



Stock Code: 300437



2025 Sustainability Report

Henan Qingshuiyuan Technology Co., Ltd.

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Group WeChat Public Platform



Henan Qingshuiyuan Technology Co., Ltd.

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About This Report

This report is the annual sustainability report released by Henan Qingshuiyuan Technology Co., Ltd. (hereinafter referred to as "Qingshuiyuan," "the Company," or "we"). Prepared based on the principles of objectivity, standardization, transparency, and comprehensiveness, this report provides a detailed disclosure of the Company's environmental, social, and governance (ESG) practices and performance for the year 2025.

Report Scope

The reporting scope covers Henan Qingshuiyuan Technology Co., Ltd. as the parent entity, including its subsidiaries and affiliated companies. Unless otherwise specified, the scope of this report is consistent with that of the Company's annual report.

Report Period

From January 1, 2025, to December 31, 2025 (hereinafter referred to as the "Reporting Period"). To enhance comparability and forward-looking insights, certain information may be traced back to previous years or include forward-looking statements where appropriate.

Report Cycle

The sustainability report of Henan Qingshuiyuan Technology Co., Ltd. is an annual report, released once per year, consistent with the financial reporting cycle.

Basis of Preparation

- Shenzhen Stock Exchange Self-Regulatory Guideline for Listed Companies No. 17 – Sustainability Report (Trial)
- Shenzhen Stock Exchange Self-Regulatory Guide for Listed Companies No. 3 – Compilation of Sustainability Reports (2026 Revision)
- General Framework of China Corporate Sustainability Report Guide (CASS-ESG 6.0) by the Chinese Academy of Social Sciences
- Global Reporting Initiative (GRI) Sustainability Reporting Standards (GRI Standards) (2021 Edition)
- United Nations Sustainable Development Goals (SDGs)
- Guidelines on High-Standard Fulfillment of Social Responsibilities by Central Enterprises in the New Era issued by the State

Data Description

The data used in this report are derived from sources including, but not limited to, the Company's actual operational raw data, publicly available data from government authorities, annual financial data, internal statistical statements, third-party questionnaires, and third-party evaluation interviews. The financial data presented in this report are denominated in Renminbi (RMB). In the event of any discrepancies with the financial reports, the financial reports shall prevail.

Report Quality Assurance

The Company strives to ensure the completeness, materiality, balance, and comparability of the information presented in this report, systematically elaborating on the Company's concepts, systems, practices, and performance in pursuing development, economic growth, ecological protection, and social well-being. The Company guarantees the objectivity, accuracy, and completeness of the content in this report, confirming that there are no false records, misleading statements, or material omissions. Through the release of this report, the Company aims to enhance its social responsibility management, strengthen communication with stakeholders, and promote sustainable development.

Definitions

Term	Definition
Qingshuiyuan, the Company, We	Henan Qingshuiyuan Technology Co., Ltd.
Qingyuan Water Treatment	Jiyuan Qingyuan Water Treatment Co., Ltd.
Tongsheng Environment	Henan Tongsheng Environmental Engineering Co., Ltd.
Ande Technological	Shaanxi Ande Technological Industry Co., Ltd.
Aichi Environmental Protection	Aichi Environmental Protection Co., Ltd.
Siweida	Jiyuan Siweida Environmental Protection Technology Co., Ltd.
Shuiyunzong	Henan Shuiyunzong Intelligent Control Technology Co., Ltd.
Qingshuiyuan Shanghai	Qingshuiyuan (Shanghai) Environmental Protection Technology Co., Ltd.

Report Access

This report is published in electronic format. You may download the electronic version of this report from the Shenzhen Stock Exchange website (www.szse.cn) or the Company's official website (<http://www.qywt.com.cn/>) to obtain more information about the Company. Should you have any questions or suggestions regarding this report, you may send an email to dongshihui@qywt.com.cn or call 0391-6089342.

Feedback

Should you have any opinions or suggestions regarding the Company's sustainable development, please feel free to provide feedback via the contact information below, helping us continuously improve our report.

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Chairman's Statement

The year 2025 marks the final year of China's 14th Five-Year Plan and a pivotal year for Qingshuiyuan as we forged ahead under pressure and achieved comprehensive progress on our journey toward the "dual carbon" goals. Looking back, we have navigated the tides of our time with technology as our oar and sustainability as our sail. Moving forward, we will continue to uphold our core philosophy of "building a century-old enterprise that benefits society and serves the world," breaking new ground amid changes and steadily advancing along the path of high-quality development.

Innovation at the Core: Lighting the Way to Green Transformation with Technology

We firmly believe that technological innovation is a powerful driver of green development. During the Reporting Period, leveraging innovation platforms such as the Henan Provincial Water Treatment Agent Engineering Technology Research Center and the Henan International Joint Laboratory of Smart Water Treatment Systems, and deepening industry-academia-research collaboration with Zhejiang University, the Company advanced the process optimization and upgrading of polymer products including PESA, AA/MA, and PAA. Our self-developed "Shuiyunzong Industrial Internet Platform" deeply integrates sensors, artificial intelligence, and the industrial internet to enable full-lifecycle intelligent control of industrial water systems, driving intelligent upgrading across the industry. In 2025, the Company was granted 11 utility model patents, 2 software copyrights, and 4 invention patents, and took a leading role in participating in the formulation and revision of several national and industry standards. Through solid research achievements, we have fulfilled our commitment to driving green industrial upgrading through technological innovation.

Responsibility as the Foundation: Building a Strong Base for Development with Green Governance

We are deeply aware that protecting lucid waters and lush mountains is a fundamental corporate responsibility. The Company has placed environmental compliance management at a strategic level and established an environmental responsibility system covering the entire operational process. All five of our subsidiaries have obtained ISO 14001 environmental management system certification. During the Reporting Period, neither the Company nor its subsidiaries recorded any environmental penalties, and all pollutants were stably discharged in compliance with relevant standards. Furthermore, we actively promoted cleaner production and circular economy principles, implementing energy-saving and waste-reduction projects such as condensate water recovery and by-product deep processing, while comprehensively promoting the use of electric forklifts, hybrid official vehicles, and electric stoves, effectively reducing our operational carbon footprint. At the same time, we have actively responded to the national "dual carbon" goals by integrating climate change response into our governance framework, taking concrete actions to solidify the green foundation for sustainable development and striving to become a steadfast guardian of a beautiful China.

Talent as the Cornerstone: Gathering Innovation Momentum with the Spirit of Enterprise

We firmly believe that talent is the Company's most valuable asset and the wellspring of high-quality development. Adhering to a "people-oriented" approach, the Company has established dual career development pathways, running parallel for management and non-management personnel, providing every employee with a ladder for growth. We have continuously improved our compensation, benefits, and performance management systems, achieving 100% labor contract signing rate, 100% social insurance coverage rate, and 100% employee health examination coverage. In 2025, through regular employee care initiatives, hardship support programs, and a variety of cultural and sports activities, we are committed to fostering an inclusive, fair, and harmonious workplace where every striving individual can realize their potential and create value on the Qingshuiyuan platform, collectively building the enduring strength for the Company's century-long sustainable development.


Staying True to Our Mission and Setting Sail on a New Journey


At the new starting point of 2026, Qingshuiyuan will continue to safeguard lucid waters and lush mountains with dedication and drive industrial upgrading with innovation, steadily advancing toward our ambitious vision of becoming a "domestic first-class, world-leading environmental protection enterprise." We firmly believe that no matter how long the road, steady steps will lead to the destination; no matter how difficult the task, persistent effort will bring success. Let us join hands with all sectors of society, harness the power of technology and the spirit of responsibility, and work together to paint a magnificent picture of sustainable development, contributing the strength of Qingshuiyuan to building a beautiful China and achieving global carbon neutrality goals.

Chairman: Wang Zhiqing

About Qingshuiyuan

Company Profile


 Qingshuiyuan was founded in **1995**


 Stock Code **300437**


 Products are exported to **60+** countries and regions



Henan Qingshuiyuan Technology Co., Ltd. was founded in 1995 and is an environmental protection technology enterprise specializing in the R&D, production, sales, and service of water treatment chemicals. The Company is headquartered in the Jiyuan High-tech Industrial Development Zone, Henan Province, with subsidiaries in Beijing, Shanghai, Shaanxi, Henan, Hainan, and the United States. Among these, three wholly-owned subsidiaries are national-level high-tech enterprises. On April 23, 2015, the Company was listed on the Growth Enterprise Market (GEM) of the Shenzhen Stock Exchange (Stock Code: 300437). The Company has obtained AEO advanced certification, and its products are exported to more than 60 countries and regions.

The Company focuses on innovative development along the environmental protection industry chain centered on water, with two core business segments: the industrial water treatment segment (including chemical R&D, production, and sales; Shuiyun-

zong intelligent services; and treatment of complex industrial wastewater) and the ecological and environmental protection segment (including municipal engineering, rural domestic sewage treatment, ecological restoration, and river course management). The Company currently has an annual designed production capacity of over 200,000 tons, covering 8 series and more than 60 types of water treatment chemicals and derivatives, including scale inhibitors, dispersants, scale and corrosion inhibitors, biocides and preservatives, oilfield auxiliaries, daily chemical auxiliaries, textile and printing auxiliaries, and papermaking auxiliaries. These products are widely used in industries such as chemicals, steel, power, metallurgy, daily chemicals, laundry, textiles, and printing and dyeing.

Qingshuiyuan is committed to transforming from traditional chemical production to intelligent terminal services. Leveraging more than 30 years of experience in water treatment technical services and deeply integrating sensor, artificial intelligence, and industrial internet technologies, the Company has independently developed an industrial internet platform for water treatment. This platform consists of water quality monitoring sensors, intelligent water treatment terminal equipment, cloud service modules, and intelligent operation systems, enabling online monitoring, intelligent chemical dosing, network transmission, anomaly alerts, and remote control for industrial water systems. The platform provides customers with value-added intelligent services throughout the entire process, allowing clients to experience the value of "products + platform + services" and achieving the effects of "machine substitution" and "intelligent hospital," thereby driving the intelligent transformation of traditional water treatment service models. The "Intelligent Water Treatment Service System Based on Industrial Internet Architecture" has reached the international advanced level for similar technologies.

Qingshuiyuan adheres to a development strategy anchored by the R&D and production of water treatment chemicals and supported by water treatment engineering. The Company remains committed to high-tech cultivation, asset-light operations, and high-quality development, striving to set benchmarks in the environmental protection industry and among listed companies. In the future, the Company aims to evolve into a modern environmental protection industry group integrating industrial water treatment, green energy-saving and environmental protection technologies, ecological and environmental governance, new energy raw material production, intelligent water treatment equipment manufacturing, and digital services, ultimately becoming a domestic first-class and world-leading environmental protection enterprise.

Company Culture



Development History

1995

The predecessor of the Group, Jiyuan Qingyuan Water Treatment Co., Ltd., was founded.

2008

Henan Qingshuiyuan Technology Co., Ltd. was officially established and listed.

2010

Recognized as Henan Provincial Engineering Technology Research Center for Water Treatment Agents and Henan Provincial Enterprise Technology Center, and awarded the title of Key High-Tech Enterprise of the National Torch Program.

2015

- Obtained the certification of the National Sanitation Foundation (NSF) for five consecutive years.
- Listed on the Shenzhen Stock Exchange.
- Established Qingshuiyuan (Shanghai) Environmental Technology Co., Ltd.

2017

- Fully acquired Shaanxi Ande Technological Industry Co., Ltd.
- Signed a cooperation agreement with the Research Center for Eco-Environmental Sciences, Chinese Academy of Sciences to jointly build the Engineering Technology R&D Center for Soil Pollution Prevention and Ecological Remediation.

2019

- Jointly established Henan Shuiyunzong Intelligent Control Technology Co., Ltd.
- The scientific and technological achievement of the intelligent water treatment service system passed expert evaluation.
- Selected as one of the Top 100 Private Manufacturing Enterprises in Henan.

2016

- Established Aichi Environmental Protection Co., Ltd. in the United States.
- Established Beijing Marketing Center.
- Fully acquired Henan Tongsheng Environmental Engineering Co., Ltd.

2011

Elected as the Vice Chairman Unit of the Industrial Water Treatment Special Committee of the Chemical Industry and Engineering Society of China.

2009

Awarded the title of National High-Tech Enterprise.

1999

Elected as a member unit of the Water Treatment Agent Subcommittee of the National Technical Committee for Standardization of Chemicals.

2018

- Established Jiyuan Qingyuan Water Treatment Co., Ltd., a wholly-owned subsidiary.
- Established Jiyuan Siweida Environmental Technology Co., Ltd., a wholly-owned subsidiary.
- Established Hainan Free Trade Zone Qingshuiyuan Environmental Technology Co., Ltd., a wholly-owned subsidiary.

2021

- The Postdoctoral Innovation Practice Base (Qingshuiyuan) of Henan Province was inaugurated.
- Qingshuiyuan hosted the Symposium on Dual Carbon Goals and Smart Water Treatment Technologies, which was attended by more than 300 experts, scholars and entrepreneurs from over 150 universities, research institutes and relevant enterprises in 26 provinces including Beijing, Shanghai and Liaoning.
- Qingshuiyuan held the inaugural meeting of the General Party Branch.

2023

- Participated in and hosted the Symposium on Registration System Reform and Financing of Small and Medium-sized Enterprises (sponsored by Beijing Reform and Development Research Association).
- Held the "Forging Ahead through Wind and Rain, Walking Hand in Hand for Health" customer gratitude exchange activity to celebrate the 28th anniversary of Qingshuiyuan's establishment.
- Held the 2023 Partner "Summer Camp" themed "Building a Strong Body and Cultivating Both Civil and Military Skills".
- Qingshuiyuan organized the launching ceremony of the thematic education on studying and implementing Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era.
- Awarded the title of "Caring Unit" by the Communist Youth League Henan Provincial Committee and Henan Provincial Youth Development Foundation.
- The first table tennis interest class of Qingshuiyuan started.

2022

- Jiyuan Charity Federation - Qingshuiyuan Fund was launched.
- The Secretary of Henan Provincial Party Committee inspected the R&D Center of Qingshuiyuan, pointing out that efforts should be focused on key fields such as high-end instrument and meter manufacturing, optimize resource allocation, concentrate efforts on tackling key problems, strive to take the lead in new tracks and achieve new breakthroughs, so as to provide strong support for high-level scientific and technological innovation.
- Recognized as an AEO Advanced Certified Enterprise by the customs.

2020

- The International Joint Laboratory of Henan Provincial Smart Water Treatment System was approved.
- The Qingshuiyuan Ecological Environment Research Institute of Zhengzhou University was signed and inaugurated.
- Qingshuiyuan hosted the China Industrial Water Conference and the 40th Annual Meeting, and won the Technical Innovation Award, Development Leader Award, Excellent Member Award, Young Elite Award and Outstanding Contribution Award.

2024

- The 2024 Advanced Seminar on Operation and Maintenance of Industrial Circulating Cooling Water System and Intelligent Management Capacity Improvement, sponsored by the Industrial Water Treatment Special Committee of the Chemical Industry and Engineering Society of China and the National Industrial Water Treatment Information Center and undertaken by Qingshuiyuan, was held in Qingshuiyuan.
- To celebrate the 103rd anniversary of the founding of the Communist Party of China, the General Party Branch of Qingshuiyuan and the Party Branch of Henan Yingyu Law Firm jointly carried out the "July 1st" Theme Party Day Activity themed "Passing the Torch to Stay True to the Original Aspiration, Forging Ahead with Majestic Wind to Compose a New Chapter".
- The first session of the fourth member congress and the first session of the fourth council of Jiyuan Quality Association, co-sponsored by the Market Supervision and Administration Bureau of the Demonstration Zone and Jiyuan Quality Association, was held in Qingshuiyuan.

Corporate Honors



"Water Treatment Chemicals" Products Received the "Famous Brand for Export" Designation



Recognized as a "Caring Enterprise"



Elected as "Vice Chairman Unit" of Henan Private Enterprise Association



Established the Jiyuan Advanced Chemical Materials Industry Chain Deputies Liaison Station



2025 Milestones

February

Party Secretary of the Demonstration Zone Management Committee and Secretary of the Municipal Party Committee visited Qingshuiyuan Technology. He emphasized that enterprises should strengthen technological innovation capabilities, enhance quality and brand building, continuously improve comprehensive competitiveness, and further consolidate Jiyuan's leading position in advantageous industries.

April

Director of the Demonstration Zone Management Committee and Mayor of the Municipal City conducted an in-depth inspection of Qingshuiyuan's Huling intelligent base. He highlighted the need to activate development momentum through innovation and to cultivate a fertile ground for industry through targeted policies.

June

- Qingshuiyuan Environment Governance and Green Development Conference, hosted by Qingshuiyuan and the Beijing Reform and Development Research Institute and co-organized by the Chinese Academy of Social Sciences Executive Finance and Economics Training Program and the Industrial Water Treatment Professional Committee of the Chinese Chemical Society, was held in Jiyuan.
- Qingshuiyuan held its 30th Anniversary and 10th Listing Anniversary Cooperation and Development Conference.
- The Jiyuan Advanced Chemical Materials Industry Chain Deputies Liaison Station was inaugurated at Qingshuiyuan.

July

The First Election Conference of the CPC Henan Qingshuiyuan Technology Co., Ltd. Committee and Discipline Inspection Committee was successfully held, electing the first committee leadership teams.

August

- The Qingshuiyuan team won the First Prize for Group Taijiquan at the 2025 "Entrepreneur Cup" National Taijiquan Competition.
- The Henan Provincial Committee on Aging held the 2025 "Rural Revitalization · Caring for Education" donation ceremony. Qingshuiyuan was awarded the title of "Caring Enterprise" by the Henan Provincial Committee on Aging Foundation.
- The Central Plains Doctoral Forum visited Qingshuiyuan, initiating a practical collaboration on deep industry-academia-research integration.

November

- Director of the Demonstration Zone Management Committee and Mayor of the Municipal City visited Qingshuiyuan to conduct a special inspection under the "Learn, Review, Rectify – Serving Enterprises through Government Reflection" enterprise visit program.
- Deputy Secretary of the Henan Provincial Committee of the Communist Youth League and delegation visited Qingshuiyuan for inspection and discussion.

December

- The Finance and Economy Working Committee of the Demonstration Zone People's Congress conducted an enforcement inspection of the Patent Law of the People's Republic of China and the Henan Province Patent Regulations.
- More than 80 faculty and students from Huanghe University of Science and Technology visited Qingshuiyuan for exchange.
- Municipal People's Congress deputies stationed in Shaoyuan Town conducted an off-site inspection of the Company.

ESG Performance Highlights



Economic Performance

Operating Revenue
868.7938 million

Total Tax Paid
27.2161 million



Social Performance

R&D Investment
8.9315 million

Workplace Safety Investment
4.751 million

Labor Contract Signing Rate
100 %

Supplier Integrity Agreement Signing Rate
95 %

Social Insurance Coverage Rate
100 %



Environmental Performance

Total Environmental Protection Investment
1.0026 million

Total Greenhouse Gas Emissions
44,075.46 tCO₂e

Total greenhouse gas emissions per million revenue
50.73 tCO₂e



Social Insurance Coverage Rate

Business Ethics Pledge Sign-off Rate
100 %

Number of Investor Inquiries Addressed
65 Responses

01

Governance as the Foundation: Upholding Integrity for Long-Term Effectiveness

This chapter covers material ESG issues.

Sustainable Development Governance

Party Building Leadership

Strengthening Compliance Governance

Deepening Investor Relations Management

Adhering to Business Ethics



Sustainable Development Governance

Henan Qingshuiyuan Technology Co., Ltd. has consistently been committed to integrating ESG principles throughout the Company's entire development process. The Company has established a comprehensive ESG governance system that not only strictly adheres to compliance requirements and optimizes the governance framework but also continuously deepens its efforts in environmental protection and social responsibility. Furthermore, the Company places great emphasis on the guiding role of ESG goals, demonstrating its corporate responsibility through tangible governance outcomes. By advancing its own sustainable development, the Company actively promotes social harmony, achieving a mutually beneficial and win-win relationship between corporate and social value.

Sustainable Development Practices

To solidify the foundation for sustainable development, the Company has incorporated ESG training into its management mechanisms. Through targeted capacity-building for management and core positions, we strive to enhance the responsibility awareness and professional competence of all employees, ensuring that ESG goals are effectively integrated into daily operations.

[Case Study] ESG Thematic Training

In 2025, the Company engaged instructors from a third-party organization to conduct ESG thematic training, reviewing previous ESG strategic achievements and outlining key ESG tasks and implementation pathways for the new year. This initiative injected momentum into enhancing long-term resilience and fulfilling social responsibilities.



Training Session

Stakeholder Engagement

The Company consistently values constructive interaction with its stakeholders. We have thoroughly identified and defined six core stakeholder groups and, through diverse communication channels, actively listen, provide sincere feedback, and integrate the needs of all parties into corporate decision-making. To deepen two-way communication, we have established multiple communication channels to address stakeholder concerns and expectations. Through open dialogue, we build consensus; through value co-creation, we seek mutual benefit. We are committed to working hand in hand with all partners to promote long-term prosperity.

Stakeholder	Communication Channels and Frequency	Areas of Concern
Employees	[Regular] Employee satisfaction surveys [Regular/Irregular] Employee representative congresses [Irregular] Feedback sessions	Harmonious employee relations Comprehensive compensation and benefits Democratic management Training and development
Customers	[Regular] Customer satisfaction surveys [Irregular] Customer meetings and exchanges	Customer rights protection Product quality and safety Innovation-driven development Privacy protection
Shareholders and Investors	[Regular] Financial reports [Regular/Irregular] Shareholder meetings, company announcements [Irregular] Earnings briefings, investor site visits, roadshows, analyst meetings, etc.	Investor rights protection Information disclosure Investor communication Shareholder returns
Suppliers and Partners	[Irregular] Supplier conferences, distributor conferences	Business ethics Supply chain management
Communities	[Irregular] Public welfare and charity activities	Environmental protection Social welfare
Government and Regulatory Authorities	[Irregular] Research visits, symposiums	Compliance governance Tax compliance Party-building leadership Rural revitalization

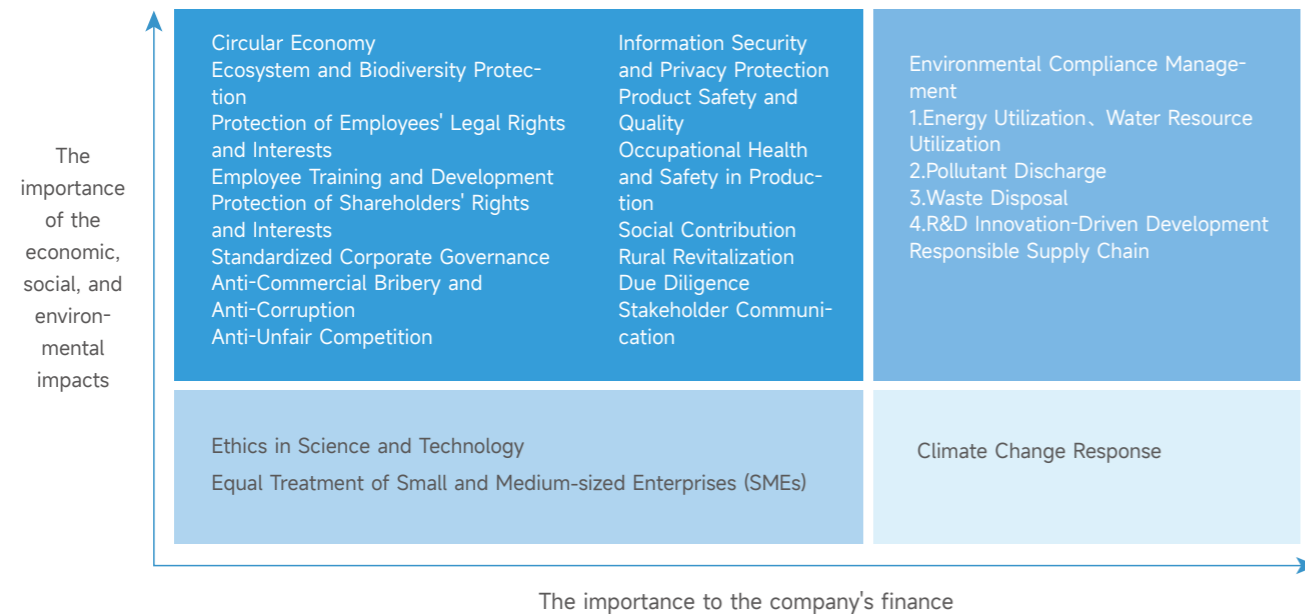
Double Materiality Analysis

This year, the Company continued to refer to the assessment methodologies of domestic and international disclosure standards, including the *Shenzhen Stock Exchange Self-Regulatory Guideline for Listed Companies No. 17 - Sustainability Report (Trial)* and GRI 3: Material Topics 2021, applying the analytical perspectives of impact materiality and financial materiality to identify and evaluate material topics for the year. The specific implementation steps are as follows:

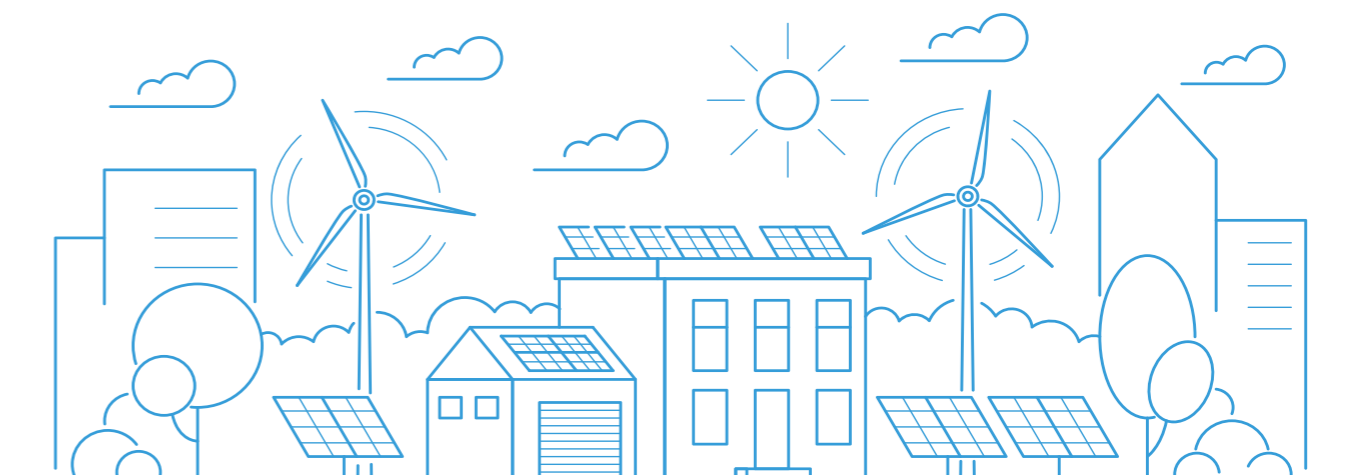
Topic Assessment Process	Analysis Method
<p>01 Understanding the Company Context</p>	<p>Analyze the macro-environment based on global trends and China's industrial development trends, conduct industry analysis, and analyze the Company's business model to identify stakeholders and the impacts, risks, and opportunities facing the Company.</p> <p>Refer to AA1000 to identify stakeholders and respond to their demands and expectations.</p>
<p>02 Initial Topic Screening</p>	<p>Refer to the Global Reporting Initiative (GRI) Standards, the United Nations Sustainable Development Goals (SDGs), SASB, MSCI, Wind, and the latest exchange guidelines to update the Company's topic library for 2025.</p>
<p>03 Topic Materiality Assessment</p>	<ul style="list-style-type: none"> Impact Materiality Assessment Review the Company's performance on relevant topics to determine whether it has a significant impact on the economy, society, and environment. Conduct research and analysis on stakeholders through expert analysis. Financial Materiality Assessment Analyze impacts, dependencies, and other factors, combined with expert judgment, to identify and assess risks and opportunities under relevant topics, evaluating them based on the likelihood of occurrence, impact level, and time horizon of impact.
<p>04 Topic Confirmation and Approval</p>	<p>Develop a list of topics with impact materiality and financial materiality, which is reviewed and approved by relevant departments to ensure that the topics are disclosed transparently, balanced, and comprehensively in the report.</p>

To ensure the timeliness and relevance of the topic assessment, during the Reporting Period, the Company prudently updated and adjusted the materiality topic matrix based on previous years' materiality survey data.

Materiality Matrix



Notes: 1. The Company's core business does not involve research, development, or other activities in sensitive fields such as life sciences or artificial intelligence ethics. Therefore, "Ethics in Science and Technology" is included as a related topic. 2. The Company treats SMEs equally and has no overdue payments owed to SMEs. Therefore, "Equal Treatment of SMEs" is included as a related topic. 3. The Company has not conducted ESG-specific due diligence work. However, the Company continuously carries out risk management to identify and assess potential negative impacts arising from its operations. For further details, please refer to the section on Strengthening Compliance Governance.



Sustainable Development Goals (SDGs)

The Company pays close attention to and actively implements the United Nations Sustainable Development Goals (SDGs), integrating them into its corporate development strategy. We are unwaveringly committed to promoting green and low-carbon transformation, actively fostering social harmony and co-creation, and striving for high-quality development. In serving the global process of sustainable development, Qingshuiyuan contributes its responsible actions and pragmatic efforts.

Report Section	Material Topics	Our Objectives	Responded SDGs
Corporate Governance	ESG Governance	Improve the ESG governance system	16 和平、正义与强大机构
	Compliance Governance	Reduce operational risks	
		Ensure timely, accurate, and complete information disclosure and maintain good relationships with investors	
Business Ethics	No incidents of commercial bribery, corruption, or embezzlement		
Environmental Protection	Climate Change Response	Reduce carbon emissions	6 清洁饮水和卫生设施
	Environmental Compliance Management	Achieve compliant pollutant discharge with no environmental violations	7 经济适用的清洁能源
	Resource Utilization	Conserve energy and reduce consumption	13 气候行动
	Circular Economy and Ecological Protection	Avoid damage to surrounding ecosystems and environment	
Industry Value	Innovation-Driven Development	Complete R&D projects on schedule	9 产业、创新和基础设施
	Supply Chain Management	Avoid supply chain security or disruption incidents	12 负责任消费和生产
	Product Safety and Quality	Ensure product quality complies with national standards	17 促进目标实现的伙伴关系
	Customer Service	Improve customer satisfaction	
	Data Security and Privacy Protection	Avoid data breach incidents	
Employees and Human Rights	Compliant Employment	Avoid employment discrimination incidents	3 良好健康与福祉 5 性别平等
	Employee Career Development and Training	Maintain open career development pathways for employees	8 体面工作和经济福祉 10 减少不平等
	Occupational Health and Safety	Avoid workplace safety incidents and maintain zero new occupational disease cases	
Social Contribution	Public Welfare and Charity	Give back to society and enhance public well-being through sustained charitable donations and public welfare activities	1 无贫困 11 可持续城市和社区

Party Building Leadership

Party Organization Development

The Company has always adhered to the leadership of the Party and established a robust Party organization framework, strengthening the leadership role of the Party Committee in setting directions, managing overarching priorities, and ensuring implementation. By consolidating the organizational foundation, strengthening ideological guidance, and building a strong team of Party members, the Company continuously transforms its political advantages into developmental strengths, providing a strong political guarantee for high-quality development.

Key Performance

In 2025, the Company established the Party Committee Office and the Discipline Inspection Committee Office. It has a total of 6 Party branches and 77 Party members.

During the Reporting Period, the Company solidly advanced Party discipline education and Party building practice activities. Through diverse and varied forms, we cultivated the spiritual homeland of Party members, tempered Party spirit and forged team cohesion through subtle influence, continuously inspiring a vibrant and upward organizational vitality.

[Case Study] Viewing of the Commemoration of the 80th Anniversary of the Victory of the Chinese People's War of Resistance Against Japanese Aggression and the World Anti-Fascist War

On September 3, 2025, marking the 80th anniversary of the victory of the Chinese People's War of Resistance Against Japanese Aggression and the World Anti-Fascist War, the Company's Party Committee organized a viewing of the military parade live broadcast. During the event, all Party members wore their Party badges in an orderly and solemn manner.



Viewing of the Military Parade

[Case Study] Patriotic Education Thematic Film Screening

On September 18, 2025, the Company's Party Committee organized a patriotic education thematic film screening under the theme "Remember History, Be Grateful to Heroes, Never Forget National Humiliation, Strive for Self-Strengthening." All Party members, probationary Party members,



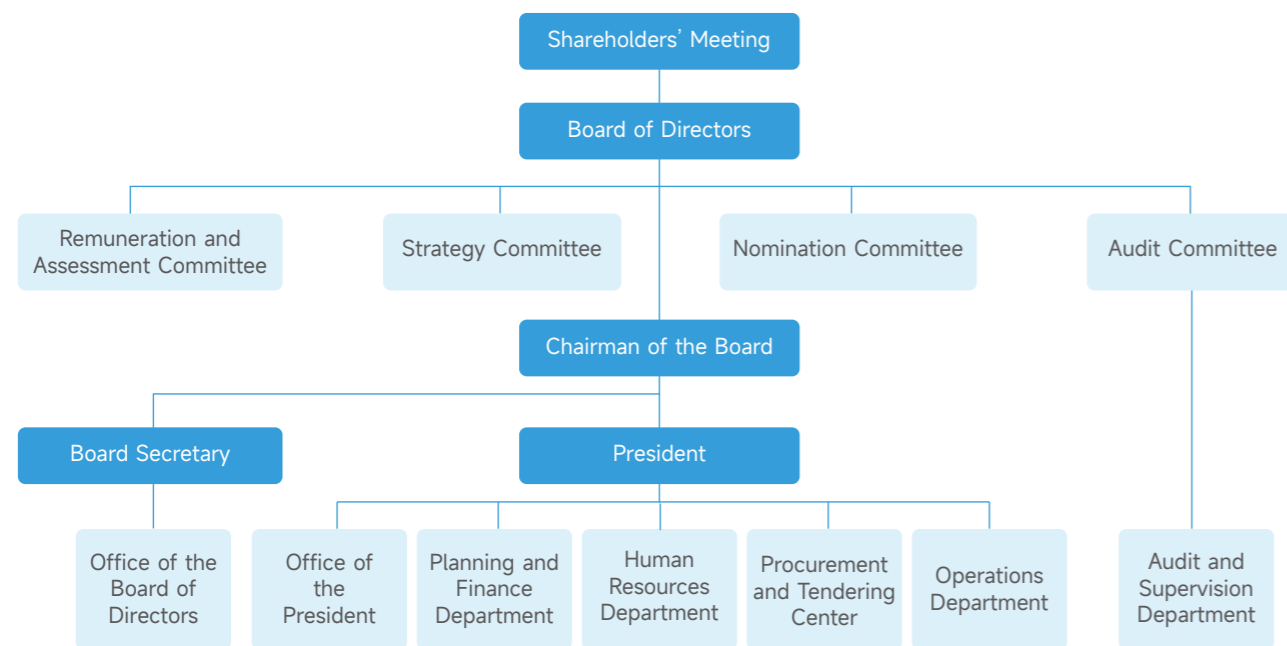
Film Screening Event

Party recruitment targets, and some middle and senior management collectively watched the historical film Unit 731. Through an immersive historical experience, the activity guided cadres and employees to seek their original aspirations from hardship and draw strength from victory, building a solid ideological foundation for resisting corruption and moral decay. After the screening, participants expressed that they would translate their feelings into work motivation, carry forward the red legacy, and continue the spiritual lineage.

Strengthening Compliance Governance

Qingshuiyuan strictly complies with the *Company Law*, the *Securities Law*, the *Shenzhen Stock Exchange Listing Rules*, and other relevant laws and regulations, and has formulated the Company's Articles of Association. The Company has always adhered to Party leadership, continuously improving the governance system comprising the Shareholders' Meeting, the Board of Directors, and the management level, forming a governance structure with clearly defined rights and responsibilities, effective checks and balances, and coordinated operations. By improving the comprehensive risk management and internal control mechanisms and strengthening internal audit supervision, the Company's governance efficiency has steadily improved, effectively promoting transformation and upgrading as well as high-quality development.

Organizational Structure Chart



Board of Directors

The Company's Board of Directors is the core of strategic decision-making, responsible for defining development directions, reviewing major investment and operational matters, and supervising management in effective execution. The Company has established systems including the Rules of Procedure for the Board of Directors, the Working System for Independent Directors, and the Detailed Rules for the Work of the Board Secretary, ensuring procedural standardization of decision-making and safeguarding the achievement of corporate goals and the maximization of shareholder interests.

To further enhance the level of governance professionalism, the Board of Directors has established four special committees: the Audit Committee, the Remuneration and Assessment Committee, the Strategy Committee, and the Nomination Committee. Corresponding working rules have been formulated for each committee to ensure compliant and efficient operations, reasonable incentive mechanisms, scientific strategic planning, and manageable risks, collectively promoting efficient and orderly corporate governance.

Key Performance

Special Committee	Proportion of Independent Directors	Number of Meetings Held	Number of Proposals Reviewed
Audit Committee	3/3	5	19
Remuneration and Assessment Committee	2/3	1	2
Strategy Committee	2/5	1	1
Nomination Committee	2/3	3	3

The Company continuously promotes the diversification of Board member composition. By bringing together diverse professional backgrounds and industry perspectives, the Company enhances the scientific and comprehensive nature of decision-making, stimulates innovative thinking, strengthens keen insight into diverse market demands, and effectively avoids decision-making bias.

Key Performance

As of the end of the Reporting Period, the Company's Board of Directors consisted of 9 members, including 3 independent directors and 6 non-independent directors (including 1 employee representative director), with independent directors accounting for 33.33%. In terms of gender composition, there were 6 male directors and 3 female directors, with female directors accounting for 33.33%.

Independent directors perform their duties in strict accordance with the Measures for the Management of Independent Directors and other relevant systems, participating in corporate governance from an independent and objective standpoint, effectively supervising the Company's operations, and genuinely protecting the legitimate rights and interests of minority shareholders. Leveraging their professional insights and industry resources, they provide recommendations for the Company's strategy formulation, technological innovation, industrial chain layout, and expansion into emerging fields. By fully exercising their functions in decision-making, supervision, and advisory, independent directors have become a vital force in enhancing the quality of corporate decision-making and optimizing the governance structure.

Key Performance

In 2025, the Company convened 8 Board of Directors meetings, adopted 38 Board resolutions, and achieved an average attendance rate of 100%.

Shareholders' Meeting

As the highest authority of the Company, the Shareholders' Meeting exercises decision-making authority over major matters in accordance with the law, is responsible for electing and replacing directors, and reviews and approves financial reports and amendments to the Company's Articles of Association, ensuring compliant operations and the maximization of shareholder interests. The Company has formulated the Rules of Procedure for Shareholders' Meetings to protect the legitimate rights and interests of shareholders, improve the efficiency of Shareholders' Meeting proceedings, and promote standardized corporate operations. During the meetings, the Company's directors and senior management attend and engage in in-depth exchanges on important issues raised by shareholders.

Key Performance

In 2025, the Company convened 4 Shareholders' Meetings and approved 18 proposals.

Director and Senior Management Remuneration Management

The Company has established the Remuneration and Assessment Committee under the Board of Directors, which serves as the decision-making body for senior management compensation distribution and performance management, with a special leading group established to advance specific work. Pursuant to the Company's policies, senior management members adopt an annual salary system, with the compensation structure consisting of a base salary and a performance-based salary, each accounting for 50% of the total. The base salary is paid evenly on a monthly basis based on the senior management member's monthly attendance. The performance-based salary is closely linked to the Company's annual overall operating performance and the achievement of each senior management member's annual target responsibility agreement, reflecting the principle of aligning incentives with accountability.

Compliance Operations and Internal Control

The Company has established an internal control and risk management system covering risk identification, early warning, tracking, and control based on the *Audit Law*, the *Basic Standards for Enterprise Internal Control*, and other laws and regulations, providing systematic guidance for risk management and ensuring that various risks are detectable and controllable. At the same time, the Company has formulated rules and regulations including the Measures for Internal Control Management and the Internal Control Evaluation System to solidify the foundation for internal control operations and improve management standards. The Company has established an Internal Control Management Group, with the Chairman serving as the highest leader, and members strictly implement a recusal system when conducting internal control evaluation work within their own departments.

[Case Study] Standardized Operations Self-Inspection

During the Reporting Period, the Company organized its subsidiaries to conduct self-inspections on matters related to their production and operations, focusing on areas including external guarantees, external loans, financial assistance, related-party transactions, fund occupation, as well as the procedural compliance of major matters such as external investments, material contracts, and asset disposals. All subsidiaries completed the self-inspections as required and submitted the Standardized Operations Self-Inspection Report, with no material violations identified.

The Company continuously carries out specialized compliance training, striving to foster a company-wide awareness of compliance, deeply integrating compliance requirements into daily conduct, and promoting the true internalization and externalization of compliance principles.

[Case Study] Specialized Training on Standardized Operations and Compliance Performance

On June 26, 2025, the Company organized specialized training on standardized operations and compliance performance for listed companies, covering regulatory environment interpretation, information disclosure standards, handling of common and special transactions, and key points for the performance of duties by directors, supervisors, and senior management.



Training Session

[Case Study] Training on the *Corporate Governance Code for Listed Companies (Revised Draft)*

On November 10, 2025, the Company organized training on key points of attention in the *Corporate Governance Code for Listed Companies (Revised Draft)*. Through in-depth interpretation of the revised content, the training further standardized the conduct of directors, senior management, controlling shareholders, and de facto controllers, continuously enhancing the Company's governance standards.



Training Session

The Company has focused on improving its system and process framework, restructuring key areas such as compliance and legal affairs, guiding all levels of the organization to complete supporting systems, and continuously refining the "comprehensive risk control" system. At the same time, the Company has strengthened contract management, leveraging system upgrades and rigorous review as key drivers to improve both the quality and efficiency of contract management.

Key Performance

In 2025, the Company conducted 5 legal training sessions.

Internal Audit

The Company's internal audit work adheres to the twelve-character principle of "providing services, preventing risks, and improving efficiency." Based on the Internal Audit System, the Financial Audit Management Regulations, the Construction Project Audit Management Regulations, and other policies, the Company continuously strengthens the audit supervision function, ensuring the orderly and standardized operation of the Company's economic activities. Through audit supervision, the Company effectively upholds the seriousness of national financial laws, regulations, and the Company's internal rules, promotes integrity construction, enhances the Company's self-discipline and self-supervision capabilities, and continuously improves management standards and economic performance. The Company has established the Audit and Supervision Department, which independently conducts internal audit activities under the leadership of the Audit Committee of the Board of Directors.

Key Performance

In 2025, the Company conducted 9 internal audits (including 5 exit audits), and its subsidiaries conducted 4 internal audits.

Tax Management

The Company strictly complies with tax laws and regulations, ensuring that all tax filings and payments comply with applicable legal requirements. The Company has formulated the Financial Management System and the Tax Management System to standardize its tax management practices.

Measures for Preventing Tax Risks

- 1 File tax returns on time and pay taxes in full and promptly to avoid risks associated with late payment.
- 2 Conduct regular tax compliance self-inspections to ensure tax activities comply with tax laws and regulations and to legitimately benefit from tax incentives.
- 3 Monitor tax policy developments, enhance tax management capabilities, and address potential tax audit risks.
- 4 Engage external professional tax audit firms to conduct tax audits, ensuring accurate tax payment.
- 5 Maintain good communication with tax authorities, proactively consult tax authorities on any tax-related uncertainties, and stay informed of changes in tax policies and regulations.

Deepening Investor Relations Management

Qingshuiyuan relies on the Investor Relations Management System and adheres to the fundamental principles of compliance, equality, proactiveness, and integrity, establishing a transparent and smooth communication mechanism. Through timely and accurate information disclosure and regular two-way communication, the Company enhances investors' understanding and recognition of the Company's strategy and value, continuously consolidates the foundation of mutual trust, and effectively protects the legitimate rights and interests of investors.

Information Disclosure

The Company fulfills its information disclosure obligations in a timely manner in accordance with the law, ensuring that disclosed content is truthful, accurate, and complete, with language that is concise, clear, and easy to understand. By formulating the Information Disclosure Management System, the Company ensures that all investors have equal access to information regarding the Company's financial condition, operating results, and major matters. The Company publishes regular reports and interim announcements through official channels and platforms designated by regulatory authorities, continuously maintaining good communication with investors and steadily enhancing market trust. The Company's information disclosure work evaluation result for 2024-2025 was Grade B.

Key Performance

In 2025, the Company disclosed **4** regular reports and **74** interim announcements to the public, and received no penalties for violations related to information disclosure.

Investor Relations Management

The Company places great emphasis on public opinion management. Adhering to the principles of sincerity, objectivity, and fairness, the Company has formulated and strictly implements the Public Opinion Management System, establishing a comprehensive public opinion management mechanism. Through a Public Opinion Processing Leading Group, the Company responds quickly to public opinion and carries out emergency response measures, creating a healthy and stable public opinion environment for high-quality corporate development.

Communication and Exchanges


The Company actively builds bridges for investor communication, organizes exchange activities, promotes trust through transparency, builds consensus through communication, continuously strengthens investor confidence, attracts capital attention, and safeguards the Company's steady development and innovation-driven transformation.

[Case Study] Earnings Briefing

On May 20, 2025, the Company conducted an earnings briefing through the "Investor Relations Interactive Platform" of Panorama Network, engaging in real-time online exchanges with investors. The Company's management had candid communications with investors on issues of concern, including operating performance, project progress, and industry development, demonstrating the Company's strong emphasis on investor relations management and its proactive stance on transparent communication.

[Case Study] National Investor Protection Awareness Day

In May 2025, the Company organized a series of investor communication and awareness activities centered around the theme of the seventh National Investor Protection Awareness Day. During the activities, the Company organized internal training for management and key departments on typical investor protection cases, policies, and regulations. The Company also released special publicity materials to expand the reach of its awareness campaign, effectively enhancing investors' understanding of the Company's investor protection efforts.



Internal Training Session

Key Performance

In 2025, the Company maintained smooth investor communication channels. Throughout the year, the Company held **2** investor exchange sessions and hosted **1** on-site research visit. Through the Interactive Easy platform, the Company responded to **65** investor inquiries, and answered more than **200** investor hotline calls, promptly addressing market concerns.

Adhering to Business Ethics

The Company places great emphasis on business ethics governance, strictly complying with the *Anti-Unfair Competition Law*, the *Anti-Monopoly Law*, the *Provisional Regulations on the Prohibition of Commercial Bribery*, and other relevant laws and regulations. The Company continuously improves its integrity management system, resolutely prohibits illegal activities such as fraud, money laundering, commercial bribery, and unfair competition, safeguards the achievement of the Company's operational objectives, supports the sustained, stable, and healthy development of the enterprise, and effectively protects the legitimate rights and interests of the Company and its shareholders.

Anti-Corruption and Bribery Management

To prevent fraud, strengthen corporate governance and internal controls, reduce operational risks, and standardize professional conduct, the Company has formulated the Provisions on the Anti-Fraud and Reporting Mechanism, clearly designating the Audit and Supervision Department as the standing body for anti-fraud work. This department is responsible for the organization, implementation, and independent evaluation of anti-fraud efforts, assists in conducting anti-fraud awareness activities, and reviews and evaluates the establishment and implementation of anti-fraud control mechanisms.

Clean Practice in Employment

To effectively protect the interests of the Company and minority shareholders, the Company has formulated the Management Regulations on Clean Practice in Employment, further strengthening integrity construction, standardizing the professional conduct of key personnel, enhancing employees' self-discipline and awareness of laws and regulations, effectively safeguarding the Company's reputation, reducing operational risks, and fostering a clean and efficient working environment. During the Reporting Period, the Company had no incidents of commercial bribery or corruption.

Supervision of Anti-Corruption and Anti-Bribery Among Business Partners

To regulate the conduct of procurement and tendering personnel, the Company has formulated the Code of Self-Discipline and Integrity for Procurement Personnel, ensuring that procurement activities are standardized, efficient, and clean, achieving high procurement quality and reasonable market prices, preventing violations of laws and regulations at the source, eliminating commercial bribery, and ensuring that tendering and procurement activities are conducted lawfully, compliantly, healthily, and orderly. At the same time, the Company signs Integrity Cooperation Agreements with its partners, clearly defining the integrity responsibilities of the cooperating parties, requiring them to strictly comply with integrity management regulations, and encouraging mutual supervision and restraint, continuously solidifying the foundation of clean cooperation.

Key Performance

In 2025, one director and one member of management each received training on anti-commercial bribery and anti-corruption, with each training session lasting 4 hours.

The signing rate for business ethics documents, including the Clean Practice in Employment regulations, was 100%.

Complaints and Reporting

Adhering to the principles of "rigorous governance and timely handling," the Company has formulated the Provisions on Complaint and Reporting Management to ensure that various violations of rules and disciplines can be promptly discovered and addressed. For individuals showing early signs of violating rules or disciplines, the Company provides timely education and warnings, guiding them to strengthen their self-discipline and encouraging management at all levels to perform their duties lawfully, diligently, and with integrity. At the same time, the Company effectively protects the legitimate rights and interests of whistleblowers, strictly prohibiting retaliation. Personnel accepting complaints must strictly maintain the confidentiality of whistleblowers' names, workplaces, home addresses, telephone numbers, and other information.

Complaint Channels

Complaint Hotline: 0391-6082008

Email: qsysjb@qywt.com.cn

Complaint Address: Group Audit and Supervision Department

Anti-Unfair Competition Management

The Company places great importance on building and maintaining a fair and just market environment. It has drafted documents including the Proposal for Law-Abiding and Compliant Operations and the Commitment Letter for Law-Abiding and Compliant Operations, pledging to actively participate in market competition in accordance with the principle of fairness, resolutely opposing the imposition of unreasonable restrictions on partners, comprehensively eliminating all forms of customer discrimination, and committing to fostering a healthy and orderly market ecosystem. At the same time, the Company actively conducts training on anti-monopoly and fair competition, integrating the concept of anti-unfair competition into the corporate culture. During the Reporting Period, the Company was not involved in any lawsuits or material administrative penalties arising from unfair competition practices.



02

Green Development: Refining Ecological and Environmental Protection Practices

This chapter covers material ESG issues.

Addressing Climate Change

Environmental Compliance Management

Prudent Resource Management

Lean Material Management



Addressing Climate Change

Against the backdrop of increasingly severe global climate change and countries actively advancing green and low-carbon transitions, addressing climate change has become a core issue for corporate sustainable development. Qingshuiyuan deeply recognizes the profound impact of climate change on the global economy, society, and its own operations. In response to the national “dual carbon” goals and the call for ecological civilization construction, the Company integrates climate change mitigation into its development strategy. It is committed to enhancing resource utilization efficiency, reducing operational carbon footprints, and contributing to the synergistic development of society, the environment, and the enterprise through technological innovation and management optimization.

Governance

Qingshuiyuan regards addressing climate change as a critical long-term sustainable development issue, actively incorporating climate-related risks and opportunities into its corporate governance system. The Company continuously identifies, assesses, and responds to physical and transition risks arising from climate change. The Company is dedicated to integrating low-carbon development concepts into its business operations and strategic planning. By improving water use efficiency, optimizing production technologies, and exploring low-carbon green products, it steadily reduces its operational carbon emissions, supports the achievement of national “dual carbon” goals, and contributes to building a climate-resilient future.

Strategy

To effectively address the challenges posed by climate change and seize potential opportunities, the Company has identified and analyzed climate-related risks and opportunities based on its specific circumstances. Corresponding implementation measures have been formulated to continuously enhance its climate resilience.

Risk/Opportunity	Type	Risk/Opportunity Description	Financial Impact	Impact Cycle	Impact Level	Likelihood of Occurrence	Response Measures
Risk	Physical Risk	Extreme weather events such as heavy rain, floods, and extreme heat may damage production facilities, disrupt supply chains, hinder employee commutes, and impact normal production and operational activities.	Increased production costs, revenue losses	Medium to Short Term	High	Medium	<ul style="list-style-type: none"> Strengthen the disaster resistance capacity of production facilities Develop emergency plans for extreme weather, conduct regular emergency drills to ensure disaster resilience
	Policy and Legal Risks	As the nation advances its “dual carbon” goals and water pollution control, stricter carbon emission standards, water pollutant discharge standards, or environmental inspection requirements may be introduced, increasing the Company’s compliance costs.	Increased operational costs	Medium to Long Term	Medium	High	<ul style="list-style-type: none"> Closely monitor national industrial policy developments Continuously increase environmental protection investments to ensure stable and compliant pollutant discharge Advance the research and development of green water treatment agents to reduce the environmental impact of products
	Market and Technological Risks	The accelerated low-carbon transition in downstream industries (such as chemicals, steel, and power) may impact the demand structure for traditional water treatment products and services. Simultaneously, capacity expansions by leading industry players intensify competition.	Potential reduction in revenue sources	Medium to Long Term	Medium	Medium	<ul style="list-style-type: none"> Adhere to technological and product innovation, focusing on the development of low-phosphorus, biodegradable green water treatment agents Expand applications in niche segments such as electronic chemicals and new energy materials

Risk/Opportunity	Type	Risk/Opportunity Description	Financial Impact	Impact Cycle	Impact Level	Likelihood of Occurrence	Response Measures
Opportunity	Digital transformation opportunities	Digital transformation brings new opportunities to the water treatment industry, helping customers save energy, reduce consumption, and optimize operations through intelligent means.	Revenue Growth	Medium to Long Term	High	High	<ul style="list-style-type: none"> Continue to promote the application of the Shuiyunzong industrial internet platform, providing customers with value-added services such as dynamic monitoring and intelligent dosing Increase the integration of artificial intelligence and water treatment technologies
	Market opportunities for green product demand	Growing market demand for green and environmentally friendly water treatment agents provides opportunities for upgrading the Company’s product structure	Revenue Growth	Medium to Long Term	High	High	<ul style="list-style-type: none"> Focus on developing green water treatment agent products such as low-phosphorus, nitrogen-free, and biodegradable ones Expand the application scope of new and efficient water treatment agents

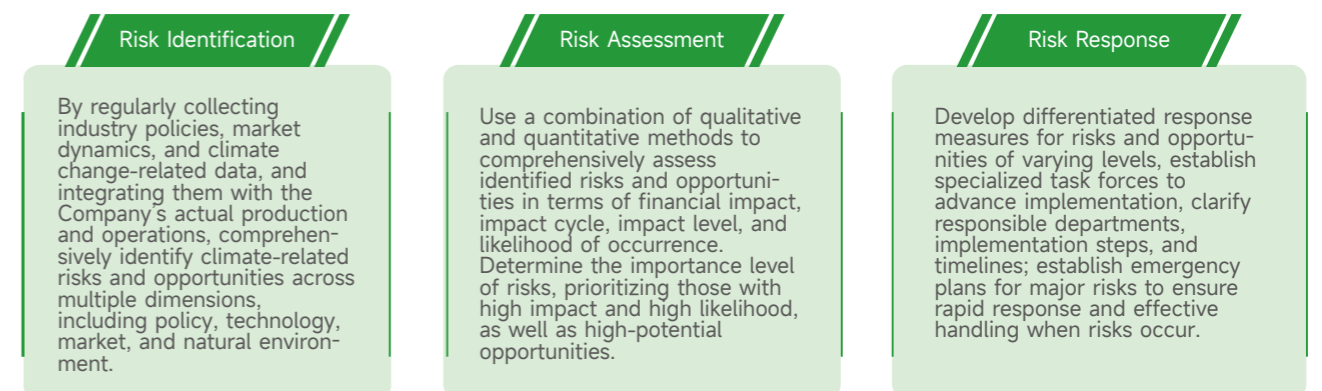
Note: We define short-term, medium-term, and long-term impact cycles as 1–3 years, 3–5 years, and over 5 years, respectively; the levels of impact—high, medium, and low—are defined as severe, moderate, and slight impacts on the Company’s production and operations, respectively; the likelihood of occurrence—high, medium, and low—are defined as highly likely, moderately likely, and unlikely to occur, respectively. The same applies below.

Climate Transition Plan

The Company actively responds to the national carbon peak and carbon neutrality strategy, integrating low-carbon development into its long-term planning. By continuously advancing energy-saving and carbon reduction technological upgrades, optimizing production processes, and promoting green operations, the Company steadily improves energy utilization efficiency and reduces carbon emission intensity. During the transition process, the Company proactively addresses financial and technological challenges, adopts strategies such as phased implementation and external cooperation, steadily advances low-carbon goals, and is committed to achieving synergistic development of economic and environmental benefits.

Impact, Risk, and Opportunity Management

The Company identifies, assesses, and manages various risks, including climate-related ones, through a dynamic risk assessment process. It regularly collects and analyzes internal and external information, combining factors such as national industrial policies, market competition, and resource supply to identify potential climate-related risks and opportunities. Develop corresponding response strategies for identified significant risks.



Indicators and Targets

Indicators	Unit	2025
Total greenhouse gas emissions	tCO ₂ e	44,075.46
Total greenhouse gas emissions per million revenue	tCO ₂ e	50.73
Direct Greenhouse Gas Emissions(Scope.1)	tCO ₂ e	97.30
Indirect Greenhouse Gas Emissions (Scope.2)	tCO ₂ e	43,978.16

Greenhouse Gas Emissions Management

To effectively manage greenhouse gas emissions, the Company primarily adopts the following measures: First, by optimizing production processes and upgrading production equipment to improve energy utilization efficiency, thereby reducing emissions at the source; second, through intelligent means such as the Shuiyunzong Industrial Internet Platform, helping customers optimize the operation of circulating water systems, reducing energy losses in their industrial production processes, and indirectly achieving collaborative emission reductions across the entire value chain. Currently, the Company is actively exploring and advancing the standardization process of greenhouse gas data accounting and management, laying the foundation for future carbon inventory and carbon verification work.

Environmental Compliance Management

Qingshuiyuan consistently adheres to the environmental protection principle of "prevention first, combining prevention with control," strictly complies with laws and regulations such as the *Environmental Protection Law* and the *Law on the Prevention and Control of Environmental Pollution by Solid Waste*, and ensures that all operations meet high-standard environmental requirements through measures such as improving environmental management systems and strengthening training and education, fully demonstrating the Company's proactive actions and solid achievements in environmental responsibility.

Governance

To strengthen the foundation of environmental compliance governance, the Company has formulated and implemented systems including the Compilation of Environmental Protection Management Systems, Environmental Protection Assessment and Reward/Penalty Management System, and the Three Wastes Management System, establishing an environmental responsibility system that covers the entire process and all employees. By clarifying management responsibilities at all levels and strengthening system implementation and assessment, the Company ensures that production and operational activities are always under strict compliance control, effectively enhancing environmental governance efficiency and providing a solid institutional guarantee for the Company's sustainable development.

As of the end of the Reporting Period, the Company and its five subsidiaries have all obtained ISO 14001 Environmental Management System certification.



Qingshuiyuan ISO 14001 Environmental Management System Certification Certificate



Shuiyunzong ISO 14001 Environmental Management System Certification Certificate



Qingyuan Water Treatment ISO 14001 Environmental Management System Certification Certificate



Tongsheng Environment ISO 14001 Environmental Management System Certification Certificate



Qingshuiyuan Shanghai ISO 14001 Environmental Management System Certification Certificate



Ande Technological ISO 14001 Environmental Management System Certification Certificate

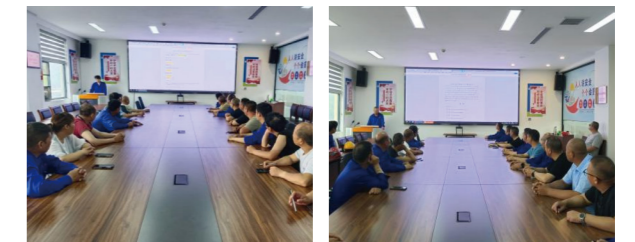
During the Reporting Period, the Company did not experience any incidents of penalties imposed by environmental protection or other relevant authorities due to violations of environmental management laws and regulations related to pollutant emissions, leaks, or waste generation.

Environmental Protection Training and Communication

The Company attaches great importance to environmental protection training and publicity, treating it as a key lever to enhance the environmental awareness and compliance capabilities of all employees. During the Reporting Period, the Company continued to conduct regular environmental protection training. Through specialized lectures and other formats, employees received systematic training, which effectively strengthened their sense of responsibility for environmental protection and their ability to operate in compliance. This has driven the full integration of environmental requirements into all aspects of production and operations, laying a solid foundation for the Company's environmental compliance management.

[Case Study] Specialized Training on Hazardous Waste Management Systems

On July 24, 2025, the Company organized specialized training on hazardous waste management systems. The training focused on systematically explaining relevant regulations and standards concerning hazardous waste systems and pollution prevention. Relevant personnel from various departments participated in the training. This training effectively enhanced employees' understanding of standardized hazardous waste management, further solidifying the foundation of the Company's environmental compliance management.



Strategy

To proactively address risks and opportunities in the field of environmental management, the Company adheres to a forward-looking strategic mindset. It deeply integrates environmental compliance requirements into the entire process of business decision-making, committed to promoting green and low-carbon transformation while safeguarding economic benefits, thereby achieving harmonious coexistence between corporate development and the Earth's ecology.

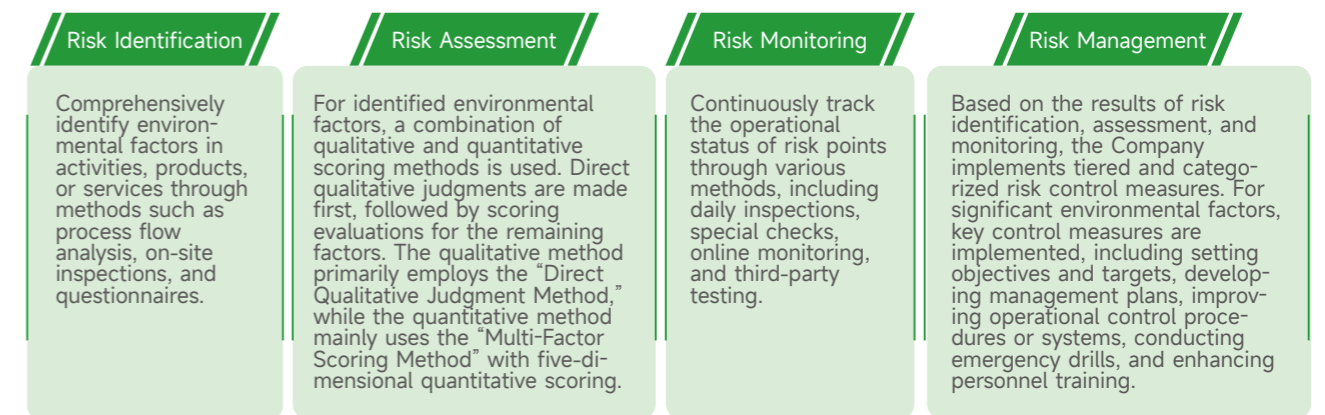
Risk/Opportunity	Type	Risk/Opportunity Description	Financial Impact	Impact Cycle	Impact Level	Likelihood of Occurrence	Response Measures
Risk	Policy and Legal Risks	Changes in environmental policies (such as stricter emission standards) may lead to increased operational costs for the Company.	Increased costs, reduced profits.	Medium-term	Medium	Medium	<ul style="list-style-type: none"> Strengthen policy research, closely monitor developments in environmental policies, and ensure company operations comply with the latest regulations and standards. Improve the compliance system, establish and sound environmental management systems and processes.
	Technical Risk	Improper application of new technologies or processes may have negative environmental impacts, such as exceeding emission standards for exhaust gases or wastewater leading to environmental penalties.	Increased environmental fines, increased costs.	Medium-term	Medium	Medium	<ul style="list-style-type: none"> Conduct thorough environmental impact assessments before introducing new technologies or processes. Strengthen the construction and operational management of environmental protection facilities to ensure pollutants are discharged up to standard. Establish environmental monitoring and emergency response mechanisms.
	Reputation Risk	Environmental issues or safety incidents may damage the Company's reputation and affect customer trust.	Revenue Reduction	Medium to Long Term	High	Medium	<ul style="list-style-type: none"> Strengthen environmental management and safety production management to ensure company operations comply with environmental and safety requirements. Establish crisis response mechanisms to promptly address and handle environmental issues. Actively participate in environmental protection public welfare activities to enhance social recognition.
	Market Risk	Intensified market competition, changes in customer demands, and fluctuations in raw material prices may lead to product price declines and reduced sales.	Revenue Reduction	Medium to Short Term	High	High	<ul style="list-style-type: none"> Strengthen market research and flexibly adjust product structure and market strategies. Reduce product prices through technological innovation and cost control to enhance competitiveness. Strengthen customer relationship management, continuously improve customer satisfaction and loyalty to ensure stable market share.
Opportunity	Technological Innovation Opportunities	The continuous emergence of more efficient and environmentally friendly water treatment technologies provides opportunities for the Company's technological upgrades and innovation.	Increased production efficiency, reduced costs, and increased profits.	Long-term	High	Medium	<ul style="list-style-type: none"> Increase R&D investment and introduce outstanding talents and technological resources. Strengthen cooperation with universities, research institutions, etc., to jointly develop new technologies and products. Promote and apply new technologies and products.

Risk/Opportunity	Type	Risk/Opportunity Description	Financial Impact	Impact Cycle	Impact Level	Likelihood of Occurrence	Response Measures
Opportunity	Market Expansion Opportunities	Increased national support for the environmental protection industry and growing demand in the environmental protection market.	Revenue/- Profit Growth	Short-term	High	High	<ul style="list-style-type: none"> Strengthen market research to understand market demands. Expand production scale and increase production capacity. Strengthen marketing and brand building.
	Policy Support Opportunities	Continuous strengthening of environmental protection industry policies; the Company, leveraging its industry-leading advantages, is expected to benefit from environmental policy dividends, gaining more market opportunities and financial support.	Obtain government subsidies and tax incentives to reduce operating costs.	Medium-term	Medium	High	<ul style="list-style-type: none"> Actively monitor policy developments, strengthen communication and cooperation with government departments Increase investment in environmental technology research and development to enhance the environmental performance of products Expand environmental business areas, participate in more environmental projects, and improve market competitiveness

Impact, Risk, and Opportunity Management

Environmental Risk Management Process

The Company has established the Environmental Factor Identification, Evaluation, and Control Procedures, creating a systematic and standardized environmental risk management process. This process covers four key stages: identification, evaluation, monitoring, and control of environmental risks, ensuring effective management and mitigation of environmental risks.



Environmental Hazard Investigation and Monitoring

The Company has established a multi-level environmental hazard investigation mechanism, implementing a regular inspection system with team-level inspections per shift, workshop manager inspections weekly, and environmental department inspections monthly. Key areas such as leaks and spills from production equipment and pipelines, implementation of environmental management measures, standardized management of hazardous waste, and configuration of environmental facilities are thoroughly investigated.

In 2025, the Company conducted a total of 14 monthly and comprehensive inspections, identifying and completing rectification for 12 environmental hazards, achieving a 100% rectification rate. For identified hazards, the Company strictly adheres to the "Four No-Let-Go" principle, formulates specialized rectification plans, clarifies responsible departments and deadlines, and organizes follow-up inspections and acceptance to ensure closed-loop management from discovery to rectification, effectively preventing environmental risks.

[Case Study] Environmental Hazard Rectification in 2025

During the Reporting Period, the Company carried out systematic rectification work for hazard points identified during routine environmental inspections. For issues such as leaks at the soft connection flange of the Y metering tank on the third floor of Jiacha, leakage risks due to single valves on the gas phase pipe drain valves of the solid mother liquor kettle, unsealed windows on the west side of the liquid chlorine storage area, and the absence of wooden drainage plugs in pump containment dikes in the raw material area, the Company implemented targeted rectification measures, including replacing PP elbows, adding double valves, closing windows, and replacing drainage plugs. Through these rectifications, the Company promptly eliminated environmental risks in production processes, effectively preventing potential environmental incidents such as material leaks or pollution spills due to equipment defects or management oversights, further enhancing the inherent environmental safety level of production facilities.

Before Remediation

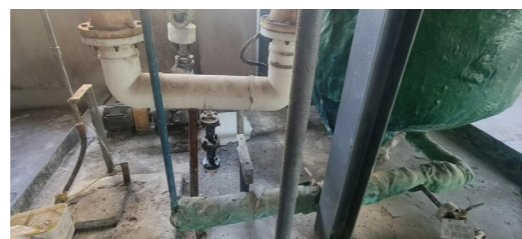


The pp elbow connected to the soft connection at the flange of the y metering tank v1006 on the third floor of jiacha was replaced due to leaks.

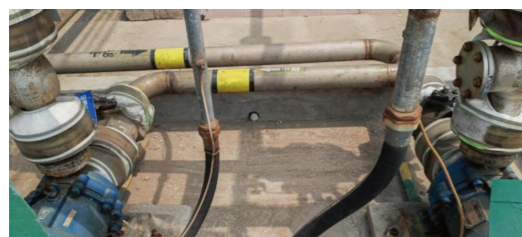
After Remediation



Replace the drain valve at the U-bend of the gas phase pipe of the solid mother liquor kettle with a double valve.



Adjust the unsealed condition of the windows on the west side of the liquid chlorine storage.



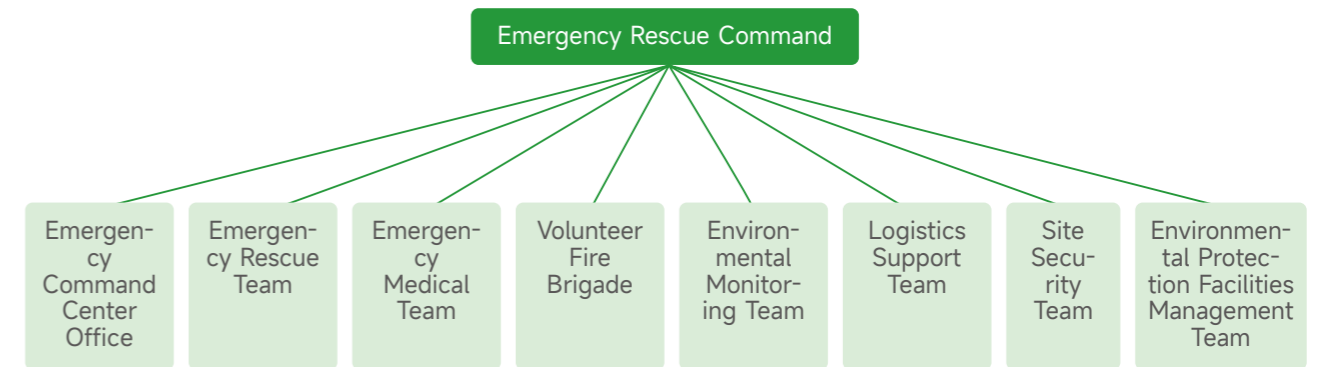
Change the anti-spill containment for pumps in the raw material area to wooden drain plugs.



Environmental Emergency Plan and Drills

The Company strictly complies with laws and regulations such as the *Emergency Response Law* and the *Management Measures for Emergency Plan for Emergencies*. It has formulated the Emergency Plan for Sudden Environmental Events, the Management System for Reporting Information on Sudden Environmental Events, and the Management System for Environmental Emergency Plans, clearly defining the emergency response procedures and handling processes for sudden environmental events to ensure clear responsibilities and orderly response. Simultaneously, the Company conducts emergency plan training, promotion, and practical drills to continuously test the feasibility and effectiveness of the plans. It conducts retrospective evaluations at least every three years, timely optimizes emergency mechanisms, and continuously enhances environmental emergency response and risk control capabilities.

Emergency Organization System Diagram

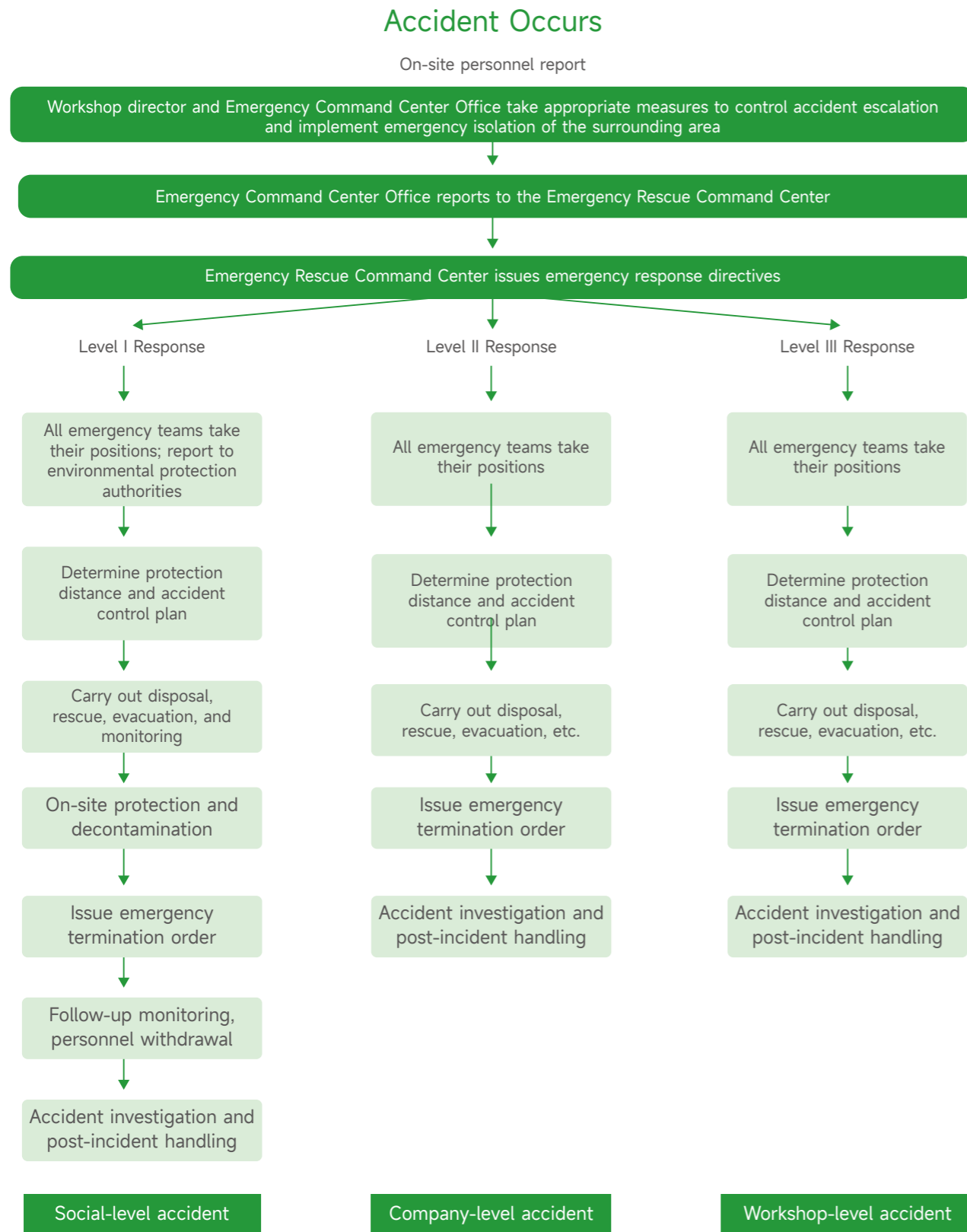


Based on the degree of harm to the environment and people caused by sudden environmental events, the Company classifies emergency response levels into Level 1, Level 2, and Level 3.

Response Level	Affected Scope	Emergency resources required for mobilization
Level 1 Response (Social Level)	Factory Area and Surroundings	Company emergency agencies, government departments, fire brigade, hospitals, neighboring friendly units, external experts, etc.
Level 2 Response (Enterprise Level)	Workshop and Factory Area	Company emergency agencies, nearby hospitals, other neighboring friendly units, etc.
Level 3 Response (Workshop Level)	Local work or positions	Company emergency agencies

For different types of environmental accidents, the Company initiates corresponding emergency procedures according to the graded response requirements and carries out emergency response work.

Emergency Response Procedure for Sudden Environmental Events



[Case Study] Comprehensive Emergency Drill for Liquid Chlorine Leakage Accident

On June 27, 2025, the Company organized a comprehensive emergency drill for liquid chlorine leakage, simulating a sudden environmental event scenario where a leak occurred at the bottom discharge flange of Liquid Chlorine Tank B, leading to personnel poisoning. The drill covered the entire process, including hazard discovery, initial response, escalation of the incident, emergency response, and on-site cleanup. Each emergency team had clear division of labor, coordinated effectively, and successfully completed tasks such as personnel rescue, leak plugging, on-site decontamination, and environmental monitoring. This drill effectively tested the feasibility and effectiveness of the emergency plan, honed the practical capabilities of the emergency rescue team, and enhanced employees' awareness and proficiency in emergency response during unforeseen events. In response to issues identified during the drill, such as insufficient proficiency in operating fire hoses, the Company promptly conducted specialized training and implemented corrective measures, achieving continuous improvement and enhancement of emergency capabilities.



Indicators and Targets

To continuously improve environmental performance, the Company has set clear annual environmental protection goals. Based on these goals, specific quantifiable management indicators have been established for various pollutants and resource consumption to guide daily environmental management and clean production efforts. The main environmental protection goals for 2025 include:

- No occurrence of general or above-level environmental emergencies;
- Effective operation of the environmental management system with continuous improvement, and no serious or recurring non-conformities;
- Effective control of significant environmental factors, with a 100% environmental hazard rectification rate;
- Solid waste and hazardous waste disposal in compliance with national requirements;
- 100% implementation rate of environmental monitoring plans;
- 100% training rate for on-duty employees in environmental protection education;
- 100% compliance rate for exhaust gas and wastewater discharge standards;
- 100% compliance rate for production wastewater, initial rainwater, and accident water discharge standards.

Performance Table

Key Indicators	Unit	2025
Environmental Protection Investment	RMB10,000	100.26

Environmental Protection Training

Key Indicators	Unit	2025
Number of environmental protection training sessions	Times	27
Number of participants in environmental protection training	Person-times	754
Duration of environmental protection training	Hours	54

Waste Gas Emission

Key Indicators	Unit	2025
Waste Gas Emission Volume	Tons	1.3
Volatile Organic Compounds (VOC)	Tons	1.3

Wastewater Discharge

Key Indicators	Unit	2025
Wastewater discharge volume	Tons	61,979.57
Chemical Oxygen Demand (COD)	Tons	0.669
Ammonia Nitrogen (NH3-N)	Tons	0.026
Total phosphorus (calculated as P)	Tons	0.01

Solid Waste Emissions

Key Indicators	Unit	2025
Amount of hazardous waste generated	Tons	96.514
Hazardous Waste Disposal Volume	Tons	96.514
Waste Engine Oil (HW08 Category Substances)	Tons	0.555
Waste Activated Carbon (HW37 Category Substances)	Tons	93.35
Phosphorus Slag (HW37 Category Substances)	Tons	1.693
Sludge (HW37 Category Substances)	Tons	0.466
Waste Filter Cloth (HW37 Category Substances)	Tons	0.2
Online Monitoring Waste Liquid (HW49 Category Substances)	Tons	0.25

Pollutant Discharge

Pollution Discharge Status

As a key pollutant discharging entity, the Company strictly complies with the stipulations of the pollutant discharge permit to control the total pollutant emissions. The Company's primary gaseous pollutants are volatile organic compounds (VOCs), with an annual permitted total emission of 7.6893 tons. Other characteristic gaseous pollutants include formaldehyde, hydrogen chloride, chlorine, methanol, chlorobenzene compounds, non-methane total hydrocarbons (NMTHC), ammonia, odor concentration, and hydrogen sulfide. The primary wastewater pollutants are chemical oxygen demand (COD) and ammonia nitrogen. Other characteristic wastewater pollutants include pH, suspended solids (SS), five-day biochemical oxygen demand (BOD5), total phosphorus, volatile phenols, aniline compounds, total organic carbon (TOC), total nitrogen, petroleum hydrocarbons, sulfides, etc. According to the technical specifications of the pollutant discharge permit, the wastewater discharge outlet is designated as a general discharge outlet and does not have a permitted emission limit.

During the Reporting Period, the Company commissioned third-party agencies to conduct self-monitoring of waste gas, wastewater, noise, soil, and groundwater, and obtained the Environmental Monitoring Report, Analysis Summary Report for the Leak Detection and Repair (LDAR) System Construction Project, and the Self-Monitoring Report on Soil and Groundwater Environment. The monitoring results indicate that all pollutants met the discharge standards.

Pollutant Management

The Company prioritizes compliant pollutant management, having established and implemented the Three Wastes Management System to standardize the full-process management of waste gas, wastewater, and solid waste generated during production and operational activities. By equipping and continuously operating various environmental protection treatment facilities, and conducting regular pollutant emission monitoring, the Company ensures stable and compliant discharge of all pollutants, and continuously advances transparent environmental performance management and compliance improvement.



"Three Wastes" Management

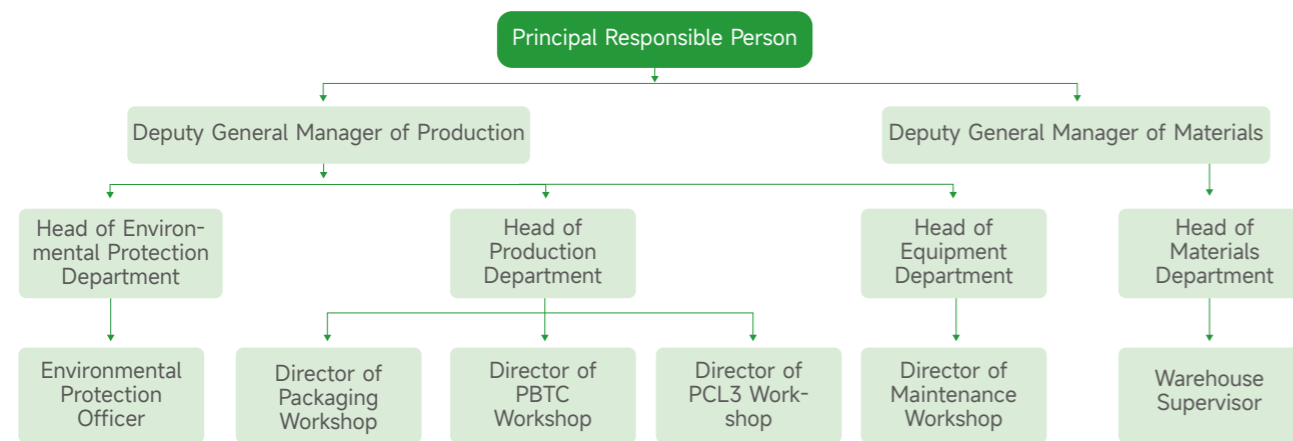
Waste Gas Management	Process tail gas generated from production and R&D activities is subject to strict control, requiring environmental protection treatment facilities to operate around the clock. Key tail gas emission points, such as those from the HEDP unit, are equipped with treatment facilities like two-stage water spray absorption, and detailed operational records are maintained to standardize chemical dosing. Regular monitoring of fugitive and organized emissions at the plant boundary is conducted, covering characteristic pollutants such as hydrogen chloride, NMTHC, arsenic, and lead, to ensure stable and compliant waste gas emissions.
Wastewater Management	Wastewater is collected and treated by category: production wastewater, equipment maintenance wastewater, and the initial 30-minute rainwater runoff are directed to the wastewater treatment station; domestic sewage is treated to meet standards before discharge. Chemical waste liquids from R&D and laboratory processes are collected separately by category; waste acid and alkali liquids, among others, are discharged into the chemical wastewater sump. Regular monitoring is conducted on sewage discharge outlets, regulating tanks, and clear water tanks, with indicators including COD, ammonia nitrogen, total phosphorus, heavy metals, and characteristic pollutants such as acrylonitrile and adsorbable organic halides, to closely monitor water quality.
Management of Other Pollutants	Solid waste is strictly classified according to the National Hazardous Waste List. The temporary storage facility on-site is constructed in compliance with the Pollution Control Standards for Hazardous Waste Storage, equipped with leak prevention, odor emission control, and exhaust gas recovery facilities to ensure environmental safety during storage. The safe disposal rate for both general industrial solid waste and hazardous waste has reached 100%. In addition, regular monitoring of noise at the factory boundary is conducted to ensure compliance with the Environmental

Waste Disposal

Waste Management System and Regulations

The Company has established a comprehensive waste management system, particularly for hazardous waste. A series of regulations, including the Hazardous Waste Pollution Prevention and Control Responsibility System and the Hazardous Waste Management System, have been formulated to standardize the entire lifecycle management of hazardous waste, from generation, collection, and storage to transfer and disposal.

Organizational Chart for Hazardous Waste Management



Waste Management Measures

During the Reporting Period, the Company strictly implemented the hazardous waste management plan, with all hazardous waste being disposed of by qualified units. In 2025, the hazardous waste generated by the Company mainly included harmful components such as phosphorus, organic phosphorus compounds, petroleum hydrocarbons, and polycyclic aromatic hydrocarbons from waste like phosphorus slag, spent activated carbon, waste filter cloth, sludge, and waste oil. All transfers of hazardous waste were recorded and processed through the National Hazardous Waste Information Management System using electronic transfer manifests, and external units were entrusted for compliant disposal.

Green Operations

Clean Production

To further advance clean production, the Company formulated and implemented the Clean Production Management System, establishing a clean production office within the production department to systematically promote the effective implementation of various clean production measures. Additionally, the effectiveness of clean production was incorporated into the performance appraisal system, forming an institutionalized and normalized management mechanism.

- 🌱 Conduct technical, environmental, economic, and comprehensive evaluations of implemented clean production solutions;
- 🌱 Perform technical assessments of clean production solutions during the clean production audit process to provide feasibility basis for company decision-making;
- 🌱 Establish a clean production information system to provide the entire plant with information on clean production technologies, processes, equipment, and products;
- 🌱 Use non-toxic or low-toxicity, low-hazard raw materials to replace highly toxic and severely hazardous raw materials;
- 🌱 Adopt processes and equipment with high resource utilization rates and low pollutant generation to replace those with low resource utilization rates and high pollutant generation;
- 🌱 Comprehensively utilize or recycle waste, wastewater, and waste heat, etc. generated during the production process.
- 🌱 Adopt pollution prevention and control technologies that can meet the national or local pollutant emission standards and total pollutant discharge control targets.

Green Transportation

The Company actively takes measures to promote green transportation. By integrating transportation resources and optimizing transportation routes, transportation efficiency is improved. For transportation within a certain range, priority is given to new energy vehicles. For heavy-duty transportation tasks, vehicles meeting China VI or higher emission standards are preferred, to reduce carbon emissions and pollutant emissions during transportation. In daily operations, the Company strictly adheres to emergency control requirements for heavily polluted weather, suspends transportation by China V and lower-standard vehicles during warning periods, and minimizes road transport volume as much as possible to reduce the impact of regional vehicle emissions.

Green Office

The Company actively advocates the concept of green office, integrating energy conservation and consumption reduction into the details of daily operations. Through institutionalized management and full participation, it continuously reduces resource consumption in office processes, fostering a low-carbon and environmentally friendly work atmosphere.

- Electricity Conservation**
 - Office computers, printers, and other equipment are turned off promptly after work, eliminating standby power consumption.
 - Make rational use of natural light to reduce unnecessary lighting.
- Water Conservation**
 - Strengthen daily inspections to prevent leaks and spills; turn off water fixtures immediately after use.
- Paper Conservation**
 - Promote double-sided printing; use recycled paper or electronic circulation for informal documents to reduce paper consumption.
- Office Supplies**
 - Standardize the item requisition process; implement an old-for-new principle for non-planned labor protection supplies to reduce waste.

Green Products and Services

As a leading enterprise in the manufacturing of specialized chemical materials for environmental pollution treatment, the Company is consistently committed to the innovation and development of green products and services. By developing efficient and environmentally friendly water treatment agent products, the Company provides customers with green solutions such as industrial water treatment and circulating water reuse, assisting downstream enterprises in achieving water resource recycling and compliant pollutant discharge. The Company's products are widely used in areas such as scale and corrosion inhibition, sterilization and preservation, and metal ion chelation. While meeting customer needs, they effectively reduce the environmental burden on end-users, collaboratively addressing challenges in water resource protection and environmental management, and continuously contributing professional value to society's green development.

Environmentally Friendly Water Treatment Agents

By studying the impact of catalyst microstructure on reaction mechanisms, the Company has successfully developed a novel corrosion inhibitor based on low-cost, phosphorus-free, bio-based raw materials, along with a green, low-energy consumption synthesis process. This achievement represents a key technological breakthrough in the field of phosphorus-free water treatment corrosion inhibitors, providing an innovative pathway to promote the industry's development towards environmental protection and high efficiency.

Green Chelating Agent Products

The Company has developed two novel green chelating agents and their synthesis processes. The products feature environmentally friendly characteristics such as easy biodegradability and non-toxicity. The new process produces fewer by-products, has a simple workflow, and a short production cycle, meeting global green regulatory requirements. This product can efficiently replace phosphates in detergents, offering excellent chelating performance and rapid action on both inorganic and organic stains, thereby strongly advancing the greening process of the water treatment industry.

Ecosystem and Biodiversity Protection

As a company deeply rooted in water treatment and ecological environmental protection, Qingshuiyuan integrates biodiversity protection into all aspects of its business development and daily operations. Leveraging its core business layout in industrial water treatment and ecological restoration of river management, the Company safeguards ecological foundations and maintains ecosystem balance through technological innovation and engineering practices. The Company is deeply engaged in the field of water environment governance and has established a comprehensive technical system for river and black-odorous water body management. Starting with external source pollution control and interception, and internal source dredging as prerequisites, it carries out water environment governance to reduce the impact of water pollution on aquatic habitats from the source. Through water ecological restoration, it reconstructs the aquatic ecological chain, contributing to the improvement of the water environment and the stability of aquatic biological communities.

Simultaneously, the Company strictly adheres to environmental compliance management requirements, following ecological protection regulations throughout the entire production and operation process. The entire lifecycle of its products has no impact on ecosystems, species and their habitats, or biological genetic resources. Furthermore, by continuously optimizing environmental measures in production and operations, implementing projects such as condensate water recovery and by-product deep processing for energy conservation and waste reduction, the Company reduces its impact on the surrounding ecological environment at the operational level, earnestly fulfilling its responsibilities in the field of biodiversity protection as an environmental enterprise. In the future, the Company will continue to be guided by the concept of green development, deeply integrating biodiversity protection requirements into the research, development, and practices of businesses such as ecological restoration and water treatment. It will empower ecological protection with technology, continuously contributing to maintaining ecosystem integrity and promoting harmonious coexistence between humans and nature.

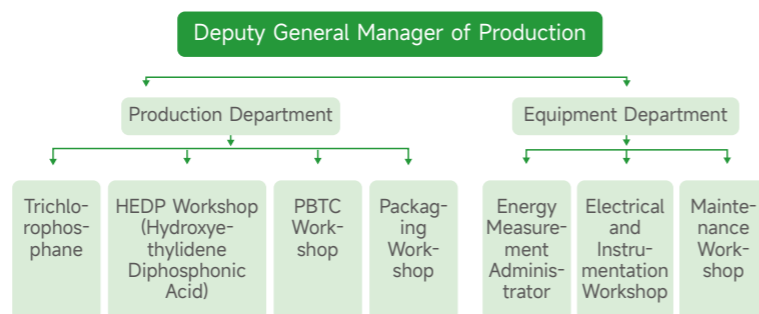
Prudent Resource Management

Qingshuiyuan adheres to laws and regulations such as the *Water Law* and the *Energy Conservation Law*, anchoring its direction towards green energy development. Focusing on continuously improving its internal energy management system as a core initiative, the Company steadily advances energy conservation, consumption reduction, and low-carbon development throughout its production and operation processes.

Governance

The Company has established Energy and Resource Management Regulations, Energy Measurement Management Regulations, and Water Usage Management Regulations. It has built a full-process management system covering the measurement, monitoring, conservation, utilization, consumption control, supervision, assessment, and accountability for energy and water resources. This system clarifies institutional responsibilities, daily supervision, record management, energy and water-saving measures, and reward/punishment mechanisms. Regular professional training on energy measurement is conducted, covering basic knowledge, professional skills, and management capabilities, to promote efficient resource utilization, energy conservation, cost reduction, and efficiency enhancement, ensuring sustainable business operations.

Energy Measurement Management Organization



The Company's Equipment Department is responsible for daily water usage management and supervision, completing daily water data recording and log maintenance. Each department manages and maintains the water facilities in its respective area, promptly identifying potential issues and continuously improving water resource utilization efficiency.

Strategy

The Company systematically identifies and assesses risks and opportunities related to resource utilization efficiency, formulating specialized management strategies to continuously enhance comprehensive resource utilization efficiency, thereby supporting the steady advancement of its green, low-carbon transformation and high-quality, efficient development.

Risk/Opportunity	Type	Risk/Opportunity Description	Financial Impact	Impact Cycle	Impact Level	Likelihood of Occurrence	Response Measures
	Physical Risk	In the Company's production process, key process facilities rely on stable electricity and water supply. Power or water outages can halt facility operations, leading to production line shutdowns, potential impacts on product quality, and equipment damage.	Direct economic losses caused by production interruptions and equipment damage.	Medium to Short Term	High	High	<ul style="list-style-type: none"> Establish facilities such as water storage tanks and rainwater collection systems to cope with unexpected water supply interruptions and reasonably adjust production processes during outages. Develop detailed emergency plans for water and power outages, clarifying the emergency organizational structure, personnel responsibilities, and emergency response procedures. Ensure power supply stability by relying on dual power sources from the Qingyuan and Zhidu substations. Equip key process facilities with backup power sources such as UPS and diesel generators to ensure quick deployment during power outages, maintaining continuous production line operation.
Risk	Technical Risk	Regarding energy management, the Company may face challenges such as immature application of new energy technologies (e.g., solar, wind), bottlenecks in energy storage technology, and difficulties in integrating with smart grids. In terms of water resource management, the Company may encounter technical challenges such as high costs of membrane technology, low treatment efficiency, failure to meet water quality standards, and instability of intelligent monitoring and control systems.	This may lead to investment failure and increased operational costs.	Medium to Long Term	High	Medium	<ul style="list-style-type: none"> Strengthen technological research, development, and innovation capabilities to enhance the core competitiveness of proprietary technologies. Introduce external technical cooperation to learn from and absorb advanced technologies and experiences. Establish a technology risk assessment and early warning mechanism to promptly identify and address potential technical risks.
	Market Risk	Market risks primarily stem from price fluctuations and demand changes in the energy and water resource markets.	Resulting in rising costs and declining revenue	Medium to Short Term	Medium	High	<ul style="list-style-type: none"> Enhance market research and analysis to accurately grasp market changes and trends. Establish flexible pricing and marketing strategies to adapt to changes in market demand. Diversify product lines and service types to improve the Company's market adaptability.

Risk/Opportunity	Type	Risk/Opportunity Description	Financial Impact	Impact Cycle	Impact Level	Likelihood of Occurrence	Response Measures
Opportunity	Technological Innovation Opportunities	In the energy sector, the rapid development of clean energy technologies (such as solar and wind power) and smart grid technologies provides opportunities for the Company to reduce energy consumption and improve utilization efficiency. In the water resources sector, advancements in water recycling technologies (such as membrane technology and advanced oxidation processes) and efficient water-saving technologies (such as smart irrigation systems) create possibilities for enhancing water resource utilization efficiency and reducing consumption.	Growth in revenue and profit.	Long-term	High	High	<ul style="list-style-type: none"> Conduct independent or collaborative research and development, focusing on clean energy and water recycling technologies to gradually replace traditional energy sources and inefficient water usage measures. Establish intelligent energy and water resource management systems to achieve refined control and management.
	Market Expansion Opportunities	With increasing global emphasis on environmental protection and sustainable development, more enterprises and individuals are beginning to focus on the conservation and efficient utilization of energy and water resources, providing opportunities for the Company to expand its market share and explore new business areas.	Increase sales revenue and enhance market share.	Medium to Long Term	Medium	High	<ul style="list-style-type: none"> Strengthen market research and analysis to accurately grasp market demand and development trends. Expand new products and services to meet the differentiated needs of various customers. Enhance brand building and market promotion to improve the Company's visibility and reputation.

Indicators and Targets

Water Resource Management Goals



- By leveraging advanced water-saving technologies, optimizing production processes, and upgrading high-water-consumption equipment, we continuously enhance water resource utilization efficiency and the recycling of production wastewater.
- We scientifically formulate annual water usage control plans, establish a full-process water ledger management system, and implement regular dynamic monitoring and refined control of water usage across the entire plant area.
- Through the stable operation of supporting water treatment facilities such as circulating cooling towers, we deepen the tiered recycling of water resources, effectively reducing reliance on fresh water resources in production operations.
- We regularly conduct water-saving themed promotions and specialized skill training to continuously strengthen awareness of water conservation and consumption reduction among all employees, fostering an enterprise culture of water conservation with full participation and practice.

The above comprehensive control measures aim to systematically reduce water resource consumption and water pollutant emissions in production operations, ensuring the full implementation of the Company's water resource management goals.

Impact, Risk, and Opportunity Management

To ensure the sustainable use of resources, the Company has established standardized and systematic management processes to comprehensively and effectively manage resource risks.

Risk Identification	Risk Assessment	Risk Monitoring	Risk Management
The Company addresses both macro and micro levels, focusing on external factors such as climate change, policy and regulatory changes, and uneven water resource distribution, as well as internal factors like water usage, energy consumption, and resource utilization efficiency in the production process. Through regular research, data collection, and analysis, we comprehensively identify potential risks in the resource utilization process.	Based on risk identification, the Company employs a combination of quantitative and qualitative methods to assess identified resource risks. By establishing a risk assessment model, we comprehensively consider factors such as the likelihood of risk occurrence, impact level, and duration to rank and classify risks, clarifying the priorities and focus areas for resource management.	The Company establishes an energy measurement system, regularly conducting statistical analysis of energy measurement and monitoring data to ensure accuracy and reliability.	Based on the results of resource risk assessment, the Company has formulated a series of specific risk management measures, including the transformation and optimization of production processes, strengthening water quality monitoring and energy management, to effectively prevent risks. Simultaneously, we have established an emergency response mechanism and developed detailed contingency plans to address sudden resource shortage incidents.

Energy Consumption Situation

Key Indicators	Unit	2025
Purchased Steam	Million Kilojoules	325,834.03
Photovoltaic Electricity Consumption	Ten Thousand Kilowatt-hours	100.5196
Total Purchased Electricity	Ten Thousand Kilowatt-hours	15,436.20
Natural Gas	Ten Thousand Cubic Meters	4.5
Total Purchased Heat	Gigajoule	325,834.03
Comprehensive Energy Consumption	Tons of Standard Coal Equivalent	13,197.96
Comprehensive Energy Consumption Density	Ton of Standard Coal/RMB Million Revenue	15.19

Water Usage Status

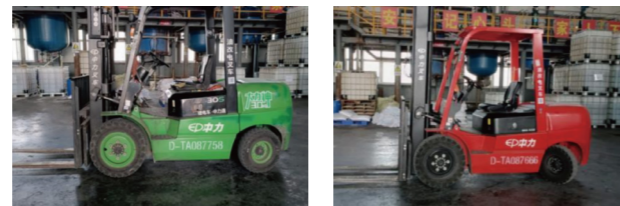
Key Indicators	Unit	2025
Total Water Consumption	Ten Thousand Cubic Meters	28.80
Water Consumption Intensity	10,000 Cubic Meters/ RMB Million	0.033
Total Water Cycle and Reuse	Tons	138,767.45

Energy Saving and Emission Reduction Measures

To further implement the concept of green development and continuously advance energy conservation, emission reduction, cost reduction, and efficiency improvement, the Company will carry out comprehensive electrification transformation in 2025 across all production and operation processes. This will focus on three core areas: kitchen energy, commuting vehicles, and production equipment. By replacing traditional high-energy-consuming equipment such as fuel and gas-powered devices, the Company aims to optimize its energy usage structure. This initiative will not only effectively reduce environmental pollution and carbon emissions but also significantly lower operational costs, achieving simultaneous improvements in both ecological and economic benefits.

[Case Study] Promotion of Electric Forklifts

In terms of production equipment, the Company's production department has fully replaced the original diesel forklifts with electric forklifts. Electric forklifts are powered by electricity, producing zero exhaust emissions and operating with low noise, aligning with the requirements for clean production and green manufacturing in the workshop.



Electric Forklifts Used by the Company

[Case Study] Promotion of Hybrid Electric Vehicles

For official commuting purposes, the Company has replaced traditional fuel vehicles with hybrid electric vehicles. Hybrid electric vehicles combine the advantages of both fuel and electric power, significantly reducing fuel consumption and exhaust emissions during operation. Energy costs are approximately 30%-40% lower compared to traditional fuel vehicles, effectively reducing the Company's carbon footprint.



Hybrid Electric Vehicles Used by the Company

[Case Study] Promotion of Electric Stoves

In terms of logistics and catering support, the Company has fully replaced traditional gas stoves with electric stoves. After switching to electric stoves, open flames and exhaust emissions have been eliminated, significantly reducing kitchen fumes and harmful gas emissions, thereby optimizing the working environment in the kitchen.



Electric Stoves Used by the Company

Water Resource Management Measures

During the Reporting Period, the Company established a water resource recycling system across multiple links and scenarios, implementing various measures to enhance the efficiency of water reuse. Specific measures are as follows:

Establishing a circulating water tower to recycle water resources

Using circulating water from the recycling pool to regularly irrigate green belts and improve water quality

Condensed steam from reaction kettles in various workshops is channeled into the circulating water system for reuse

The closed-loop hot water from the initial cooler of the chlorination production line is channeled into the underfloor heating system for cooling and heating in the office building.

Lean Material Management

Qingshuiyuan deeply recognizes the core value of efficient material utilization in resource conservation and ecological environmental protection. It strictly standardizes the entire process material management system, continuously improves the comprehensive utilization efficiency of materials, and steadily promotes the transformation of the enterprise toward a green, low-carbon circular economy development model.

Material Management System

The Company has established systems such as the *Warehouse Management System*, clarifying the entire process of material storage, inbound and outbound operations, inspection, inventory counting, safety, and hygiene. It clearly defines the responsibilities and operational standards of various departments and ensures standardized and efficient management of warehouse materials through the control requirement of consistency between accounts, physical goods, and records. In addition, as of the end of the Reporting Period, the Company has obtained the *Intermediate Bulk Container Certificate*, certifying that the relevant composite intermediate bulk containers comply with the requirements of Chapter 6.5 of the *International Maritime Dangerous Goods Code*, providing compliance and safety assurance for maritime transportation.



Intermediate Bulk Container Certificate

Storage Management

Through full-process control, regular supervision, and a closed-loop responsibility system, the Company ensures the effective implementation of both warehouse management and tax management systems, providing solid support for compliant operations.

Storage

Strictly adhere to the principles of "reasonable and safe placement, convenient inspection, and first-in-first-out," storing materials in designated areas based on their attributes. Standardize material labeling to ensure consistency between accounts, records, and physical goods, regulate handling operations, conduct regular inventory checks, and promptly address errors or omissions.

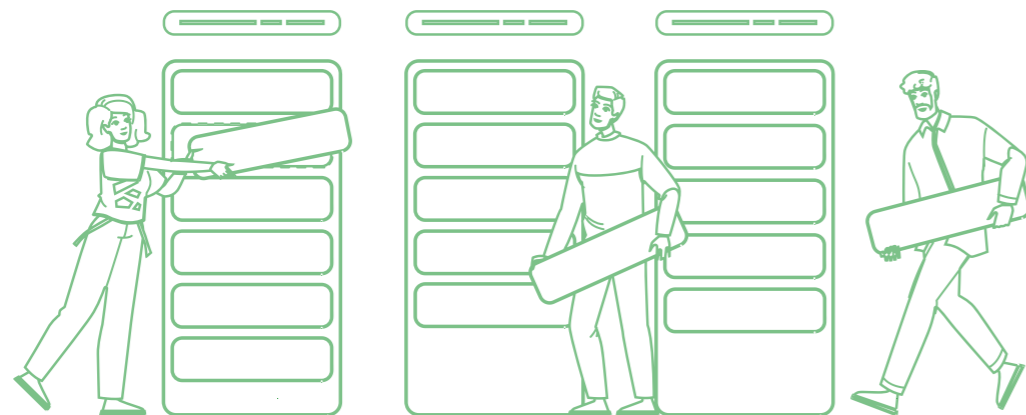
Inbound

Warehouse management personnel daily statistics on inventory and formulate procurement plans. Inbound operations are processed with documentation, rejecting substandard or incomplete materials. Procurement orders are verified against physical goods, and special materials require inspection and documentation by relevant departments.

Outbound

Implement the principles of "first-in-first-out and replacing the old with the new." Designated personnel from the production department retrieve materials with documentation, verify information, and complete outbound operations. Administrators issue documents and complete registration and accounting entries.

Key Indicators	Unit	2025
Total Usage of Packaging Materials	Items	913,077
Paper-based packaging materials (woven bags, inner bags, etc.)	Items	462,369
Plastic-based packaging materials (packaging barrels, ton barrels)	Items	440,363
Wood-based packaging materials (wooden pallets)	Pallets	10,345
Consumption of Toxic and Hazardous Materials	Tons	120,530.07



Hazardous Chemical Management

Based on systems such as the Laboratory Chemical Management, Chemical Reagent Management and Safe Storage and Usage Regulations, and Security System for Access to Hazardous Waste Warehouses, the Company implements standardized management and monitoring of the entire process of hazardous chemicals procurement, storage, usage, and recycling, effectively reducing storage and usage safety risks in production and operational activities.

Hazardous Chemical Procurement Management

Strictly screen suppliers with hazardous chemical production or sales qualifications. Procurement and storage quantities are jointly verified by the purchaser and the responsible person, and overstocking is strictly prohibited.

Hazardous Chemicals Storage Management

Hazardous chemicals shall be stored in accordance with the principles of "classification, categorization, dedicated cabinets, and dedicated storage", with clear hazardous chemical lists posted. They shall be managed by professionally trained personnel under a dual-person, dual-lock control system.

Hazardous Chemicals Usage Management

Develop a usage plan specifying storage duration, location, and quantity, implementing a 'use-as-needed' requisition system. Operators must wear specialized protective equipment before commencing work.

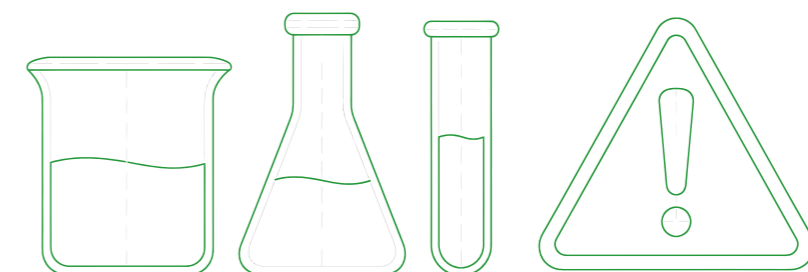
Hazardous Chemicals Recovery Management

Implement unified recovery for hazardous chemicals and their post-use packaging, residual liquids, cleaning wastewater, etc. Designated personnel shall be responsible for recovery and treatment, maintaining comprehensive records of the entire process.

Hazardous Chemicals Storage Management



Safety Notice Signage



03

Innovation-Driven Leadership, Co-cre- ating Industrial Value

This chapter covers material ESG issues.

Igniting Innovation-Driven Development

Product and Service Safety and Quality

Data Security and Customer Privacy Protection

Responsible Supply Chain



Igniting Innovation-Driven Development

Qingshuiyuan positions scientific research and innovation as its core engine for growth, continuously strengthening the professional development of its R&D team. By optimizing R&D processes and improving collaborative mechanisms, the Company enhances research efficiency and the quality of outcomes. It also focuses on the transformation and industrial application of scientific and technological achievements, injecting momentum into the sustainable Shuiyunzong and healthy development of the industry.

Governance

The Company strictly adheres to laws and regulations such as the *Science and Technology Progress Law* and has established a regulatory system including the R&D Management System and the Research and Development Management System. This solidifies the foundation of R&D management, ensures the soundness and completeness of the R&D system, and clarifies that the R&D Center oversees core tasks such as company-wide R&D project management and R&D archives management. Additionally, the Company has formulated incentive systems like the Innovation Technology Reward Measures to fully mobilize employee's enthusiasm and initiative in conducting scientific research, development, and technological innovation. This drives continuous advancement in enterprise technological innovation, accelerates the transformation, implementation, and application of scientific and technological achievements, and empowers scientific enterprise management through technological innovation, steadily enhancing the Company's technological capabilities. This further strengthens the Company's operational efficiency and core competitiveness.

The Company's subsidiaries, Anda Technological, Shuiyunzong and Qingshuiyuan shanghai have obtained high-tech enterprise certification.



Anda Technological High-Tech Enterprise Certificate



Qingshuiyuan Shanghai High-Tech Enterprise Certificate



Shuiyunzong High-Tech Enterprise Certificate

Company R&D Building



Strategy

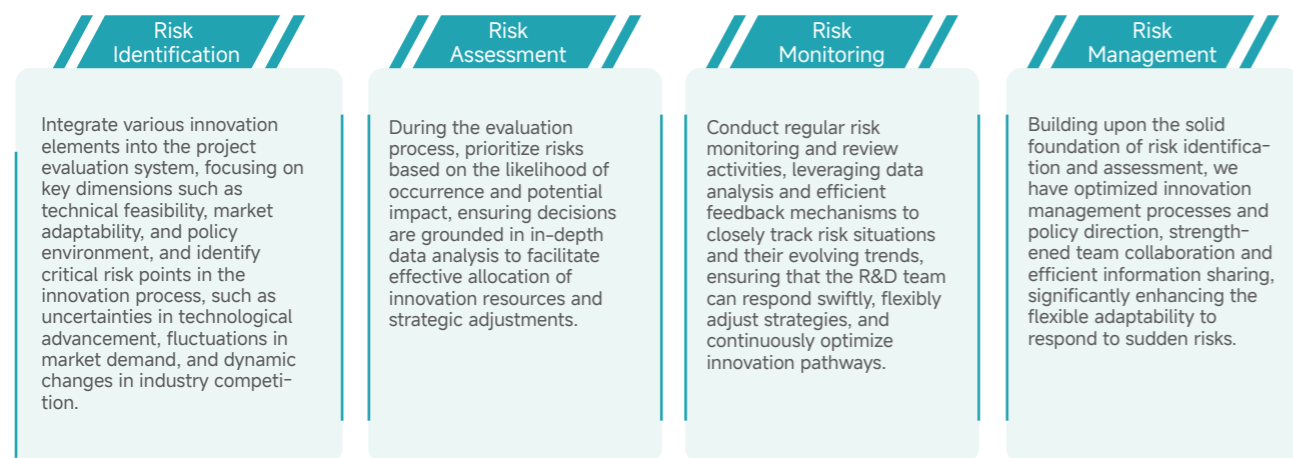
The Company deeply implements the innovation-driven development strategy, comprehensively assesses potential risks and market development opportunities in R&D, and formulates targeted measures around breakthroughs in core technology bottlenecks and addressing actual market needs. It strives to accelerate technological iteration and upgrades, as well as the transformation and implementation of R&D achievements, continuously consolidating its leading edge in product technology and steadily enhancing its core market competitiveness.

Risk/Opportunity	Type	Risk/Opportunity Description	Financial Impact	Impact Cycle	Impact Level	Likelihood of Occurrence	Response Measures
	Technical Risk	Insufficient R&D investment or process defects may affect product quality and production safety; losses due to slower-than-expected technological innovation iteration.	Decline in sales, compensation expenses, increased operational costs.	Medium to Long Term	Medium	Medium	<ul style="list-style-type: none"> Continuously enhance the Company's technological R&D capabilities and consolidate its leading advantage in new technology fields. This includes increasing R&D funding, attracting and cultivating high-caliber R&D talent, and building an efficient R&D management system. Actively expand cooperation channels with domestic and international research institutions, universities, and industry peers. Utilize models such as technology introduction and joint R&D to reduce the difficulty and uncertainty of technology development. Conduct comprehensive technical feasibility studies before initiating technological innovation projects to ensure the practicality of the technical path and anticipate potential technical challenges in advance.
Risk	Market Risk	Intensified market competition, accelerated iteration of customer demands.	Decrease in revenue and profit.	Short Term	High	High	<ul style="list-style-type: none"> Conduct in-depth market research in the early stages of technological innovation projects to accurately grasp market demands, competitive landscape, and consumer preferences, ensuring high alignment between innovation direction and the market. Establish an agile response mechanism to dynamically adjust product pricing and marketing strategies based on market changes, enhancing market adaptability and response efficiency. Build an online and offline integrated multi-channel sales network to expand market coverage and reduce dependence on a single market.
	Policy and legal risks	Adjustments in laws, regulations, and industry regulatory policies	Fines, compensation, and impact on financing	Medium Term	Medium	Medium	<ul style="list-style-type: none"> Closely monitor national and local policy and regulatory developments, regularly conduct legal and regulatory learning and training to ensure full compliance of business operations. Hire a professional legal advisory team to provide comprehensive legal consultation and support throughout the process, effectively preventing legal and compliance risks. Establish a policy response mechanism to optimize corporate strategies and business models in a timely manner based on policy changes, ensuring stable operations under the policy environment.

Risk/Opportunity	Type	Risk/Opportunity Description	Financial Impact	Impact Cycle	Impact Level	Likelihood of Occurrence	Response Measures
Risk	Reputation Risk	Reputation decline due to technology R&D infringement or technical defects	Decline in sales, market share, and brand value	Long Term	Low	Low	<ul style="list-style-type: none"> Establish a full-process intellectual property monitoring mechanism to promptly identify and address infringements, safeguarding the Company's legitimate rights and brand reputation. Build a strict technical quality management system covering all stages of the R&D process to reduce reputation risks caused by technical defects through high-standard control.
Opportunity	Technological breakthroughs and market leadership	Technological advantages are prominent, innovation achievements are abundant, effectively supporting domestic and international market expansion and consolidating the industry leading position.	Revenue increases, costs decrease	Long Term	High	High	<ul style="list-style-type: none"> Continue to increase investment in technological innovation resources, comprehensively enhance the Company's R&D capabilities and technical level to cope with increasingly fierce market competition and complex, ever-changing policy environments. Strengthen the talent recruitment and cultivation system, build a high-quality, professional team of technical and management talents to provide solid talent support for the Company's long-term sustainable development.

Impact, Risk, and Opportunity Management

The Company establishes a full-process, systematic risk control system. By accurately identifying key risk factors, scientifically assessing risk levels, strengthening dynamic monitoring, early warning, and closed-loop management, it builds a solid safety barrier for R&D and innovation activities, effectively mitigating various uncertainties, continuously stimulating innovation momentum, and comprehensively consolidating and enhancing core market competitiveness.



Indicators and Targets

In the coming year, the Company will focus on improving quality and efficiency as its core objective, concentrating on the entire chain management of intellectual property to establish the following goals:

- Maintain an average annual growth rate of 10% in patent applications, intensify the cultivation of invention patents, increase the proportion of invention patents, and build a high-value patent pool.
- Promote the industrial application of core patents, ensure that the patent implementation and conversion rate remains stable above 40%, and maximize the value of intellectual property.
- Continue operating the Postdoctoral Innovation Practice Base, introduce high-end talents, and tackle cutting-edge technologies.
- Increase the proportion of R&D expenditure and improve the R&D investment guarantee mechanism.
- Coordinate high-level paper publications and award applications, strive for Jiyuan City, Henan Province patent awards, and related awards from the Provincial Chemical Industry Association, to enhance brand influence and industry discourse power.

Key Indicators	Unit	2025
R&D Investment	RMB 10,000	893.15
Proportion of R&D investment to operating revenue	%	1.03
Total number of R&D team members	Persons	94
Proportion of R&D personnel to total employees	%	11.14
Number of new product development projects	Units	16
Sales revenue from new products	RMB 10,000	2,621.11
Specialized, Refined, Distinctive, and Innovative (SRDI) Enterprise	Enterprises	1
National High-Tech Enterprise	Enterprises	3

Encourage R&D and Innovation

Innovation Platform Construction

The Company has established a full-chain system covering R&D, design, production, and engineering support, possessing comprehensive research and testing capabilities ranging from the detection of macroscopic physicochemical indicators of pollutants to the analysis of microscopic compositions such as molecules and ions. Relying on solid technical R&D capabilities, the Company has been successively recognized as the Henan Province Enterprise Technology Center, Henan Province Water Treatment Agent Engineering Technology Research Center, Henan Province Smart Water Treatment System International Joint Laboratory, and approved as the Eighth Henan Province Postdoctoral Innovation Practice Base. Simultaneously, in collaboration with Zhengzhou University, the Company co-established the Qingshuiyuan-Zhengzhou University Ecological Environment Research Institute, continuously solidifying the core foundation for technological innovation and the integrated development of industry, academia, and research.



Approved to Establish the Postdoctoral Innovation Practice Base



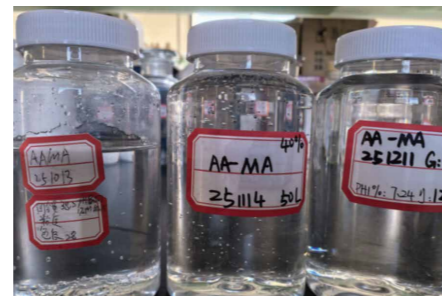
Research Equipment

Technology Cooperation Projects

The Company places high importance on cultivating young scientific research talents, actively building professional growth platforms to help young researchers rapidly enhance their professional capabilities and achieve career development. During the Reporting Period, the Company carried out industry-university-research cooperation with Zhejiang University, focusing on process optimization and upgrading for polymer products such as PESA, AA/MA, and PAA, and conducted research and development of new multifunctional general-purpose water treatment agents. The Company has currently completed the construction of standardized laboratory experimental setups, effectively improving the repeatability and accuracy of experiments, successfully achieved the industrial trial production of AA/MA products, and steadily advanced the catalyst replacement R&D related to PESA process improvement.



Cooperation Project Meeting Site



Product Photos

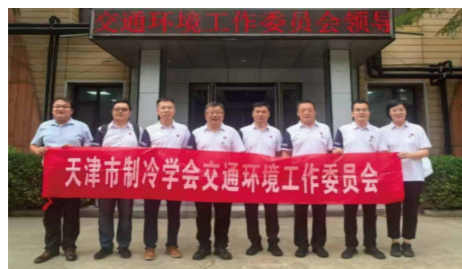
The Company actively participated in the aforementioned industry summits, technical forums, and standard discussion activities, continuously deepening industry-university-research exchanges and cooperation, expanding industry resources in fields such as green and low-carbon development, intelligent manufacturing, and quality improvement, demonstrating the Company's technical strength and sense of responsibility.



Participated in the City-Academy Cooperation and the Green and Low-Carbon Innovation Technology Achievement Roadshow of the Jiyuan Production-City Integration Demonstration Zone



Participated in the 2025 Annual Meeting and Standard Review Conference of the Water Treatment Agent Subcommittee of the National Technical Committee for Chemical Standardization



The Company conducted technical exchanges with the Vice Chairman of the Transportation and Environment Working Committee of the Tianjin Refrigeration Society



Participated in the Artificial Intelligence Empowering New Industrialization Event in Henan Province

R&D Achievements

The Company has carried out multiple research projects in the field of water treatment, with representative achievements as follows:

[Case Study] Achievement Appraisal of the Online Intelligent Control System for Inorganic Salt Precipitation Rate in Water Quality

During the Reporting Period, the Company completed the achievement appraisal of the Online Intelligent Control System for Inorganic Salt Precipitation Rate in Water Quality. Its supporting intelligent operation and maintenance platform, relying on core technologies such as online monitoring, intelligent dosing, and remote control, innovates traditional industrial water treatment models and plays a key role in fostering new quality productive forces, promoting coordinated economic, social, and environmental development, and benefiting all stakeholders. The system reconstructs operational processes digitally to improve efficiency and quality, drives industry transformation, and fosters new business models. It also reduces costs and increases efficiency, promotes industrial synergy, ensures production safety, supports dual carbon goals and green development, enables precise chemical control, water conservation, and emission reduction, benefiting enterprises, clients, employees, the government, and the public. Simultaneously, the system faces challenges such as technological iteration, data security, job transformation, industry adaptation, and lagging standards, requiring continuous R&D and refinement to address them.

Furthermore, the Company places high importance on the construction of industry technical standards and actively leads and participates in various standard-setting activities. In 2025, the Company participated in the formulation and revision of one national standard, Hydroxyethylidene Diphosphonic Acid, and one industry standard, Method for Determination of Coagulation Performance of Water Treatment Agents.

Intellectual Property Protection

The Company attaches great importance to intellectual property protection in project R&D and production operations. It has not only formulated the Intellectual Property Management System, establishing a comprehensive intellectual property management framework covering management structure and protection requirements, but also introduced supporting systems such as the Research Achievement Protection System and the R&D Center Confidentiality System. These systems specify detailed requirements for classifying, archiving, and compliantly using R&D achievements, delineate the scope of R&D confidentiality, and standardize the management of confidential materials and the confidentiality responsibilities of relevant personnel.

Additionally, upon employee onboarding, the Company signs differentiated confidentiality agreements based on the nature of their positions. Regarding intellectual property protection work, the Company has concurrently established a special reward mechanism. Employees in the Technology R&D Department are required to sign additional Intellectual Property and Achievement Protection Agreements to further clarify ownership and protection requirements for achievements.

Key Performance

In 2025, Qingshuiyuan obtained **11** utility model patents, **2** software copyrights, and **4** invention patents. **10** invention patents and **17** utility model patents were submitted for acceptance and review. As of December **31**, 2025, the Company possessed **28** invention patents, **139** utility model patents, **3** design patents, and **35** software copyrights. Three wholly-owned subsidiaries are recognized as National High-Tech Enterprises.

Product and Service Safety and Quality

Qingshuiyuan strictly controls product quality by implementing full-process control from raw material inspection upon arrival, production process quality management, to product inspection management. Production adheres to high standards to provide customers with superior products and continuously build an excellent brand image.

Quality Management System

The Company has established a relatively comprehensive quality management system, setting up a Quality & Technology Department and a Testing Center. Internal management systems such as the Product Inspection Management System, Non-conforming Product Disposal Management System, and Raw Material Incoming Inspection Management System have been formulated to clearly define the inspection processes, methods, and standards for the entire product production cycle. The Company strictly conducts raw material incoming inspections to control product quality from the source and continuously improve quality management levels.

The Company and X subsidiaries have obtained ISO 9001 Quality Management System certification. Major water treatment agent products have obtained NSF certification and EU REACH certification registration.



Indicators and Targets

Indicators	Unit	2025
Product Qualification Rate	%	98.9
Number of Annual Internal Quality Audits	Times	1
Number of Third-Party Sampling Inspections Commissioned	Times	1
Number of Participants in Quality Training	Person-times	63
Total Duration of Quality Training	Hours	35
Number of Quality Training Sessions	Times	13

Product Quality Control

Full Lifecycle Management of Product Quality

The Company has established a full lifecycle management system for product quality covering raw material procurement, production process control, product inspection, and non-conforming product disposal. Through institutionalized management and a multi-department collaboration mechanism, product quality is controlled throughout the entire process. The Company's testing center, quality technology department, production department, and related departments carry out quality management in accordance with established management systems to ensure that product quality meets national standards, industry standards, or corporate standards.

Control Points	Control Measures
<p>Incoming Raw Material Inspection</p>	The testing center conducts quality inspections on raw materials and auxiliary materials used in production. Depending on material characteristics, full inspection, sampling inspection, or exemption from inspection is applied to ensure raw materials comply with procurement requirements.
<p>Production Process Quality Control</p>	The quality technology department, production department, and various workshops jointly manage process quality. The enterprise management office organizes quality procedure audits annually, the production department inspects workshop process records monthly, and each workshop reports production indicators daily.
<p>Product Inspection Management</p>	Product inspection methods, inspection items, and testing equipment are clearly defined. Monitoring and measurement are conducted on reactor products and finished products to ensure product quality meets relevant standard requirements.
<p>Non-conforming Product Disposal</p>	A management mechanism for non-conforming products is established. The quality technology department, material department, production department, and sales department are responsible for identifying, isolating, evaluating, and handling non-conforming products according to their duties to prevent their misuse or delivery.

Product Recall

If product issues seriously endanger health and safety, the Company will immediately recall and inspect the products for confirmation. The general manager is responsible for forming a product recall task force, with personnel from the marketing department, supervision department, procurement department, and other departments assisting in the work. If the issue is attributable to the Company's responsibility, technical personnel will be organized to improve processes, develop preventive and corrective measures, and conduct comprehensive inspections of production processes to prevent similar problems from recurring. Additionally, the product recall team organizes recall drills annually to ensure the recall procedure is timely and effective.

Customer Service Assurance

Qingshuiyuan is committed to enhancing the customer service experience and promptly responding to customer complaints through various communication channels. The Company has obtained a commodity after-sales service certification and provides services to customers with professional standards. At the same time, the Company has established a product recall mechanism, regularly conducts customer satisfaction surveys, and adheres to a customer-centric approach to safeguard customer rights and interests.

Customer Service Management

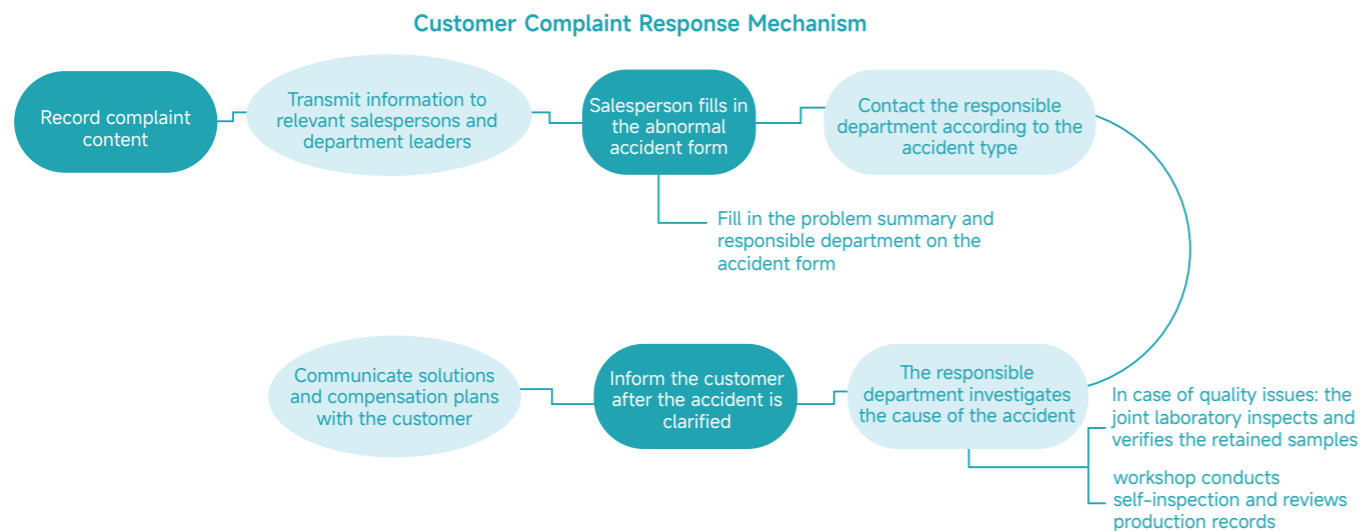
The Company adheres to a customer-centric philosophy, designates the sales department as the primary responsible unit for after-sales service, and has formulated the Customer Service System and the Customer Health, Safety Assurance, and Product Recall Procedures to standardize service processes and define service standards. Simultaneously, the Company regularly organizes customer training to enhance the teams professional service capabilities and continuously improve customer satisfaction.



Ande Technological Five-Star Product After-Sales Service Certification

Customer Complaint Management

The Company attaches great importance to customer complaint management. Throughout the entire complaint handling process, relevant personnel are required to promptly and comprehensively record the details of each stage on the customer complaint handling form, ensuring the process is traceable and verifiable. The Company proactively updates customers on the progress, safeguarding their right to information and ensuring their reasonable demands receive an efficient response.



Customer Communication Channels

The Company actively listens to customer opinions and feedback through various forms and channels.

Customer Communication Channels

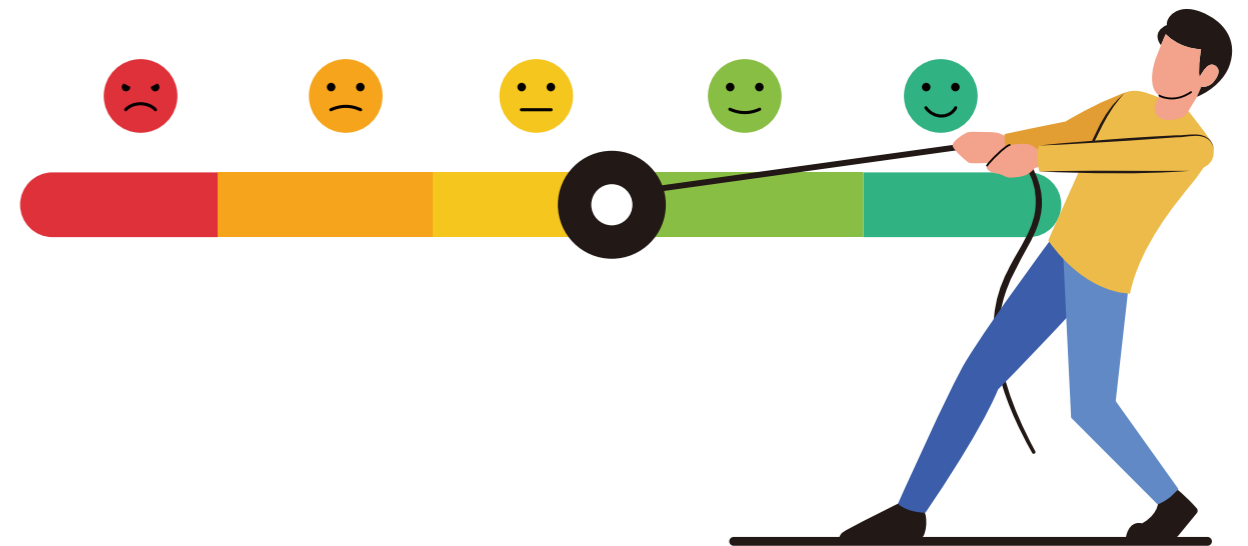
Customer Complaint Hotline : 0086-0391-6082211 Customer Complaint Email: sales@qywt.com.cn

Customer Satisfaction

The Company consistently aims to enhance customer satisfaction as its service goal, continuously optimizing the customer service experience. For different categories of customers (A, B, C, D), the Company regularly conducts questionnaire surveys using customer satisfaction survey forms. During the Reporting Period, the Company conducted customer satisfaction surveys, including one for the International Trade Department. The customer satisfaction rate was 95.69%, maintaining an overall high level of satisfaction.

Regarding demand feedback, over 79% of customers expressed a desire for price support and raised further requirements concerning product types, product quality, and new product development. The Company continuously explores customers underlying needs through questionnaire surveys and subsequent email communication, and relays relevant market information to departments such as R&D to continually optimize products and services, meeting customers multi-level needs.

Indicator	Unit	2025
customer satisfaction		
Number of customers participating in surveys	Persons	218
customer satisfaction	%	95.69



Responsible Marketing

The Company consistently adheres to the concept of responsible marketing, integrating customer safety and the protection of the right to know into the entire process management of marketing and promotion. During the promotion of new products, sales personnel must provide customers with complete product technical specifications, clearly disclose product hazard categories, safety protection requirements, and relevant technical parameters. Additionally, they must proactively inform customers of potential risks during product use and emergency response measures. Relevant information is delivered through formal written documents or emails, with confirmation that customers have reviewed and understood the safety guidelines.

By standardizing marketing practices, strengthening information disclosure, and safeguarding customers right to know, the Company effectively fulfills its corporate social responsibility, promotes the construction of a safe, transparent, and compliant marketing system, and protects customer rights and the healthy development of the industry.

Data Security and Customer Privacy Protection

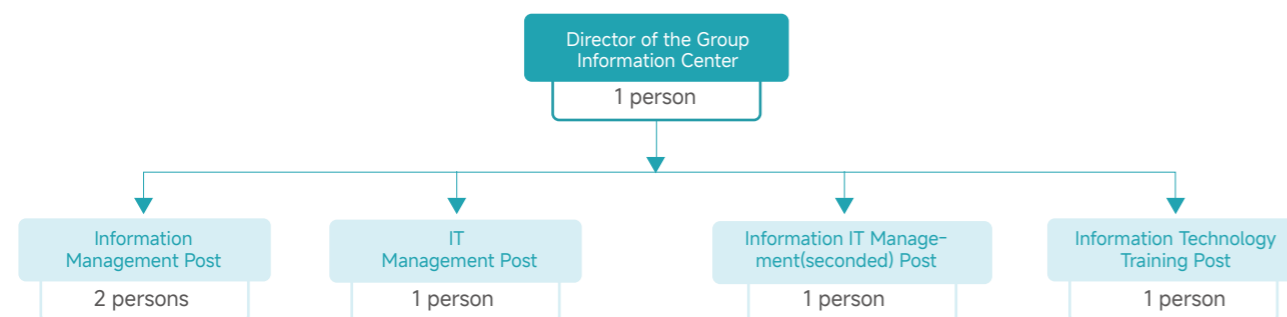
Qingshuiyuan strictly guards against information leakage risks, complies with laws and regulations such as the *Data Security Law*, and comprehensively safeguards corporate information security, laying a solid foundation for the sustainable development of information security.

Data Security Management System

To strengthen information management and ensure the security of information systems and servers, the Company has established internal management systems such as the Information Management System, Information Security System, and Computer Equipment Management System, creating an information security management mechanism that covers daily management and emergency response.

The Company's Information Center is responsible for overseeing information security management, conducting daily supervision and inspection of information security planning and implementation, maintaining corporate information security, and protecting customer privacy information.

Information Center Organizational Structure



Data Security Risk Management

Through the Group Information Management System, the Company implements unified management of information systems and data centers, establishing a risk management mechanism for data security and information system operations. As the designated management department, the Information Center is responsible for planning, operation, maintenance, and information security supervision and inspection of information systems, as well as the unified management of software, hardware, and equipment for information systems, servers, and data centers. Meanwhile, the Company strengthens the identification and monitoring of information system operation risks through measures such as server inspections, data backups, permission management, and data center management to ensure stable system operation and data security.

Risk Identification

The Information Center centrally manages the groups information systems, data center network systems, and related hardware and software equipment, identifying system operation risks through daily checks, registration, and maintenance.

Risk Assessment

Inspect and record the operating status of information systems, equipment conditions, and system anomalies. When anomalies occur, handle them promptly according to system operation instructions and report to superiors or contact system service providers for resolution.

Risk Monitoring

Conduct irregular server inspections, establish data server backup plans, perform daily incremental data backups while retaining backup data from the past 15 days, and conduct at least one off-site data backup per month with data retained for three years.

Risk Management





Manage information system accounts and module permissions, using the OA system for account applications, permission configurations, account adjustments, and deactivation to standardize system usage behavior.

Emergency Plan

The Company formulates emergency response plans for information and network security incidents, responding to emergencies such as natural disasters, power outages, equipment failures, and human sabotage, and establishes emergency organizational structures and handling procedures.

Data Security Practices

The Company continuously strengthens data security management, ensuring stable information system operation through institutional development and technical operations and maintenance. The Company establishes server data backup plans, conducts regular server inspections, performs daily incremental data backups while retaining backup data from the past 15 days, and conducts at least one off-site data backup per month with data retained for three years. Account management and data center operations and maintenance measures are also implemented to ensure system and data security.

Management Areas	Management Measures
 Data Backup Management	Conduct regular server inspections and establish data server backup plans; perform scheduled daily incremental data backups, with at least the past 15 days of backup data retained locally on the server; conduct at least one off-site data backup per month with data retained for three years.
 System Account Management	After employees join, the Human Resources department initiates the account activation process via the OA system. System administrators activate accounts and configure permissions based on approval results; account users must promptly change initial passwords, securely manage account information, and regularly update passwords; when employees change positions or leave, system administrators adjust or deactivate their accounts.
 Information System Process Management	Information processes are proposed by the requesting department, which drafts process plans. After review and confirmation by the Information Center, the processes are implemented and launched. The processes involve node permissions, operator scope, form requirements, and are managed according to approval workflows.
 Data Center Operations and Maintenance Management	Information Center management personnel inspect the data center environment and equipment operation status on each working day and maintain records; external personnel entering the data center must be accompanied throughout and registered; equipment failures in the data center are handled promptly, and maintenance activities are recorded.

Customer Privacy Protection

The Company implements hierarchical management of information system administrative permissions based on security levels and applicable subjects, ensuring the standardization and rationality of permission configuration and control. Simultaneously, conduct rigorous qualification and credit reviews of cooperative professional institutions, and sign service contracts and confidentiality agreements.

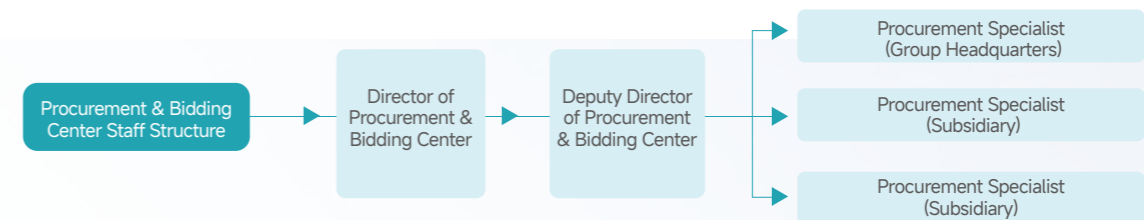
Responsible Supply Chain

Qingshuiyuan continuously strengthens supply chain management, advances the construction of digital platforms, achieves full-process visual control of the supply chain, strictly reviews supplier entry conditions to ensure cooperation quality, adheres to the principle of transparent procurement, and focuses on creating an open, fair, and transparent procurement environment.

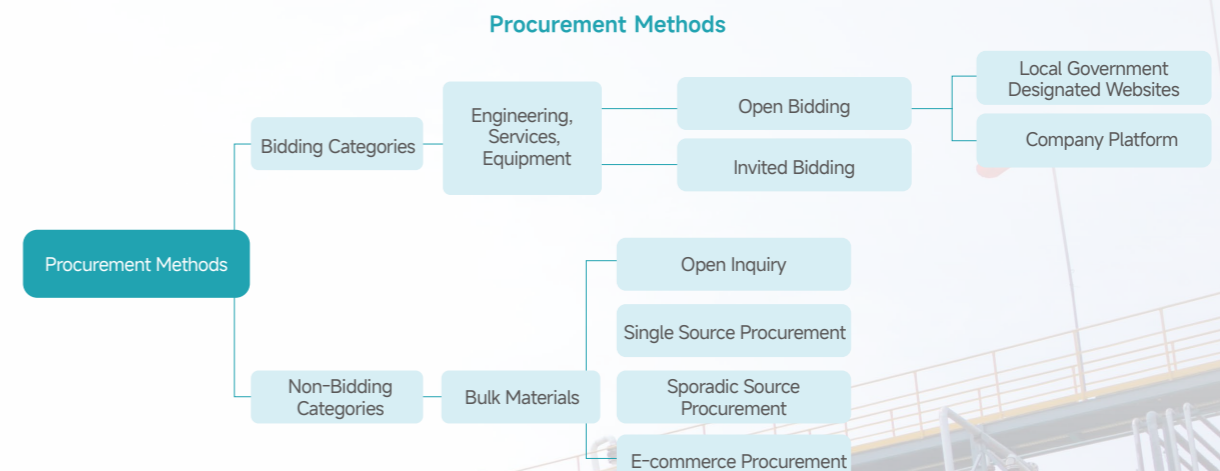
Governance

The Company continuously improves the supplier management system by formulating and implementing relevant regulations such as the Supplier Management System, Procurement Management System, and Bidding Management System to standardize supplier management and procurement activities. Meanwhile, the Company has established a Bidding and Procurement Center responsible for managing and supervising various bidding and procurement tasks. A comprehensive procurement organizational structure is built around this center to ensure standardized procurement activities and foster stable, long-term cooperative relationships with suppliers.

Organizational Structure of the Company's Bidding and Procurement Center



The Company employs various procurement methods tailored to different needs to ensure flexibility and efficiency.



During the Reporting Period, the Company organized a series of procurement system training sessions through the Qingshuiyuan Cloud Classroom platform. The training covered topics such as transparent procurement, supply chain ecosystem, supply chain diagnostics and upgrades, supplier assessment, and procurement risk management, further enhancing the professional theoretical knowledge and practical capabilities of procurement personnel.

[Case Study] Supply Chain and Procurement Management Capability Enhancement Training

During the Reporting Period, to improve the Company's procurement management level and supply chain collaboration capabilities, the Company organized internal training on supply chain and procurement management. The training focused on procurement system construction, transparent procurement, supplier management, strategic procurement, cost analysis, and procurement risk prevention and control. Through systematic course explanations and case studies, it helped procurement personnel deeply understand the important role of procurement in the corporate value chain and master key methods such as supplier classification management, procurement cost analysis, and performance evaluation. Additionally, the training incorporated practical experiences such as centralized procurement, e-procurement, and procurement process risk control, guiding employees to establish a transparent procurement philosophy, strengthen compliance awareness, and further enhance the standardization and professionalization of procurement management.



Training Images

Strategy

The Company thoroughly analyzes and assesses the risks and opportunities faced by the supply chain, closely monitors potential risks from raw material price fluctuations and storage/transportation links, actively adopts effective countermeasures, explores transformation and upgrading opportunities in practice, and promotes the sustainable and healthy development of the supply chain.

Risk/Opportunity	Type	Risk/Opportunity Description	Financial Impact	Impact Cycle	Impact Level	Likelihood of Occurrence	Response Measures
Risk	Raw Material Price Fluctuations	Some of the Company's raw materials are significantly affected by environmental policies, leading to substantial price fluctuations in key raw materials.	Profit margins are squeezed, with risks of declining gross profit margin.	medium to long term	High	High	<ul style="list-style-type: none"> Strengthen long-term cooperation with high-quality customers and seek new qualified suppliers. Adjust procurement strategies based on raw material prices. Improve production processes and enhance cost control.
	Raw Material Storage and Transportation	Some of the Company's raw materials are flammable, explosive, corrosive, or toxic, requiring special handling for storage and transportation.	Increased storage and transportation costs, heightened risk of safety incidents	Long Term	High	High	<ul style="list-style-type: none"> Implement comprehensive safety measures, establish accident warning and emergency response mechanisms. Closely monitor industry policies, scientifically formulate preventive measures, and enhance employee safety awareness.

Risk/Opportunity	Type	Risk/Opportunity Description	Financial Impact	Impact Cycle	Impact Level	Likelihood of Occurrence	Response Measures
Opportunity	Digital transformation of the supply chain	Digital transformation supports the Company in building a more flexible supply chain, improving procurement efficiency and transparency	Reduction in supply chain management costs	Long Term	High	High	<ul style="list-style-type: none"> Refine the supply chain access process, standardize supplier access and evaluation procedures.
	product upgrade	Focus on technological research and development, conduct product upgrades, and reduce raw material costs	Enhance the Company's core competitiveness in the market	Long Term	medium to high	High	<ul style="list-style-type: none"> Improve the layout of the upstream and downstream industrial chain. Enrich the variety of company products.

Impact, Risk, and Opportunity Management

The Company relies on its supply chain risk identification system to identify and assess potential risks such as supply disruptions, logistics obstructions, and cost fluctuations. Through dynamic monitoring, it continuously tracks risk changes, enhancing supply chain resilience and flexibility, thereby providing strong support for the stable operation of the supply chain.

Risk Identification

Collect data on supply chain operations, including supplier information, logistics data, market demand, etc., and analyze the external environment, such as market trends, policies, regulations, and technological developments, to identify factors that may impact the supply chain.

Risk Assessment

Assess the potential impact of each risk on supply chain operations, including financial impact, operational efficiency, and customer satisfaction. Evaluate the likelihood of each risk occurring using historical data, expert opinions, or statistical models, and prioritize risks based on impact and likelihood.

Risk Monitoring

Regularly review the risk landscape, including market changes, supplier performance, and logistics conditions. For critical risks, implement real-time monitoring to enable rapid response.

Risk Management

Establish a risk reporting mechanism to ensure all relevant parties receive timely risk information. Develop corresponding response strategies based on risk assessment results.

Indicators and Targets

Key Performance

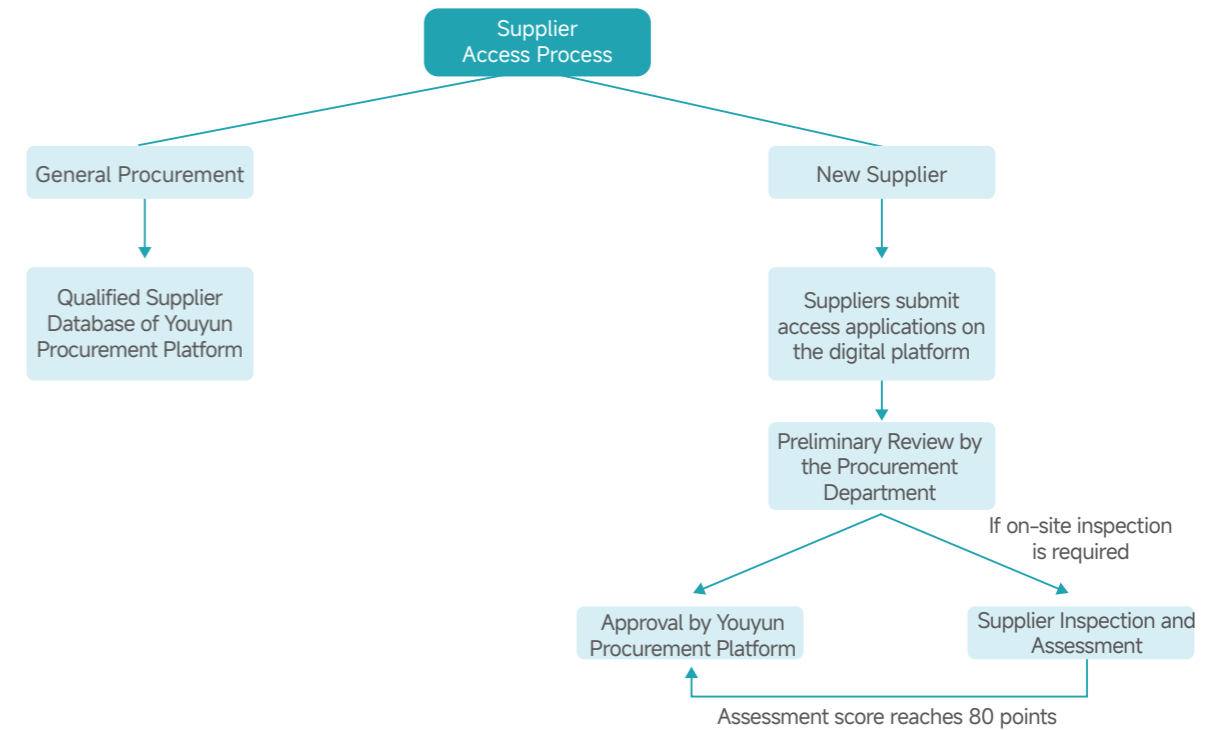
Indicator	Unit	2025
Number of Suppliers by Region		
Total number of suppliers	Suppliers	635
Supplier Review		
Number of suppliers with quality management system certification	Suppliers	148
Number of suppliers with environmental management system certification	Suppliers	148
Number of suppliers with occupational health and safety management system certification	Suppliers	148
Number of suppliers whose cooperation was suspended due to non-compliance	Suppliers	0
Number of potential suppliers rejected due to non-compliance	Suppliers	0
Performance of local suppliers		
Ratio of procurement expenditure directed to local suppliers	%	53
Procurement Training		
Duration of procurement training	Hours	40
Transparent Procurement		
Signing rate of procurement integrity commitment letters	%	95

Supplier Full Lifecycle Management

Supplier Qualification

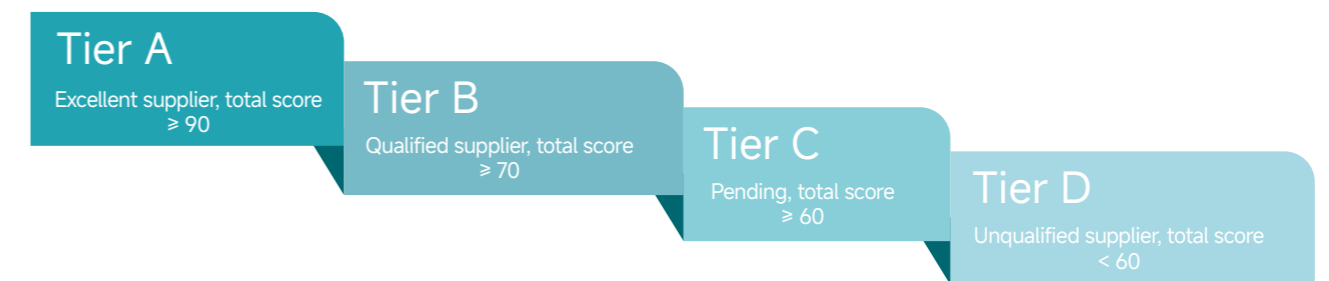
The Company has established a standardized supplier qualification management mechanism, clarifying supplier qualification standards and procedures. Suppliers intending to participate in the Company's procurement must register and submit applications through the Qingshuiyuan Youyuncai platform, complete and upload relevant supporting documents as required, and can only be included in the Company's supplier management system after passing the review. Furthermore, the Company stipulates that suppliers registered for less than three years are not eligible for qualification, and suppliers on the blacklist are prohibited from re-qualification. If suppliers in the qualified supplier database undergo information changes, they must undergo re-review according to the new supplier qualification process.

Supplier Qualification Process



Supplier Evaluation

Annual evaluation and rating of suppliers are conducted, focusing primarily on qualifications, product pricing, delivery timeliness, and product quality. Suppliers are managed by tier based on comprehensive evaluation results:



Qualified Supplier Database Management

Suppliers that pass the cooperation review are included in the Company's Youyuncai platform qualified supplier database. In principle, procurement activities for the group and its subsidiaries select suppliers from this qualified supplier database for procurement cooperation.

Supplier Exit and Restrictions

Regarding supplier access restrictions and dynamic management, suppliers newly registered for less than three years are not eligible for access, and suppliers on the blacklist are prohibited from re-entering. If any changes occur in the information of suppliers in the qualified supplier database, they must undergo re-evaluation according to the supplier access process.

Supplier ESG Management

The Company continuously strengthens ESG management in the supply chain, prioritizing cooperation with suppliers that possess environmental, quality, and occupational health and safety management system certifications. This collaborative effort aims to promote the development of a sustainable business ecosystem and foster green, efficient, and safe growth within the supply chain.

Transparent Supply Chain

To standardize procurement practices and enhance integrity management in the supply chain, the Company has established systems such as the Integrity Cooperation Agreement and the Integrity and Self-Discipline Management Standards. Procurement personnel are required to sign integrity commitment letters, which clearly define ethical conduct requirements, strictly prohibit commercial bribery and improper benefits, ensure an open, fair, and transparent procurement process, and promote the establishment of a standardized and transparent supply chain cooperation environment.

Supplier Training

The Company places great emphasis on ESG communication and exchange with suppliers. By establishing learning and communication platforms, it promotes suppliers understanding and application of green development concepts, low-carbon technologies, and environmental governance innovations, thereby driving the overall green transformation of the supply chain and enhancing its sustainable development capabilities.

[Case Study] Environmental Governance and Green Development Conference

During the Reporting Period, the Company organized the Qingshuiyuan Environmental Governance and Green Development Conference, inviting experts and scholars from government agencies, research institutions, and industry organizations to engage in exchanges and sharing with corporate representatives. Focusing on the theme of environmental governance and green development, the conference addressed key topics such as innovations in water treatment technology, industrial cooling water treatment, low-carbon economic development, and carbon market development. Through specialized reports and discussions, it systematically shared cutting-edge industry technologies and green development concepts.

At the conference, multiple industry experts delivered specialized presentations on topics such as intelligent evaluation of water treatment effectiveness, industrial cooling water treatment technologies, pathways for low-carbon economic development, and trends in carbon market development. These presentations helped participating companies gain a deeper understanding of the direction of green technology development and emerging trends in environmental governance.



On-site Photos

Supply Chain Resilience Building

The Company emphasizes industry exchanges, continuously deepening technical communication and industrial collaboration with supply chain partners. This approach enhances supply chain stability and project implementation capabilities, further strengthening supply chain resilience.

[Case Study] Water Treatment Product Promotion Conference

On September 23, 2025, the Company held a water treatment product promotion conference to engage in technical and application exchanges with industry chain partners. The conference focused on the market application of reverse osmosis membranes in the water treatment field and discussed the product performance and typical application scenarios of LG high-efficiency reverse osmosis membranes.



On-site Photos

Additionally, the Company utilizes a digital procurement platform, which features full-process management, supplier resource integration, and digital collaboration functions. This platform helps the Company achieve efficient and standardized digital procurement, thereby improving overall operational efficiency and economic performance.



04

Uniting Efforts and Fulfilling Responsibilities for a Better Future

This chapter covers material ESG issues.

Strengthening the Foundation of Talent

Empowering Career Development

Strictly Adhering to the Safety Bottom Line

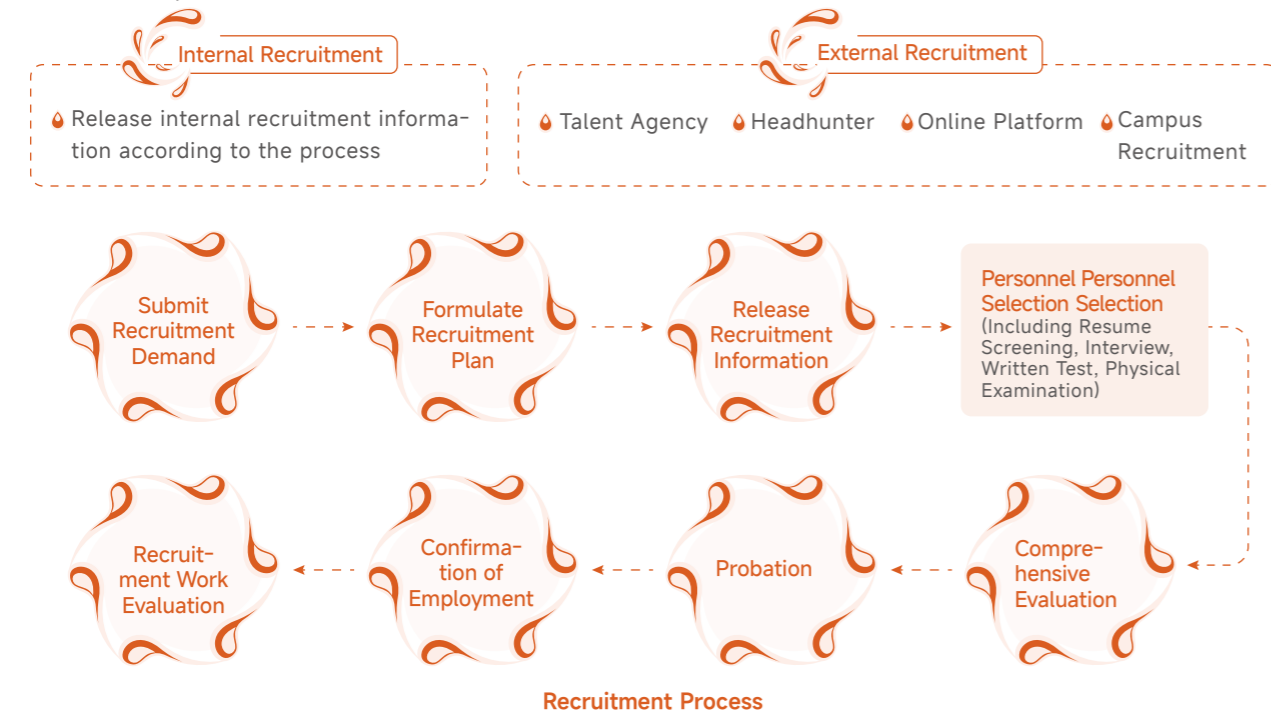


Strengthening the Foundation of Talent

Qingshuiyuan strictly adheres to laws and regulations such as the *Civil Code*, *Labor Law*, and *Labor Contract Law*, consistently upholding the core business philosophy of "people-oriented" principles. The Company continuously optimizes its human resource management system, effectively safeguards the legitimate rights and interests of employees, and strives to achieve the talent development goal of "uniting people with corporate philosophy, attracting people with career opportunities, and selecting people with professional and vocational requirements."

Labor Relationship Management

To meet the talent needs for the Company's sustained and stable development, the Company continuously improves its human resource management system, formulates specialized regulations such as the Recruitment Management System and Employee Relationship Management System, and establishes a scientific employment mechanism. The Company consistently standardizes the entire recruitment process, carrying out recruitment through diversified methods and channels, adhering to the principles of fairness, impartiality, and transparency throughout the process to ensure the standardized and orderly advancement of recruitment efforts.



2025Key Indicators

Labor Contract Signing Rate **100 %** Social Insurance Coverage Rate **100 %**

2025Key Indicators

Total Employees **844** Persons Number of Ethnic Minority Employees **3** Persons

Number of Employees by Gender
Female **287** Persons Male **557** Persons

Number of Employees by Age
Under 30 **109** Persons 30-40 Years Old **356** Persons 40-50 Years Old **245** Persons 50 Years and Above **134** Persons

By Educational Background
Doctorat **2** Persons Master's Degree **24** Persons Bachelor's Degree **300** Persons Associate Degree and Below **518** Persons

Employee Turnover Situation
Number of New Employees **98** Persons Number of Departing Employees **98** Persons Employee Turnover Rate **11.49 %**

Employee Diversity

The Company formulates the *Interview Process Management Measures* and the *Prohibition of Child Labor Recruitment Policy and Remedial Measures Procedure*, resolutely opposing any form of employment discrimination. The scope of discrimination includes gender, age, race, religious beliefs, marital and childbearing status, disability, nationality, region, family background, etc. The Company actively attracts and retains diverse talents, injecting multifaceted vitality into the Company's healthy and sustainable development.

At the same time, the Company regularly organizes specialized training for interviewers, focusing on strengthening the promotion and implementation of the principle of equal employment. It explicitly stipulates that sensitive personal information such as birthday, family situation, religious beliefs, and parents' nationality should not be inquired about or recorded during the recruitment process, effectively respecting and protecting the privacy rights of applicants. On July 30, the Company organized training on topics such as anti-discrimination, equal employment, anti-harassment and workplace bullying, and employee privacy protection, further reinforcing the concept of equal employment among all employees and fostering an inclusive, fair, harmonious, and transparent workplace environment.

To strengthen internal supervision and compliance evaluation of the recruitment process, the Company's Human Resources Department regularly conducts specialized reviews of interview records. Additionally, the Company has established an anonymous complaint channel, encouraging applicants to provide feedback on any potential discriminatory behaviors during the recruitment process, thereby solidifying the institutional safeguards for equal employment.

Anti-Child Labor

The Company strictly implements the *Regulations on the Prohibition of Child Labor*, fully complies with the relevant requirements of the SA8000 Social Accountability Standard, resolutely prohibits the use of child labor, and does not support the employment of child labor by other enterprises or social organizations. In the recruitment process, the Company rigorously verifies the identity information of all applicants to ensure compliance with labor regulations from the source.

If child labor is employed due to negligence, the Company will immediately terminate the child's work, promptly report the incident to the local Human Resources and Social Security department, and contact the child's parents or legal guardians in a timely manner to implement subsequent remedial measures in accordance with regulations.

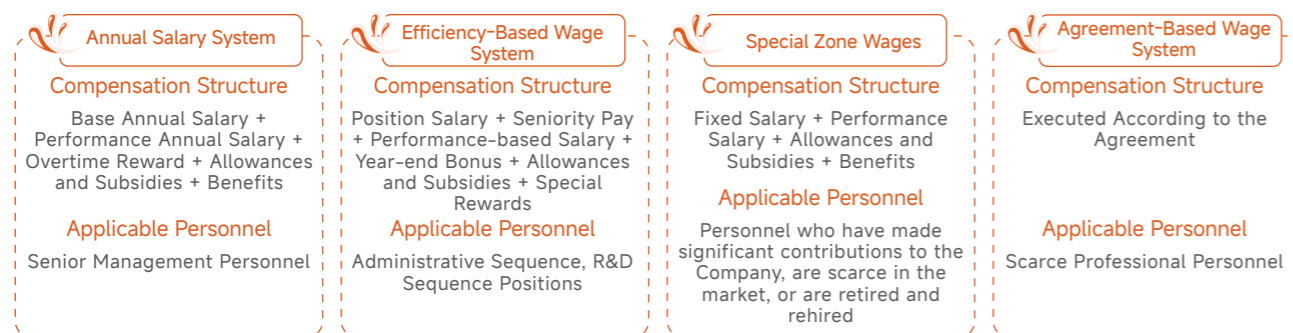
Protection of Women's Rights and Interests

The Company has established a comprehensive system for protecting the rights and interests of female employees. Relying on multiple systems such as the Leave Management System, Labor Contract Management System, and Recruitment Management System, the Company has formed an all-round protection mechanism covering dimensions such as employment equality, labor protection, and exclusive benefits.

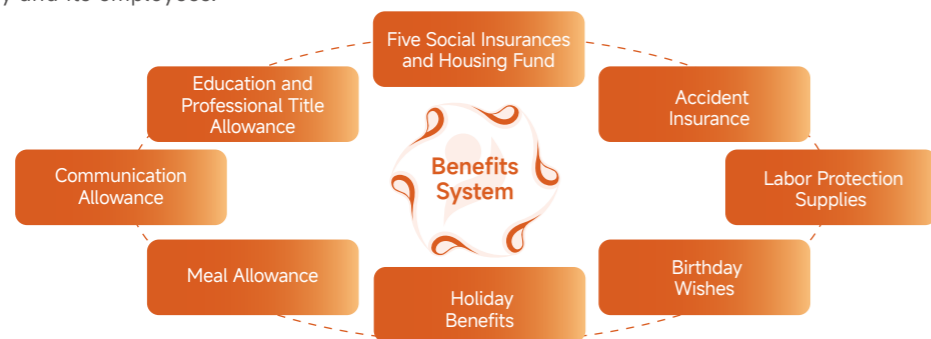
The Company strictly implements national regulations on maternity leave, miscarriage leave, and breastfeeding leave. It establishes nursing rooms for breastfeeding female employees and provides flexible clock-in conveniences. During maternity leave, salaries are calculated and disbursed by the maternity insurance fund based on the Company's average monthly employee wage from the previous year. The Company also provides exclusive allowances and subsidies for female employees, such as hygiene fees. Simultaneously, the Company formulates specific labor protection requirements based on the physiological characteristics of female employees. It prohibits assigning female employees during menstruation, pregnancy, and breastfeeding periods to perform prohibited tasks. Employees more than seven months pregnant are not assigned night shifts or extended working hours. The Company explicitly prohibits workplace sexual harassment, and any violations discovered are dealt with seriously. Furthermore, the Company resolutely eliminates gender discrimination in recruitment and hiring processes, ensuring women enjoy equal employment opportunities. It integrates the "people-oriented" employment philosophy into the entire process of protecting women's rights and interests, effectively safeguarding the legitimate rights and interests of female employees.

Compensation and Benefits

To fully motivate and guide employees to exert their subjective initiative, the Company has formulated the Compensation Management Measures, establishing a dual mechanism of efficient compensation incentives and constraints. It implements four compensation models: annual salary system, performance-based salary system, special zone salary, and agreement-based salary system. The Company comprehensively considers multiple factors such as the nature of the employee's position, work performance, professional competence, and overall quality. It objectively and fairly evaluates employees' value creation achievements and historical contributions, consistently adhering to the value distribution principle of performance priority while considering fairness, thereby ensuring employees receive reasonable compensation commensurate with their efforts.



Simultaneously, the Company has established a comprehensive benefits system to achieve common development for both the Company and its employees.



Performance Management

The Company formulates the Performance Management System covering all employees, designating the Compensation and Assessment Committee as the highest decision-making body for assessments and the Management Office as the specific implementation department. Assessments are conducted following principles such as strategic orientation, objectivity and fairness, and integration of performance and incentives. Monthly and annual assessments are implemented by organization and employee category. Senior management and department heads are assessed using the BSC method, while frontline employees are assessed using KPI+GS.

The Company directly links performance assessment results with employees' monthly performance pay, year-end bonuses, and salary grade adjustments. Simultaneously, these results serve as the core basis for position transfers, training and development, and reserve talent selection. The Company also implements proportional control on assessment grades, constructing a multi-dimensional system for applying performance results.

Employee Performance Appeal Mechanism

To ensure the fairness of performance evaluations, the Company has established a standardized employee performance appeal mechanism. If an employee disagrees with the evaluation result, they may submit a written appeal. The Enterprise Management Office accepts, investigates, and coordinates the handling of such appeals within the stipulated timeframe. Appeals from non-senior management personnel are ultimately reviewed and decided by the Compensation and Performance Leadership Group, effectively safeguarding the legitimate rights and interests of employees.

Democratic Management

The Company establishes diversified internal communication channels, providing employees with an open and inclusive environment for communication to enhance their sense of belonging.



The Company strictly implements relevant laws and regulations such as the *Trade Union Law* and the *Regulations on the Congress of Enterprise Employees*, establishes and improves the Employee Congress System, and enhances the mechanisms for employee democratic management and supervision, effectively safeguarding employees' legally entitled rights such as the right to know and the right to participate. During the Reporting Period, the Company's Employee Congress reviewed and approved 2 projects, and the proportion of union members among the Company's employees reached 90%.

Simultaneously, the Company formulated and implemented the Factory Affairs Disclosure System, specifically establishing a Factory Affairs Disclosure Working Group and a Factory Affairs Disclosure Supervision Group. This fully mobilizes employees' enthusiasm and initiative to participate in Company management, further solidifying the foundation for democratic management within the enterprise.



The Company has established a Labor Dispute Mediation Committee, responsible for mediating employee labor disputes and conflicts to promote the construction of harmonious labor relations. During the Reporting Period, no labor disputes or conflicts occurred within the Company.



Labor Dispute Mediation Committee

Employee Satisfaction

The Company actively listens to employee demands and concerns, primarily through questionnaires, regularly organizing employee satisfaction surveys. This helps the Company comprehensively and accurately understand employees' genuine needs and reasonable expectations, providing solid data support and a basis for decision-making in formulating subsequent management strategies that are more aligned with employee realities and more targeted.

Employee Care

Health Check-up

The Company regularly organizes free physical health check-ups for all employees, focusing on and safeguarding their physical health to enhance their health awareness.

Mental Health

The Company periodically offers psychological training courses to alleviate employees' psychological risks.

Support for Employees in Difficulty

When employees or their families encounter significant difficulties, the Company extends condolences and care, providing varying levels of material assistance.



Qingyuan Water Treatment Visits Employees in Difficulty



Qingyuan Water Treatment Visits Retired Employees

Employee Activities

During the Reporting Period, the Company organized various activities such as table tennis summer camps, sports meets, dumpling-making events for the winter solstice, and recitation competitions, aiming to strengthen connections between employees and departments, foster friendship, create a healthy and positive work atmosphere, and promote a collaborative team spirit.



Sports Meet



Table Tennis Summer Camp



Dumpling Making on Winter Solstice

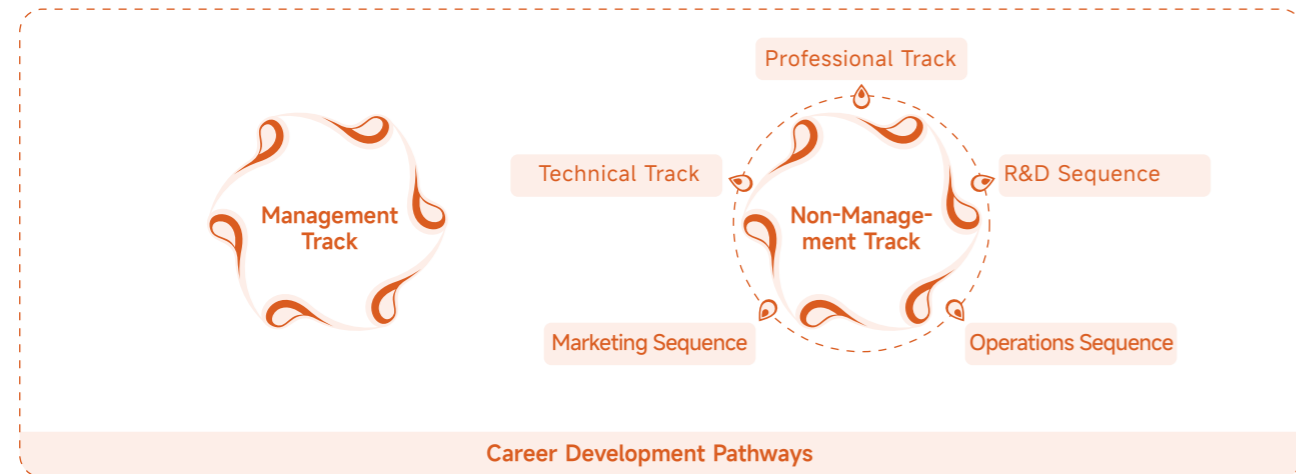
Empowering Career Development

Qingshuiyuan is committed to establishing a comprehensive career development and training system to enhance employees' overall competencies, fully unleash their potential, support them in steadily achieving their personal career goals, and ultimately realize a win-win scenario where individual value aligns with the Company's development objectives.

Career Development

To help employees achieve steady career advancement, the Company has formulated the Career Development Management System, establishing dual career pathways for both management and non-management tracks, supporting employees in vertical promotions and horizontal rotations, and encouraging growth across different career paths.

Additionally, to further expand employees' career development opportunities, the Company implements a "Five Levels, Three Tiers" management model for professional competency levels. Within the same professional role, employees are categorized into five levels based on their professional competence, and within each level, they are further divided into three tiers, ensuring precise alignment between capability and development.



Training System

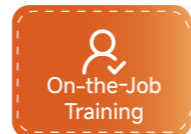
The Company has established specialized systems such as the Training Management System and the Interim Regulations on Internal Trainer Management, creating a systematic training framework with clear classifications and levels. By combining internal mentorship with external trainers and leveraging diverse teaching methods, the Company continuously enhances employees' job skills and overall professional competencies. Simultaneously, the Company has established a scientific and comprehensive training effectiveness evaluation mechanism to promptly gather feedback, continuously optimize training content and delivery methods, and ensure the practicality and relevance of training initiatives.



New employees must undergo at least two days of onboarding training before starting their positions and can only begin work after passing the assessment.



When employees transfer to new positions within the Company, the head of the new department provides job-specific knowledge and skills training according to the requirements of the new role, and employees can only start work after passing the training.



Job Skill Training, Professional Knowledge Training, General Competency Training

[Case Study] New Employee Corporate Culture and System Training

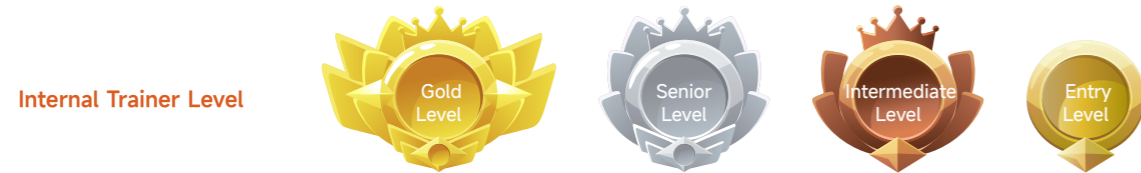
In March 2025, Ande Technological organized specialized training on corporate culture and systems for new employees, systematically explaining the Company's core cultural concepts and various regulations. This initiative helped new employees quickly familiarize themselves with operational norms and integrate into the corporate culture, laying a solid cognitive foundation for their efficient performance in their roles.



Training Venue

Internal Trainer

To efficiently develop internal training resources and establish a sustainable talent cultivation mechanism, the Company adheres to the principles of “fairness and voluntariness, value demonstration, and growth for mutual benefit.” It strengthens the internal trainer system, encouraging employees with professional expertise to serve as internal trainers, thereby facilitating the deep integration of corporate culture and fostering the development of a learning-oriented organization. The Human Resources Department organizes an annual assessment of internal trainers’ qualification levels. Based on the evaluation results, adjustments such as promotion, demotion, or dismissal of their qualifications are implemented. Simultaneously, quarterly and annual ‘Gold Trainer’ and ‘Gold Course’ awards are established, providing corresponding economic incentives to winners. Annual award-winning individuals and courses receive honorary certificates, fully motivating internal trainers’ enthusiasm for teaching and course development.



Strictly Adhering to the Safety Bottom Line

Qingshuiyuan strictly abides by laws and regulations such as the *Occupational Disease Prevention and Control Law* and the *Work Safety Law*, adhering to the work safety policy of “Safety First, Prevention Foremost, and Comprehensive Management.” The Company coordinates high-quality enterprise development with high-level safety construction, solidly fortifies the work safety defense line, and is committed to achieving long-term stability in work safety.

Governance

The Company has formulated systems such as the Compilation of Occupational Health and Safety Systems and the Hazard Identification, Risk Assessment, and Control Procedures, designating the Safety Department as the primary responsible department for work safety. The work safety responsibility system is reinforced at every level, integrating safety management into the performance appraisal system. This continuously improves the management level of the dual prevention mechanism, comprehensively safeguarding employees’ occupational health and safety.

During the Reporting Period, the Company and its subsidiaries—Qingshuiyuan Shanghai, Qingyuan Water Treatment, Shuiyunzong, and Ande Technological—have obtained ISO 45001 Occupational Health and Safety Management System certification.



Qingshuiyuan Shanghai ISO 45001 Occupational Health and Safety Management System Certification
 Qingyuan Water Treatment ISO 45001 Occupational Health and Safety Management System Certification
 Shuiyunzong ISO 45001 Occupational Health and Safety Management System Certification
 Ande Technological ISO 45001 Occupational Health and Safety Management System Certification
 Qingshuiyuan ISO 45001 Occupational Health and Safety Management System Certification

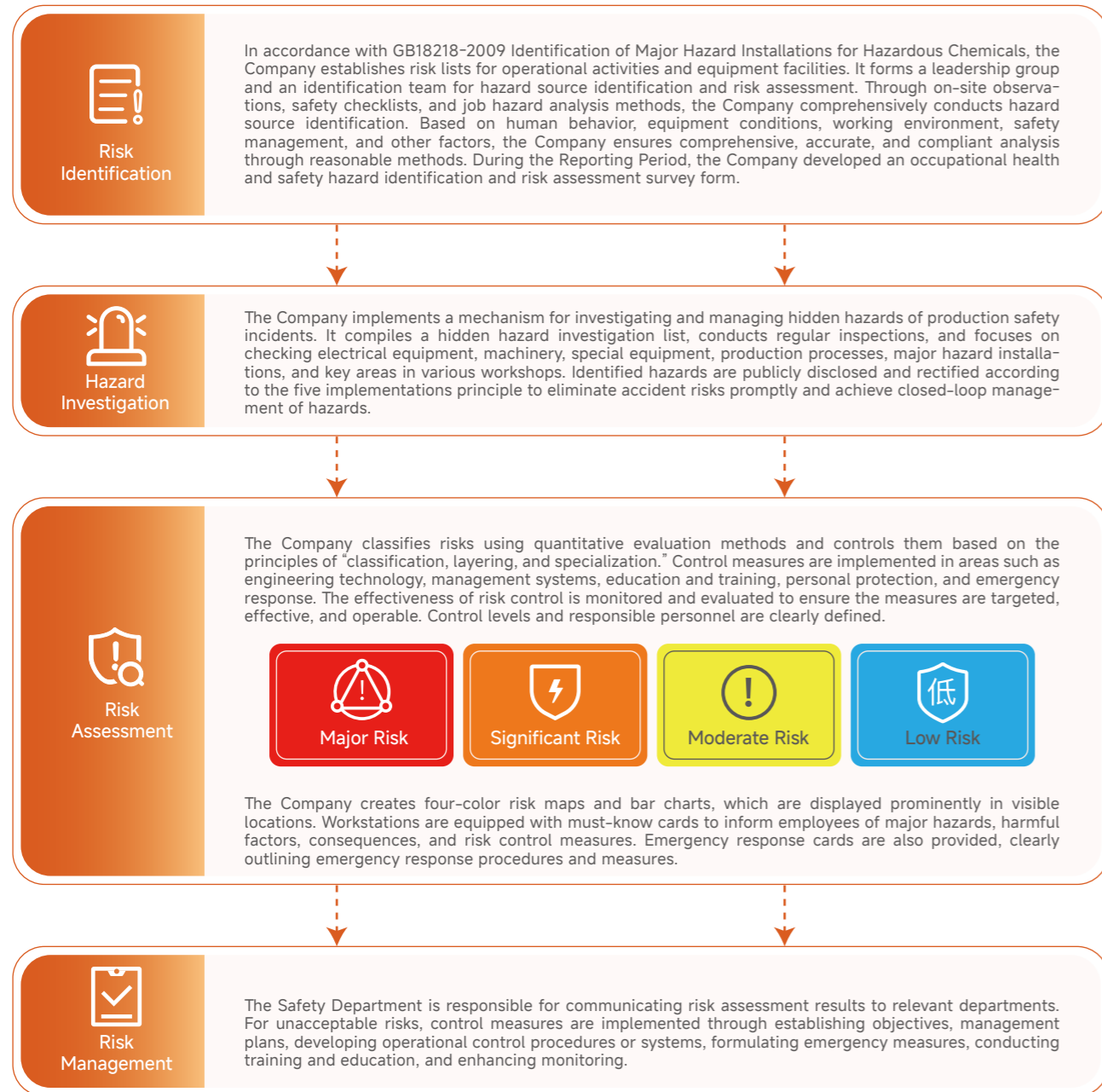
Strategy

The Company deeply recognizes the importance of occupational health and safety issues for its sustainable development. It comprehensively carries out the identification and assessment of risks and opportunities related to occupational health and safety and has formulated targeted strategies.

Risk/Opportunity	Type	Risk/Opportunity Description	Financial Impact	Impact Cycle	Impact Level	Likelihood of Occurrence	Response Measures
Risk	Chemical Leakage Risk	Chemical leakage may harm employee health and even lead to serious consequences such as explosions and fires.	Increased expenses, rising costs	Short-term	Large	Medium	<ul style="list-style-type: none"> Conduct regular comprehensive maintenance and inspection of equipment to ensure good operational condition. Strengthen employee training on operational standards, establish strict operating procedures, and supervise their implementation. Improve emergency plans, equip sufficient emergency response supplies, and conduct regular emergency drills.
	Toxic and Harmful Gas Exposure Risk	Production processes often generate toxic and harmful gases, which can easily lead to employees inhaling excessive amounts, causing occupational diseases and affecting their physical health.	Increased expenses, rising costs	Long-term	Medium	Medium	<ul style="list-style-type: none"> Install advanced and sufficient ventilation and air exchange systems to ensure workplace air quality meets standards. Provide employees with high-quality, suitable personal protective equipment and supervise their correct use. Organize regular occupational health examinations for employees to detect and address health issues early.
Opportunity	Upgrade of safety production technology	With technological advancements, new safety production technologies such as intelligent monitoring systems and automated operation equipment continue to emerge. Applying these technologies can effectively reduce the probability of safety incidents.	Decrease in management costs	Medium to long-term	Large	Medium	<ul style="list-style-type: none"> Stay updated on the latest safety production technology trends in the industry and actively conduct technology assessments and introductions. Allocate special funds for safety production technology upgrade and transformation projects.
	Optimization of occupational health management	Strengthen occupational health management by improving health monitoring systems, enhancing the working environment, and providing more comprehensive health benefits. These measures increase employee satisfaction and loyalty while reducing production interruption risks due to employee health issues.	Costs increase initially and then decrease, while benefits increase.	Short-term	Medium	High	<ul style="list-style-type: none"> Improve the layout of upstream and downstream industrial chains. Enrich the variety of Company products.

Impact, Risk, and Opportunity Management

The Company establishes and improves a dual prevention mechanism for safety production risk classification control and hidden hazard investigation and management. It regularly conducts effectiveness evaluations of the dual prevention mechanism, updates system information promptly, and establishes sound internal and external communication mechanisms to further enhance the management level of the dual prevention mechanism.



Indicators and Targets

During the Reporting Period, the Company signed the 2025 Safety Target Responsibility Agreement, implementing and achieving safety production targets in areas such as production safety accidents and timely rectification rates of hidden hazards.

2025 Annual Safety Production Targets	Achievement Status
Zero production safety accidents above the general level; zero general AB-level accidents.	已达成
Zero general CD-level accidents.	已达成
Zero fire and explosion accidents.	已达成
Zero traffic accidents where our party bears primary responsibility.	已达成
Zero occupational disease incidence.	已达成
Timely rectification rate of safety and environmental hazards reaches 100%.	已达成
Three-level safety education for new employees and safety training for on-duty personnel reaches 100%.	已达成
Zero administrative penalties.	已达成

Key Performance

In 2025, the Company underwent **12** special safety inspections by higher-level units, with **96** identified hidden hazards and a timely rectification rate of **100%**.

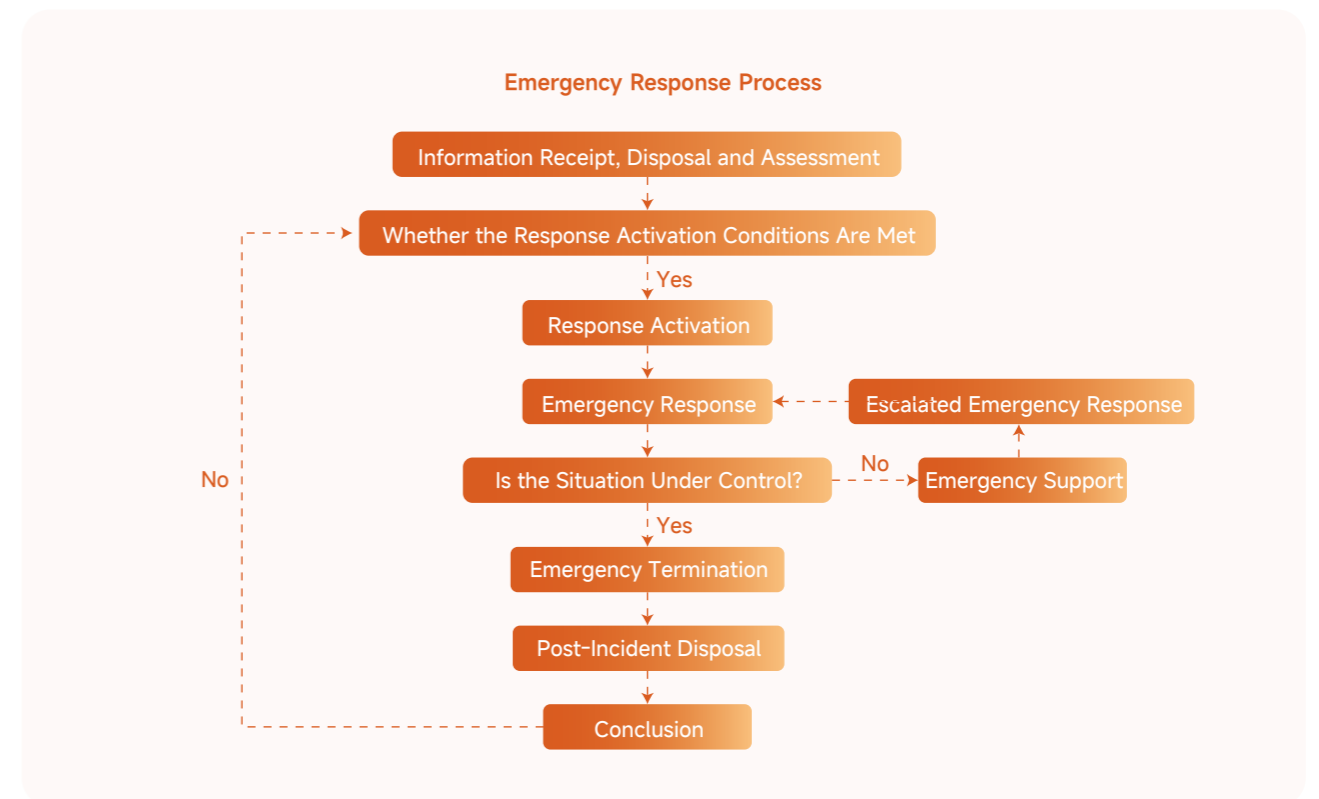
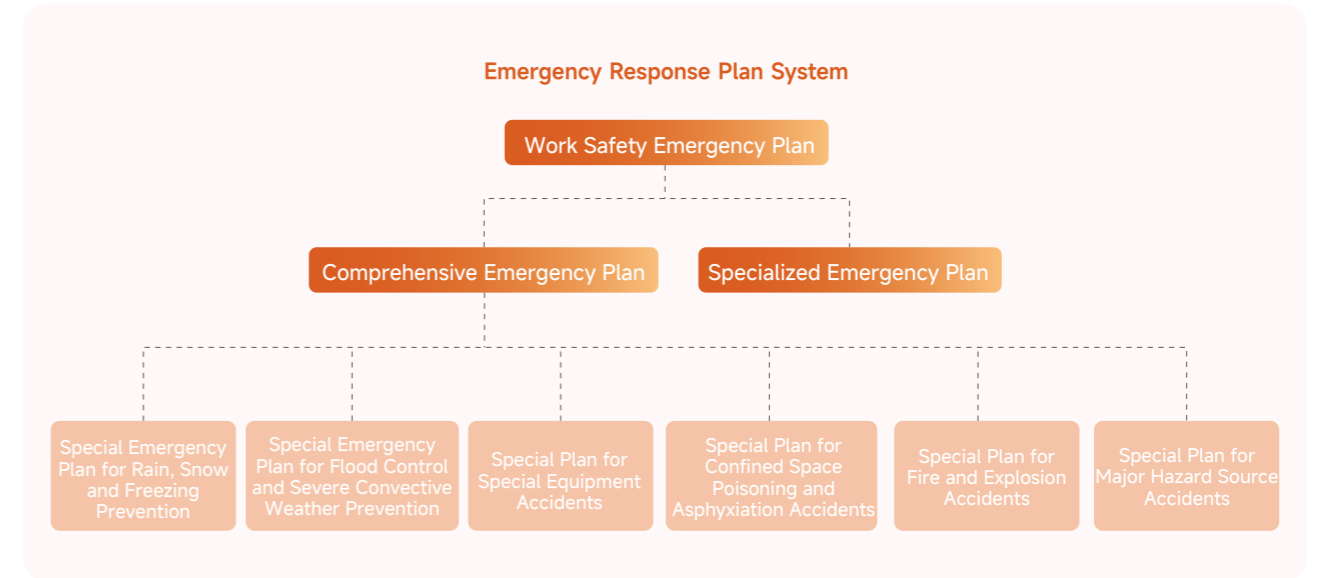
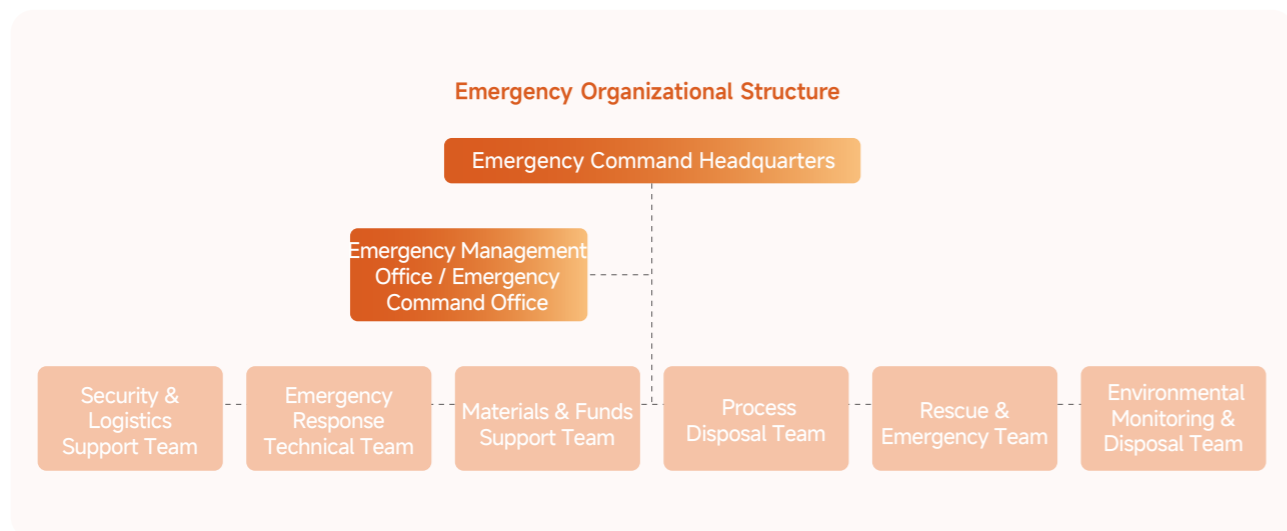
Organized **14** monthly and comprehensive inspections, issued **128** Company-level hidden hazard rectifications, with a timely rectification rate of **100%**.

Indicator	Unit	2025
Production Safety Accidents	Pieces	0
Safety Emergency Drills	Times	252
Amount of Safety Production Investment	RMB 10,000	475.1
Proportion of Safety Production Investment to Operating Revenue	%	0.55
Total Investment in Safety Training	RMB 10,000	8.00
Number of Safety Training Sessions	Sessions	84
Number of Participants in Safety Training	Person-times	5,712
Total Duration of Safety Training	Hours	191
Average Safety Training Duration per Person	Hours	40

Indicator	Unit	2025
Employee Coverage Rate of Safety Training	%	100
Coverage Rate of Safety Risk Protection Training	%	100
Certification Rate for Special Operations Personnel	%	100
Investment Amount in Work-Related Injury Insurance	RMB 10,000	29.90
Coverage Rate of Work-Related Injury Insurance	%	100
Investment Amount in Production Safety Liability Insurance	RMB 10,000	4.24
Coverage Rate of Production Safety Liability Insurance	%	100
Employee Physical Examination Coverage Rate	%	100
Detection Rate of Occupational Disease Hazards	%	100
Qualification Rate of Occupational Disease Hazard Monitoring	%	100
Number of New Occupational Diseases	Cases	0

Emergency Management

The Company has formulated the Emergency Response Plan for Production Safety Accidents to standardize the management processes of key aspects such as emergency preparedness, emergency response, and recovery and reconstruction. It clarifies core elements including the emergency organizational structure, division of responsibilities, resource allocation, and information transmission, ensuring effective prevention, rapid response, and proper handling of various emergencies. The Company is committed to building a comprehensive, multi-layered production safety protection network.



During the Reporting Period, the Company proactively conducted safety emergency drills, further enhancing all employees' awareness of prevention and self-rescue capabilities. This improved employees' emergency rescue skills and specialized qualities in emergency response, effectively reducing accident hazards and ensuring the Company's safe, healthy, and orderly development.

[Case Study] Emergency Fire Evacuation Drill

In March 2025, Qingyuan Water Treatment organized a practical emergency fire evacuation drill in the office building. The drill simulated a fire scenario in the Materials Department of the office building and involved full-process operations such as fire handling, personnel evacuation, and emergency rescue. This effectively enhanced employees' emergency response and evacuation capabilities, tested the practicality and operability of the emergency plan, and further strengthened the Company's production safety defenses.



Pre-Drill Training



Emergency Personnel Conduct Temporary Disposal



Organize Personnel Evacuation



Emergency Teams Carry Out Disposal

Contractor Safety Management

The Company has formulated the Contractor Management System, which clarifies contractor safety management responsibilities, strictly reviews contractors' safety qualifications and operational capabilities, specifies safety requirements in contracts, and simultaneously signs safety management agreements and conducts safety technical briefings to define the safety responsibilities of all parties.

The Company continuously strengthens the management of outsourced engineering construction to improve on-site management levels and ensure the safety of construction work.

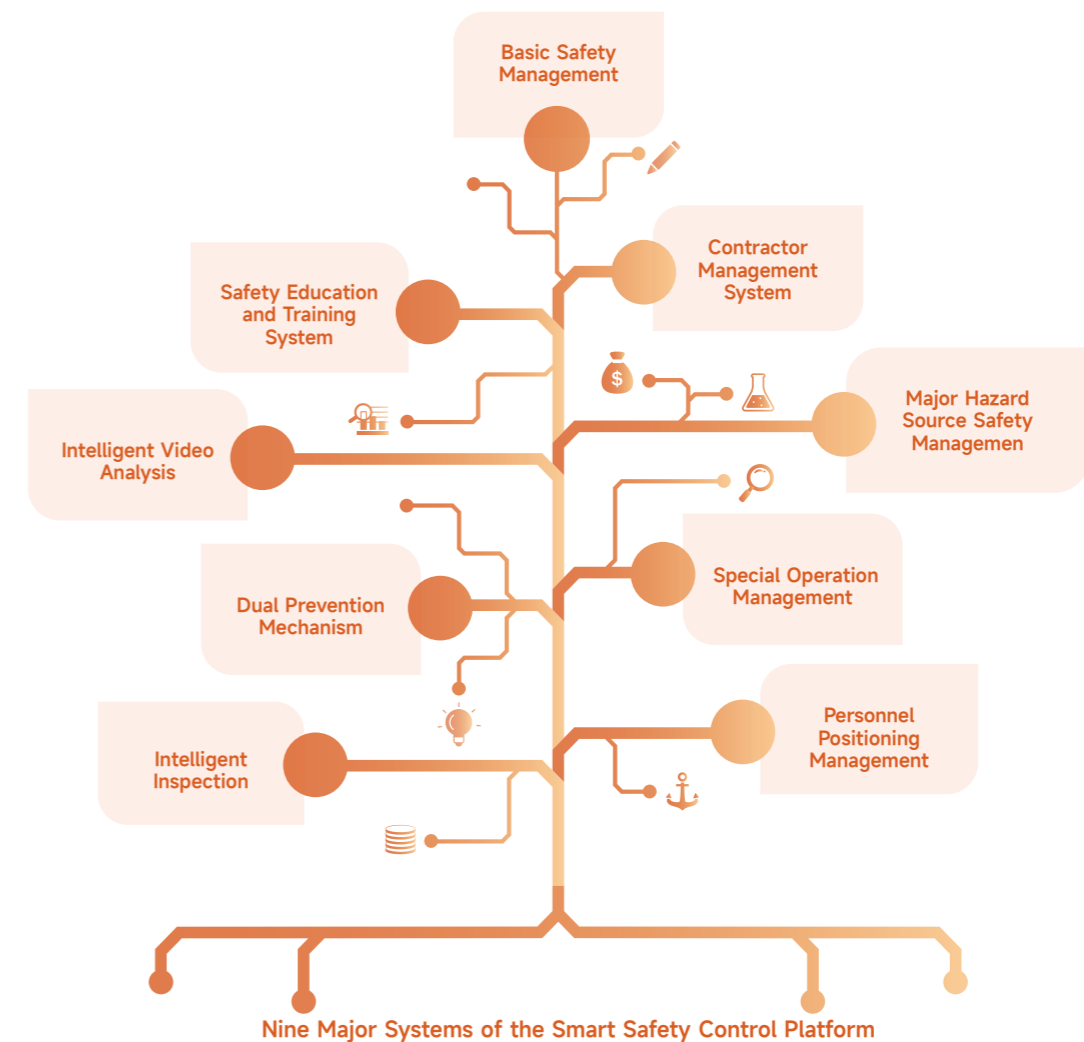
- ☞ Increase on-site safety management supervision and implement professional division of labor for safety management personnel.
- ☞ After entering the Company, outsourced units receive safety technical briefings from the competent department to understand the Company's safety and environmental requirements, methods for controlling on-site hazards, etc.

- ☞ Before construction, outsourced units should identify hazards based on the construction content, formulate construction plans and corresponding safety technical measures.
- ☞ Strengthen on-site inspection and supervision, promptly rectify accident hazards, and conduct safety assessments for construction management personnel when necessary.

During the Reporting Period, the Company provided safety training for external construction personnel, who were allowed to work only after passing the assessment.

Digital Empowerment

The Company has established a smart safety control platform covering eight major modules, including basic safety management, major hazard source safety management, intelligent inspection, and video intelligent analysis. It achieves full-process intelligent data control of "rapid perception + real-time monitoring + early warning + emergency response + system evaluation", focusing on strengthening the Company's precise safety risk prevention and control capabilities, and comprehensively improving the professional level and operational efficiency of safety management.



Enhancement of Safety Awareness

The Company regularly carries out safety education activities and training, strictly implements the three-level safety education at the Company, department, and team levels. The learning content covers safety technical knowledge, equipment performance, operating procedures, etc., and personnel can only enter operational positions after passing the assessment.

[Case Study] Shuiyunzong's "Safe Production Month" Activity

In June 2025, Shuiyunzong carried out the Safe Production Month activity closely centered on the theme 'Everyone Talks Safety, Everyone Can Handle Emergencies—Identify Safety Hazards Around You'. Activities included safety pledges, safety publicity, safety education training and assessments, distribution of heatstroke prevention items to employees, and comprehensive safety production inspections to promptly eliminate accident hazards. This activity effectively enhanced the overall safety awareness and emergency response capabilities of all employees, solidly consolidated the Company's safety management foundation, promoted the implementation of various safety production measures, and strengthened the enterprise's safety production line of defense.



Safety Publicity Banners



Safety Pledge Activity



Safety Education and Training



Occupational Health Management

The Company continuously standardizes the management of warnings and notifications regarding occupational disease hazards in the workplace, strictly implements the "three simultaneous" requirements for occupational disease prevention facilities in construction projects, and ensures the comprehensive protection of employees' health through multiple measures. It focuses on preventing, controlling, and eliminating occupational disease hazards while precisely managing various occupational risk factors in the working environment.

- ☉ Organize pre-employment, on-the-job, and post-employment occupational health examinations for workers exposed to occupational hazards and establish occupational health monitoring records.
- ☉ Prioritize the adoption of new technologies, processes, and materials that are conducive to preventing and controlling occupational diseases and protecting employees' health, gradually replacing those with severe occupational hazards. Truthfully inform employees about the occupational hazards associated with processes, technologies, and materials.
- ☉ Safety officers identify monitoring points for occupational hazards, organize the monitoring and hierarchical management of occupational hazards in workplaces, conduct annual inspections of occupational hazards, and make the results public.
- ☉ Implement effective occupational disease prevention facilities, conduct regular self-inspections and checks to ensure normal and safe equipment operation.
- ☉ Display warning signs and instructions in prominent locations where occupational hazards may occur, and provide employees with occupational disease protective equipment.
- ☉ Equip employees with proper and effective personal protective equipment that complies with national standards.
- ☉ Regularly organize education and training on the correct use and maintenance of occupational disease prevention facilities.

During the Reporting Period, Qingyuan Water Treatment commissioned a qualified third party to conduct inspections of occupational hazard factors, with reports issued and made public.

Community Public Welfare

Adhering to the core philosophy of "building a century-old enterprise that benefits society and serves the world," Qing-shuiyuan integrates ESG concepts into its development strategy and embeds philanthropy into its corporate culture. The Company established the "Jiyuan Charity Federation · Qingshuiyuan Fund," continuously engaging in public welfare initiatives such as flood prevention and disaster relief, educational support, rural revitalization, and new rural construction. Through active practice in the field of social responsibility, the Company has been honored with titles such as "Advanced Unit for Donating to Education," "Advanced Unit for the Ten Thousand Enterprises Revitalize Villages Initiative," "Brave and Compassionate Enterprise," and "Advanced Unit for Targeted Poverty Alleviation."



Title of "Compassionate Enterprise"

Appendix

Key Performance Indicator

Governance Dimension Indicators

Topics	Indicator	Unit	2025
Operational Performance	Operating Revenue	RMB10,000	86,879.38
	Net Profit	RMB10,000	-4,057.55
	Total Tax Paid	RMB10,000	2,721.61
Party-building leadership	Number of Party branches	Branches	6
	Number of Party members	Persons	77
Strengthening Compliance Governance	Number of Shareholders' Meetings Held	Times	4
	Number of Approved Proposals	Proposals	18
	Number of Board Members	Persons	9
	Number of Board Members by Gender		
	Male	Persons	6
	Female	Persons	3
	Number of Board Members by Type		
	Independent Directors	Persons	3
	Non-independent Directors	Persons	6
	Number of Board of Directors Meetings Held	Meetings	8
	Number of Approved Proposals	Proposals	38
	Board member attendance rate	%	100
	Special Committees of The Board of Directors		
	Number of Audit Committee Meetings Held	Times	5
	Number of Proposals Approved by Audit Committee	Proposals	19

Topics	Indicator	Unit	2025
Strengthening Compliance Governance	Number of Remuneration and Assessment Committee Meetings Held	Times	1
	Number of Proposals Approved by Remuneration and Assessment Committee	Proposals	2
	Number of Strategy Committee Meetings Held	Times	1
	Number of Proposals Approved by Strategy Committee	Proposals	1
	Number of Nomination Committee Meetings Held	Times	3
	Number of Proposals Approved by Nomination Committee	Proposals	3
Deepening Investor Relations Management	Number of Regular Reports Disclosed	Reports	4
	Number of Interim Announcements Disclosed	Reports	74
	Number of Investor Exchange Sessions Held	Sessions	2
	Number of On-site Research Visits Hosted	Visits	1
	Number of Investor Inquiries Responded Through the Interactive Easy Platform	Responded	65
	Cash Dividend per Share	CNY Per Share	0
	Total Pre-tax Cash Dividends	RMB1,000	0
	Ratio of Dividends to Consolidated Net Profit	%	0
	Adhering to Business Ethics	Number of Directors Trained in Anti-Bribery and Anti-Corruption	Persons
Training Duration		Hours	4
Number of Senior Management Trained in Anti-Bribery and Anti-Corruption		Persons	1
Training Duration		Hours	4
Business Ethics Pledge Sign-off Rate		%	100

Environmental Dimension Indicators

Topics	Indicator	Unit	2025
Climate Change Response	Total greenhouse gas emissions	tCO ₂ e	44,075.46
	Direct Greenhouse Gas Emissions (Scope 1)	tCO ₂ e	97.30
	Indirect Greenhouse Gas Emissions (Scope 2)	tCO ₂ e	43,978.16
	Total greenhouse gas emissions per million revenue	tCO ₂ e	50.73
Environmental Compliance Management	Environmental Protection Investment	RMB10,000	100.26

Topics	Indicator	Unit	2025
Environmental Compliance Management	Environmental Protection Training		
	Number of environmental protection training sessions	Times	27
	Number of participants in environmental protection training	Person-times	754
	Duration of environmental protection training	Hours	54
	Waste Gas Emission		
	Waste Gas Emission Volume	Tons	1.3
	Volatile Organic Compounds (VOC)	Tons	1.3
	Wastewater Discharge		
	Wastewater discharge volume	Tons	61,979.57
	Chemical Oxygen Demand (COD)	Tons	0.669
	Ammonia Nitrogen (NH3-N)	Tons	0.026
	Total phosphorus (calculated as P)	Tons	0.01
	Solid Waste Emissions		
	Amount of hazardous waste generated	Tons	96.514
	Hazardous Waste Disposal Volume	Tons	96.514
	Waste Engine Oil (HW08 Category Substances)	Tons	0.555
	Waste Activated Carbon (HW37 Category Substances)	Tons	93.35
	Phosphorus Slag (HW37 Category Substances)	Tons	1.693
	Sludge (HW37 Category Substances)	Tons	0.466
	Waste Filter Cloth (HW37 Category Substances)	Tons	0.2
Online Monitoring Waste Liquid (HW49 Category Substances)	Tons	0.25	
Prudent Resource Management	Energy Consumption Situation		
	Purchased Steam	Million Kilojoules	325,834.03
	Photovoltaic Electricity Consumption	Ten Thousand Kilowatt-hours	100.52
	Total Purchased Electricity	Ten Thousand Kilowatt-hours	1,543.62
	Natural Gas	Ten Thousand Cubic Meters	4.5

Topics	Indicator	Unit	2025
Prudent Resource Management	Total Purchased Heat	Gigajoule	325,834.03
	Comprehensive Energy Consumption	Tons of Standard Coal Equivalent	13,197.96
	Comprehensive Energy Consumption Density	Ton of Standard Coal/RMB Million Revenue	15.19
	Water Usage Status		
	Total Water Consumption	Ten Thousand Cubic Meters	28.80
	Water Consumption Intensity	10,000 Cubic Meters/RMB Million	0.033
	Total Water Cycle and Reuse	Tons	138,767.45
Lean Material Management	Total Usage of Packaging Materials	Items	913,077
	Paper-based packaging materials (woven bags, inner bags, etc.)	Items	462,369
	Plastic-based packaging materials (packaging barrels, ton barrels)	Items	440,363
	Wood-based packaging materials (wooden pallets)	Pallets	10,345
	Consumption of Toxic and Hazardous Materials	Tons	120,530.07

Social Dimension Indicators

Topics	Indicator	Unit	2025	
Igniting Innovation-Driven Development	R&D Investment	RMB 10,000	893.15	
	Proportion of R&D investment to operating revenue	%	1.03	
	Total number of R&D team members	Persons	94	
	Proportion of R&D personnel to total employees	%	11.14	
	Number of new product development projects	Units	16	
	Sales revenue from new products	RMB 10,000	2,621.11	
	Specialized, Refined, Distinctive, and Innovative (SRDI) Enterprise	Enterprises	1	
	National High-Tech Enterprise	Enterprises	3	
	Product and Service Safety and Quality	Product Qualification Rate	%	98.9
		Number of Annual Internal Quality Audits	Times	1

Topics	Indicator	Unit	2025
Product and Service Safety and Quality	Number of Third-Party Sampling Inspections Commissioned	Times	1
	Number of Participants in Quality Training	Person-times	63
	Total Duration of Quality Training	Hours	35
	Number of Quality Training Sessions	Times	13
Responsible Supply Chain	Total number of suppliers	Suppliers	635
	Number of suppliers with quality management system certification	Suppliers	148
	Number of suppliers with environmental management system certification	Suppliers	148
	Number of suppliers with occupational health and safety management system certification	Suppliers	148
	Number of suppliers whose cooperation was suspended due to non-compliance	Suppliers	0
	Number of potential suppliers rejected due to non-compliance	Suppliers	0
	Ratio of procurement expenditure directed to local suppliers	%	53
	Duration of procurement training	Hours	40
	Signing rate of procurement integrity commitment letters	%	95
	Labor Contract Signing Rate	%	100
	Social Insurance Coverage Rate	%	100
	Total Employees	Persons	844
Number of Ethnic Minority Employees	Persons	3	
Strengthening the Foundation of Talent	Number of Employees by Gender		
	Female	Persons	287
	Male	Persons	557
	Number of Employees by Age		
	Under 30	Persons	109
	30-40 Years Old	Persons	356
	40-50 Years Old	Persons	245

Topics	Indicator	Unit	2025
Strengthening the Foundation of Talent	50 Years and Above	Persons	134
	By Educational Background		
	Doctorate	Persons	2
	Master's Degree	Persons	24
	Bachelor's Degree	Persons	300
	Associate Degree and Below	Persons	518
	Employee Turnover Situation		
	Number of New Employees	Persons	98
	Number of Departing Employees	Persons	98
	Employee Turnover Rate	%	11.49
	Number of Projects Company's Employee Congress Reviewed and Approved	Projects	2
	Proportion of Union Members Among The Company's Employees	%	90
Strictly Adhering to the Safety Bottom Line	Production Safety Accidents	Pieces	0
	Safety Emergency Drills	Times	252
	Amount of Safety Production Investment	RMB 10,000	475.1
	Proportion of Safety Production Investment to Operating Revenue	%	0.55
	Total Investment in Safety Training	RMB 10,000	8.00
	Number of Safety Training Sessions	Sessions	84
	Number of Participants in Safety Training	Person-times	5,712
	Total Duration of Safety Training	Hours	191
	Average Safety Training Duration per Person	Hours	40
	Employee Coverage Rate of Safety Training	%	100
	Coverage Rate of Safety Risk Protection Training	%	100
	Certification Rate for Special Operations Personnel	%	100

Topics	Indicator	Unit	2025
Strictly Adhering to the Safety Bottom Line	Investment Amount in Work-Related Injury Insurance	RMB 10,000	29.90
	Coverage Rate of Work-Related Injury Insurance	%	100
	Investment Amount in Production Safety Liability Insurance	RMB 10,000	4.24
	Coverage Rate of Production Safety Liability Insurance	%	100
	Employee Physical Examination Coverage Rate	%	100
	Detection Rate of Occupational Disease Hazards	%	100
	Qualification Rate of Occupational Disease Hazard Monitoring	%	100
	Number of New Occupational Diseases	Cases	0
Community Public Welfare	Number of Participants in Volunteer Activities	Person-times	15

Indicator Index

Content	GRI Standards	China Corporate Social Responsibility Reporting Guidelines (CASS-ESG 6.0)	Self-Regulatory Guidelines No.17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)
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	Company Culture	P3.2	/
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Content	(GRI Standards)	China Corporate Social Responsibility Reporting Guidelines (CASS-ESG 6.0)	Self-Regulatory Guidelines No.17 for Companies Listed on Shenzhen Stock Exchange—Sustainability Report (For Trial Implementation)		
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	Deepening Investor Relations Management	2-16/2-29	G1.3	Article 9, 44 and 53	
	Adhering to Business Ethics	205/206/417	G2.1/G2.2	Article 54, 55 and 56	
	Green Development: Refining Ecological and Environmental Protection Practices	Addressing Climate Change	201-2/305	E1.1	Article 8, Article 21 to Article 24
		Environmental Compliance Management	304/305/306	E2.1/E2.2/E2.3/E2.4	Article 20, 25, 29, 30, 31 and 33
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Lean Material Management		301	E3.3	Article 34 and 37	
Innovation-Driven Development, Co-creating Industrial Value	Igniting Innovation-Driven Development	203-1	S2.1	Article 41 and 42	
	Product and Service Safety and Quality	416/417	S3.3	Article 47	
	Data Security and Customer Privacy Protection	418	S3.4	Article 48	
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Uniting Efforts and Fulfilling Responsibilities for a Better Future	Strengthening the Foundation of Talent	401/402/405/406/407/408	S4.1	Article 49 and 50	
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Feedback Form

Dear Readers,

Thank you for reading this report. We highly value and look forward to hearing your feedback on this report. Your opinions and suggestions are crucial for us to continuously improve our ESG information disclosure, management and practices. We sincerely welcome and thank you for your valuable feedback!

1. Your overall assessment of our ESG performance:

Very Good Good Average Below Average Poor

2. Your overall assessment of this report:

Very Good Good Average Below Average Poor

3. How do you think our performance in terms of communications with stakeholders?

Very Good Good Average Below Average Poor

4. How do you think our performance in terms of product responsibilities?

Very Good Good Average Below Average Poor

5. How do you think our performance in terms of environment protection, safety and occupational health?

Very Good Good Average Below Average Poor

6. How do you think our performance in terms of employee responsibilities?

Very Good Good Average Below Average Poor

7. How do you think our performance in terms of ESG?

Very Good Good Average Below Average Poor

8. What are your opinions and suggestions on our ESG performance and this report?

