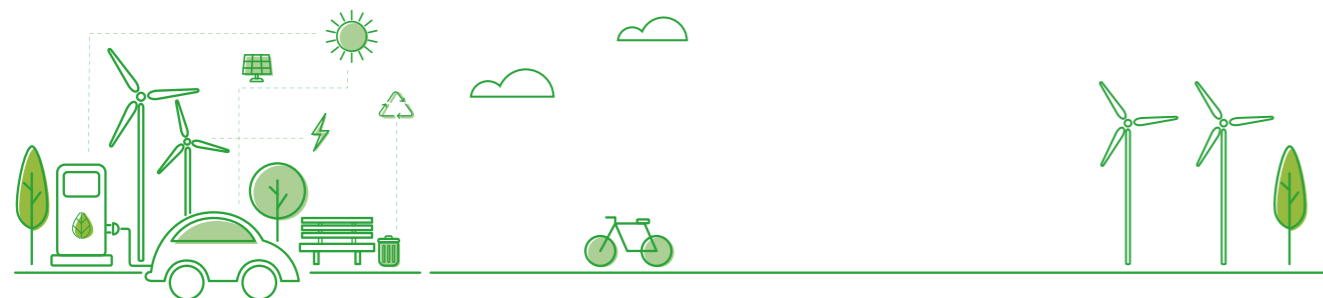
Environmental protection facilities shall be designed, constructed and put into use simultaneously with production facilities

02

Environmental protection facilities shall be regularly maintained, checked and repaired to ensure their normal operation

03

The operation of environmental protection facilities shall comply with national and local environmental regulations and standards

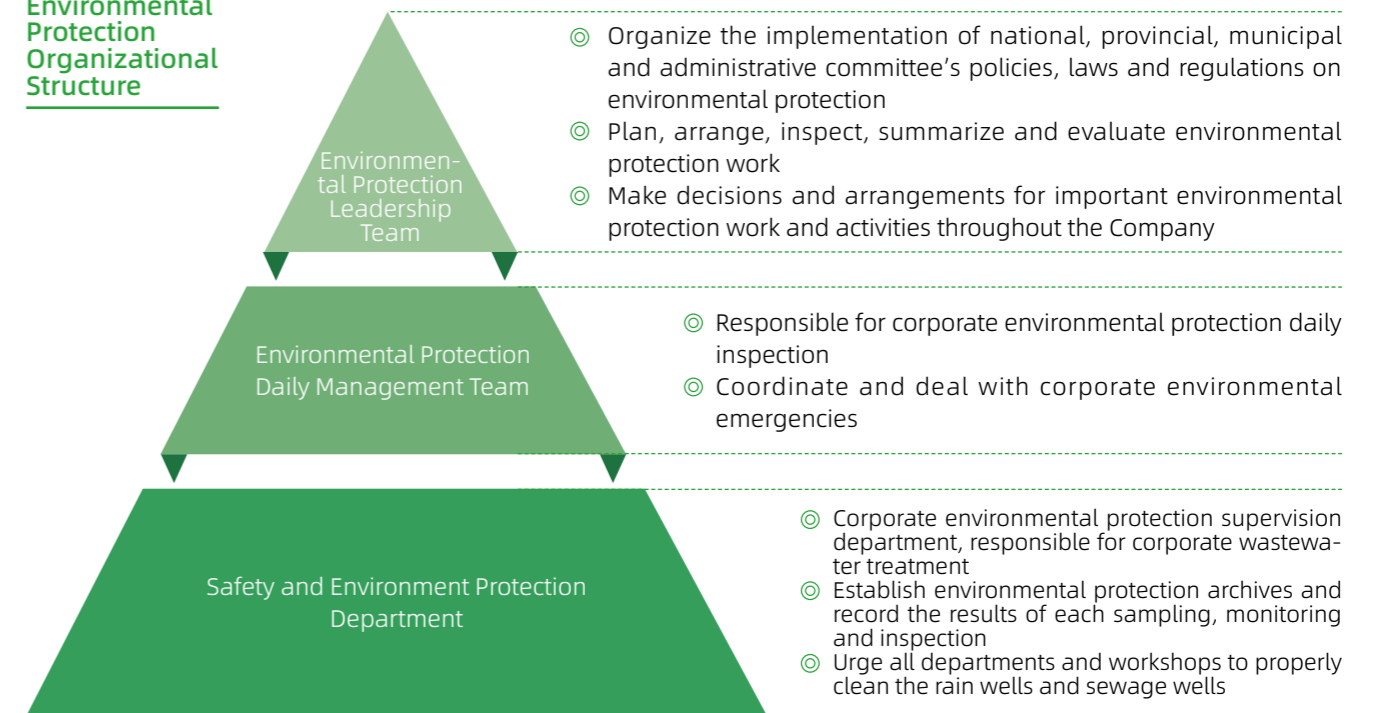


Governance

Juheshun has established the *Environmental Management System*, *Procedural Documents of the Environmental Management System*, and *Factory Waste Management System*, forming a clear three-tiered environmental governance structure with well-defined responsibilities. The Environmental Protection Leadership Team oversees overall planning, implements national environmental policies and regulations, and makes decisions on key environmental initiatives. The Environmental Protection Daily Management Team is responsible for routine environmental inspections and coordinating responses to emergency environmental incidents. The Safety and Environment Protection Department, as the core executing and supervising unit, handles specific tasks such as wastewater treatment, environmental records management, and daily inspections. This three-tiered system features clear division of responsibilities and coordinated interaction, forming a closed loop from decision-making and management to execution, thereby establishing a robust ecological and environmental protection framework for the Company. (The governance structure described above applies to the management of “Environmental Compliance,” “Waste Management,” and “Pollutant Emissions” topics.)

As of the end of the reporting period, the Company had obtained ISO 14001 Environmental Management System certification.

Environmental Protection Organizational Structure



Environmental Management System Certificates



Strategy

The Company actively monitors and identifies risks and opportunities in environmental management, analyzes their potential financial impacts on the business, and develops corresponding mitigation and response measures.

Type of Risk/Opportunity	Description of Risk/Opportunity	Probability of Occurrence	Extent of Impact	Impact Duration	Priority Ranking	Potential Financial Impact	Response Measures
Operational risk	Improper management of hazardous waste or emergency response to environmental incidents (e.g., chemical spills, fires) may cause ecological pollution and reputational damage.	Low	High	Short-term	High	Increased costs	Optimize treatment processes in advance for wastewater, exhaust gas, and solid waste generated by new production capacity; expand environmental treatment facilities to ensure both total emissions and pollutant concentrations meet standards.
Compliance and policy risk	Increasingly stringent environmental regulations raise compliance requirements for hazardous waste disposal, discharge permits, and carbon emission management.	High	High	Short- to medium-term	High	Increased costs	Establish a real-time environmental policy tracking mechanism, promptly interpret new regulations on discharge permits and carbon emission management, and develop an implementation checklist to ensure company policies are updated in line with local requirements.
Policy opportunity	Access to subsidies and tax incentives for green manufacturing, energy saving, and emission reduction.	High	Medium	Short- to medium-term	High	Reduced costs	Assign dedicated personnel to review policies on green manufacturing, energy saving, emission reduction, and low-carbon transformation, proactively apply for eligible programs, and maximize policy support benefits.
Technological innovation	Developing green polymerization processes and bio-based nylon materials to reduce environmental impact.	High	Medium	Medium- to long-term	High	Increased revenue	Promote the industrialization of R&D outcomes to establish technological barriers and core competitive advantages.

Impact, Risk, and Opportunity Management

Risk Identification

The Company has established the *Risk Identification, Assessment, and Control Procedures* to standardize the processes for hazard identification, risk identification, assessment, and control. Regular reviews were conducted on the adequacy, appropriateness, and effectiveness of risk factor identification and control measures. In addition, the Company has developed a *Risk Source Classification and Control List* to implement tiered management and control of risk sources that may cause environmental pollution.

Environmental Impact Assessment

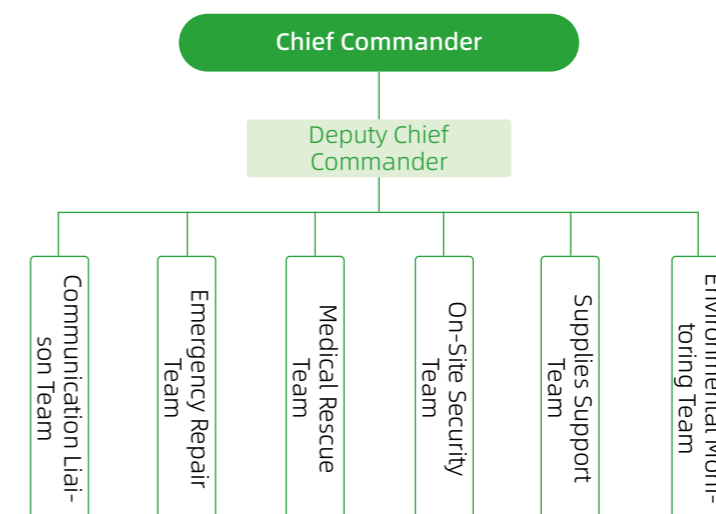
The Company has prepared the *Environmental Risk Assessment Report* and strictly implements the environmental impact assessment system for construction projects. It ensures that environmental protection facilities and the main project are designed, constructed, and put into operation simultaneously in accordance with the “three simultaneousities” principle. Environmental impact assessments for new, expanded, or upgraded projects are conducted in compliance with legal requirements to ensure that environmental protection measures during project implementation meet regulatory standards.

Emergency Management

The Company strictly adheres to the *Law of the People’s Republic of China on Emergency Response* and the *Interim Measures for the Management of Emergency Plans for Environmental Incidents*, and has established internal systems including the *Emergency Response Plan for Environmental Incidents* and *Regulations on Pollution Accident Emergency Response*. These documents define emergency management requirements, the responsibilities of emergency organizations, the emergency command structure, and response procedures. Through these measures, the Company comprehensively enhances its capability to handle sudden environmental incidents and strengthens overall emergency management, effectively safeguarding the ecological environment and resource security.

The Company has established a comprehensive emergency response organization for environmental incidents, centered on an Emergency Command Center and supported by multiple specialized emergency teams, forming a unified command and coordinated operational structure. The General Manager serves as the Chief Commander of the Emergency Command Center, fully responsible for organizing, decision-making, and overall command of emergency response and rescue operations. The Production Department Manager acts as Deputy Chief Commander, assisting the Chief Commander in emergency coordination and communication, overseeing on-site incident response, and leading the post-incident evaluation and review to continuously improve the emergency management system.

Emergency Response Organization for Environmental Incidents



The Company organizes emergency drills covering various types of environmental incidents, such as chemical spills, in accordance with the type and content of its emergency response plans and actual operational conditions. These drills aim to enhance employees' response speed and practical handling skills, while continuously improving the plans to strengthen overall emergency management capabilities.



Hazardous Chemicals Spill Drill

In October 2025, the Company organized an emergency drill simulating a hazardous chemicals spill. The exercise covered all key stages, including early warning, response actions, and resource allocation, followed by a comprehensive evaluation and debrief. The drill enhanced the plant's incident prevention and control capabilities, safeguarded employee health and safety, and ensured rapid response in the event of an actual incident, effectively limiting potential losses, environmental impact, and social consequences.



Metrics and Goals

To further strengthen the implementation of environmental protection and consolidate the ecological foundation for the Company's sustainable development, the Company has established comprehensive environmental compliance management targets. The completion of these targets and indicators is regularly monitored to ensure the effective operation of the environmental management system and to continuously uphold the principles of ecological and environmental stewardship.

Environmental Goals	2025 Goal Achievement/Progress
Noise compliance emission	Achieved
Incorporation into sewage treatment system with a standard higher than the approval one to save social public resources	Achieved
No chemical leakage or explosion accident	Achieved
Exhaust compliance emission	Achieved
No fire incidents	Achieved
Various wastes shall be reasonably classified and disposed in accordance with legal requirements	Achieved

Metric	Unit	2025
Total investment in environmental protection	RMB 10,000	1,149.63
Environmental technology renovation investment	RMB 10,000	105.76
Pollution discharge tax paid	RMB	9,557.26
Number of violations of environmental laws and regulations	case	0
Amount of penalties due to environmental incidents	RMB 10,000	0.00

Environmental Training

To ensure employees pay equal attention to environmental risks and production safety, the Company regularly organizes environmental protection training sessions. These trainings enhance employees' environmental awareness and sense of responsibility, guide them to consciously comply with environmental regulations in daily work, actively participate in company environmental initiatives, and effectively integrate environmental requirements throughout the production process.



Specialized Training on Hazardous Waste

In June 2025, the Company conducted specialized hazardous waste training in three phases, covering key modules such as laws and regulations, hazard management, internal procedures, and safety awareness. The training effectively enhanced all employees' environmental safety literacy regarding hazardous waste, strengthened the Company's hazardous waste management foundation, and achieved the training objectives of "learning through training, applying through practice, and raising awareness through warnings."



Metric	2025
Environmental training sessions	27 sessions
Participants in environmental training	699 participants
Total hours of environmental training	33.00 hours

Waste and Emissions Management

The Company strictly complies with the *Air Pollution Prevention and Control Law of the People's Republic of China*, *Water Pollution Prevention and Control Law of the People's Republic of China*, and *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, among other relevant laws and regulations. It has established the *Three-Waste Management Measures* to implement standardized and refined management and disposal of wastewater, waste gas, boundary noise, and solid waste generated during production and operations.

Wastewater Management

The Company strictly complies with relevant laws, regulations, and standards, and has formulated the *Wastewater Management System*, *Wastewater Treatment Control Procedures*, and *Sewage Treatment Station Emergency Response Regulations* to effectively regulate wastewater management. The Company's wastewater mainly consists of production wastewater and domestic sewage. For production wastewater, each unit has established supporting treatment facilities. After treatment by the unit's on-site sewage treatment system, the effluent meets discharge standards. Additionally, an online wastewater monitoring system has been implemented to track pollutant emissions in real time, ensuring compliance throughout the entire process.

Wastewater Classification Management Measures

Department/workshop management on normal wastewater	Wastewater generated in workshops is classified as high-concentration and low-concentration wastewater and collected separately in corresponding collection tanks. High-concentration wastewater undergoes pretreatment in the workshop, including oil separation, settling, and sedimentation, before being pumped to the centralized wastewater treatment station. Toxic waste liquids identified through laboratory testing and analysis must be collected and recycled. Remaining waste liquids are inactivated and managed as hazardous waste, and must not be discharged into the domestic sewage system or disposed of arbitrarily.
Department/workshop management on abnormal wastewater	In the event of abnormal wastewater generation, departments/workshops must promptly communicate with the centralized wastewater treatment station and ensure proper collection and storage. For incidents such as fires producing a large volume of firefighting water, the Safety and Environment Protection Department must be notified to open the emergency pool for proper collection.
Clean water system pollution management	The Company's clean sewage system is fully open-channel managed, with no hidden pipes or culverts. The sewage treatment station is responsible for monitoring the clean sewage system and entrusts a qualified operation and maintenance organization for upkeep. The station regularly inspects the clean sewage system to ensure it remains uncontaminated.
Management on wastewater in sewage station	Wastewater generated in workshops is classified as high-concentration and low-concentration wastewater and collected separately in corresponding collection tanks. High-concentration wastewater undergoes pretreatment in the workshop, including oil separation, settling, and sedimentation, before being pumped to the centralized wastewater treatment station. Toxic waste liquids identified through laboratory testing and analysis must be collected and recycled. Remaining waste liquids are inactivated and managed as hazardous waste, and must not be discharged into the domestic sewage system or disposed of arbitrarily.
Living sewage management	At dishwashing stations and the canteen's main outlet, filters are installed to remove large particulate matter from wastewater before it is discharged into collection tanks and conveyed to the treatment station. Wastewater from toilets and restrooms is directly discharged into septic tanks and then pumped to the centralized wastewater treatment station.

Waste Gas Management

The Company has established the *Waste Gas Management System* and *Waste Gas Prevention and Control Procedures* to implement precise control over pollutants generated during production, including fugitive emissions of toxic, hazardous, odorous gases, and dust. An accompanying online waste gas monitoring system has been deployed to continuously track key parameters such as emission concentration and flow rate, ensuring stable compliance with emission standards.

Waste Gas Pollution Prevention and Control Measures

Department/workshop organized waste gas management	The waste gas generated in the reactor in the workshop is classified into organic waste gas and inorganic waste gas, which shall be collected by pipelines and connected to the corresponding exhaust gas treatment device. Direct emission to the atmosphere without treatment is not allowed. Organic waste gas is generally treated by condensation recovery and then adsorption. Inorganic waste gas is absorbed and treated with corresponding acid spray or alkaline spray device according to acid and alkali. The remaining organic waste gas is connected to the incineration device for incineration, and finally discharged up to the standard. Dust generated in centrifuge room and mixing room of workshop is removed by cloth bag, connected to water film dusting device, absorbed by spray, and discharged up to the standard.
Department/workshop unorganized waste gas management	For workshop with process units or process points for unorganized waste gas escape, the waste gas is treated by means of process operation control, isolation collection in the closed room, collection by the draft hood, etc. The collected unorganized waste gas shall be treated in the same way as organized waste gas, and discharged up to the standard. All workshops/departments shall regularly inspect and maintain the equipment, pipes, valves, etc. within their respective scope, and keep the air tightness of the equipment in good condition. Personnel on duty shall enhance the tour inspection to prevent the occurrence of running, bubbling, dripping and leaking phenomenon.
Management on waste gas generated from sewage treatment systems	The waste gas generated from the aeration unit of the sewage pretreatment system is collected in a closed enclosure, treated by oxidation absorption and acid & alkali spray respectively, and discharged up to the standard.
Management on fume and waste gas in canteen	When cooking dishes in the canteen, the kitchen hood must be turned on. The kitchen fume is collected and discharged via the kitchen hood. The kitchen hood shall be cleaned and maintained once a month.

Solid Waste Management

The Company's solid waste is primarily classified into general industrial solid waste and hazardous waste. By establishing policies such as the *Solid Waste Management System*, *Solid Waste Treatment Control Procedures*, and *Hazardous Waste Management Measures*, the Company has built a full-process solid waste management framework. The management adheres strictly to the principles of segregated collection, source reduction, resource recycling, and compliant disposal, implementing classified handling for general industrial waste, hazardous waste, and office/living garbage. Clear responsibilities are defined across organizational levels to ensure compliant disposal and achievement of waste reduction targets.

The Safety and Environment Protection Department is primarily responsible for the treatment and supervision of solid waste, while the factories coordinate efforts for solid waste recovery and utilization. Each department manages the segregated collection of waste generated within their area, and the Procurement Department sources raw materials that meet national environmental standards, thereby reducing the generation and discharge of solid waste at the source.

The Company has established a comprehensive solid waste management system and record-keeping framework, standardizing the documentation of generation, storage, transfer, and disposal throughout the waste lifecycle. Hazardous waste is entrusted to qualified external service providers for compliant disposal, strictly following the waste transfer note system, with all documentation archived to ensure full traceability and auditability.

Waste Management and Recycling Goals



Waste Disposal Measures

General waste

- Living garbage and general solid waste are packaged and stacked according to requirements;
- The Safety and Environmental Protection Department regularly inspects the stacking of living garbage to ensure that it is properly stacked and disposed regularly. Sign a contract for the disposal of living garbage with qualified entity every year;
- The Company's waste and old office equipment, electronic products and electrical waste are collected by the Comprehensive Management Department, and the Procurement Department contacts the manufacturers for recycling and disposal. Waste and old equipment without usable value shall be disposed by the Engineering & Equipment Department.

Hazardous waste

- Hazardous solid waste must be accompanied by a Hazardous Waste Storage Application Form. Only after review and approval can the waste be admitted into storage. Waste management personnel receive application forms from each department, inspect the waste, and only accept it into storage if it meets the standards. Waste is stored in designated areas with a complete in/out ledger maintained. The hazardous solid waste warehouse shall be built in accordance with applicable requirements, and the card for hazardous solid waste classification, identification and safety note shall be properly kept. The warehouse shall be kept ventilated and dry, and shall be equipped with the exhaust gas treatment system accordingly.
- The Safety and Environmental Protection Department shall sign hazardous solid waste disposal contracts with qualified treatment entities, and shall submit the solid waste management plan and hazardous waste transfer plan to the local Environmental Protection Bureau. The Safety and Environmental Protection Department shall contact for the disposal in time, and the ledger of hazardous solid waste shall be properly kept.
- The ledger of hazardous solid waste shall be managed by full-time person and kept for at least 10 years

Noise Management

The Company has established a *Noise Prevention and Control Procedure*, creating a comprehensive noise pollution prevention and management system that covers the entire chain from source control, process management, to operational assurance. The Company strictly complies with the *Emission Standard for Industrial Enterprise Boundary Noise* and continuously monitors noise generated by production activities. Through integrated measures such as vibration reduction, sound insulation, and noise attenuation, the Company effectively controls noise emissions and minimizes their impact. During the reporting period, noise emissions across all plants of the Company and its subsidiaries met the relevant standards.

Noise Control Measures

01	The approval report and the feasibility report for projects that may cause corporate noise pollution or involve in noise pollution control facilities shall be countersigned by the Safety and Environment Protection Department, and the <i>Provisions on Simultaneous Management of New, Renovated and Expanded Projects</i> shall be strictly implemented. The responsible department for noise pollution shall organize production reasonably (the production that produces large noise shall be arranged in non-concentrated production time as far as possible), and strengthen operation management to reduce noise pollution, alleviating the impact on the surrounding environment
02	Each department is responsible for the daily maintenance and care of its own equipment and noise pollution control facilities to ensure that the equipment and control facilities are in good technical condition. The Safety and Environmental Protection Department shall urge relevant departments to conduct regular maintenance and repair of equipment and noise pollution control facilities to ensure that the equipment is in good technical condition
03	Once it is found that the equipment and noise pollution control facilities are faulty, or the muffler sound insulation and absorption materials are damaged, and the repair and restoration shall be organized timely
04	No-horning signs shall be set up in the factory area, and motor vehicles shall not horn.
05	The entities conducting architecture and construction operations in the factory shall control noise in accordance with the <i>Control Procedures on Related Parties</i>
06	The noise prevention and control shall be included in the <i>Environmental Management Plan</i> , clearly defining the noise emission points, the monitoring frequency and standards of the noise emission points, and the noise prevention & control measures and the inspection of the implementation thereof

Ecosystem and Biodiversity Conservation

Juheshun integrates biodiversity conservation into the core of its corporate development, regarding it as a key component for a sustainable future. The Company complies with the *Wild Animal Protection Law of the People's Republic of China* and the *Regulations on the Protection of Wild Plants of the People's Republic of China* in its production and operations, proactively fulfilling its ecological responsibilities and striving to minimize operational disturbances to the environment. By optimizing process flows, reducing waste emissions, and utilizing clean energy, the Company mitigates pressures on ecosystems and is committed to exploring pathways for harmonious coexistence between business and nature.

All manufacturing bases under the Company are located outside government-designated ecologically sensitive areas, and operations do not involve any disruption to local ecosystems.

05

People Orientation: Fostering Shared Social Prosperity

The Company upholds the philosophy of being “people-oriented,” cultivating a diverse, equitable, and harmonious workplace by focusing on employee rights protection, talent training and development, employee communication and care, and occupational health and safety. This approach supports employees in realizing their self-worth and empowers their growth.

Contents of This Section

- Protection of Employees' Rights and Interests
- Occupational Health and Production Safety
- Training and Development
- Fulfilling Social Responsibility
- Employee Communication and Care

SDG Addressed



Protection of Employees' Rights and Interests

The Company strictly complies with the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and other relevant laws and regulations. It has established rules and regulations such as the *Employee Handbook*, and developed a scientifically sound and standardized system for talent selection, recruitment, and compensation and benefits. The Company fully implements principles of fairness and equity, respects, and effectively safeguards the legitimate basic rights of every employee, laying a solid human resources foundation for sustainable corporate development.

Key performance

Percentage of contract workers: **100%**



Talent Attraction and Recruitment

Employee Recruitment

The Company has established a standardized and transparent recruitment management system, strictly adhering to the principles of fairness, impartiality, and openness, and actively attracting talent from society. The entire recruitment process rigorously implements qualification verification, background checks, and interview assessments, resolutely prohibiting child labor, forced labor, and any form of employment discrimination, ensuring proper job-person fit and compliance with labor regulations. The Company formulates clear job requirements based on position needs and leverages multiple recruitment channels, including on-campus recruitment presentations in collaboration with universities, to maximize recruitment resources. During the reporting period, the Company participated in **11** campus recruitment events and screened over **116** resumes.

List of Universities/Colleges of Corporate On-Campus Recruitment

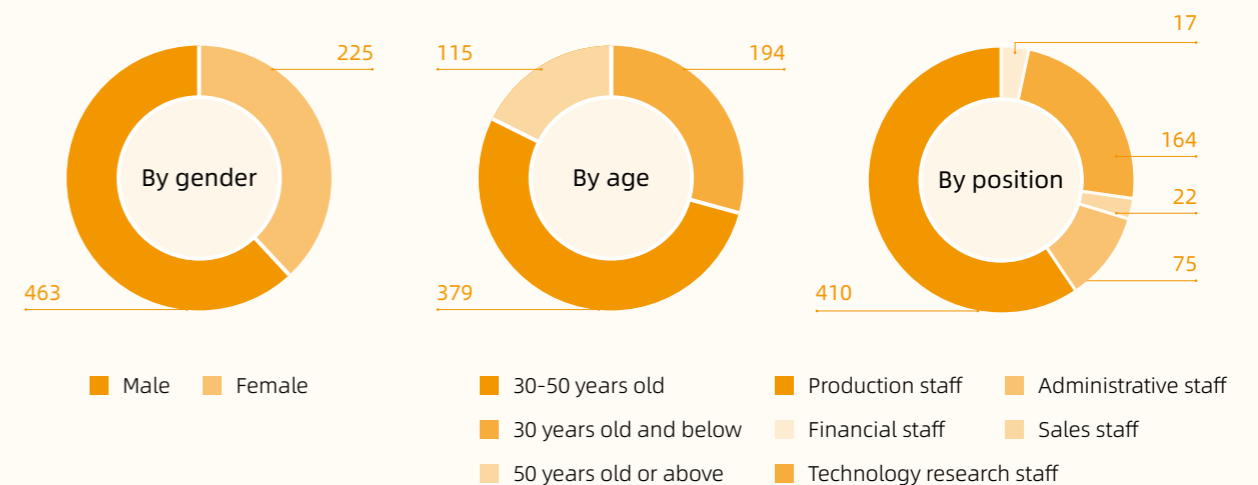


Recruitment Fair of Juheshun



Employee Structure

Total number of employees 688



Diversity, Equality, and Inclusion

The Company actively fosters a diverse and equitable workplace, respecting the uniqueness of each employee. In all processes—including recruitment, salary determination, and promotion—no employee is discriminated against based on ethnicity, religion, gender, age, marital status, disability, or any other factor. The Company embraces all employees with an attitude of equality and inclusion.

Protection of women’s rights

Juheshun has formulated the *Juheshun Collective Agreement - Protection of Female Employees*, providing comprehensive care and safeguards for female staff, covering maternity leave, labor protection, and health check-ups. For female employees at different stages such as miscarriage, pregnancy, and breastfeeding, the Company specifies measures including maternity leave duration, reduced workload, scheduled rest periods, and daily breastfeeding breaks. It strictly prohibits any reduction in salary, dismissal, or unilateral termination of employment contracts due to pregnancy, childbirth, or breastfeeding. In addition, the Company arranges annual gynecological check-ups for female employees, effectively safeguarding their legal rights and physical and mental well-being.

Human Rights Protection

Anti-discrimination and anti-harassment

Juheshun strictly prohibits any form of discrimination. The Company upholds principles of fairness throughout all processes, including recruitment, promotion, compensation, training, and benefits, explicitly forbidding discrimination based on gender, race, culture, age, religious belief, sexual orientation, disability, or any other dimension. Through standardized recruitment procedures and transparent decision-making mechanisms, the Company ensures equal opportunities for all candidates, providing a solid safeguard for employee rights.

Protection of child and underage workers

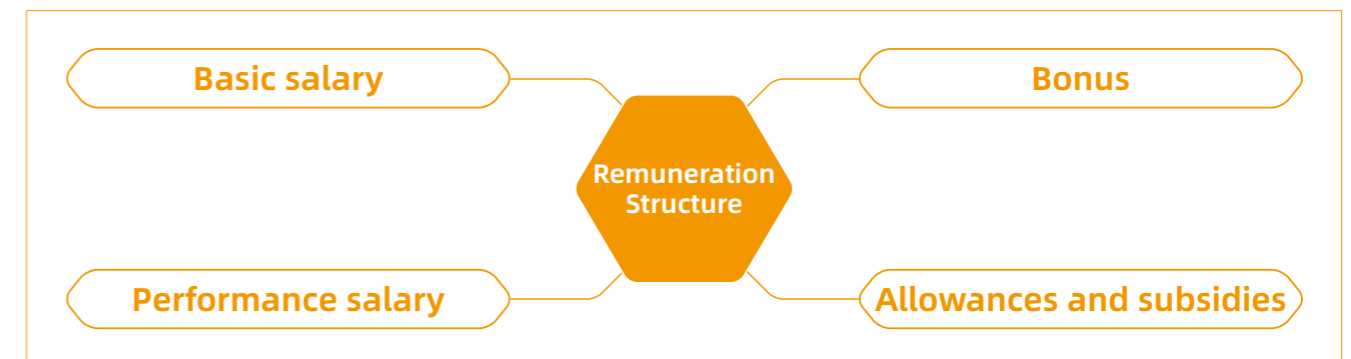
Juheshun has established the *Juheshun Collective Agreement - Special Protection for Minors* and the *Regulations on the Management of Child and Underage Workers*, strictly implementing compliance requirements throughout the entire recruitment and onboarding process. During recruitment, personal information is carefully verified, and the employment of anyone under 16 years old is strictly prohibited. At onboarding, identification documents are checked to ensure consistency between the individual and the ID. The Company also clearly requires that it will not cooperate with suppliers who deliberately employ child labor or engage in forced labor, effectively preventing the employment of child workers and any form of human rights violations, thereby firmly safeguarding compliance in labor practices.



Compensation and Benefits

Compensation Management

Juheshun is committed to establishing a compensation system that is “externally competitive and internally equitable.” The Company strictly complies with the *Labor Law of the People’s Republic of China* and other relevant laws and regulations, building a compensation management system tailored to its actual circumstances, ensuring that employees are fairly rewarded for their contributions. The Company’s compensation structure balances incentives and protection, consisting of basic salary, performance-based salary, bonuses, and allowances. Performance-based salary and bonuses are linked to both company performance and individual employee performance. Juheshun also emphasizes safeguarding the compensation and benefits of frontline employees, setting standards above the local minimum wage, which not only ensures employees’ basic living needs but also reflects the Company’s respect and care for its frontline staff.



Performance Assessment Management

Juheshun has established a comprehensive employee performance assessment management system, utilizing channels such as performance review meetings and written feedback to create a diversified communication network. The Company standardizes the performance feedback process to ensure timely feedback, in-depth analysis of issues, and effective implementation of improvement measures. This approach continuously empowers employees to enhance their performance, driving the growth of both individuals and the Company.

The Company implements a combined performance assessment system encompassing monthly, quarterly, and annual evaluations. Annual recognition adheres to a positive incentive approach, with clear and transparent selection criteria designed to commend outstanding employees who demonstrate both integrity and competence, achieve strong performance, and exhibit a spirit of dedication. This system sets exemplary role models and fully motivates all employees to strive for excellence.

Performance Appeal Process



Benefits Management

Juheshun places great emphasis on employee well-being. In addition to legally contributing to the statutory social insurance and housing fund, the Company provides supplementary commercial insurance, creating a multi-layered protection system. At the same time, Juheshun has established a thoughtful care mechanism, including annual health check-ups for all employees and the distribution of birthday and holiday benefits, conveying a human-centered touch. By combining statutory benefits with flexible care, the Company supports employees in growing together with the enterprise in harmony.

Statutory basic benefits	Social insurance and housing fund
Health protection benefits	Regular health check-ups, supplementary commercial insurance
Leave	Marriage leave, maternity leave, other statutory holidays, paid annual leave, sick leave, personal leave
Holiday care benefits	Hardship allowances, employee care benefits, birthday benefits
Training and development benefits	Educational advancement, training opportunities
Living support benefits	Employee activities, accommodation benefits

Training and Development

Employee Training

Juheshun has established the *Training Management Regulations* and the *Mentorship Management Measures*, building a diversified training system that covers the entire career lifecycle of employees. This system comprehensively standardizes processes including training plan formulation, organization and implementation, course development, and mentor management. During the reporting period, the Company formulated the *2025 Annual Training Plan*, aligning it with the Company's development strategy and talent development roadmap. The plan specifies overall requirements, objectives, key training programs, and implementation standards, aiming to enhance employee competencies and provide a solid talent foundation for corporate growth. Training content spans multiple dimensions, including professional conduct, company policies, and technical knowledge and skills, ensuring comprehensive and in-depth implementation and laying a firm groundwork for employees' capability advancement and career development.

Internal training	Training conducted by in-house trainers, including sessions delivered by external instructors at the Company.
Outsourced training	Training provided to company employees by external institutions.
New employee training	Training designed to help new employees deepen their understanding of the Company.
Internal job transfer training	Training required due to changes in employee positions, including transfers and promotions.
Specialized occupation certification training	Professional qualification training for positions that require certification, in accordance with national regulations.
Safety training	Safety-related training conducted in line with work safety management requirements, including emergency response plans, fire drills, and the handling of chemicals.

Key performance

Induction training **152** times; total training participants **15,342** participants; Company-wide training **48** sessions; Department-specific training **934** sessions; Total annual training sessions **1,134** sessions; Average annual training hours per employee **39.18** hours/person

To meet the demands of digital transformation, the Company has also launched the "Cloud Classroom" online platform, creating a deeply integrated "online + offline" training model.

Case

Online Platform - Cloud Classroom

Career Development

Juheshun provides employees with clear and broad career development paths, structured into three main tracks: management, professional technical, and sales. These tracks offer smooth development channels and sustainable growth opportunities for employees across different positions. The Company adheres to a scientific and efficient management model, emphasizing a flat organizational structure, highly values employees' professional competencies demonstrated on the job, and bases career planning on these competencies, supporting employees in becoming experts in their respective fields.

At the same time, the Company uses performance assessment results as a key basis for salary adjustments and promotions, encouraging healthy competition. When positions become vacant, a "horse-racing" competitive selection mechanism is implemented, prioritizing the promotion of outstanding talent from frontline positions to management roles, fully motivating employees to grow and excel.

Employee Communication and Care

Democratic Governance

Juheshun actively promotes democratic management among employees, establishing smooth communication channels such as suggestion boxes, notice boards, and satisfaction surveys, encouraging employees to actively participate in corporate management and fully express their demands and suggestions. At the same time, the Company has implemented a system for managing rationalization proposals, encouraging employees to provide improvement suggestions on areas such as incentive mechanisms, performance evaluation, employee training, and corporate culture, with special discussions and feedback implemented for feasible proposals.

The Company respects employees' central role and safeguards their rights to information, participation, and supervision, ensuring that every employee truly becomes a participant, contributor, and beneficiary of the Company's development. Juheshun is committed to building a shared destiny between the enterprise and its employees, fostering collective momentum for high-quality development.



2025 Employee Representatives Congress

In April 2025, the Company held the first Employee Congress of 2025, addressing the proposals *Election of Mr. Fu Yongbin as Employee Representative Director* and *Election of Ms. Shen Qin as Employee Representative Supervisor*. In November of the same year, the Company held the second Employee Congress of 2025, addressing the proposal *Removal of Ms. Shen Qin from the Position of Employee Representative Supervisor*.



Employee Satisfaction Survey

Juheshun places great importance on employee concerns and workplace experience, establishing a routine employee satisfaction survey mechanism covering all organizational levels. General staff provide feedback on dimensions such as work environment, compensation and benefits, career development, corporate culture, and work arrangements, while supervisors and above focus on team management, interpersonal relationships, and strategic resources. Through scientifically designed questionnaires, multi-channel data collection, and in-depth analysis of results, the Company compiles recommendations and implements targeted improvement measures, continuously enhancing employees' sense of belonging, well-being, and recognition, thereby strengthening the internal driving force for corporate development.

Key performance

Employee opinion surveys **605** valid responses collected, with an average satisfaction score of **85.63** points.

Employee Complaints and Feedback

Juheshun has established a clear and comprehensive employee complaint mechanism to fully safeguard employees' legal rights. If an employee disagrees with a handling decision, they may first submit a complaint to their direct supervisor, following the chain of command. If still dissatisfied with the outcome, the employee may escalate the complaint further or submit it via the suggestion box, or directly to the General Manager or the Chairman. The Chairman's decision serves as the final ruling, ensuring that employees' concerns are fully expressed and handled fairly.

Employee Health

Juheshun places a high priority on employee health. Through themed health seminars such as "The Hazards of Modern Unhealthy Habits and Health Management", the Company helps employees understand the impact of poor lifestyle habits, raises health awareness, and guides the development of good work and life routines. This enables employees to engage in work and life with greater energy and vitality, ensuring that each employee maintains strong physical health while advancing steadily together with the Company.



Employee Health Training Sessions

Employee Activities

Juheshun regularly organizes a wide variety of employee activities. By engaging staff in tree-planting events, the Company not only plants seedlings of hope through teamwork and effort but also strengthens team cohesion and promotes environmental awareness. Employees experience the warmth and joy of working side by side while contributing to building a better community.



"Planting New Green, Embracing Spring" Tree-Planting Activity

On March 12, Juheshun organized a volunteer tree-planting event under the theme "Planting New Green, Embracing Spring" at areas surrounding its various sites. Employees collaborated to plant seedlings and perform subsequent care, effectively increasing regional green coverage and contributing to carbon reduction and ecological restoration. This activity integrated the concept of environmental protection into practice, reinforcing local ecological barriers, bridging the gap between the Company and the community, and demonstrating the Company's ecological responsibility and commitment to sustainable development.



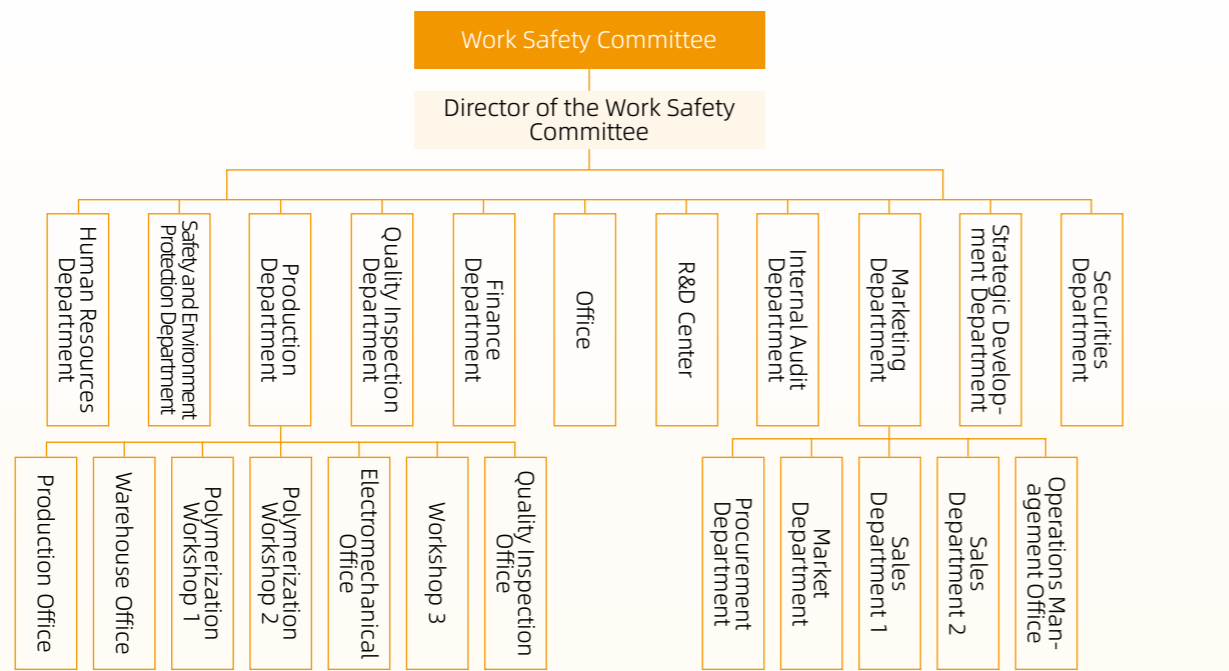
Occupational Health and Production Safety

Juheshun consistently regards occupational health and work safety as core elements of sustainable development. The Company strictly complies with the *Law of the People's Republic of China on Work Safety*, the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, and other relevant laws, regulations, and industry standards. Adhering to the ISO 45001 Occupational Health and Safety Management System requirements, Juheshun has established a safety management system based on the principles of prevention first, full-process control, and full employee participation. The Company strengthens occupational health monitoring, safety skills training, and protective measures, effectively safeguarding the health of all employees and reinforcing the foundation of work safety.

Governance

Juheshun places great emphasis on work safety and employee occupational health, establishing a governance framework characterized by "Work Safety Committee for overall decision-making, Occupational Health and Safety Leadership Team for implementation, dedicated safety departments for execution, and all employees bearing dual responsibilities in their roles." The Work Safety Committee reviews safety strategies and major issues, while the Occupational Health and Safety Leadership Team coordinates occupational health management. Each production site has a dedicated safety management department, with clearly defined safety responsibilities from management to frontline employees, forming a comprehensive responsibility network that is horizontally extensive and vertically thorough.

Juheshun Work Safety Management Framework

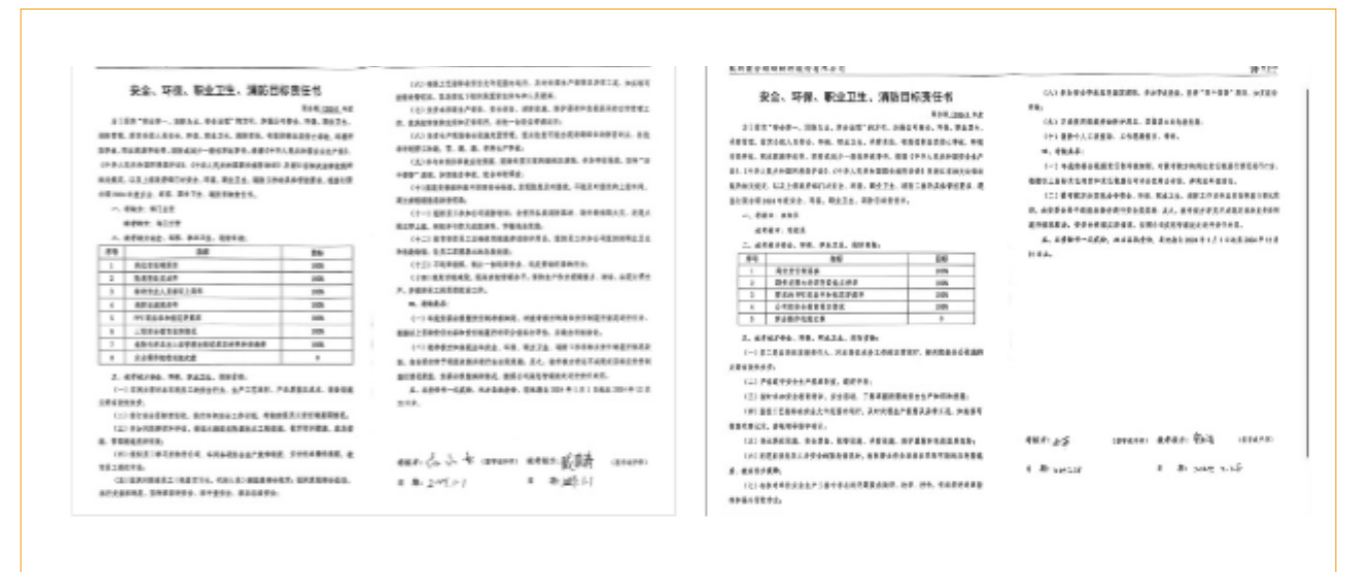


In terms of system development, Juheshun strictly complies with relevant laws and regulations, establishing a series of policies such as the *Identification and Control System on Potential Risks* and the *Management System of Work Safety Management Committee*. These serve as guiding documents for work safety, safety risk control, and hazard investigation, embedding requirements for risk identification, emergency response, and contractor management throughout the entire production process, ensuring that safety governance is systematic and rule-based. At the same time, the Company has developed a comprehensive occupational disease prevention and occupational hygiene management system, including over ten policies such as the *Responsibilities for Occupational Disease Hazard Prevention System* and the *Occupational Protective Equipment Management System*. Led by the Occupational Health and Safety Leadership Team, these policies oversee all aspects of occupational health management, including health examinations, monitoring of workplace hazards, and occupational health education and training.



To ensure the effective implementation of all safety management measures and to advance the achievement of annual safety objectives, Juheshun has established a work safety accountability system. The Company signs Work Safety Responsibility Agreements with each department and links these agreements to departmental and individual performance assessments, thereby motivating employees to actively engage in safety management.

Work Safety Responsibility Agreements Signed by Departments



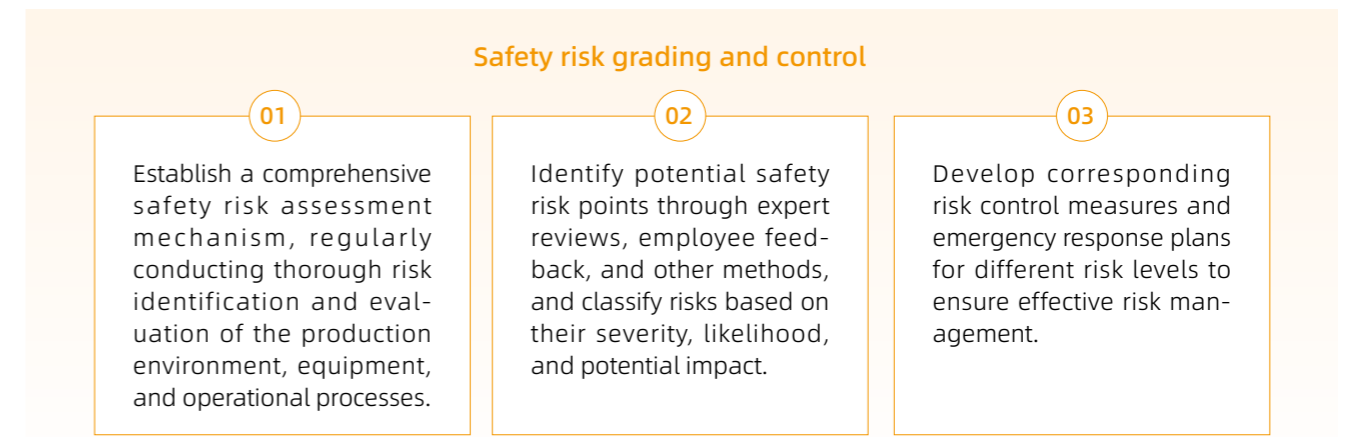
Strategy

Type of Risk/Opportunity	Description of Risk/Opportunity	Probability of Occurrence	Extent of Impact	Impact Duration	Priority Ranking	Potential Financial Impact	Response Measures
Safety accident risk	The Company's production processes involve hazardous chemicals such as caprolactam, posing risks of fire, explosion, and leakage. In the event of a safety incident, production equipment may be damaged, production lines halted, and normal operations disrupted.	Low	High	Short- to medium-term	High	Increased operating costs, reduced revenue	<ul style="list-style-type: none"> Establish a routine hazard investigation mechanism to identify and rectify hazards in a timely manner, eliminating potential accidents; Conduct regular risk identification and assessment, maintain a dynamic ledger of major hazard sources, develop specialized emergency response plans, and perform periodic drills.
Occupational health risk	Occupational hazards such as dust, noise, and high temperatures generated during production may lead to respiratory diseases, hearing loss, skin disorders, and other occupational health risks, resulting in costs for occupational disease prevention and potential employee turnover.	Medium	Medium	Short-term	Medium	Increased operating costs	<ul style="list-style-type: none"> Conduct regular monitoring of occupational hazards in the workplace; Provide employees with standard-compliant personal protective equipment; Maintain employee occupational health records, organize regular health check-ups, and implement job rotation for high-risk positions to reduce exposure to occupational hazards.
Technology upgrade opportunity	Introducing monitoring systems and automated production equipment can achieve precise control of safety risks and comprehensive enhancement of occupational health protection, reducing losses from safety incidents and occupational diseases. At the same time, automation reduces manual operation risks, improves production continuity and stability, and increases capacity utilization.	High	Medium	Long-term	High	Increased production efficiency, higher profits, reduced operating costs	Increase investment in safety technologies to achieve real-time early warning and precise control of safety risks, thereby improving overall safety levels.
Talent attraction and retention opportunity	Comprehensive occupational health protection and a safe working environment can enhance employee satisfaction and sense of belonging, reducing employee turnover.	High	Medium	Long-term	High	Reduced costs	<ul style="list-style-type: none"> Improve the occupational health and safety management system and fully implement work safety management; Enhance employee safety awareness and emergency response capabilities through safety training, knowledge competitions, and emergency drills; Strengthen the occupational health protection system to comprehensively safeguard employees' health.

Impact, Risk, and Opportunity Management

Safety Risk Management

Based on the characteristics of nylon new material production, Juheshun has established a work safety management system following the framework of "identification and assessment - graded control - continuous improvement." The Company integrates risk prevention and opportunity capture throughout the entire production and operational chain, ensuring risks are controllable, opportunities are actionable, and management forms a closed-loop system.



Occupational Disease Hazard Detection

Based on the characteristics of production operations and in accordance with occupational hygiene laws and standards, Juheshun systematically identifies potential occupational health risks such as dust, noise, and high temperatures through a combination of on-site inspections, workplace hazard monitoring, and specialized job risk analyses. To prevent occupational diseases, the Company conducts regular monitoring of occupational hazard factors in workplaces in strict compliance with national laws and regulations, promptly assesses the level of occupational hazards, and implements appropriate protective measures to reduce the incidence of occupational diseases.

During the reporting period, Juheshun Luhua, a subsidiary of Juheshun, commissioned a professionally qualified third-party organization to conduct standardized monitoring of key occupational hazard factors, including dust and noise, in production workplaces. The monitoring strictly adhered to relevant national standards and was fully standardized and controlled throughout the process. A total of 52 monitoring points covering dust, chemical agents, physical factors, and radiation were inspected, all meeting the required standards.

Identification of Hidden Hazards

Juheshun has established a routine safety hazard investigation mechanism. The safety management department regularly conducts on-site inspections and monthly special checks, focusing on potential hazards in production equipment, work environments, and protective facilities to ensure no blind spots or overlooked areas. Identified hazards are recorded in a ledger, with clear assignment of rectification responsibilities to individuals, ensuring timely resolution. Meanwhile, to strengthen fire safety management, the Company has developed a *Fire Inspection Registration Form*, under which designated personnel conduct daily inspections across eight key areas, including fire and electrical use, safety exits, and evacuation routes. Any hazards identified are addressed immediately to eliminate risks at the source. Additionally, the Company actively encourages employees to participate in hazard investigation and remediation, reporting and addressing safety hazards promptly.

Emergency Management and Drills

Juheshun, in compliance with the *Emergency Response Law of the People's Republic of China* and the *Administrative Measures for Emergency Plans for Production Safety Accidents*, has developed production safety emergency response plans, including comprehensive emergency plans, specialized response plans, and on-site handling plans. The Company has also equipped its facilities with professional foam fire extinguishers and emergency rescue kits, aiming to comprehensively enhance emergency response capabilities and continuously improve the emergency management system. This ensures that, in the event of an emergency, the Company can respond quickly and effectively, minimizing accident losses and safeguarding employees' lives and property as well as the Company's stable development.



● Professional Foam Fire Extinguishers



● Emergency Rescue Kits

During the reporting period, all Juheshun production sites developed the *2025 Annual Production Safety Emergency Drill Plan* and conducted multiple emergency drills in accordance with the plan, covering fire safety, hazardous chemicals, electric shock, and other scenarios. The drills closely followed practical operational procedures, enhancing employees' emergency skills and teamwork, while testing and optimizing the practicality of emergency response plans. Through this series of exercises, employees' safety awareness, self-rescue, and mutual-aid capabilities were significantly strengthened, further solidifying the foundation of safety management and effectively safeguarding both employee lives and stable production operations.

2025 Annual Production Safety Emergency Drill Plan

On-Site Response Drill Plans

- ⊙ On-Site Response Plan for Falls from Height
- ⊙ On-Site Response Plan for Fire and Explosion Accidents
- ⊙ On-Site Response Plan for Electric Shock Accidents
- ⊙ On-Site Response Plan for Confined Space Accidents
- ⊙ On-Site Response Plan for Heatstroke Incidents
- ⊙ On-Site Response Plan for Scalding Incidents
- ⊙ On-Site Response Plan for Frostbite Incidents

Specialized Response Drill Plans

- ⊙ Specialized Response Plan for Radiation Incidents
- ⊙ Comprehensive Emergency Plan
- ⊙ Specialized Response Plan for Boiler Explosion Accidents
- ⊙ Specialized Response Plan for Fire and Explosion Accidents
- ⊙ Specialized Emergency Plan for Hazardous Chemical Spills
- ⊙ Specialized Emergency Plan for Special Equipment Accidents
- ⊙ Specialized Emergency Plan for Natural Disaster Incidents



Strengthening Safety Defenses and Protecting Our Shared Home

In September 2025, Juheshun conducted specialized fire safety training and practical drills. The training focused on fire prevention, hands-on use of fire extinguishers, and emergency evacuation procedures, combining theoretical instruction with on-site demonstrations to solidify employees' fire safety knowledge. The drills simulated real fire scenarios, with employees strictly following emergency plans to complete evacuation, initial fire suppression, and other procedures. This activity not only enhanced employees' emergency response capabilities and teamwork awareness but also reinforced the Company's "safety first, prevention-oriented" safety philosophy, building a comprehensive fire safety defense across all sites.



● High-Altitude Fall Drill



● Fire and Explosion Drill



● Heatstroke Incident Drill



● Electric Shock Drill



● Scalding Incident Drill



● Confined Space Incident Drill

Metrics and Targets

To continuously strengthen the effectiveness of safety management, Juheshun has established a comprehensive occupational health and work safety indicator system, covering key areas such as hazard investigation and remediation, and monitoring of occupational hazard factors. Based on this system, the Company sets targeted work objectives, striving to create a zero-incident, zero-injury healthy and safe working environment. This ensures the protection of employees' physical and mental health and life safety, while promoting stable and secure corporate operations. During the reporting period, the Company did not experience any major safety incidents.

Occupational Health and Work Safety Targets

- Continuously strengthen employee occupational hygiene education and training to ensure workers are familiar with the occupational hazard factors present in the workplace.
- Conduct regular monitoring of occupational hazard factors to provide a basis for occupational disease prevention.
- In accordance with the *Technical Specifications for Occupational Health Surveillance* (GBZ1882014), carry out regular occupational health examinations for personnel exposed to occupational hazard factors.

Metric	2025
Number of internal inspections conducted	80 inspections
Number of external inspections conducted	37 inspections
Number of safety training sessions conducted	80 sessions
Number of participants in safety training	743 persons
Hours of safety training	16,512.00 hours
Average safety training hours per employee	66.83 hours/person
Number of work safety accidents	5 cases
Number of work-related deaths	0 persons
Total number of work-related injuries	9 persons
Identification of hidden hazards	64 times
Potential hazard investigation and rectification rate	100.00%
Number of safety emergency drills conducted	33 drills
Investment in work safety	RMB 3.1912 million
Number of special operators licensed	178 persons
Percentage of special operators licensed	100.00%
Number of new cases of occupational diseases	0 cases
Incidence rate of occupational diseases	0%
Number of employees receiving health check-ups	616 persons

Safety Production Management

Safety Training and Advocacy

Juheshun has established a hierarchical and categorized safety education and training system to continuously enhance employees' professional skills and emergency response capabilities. The Company has formulated the *Annual All-Employee Training Management System* and the *Occupational Health Education and Training System*, requiring each employee to complete no less than 20 hours of safety education training annually. For management personnel, training focuses on safety laws, regulations, and risk control decision-making to strengthen top-level safety management awareness. Frontline employees receive regular training on safe operational procedures, occupational hazard protection, and emergency self-rescue, with 100% of special-operations personnel certified for their roles. The Company also regularly organizes emergency drills covering fire, material spills, electric shock, and other scenarios to improve practical response skills. Additionally, safety management personnel are encouraged to obtain professional qualifications such as Registered Safety Engineer and Occupational Health Administrator, building a professional safety management team to provide talent support for effective safety governance.

Safety Education and Training System		
Three-level safety education training	Team level	Workshop level
Annual re-education	General Manager	Company level
	Full-time safety management personnel	Not less than 12 class hours
	Other management personnel	Safety professional technical training shall not be less than 12 class hours
	Special type of work	Not less than 12 class hours
	Other staff	Pass the national safety training and obtain the qualification certificate, and receive targeted training not less than 12 class hours per year
Re-education on work resumption		
Safety education training on job transfer		
Special work safety education training		
Targeted safety education training		



Typical Accident Analysis and Safety Knowledge Training

On August 9, Changde Juheshun organized a special study and discussion session on work safety, focusing on typical accident cases and a review of safety management measures implemented in the first half of the year. The session explained the concepts and classifications of work safety incidents, systematically reviewed representative accident cases, and conducted in-depth analysis of the causes while specifying targeted corrective measures. A free-discussion segment was included, encouraging employees to share insights and suggestions. This activity effectively deepened employees' understanding of past safety incidents and further strengthened safety awareness and compliance in daily operations.



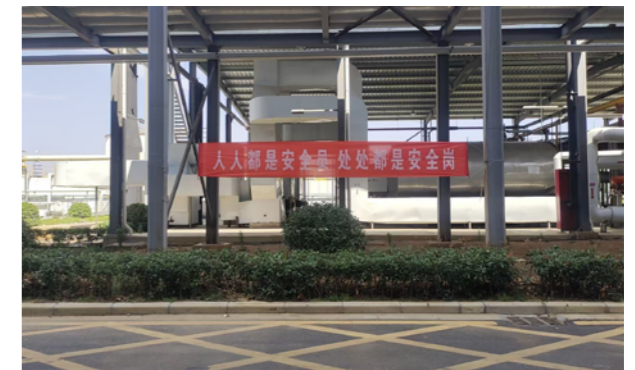


Temporary Electricity Special Training and Assessment

The subsidiary Juheshun Luhua conducted targeted training and assessment on temporary electricity use, covering key topics such as electrical safety standards, hazard identification, and emergency response. The training employed a dual “theory + practical” approach to help employees strengthen their electrical safety skills. After the training, assessments combining written tests and on-site practical exercises were conducted to rigorously evaluate competency, ensuring all employees fully master the required standardized operating procedures.



Work Safety Month Promotional Activities



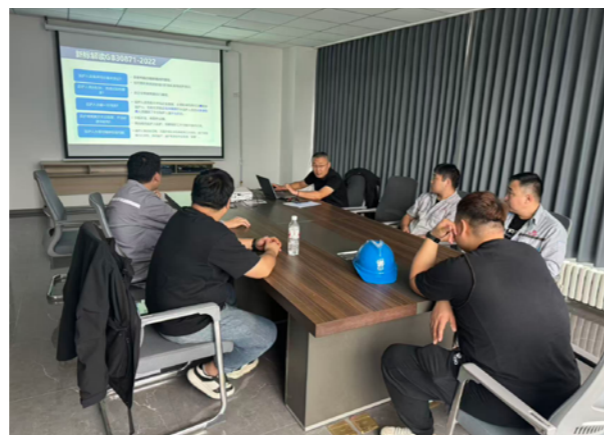
Safety Management for Stakeholders

Juheshun strengthens full-process safety management for external partners, including suppliers and contractors. By signing specialized safety responsibility agreements and providing on-site safety orientation and practical training, the Company ensures that all partners entering production areas strictly comply with corporate safety management standards and operational procedures. This collaborative approach reinforces shared accountability for safety management and helps maintain safe and orderly operations on site.



Hazardous Chemicals Operation Safety Training and Supervisor Training

In May 2025, the subsidiary Juheshun Luhua organized specialized training and assessment on hazardous chemicals operations. The training covered general mechanical, electrical, and fire safety knowledge; gas protection basics; methods for inspecting safety measures in work permits; identification of hazardous factors in work areas; accident prevention; and emergency response and rescue skills. It also included instruction on the use and maintenance of safety harnesses, fire-fighting equipment, and personal protective equipment. A unified assessment was conducted after the training, effectively enhancing employees' safe operation and emergency response capabilities, and strengthening the foundation of hazardous chemicals safety management.



Occupational Health Management

The Juheshun Occupational Health and Safety Leadership Team comprehensively oversees all aspects of the Company's occupational health management. By establishing employee occupational health records, providing compliant protective equipment, and conducting regular workplace hygiene inspections, the Company standardizes occupational health management across all processes. These measures ensure that work environments meet occupational hygiene standards, prevent occupational diseases at the source, and fully safeguard employees' occupational health rights.



Juheshun is committed to creating a physically and mentally healthy and safe working environment for employees by implementing pre-employment, on-the-job, and post-employment occupational health examinations and maintaining dedicated health records. The Company also continuously conducts occupational health education and skills training, comprehensively preventing occupational health risks and effectively safeguarding employees' physical and mental well-being.

Juheshun strictly adheres to national occupational hygiene laws and standards, continuously improving workplace protection, hazard control, and health monitoring systems. Following evaluation by a professional institution, the subsidiary Juheshun Luhua successfully obtained occupational hygiene certification, marking the Company's occupational hygiene management entering a standardized and regulated stage. This certification further strengthens the protective measures for employees' occupational health and provides robust support for the Company's safe and sustainable development.



Occupational Health Technical Service Agency Qualification Certification

Occupational disease examination

The Company regularly organizes annual occupational disease examinations for employees, conducted by professional medical institutions. These examinations provide systematic health assessments, promptly identify potential occupational health issues, and offer employees appropriate medical interventions and health management guidance, effectively safeguarding their occupational health rights.

Occupational hazard notification

Juheshun strictly implements regulations and management requirements related to occupational disease prevention, ensuring employees' full right to know about occupational health risks. This is achieved by placing prominent safety warning signs in workplaces and delivering occupational hazard notification letters to employees, ensuring comprehensive awareness of the health risks associated with their positions.

Daily health protection

The Company requires employees to properly wear personal protective equipment, such as dust masks, during work. In high-risk areas, refined dust control measures are implemented, including the installation of high-efficiency dust removal systems and regular cleaning of work environments. These multi-dimensional protective measures comprehensively safeguard employees' physical and mental health.

Hazardous Chemical Management

Juheshun has established the *Hazardous Chemicals Management System*, creating a full-process, standardized management framework for hazardous chemicals. Clear control measures are defined for all key stages, including general management, procurement, transportation, storage, usage, and emergency response. By implementing standardized procedures, each stage is professionally supervised, ensuring the effective and safe management of chemical substances.

Hazardous Chemicals Management Measures

General management	<p>The heads of all departments shall ensure that the safety management of hazardous chemicals complies with the requirements of laws and regulations. Personnel engaged in activities related to hazardous chemicals shall receive training and pass the assessment before taking up their posts. When choosing hazardous chemicals, try to choose those chemicals with low risk and low environmental impact. The Safety and Environmental Protection Department shall establish archives of hazardous chemicals and conduct regular surveys.</p>
Procurement	<p>The Procurement Department shall establish a list of chemicals and update it annually. Procure hazardous chemicals from qualified enterprises. The purchase of precursor or highly toxic chemicals requires a certificate of purchase and a transport permit.</p>
Transportation	<p>The transportation shall be entrusted to a qualified carrier, and the safety responsibilities shall be defined. Safety protection measures shall be taken, and escorts shall be equipped during the transportation. Any accident during transportation shall be reported to the public security department immediately.</p>
Storage and use	<p>Hazardous chemicals shall be stored in the special warehouses and managed by full-time personnel. Label management shall be standardized for storage and usage, and shall be checked regularly. Highly toxic chemicals shall be stored separately, and shall be received/dispatched and kept by two persons.</p>
Emergency response	<p>The Company sets up a 24h emergency consultation telephone. Accidents shall be handled in accordance with the <i>Emergency Plan for Production Safety Accidents</i>.</p>

Fulfilling Social Responsibility

As a leading enterprise in China's new materials industry, Juheshun focuses on industrial development while actively generating social value across multiple dimensions.

Social Contribution

Juheshun has consistently upheld the concept of corporate social responsibility. Leveraging its four major production bases in Hangzhou, Zaozhuang and Zibo in Shandong Province, and Changde in Hunan Province, the Company carries out localized social welfare initiatives. Through tangible actions such as charitable donations and agricultural support programs, Juheshun continuously gives back to society. By integrating these localized public welfare efforts into its operations, the Company translates its development achievements into social benefits, demonstrating its commitment to corporate philanthropy.



Continuation and Deepening of Agricultural Support - Tea Plantation Project

Building on the 2024 initiative, the Company continued its agricultural support for partner tea plantations by providing professional cultivation guidance and optimizing farm management practices. In addition, it expanded both online and offline sales channels, helping farmers enhance the added value of their tea products, effectively boosting agricultural efficiency and increasing farmers' incomes.



Response to National Strategies

The Company actively aligns with the national strategy for high-level opening-up, advancing its overseas expansion in line with national strategic deployment. Leveraging its Hong Kong international business platform, the Company has established a professional global sales system, with products exported to Southeast Asia, Europe, South America, Oceania, and other regions. In 2025, overseas sales revenue increased by 41%, with key markets including India, South Korea, and Brazil, promoting the international presence of domestically produced nylon new materials. In overseas operations, the Company adheres to strict compliance standards, deeply implements ESG principles, strengthens localized cooperation, and simultaneously conveys the concept of green and low-carbon industrial development, effectively fulfilling its social responsibilities abroad and demonstrating the responsibility and commitment of Chinese new materials enterprises through global industrial outreach.



Future Outlook

Juheshun will continue to uphold the philosophy of sustainable development, guided by green and low-carbon principles, driven by innovation, rooted in employee care, and committed to social responsibility. The Company will coordinate the integrated development of environmental, social, and governance dimensions, persistently deepen its expertise in the nylon new materials sector, and leverage high-quality sustainable growth to promote industry advancement and social progress.

In terms of environmental protection, the Company will continue to advance its green and low-carbon transformation, strictly comply with environmental laws and regulations, and actively promote circular economy practices. Key initiatives include enhancing waste heat recovery, recycling water resources, and optimizing resource efficiency, all aimed at continuously reducing energy consumption and pollutant emissions. The Company will improve its greenhouse gas accounting and management system, steadily advance carbon reduction actions, and leverage smart factory construction to enable cleaner production. Through systematic environmental management, Juheshun seeks to safeguard ecological security and contribute to the realization of the national "dual-carbon" goals.

In terms of innovation and products, the Company will adhere to an innovation-driven development strategy, deepen collaborative innovation across industry, academia, and research, and continuously optimize its R&D system. Focusing on high-end and differentiated products such as nylon 66, Juheshun will accelerate breakthroughs in key technologies and the commercialization of research outcomes, enhancing product added value and core competitiveness. At the same time, the Company will advance digitalization and intelligent upgrades across production processes, implementing comprehensive smart management. Through technological innovation and quality enhancement, Juheshun aims to provide downstream customers with superior new material solutions.

In terms of employee and human rights protection, the Company upholds a people-centered philosophy, strictly safeguarding employees' legal rights and interests. Juheshun has established a comprehensive occupational health and safety management system, continuously improving working conditions while strengthening safety training and emergency drills. The Company will also build a diversified talent development and promotion platform, enhance incentive mechanisms, and focus on employee growth and career progression, fostering a workplace environment that is equitable, respectful, safe, and harmonious, thereby enabling employees and the enterprise to grow together.

In terms of social responsibility, the Company will continue to enhance responsible supply chain management, promoting collaborative ESG improvements among upstream and downstream partners to build a resilient and sustainable industrial ecosystem. Actively engaging in public welfare initiatives and rural revitalization, Juheshun fulfills its corporate citizenship responsibilities while balancing economic and social benefits. Looking ahead, the Company will advance sustainable development to higher standards, continuously strengthen its capacity for comprehensive value creation, and contribute Juheshun's expertise to the industry's green transition and society's high-quality development.



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Key Performance Table

Governance Performance

Metric		Unit	2025
Corporate Governance			
Operating performance	Operating revenue	RMB 10,000	552,366.44
	Net Profit	RMB 10,000	16,376.46
	Net profit attributable to shareholders of the listed company	RMB 10,000	14,484.43
	Total assets	RMB 10,000	569,668.61
Board of Directors	Number of members of Board of Directors	person	7
	Number of female members	person	2
	Number of independent directors	person	3
	Number of full-member meetings of Board of Directors convened	time	12
	Proposals approved	proposal	62
General meeting of shareholders	Number of General Meeting of Shareholders convened	time	7
	Proposals approved	proposal	26
Remuneration for directors and senior management		RMB 10,000	332.59
Communication with investors	Performance presentation	session	3
	Investor calls received	call	40+
	Total questions raised via e-interaction platform	time	116
	Questions answered via e-interaction platform	time	116
Response rate via e-interaction platform		/	100.00%

Environmental Performance

Metric		Unit	2025
Environmental Protection			
Environmental management	Total investment in environmental protection	RMB 10,000	1,149.63
	Environmental technology renovation investment	RMB 10,000	105.76
	Pollution discharge tax paid	RMB	9,557.26
	Number of violations of environmental laws and regulations	case	0
	Amount of penalties due to environmental incidents	RMB 10,000	0.00
Environmental training	Environmental training sessions	session	27
	Participants in environmental training	participant	699
	Total hours of environmental training	hour	33.00
Pollutant Emissions			
Air pollutant emissions	Total exhaust gas emissions	10,000 m ³	56,601.02
	Nitrogen oxides (NOx) emissions	kg	11.0932
	Sulfur oxides (SOx) emissions	kg	0.2182
	Volatile organic compounds (VOCs) emissions	kg	2,438.29
	Particulate matter (PM) emissions	kg	1,973.22
Water pollutant emissions	Total wastewater discharge	m ³	204,969.00
	Wastewater treatment volume	m ³	220,362.00
	Wastewater recovery and utilization volume	ton	12,325.00
	Wastewater recovery and utilization rate	/	24.66%
	Chemical oxygen demand (COD)	ton	11.472
	Biochemical oxygen demand (BOD)	ton	3.9094
	Ammonia Nitrogen (NH ₃ -N)	ton	1.75837
	Total nitrogen (TN)	ton	5.5032

Metric		Unit	2025
Water pollutant emissions	Total phosphorus (TP)	ton	0.0655
	Animal and plant oils	ton	0
	PH	/	7.99
Waste disposal	Total waste generation	ton	426.15
	Total hazardous waste	ton	322.15
	Total non-hazardous waste	ton	104.00
	Quantity of waste recycled	ton	38.00
	Waste disposal compliance rate	/	100.00%
Resource Utilization			
Water resource utilization	Total water consumption	ton	63,914,753.00
	Freshwater withdrawal volume	ton	668,315.00
	Recycled water consumption	m ³	63,246,438
	Recycled water ratio	/	95.47%
	Water consumption intensity	t/RMB 1 million	11,571.08
Energy utilization	Comprehensive energy consumption	ton	52,159.87
	Natural gas consumption	m ³	11,407,768
	Electricity consumption	kWh	115,197,909
	Steam consumption	ton	213,001.56
	PV generation	kWh	8,355,419.60
	Electricity cost savings from photovoltaic power generation	RMB 10,000	538.10
Material consumption	Pallet	pcs	294,011
	Packaging bag	pcs	7,108,553
Address Climate Change			
Greenhouse gas emissions	Total GHG emissions (headquarters)	tCO ₂ e	156,080.27
	Including: Direct GHG emissions (Scope 1)	tCO ₂ e	24,665.75
	Indirect GHG emissions (Scope 2)	tCO ₂ e	131,414.52
	Reduced carbon dioxide emissions	ton	6,859.80
	GHG emission intensity	tCO ₂ e/RMB 1 million	28.26

Metric		Unit	2025
Biodiversity			
Ecosystem and biodiversity conservation	Area of restored or reconstructed zones at operations with the greatest impact on biodiversity	ha	0.00
	Percentage of operations located in or near ecologically sensitive areas	/	0.00%
	Proportion of high-impact commodities in total procurement	/	0.00%

Social Performance

Metric		Unit	2025
Customer Service			
Customer service	Customer feedback response time	day	1.00
	Customer feedback response rate	/	100.00%
	Customer complaints	time	1
Customer satisfaction survey	Total number of customer satisfaction questionnaires issued	copy	50
	Number of satisfaction questionnaires collected	copy	49
	Survey response rate	/	98.00%
	Customer satisfaction	/	96.00%
Supply Chain Security			
Number of suppliers	Total number of suppliers	supplier	13
Supplier audit	Number of suppliers certified under quality management systems	supplier	13
	Number of suppliers certified under environmental management systems	supplier	13
	Number of suppliers certified under occupational health and safety management systems	supplier	13
	Number of suppliers suspended due to non-compliance	supplier	0
	Number of prospective suppliers rejected due to non-compliance	supplier	0
Sustainable supply chain	Total number of suppliers signing integrity agreements	supplier	13
	Percentage of suppliers that have signed the integrity agreements	/	100.00%

	Metric	Unit	2025
R&D Innovation			
Investment in R&D	R&D expenditure	RMB 10,000	16,782.35
R&D team	Total R&D team members	person	164
	Proportion of R&D personnel to total employees	/	23.84%
By education level	Below bachelor's degree	person	101
	Bachelor's degree	person	61
	Master's degree	person	1
	Doctoral degree	person	1
By gender	Male	person	115
	Female	person	49
Intellectual property	Number of patents held	patent	77
	Number of invention patents held	patent	15
	Number of utility model patents held	patent	62
	Number of new patents added in the year	patent	7
	Number of patents pending	patent	13
	Total number of trademarks	patent	53
	Total number of published papers	piece	2
Enterprise innovation capability certification	Specialized, Refined, Differential and Innovative Enterprise	time	2
	National High-Tech Enterprise	time	2
Employment			
Number of employees	Total number of employees	person	688
	Including: Number of employees of minority groups	person	14
	Number of employees with disabilities	person	10
	Number of veteran employees	person	6
Number of employees by gender	Female	person	225
	Male	person	463
By age	Under 30 years old	person	194
	30-50 years old	person	379

	Metric	Unit	2025
By age	50 years old or above	person	115
By education level	Below bachelor's degree	person	551
	Bachelor's degree	person	130
	Master's degree or above	person	7
By job level	Senior management	person	4
	Mid-level management	person	32
	Junior management	person	113
	Ordinary employees	person	539
By function	Production	person	410
	Technical	person	164
	Sales	person	22
	Finance	person	17
Number of new employees	Administration	person	75
	Number of newly hired employees	person	216
Number of new employees by gender	Female	person	57
	Male	person	159
Number of new employees by age	Under 30 years old	person	121
	30-50 years old	person	76
	50 years old or above	person	19
Employee turnover	Number of employees departed	person	229
	Turnover rate	/	34.00%
Compensation	Average salary per employee	RMB 10,000	7.75
Protection of women's rights and interests	Number of female management	person	8
	Proportion of female management	/	22.22%
Employees' Rights and Interests			
Basic rights	Social security coverage rate	/	94.48%
Anti-discrimination	Confirmed discrimination cases	case	0
Forced labor	Confirmed forced labor cases	case	0

Metric		Unit	2025
Child labor	Confirmed child labor cases	case	0
Employee development	Number of employees underwent regular performance and career development assessments	person	688
	Percentage of employees underwent regular performance and career development assessments	/	100.00%
Employee satisfaction	Number of employee satisfaction questionnaires distributed	copy	605
	Employee satisfaction	/	85.63%
Social Contribution			
Rural revitalization	Investment in rural revitalization	RMB	39,114.00
Talent Training			
Employee training	Investment in employee training	RMB 10,000	44.62
	Number of employee training sessions	session	1,134
	Including: Number of new employee training sessions	session	152
	Company-wide training	session	48
	Department-specific training	session	934
	Total training participants	participant	15,342
	Total number of employees trained	person	1,166
	Including: Number of new employees trained	person	210
	Employee training coverage rate	/	100.00%
	Total training hours	小时	26,997.00
	Total hours of male employee training	小时	18,539.50
	Total hours of female employee training	小时	8,456.50
	Average training hours per employee per year	小时 / 人	39.18
Work Safety			
Work safety	Number of work safety accidents	case	5
	Number of work-related deaths	person	0
	Including: Employee of the Company	person	0
	Employee of the contractor	person	0
	Work-related fatality rate	/	0.00%
	Total number of work-related injuries	person	9

Metric		Unit	2025
Work safety	Including: Employee of the Company	person	9
	Employee of the contractor	person	0
	Work hours lost due to work injuries	hour	2,017.00
	Number of potential hazards rectified	case	708
	Identification of hidden hazards	time	64
	Potential hazard investigation and rectification rate	/	100.00%
	Number of safety inspections	time	117
	Including: Internal inspections	time	80
	External inspections	time	37
	Number of safety emergency drills conducted	session	33
	Investment in work safety	RMB 10,000	319.12
	Safety training		
Safety training	Total investment in safety training	RMB 10,000	13.39
	Number of safety training sessions	session	80
	Coverage rate of work safety responsibility agreements	/	100.00%
	Number of work safety responsibility agreements	copy	655
	Number of participants in safety training	participant	2,431
	Number of person in safety training	person	743
	Total training hours	hour	16,512.00
	Average safety training hours per employee	hours/person	66.83
	Employee coverage rate in safety training	/	100.00%
	Occupational Health		
Occupational Health	Number of special operators licensed	person	178
	Total number of special operation personnel required to hold operation certificates	person	178
	Percentage of special operators licensed	/	100.00%
	Investment in work-related injury insurance	RMB	395,670.75
	Total number of employees required to participate in work injury insurance	person	635
	Coverage rate of work-related injury insurance for employees	/	100.00%

Metric	Unit	2025	
Occupational Health			
Occupational Health	Investment in work safety liability insurance	RMB 10,000	5.00
	Number of employees covered by work safety liability insurance	person	85
	Total number of employees required to participate in work safety liability insurance	person	85
	Coverage rate of work safety liability insurance	/	100.00%
	Number of new cases of occupational diseases	case	0
	Number of employees receiving health check-ups	person	616
	Coverage rate of physical examinations for employees	/	100.00%



Feedback Form

Dear readers,

Thank you for taking the time to read the *Juheshun 2025 Environmental, Social and Governance (ESG) Report*. We sincerely welcome your valuable feedback on the Company's ESG practices and sustainable development management. You are kindly invited to complete the questions in the feedback form below. We truly appreciate your suggestions and comments. Thank you for your support.

1. Which of the following stakeholders is most relevant to you in relation to Juheshun?

Employee Client and consumer Shareholder or investor Supplier or business partner Government or regulatory authority Industry association or non-governmental organization Other (please specify)

2. Your evaluation of this year's ESG report:

What is your overall evaluation of this report?

Excellent Good Average Below Average Poor

How do you evaluate the clarity, accuracy, and completeness of the information, indicators, and data disclosed in this report?

Excellent Good Average Below Average Poor

How do you think Juheshun does in terms of environmental responsibility?

Excellent Good Average Below Average Poor

How do you think Juheshun does in terms of social responsibility?

Excellent Good Average Below Average Poor

How do you think Juheshun does in terms of corporate governance responsibility?

Excellent Good Average Below Average Poor

How do you evaluate the content arrangement and layout design of this report?

Excellent Good Average Below Average Poor

3. Which topics in this year's ESG report most captured your attention?

4. What additional information would you like to see included in this report?

5. Do you have any other comments or suggestions regarding our ESG report, ESG work, or sustainable development management?