



# 2025 Sustainability Report

Zhejiang Juhua Co., Ltd.

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# About This Report

This report is the 2025 Sustainability Report of Zhejiang Juhua Co., Ltd. (hereinafter referred to as "Juhua Corporation", "the Company", or "We"). As the Company's 16th annual report disclosing Environmental, Social and Governance (ESG) information, this report aims to provide stakeholders with a comprehensive presentation of the Company's sustainability philosophy, management practices and performance during the reporting period.

This report was reviewed and approved at the 25th meeting of the 9th session of the Board of Directors on 21 April 2026.

## Reporting Period

The reporting period of this report covers 1 January 2025 to 31 December 2025 (the "Reporting Period"). Certain information may be retrospectively extended or forward-looking where appropriate.

## Scope of Report

Unless otherwise specified, the information and data disclosed in this report cover Juhua Corporation and its subsidiaries included in the scope of consolidated financial statements.

## Definitions and Abbreviations

For ease of reading, certain entities are referred to by abbreviated names in this report. The definitions are as follow:

Juhua Group	Juhua Group Co., Ltd.
Sulfuric Acid Plant	Zhejiang Juhua Co., Ltd. Sulfuric Acid Plant
Electrochemical Plant	Zhejiang Juhua Co., Ltd. Electrochemical Plant
Juhua Chinlon Company	Quzhou Juhua Chinlon Co., Ltd.
Jusheng Fluorine Chemicals Company	Zhejiang Jusheng Fluorine Chemicals Co., Ltd.
Jinju Chemicals Company	Zhejiang Jinju Chemicals Co., Ltd.
Quhua Fluorine Chemistry Company	Zhejiang Quhua Fluorine Chemistry Co., Ltd.
Jusu Chemicals Company	Zhejiang Quzhou Jusu Chemicals Co., Ltd.
Ningbo Juhua Chemical Company	Ningbo Juhua Chemical & Science Co., Ltd.
Technology Center Company	Zhejiang Juhua Technology Center Co., Ltd.
Fluorine New Chemical Company	Zhejiang Quzhou Fluorine New Chemical Co., Ltd.
Lanxi Fluorine Chemicals Company	Zhejiang Lanxi Juhua Fluorine Chemicals Co., Ltd.
Tianjin Barrier Company	Tianjin Barrier Pack Co., Ltd.
Lianzhou Refrigerant Company	Zhejiang Quzhou Lianzhou Refrigerant Co., Ltd.
Feiyuan Chemical Company	Zibo Feiyuan Chemical Co., Ltd.
New Materials Research Institute Company	Zhejiang Juhua New Materials Research Institute Co., Ltd.
Chuangfu High-Tech Company	Zhejiang Chuangfu High-Tech New Materials Co., Ltd.
Global Fluorine Company	Global Fluorine Chemicals Co., Ltd.
Ningbo Juxie Company	Ningbo Juxie Energy Co., Ltd.
Juhua Hong Kong Company	Juhua Trading(Hong Kong) Co., Ltd.
Jian'an Petrochemical Engineering Company	Zhejiang Juhua Jian'an Petrochemical Engineering Co., Ltd.
Jubang High-Tech Company	Zhejiang Jubang High-Tech Co., Ltd.
Middle East Trading Company	Juhua Trading Middle East Fze.
Juhui Company	Zhejiang Juhui New Materials Co., Ltd.

## Information Sources and Reliability Assurance

The information disclosed in this report is derived from publicly available information, official corporate documents, financial reports, internal management systems, third-party monitoring and evaluation data, as well as statistical data compiled by relevant functional departments.

The Company hereby confirms that there are no false records, misleading statements or material omissions in this report.

## Basis of Preparation

This report has been prepared in accordance with the following regulations and standards:

- Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies No.1 – Standardized Operations (May 2025 Revision)
- Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies No.14 – Sustainability Reports (Trial)
- Shanghai Stock Exchange Sustainability Reporting Guidelines for Listed Companies No.4 (January 2026 Revision)

The report also references:

- United Nations Sustainable Development Goals (UN SDGs)
- The GRI Standards (2021 Edition) issued by the Global Reporting Initiative
- China Enterprise Sustainability Reporting Guidelines (CASS-ESG 6.0): General Framework
- MSCI ESG Rating Methodology

## Access to the Report

This report is available in both Simplified Chinese and English and can be accessed via:

- Company website: <http://www.jhgf.com.cn>
- Shanghai Stock Exchange website: <http://www.sse.com.cn>

In case of any discrepancy, the Simplified Chinese version shall prevail.

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## Message from the Chairman



Chairman of the Board, Zhejiang Juhua Co., Ltd.:  
Zhou Liyang

At a critical stage of accelerating global green transformation and industrial upgrading, the world economy is entering a new phase characterized by low-carbon development, technological innovation and high-quality growth. China continues to advance its "Dual Carbon" strategy and improve its ESG regulatory framework, guiding enterprises to actively fulfill their responsibilities in promoting economic development, social progress and ecological sustainability.

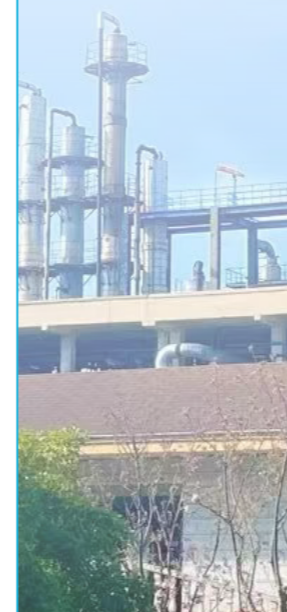
As an important participant in China's fluorochemical industry, Juhua Corporation has consistently aligned its development with national strategies and industry transformation trends. The Company integrates sustainable development principles into its overall business strategy, actively explores opportunities arising from the green transition, and continuously enhances its core competitiveness through industrial upgrading. Juhua Corporation is committed to playing a leading role in the transformation and upgrading of the industry in the new development stage.

### Promoting Green Development and Advancing Low-Carbon Transformation

Juhua Corporation adheres to the concept of green development and continuously improves its green manufacturing system, embedding energy conservation and resource efficiency throughout the entire production and operation process.

During the reporting period, the Company carried out a series of energy-saving and carbon reduction initiatives, including continuous optimization of production processes, upgrading of key production equipment, application of high-efficiency motors and magnetic levitation blowers, implementation of waste heat recovery technologies and gradual increase in the use of renewable and green electricity. These measures have effectively improved energy utilization efficiency and enhanced the Company's operational sustainability. At the same time, the Company actively advanced the construction of green factories, and a number of its subsidiaries were newly recognized as provincial or municipal green and low-carbon manufacturing enterprises and clean production demonstration units.

Leveraging its technological advantages, the Company continues to expand its presence in emerging green application scenarios. The Company's independently developed immersion liquid cooling technology has been selected as a national demonstration project for advanced green and low-carbon technologies, providing efficient and energy-saving cooling solutions for data centers and other new infrastructure. This innovation further enhances the green competitiveness of the Company's fluorochemical industry chain and supports the low-carbon transformation of the industry.



### Creating Value through Responsible Development

Juhua Corporation adheres to a people-oriented development philosophy, promotes coordinated development through innovation, and actively fulfills its social responsibilities.

During the reporting period, the Company's operating performance grew steadily, and its development quality continued to improve, generating stable returns for shareholders. At the same time, it actively gave back to society by paying taxes in compliance with laws and regulations and creating job opportunities, thereby continuously delivering comprehensive value. Company continuously increased investment in research and development, focusing on key technological breakthroughs and the industrialization of scientific and technological achievements, further enhancing its innovation capabilities. In terms of safety management, the Company continuously improved its safety governance system, strengthened risk prevention and control mechanisms, and fostered a strong safety culture throughout the organization. In addition, the Company actively participates in social welfare and community development, contributing to social progress through initiatives such as rural revitalization support, education assistance programs, charitable donations, and volunteer services and community engagement activities.

The Company firmly believes that only by continuously creating social value can sustainable and long-term development be achieved in an evolving economic environment.

### Strengthening Governance and Enhancing Development Resilience

Juhua Corporation continuously improves its modern corporate governance system, enhances decision-making efficiency and promotes standardized management.

Sustainable development principles are fully integrated into the Company's strategy formulation, operational management and risk control processes. The Company has further optimized its governance structure and improved relevant management systems to strengthen compliance and governance effectiveness. At the same time, the Company incorporates key ESG-related indicators—such as energy conservation and emission reduction, environmental protection, workplace safety and compliance management—into its performance evaluation system, ensuring that sustainability objectives are effectively implemented across all levels of management. The Company also continues to strengthen its business ethics framework, integrity management system, information security management and comprehensive risk management capabilities, providing a solid institutional foundation for stable and sustainable development.

### Working Together Toward a Sustainable Future

Looking ahead, green development and technological innovation will profoundly reshape the global industrial landscape. The Company will continue to pursue innovation-driven development, engage in global industrial cooperation with a more open perspective, and advance industrial upgrading and value creation with greater determination.

With sustainable commitment, the future is promising. Juhua Corporation stands ready to work hand in hand with all stakeholders to advance the green transformation and sustainable development of the industry, contributing to a world of harmony between human and nature.

# About Juhua Corporation

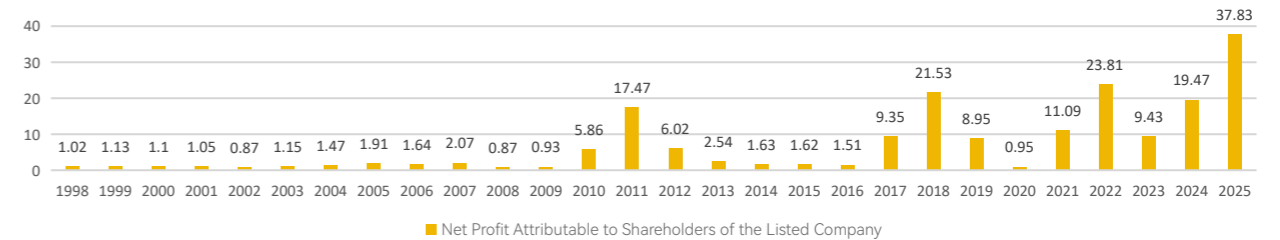
## Company Overview

Juhua Corporation was established in 1998 and is an advanced integrated manufacturing base in China's fluorochemical and chlor-alkali chemical industries. The Company currently has total assets exceeding RMB 38.2 billion and operates 29 wholly owned and controlled subsidiaries. It has also established an overseas production base in Abu Dhabi, the United Arab Emirates, further enhancing its global presence and international operational capabilities. Committed to innovation-driven development strategy, the Company has built a R&D system spanning Hangzhou and Quzhou, supported by a number of high-level innovation platforms, including a National Enterprise Technology Center, the National Fluorine Materials Engineering Technology Research Center, a national pilot-scale platform for the manufacturing industry, the China Chemical New Materials (Quzhou) Industrial Park, the postdoctoral research workstation, as well as provincial key enterprise research institutes.

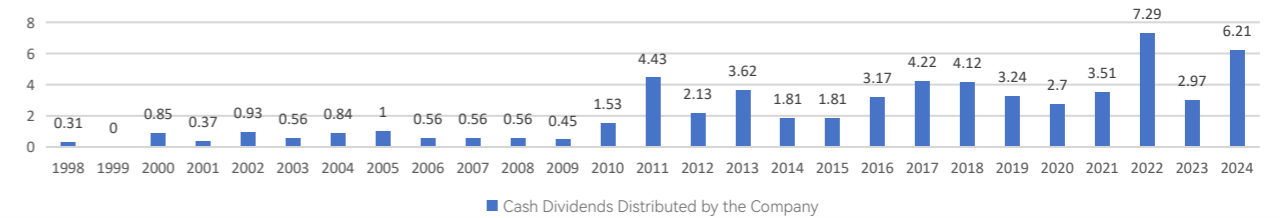
The Company is a leading advanced manufacturing base for fluorochemical and chlor-alkali new materials in China. Its principal businesses cover the R&D, production, and sales of basic chemicals, fluorochemicals, food packaging materials, petrochemicals, and downstream products. It has established a comprehensive self-supporting industrial system encompassing chlor-alkali, sulfuric acid, coal chemical, and basic fluorochemical sectors, which underpin a complete fluorochemical value chain. This value chain includes basic supporting raw materials, fluorine-based refrigerants, organic fluorine monomers, fluoropolymers, and fluorinated fine chemicals, while also extending into the petrochemical sector.

Building on its integrated industrial chain, the Company focuses on developing green technology application products in new materials, environmental protection, new energy, and emerging applications. It continues to increase investment in green industries and R&D, actively capturing opportunities arising from energy structure transition, clean technologies, and the rapid development of the industrial internet. Leveraging its unique strengths, the Company is advancing toward high-end, intelligent, and green transformation, striving to become a leading fluorochemical enterprise in China and a first-class supplier and service provider of chemical new materials.

Net Profit Attributable to Shareholders of the Listed Company (RMB 100 million)



Cash Dividends Distributed by the Company (RMB 100 million)



### 1998

Juhua Corporation was established and listed on the Shanghai Stock Exchange.

### 2005

The Company initiated its "Third Entrepreneurship" phase with the construction of the HFC-134a project, marking a new stage of industrial restructuring centered on high-technology development.

### 2016

The Company achieved a full portfolio covering first- to fourth-generation refrigerants, marking a major milestone in its transformation toward high-end products.

### 2021

The 30,000-tonne PVDF expansion project was completed, marking the Company's strategic expansion into new energy materials.

### 2002

The Company obtained integrated certification for quality, environmental, and occupational health and safety management systems, becoming the first chemical enterprise in China to achieve such integration.

### 2006

The Company entered the Clean Development Mechanism (CDM) field. The HFC-23 decomposition project became China's first CDM project in the fluorochemical sector, achieving breakthroughs in greenhouse gas reduction and carbon trading.

### 2017

Zhongjuxin Technology Co., Ltd. was established, enabling the Company to enter the electronic chemicals sector and form a dual development structure combining basic chemicals and high-end materials.

### 2022 ~ Present

Annual operating revenue exceeded RMB 20 billion, making it the largest listed fluorochemical company in China. It was included in the CSI A100 and CSI 300 indices, completing its transformation from a traditional chemical enterprise to an innovative enterprise focused on high-performance fluorine and chlorine new materials.

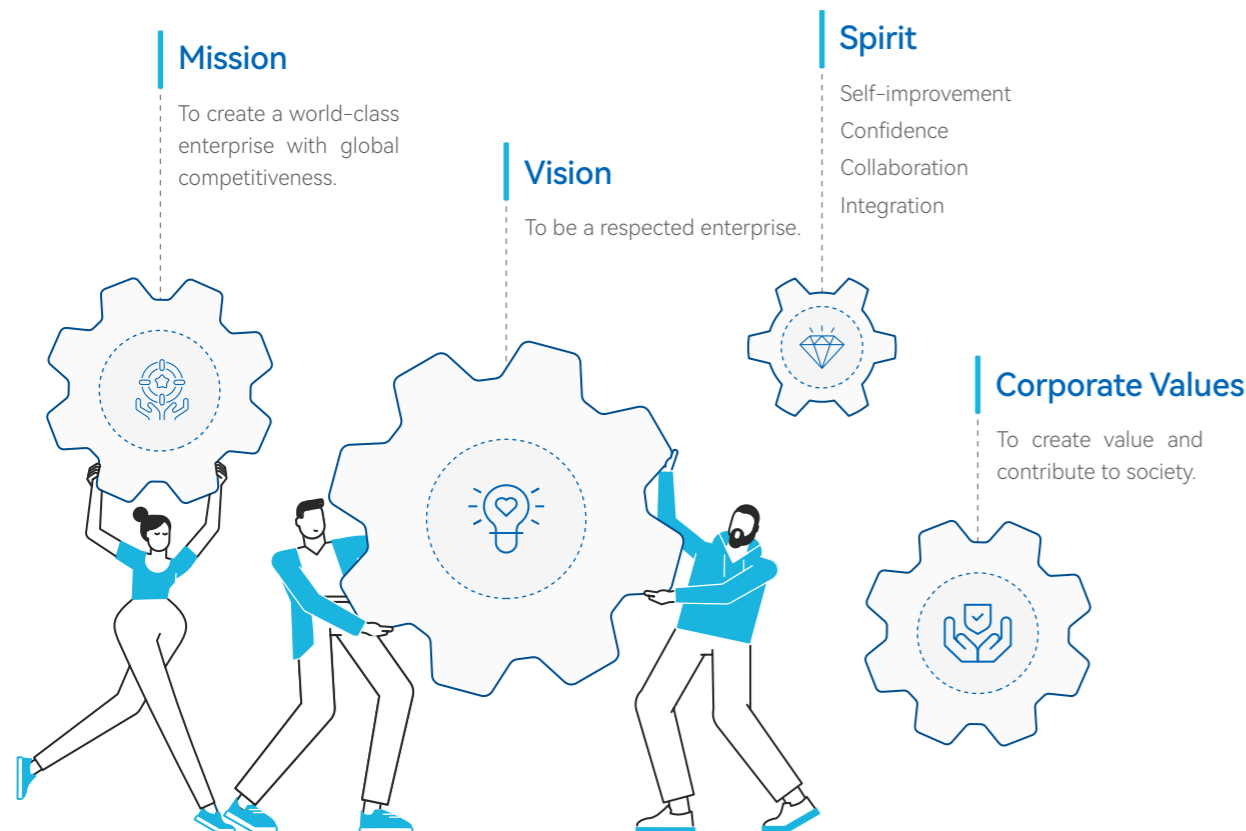
## Business Overview

As a leading enterprise in China's fluorochemical and chlor-alkali new materials industries, the Company focuses on its core fluorochemical business and has developed a diversified business system encompassing the R&D, production, and sales of basic chemicals, fluorochemicals, food packaging materials, and downstream products. Through strong integration of chlor-alkali chemistry, sulfuric acid chemistry, coal chemical processing and fluorochemical production, the Company has built a complete industrial chain from upstream resources to downstream high-value applications. This chain spans key segments including fluorochemical feedstocks, refrigerants, organic fluorine monomers, fluoropolymers, and fluorinated fine chemicals, and extends into petrochemicals and new materials, enabling vertical integration and synergetic development.

Within the fluorochemical sector, the Company possesses industry-leading integrated capabilities in hydrofluoric acid and chlorinated products, and has become one of the world's leading manufacturers of refrigerants, offering a full range of first-to-fourth-generation refrigerants, as well as new-generation environmentally friendly alternatives. Its fluoropolymer product portfolio is comprehensive, with major products ranking among the top in the industry by capacity. Fluorinated fine chemicals continue to move toward high-end and specialized applications, serving strategic emerging industries such as semiconductors, new energy, and data centers.

In the chlor-alkali and basic chemicals segment, the Company has significant competitive advantages in caustic soda and related products. Its production capacity for VDC and PVDC ranks among the global leaders. The coal chemical and sulfuric acid operations provide stable upstream supply of key raw materials, improving resource utilization efficiency and strengthening industrial chain coordination. The Company's products are widely applied across multiple industrial sectors, including national defense, aerospace, electronic information, environmental protection, new energy, healthcare, and food, providing essential supporting materials for strategic emerging industries.

## Corporate Culture



## Honors and Awards

- Top 100 ESG Pioneer Listed Companies in the Yangtze River Delta (2025)
- Shanghai Stock Exchange ESG Best Practice Cases
- Huazheng ESG Rating: A
- SynTao Green Finance ESG Rating: A-
- Shanghai Stock Exchange Information Disclosure Rating A (highest rating) for 2024-2025
- Top 500 Independent Production and Operating Petroleum and Chemical Enterprises in China(Ranked 29th)  
Top 500 Listed Companies(Ranked 39th)
- Securities Times "Top 100 Most Valuable Main Board Listed Companies in China"
- The Ninth Batch of Manufacturing Single Champion Enterprises List issued by the Ministry of Industry and Information Technology  
Jusheng Fluorine Chemicals Company
- Zhejiang Provincial Green and Low-Carbon Factories  
Quhua Fluorine Chemistry Company  
Lanxi Fluorine Chemicals Company
- Zhejiang Province Fourth Batch of "Cloud-Based Enterprises" in Manufacturing  
Quhua Fluorine Chemistry Company,  
Jusu Chemicals Company
- Shanghai Securities News "Golden Quality · ESG Award"
- Wind ESG Rating: AA
- CSI ESG Rating: AA
- CSI A100 Index
- China Securities Journal "Golden Bull Information Disclosure Award"
- Top 100 Fine Chemical Enterprises in China(Ranked 10th)
- Top 10 Zhejiang Listed Companies Most Favored by Institutional Investors
- 2025 5G Factory Directory issued by the Ministry of Industry and Information Technology  
Jusheng Fluorine Chemicals Company
- Zhejiang Provincial "Benchmark Enterprise for Artificial Intelligence Application"  
Jusu Chemicals Company
- 2025 Ningbo Top 100 Manufacturing Enterprises and Top 100 Competitive Enterprises  
Ningbo Juhua Chemical Company

United Nations Sustainable Development Goals (SDGs) Addressed in This Chapter:



# 01 PART

## Addressing Climate Change and Advancing Low-Carbon Development



Highly Material Issues Addressed in This Chapter:

- Response to Climate Change

As a leading enterprise in the fluorochemical industry, Juhua Corporation fully recognizes its significant responsibility in addressing climate change. Centered on “low-carbon development across the entire value chain, technological self-reliance, and green production”, it actively responds to China’s “Dual Carbon” strategy and firmly advances the green and low-carbon transformation of its operations. The Company continuously enhances its overall capability to manage climate-related risks, striving to be an active practitioner of the clean and low-carbon energy transition and to promote deep decarbonization across the fluorochemical value chain.

## Climate Governance

Juhua Corporation has incorporated climate change management into key considerations of its operations and strategic decision-making. It continuously tracks key indicators such as total energy consumption, energy efficiency, and energy intensity, promptly identifying abnormal energy consumption and systematically unlocking potential for energy saving and carbon reduction.

The Board of Directors is the highest decision-making body responsible for climate-related matters. The Board reviews climate strategies, oversees climate performance and ensures that climate-related issues are integrated into the Company's development strategy.

Climate-related matters fall within the scope of the Strategy and ESG Committee, which is responsible for reviewing climate-related policies and targets, monitoring implementation progress and evaluating climate risks and opportunities. It convenes regularly to hear dedicated reports from management on climate-related matters and provides guidance to ensure alignment with the Company's overall strategy, regulatory requirements, and stakeholder expectations.

The Management Team has established a coordinated mechanism for climate-related work, responsible for identifying and managing climate-related risks and opportunities. Through regular meetings and dynamic monitoring of climate and sustainability indicators, it prepares dedicated assessment reports for submission to the Strategy and ESG Committee.

The ESG Working Group, as the core execution body for climate management, collaborates with various business units to advance low-carbon operational initiatives, promptly consolidates and reports key progress and potential risks, and supports a closed-loop management system covering "strategic decision-making – process control – implementation – risk feedback."



## Strategy

The fluorochemical industry is closely associated with greenhouse gas emissions and is characterized by high energy intensity, complex production processes, sensitivity to refrigerant and fluorinated materials policies, and significant capital investment requirements. Against the global backdrop of climate action, the industry faces a range of challenges, including increasingly stringent carbon emission constraints, market volatility resulting from the energy transition, and growing complexity in resource management. At the same time, accelerated technological innovation and the development of clean energy systems are creating new opportunities for sustainable industrial growth.

Juhua Corporation attaches great importance to the potential impact of climate-related risks and opportunities on its operations. During the reporting period, the Company conducted a systematic climate-related assessment, evaluating potential impacts on both operations and the supply chain, and developed corresponding response strategies.

In alignment with the Task Force on Climate-related Financial Disclosures (TCFD) framework, climate-related risks are categorized into physical risks and transition risks. For physical risks, the Company refers to the Shared Socioeconomic Pathways (SSP) outlined in the Sixth Assessment Report (AR6) issued by the Intergovernmental Panel on Climate Change (IPCC). For transition risks, it draws on climate scenarios developed by the Network for Greening the Financial System (NGFS), conducting comparative analyses of potential risks under baseline scenarios and various climate scenarios for 2030 and 2050.

Risk Category & Description		Risk Impact		Exposure Under Different Scenario		Response Measures	
Risk Category	Risk Description	Operational Impact	Financial Impact	High-Emission Scenario	Low-Emission Scenario		
Physical Risk	Acute Risk	Extreme weather events such as typhoons and heavy rainfall	Production interruptions, disruptions to raw material and product transportation, operational disruptions in plant facilities and warehouses, increased safety risks	Increased repair and reconstruction costs, revenue losses from production interruptions, higher insurance expenses	Medium	High	Conduct facility climate vulnerability assessments; strengthen flood control and high-temperature protection design; establish emergency response plans and reserve emergency supplies; improve insurance coverage
	Chronic Risk	Long-term temperature increases and water resource shortages	Reduced cooling efficiency, restrictions on water usage affecting continuous production, increased energy consumption	Rising operating costs, higher electricity and water prices, increased capital expenditures for equipment upgrades	Medium	Medium	Implement water-saving technologies; upgrade circulating water systems; improve energy efficiency management; plan operations in areas with lower water stress
Transition Risk	Policy and Regulatory Risk	Tightening carbon emission constraints and refrigerant phase-down policies	Restrictions on production of high-GWP products; increased complexity in regulatory compliance	Higher carbon costs; potential asset impairment; increased compliance and penalty costs	Medium	High	Conduct carbon inventories and emissions reduction planning; promote industrial upgrading; increase investment in low-carbon technologies; develop low-GWP refrigerants; optimize product portfolio; strengthen policy engagement
		Tightening environmental policies, stricter emission standards and regulatory requirements, higher compliance obligations pressure on chemical enterprises	Increased operational constraints; some production processes may require upgrades; potential production suspension or facility phase-out	Increased environmental protection investments; higher capital and operating expenditures; potential short-term pressure on profitability and cash flow	Medium	High	Maintain strict environmental compliance; implement pollution control measures; strengthen process management; monitor regulatory developments; adopt advanced technologies to reduce emissions
	Stricter energy consumption and carbon control, the production of basic chemical products faces constraints	Operational constraints for certain products; need for technological upgrades	Increased investments and operating costs; pressure on profit margins	Medium	High	Upgrade industrial chains toward higher-value products; implement energy-saving retrofits; monitor policy changes and respond proactively	

Transition Risk	Technology Risk	Accelerated replacement of fluorinated refrigerants and shorter product life cycles	Increased pressure to adjust product structure and accelerate development of new products	Increased R&D investment and capital expenditure; risk of impairment of existing assets	Medium	High	Strengthen commercialization of third-generation refrigerants; increase R&D investment in fourth-generation refrigerants and emerging products; expand pilot-scale testing capabilities; promote localization of key technologies
	Market Risk	Rising prices of key raw materials (e.g., fluorspar, hydrofluoric acid) and energy, and carbon emission controls	Increased production costs and supply chain instability	Increased costs, reduced profitability, and cash flow volatility	Medium	High	Optimize cost management; improve energy efficiency; strengthen supply chain coordination and resource security
		Shifts in customer demand toward low-carbon and environmentally friendly products	Shrinking markets for high-emission products; need to adjust product portfolio	Reduced sales volumes, increased pricing pressure, inventory risks, potential asset impairment	Medium	High	Optimize product structure; expand downstream markets such as new energy and electronic chemicals
	Reputational Risk	ESG performance concerns from investors or stakeholders	Restrictions on partnerships; potential financing challenges	Increased financing costs; potential impact on corporate valuation and brand value	Low	Medium	Strengthen ESG disclosure; improve transparency of environmental performance; maintain proactive stakeholder communication

Opportunity Category & Description		Opportunity Impact		Exposure Under Different Scenario		Response Measures
Opportunity Category	Opportunity Description	Operational Impact	Financial Impact	High-Emission Scenario	Low-Emission Scenario	
Resource Efficiency	Adoption of energy-efficient equipment and green technologies	Improved operational efficiency; reduced energy and raw material consumption; improved production stability	Lower operating costs and improved profit margins	Medium	High	Continue energy-saving upgrades; implement refined energy management and benchmarking of key equipment

Energy Transition and Innovation	Increased use of renewable energy and clean electricity	Reduced reliance on fossil fuels; lower Scope 2 emissions; improved energy resilience	Stabilized long-term energy costs; reduced exposure to carbon and electricity price volatility	Medium	High	Develop energy transition roadmap; increase the share of renewable energy in total energy consumption
	Development of greenhouse gas reduction technologies such as CCUS	Reduced emissions of high-GWP gases during production and enhance environmental compliance	Avoided carbon costs and regulatory penalties; improved long-term asset sustainability	High	High	Increase investment in low-carbon technology R&D; promote demonstration projects and commercialization
Product Innovation	Development of low-GWP refrigerants and environmentally friendly fluorinated materials	Upgrade product structure and increase proportion of high-value products	Enhanced product premium and revenue growth potential	Medium	High	Strengthen R&D and certification of green products; expand commercialization
Market Expansion	International cooperation on climate initiatives and low-carbon technologies	Improved international compliance capabilities and brand influence	Expanded market access and reduced regulatory risks	Medium	Medium	Strengthen collaboration with international organizations, research institutions, and industry partners
	Rising demand for environmentally friendly fluorinated materials and HFO refrigerants	Increased production capacity and market expansion	Increased revenues	Medium	High	Increase investment in green technologies; strengthen marketing and brand development
Policy Incentives	Obtain policy support related to energy conservation, emission reduction, green manufacturing and low-carbon technologies	Reduced financial pressure on technology upgrades and R&D	Access to subsidies, tax incentives, and green financing	Low	Medium	Strengthen policy engagement and project compliance management
	Adequate HFC production quotas supporting operations	Stable production planning and stronger market position	Stable revenues and potential profitability advantages under quota scarcity	High	Medium	Strengthen quota management; optimize product structure; accelerate development of low-GWP alternatives

To address the risks and opportunities associated with climate change, the Company has systematically incorporated energy transition and low-carbon development into its medium- and long-term strategic planning, continuously advancing a transition pathway that balances climate mitigation and adaptation.

On the one hand, the Company continues to optimize its energy mix and actively expand the use of clean energy. Through initiatives such as green electricity procurement, renewable energy certificates (RECs), and the development of photovoltaic power generation projects, the Company steadily increases the share of renewable energy in its energy consumption and reduces reliance on fossil fuels.

On the other hand, in support of its energy conservation and emissions reduction objectives, the Company has implemented a series of energy efficiency retrofits and process optimization initiatives across its production facilities. High-energy-consumption and low-efficiency equipment is being gradually phased out and replaced with advanced technologies, improving both energy utilization efficiency and operational reliability.

At the same time, the Company is proactively investing in low-carbon technologies and exploring the application of carbon capture, utilization and storage (CCUS) solutions. The Company has participated in the development of carbon capture technologies and holds a patent for "A Carbon Dioxide Capture Device." These efforts help cultivate long-term emissions reduction potential while supporting the development of a "fluorine-based zero-carbon industrial chain" aimed at achieving decarbonization across the entire value chain.

With technological innovation as the core driving force, the Company is advancing carbon reduction through the coordinated implementation of process upgrades, equipment modernization, and enhanced management systems. While effectively addressing climate-related risks, the Company also actively captures the opportunities created by the global green transition.

Case | Systematic Implementation of the HFC-23 Decomposition CDM Project to Significantly Reduce Greenhouse Gas Emissions



As one of the world's largest manufacturers of fluorinated refrigerants, Juhua Corporation attaches great importance to greenhouse gas emissions reduction and actively implements the National Plan for China's Implementation of the Montreal Protocol on Substances that Deplete the Ozone Layer (2025-2030). The treatment of HFC-23 has been identified as a key climate action for the Company. HFC-23 is a by-product generated during the production of HCFC-22. It has an extremely high global warming potential (GWP) of approximately 11,700, and its long atmospheric lifetime means that unmanaged emissions could have significant adverse impacts on the climate system.

Since 2006, the Company's subsidiary Quhua Fluorine Chemistry Company pioneered the implementation of an HFC-23 decomposition Clean Development Mechanism (CDM) project. The project became the first HFC-23 decomposition project in China to receive government approval, official registration under the United Nations Framework Convention on Climate Change (UNFCCC), and verified carbon emission reductions (CERs). This initiative filled an important technological and policy gap in China's climate mitigation efforts. Through standardized project management and ongoing collaboration with international institutions, the Company has ensured that its emissions reduction achievements are recognized by the international carbon market and regulatory frameworks.

To further support national greenhouse gas mitigation targets, the Company has continued to increase investment in HFC-23 decomposition facilities. Multiple new decomposition units have been constructed, enabling comprehensive treatment coverage of HFC-23 emissions. The decomposition process achieves a destruction efficiency exceeding 99.99%, with no detectable HFC-23 emissions in the exhaust gas after incineration. This effectively enables the complete harmless treatment of HFC-23. The high-temperature incineration technology used in the project has been included in the National Catalogue of Key Low-Carbon Technologies for Promotion. Through its integrated practices in green and low-carbon manufacturing and intelligent production, Quhua Fluorine Chemistry Company was recognized as a "Zhejiang Provincial Green and Low-Carbon Factory" in 2025.

During the reporting period, the HFC-23 destruction efficiency remained above 99.99%, and the project achieved 45.85 million tonnes of CO<sub>2</sub>-equivalent emissions reductions, equivalent to the amount of carbon dioxide absorbed by approximately 50 million cubic meters of growing forest biomass.

Through continuous implementation of the HFC-23 decomposition initiative, the Company has effectively fulfilled its obligations under the Montreal Protocol and related international environmental agreements. In September 2025, the Ministry of Ecology and Environment hosted the International Scientific Symposium on HFC-23 Emission Control, during which experts and scholars from the United Nations and leading research institutions visited the Company's production facilities and environmental protection infrastructure. The delegation reviewed the Company's progress in international compliance and conducted in-depth technical exchanges.



Case | Conduct Product Carbon Footprint Certification to Address Emerging Green Trade Regulations



The Company actively responds to the global transition toward a low-carbon economy and the evolving landscape of green trade regulations. Focusing on key export products and critical business units, the Company has systematically conducted life-cycle carbon emissions accounting to quantify product carbon footprints, continuously refining data boundaries, calculation methodologies, and management processes to enhance the accuracy and comparability of carbon emission information. By the end of the reporting period, the Company has completed carbon footprint certification for 12 products.



Impact, Risk and Opportunity Management

Juhua Corporation incorporates climate-related impacts, risks and opportunities into its enterprise risk management system, ensuring that climate factors are systematically embedded in strategic planning, operational management and investment decision-making processes.

The Company conducts a comprehensive assessment of climate-related risks and opportunities in relation to its strategy, value chain, and financial position. Leveraging management processes that cover the identification, assessment, prioritization, response, and monitoring of sustainability impacts, risks, and opportunities, the Company develops a climate risk register and formulates corresponding mitigation strategies and management plans. It continuously monitors and evaluates the effectiveness of climate risk management, employing a combination of qualitative and quantitative approaches to identify climate-related risks and opportunities.

Identification

The ESG Working Group regularly reviews external information sources, including policies and regulations related to climate change and low-carbon transition, research reports, industry white papers, and meteorological data, to comprehensively identify transition and physical risks relevant to the Company's business. Climate-related opportunities are also incorporated, forming a consolidated risk and opportunity inventory.



Assessment

Based on the likelihood of occurrence and the magnitude of potential impact, the Company establishes an assessment indicator system and applies a risk scoring methodology to classify identified risks and opportunities into high, medium and low levels. A prioritized list is then developed to identify key focus areas, providing a basis for the formulation of subsequent management strategies.



Monitoring

The Company establishes a dynamic monitoring mechanism to track updates in policies and regulations, technological developments, and physical risk indicators, while integrating real-time operational data in a timely manner and regularly reviewing progress against emissions reduction targets.



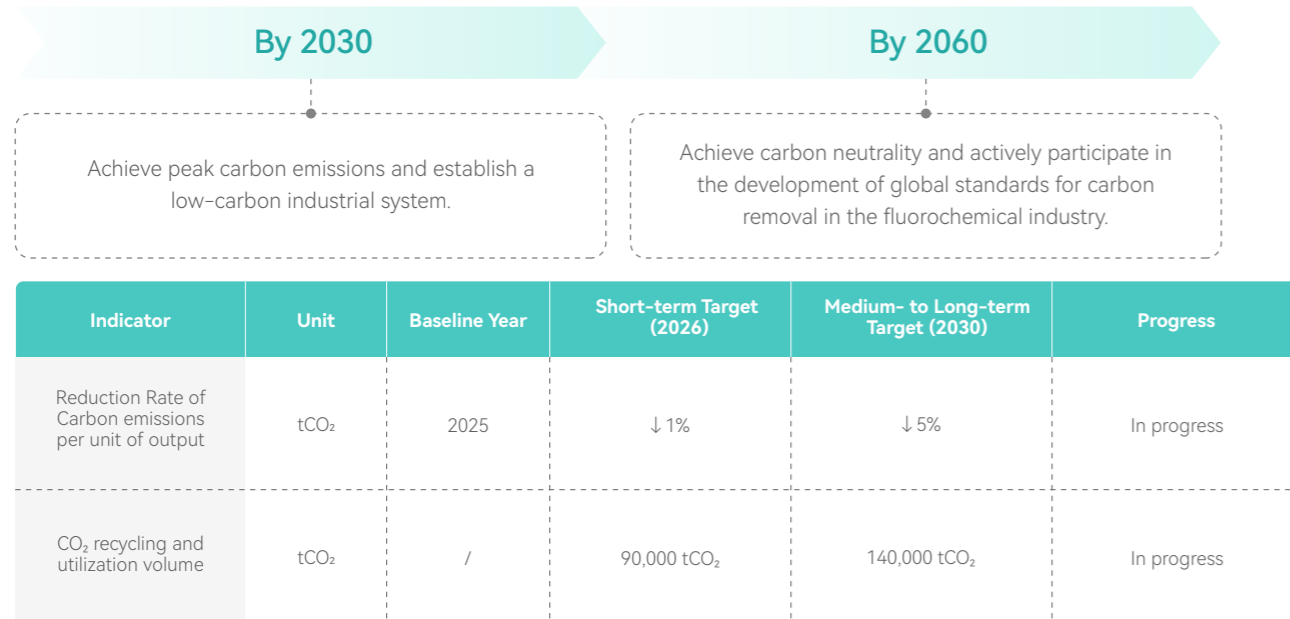
Management

The Company formulates phased emissions reduction plans (including energy efficiency improvements and process optimization), incorporates climate-related targets into executive performance evaluation, and actively explores collaboration on low-carbon technologies. The Company also regularly discloses its governance structure, risk mitigation measures, and progress in translating climate-related opportunities into business outcomes.



## Metrics and Targets

Juhua Corporation systematically implements environmental, health and safety, and corporate social responsibility practices, driving the Company's sustainable development through transformative actions and setting the following targets:



The Company strictly complies with the requirements set out in relevant regulatory documents, including the Notice on Strengthening Greenhouse Gas Emissions Reporting and Verification for Enterprises in Key Industries (2023–2025) (Huanban Climate Letter [2023] No. 332) and the Notice on Promoting Greenhouse Gas Emissions Information Disclosure for Enterprises and Public Institutions in Zhejiang Province (Zhe Fa Gai Huan [2018] No. 90). In accordance with the Guidelines for Accounting and Reporting of Greenhouse Gas Emissions for Chemical Production Enterprises (Trial), the Company conducts annual greenhouse gas emissions accounting and verification. Key subsidiaries classified as major emitters are subject to annual verification by independent third-party institutions commissioned by government authorities, ensuring the accuracy and reliability of emissions data.

The greenhouse gas emissions of Juhua Corporation are presented as follow <sup>1</sup>:

Indicator	Unit	2025	2024	2023
Total greenhouse gas emissions	tCO <sub>2</sub>	6,137,996.35	6,643,649.67	6,196,018.09
Greenhouse gas emissions intensity	tCO <sub>2</sub> /RMB million revenue	227.40	271.59	299.98
Scope 1 greenhouse gas emissions	tCO <sub>2</sub>	3,095,471.09	3,341,540.96	3,046,771.08
Scope 2 greenhouse gas emissions	tCO <sub>2</sub>	3,042,387.80	3,302,108.70	3,149,247.00
Scope 3 greenhouse gas emissions <sup>2</sup>	tCO <sub>2</sub>	137.46	/	/
CO <sub>2</sub> recycling and utilization volume	tCO <sub>2</sub>	145,124.00	129,986.00	108,604.84
Clean electricity purchased via green certificates	kWh	410,000,000	531,120,000	16,992,000



<sup>1</sup> The greenhouse gas emission data disclosed in this report cover both above-scale and below-scale enterprises, consistent with the Company's financial consolidation scope. Due to changes in the statistical scope, historical data have been retrospectively updated.

<sup>2</sup> Scope 3 greenhouse gas emissions reported in this report include employee commuting emissions at the Company's headquarters. The statistical scope will gradually expand to cover more categories and a more comprehensive range.

United Nations Sustainable Development Goals (SDGs) Addressed in This Chapter:



# 02 PART

## Strengthening Governance to Safeguard Sustainable Development



Highly Material Issues Addressed in This Chapter:

Juhua Corporation adheres to the principle of high-quality development driven by robust governance, continuously optimizing its governance structure, strengthening risk management, and promoting the systematic integration of ESG principles into corporate strategy and operations. The Company is committed to building a transparent, efficient and accountable modern governance system. By improving decision-making mechanisms, enhancing supervisory systems and strengthening compliance management, the Company continuously improves governance effectiveness and creates long-term sustainable value for shareholders, customers, employees and society.

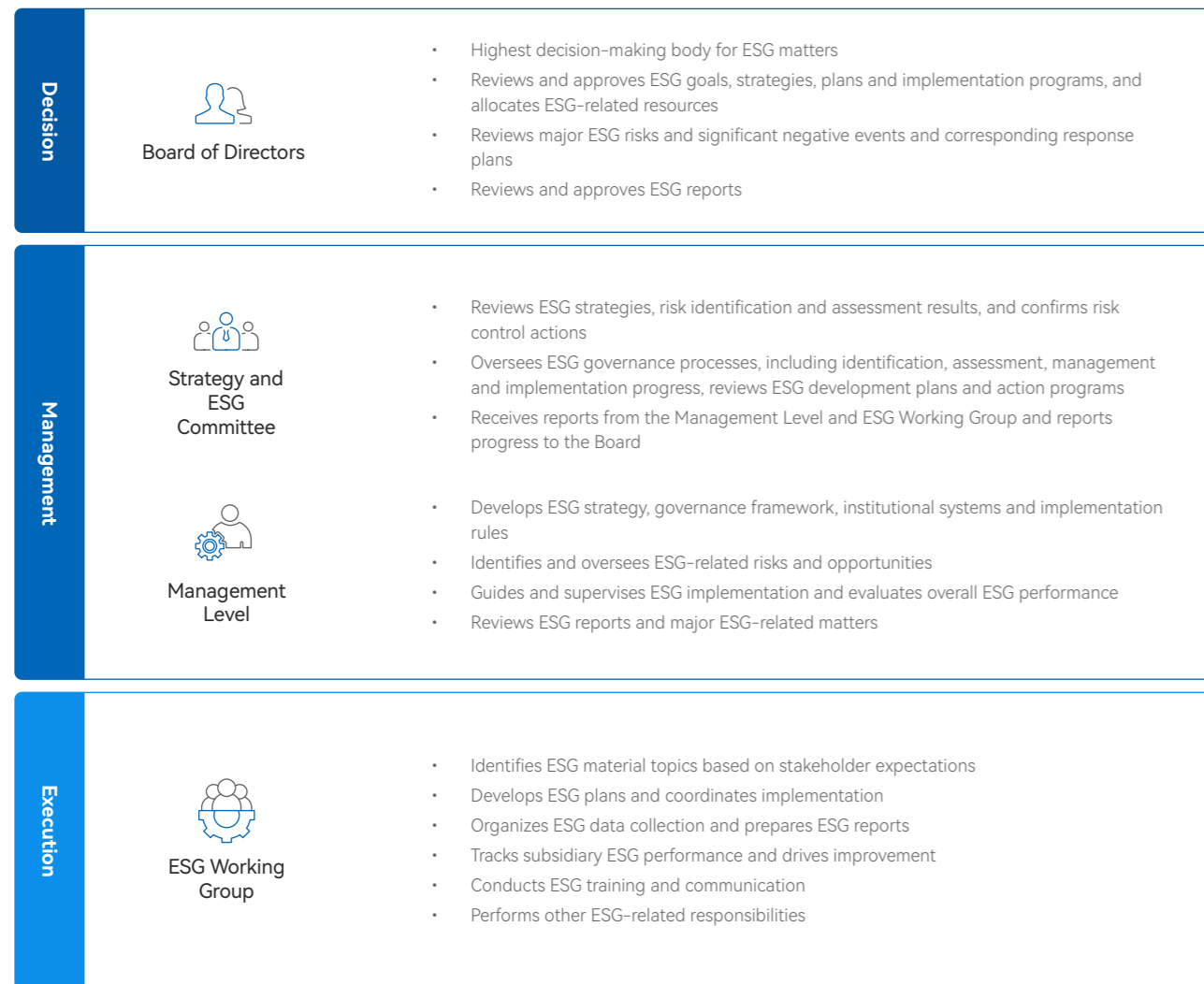
- Sustainable Development Governance
- Corporate Governance
- Anti-Bribery and Anti-Corruption
- Fair Competition and Anti-Unfair Practices
- Data Security and Customer Privacy Protection
- Risk Management and Internal Control
- Due Diligence
- Stakeholder Engagement

## ESG Governance

Juhua Corporation adheres to the concept of sustainable development and continuously improves its governance system in alignment with its development stage and strategic objectives. The Company has established an ESG strategic framework suited to its business characteristics and embedded ESG management requirements throughout all aspects of its operations. The Company promotes stable operations, fulfills social responsibilities systematically, and continuously enhances governance standards to advance the coordinated achievement of sustainable development goals.

### Governance

To systematically advance ESG work and improve disclosure quality, the Company has established a three-tier ESG governance structure of “decision – management – execution.” This framework ensures a clear and efficient governance loop through strategic decision-making at the Board level, review and oversight by the Strategy and ESG Committee, coordination and management by the Management Level and implementation by the ESG Working Group. During the reporting period, the Company revised the ESG Information Disclosure Management Measures and the Social Responsibility System (2025 Revision), further strengthening internal ESG governance mechanisms. The Company conducted 2 ESG-themed training sessions to promote the systematic integration of sustainability principles into corporate governance.



## Strategy

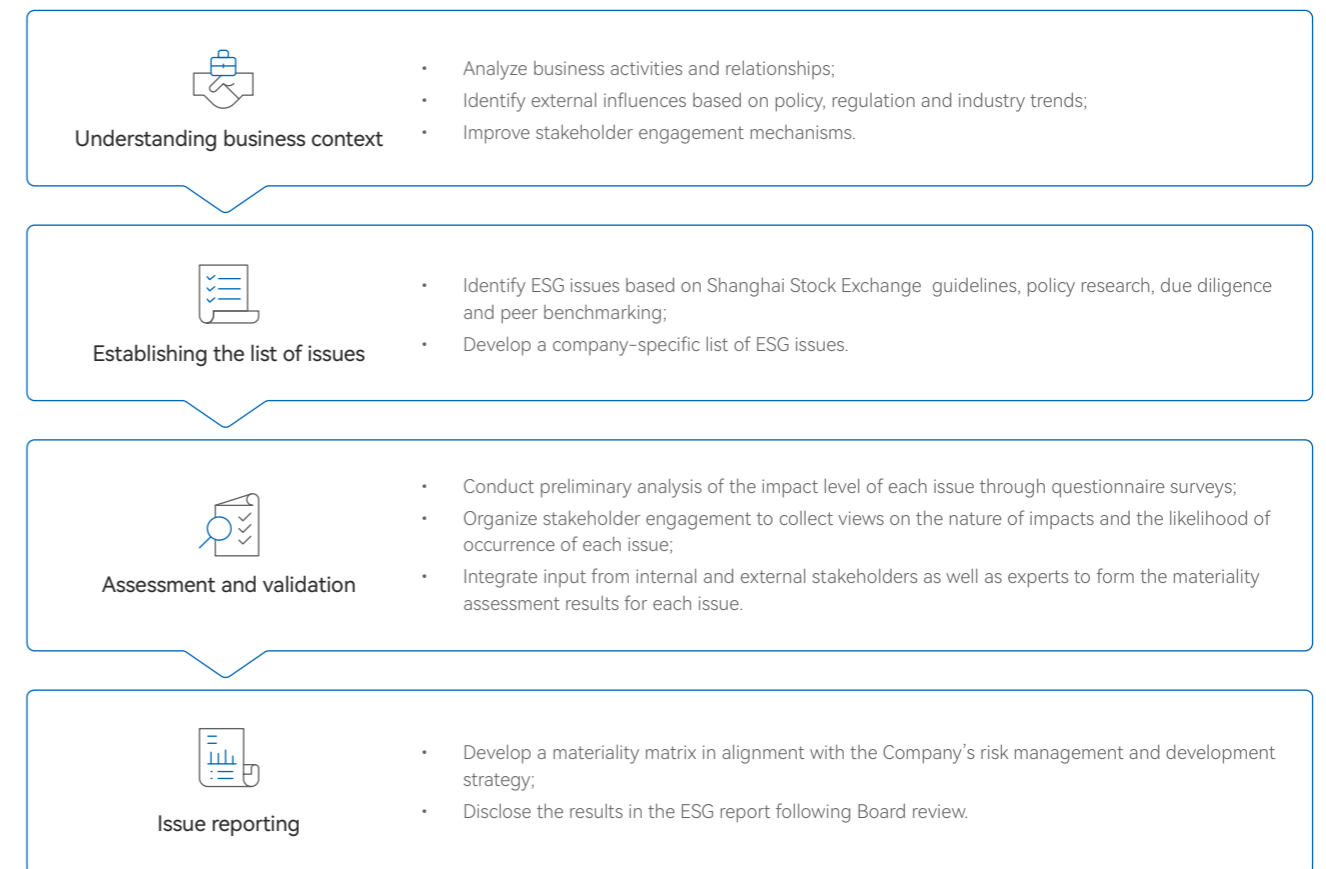
Juhua Corporation deeply recognizes sustainable development as a defining theme of the current era. Guided by the strategy of “Digital-Intelligent Transformation, Green Development, and New Juhua Journey”, the Company has established a comprehensive sustainability organizational system and management mechanism. The Company integrates sustainability into governance and operations, continuously advancing the implementation of its sustainability strategy.

The Company focuses on green technology fields such as new materials, environmental protection, new energy and new applications, actively aligning with the “Dual Carbon” goals and accelerates its transition toward green and low-carbon development. Leveraging its strengths in new materials, the Company enhances synergies in the new energy sector, optimizes the application of high-performance fluoropolymers and green products, and promotes industrial upgrading toward high-end and low-carbon development. At the same time, the Company actively responds to domestic and international sustainability initiatives and collaborates with value chain partners to strengthen the foundation for sustainable development and enhance the global influence of Chinese enterprises.

## Double Materiality Assessment

The implementation of ESG materiality management is a key foundation for advancing ESG strategy, identifying risks and opportunities, and improving disclosure quality. To further clarify management priorities and enable dynamic optimization, during the reporting period, the Company conducted a double materiality assessment, evaluating ESG topics from both financial materiality and impact materiality based on its business characteristics and industry trends, and incorporating stakeholder feedback.

### >> Materiality Assessment Process <<



During the reporting period, Juhua Corporation identified a total of 27 ESG issues. Among them, 8 issues are of double materiality, 9 issues are financially material only, 7 issues are impact material only, and 3 issues are neither financially nor impact materially significant.<sup>3</sup>

>> Materiality Matrix of Juhua Corporation <<



## Stakeholder Engagement

Juhua Corporation is committed to building long-term relationships of mutual trust and mutual benefit with its stakeholders. Guided by the objective of co-creating value and achieving win-win outcomes, the Company continuously expands and deepens its sustainable cooperation ecosystem. The Company has established a systematic stakeholder communication mechanism, maintaining open and timely dialogue with both internal and external stakeholders. Through these engagements, the Company gains a comprehensive understanding of stakeholder expectations and responds proactively through concrete actions.

During the reporting period, the Company held 4 performance briefings, organized 3 large-scale investor open-day events, received over 300 investor site visits, responded to 125 investor inquiries via the SSE E-interaction platform and participated in 40 institutional investor conference calls.

<sup>3</sup> Juhua Corporation's business operations currently do not involve matters related to technology ethics.

Stakeholder	Expectations	Communication Channels
 Government & Regulators	Compliance with laws and regulations Tax compliance Employment generation Environmental protection Contribution to local economic development	Stock exchange meetings Government reporting Government inspections and site visits Platform-based disclosures
 Shareholders & Investors	Corporate governance Financial performance Risk management and compliance Non-financial information disclosure Investor feedback	Platform-based disclosures Investor meetings and site visits SSE E-interaction platform General meetings of shareholders Company announcements
 Communities	Social contribution Environmental impact Harmonious community development	Visits and reception Environmental information disclosure Official social media (WeChat) communication Public welfare activities
 Suppliers & Partners	Communication and cooperation Business ethics Transparent procurement Supply chain management	On-site visits and cooperation Procurement platforms Supplier management training
 Customers	Product quality High-quality service R&D and innovation	Customer complaint platforms Satisfaction surveys After-sales service Telephone follow-ups
 Employees	Occupational health and safety Talent development and training Employee rights and benefits Diversity and equality	Employee satisfaction surveys Internal and external training Employee representative congress Labor union
 Media	Climate change response Green products Social contribution	Public welfare activities Media coverage

## Corporate Governance

### Institutional System

Juhua Corporation strictly complies with the requirements of relevant laws, regulations and normative documents, including the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, and the Law of the People's Republic of China on State-owned Assets of Enterprises. The Company has established a governance structure consisting of the General Meeting of Shareholders, the Board of Directors and its specialized committees, and continuously optimizes its organizational structure, clarifies the division of responsibilities, and enhances the performance of governance bodies, thereby ensuring a balanced protection of the interests of all stakeholders.

During the reporting period, the Company further optimized its governance structure by completing the abolition of the Board of Supervisors and the transfer of its functions to the Audit Committee. At the same time, the Company revised 13 internal policies, including the Articles of Association, to further strengthen supervisory effectiveness, improve the governance system, and reinforce accountability and the protection of shareholders' rights and interests.

#### >> Governance Structure of Juhua Corporation <<



### Performance and Composition of Governance Bodies

#### >> Performance of Governance Bodies of Juhua Corporation in 2025 <<

General Meeting of Shareholders	Standardized Operations	<ul style="list-style-type: none"> <li>As the highest authority of the Company, the General Meeting of Shareholders is convened and conducted in strict accordance with the Rules of Procedure for the General Meeting of Shareholders and other relevant regulations. For matters involving the interests of minority shareholders, the Company adopts a separate vote-counting mechanism and discloses voting results in a timely manner, ensuring that all shareholders—especially minority shareholders—can exercise their rights in a fair and transparent environment in accordance with the law.</li> <li>During the reporting period, the Company convened 3 General Meetings of Shareholders, and a total of 15 resolutions were reviewed and approved.</li> </ul>
	Effectiveness of Election Procedures	<ul style="list-style-type: none"> <li>The nomination and election of Board members are conducted in strict compliance with the requirements of the Company Law of the People's Republic of China, Shanghai Stock Exchange Listing Rules, Articles of Association. Directors are elected and replaced by the General Meeting of Shareholders, with each term not exceeding three years, and re-election is permitted upon expiration of the term.</li> <li>Members of the Board possess professional backgrounds, practical experience and professional competencies appropriate to their duties, and meet all qualification requirements. During the reporting period, no Director was subject to administrative penalties imposed by the China Securities Regulatory Commission (CSRC) or other regulatory authorities, disciplinary sanctions imposed by stock exchanges, disqualification under the Company Law or designation as a market entry ban recipient.</li> </ul>

Board of Directors	Effectiveness of Performance	<ul style="list-style-type: none"> <li>The Board of Directors serves as the standing decision-making body for the Company's operations and is accountable to the General Meeting of Shareholders. The Board has established four specialized committees, each with clearly defined responsibilities and effective coordination mechanisms, ensuring standardized and efficient corporate governance.</li> <li>The Company has formulated the Rules of Procedure for the Board of Directors, which regulate the performance of duties by Directors and enhance compliance, standardization and scientific decision-making.</li> <li>The Company continuously improves its Director performance evaluation mechanism, conducting regular assessments and comprehensive reviews of Directors' performance. The Board of Directors, independent Directors and all specialized committees perform their duties strictly in accordance with applicable laws and regulations, the Articles of Association, internal governance rules.</li> <li>During the reporting period: The Board of Directors held 9 meetings; a total of 40 proposals and reports were reviewed or heard; the average attendance rate of Directors was 100%; the specialized committees also held 9 meetings, reviewing or hearing 40 proposals and reports.</li> </ul>
	Board Diversity and Professional Composition	<ul style="list-style-type: none"> <li>In the nomination and selection of Directors, the Company comprehensively considers multiple factors, including gender, age, ethnicity, educational background, professional experience, skill sets, tenure. This ensures that the Board maintains appropriate diversity in knowledge structure, experience background and decision-making perspectives.</li> <li>As of the end of the reporting period, the Board consists of 12 Directors, members possess expertise in finance, risk management and industry-related fields. The Board includes 1 employee Director and 4 independent Directors.</li> </ul>

#### >> Board Composition and Appointment Details <<

Name	Independent Director or not	Position	Gender	Age	Years of Service	Professional Background		
						Industry Experience	Risk Management	Finance & Accounting
Zhou Liyang	No	Chairman	Male	57	4	√		
Li Jun	No	Vice Chairman	Male	59	4	√		
Tong Jihong	No	Director	Male	57	9	√		
Tang Shunliang	No	Director	Male	49	3			√
Han Jinming	No	Director	Male	48	6	√		
Wang Xiaoming	No	Director	Male	53	9			√
Liu Yunhua	No	Director	Male	55	9		√	
Gong Liyan	No	Employee Director	Female	48	0		√	
Wang Yutao	Yes	Independent Director	Male	48	3			√
Lu Guihua	Yes	Independent Director	Male	57	3			√
Zhang Zixue	Yes	Independent Director	Male	57	6		√	
Liu Li	Yes	Independent Director	Male	46	6		√	

## Performance and Remuneration

The Company incorporates ESG-related issues—such as sustainable development governance, corporate governance, innovation-driven development and workplace safety—into the performance evaluation system for management. Remuneration is determined based on assessment results, thereby promoting the effective implementation of the Company’s sustainability strategy.

ESG Topic	Performance Indicator	Weight
Sustainable development governance	ESG information disclosure compliance	Failure to meet targets results in corresponding deduction of performance bonuses
Corporate governance	Reform tasks	Scored based on task completion results (up to +10 points)
Innovation-driven development	R&D investment and intensity	20 points awarded upon achievement; no points if unmet
	Technology innovation tasks	Scored based on task completion results (up to +20 points)
Workplace safety	Performance in major safety responsibility events and “risk prevention and safety assurance” work	Baseline indicator: if breached, overall performance score is reduced by 10%

During the reporting period, the Company continuously improved its performance evaluation mechanism by incorporating sustainability performance indicators into the remuneration structure of Directors, Supervisors and senior management. This ensures a clear linkage between compensation incentives and sustainability objectives. The evaluation covers key sustainability topics. Annual performance assessments are conducted for Directors, Supervisors and senior management in accordance with relevant requirements, and year-end performance-based remuneration is determined accordingly.

### >> Remuneration of Senior Management in 2025 (Unit: RMB 10,000) <<

Name	Position	Total Pre-tax Remuneration Received from the Company (Including Fixed and Variable Pay)	Period of Remuneration
Han Jinming	General Manager	72.72	Full Year
Zheng Jilin	Deputy General Manager	68.99	Full Year
Han Jianxun	Deputy General Manager	60.63	Full Year
Hu Xiaowen	Deputy General Manager	62.75	Full Year
Wang Xiaoming	Chief Financial Officer	60.32	Full Year
Liu Yunhua	Board Secretary	60.32	Full Year
Hong Jiangyong	Deputy General Manager	90.46	Full Year
Zhou Qiang	Deputy General Manager	89.82	Full Year
Note	Variable remuneration is determined based on the achievement of assessment indicators set at the beginning of the year. During the reporting period, senior management completed the targets set at the beginning of the year.		

## Information Disclosure

The Company strictly complies with relevant laws and regulations, including the Administrative Measures for Information Disclosure of Listed Companies and the Shanghai Stock Exchange Listing Rules, as well as internal policies such as the Articles of Association and the Information Disclosure Management Measures, to fulfill its information disclosure obligations in accordance with the law and continuously improve the quality, transparency and effectiveness of its disclosures.

The Company further enhances voluntary disclosures by enriching the content and formats of disclosures, improving the completeness and readability of non-financial information in periodic reports, and strengthening the relevance and effectiveness of ad hoc announcements. These efforts enable investors to gain a comprehensive and accurate understanding of the Company’s operating performance, value creation logic and development prospects.

The Company has received an “A” rating (the highest rating) from the Shanghai Stock Exchange for 11 consecutive years in information disclosure. During the reporting period, 4 periodic reports were disclosed as well as 111 interim announcements and online disclosure documents were published.

## Business Ethics

### Anti-Bribery and Anti-Corruption

#### Governance

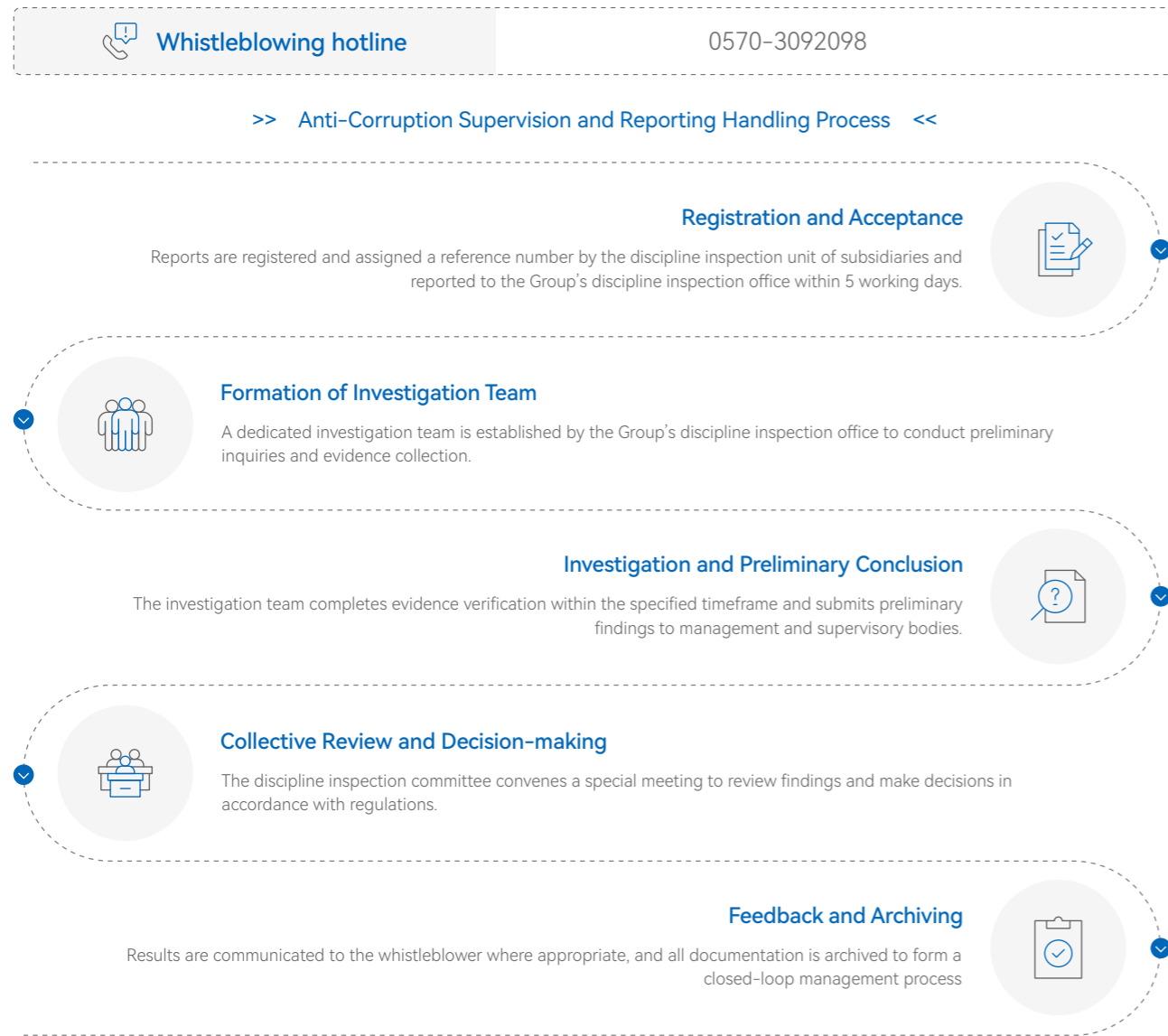
The Company strictly complies with relevant laws and regulations, including the Anti-Money Laundering Law of the People’s Republic of China and the Anti-Unfair Competition Law of the People’s Republic of China, and has established and continuously improved its business ethics management system as well as strengthened governance mechanisms related to anti-bribery and anti-corruption.

Key Policies Include	Implementation Rules for Board Specialized Committees
	Internal Audit Management Measures
	Internal Control Evaluation Management Measures
	Internal Audit Management Measures
	Employee Reward and Discipline Management Measures
	Anti-Fraud and Whistleblowing Management Measures
	Party Discipline and Conduct Supervision Management Measures

The Audit Committee, under the leadership of the Board of Directors, performs supervisory duties. Through its audit working group, it oversees the operation of key mechanisms such as anti-bribery and anti-corruption, whistleblowing and complaint handling, internal accountability, and reports directly to the Board of Directors, ensuring the independence and authority of audit and supervisory functions.

Audit Committee	Audit Working Group
Fully responsible for overseeing matters related to business ethics and anti-corruption, the Committee convenes regular meetings to formulate and implement relevant policies and initiatives. It organizes internal self-assessments, conducts internal investigations or engages independent third-party institutions where necessary, and promotes the establishment, improvement and rigorous enforcement of internal accountability mechanisms.	Responsible for leading and coordinating cross-departmental efforts on anti-corruption, prevention of financial fraud, integrity governance, and response to major public opinion risks, and for regularly reporting on the progress of business ethics management to the Audit Committee.

The Company has established a normalized whistleblowing mechanism, providing multiple reporting channels—including telephone, email and WeChat—for both internal employees and external stakeholders. The scope of reporting includes corruption and bribery, fraud, misconduct in duty performance, other behaviors that negatively affect business operations. All reports are handled promptly, and investigations are conducted in accordance with laws and regulations to ensure integrity and fairness in operations.



## Whistleblower Protection

The Company has established the Anti-Fraud and Whistleblowing Management Measures, which define reporting procedures and protection mechanisms. The Company encourages employees, suppliers and service providers to report misconduct through formal channels. The Company strictly protects the confidentiality of whistleblowers and provides appropriate incentives to individuals who make valid contributions.

## Supplier Integrity Management

The Company implements systematic integrity and compliance management for its business partners. All suppliers and customers participating in quotation and bidding through the digital procurement platform are required to sign an Integrity Commitment Letter. These requirements are further extended to all suppliers, service providers and contractors, with whom the Company signs Integrity Agreements that include provisions on ethical business conduct and anti-bribery. As of the end of the reporting period, the coverage rate of supplier integrity agreements reached 100%.

In terms of anti-corruption governance within the supply chain, the Company continuously conducts supplier anti-corruption training and communication and regularly organizes business ethics training and anti-fraud awareness sessions. Suppliers are explicitly required to establish and implement internal anti-bribery and anti-corruption policies, and to carry out regular ethics training covering all employees. The Company reserves the right to review suppliers' anti-corruption management systems and to introduce independent third-party assessments where necessary.

During the reporting period, the Company conducted a total of 5 supplier integrity training sessions.

## Business Ethics Training

Juhua Corporation has established a comprehensive business ethics training system, requiring Directors, Supervisors, senior management and all employees to complete annual training on business ethics and anti-corruption.

During the reporting period, anti-bribery and anti-corruption training covered 9,093 employees, including 583 management personnel and 12 Directors, achieving a 100% employee training coverage rate.

Key initiatives in business ethics development during the reporting period included:

- organizing 2 special training sessions on Party discipline and anti-corruption for members of the Party and management leadership teams, as well as secretaries and deputy secretaries of Party branches and relevant responsible personnel;
- organizing newly appointed junior managers to watch integrity education case videos, conduct integrity assessments, and sign the Position Integrity Commitment Letter;
- conducting company-wide business ethics training, organizing employees to sign integrity commitment letters, and collectively watch warning and education videos, thereby continuously strengthening integrity awareness and professional ethics.

### Case | Conference on Party Discipline and Anti-Corruption Work and Warning Education Training



On 21 April 2025, Juhua Corporation convened a Conference on Party Discipline and Anti-Corruption Work, along with a Warning Education Training Session. Attendees included members of the Company's Party and management leadership team, secretaries and deputy secretaries of Party branches, heads of major departments, and representatives of Party discipline and conduct supervisors. The meeting reviewed the work carried out in the previous year, outlined key priorities for the current year, and conducted warning education training. It aimed to provide a strong disciplinary safeguard for the Company's efforts to build a world-class, leading and exemplary enterprise.



## Fair Competition and Anti-Unfair Practices

The Company explicitly prohibits any conduct that harms national interests or infringes upon the legitimate rights and interests of other market participants or consumers. It strictly prevents the abuse of market position to impose unfair trading terms and actively safeguards the lawful rights and interests of all stakeholders in the market. During the reporting period, the Company was not involved in any litigation or subject to any major administrative penalties arising from unfair competition practices.

The Company continuously improves its intellectual property (IP) management system, with coordinated responsibilities shared among the Production and Operations Department, the Marketing Department, and the Investment and Development Department. These departments jointly manage IP-related matters, including application and registration, protection and enforcement, utilization and licensing, anti-infringement, anti-counterfeiting and anti-unfair competition. The Company firmly opposes infringement activities such as counterfeiting and piracy. All matters related to the acquisition, use, transfer and licensing of intellectual property strictly comply with applicable laws, regulations and industry standards. For infringement cases, the Company actively safeguards its rights in accordance with the law. When authorizing third parties to use its intellectual property, the Company strictly follows contractual and compliance procedures to ensure legality and compliance.

### Case | Upholding Responsibility to Safeguard Industry Integrity



The Company continues to promote anti-counterfeiting initiatives for its "Juhua" brand refrigerants.

As of the end of the reporting period, 17 counterfeit production and sales sites were investigated and penalized by market supervision authorities at provincial and municipal levels, more than 10 civil trademark infringement lawsuits were filed, criminal cases were involved. These actions have effectively deterred illegal and infringing business activities. At the same time, the Company has implemented multiple measures, including reward-based whistleblowing mechanisms, establishment of anti-counterfeiting platforms, upgrading anti-counterfeiting traceability systems. The Company has established a "one product, one code" brand management system, which allows consumers to verify product authenticity conveniently. These efforts contribute to continuously purifying the market environment and enhancing brand credibility and recognition.

As of the end of the reporting period, Quhua Fluorine Chemistry Company, Jusu Chemicals Company, Jusheng Fluorine Chemicals Company, Technology Center Company, Ningbo Juhua Chemical Company have obtained certification under the GB/T 29490-2013 Intellectual Property Management System.

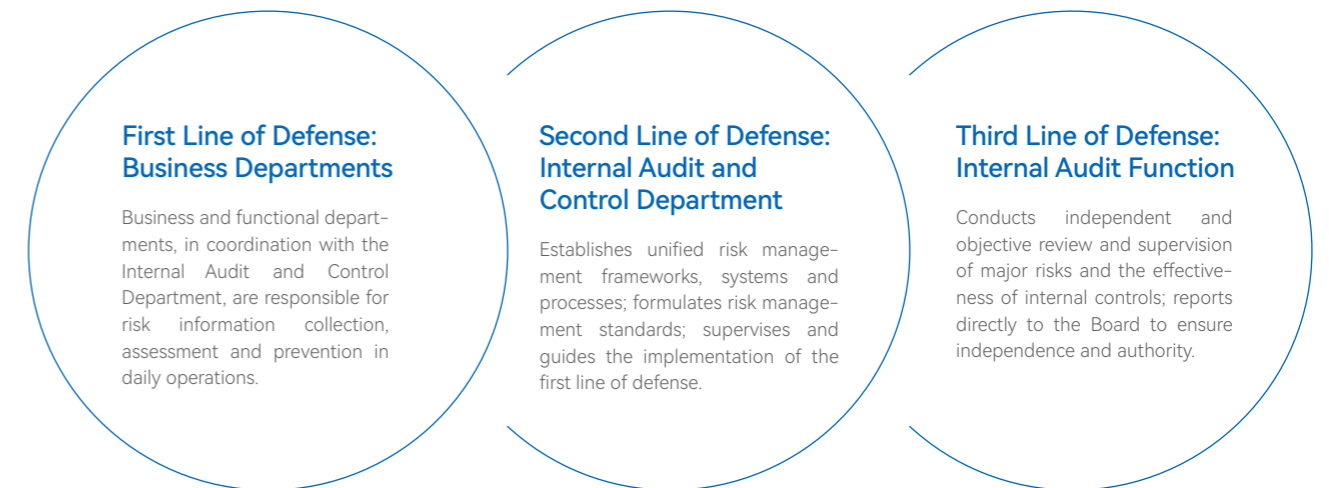


## Risk Prevention and Control

### Risk Management

The Company places great importance on the development of its risk management and internal control system and continuously improves a risk management framework aligned with its strategic development and operational objectives. The Board of Directors, as the leadership and decision-making body for risk management and internal control, oversees the overall development of the system. Under the governance framework of the Board, the Company has established a risk governance structure centered on the "Three Lines of Defense" model, clearly defining risk management responsibilities across all levels and departments.

#### >> Risk Governance Structure – Three Lines of Defense <<



The Company implements closed-loop risk management across the entire process of risk identification, risk assessment, risk response, continuous improvement and conducts regular re-assessments to continuously optimize risk management strategies.



## Tax Risk Management

To strengthen tax risk prevention and standardize tax-related business management, the Company has formulated and strictly implemented the Tax Risk Management Measures.

A dedicated tax management position has been established, responsible for daily tax management and tax declaration. This department operates in coordination with the tax payable group of the shared service center, forming a vertical management model of "headquarters coordination + shared service support + unit-level execution".

The Company has established a coordinated supervision mechanism combining internal and external oversight, including internal control reviews, evaluations by external audit institutions and independent verification by professional tax advisory firms. This ensures full compliance in tax-related matters. In addition, the Company has proactively entered into a Tax Compliance Cooperation Agreement with tax authorities, promoting mutual trust and transparency between the enterprise and regulators.

## Internal Control

The Company has established an internal control system covering 5 key elements, including control environment, risk assessment, control activities, information and communication and monitoring. This system provides safeguards for asset security, operational efficiency and compliant business practices. The Internal Audit and Control Department, based on the Company's strategic objectives, annual operating plans and regulatory requirements, organizes the preparation of the annual internal control self-assessment report, which is reviewed and confirmed by independent audit institutions.

Key Internal Control Activities During the Reporting Period:

- > Communicated with the Board of Directors and the Audit Committee regarding audit plans and implementation, maintained complete records, and participated in the review of periodic reports.
- > Conducted internal control self-assessments, evaluated internal control systems of subsidiaries, reviewed the implementation of nearly 300 internal policies, and implemented corrective actions as required, submitting working papers to external auditors.
- > Performed system effectiveness evaluations and completed the revision and update of over 400 internal policies across the Company.
- > Conducted special audits covering headquarters and all wholly owned and controlled subsidiaries, focusing on key areas such as sales and procurement, contract management, asset management, related-party transactions as well as high-risk processes.
- > Organized special inspections on contract management, conducted post-investment evaluations of equity-participating companies, and carried out a special audit on forward foreign exchange transactions for 2024.

Case | "Top 30 Listed Companies in Zhejiang Province for Internal Control" ranking for 9 consecutive years.

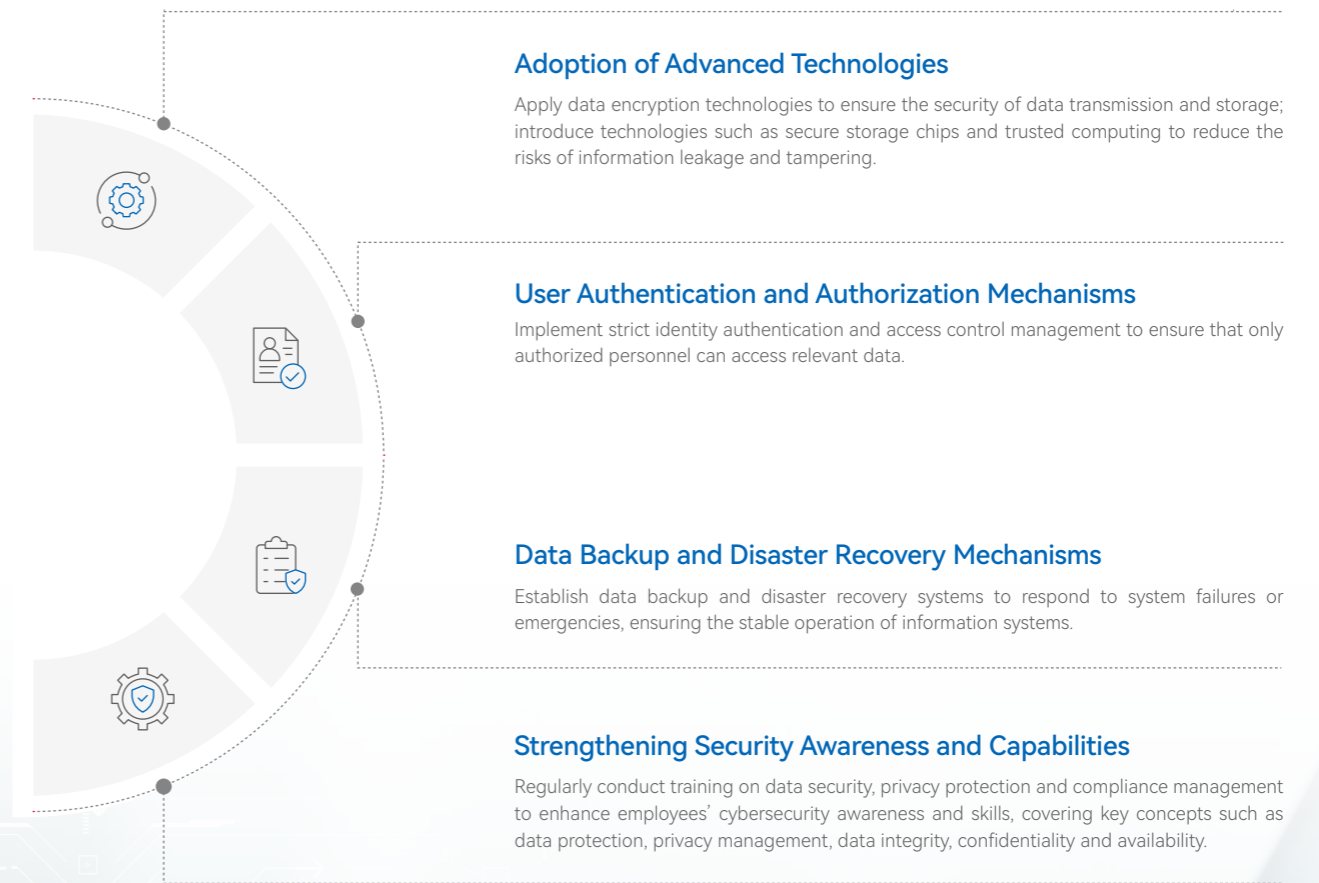


601018 宁波港	002001 新和成	600704 物产中大	600023 浙能电力	601877 正泰电器
000411 英特集团	002032 苏泊尔	688475 壹石粉	002050 三花智控	002472 双环传动
002430 杭氧股份	600120 浙江东方	600160 巨化股份	601689 拓普集团	600572 康恩贝
300316 晶盛机电	603195 公牛集团	002236 大华股份	002508 老板电器	603071 物产环能
688777 中控技术	300347 泰格医药	603337 杰赛科技	600126 杭钢股份	600176 中国巨石
601865 福莱特	000156 华数传媒	600460 士兰微	002372 伟星新材	603338 浙江鼎力

## Information Security

Juhua Corporation places great importance on corporate and personal information security and privacy protection. The Company strictly complies with relevant laws and regulations, including the Cybersecurity Law of the People's Republic of China and Data Security Law of the People's Republic of China. The Company has established an information security and privacy protection management system covering the entire business process, based on internal policies such as Information Security Management Regulations and Information Technology Management Measures and aligned with industry best practices. The General Management Department is responsible for coordinating cybersecurity-related work, while subsidiaries establish supporting systems and dedicated teams to ensure effective implementation.

The Company implements multi-layered security protection mechanisms in daily operations to ensure the security of data throughout its lifecycle.



The Company has established a multi-level protection mechanism through institutional development, training programs and contractual constraints. By clearly defining employees' confidentiality responsibilities and behavioral standards, and regularly conducting information security training, the Company enhances all staff's awareness of information protection. At the same time, it strictly fulfills its obligations to maintain the confidentiality of business information, effectively safeguarding sensitive data.

During the reporting period, the Company did not experience any data security incidents or customer privacy breaches.

United Nations Sustainable Development Goals (SDGs) Addressed in This Chapter:



# 03

## PART

### Protecting the Environment and Advancing Green Transformation



Highly Material Issues Addressed in This Chapter:

Juhua Corporation consistently upholds its mission of “Green Chemistry for a Better Life”, and systematically integrates the concept of green development into its strategic planning and the entire production and operational lifecycle. The Company continuously improves its environmental management system, embeds ESG governance requirements into operational management and decision-making processes, and comprehensively advances cleaner production, energy conservation and carbon reduction, as well as resource recycling and reuse. Through these efforts, the Company strives to continuously reduce its environmental footprint and promote high-quality development characterized by harmony between humanity and nature.

- Waste Management
- Pollutant Emissions
- Circular Economy
- Clean Technology Opportunities
- Environmental Compliance Management
- Energy Utilization
- Water Resource Management
- Ecosystem and Biodiversity Protection

## Environmental Compliance Management

To ensure the effective operation of its environmental management system, Juhua Corporation has established a three-tier governance structure with clear responsibilities and vertical integration, consisting of the General Manager, the Environmental Protection Committee, and the ESG Working Group. The General Manager, as the primary person responsible for environmental protection, oversees environmental management in a comprehensive manner. The Environmental Protection Committee performs supervisory functions, including setting management objectives, reviewing implementation plans, and making environmental decisions on key projects. The ESG Working Group, in coordination with the Health, Safety and Environment (HSE) Department, is responsible for the planning, organization and implementation of specific environmental management measures.

Guided by the principle of “coordinated carbon reduction and pollution control with efficiency enhancement”, Juhua Corporation systematically advances pollution prevention and control initiatives and continuously improves its environmental management system. The Company strictly complies with applicable laws, regulations and standards, including the Environmental Protection Law of the People’s Republic of China, the Environmental Impact Assessment Law of the People’s Republic of China, the Regulation on the Administration of Environmental Protection for Construction Projects. In addition, the Company has established and continuously updated 20 internal environmental management policies, covering areas such as environmental protection management, pollutant discharge permits, the “three simultaneous” system for construction projects (design, construction and operation of environmental facilities), water and air pollution prevention and control, and overhaul and accident management. These measures ensure that environmental management requirements are fully covered and effectively implemented.

As of the end of the reporting period, 18 subsidiaries with stable operations and active production have obtained ISO 14001 Environmental Management System certification. Other newly established or under-construction bases are also advancing system development in alignment with ISO 14001 standards.

The Company actively implements cleaner production requirements. All subsidiaries conduct rolling cleaner production audits every three years. During the reporting period, the Electrochemical Plant, Jusu Chemicals Company, and Lanxi Fluorine Chemicals Company completed cleaner production audits organized by the Quzhou municipal authorities and successfully passed acceptance.



## Environmental Emergency Management and Awareness Enhancement

In the area of environmental emergency management, the Company has formulated and continuously improved the Measures for Emergency Management of Environmental Pollution Incidents, establishing a full-process emergency management mechanism covering pre-incident prevention, in-incident response and post-incident handling. Through this mechanism, the Company continuously enhances its capabilities in early warning, response and mitigation of environmental emergencies. All subsidiaries have developed environmental emergency response plans for environmental incidents and have filed them with the competent ecological and environmental authorities in accordance with regulatory requirements.

The Company places strong emphasis on enhancing environmental awareness and professional capabilities. During the reporting period, a total of 36 environmental training sessions were conducted, cumulative participation reached 8,286 person-times and the training coverage rate reached 91.12%. Training topics covered key areas including environmental compliance management, practical pollution prevention and control, and standardized management of solid waste and hazardous waste.

The Company is dedicated to environmental compliance, pollution prevention and control upgrades, environmental risk management, and the enhancement of emergency response capabilities. During the reporting period, the Company did not experience any major environmental violations, nor was it subject to administrative penalties by ecological and environmental authorities or criminal liability arising from environmental issues.

During the reporting period, the Company’s total investment in environmental protection amounted to RMB **200** million.

## Environmental Audits

The Company has established and continuously improved a normalized and comprehensive internal environmental audit mechanism, conducting annual specialized environmental audits to achieve 100% coverage of all operating production sites.

Operating Sites	Newly Established Sites
Key audit focus includes the implementation of environmental management system documentation, as well as the operational status and maintenance of treatment facilities for exhaust gas, wastewater and solid waste.	Key focus is placed on the compliance and completeness of environmental approval procedures, as well as the implementation of environmental design standards, enabling the identification and prevention of environmental risks at the source.

At the same time, the Company carries out quarterly inspections on integrated safety and environmental performance management targets, supplemented by routine supervision and inspections. For identified issues, the Company establishes corrective action lists, implements dynamic tracking and closed-loop management, and continuously enhances environmental performance and risk management capabilities.

## Pollution Prevention and Control

Continuously strengthening environmental management and effectively controlling the environmental footprint of operations are key priorities for Juhua Corporation in advancing green development. The Company promotes the coordinated reduction of pollutants and resource recovery of waste, integrating source prevention, process control and circular utilization to achieve synergistic improvements in environmental performance and operational efficiency.

## Pollutant Emissions

Juhua Corporation strictly complies with applicable laws, regulations and standards, including the Water Pollution Prevention and Control Law of the People’s Republic of China, the Air Pollution Prevention and Control Law of the People’s Republic of China and has established and implemented internal management systems such as Regulations on Air Pollution Prevention and Control, Measures for Water Pollution Prevention and Control, Regulations on Soil Pollution Prevention and Control. On this basis, the Company has established a three-tier environmental management network covering the Company, subsidiaries, and workshops. The Health, Safety and Environment (HSE) Department is responsible for overall coordination. At the subsidiary level, environmental protection departments are responsible for the daily supervision and dynamic monitoring of wastewater, exhaust gas and waste emissions in accordance with local regulatory requirements. At higher management levels, environmental management units perform overall coordination, supervision and guidance, ensuring that environmental management covers all personnel and spans the entire operational process.

The Company adheres to systematic control and full-process management, continuously improving management systems for wastewater, exhaust gas and groundwater. By strengthening pollution source control and ensuring the stable operation of environmental protection facilities, the Company strictly enforces compliance requirements for wastewater and exhaust gas discharge, while also enhancing groundwater pollution prevention and conducting regular groundwater monitoring and assessment. In terms of emissions control, the Company continuously optimizes its emissions management system, advances the remediation of key environmental risks, and upgrades wastewater and exhaust gas treatment facilities in an orderly manner, thereby enhancing end-of-pipe treatment capacity and environmental risk prevention capabilities. At the same time, the Company has installed online monitoring systems at key wastewater and exhaust gas discharge outlets, with data connected to monitoring platforms. It also conducts regular environmental air and groundwater monitoring, establishing a normalized monitoring network covering major emission sources, ensuring that the entire discharge process is controllable and traceable.

Pollutant Emission Management Requirements and Treatment Methods			
Pollutant	Main Management Policy	Emission Indicators	Treatment Method
Wastewater	Measures for Water Pollution Prevention and Control (2022 Edition)	Chemical Oxygen Demand (COD), Biochemical Oxygen Demand (BOD), Ammonia Nitrogen (NH <sub>3</sub> -N), Total Nitrogen (TN), Total Phosphorus (TP)	After pre-treatment, wastewater is discharged into the municipal pipeline network and conveyed to third-party wastewater treatment plants, where it is treated using a combined process of denitrification + aerobic carbon removal + activated carbon adsorption + high-density sedimentation + cloth filtration.
		Chemical Oxygen Demand (COD), Biochemical Oxygen Demand (BOD), Ammonia Nitrogen (NH <sub>3</sub> -N)	
Exhaust gas	Regulations on Air Pollution Prevention and Control (2022 Edition)	Sulfur oxides (SO <sub>x</sub> )	Emissions are treated through processes such as condensation, adsorption, incineration, desulfurization, denitrification and dust removal to ensure compliance with discharge standards.
		Nitrogen oxides (NO <sub>x</sub> )	
		Particulate matter (PM)	
		Volatile organic compounds (VOCs)	

### Case | Soil and Groundwater Pollution Control and Remediation



To implement the requirements of the Soil Pollution Prevention and Control Law of the People's Republic of China and the Action Plan for Source Control of Soil Pollution, the Company has systematically advanced the prevention, control and remediation of soil and groundwater pollution. By establishing a groundwater flow and contaminant migration model for the Juhua Corporation industrial area, the Company has scientifically developed pollution control and remediation plans. Based on the extent of contaminant plume dispersion, pollutant concentration levels and migration trends, the Company identifies and delineates key high-risk areas, and implements graded and categorized control measures. At present, the first phase of pilot projects has been carried out in key areas, including Quhua Fluorine Chemistry Company, Electrochemical Plant and Jusu Chemicals Company. These pilot projects provide technical experience and engineering demonstration for the subsequent systematic governance of soil and groundwater pollution.

During the reporting period, the Company coordinated and implemented 16 key environmental risk mitigation projects. The compliance rate of pollutant discharge monitoring reached 100%. The environmental compliance rate of newly constructed projects remained at 100%. The Company did not cause any significant adverse impacts on employees or surrounding communities due to pollutant emissions, nor was it subject to administrative penalties or criminal liability related to environmental issues.



### >> Pollutant Reduction Targets and Progress <<

Indicator	Unit	Target Year	Target	Progress
Wastewater discharge compliance rate	%	Long-term	100	Achieved
Exhaust gas discharge compliance rate	%	Long-term	100	Achieved
Average VOC concentration within plant area	%	2026	↓ 4% compared to baseline year (2024)	In progress
Number of key enterprises reaching Grade A environmental performance	units	2026	2 (Juhua Chinlon Company, Jinju Chemicals Company)	In progress

During the reporting period, the Company's pollutant emissions were as follow:

### >> Pollutant Compliance Discharge Statistics <<

Pollutant Type	Unit	2025 Emissions	Approved Annual Quota	Approved Annual Total	Exceedance	2024 Emissions	2023 Emissions	
Air pollutants	Sulfur dioxide (SO <sub>2</sub> )	tonnes	42.82	Yes	172.68	None	47.44	35.34
	Nitrogen oxides (NO <sub>x</sub> )	tonnes	143.14	Yes	425.80	None	169.24	138.95
	Volatile organic compounds (VOCs)	tonnes	660.66	No	/	/	686.11	708.34
Water pollutants	Chemical oxygen demand (COD)	tonnes	251.80	Yes	847.76	None	275.10	273.35
	Ammonia nitrogen (NH <sub>3</sub> -N)	tonnes	7.68	Yes	95.43	None	12.57	4.81

## Waste Management and Circular Economy

Juhua Corporation adheres to the principles of the circular economy, implementing a systematic, full-process management approach to waste, and establishing a comprehensive system covering the entire lifecycle of generation, classification, storage, transfer and disposal. Through strengthened source classification, process supervision and standardized disposal, the Company ensures that waste is managed in full compliance with applicable regulations. At the same time, it enhances the traceability of hazardous waste throughout its lifecycle and improves the resource recovery and utilization of solid waste, thereby advancing circular economy practices.

### Governance

Juhua Corporation strictly complies with applicable laws and regulations, including the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, Measures for the Prevention and Control of Environmental Pollution by Hazardous Chemicals Waste, the Standard for Pollution Control on the Storage and Landfill of General Industrial Solid Waste. The Company has formulated and implemented internal policies such as the Measures for the Management of Industrial Solid Waste Disposal, ensuring standardized operation of waste management.

To promote effective implementation, the Company advances waste traceability and refined management practices, conducting comprehensive screening of waste generation points, types and quantities across all production and operational units, and mapping a "waste inventory map". During the reporting period, the Company implemented refined classification management for solid waste generated during manufacturing, identifying and defining more than 10 categories of solid waste, and matching each category with appropriate resource utilization solutions and compliant disposal pathways.

## Strategy

The Company has established an intelligent, full-lifecycle waste management system, covering 6 key stages, including generation, collection, storage, transportation, utilization, and disposal. Through standardized facilities, digital traceability, intelligent monitoring and closed-loop evidence management, the Company ensures that waste is fully controlled from source to final disposal.

### >> Waste Management Strategies <<



## Impact, Risk and Opportunity Management

The Company adheres to the principles of "Reduction, Reuse and Harmless Treatment", continuously reducing the generation of general industrial solid waste in production processes, optimizing packaging materials, and promoting recycling and reuse to enhance resource efficiency. Based on the recyclability value and hazard level of waste, the Company implements classified collection and differentiated treatment, effectively controlling environmental risks and achieving standardized and refined management.

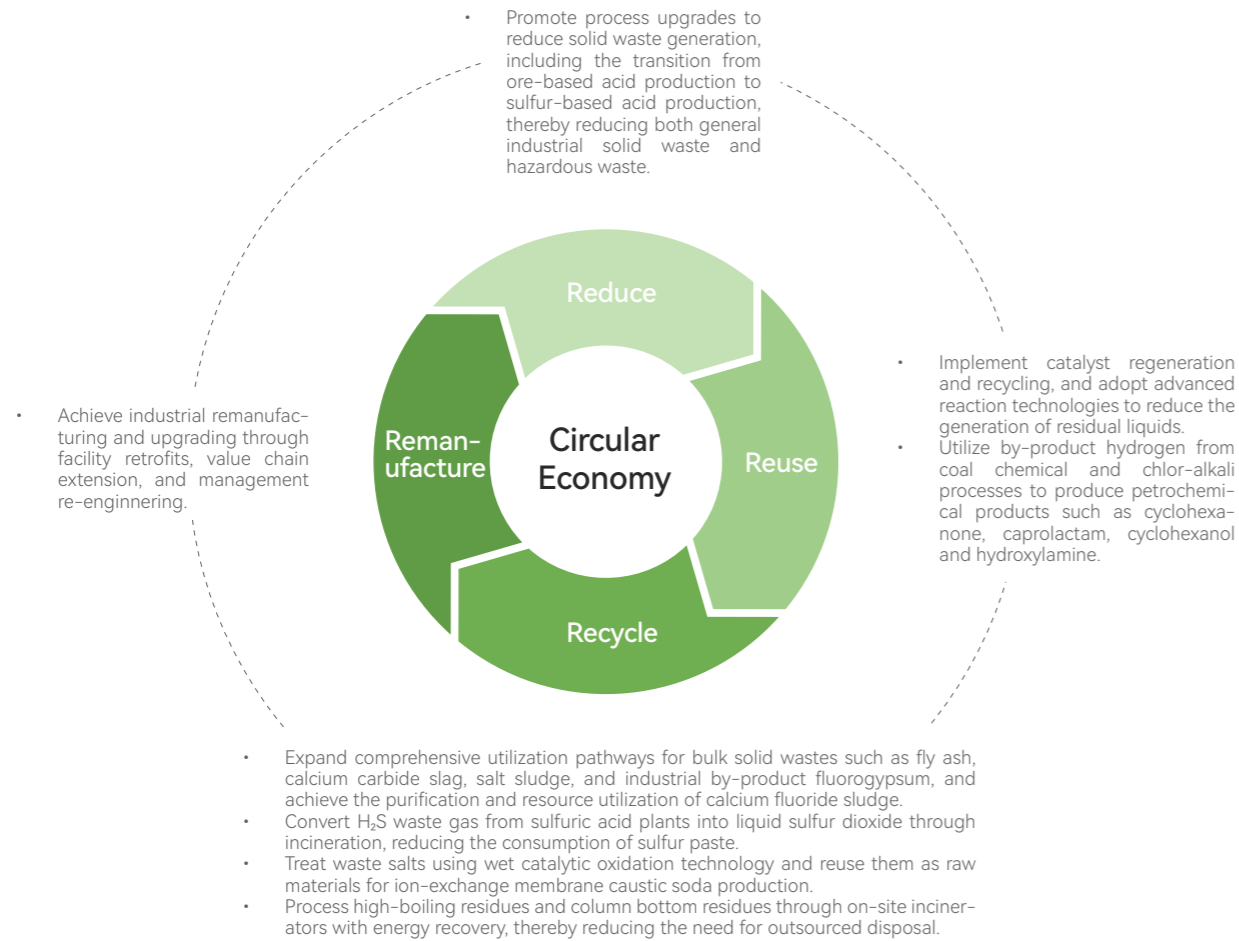
In daily operations, the Company implements comprehensive waste sorting management across office, production and living areas, establishes recyclable waste collection points, and promotes the reduction and resource utilization of municipal waste. The Company actively promotes the "Clean Plate Campaign" to reduce food waste. Kitchen waste is entrusted to qualified third-party entities for resource utilization, where it is converted into products such as organic fertilizers and soil conditioners through processes such as biological fermentation, achieving closed-loop management and resource recycling.

### >> Types of Waste and Treatment Methods <<

Type		Treatment Method
Non-hazardous waste	Municipal waste: food waste, office waste, etc.	Collected and transported by municipal sanitation authorities. Food waste is processed by qualified third-party entities into organic fertilizers through biological fermentation.
	General industrial solid waste : calcium carbide slag, fly ash, furnace slag, packaging materials, etc.)	
Hazardous waste	Hazardous waste : spent catalysts, sludge, residual liquids, waste activated carbon, waste lubricants, waste packaging, etc.	Point-to-point disposal through qualified third-party recyclers or internal utilization.
		Handled by qualified third-party hazardous waste disposal entities in compliance with regulations.

Juhua Group actively implements the concept of ecological civilization and has taken the lead in the province in promoting the development of a "Zero-Waste Group". As the primary implementing entity, Juhua Corporation has developed management guidelines based on the 4R principles—Reduce, Reuse, Recycle and Remanufacture—and established a zero-waste model characterized by waste reduction and carbon reduction synergy, resource sharing and intelligent supervision. The Company continuously improves the reduction, resource utilization and harmless treatment of solid waste, and incorporates circular economy indicators into the annual KPI assessment system of subsidiaries. Focusing on pathways such as source reduction, facility sharing, water–solid synergy and point-to-point resource utilization, the Company systematically develops and implements solid waste management and resource utilization programs, forming 11 typical best-practice cases, including the reuse of calcium fluoride sludge.

During the reporting period, the comprehensive utilization rate of general industrial solid waste reached **96.46 %**.  
The landfill rate of hazardous waste was reduced to **0.97 %**.



## Metrics and Targets

During the reporting period, the comprehensive utilization rate of solid waste at the Company's production bases reached 98.69%. The intensity of hazardous waste generation was 0.009 tonnes per RMB 10,000 of industrial output value, representing a decrease of approximately 30% compared to 2024. The intensity of non-hazardous waste generation was 0.085 tonnes per RMB 10,000 of industrial output value, representing a decrease of approximately 29% compared to 2024.

### >> Pollutant Reduction Targets and Progress <<

Indicator	Unit	Baseline Year	Medium- to Long-term Target (2030)	Progress
Solid waste disposal compliance rate	%	2024	100%	Achieved
Comprehensive solid waste utilization rate	%	2024	≥97%	98.69%
Landfill rate of general solid waste	%	2024	Maintain<5%	1.31%
Landfill rate of hazardous waste	%	/	Maintain<3%	0.97%
Solid waste generation intensity	tonnes / RMB 10,000 industrial output value	2024	Maintain≤0.4	0.093

Juhua Corporation's waste treatment performance is as follows:

### >> Hazardous Waste Treatment Statistics (Unit: tonnes) <<

Year	By Disposal Method			By Disposal Location	
	Landfill	Incineration		On-site disposal	Off-site disposal
		Excluding energy recovery	With energy recovery		
2025	256.08	21,772.83	4,247.20	9,531.41	16,744.70
2024	81.67	25,345.44	2,368.38	15,250.87	12,544.62
2023	1,600.12	27,879.65	579.51	22,587.54	7,471.74

### >> Non-Hazardous Waste Treatment Statistics (Unit: tonnes) <<

Year	By Disposal Method			By Disposal Location	
	Landfill	On-site utilization	Off-site utilization	On-site disposal	Off-site disposal
2025	3,206.5	12,054.39	228,630.33	12,054.39	231,836.83
2024	5,425.84	5,187.45	271,035.62	5,187.45	276,461.46
2023	6,769.08	8,883.46	239,103.86	8,883.46	245,872.94



## Resource Utilization and Ecosystem Protection

Juhua Corporation integrates environmental management deeply into its operational system, systematically addressing key issues such as energy consumption, water resource utilization and ecosystem protection. The Company continuously optimizes resource allocation efficiency and promotes the coordinated development of operational activities and the natural environment.

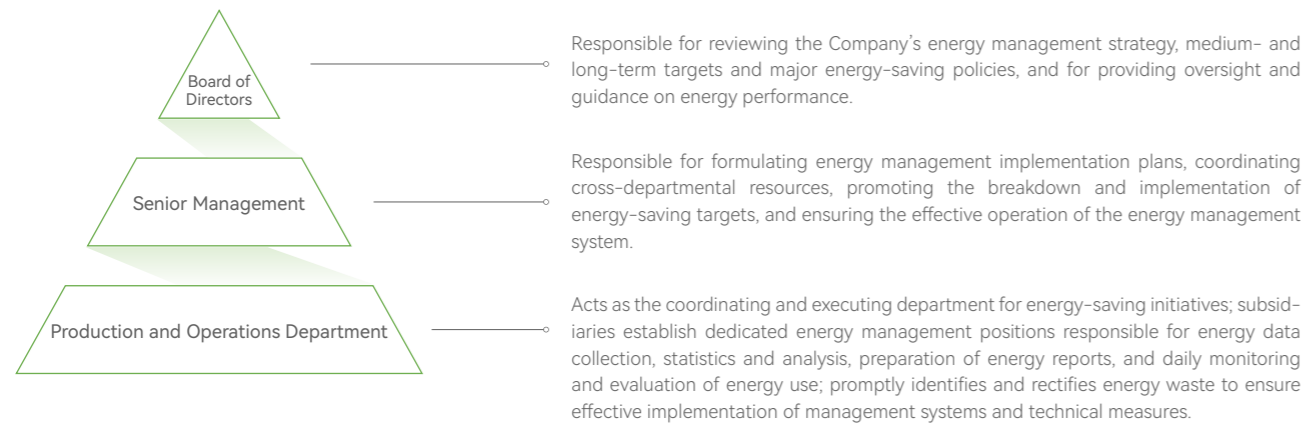
### Energy Utilization

Efficient energy utilization is a fundamental prerequisite for achieving green manufacturing. Adhering to the new development philosophy of "Innovation, Coordination, Green, Openness and Sharing", Juhua Corporation continuously enhances energy efficiency and low-carbon performance through strengthening management mechanisms, building green manufacturing capabilities, promoting energy-saving technological upgrades, and applying advanced energy-saving "Four New" technologies (new technologies, new processes, new materials and new equipment).

### Governance

To systematically advance energy management, the Company has formulated the Regulations on Total Energy Consumption Balancing and Statistical Management, based on its operational needs. The Company has established a three-tier energy management governance structure, consisting of the Board of Directors, Senior Management and the Production and Operations Department, with clearly defined responsibilities at each level. This structure forms an energy management system that is vertically integrated, clearly accountable and efficiently operated.

>> Energy Management Governance Structure <<

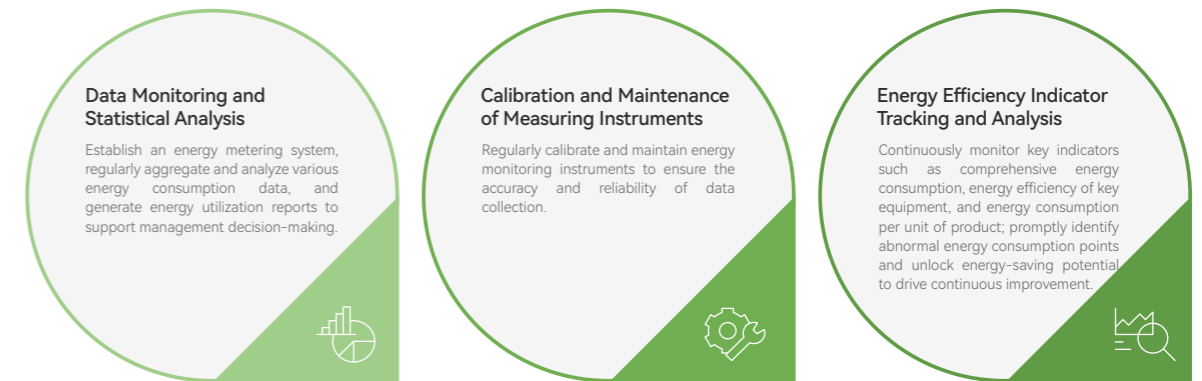


At the same time, the Company continues to promote the standardization and certification of its energy management system in accordance with GB/T 23331-2020 / ISO 50001:2018. During the reporting period, Quhua Fluorine Chemistry Company, Jusu Chemicals Company, Jusheng Fluorine Chemicals Company obtained energy management system certification, further enhancing the standardization and systematic management of energy management.



## Energy Saving and Carbon Reduction

To enhance the effectiveness of energy management, the Company has established a full-process monitoring mechanism covering data monitoring, equipment maintenance and energy efficiency analysis.



The Company primarily uses electricity, coal and natural gas in its production processes. In daily operations, the Company promotes the concept of "Saving Electricity Through Collective Action", incorporating measures such as reducing standby power consumption of equipment, prohibiting the use of unnecessary electrical appliances, and implementing practices such as "turn off lights when leaving" into institutional management. These initiatives are reinforced through prominent signage across office and production areas, fostering the normalization of green practices.

In the production and manufacturing process, the Company focuses on core production units such as ammonia synthesis and fluoropolymer production, and continuously implements energy-saving and carbon reduction technological upgrades. By improving reaction efficiency and equipment stability, the Company reduces energy consumption per unit of product. At the same time, the Company advances upgrades of utilities and auxiliary systems, promoting the application of advanced energy-saving technologies, including magnetic levitation blowers, nano-aerogel materials and high-efficiency motors. It has also implemented the Pump Energy Efficiency Upgrade 2.0 Project, reducing energy consumption associated with fluid transportation and system losses. The Company continues to cultivate benchmark projects in green manufacturing, adding 2 provincial-level green and low-carbon factories—Quhua Fluorine Chemistry Company and Lanxi Fluorine Chemicals Company—and 1 municipal-level green and low-carbon factory, Chuangfu High-Tech Company.

The Company promotes systematic energy audits across subsidiaries to improve closed-loop energy management. During the reporting period, Quhua Fluorine Chemistry Company, Jusu Chemicals Company and Jusheng Fluorine Chemicals Company completed annual energy audit pilot programs, covering major energy types such as electricity, steam and natural gas. Based on the audit results, the Company evaluates the achievement of energy-saving targets, scientifically formulates targets for the following year, and continuously optimizes energy performance.

### Case | Building a Deeply Rooted Energy-Saving Culture



To enhance energy management effectiveness and strengthen a company-wide culture of energy conservation, the Company focuses on professional capability development and low-carbon awareness cultivation, with particular emphasis on building a talent pool aligned with the "Dual Carbon" goals, thereby strengthening the internal driving force for green transformation. During the reporting period, the Company organized multiple specialized energy management training sessions, covering key areas such as energy metering standards, energy-saving operational techniques and data analysis methods, ensuring that personnel in relevant roles possess the necessary professional knowledge and skills.

In addition, leveraging the National Energy Conservation Publicity Week, Juhua Corporation carried out diversified promotional activities to encourage employees to fulfill their green responsibilities and integrate energy-saving practices into both work and daily life.

### The Company participates in the following energy-related organizations:

- China Energy Conservation Association
- Zhejiang Energy Conservation Association
- Quzhou Energy Conservation Association
- Zhejiang Society for Electric Power

During the reporting period, Juhua Corporation implemented **2** energy efficiency optimization projects, achieving annual energy savings of **699.51** tonnes of standard coal equivalent.

### Case | Energy Equipment Upgrade at Jusu Chemicals Company



Jusu Chemicals Company carried out energy-saving and carbon reduction upgrades for its existing PVDC and calcium chloride production facilities. A total of 81 sets of outdated and inefficient equipment, including pumps, compressors, motors, heat exchangers, and pelletizers, were phased out and replaced with an equivalent number of high-efficiency energy-saving equipment, all meeting or exceeding energy efficiency benchmark standards. Upon completion, the project is expected to achieve annual savings of 494.76 tonnes of standard coal equivalent.

### Case | Quhua Fluorine Chemistry Company Recognized as "Provincial-level Green and Low-Carbon Factory"



As one of the largest fluorochemical industrial bases in China and one of the first national clean and environmentally friendly chemical production facilities, Quhua Fluorine Chemistry Company has deeply integrated green development concepts into its strategy and operations. Quhua Fluorine Chemistry Company has established dedicated management structures, clarified its sustainability direction, and systematically advanced the development of green factories. It continues to increase R&D investment, build a technological innovation system, and actively develop strategic emerging industries. As of the end of the reporting period, Quhua Fluorine Chemistry Company has obtained 92 national invention patents, recognition as "National Intellectual Property Demonstration Enterprise" and "Key High-Tech Enterprise under the National Torch Program".

序号	工厂名称	所属地区
122	浙江中孚氟业股份有限公司	衢州市
123	浙江氟化化学有限公司	衢州市

## Clean Energy Utilization

The development of solar photovoltaic (PV) power generation and wind power generation is a key measure for Juhua Corporation to optimize its energy structure. The Company has deployed photovoltaic power generation facilities across factory rooftops, parking shelters and idle land areas, increasing the share of clean energy in its overall energy mix. As of the end of the reporting period, the Company's photovoltaic projects within the Company's plant area reached 50 MW, with an annual power generation of approximately 46 million kWh, reducing carbon dioxide emissions by about 22,880 tonnes per year.



### >> Clean Energy Utilization Statistics <<

Indicator	2025 (kWh)	Standard Coal Equivalent (tonnes)	Share of Total Energy Consumption
Solar PV power generation	344,000,000	97,696	/
Wind power generation	145,000,000	41,180	/
Total clean energy consumption	489,000,000	138,876	16.21%

## Green Certificate Trading

Juhua Corporation participates in market-based green electricity procurement to further optimize its energy structure.



During the reporting period, the Company purchased a total of **410,000,000** kWh of green electricity certificates, corresponding to a reduction of approximately **203,900** tonnes of CO<sub>2</sub> emissions.

## Metrics and Targets

During the reporting period, in accordance with the requirements of the Zhejiang Provincial Energy Bureau, the Company's energy consumption budget for 2025 was set at 1.76 million tonnes of standard coal equivalent (tce). Through stringent control and optimized energy dispatch, the Company's actual annual energy consumption was 1.34 million tce, successfully achieving the established energy consumption target.

### >> Energy Utilization Targets and Progress <<

Indicator	Unit	Short-term Target (2026)	Medium- to Long-term Target (2030)	Progress
Energy-saving projects	number	1	5	In progress
Renewable energy consumption	MWh	50,000	300,000	In progress
Share of green electricity	%	1.5	10	In progress

### >> Major Energy Types and Consumption During the Reporting Period <<

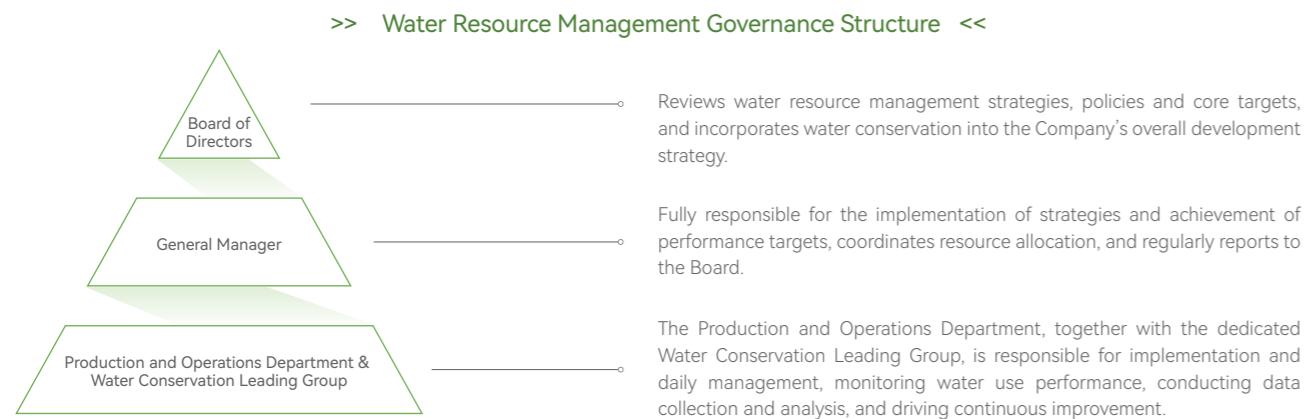
Energy Type	Unit	Consumption	Standard Coal Equivalent (tce)	Data Source
Direct Energy	Natural gas	10,000 m <sup>3</sup>	7,964.40	Internal data management platform
	Coal	tonnes	526,838.00	
	Gasoline	tonnes	27.08	
	Diesel	tonnes	4.56	
Indirect Energy	Heat	million kJ	14,127,561.09	Internal data management platform
	Electricity	10,000 kWh	2,799,967.83	
	Lubricating oil	tonnes	89.50	

## Water Resource Management

Juhua Corporation focuses on improving water resource utilization efficiency as a core objective, promoting the application of advanced “Four New” water-saving technologies, optimizing water use structure, accelerating the phase-out of outdated capacity, strengthening foundational water management, and enhancing the standardization and scientific management of water resources.

### Governance

The Company incorporates water resource management into its overall framework for energy conservation, resource efficiency and sustainable development, improving utilization efficiency through institutional planning, standardized control and systematic governance. The Company has formulated and updated internal policies such as Measures for the Management of Steam, Water and Electricity Supply and Use and Water Resource Consumption Statistical Management System. These policies standardize water withdrawal, consumption and conservation management, and establish a three-tier governance structure of “strategy – coordination – execution”.



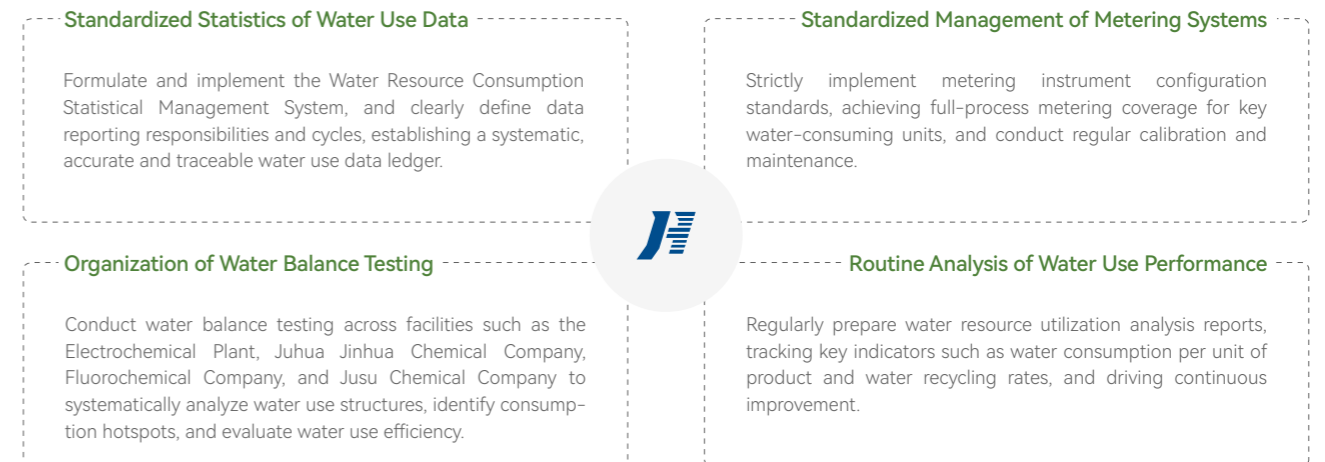
Water used in the Juhua Corporation’s production operations is primarily sourced from the municipal water supply system, and is mainly applied in core fluorochemical production processes, supporting cooling systems and utility and auxiliary facilities. Through water-saving technological upgrades, recycling cooling water systems, and enhanced metering and process control, the Company continuously improves water utilization efficiency. During the reporting period, the Company strictly complied with water withdrawal permits and relevant laws and regulations, implemented various water-saving measures, and did not cause any significant adverse impact on local water resource sustainability.

>> Major Water Use Types and Application Scenarios <<

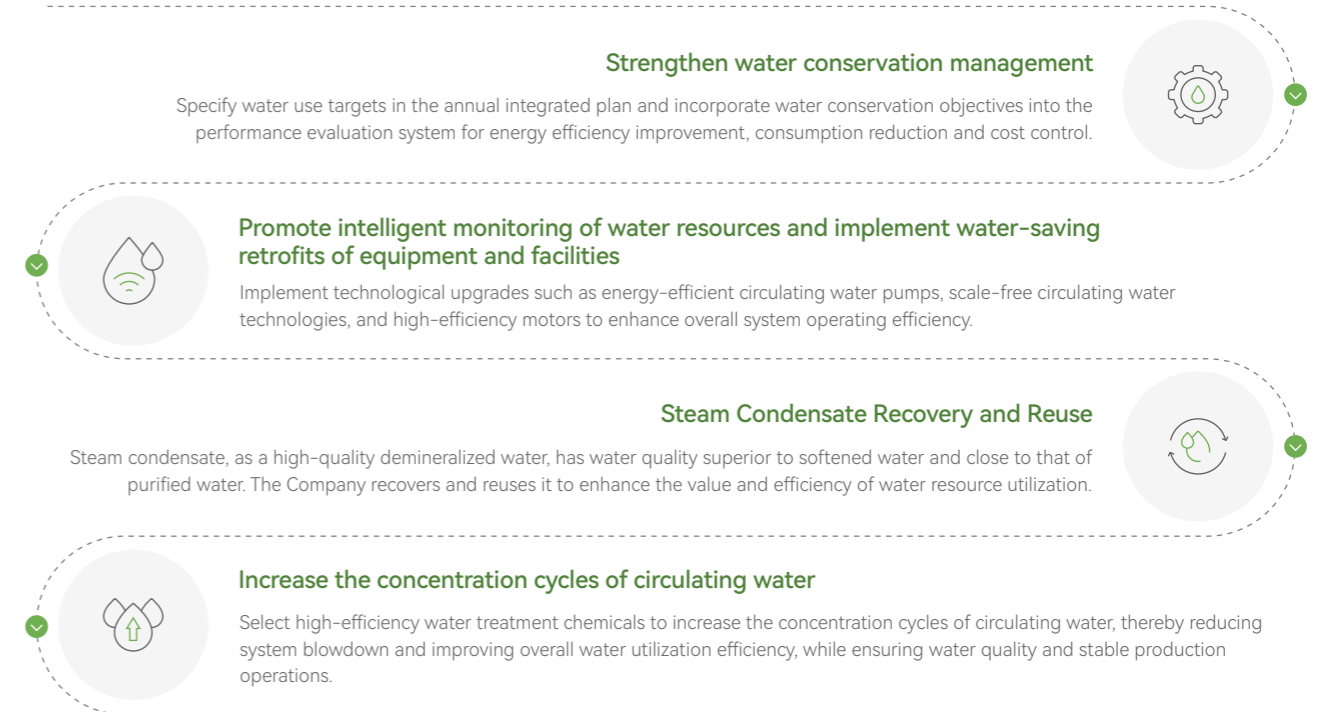
Water Use Type		Specific Application
Production water	Process water	Used in hydrofluoric acid production, fluoromonomer synthesis, fluoropolymer manufacturing, etc., with relatively high consumption
	Cooling system water	Includes circulating cooling water systems and once-through cooling systems, used for removing reaction heat, condensing steam, and cooling various equipment, with relatively high consumption
	Utility and auxiliary water	Used for boiler make-up water, purified/desalinated water production, environmental protection facilities, dosing in wastewater treatment systems, site cleaning and dust suppression, with relatively low consumption
Domestic water		Used for administrative offices, R&D facilities, and daily living needs of employees within plant areas

## Water Conservation and Efficiency Improvement

The Company has established a full-process water resource monitoring and performance evaluation system, enabling refined management and control of water use.



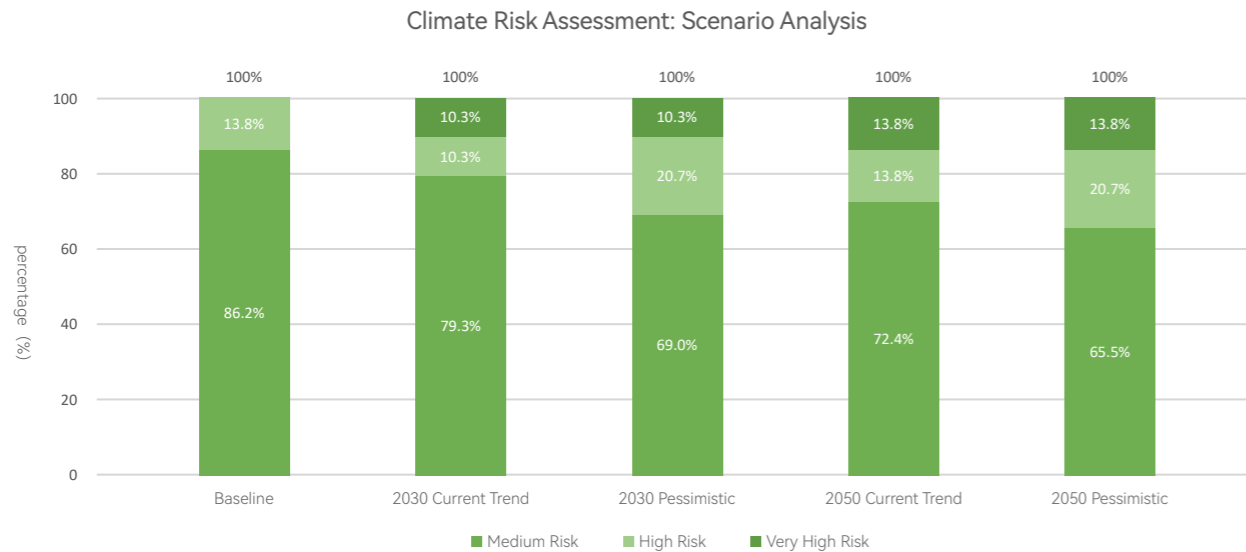
The Company regards improving water resource utilization efficiency as a key priority in its green transformation. In production processes, the Company has increased investment in water-saving technological upgrades, promoting the application of “Four New” technologies—new technologies, new processes, new equipment and new materials—to optimize water use structure and phase out water-intensive capacity. In terms of domestic water use, the Company promotes the use of water-saving devices and behavioral practices such as “Turn Off Water When Leaving”, strengthens facility inspections to prevent leakage and wastage, and establishes a long-term water conservation mechanism.



During the reporting period, all subsidiaries continuously advanced steam condensate recovery and reuse projects, achieving a total recovery of approximately **800,000** tonnes of condensate water.

## Water Stress Analysis

Juhua Corporation places strong emphasis on the assessment and management of water-related risks, and conducts scientific scenario analysis by referencing the WWF Risk Filter Suite developed by the World Wildlife Fund. This tool integrates seven databases and models related to water stress, including drought index, water depletion, baseline water stress, blue water scarcity, remaining available water, drought likelihood, and projections of changes in drought frequency. The assessment covers all subsidiaries of the Company under baseline conditions, current trends scenarios (2°C climate scenario) for 2030 and 2050, and pessimistic scenarios (3.5–4.0°C climate scenario) for 2030 and 2050. Water stress risk levels are evaluated and presented as a percentage of total projects, reflecting the distribution of risk exposure across the Company’s operations.



Analysis indicates that under the baseline scenario, approximately 13.8% of subsidiaries are exposed to high or above water stress levels. Under the current trends scenario (2°C) and the pessimistic scenario (3.5–4.0°C), this proportion is projected to increase to 27.6% and 34.5%, respectively, by 2050. Based on the identified risks, the Company has optimized its water resource management system, improved water supply interruption contingency plans and supply assurance mechanisms, and implemented targeted mitigation and response measures. In addition, water resource utilization indicators have been incorporated into the performance evaluation system and linked to the compensation of personnel at production sites.

## Metrics and Targets

During the reporting period, Juhua Corporation’s planned water withdrawal for 2025 was 25.77 million m<sup>3</sup>, while actual withdrawal was 21.30 million m<sup>3</sup>, remaining within the planned range. Total recycled water volume reached 569.85 million m<sup>3</sup>, with a water recycling rate of 96.30%.

### >> Water Resource Management Targets and Progress <<

Indicator	Unit	Baseline Year	Baseline Data	Short-term Target (2026)	Medium- to Long-term Target (2030)	Progress
Water consumption per unit of product	tonnes water/ton product	2025	10	↓ 0.2%	↓ 1%	In progress

### >> Water Resource Management Data <<

Indicator	Unit	Year		
		2025	2024	2023
Water withdrawal (municipal supply)	10,000 m <sup>3</sup>	2,130.29	2,508.58	2,642.30
Water withdrawal intensity	10,000 m <sup>3</sup> /RMB million revenue	7.89	10.25	12.79
Total water consumption	10,000 m <sup>3</sup>	1,557.15	1,922.37	2,062.59
Consumption intensity	10,000 m <sup>3</sup> /RMB million revenue	5.77	7.86	9.99
Reclaimed water reuse	10,000 m <sup>3</sup>	320.00	320.00	320.00
Circulating water volume	10,000 m <sup>3</sup>	56,985.26	65,290.95	58,806.46
Water recycling rate	%	96.30	96.30	95.70

## Raw Materials Management

Juhua Corporation has established a well-structured and systematic raw materials management framework. The Marketing Department centrally manages bulk procurement and oversees strategic supplier management for key raw materials, covering procurement, utilization, and full life cycle management to ensure an integrated governance structure. The Company strictly complies with relevant national standards in the procurement, transportation, storage, and use of raw materials, while actively supporting green and low-carbon development. Guided by the principle of maximizing raw material value, it advances efficient utilization and recycling practices.

In practice, the Company promotes technological innovation and industrial chain collaboration, enhancing the industrial application of low-grade fluorite resources and the cascading utilization of by-products. It continuously improves resource efficiency and conducts ongoing monitoring and evaluation of management measures and performance.

The Company further advances green raw material management through eco-design and process optimization, promoting reduction, recycling, and harmless utilization of materials. Suppliers are required to prioritize environmentally friendly and recyclable packaging materials, while collaborative efforts are made to advance energy conservation, carbon reduction, and green transition, increasing the use of sustainable raw materials and renewable energy. Environmental impacts are minimized across the entire product life cycle, from design to production.

For hazardous substances management, the Company systematically identifies related risks in production processes and implements measures including green substitution, process emission reduction, and end-of-pipe treatment to reduce emissions. It also continuously optimizes production processes and material structures, prioritizing environmentally friendly alternatives to reduce the intensity of hazardous substance use at the source and enhance environmental safety.

## Ecosystem Protection

Juhua Corporation strictly complies with international and national biodiversity-related frameworks, including the Convention on Biological Diversity, the Kunming-Montreal Global Biodiversity Framework, and the China Biodiversity Conservation Strategy and Action Plan (2023-2030), as well as applicable local laws and regulations. During project siting and early-stage development, ecological protection requirements are incorporated into environmental impact assessments, and ecological redline areas are strictly avoided. All operating sites are located outside key ecological protection zones, and the Company's production and operational activities have not caused significant impacts on local biodiversity. During the reporting period, a newly established project in Gansu completed environmental impact assessment procedures and obtained regulatory approval.

Adhering to the development philosophy of "Industrial Symbiosis and Ecological Value Creation", the Company has established an ecosystem protection framework tailored to the fluorochemical industry. This includes: developing environmentally friendly and biodegradable materials; promoting ecological product design for fluorochemical and petrochemical new materials; exploring the use of green and low-carbon raw materials; prioritizing environmentally compliant suppliers, thereby advancing coordinated emissions reduction across the value chain and reducing lifecycle ecological impacts.

At the same time, the Company actively cultivates an environmental culture by organizing annual voluntary tree-planting activities, fostering a positive atmosphere of environmental stewardship.

### Case | Voluntary Tree-Planting to Build a Green Industrial Campus



During the 47th Arbor Day, the Company organized tree-planting activities across its industrial site, planting nearly 100 saplings, including cherry blossom, camellia and peach trees. As of the end of the reporting period, the number of plant species on site exceeded 150 and the total green area exceeded 400,000 m<sup>2</sup>. The Company continues to promote the development of a "garden-style factory" and a "chemical industrial city within a forest".



## Clean Technology Opportunities

Juhua Corporation focuses on three core objectives: full value-chain decarbonization, technological self-reliance and green manufacturing, and systematically builds a clean technology innovation system. Driven by technological innovation, the Company actively captures opportunities arising from advanced clean technologies, continuously improving the low-carbon and high-end characteristics of its products and manufacturing processes, and enhancing its competitiveness in global sustainable development.

### Green Products

Aligned with the national "Dual Carbon" strategy and the green transformation of the fluorochemical industry, the Company promotes product upgrading through technological innovation and systematically develops a portfolio of low-carbon and environmentally friendly products.

In the refrigerant sector, the Company has strategically developed fourth-generation Hydrofluoroolefins (HFO) refrigerants, characterized by low Global Warming Potential (GWP), short atmospheric lifetime, and excellent chemical stability, representing a key alternative to third-generation HFC refrigerants.

In the field of fluorinated fine chemicals, the Company has developed electronic fluorinated liquid Hydrofluoroether (HFE) D-series and Perfluoropolyether (PFPE) JHT series products. These products provide critical solutions for industries such as semiconductor manufacturing, data centers, new energy vehicles, energy storage systems, robotics and artificial intelligence, including high-efficiency thermal management, precision cleaning and lubrication under extreme conditions, thereby supporting green upgrading of advanced manufacturing.

In the field of liquid cooling, the Company's self-developed immersion liquid cooling project has been included in the national Green and Low-Carbon Advanced Technology Demonstration Project List. The Company has established integrated capabilities covering cooling fluid formulation, core equipment and system design, significantly improving energy efficiency in data centers.

### Green Manufacturing

The Company integrates green and environmentally friendly principles throughout the entire lifecycle of product development and manufacturing processes.

By applying advanced green process technologies, implementing energy-saving upgrades in core units such as ammonia synthesis and monomer polymerization, deploying high-efficiency equipment (including magnetic levitation blowers, high-efficiency motors and heat recovery systems), and substituting green electricity, the Company continuously reduces carbon intensity per unit of product, achieving both environmental and economic benefits.

### Green Factories

Following the principles of "Source reduction, Process control and End-of-pipe treatment", the Company continuously improves management systems related to energy management, resource utilization, pollution prevention and information disclosure in accordance with national and provincial green factory standards. The Company promotes greener production processes, standardized management systems and quantified performance indicators, comprehensively enhancing its green manufacturing level.

During the reporting period, new provincial-level green and low-carbon factories were recognized, 1 municipal-level green and low-carbon factory was recognized, and 3 subsidiaries passed municipal-level cleaner production audit acceptance.

United Nations Sustainable Development Goals (SDGs) Addressed in This Chapter:



# 04 PART

## Strengthening Operations and Enhancing Products and Services



Highly Material Issues Addressed in This Chapter:

- Chemical Safety
- Product and Service Safety and Quality
- Innovation-Driven Development

Juhua Corporation adheres to high-standard quality management as its foundation and green innovation as its strategic direction, continuously optimizing its product portfolio and service systems. Driven by research and development innovation, the Company advances industrial upgrading, strengthens intellectual property protection and chemical safety management, and builds a safe, healthy and compliant production and operational environment. The Company actively responds to diversified customer needs, continuously enhances its service capabilities, and improves value chain coordination and core competitiveness, thereby creating long-term value for sustainable industry development.

## Chemical Safety Management

Juhua Corporation continuously strengthens the full lifecycle management of chemicals, and is committed to providing customers with greener, safer and more sustainable products and services.

### Governance

The Company strictly complies with applicable domestic and international laws, regulations and standards, including the Work Safety Law, the Regulations on the Safety Management of Hazardous Chemicals, the Priority Control Chemicals Catalog, the Safety Code for Special Operations in Hazardous Chemical Enterprises, as well as the EU Restriction of Hazardous Substances Directive (RoHS) and the Registration, Evaluation, Authorization and Restriction of Chemicals Regulation (REACH).

The Company has established a comprehensive chemical management organizational structure. For chemicals of concern, a safety management system covering headquarters to frontline operations has been developed. The General Manager is responsible for overall safety management. The Health, Safety and Environment (HSE) Department is responsible for hazard identification, monitoring and management, and for formulating relevant strategies, policies and standards. The Production and Operations Department is responsible for supervision during production and usage processes. Each production base and business unit is responsible for the management of chemical use, storage, transportation and disposal, and for developing emergency response plans to address unexpected incidents. This top-down management system ensures that all chemical-related activities comply with domestic and international regulatory requirements, and that implementation is effectively supervised.

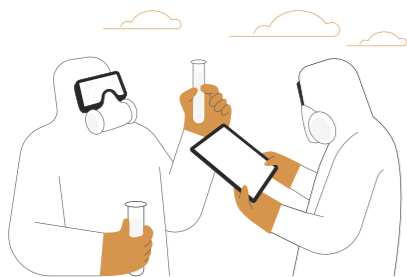
In addition, subsidiaries conduct regular safety assessments of hazardous chemicals, and improve on-site emergency response plans for leakage incidents based on actual operational conditions. Emergency response mechanisms include establishing emergency response teams, equipping emergency materials and resources, and conducting regular operational training and emergency drills. These measures enhance employees' ability to respond to emergencies and minimize the impact of accidents.

The Company has formulated and implemented a series of internal management systems, including Measures for Hazard Identification and Risk Classification and Control, Regulations on Chemical Safety Management, Safety Management Regulations for Chemical (R&D) Pilot Projects, Management System for the Safe Operation of Precursor Chemicals, and Regulations on Road Transportation of Dangerous Goods. Through these systems, the Company identifies hazardous substances in its products and implements dynamic tracking and continuous revision of management measures.

Juhua Corporation strictly implements the "Three Simultaneous" requirements for safety facilities in hazardous chemical construction projects (i.e., simultaneous design, construction and commissioning), continuously improving the intrinsic safety level of its facilities and controlling risks at the source. For projects involving "Two key Categories and One Major Hazard" (key hazardous chemicals, key processes and major hazard installations), the Company conducts Hazard and Operability Studies (HAZOP). In accordance with the Detailed Rules for Special Safety Inspections of Major Hazard Installations in Hazardous Chemical Enterprises, the Company continuously carries out supervision and inspection of major hazard sources, ensures timely rectification of identified issues, and establishes a closed-loop management mechanism.

### Strategy

Juhua Corporation systematically identifies and analyzes risks and opportunities related to chemical safety, providing a robust basis for the formulation of scientific and effective management strategies.



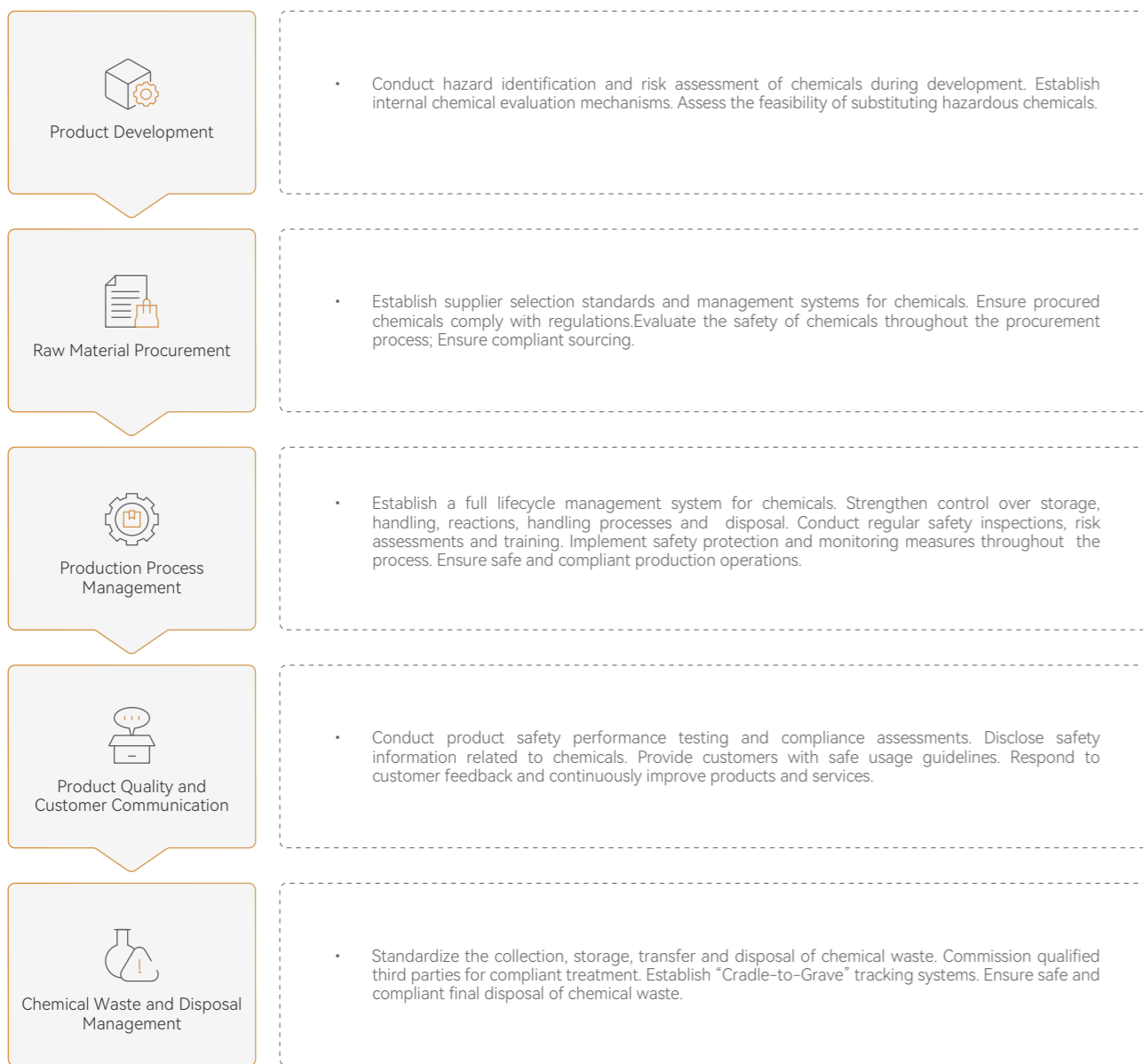
### >> Chemical Safety Risks and Opportunities <<

Type	Description	Financial Impact	
Risk	Compliance	The fluorochemical industry involves hazardous chemicals, precursor chemicals, explosive precursors and other controlled substances. Failure to promptly comply with national and local regulatory requirements on registration, storage, transportation, use and emissions may result in administrative penalties, mandatory rectification or production suspension.	Increased compliance costs Reduced operating revenue
	Safety incidents	Refrigerants, fluorinated monomers, solvents and intermediates are often flammable, explosive, toxic or highly corrosive. Leakage, fire or explosion during production, storage, transportation or operation may result in casualties, environmental pollution and asset losses.	Increased accident handling costs Higher insurance expenses Reduced operating revenue
	Environment and health	Leakage or improper disposal of fluorinated chemicals may cause long-term impacts on soil, water bodies and employee occupational health.	Increased environmental remediation costs Potential litigation costs
	Operations and management	The Company's complex product portfolio and diverse process routes require high standards for operational procedures and personnel capabilities. Insufficient training or operational errors may lead to production fluctuations, shutdowns or unstable product quality, affecting delivery capability.	Reduced production efficiency Reduced operating revenue
	Product liability	Products are widely used in medical, food packaging, electronics and defense sectors. Inadequate safety control may result in customer claims, product returns or reputational damage.	Increased compensation costs Revenue loss due to customer attrition
Opportunity	Product competitiveness	By adopting green chemistry principles, replacing high-risk substances, improving process safety and reducing the use of toxic and hazardous chemicals, the Company can enhance product safety and environmental performance, strengthening competitiveness in high-end manufacturing and strategic emerging industries.	Increased operating revenue Improved profit margins
	Management capability	Establishing a comprehensive full lifecycle chemical management system and continuously improving intrinsic safety levels helps reduce incident rates and enhance trust from capital markets and regulators.	Reduced operating costs Reduced risk-related costs

The Company's chemical safety management strategy is centered on "Full Lifecycle Control". Through strengthening compliance management, improving safety systems, standardizing operational procedures, promoting technological innovation, and enhancing supervision and continuous improvement, the Company comprehensively manages compliance, safety and operational risks, ensuring that chemical use remains safe and compliant.

### Impact, Risk and Opportunity Management

The Company continuously monitors updates to the Substances of Very High Concern (SVHC) list under the EU REACH Regulation, as well as updates to the national catalogue of hazardous chemicals. For key regulated chemicals, the Company has established an internal hazardous substance management register, and has defined clear management requirements covering the entire lifecycle of chemicals, including design, production, distribution, storage, use, transportation, disposal.



When managing and reporting the quantities of chemicals produced and imported, the Company complies with regulatory requirements by conducting environmental management registration for new chemical substances that are not listed in the Inventory of Existing Chemical Substances in China (IECSC). For chemical substances already listed in the IECSC and the Catalogue of Hazardous Chemicals under Priority Environmental Management, the Company reports annually to the ecological and environmental authorities on their production, import, use and emissions, ensuring that no prohibited or restricted substances are used. The Company has established a full lifecycle hazard assessment and control system, under which all fluorochemical raw materials, intermediates and finished products involved in production are subject to 100% hazard identification and classification management in accordance with the GB 30000 series standards.

Juhua Corporation actively promotes the reduction and substitution of regulated chemicals. Through process optimization and enhanced management, the Company reduces usage volumes and storage quantities, or adopts safer alternative materials, thereby lowering potential risks to the environment and employee health. During the reporting period, the Company continuously advanced substitution research for substances restricted by regulations or customers. Among these, the PVDF additive substitution technology project has achieved stable industrial-scale production, with average monthly sales reaching several hundred tonnes.

### Case | Substitution of Key Chemicals of Concern to Enhance Product Safety and Compliance



The Company continuously monitors relevant regulatory developments, including the EU REACH Regulation, and actively replaces or phases out chemicals of concern. In the production of certain fluoropolymer products, PFOA (perfluorooctanoic acid) may be involved. The Company has completed the development of substitution technologies and has successfully implemented substitution across all production units and product lines. For products containing PFAS (per- and polyfluoroalkyl substances) in their formulations, the Company has conducted a comprehensive review across all product lines, identifying applicable exemption categories and timelines based on product characteristics, while continuously tracking regulatory developments related to proposal for PFAS restrictions under the REACH Regulation and their implications for broader chemical management requirements.

During the reporting period, the Company did not experience any major chemical leakage incidents or other safety-related events.

## Innovation-Driven Development

Juhua Corporation places strong emphasis on its innovation strategy and R&D management, striving to build an efficient and collaborative R&D organizational system and professional team. By maintaining a high level of R&D investment and implementing scientific and standardized management mechanisms, the Company continuously promotes coordinated innovation across the industrial and supply chains.

## Governance

Juhua Corporation adheres to fluorochemical industry development as its core focus, with the application of the "Four New" approaches as the key direction for industrial transformation and upgrading. It accelerates the advancement of innovation-driven development and industrial transformation. The Company has formulated and implemented the Measures for Scientific Research and Development Management, providing systematic standardization and full lifecycle management of R&D activities.

The Company has established an R&D governance structure of the Board of Directors, the Strategy Committee, and the Investment, Development and Construction Department. The Board of Directors and Strategy Committee are deeply involved in the research and formulation of innovation strategies, assessing the technological leadership of products and technologies based on industry trends and providing strategic guidance, ensuring alignment between R&D direction, market demand and industry development. The Investment, Development and Construction Department focuses on technological breakthroughs in key industries and specialized fields, organizing and advancing R&D initiatives. The Company has also established a collaborative R&D network comprising Technology Center Company, business divisions, subsidiaries, production bases and relevant functional departments. These entities jointly undertake product development, technical support, testing and validation, and information management. The Company's R&D scope covers areas including fluorinated materials and petrochemical new material ecosystem products, low-GWP new refrigerants and new energy materials, and continuously improves R&D efficiency through digitalization and intelligent technologies.

## Strategy

The Company systematically identifies and analyzes risks and opportunities in R&D and innovation, supporting the development of scientific and robust strategic decisions.



>> Innovation-Driven Risks and Opportunities <<

Type	Description	Financial Impact
Risk	Technological iteration Rapid iteration of fluorochemical new materials, new refrigerants and high-performance fluoropolymers. Misjudgment of R&D direction or lagging technological pathways may result in product substitution and weakened market competitiveness.	Decline in operating revenue Increased risk of asset impairment
	Commercialization of R&D outcomes Long development cycles, high investment and uncertain success rates, combined with slow progress in validation stages, may lead to difficulty in translating R&D inputs into commercial outputs.	Increased R&D expenses Extended payback period Reduced profit margins
Opportunity	Product structure upgrading Continuous development of high-performance fluorinated materials, low-GWP refrigerants and functional fine chemicals enables the transition from generic products to high-value, high-barrier products.	Increased operating revenue Improved gross margins
	Green and low-carbon innovation Innovation in green chemistry, clean production and low-carbon technologies aligns with regulatory trends and customer ESG expectations, enhancing product sustainability attributes.	Reduced compliance risk Enhanced pricing power
	Intellectual property and technological barriers Strengthening patent deployment, protection of technical know-how and participation in standard-setting helps build technological barriers and enhance market influence.	Increased market share Reduced competitive pressure

### R&D Incentive Mechanism

The Company continuously promotes technological innovation to enhance product competitiveness. To ensure effective implementation of R&D activities, R&D and innovation tasks are incorporated into the technology innovation task plans of business divisions, and are linked to performance evaluation and professional process assessments, ensuring accountability for innovation. The Company implements stage-gate management and evaluation standards for new product development projects, ensuring dedicated and efficient use of R&D funds. R&D investment is continuously increased, and a special innovation incentive fund has been established to reward teams or individuals achieving outstanding results in areas such as technological development, process optimization, product innovation. These measures enhance employees' innovation awareness and motivation. At the same time, the Company has established multi-level innovation platforms, supporting employee participation in innovation projects and providing necessary resources. Juhua Corporation actively organizes innovation training and technical exchange activities, integrates internal and external resources, shares cutting-edge technologies and innovation concepts, and stimulates overall innovation vitality.

### Impact, Risk and Opportunity Management

Juhua Corporation continuously improves the mechanisms for incubation and industrialization of R&D achievements, accelerates the application of new technologies and processes, and strengthens the role of technological innovation in supporting its core business.

### Case | High-Value Patent Cultivation Platform for High-Performance Fluorinated Materials Selected as a Provincial-Level Initiative

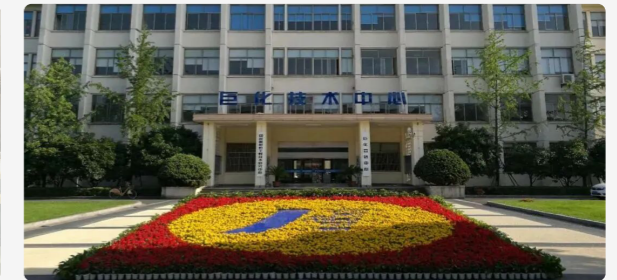


In November 2025, the platform submitted by the Technology Center Company focusing on the "High-Performance Fluorinated New Materials" field was successfully included in the "2025 Zhejiang Provincial High-Value Patent Cultivation Platform Project List".

As the Company's core R&D institution and a key supporting unit of the National Engineering Research Center for Fluoromaterials, the Technology Center Company operates multiple innovation platforms including a State Recognized Enterprise Technology Center, a Post Doctoral Research Station, and one of the first batch of New-Type R&D Institutions in Zhejiang Province. It also serves as the secretariat of specialized committees under the China Association of Fluorine and Silicone Industry and the Zhejiang Fluorochemical Industry Technology Innovation Strategic Alliance.

Focusing on patent management system development, the Company coordinates patent cultivation, operation and strategic deployment, supporting the transformation of R&D outcomes into core technologies and key intellectual property assets.

Juhua Corporation advances platform development through top-level patent design, high-quality cultivation, efficient commercialization and leading demonstration practices, gradually forming a distinctive patent cultivation model. Going forward, the Company will leverage this platform to integrate upstream and downstream industry players and academic research resources, building a high-value patent ecosystem spanning fundamental research, technology development, product transformation and market application, and continuously enhancing its independent innovation capabilities.



### Case | World's Largest Single-Unit PDO/PTT Integrated Facility Successfully Commissioned



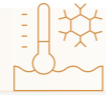
On 19 October 2025, the 150,000 tonnes/year PDO/PTT integrated facility of Ningbo Juhua Chemical Company successfully produced its first batch of qualified products, achieving successful commissioning on the first attempt. As a key project under Zhejiang Province's "Thousand Projects, Trillion Investment" initiative, the commissioning of this facility marks a significant breakthrough in China's polyester new materials sector, breaking long-standing foreign technological monopolies and advancing industrial chain localization.

PTT offers excellent elasticity recovery, dyeability and environmental performance, and is widely used in high-end textiles and engineering plastics. PDO, as the core raw material for PTT, has long been subject to foreign technological constraints, limiting independent industry development. This project represents the largest single-unit capacity of its kind globally, adopting a chemical process route and achieving advantages in process stability and raw material supply through technology introduction, digestion, absorption and re-innovation. It establishes a highly efficient and coordinated closed-loop production system.

The project builds upon the Company's long-term technological accumulation. Previously, the Company collaborated with institutions such as the Dalian Institute of Chemical Physics of the Chinese Academy of Sciences to develop heterogeneous catalytic hydroformylation of olefins, achieving the world's first industrial application of single-atom catalysts. The project received the Second Prize of Ningbo Science and Technology Award, laying a strong technical foundation for the facility's successful commissioning.



Case | National Key R&D Project Achieves Outstanding Acceptance and Enables Scaled Deployment of Liquid Cooling Technology



During the reporting period, the project titled "R&D and Application Demonstration of Liquid Cooling Thermal Management Materials for Data Centers", a National Key R&D Program "Open Competition Mechanism" project undertaken by the Technology Center Company, successfully passed acceptance and was rated as excellent, and also won the second prize in the 2nd "Navigator Cup" Innovation Competition for State-Owned Assets and State-Owned Enterprises.

The project focuses on the high-efficiency heat dissipation requirements of next-generation data centers, achieving breakthroughs in key materials and system integration technologies for liquid cooling. Through project implementation, the Company has developed an integrated solution covering cooling fluids, thermal management equipment, immersion liquid cooling servers. It has established turnkey capabilities for immersion liquid-cooled data centers (including AI and supercomputing centers), covering design, construction, installation, commissioning and operation. Applications have been extended to energy storage liquid cooling, liquid cooling for 5G baseband units (BBU). Projects such as the Shanghai Alibaba Cloud liquid cooling project, China Telecom Tianyi Cloud liquid-cooled computing center and China Mobile Qingyang liquid-cooled data center have been successfully delivered. Projects under the "East Data West Computing" initiative, including Qingyang hub nodes, Jiuquan data investment projects and the Quzhou Wanka cluster, are progressing in an orderly manner.



Case | Selected as a National Pilot Platform to Advance Fluorine-Chlorine New Material Commercialization



The pilot-scale platform for high-performance fluorine-chlorine synthetic resins and specialty monomers, developed and operated by the Technology Center Company, has been selected as one of the first batch of national manufacturing pilot platforms by the Ministry of Industry and Information Technology (MIIT).

Since its establishment in 2002, the platform has focused on high-performance fluorine-chlorine polymers, specialty monomers and high-end fluorinated specialty chemicals. The platform currently covers over 60,000 m<sup>2</sup>, with more than 3,000 sets of equipment and advanced analytical instruments, forming a comprehensive pilot-scale capability system. Its outcomes have been widely applied in areas such as data center liquid cooling, integrated circuits, hydrogen energy and energy storage, and aerospace. The platform has also incubated multiple technology enterprises. Its pilot-scale conversion rate has consistently exceeded 80%, fostering multiple national-level manufacturing champions and "Little Giant" specialized enterprises, creating strong industrial spillover effects.

首批国家级制造业中试平台名单

序号	重点领域	地区	平台名称	依托单位
1	石化化工	辽宁省	精细化工中试平台	辽宁精细化工产业技术发展有限公司
2			化工新材料中试平台	沈阳中化新材料科技有限公司
3			高端化学品中试平台	浙江大学衢州研究院
4			新材料中试平台	国科(浙江)新材料技术有限公司
5		浙江省	氟氯高性能合成树脂及特种单体中试平台	浙江巨化技术中心有限公司
6		山东省	绿色化工与新材料中试平台	山东滨博石油化工有限公司
7		宁夏回族自治区	现代煤化工中试平台	宁夏宁东科技创业投资有限公司
8	前沿材料	湖北省	先进功能材料中试平台	武汉中科先进材料科技有限公司
9		四川省	先进光伏器件中试平台	通威股份有限公司



Case | Core Patent Recognized Nationally, Enabling Breakthroughs in New Refrigerant Technologies



In June 2025, Quhua Fluorine Chemistry Company's patent titled "A Method for Producing 2,3,3,3-Tetrafluoropropene" was awarded the 25th China Patent Excellence Award. 2,3,3,3-Tetrafluoropropene, as a key alternative to HFC-134a, has been widely adopted in European and North American markets.

The technology improves production efficiency and product performance while reducing greenhouse gas emissions by approximately 97%, providing technical support for compliance with the Montreal Protocol and the Kigali Amendment, while achieving localization of core technologies and promoting green industry transformation.



Case | Innovation-Driven Breakthroughs in Green New Materials



The Company continues to strengthen its innovation leadership, focusing on key technologies in new energy and high-end new materials. Multiple achievements were recognized with the 2024 Zhejiang Provincial Science and Technology Awards. The Technology Center Company's project on "Key Preparation Technologies and Applications for High-Molecular-Weight Perfluorosulfonic Acid Resin for New Energy" won the Second Prize in Technological Invention. Jusu Chemicals Company's project on "Green Manufacturing Technologies for High-End PVDC Materials" won the Second Prize in Scientific and Technological Progress. Ningbo Juhua Chemical Company's project on "Industrialization of Olefin Hydroformylation and Hydrogenation Based on Single-Atom Catalysts" won the Third Prize in Scientific and Technological Progress.

Through continuous advancement of technological innovation and commercialization of results, the Company strengthens its core competitiveness in green new materials, fosters innovation-driven new productive forces, and supports high-quality industrial development.



Digital Transformation

Since the start of the 14th Five-Year Plan, Juhua Corporation has identified digital and intelligent transformation as its "No.1 Project" for achieving high-quality development, and has systematically advanced digital transformation across the entire value chain of production and operations. By leveraging digital technologies, the Company enhances safety, efficiency and value creation. Through the deep integration of automation, informatization and intelligent technologies, the automation rate of production facilities has increased to over 99%, while the total number of operators has been reduced by 60%, maintenance workload has decreased by 37%, and production incident rate has declined by 80%.

Centered on the "Three Zeros" initiative—zero manual intervention, zero standby equipment, and zero distance—the Company has restructured its production and operational management model, transitioning from labor-dependent operations to intelligent operations. This has resulted in systematic improvements in equipment management, business coordination, and process efficiency. At the same time, the Company actively embraces the "AI+" strategy, strengthening data governance and platform development. Leveraging a centralized data platform (data middle office), it is transforming management decision-making from experience-driven to data-driven, and building a comprehensive digital platform system covering production operations, safety management, organizational collaboration and supply chain management.



During the reporting period, Juhua Corporation and its subsidiaries received multiple awards and recognitions related to digital transformation.

Digital Transformation Awards and Recognitions	
Jusheng Fluorine Chemicals Company	The 9th batch of National Manufacturing Single Champion Enterprises by MIIT
Quhua Fluorine Chemistry Company Jusu Chemicals Company	The 4th batch of Zhejiang Province "Cloud-Based Enterprises"
Jusheng Fluorine Chemicals Company – "Automated Packaging Line and Intelligent Warehousing for Fluoropolymers"	2025 Zhejiang Provincial Demonstration Project for Manufacturing Transformation (Digital Transformation)
Quhua Fluorine Chemistry Company – "Refrigerant Smart Factory" Jusheng Fluorine Chemicals Company – "PTFE Smart Factory" Electrochemical Plant – "Sodium Hypochlorite Smart Factory" Ningbo Juhua Chemical Company – "Organic Alcohol Smart Factory"	The first batch of Zhejiang Provincial Advanced-Level Smart Factories (2025)
Jusheng Fluorine Chemicals Company – "Intelligent Fixed-Weight Cutting and Full-Process Smart Equipment for Low-Mooney Rubber Production"	The first typical "AI+" application cases for Zhejiang state-owned enterprises
Jusheng Fluorine Chemicals Company – "5G Fully Connected Factory"	The MIIT 2025 5G Factory Directory
Electrochemical Plant – "AI-enabled PVDF Full-Process Intelligent Manufacturing Management Application Scenario"	2025 Zhejiang Provincial AI Application Scenario

## Industry Engagement

The Company has established and improved a range of innovation platforms, including national-level innovation platforms, academician and doctoral workstations, provincial advanced manufacturing innovation centers, New Materials Research Institute Company, low-carbon refrigerant research institutes, pilot plants and joint laboratories with research institutions and R&D institutions across subsidiaries. These platforms strengthen an innovation system characterized by strategic leadership, internal and external collaboration, and industry-academia-research integration, while actively supporting industry exchange and collaboration.

During the reporting period, the Company participated in the development of 1 national standard and 4 industry/association standards.



## Metrics and Targets

During the reporting period, Juhua Corporation added 1 new national high-tech enterprise (Jinju Chemicals Company), bringing the total number of high-tech enterprises to 12. A total of 24 major scientific and technological achievements were realized, including 9 pilot-scale (lab-scale) results, 8 intermediate pilot results, 7 industrialized results. The Company filed 124 patent applications (including 11 PCT applications). A total of 77 patents were granted, including 5 overseas patents.

During the reporting period, total R&D expenditure reached RMB **1.12** billion; R&D intensity reached **4.70%**, representing a year-on-year increase of **9.05%**.

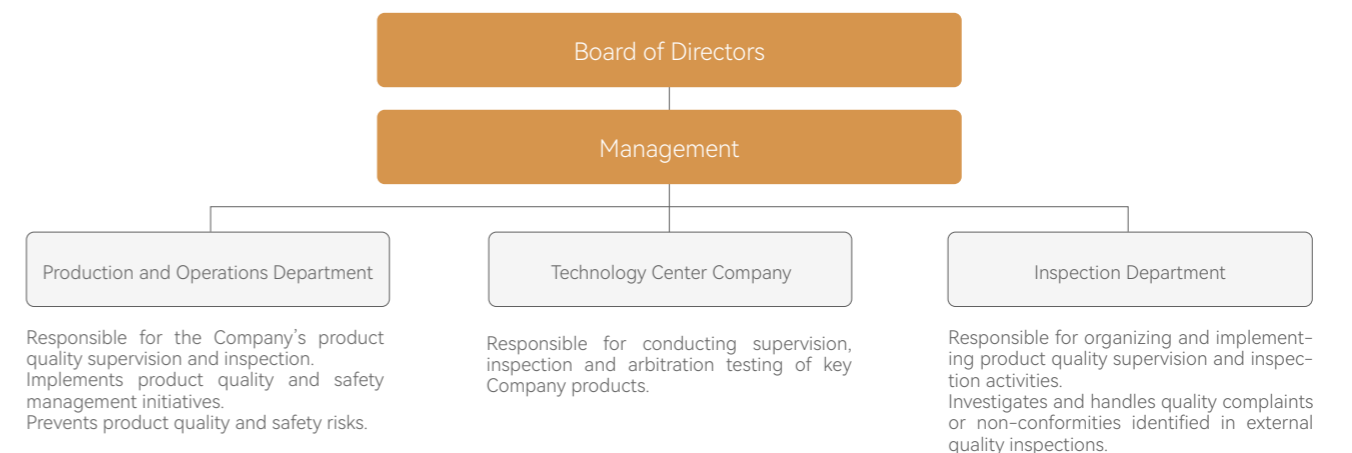
Looking ahead, the Company plans to continue increasing R&D investment, expand its R&D workforce and maintain an R&D intensity target of remaining 4.2% by 2026.

## Product Quality

### Quality Management System

The Company strictly complies with applicable laws, regulations and standards, including the Product Quality Law of the People's Republic of China, the Interim Measures for the Supervision and Administration of Product Quality Supervision and Spot Checks and the Regulations on the Implementation of Quality and Safety Responsibilities by Industrial Product Manufacturers. The Company has also established and implemented a series of internal management systems, including Regulations on Product Quality Supervision and Inspection Management, Measures for the Preparation and Management of Product Quality Reports, Measures for Quality Dispute Arbitration Management, Measures for the Formulation and Revision of Enterprise Product Standards and Measures for Quality Inspection of Chemical Raw and Auxiliary Materials.

Through these measures, the Company has built a comprehensive and well-structured quality management system with clearly defined responsibilities, enabling full-process quality control across key stages, including incoming inspection of raw and auxiliary materials, production process management, final product inspection prior to delivery, packaging and transportation.



During the reporting period, the Company obtained certification under the GB/T 19022-2003 / ISO 10012:2003 Measurement Management System and the CMS04-2019 Measurement Management System. The Company also supported its subsidiaries in implementing quality management systems, continuously enhancing their quality management capabilities. In total, 18 subsidiaries obtained ISO9001 Quality Management System certification. In addition, the Electrochemical Plant and Jinju Chemicals Company obtained ISO 22000 Food Safety Management System certification.



## Quality Assurance and Improvement

Juhua Corporation has established a rigorous product quality inspection mechanism covering raw material acceptance inspection, in-process inspection, final product inspection prior to delivery. The Company continuously optimizes its quality performance evaluation system, conducting dynamic monitoring of quality management effectiveness. Key indicators such as product qualification rate and customer complaint rate are incorporated into monthly or annual assessments. Responsible departments are required to conduct root cause analysis for non-compliant items, formulate and implement corrective action plans, and continuously improve quality management performance.

### Case | Two Core Products Selected as “Zhejiang Manufacturing Excellence Products”



Jusu Chemicals Company’s PVDC Resin for Cling Film (SLV22) and Jusheng Fluorine Chemicals Company’s Ethylene Tetrafluoroethylene (ETFE, JH-WHF/WH) were selected for the 2025 “Zhejiang Manufacturing Excellence Products” list, demonstrating the Company’s sustained investment and achievements in quality management and standardization.

Jusu Chemicals Company has established a full-process management system covering R&D, production and quality control, implementing systematic control over molecular structure, crystallization performance, and barrier properties of PVDC resin ensuring stable and reliable product performance in terms of temperature resistance, moisture and oxygen barrier properties, and sterilization capability. A comprehensive testing and traceability mechanism ensures that each batch of products meets standards for food, pharmaceutical and cosmetic packaging, enhancing product safety and stability while achieving import substitution.

Jusheng Fluorine Chemicals Company applies precision polymerization processes and key parameter monitoring systems in ETFE production to ensure that mechanical strength, light transmittance, weather resistance, and cleanliness reach internationally advanced levels. Through a comprehensive quality management system, standardized process specifications and proprietary testing methods, Juhua Corporation ensures stable supply of high-end fluorinated materials, supporting applications in architectural membranes, aerospace and new energy sectors.



During the reporting period, the following 3 products were selected for the 2025 Zhejiang Provincial Outstanding Industrial New Products List:

- Jusu Chemicals Company – PVDC Resin for Cling Film
- Chuangfu High-Tech Company – Perfluoropolyether-based Cooling Fluid
- Jusheng Fluorine Chemicals Company – Peroxide-cured Perfluoroether Rubber (FFKM)

## Customer Relationship Management

### Management System

Juhua Corporation has established the Measures for Customer and Credit Management, requiring marketing entities to build customer service systems aligned with the Company’s standards, and to enhance product, technical and logistics service capabilities. Subsidiaries and sales entities are required to establish customer service and complaint management processes in accordance with these requirements. The Company has set up diversified communication and complaint channels, including a nationwide unified service hotline (0570-3098686) on its official website, with dedicated personnel responsible for handling product inquiries and complaints. At the same time, subsidiaries and sales entities collect customer feedback through multiple channels, including internal discipline inspection bodies, sales personnel, administrative offices and handle complaints promptly in accordance with established procedures.

### Enhancement of Customer Service Capabilities

The Company continues to improve its Customer Relationship Management (CRM) system, covering customer information management, full lifecycle management and service visits. This enables end-to-end digital management from sales to service, effectively tracking the entire customer journey—from initial contact, evaluation and conversion to long-term retention. The system provides a clear view of customer status, supports efficient resource allocation and follow-up, and improves conversion and retention rates.

The Company’s intelligent customer service system, based on artificial intelligence and natural language processing technologies, supports knowledge-based Q&A and product inquiry scenarios. It can automatically identify common customer inquiries and provide accurate responses, improving service efficiency. The system also supports the creation and allocation of service tickets, automatically identifying issue types and assigning them to responsible departments, thereby enhancing customer satisfaction.

The Juhua Digital Marketplace integrates the full lifecycle of product sales, achieving deep integration across multiple systems and establishing an online sales ecosystem. Through digitalized transaction processes, it connects finance, business units, suppliers, manufacturers, customers and enables end-to-end closed-loop management from order placement to delivery confirmation, eliminating information barriers with upstream and downstream partners, establishing a “zero-distance” communication mechanism, and improving service convenience, transparency and responsiveness.

### After-Sales Service Management

The Company continuously improves the quality of after-sales services. Each business division regularly conducts customer satisfaction surveys through questionnaires, widely collecting customer feedback and suggestions. Based on feedback, the Company formulates and implements corrective measures, and conducts follow-up visits to ensure issues are effectively resolved, forming a closed-loop management system. Customer satisfaction is incorporated into the performance evaluation system, serving as an important indicator for annual performance assessment and corporate management objectives.

During the reporting period, the Company’s customer satisfaction score reached **89.64**.

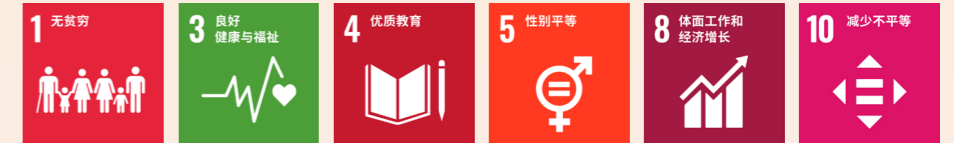
### Data Security and Customer Privacy Protection

The Company strictly complies with laws and regulations such as the Cybersecurity Law of the People’s Republic of China, the Personal Information Protection Law of the People’s Republic of China and has established a comprehensive data security management system to protect the personal information and data of customers, partners and employees.

The Company has formulated internal policies including Regulations on Network and Information Security Management and Measures for Information Technology Management of Corporate Headquarters to standardize information security practices and implement requirements for information security, cybersecurity and incident management. The Board of Directors oversees information security strategy, while the General Administration Department is responsible for advancing cybersecurity initiatives. Subsidiaries establish corresponding management systems and dedicated working groups based on operational needs, ensuring robust data security protection for both domestic and international customers.

During the reporting period, the Electrochemical Plant and Jusu Chemicals Company obtained ISO 27001 Information Security Management System certification.

United Nations Sustainable Development Goals (SDGs) Addressed in This Chapter:



# 05 PART

## Fulfilling Social Responsibility and Creating Shared Value



Juhua Corporation remains committed to a people-oriented approach and the creation of social value. The Company places strong emphasis on talent development and incentive mechanisms, fully safeguards employees' rights and benefits, and builds a resilient and sustainable supply chain ecosystem. At the same time, the Company actively participates in public welfare and charitable initiatives, giving back to society through concrete actions and demonstrating its corporate responsibility and commitment.

Highly Material Issues Addressed in This Chapter:

- Occupational Health and Safety
- Employee Training and Development
- Employee Rights and Benefits
- Supply Chain Security
- Social Contribution
- Rural Revitalization
- Fair Treatment of SMEs

## Employee Rights and Benefits

### Labor and Human Rights

#### Recruitment and Employment

Juhua Corporation strictly complies with applicable laws and regulations in all jurisdictions where it operates, including the Labor Law, the Labor Contract Law, the Social Insurance Law, and the Provisions on the Prohibition of Child Labor. The Company also aligns with relevant international standards, such as the United Nations Sustainable Development Goals (UN SDGs) and Conventions of the International Labor Organization (ILO), and continuously improves its internal policies, including the Labor Employment Management Measures. The Company adheres to open recruitment and non-discrimination principles, firmly opposes forced labor, illegal labor, harassment and abuse, strictly prohibits child labor, and safeguards equal employment opportunities and employees' legitimate rights and interests. It is committed to building a diverse, inclusive and dynamic workplace environment.

During the recruitment process, the Company follows principles of openness, fairness and impartiality, with transparent recruitment procedures and standards. The Company adopts a zero-tolerance approach toward child labor and forced labor, treats employees equally regardless of nationality, ethnicity, religion, cultural background, gender or age, and provides supportive positions for persons with disabilities to meet their employment needs.

During the reporting period, the Company did not record any violations related to child labor or forced labor.

Indicators	Unit	2025 Data
Total number of employees	persons	9,093
Number of female employees	persons	1,867
Number of employees with disabilities	persons	131
Number of ethnic minority employees	persons	181
Number of new hires	persons	700

#### Employee Rights and Benefits

The Company places strong emphasis on employee rights and welfare, strictly adhering to the principle of equal pay for equal work. During the reporting period, the Company formulated and continuously improved internal policies, including Performance and Compensation Management Measures, Employee Attendance and Leave Management Measures, Management Provisions on Compensation and Benefits for Overseas Employees, and Employee Rewards and Disciplinary Management Measures. The Company provides full social insurance coverage and benefits for employees in accordance with regulations, effectively safeguarding their lawful rights and interests. At the same time, the Company continuously improves its compensation system, effectively motivating employees and enhancing engagement.

Juhua Corporation has established a trade union organization covering all employees. The Company convenes an annual employee representative congress, and through trade union interviews and democratic consultation meetings, collectively discusses issues of concern to employees. The Company actively listens to employees' opinions and demands, keeps abreast of employees' perspectives and needs, and effectively addresses difficulties encountered in both work and daily life. Through these mechanisms, the Company promotes democratic management, enabling democratic participation and decision-making.

The Company places strong emphasis on employee rights and welfare, closely monitoring employees' needs in both work and life, and providing comprehensive benefits. The Company respects women's rights, and trade union organizations across subsidiaries have established women's committees, which are responsible for safeguarding the rights and interests of female employees.

During the reporting period, the Company maintained a 100% social insurance coverage rate, with total welfare expenses of RMB 10.83 million, of which statutory welfare expenses amounted to RMB 36.21 million.

According to the annual employee satisfaction survey, employee satisfaction reached **84.90** %,

and corporate culture recognition reached **88.14** %.

#### Case | Trade Union Representative Congress Enhances Democratic Participation



During the reporting period, the Company continued to improve employee participation and communication mechanisms, leveraging the trade union as a bridge between corporate governance and employees. For example, on December 3, the Fluororefrigerant Business Division convened its third Trade Union Member Representative Congress, attended by more than 80 employee representatives and guests. The meeting reviewed and approved the trade union work report, systematically summarizing achievements over the past five years in serving employees, supporting enterprise development, and outlining key priorities for the next five years. In accordance with the agenda, new members of the trade union committee and the fund review committee were elected through competitive elections, further improving the governance structure of the trade union organization.



#### Case | Addressing Extreme Heat to Safeguard Employee Health and Safety



In response to prolonged high temperatures, the Company adhered to a people-oriented approach and systematically implemented heat prevention and safety measures. Key actions included optimizing work schedules and implementing staggered operations; reducing continuous working hours during peak heat periods; increasing inspection frequency of critical equipment; strengthening hazard identification and closed-loop rectification to ensure safe and stable operations. Trade unions and grassroots organizations carried out "Cooling Care Initiatives," providing heatstroke prevention supplies and emergency medicines, free cooling food in canteens, designated rest areas for frontline workers. In addition, the Company organized AED training and CPR skill competitions, enhancing employees' emergency response capabilities.

During the high-temperature period, the Company maintained stable production operations and achieved "Zero Delay" and "Zero Accident" targets, effectively safeguarding employee health and rights.



Case | Empowering Female Employees to Support High-Quality Development



The Company actively promotes the "One Juhua" culture and continuously improves mechanisms for supporting and developing female employees. During the reporting period, the Company participated in group initiatives such as the "Women's Craftsmanship Dream" recognition program and mentoring programs supporting female employees in western regions, leveraging the role of outstanding female employees as role models and encouraging their contributions to western region development, green transformation and digital and intelligent transformation.



At the same time, subsidiaries organized various activities including safety awareness competitions, fitness training and cultural and sports exchanges. These initiatives enriched employees' cultural life, stimulated engagement, and enhanced their sense of belonging, while supporting talent structure optimization and coordinated development.



Case | Organizing Diverse Sports Events to Promote Employee Well-being



The Company regards employees' physical and mental well-being as a key foundation for sustainable development, and continues to improve occupational health and recreational activity systems. In 2025, the Company encourages employees to participate in Employee Sports Games, featuring 14 events including fitness qigong, badminton, table tennis variants, and track and field. These activities strengthened physical fitness while promoting communication, teamwork and a positive corporate culture. The labor union continuously enhances the form and content of sports activities, strengthens the development of sports associations including basketball, football, and table tennis variants, using them as an important vehicle for promoting corporate culture and strengthening organizational cohesion, and meeting employees' diverse health and well-being needs.



## Talent Development and Growth

### Employee Development

Juhua Corporation adheres to a development strategy of strengthening the enterprise through talent and innovation. The Company has established a comprehensive career development system for employees and, through innovative talent development approaches, has built a systematic and scientifically structured talent cultivation framework.



The Company has established internal career development and evaluation systems, including the Measures for the Management of the "H-shaped" Career Development Pathway and the Measures for Job Grade Management. By integrating daily performance evaluations and annual assessments, the Company conducts comprehensive and objective evaluations of employees' work performance. The Company has innovatively developed a three-track career advancement system covering business and management, professional and technical roles, and production and operational roles. Through horizontal mobility and vertical progression pathways, the system ensures that employees across all tracks enjoy equal promotion opportunities and access to development resources. Based on the job grading system and business development needs, the Company continuously refines promotion and demotion procedures. Promotions generally require employees to meet qualification standards and follow a step-by-step progression, while exceptionally qualified individuals may be promoted across levels. The Company conducts open, fair and transparent promotion processes, publicly disclosing promotion policies—including nomination criteria, procedures and evaluation mechanisms—to management and all departments. Promotion results are publicly announced to ensure fairness and transparency.

### Employee Training

Based on internal policies such as the Measures for Education and Training Management, Juhua Corporation has established a comprehensive training system covering general competencies, professional competencies and leadership capabilities. The system is designed to enhance employees' overall capabilities and align closely with the Company's strategic planning and the developmental needs of employees at different career stages. The Company adopts a blended learning approach, combining online and offline training. Digital platforms such as the "Zheli Enterprise Online Training Platform" and the "Zhejiang Provincial Work Safety Online Academy" are utilized to support continuous employee capability development.

The Company continuously improves its training system and strengthens the development of professional instructors, enhancing both technical expertise and safety management capabilities. Through the establishment of an internal trainer management system and the implementation of the Internal Consultant Management Measures, the Company conducts regular evaluations and appointments, gradually forming a professional training team covering areas such as safety culture, process safety, and equipment safety. As of the end of the reporting period, the Company had 17 safety culture consultants (including 3 senior-level and 14 trainee-level); 14 process safety consultants; 15 equipment safety consultants (including 3 senior-level and 12 trainee-level); 40 certified trainers for special operations. These resources provide strong professional support for employee training and safety capability building.

During the reporting period, the Company organized **3,375** training sessions, covered **78,827** participant attendances and total training investment amounted to RMB **7.17** million.

Case | Building High-Level Training Platforms to Enhance Professional Capabilities

Juhua Corporation, in collaboration with industry associations, organized a demonstration training program on risk management and quality control in the chemical industry. The program covered topics including identification criteria for major accident hazards, equipment risk perception and assessment, Hazard and Operability Analysis (HAZOP), lean management and quality management. The training adopted a full-time, centralized format, with experts from universities and research institutions delivering lectures. By integrating theory and practice, the program enhanced the safety and quality management capabilities of managers and technical personnel. Training hours were incorporated into the continuing education system, and outstanding participants were recommended for evaluation as excellent engineers. Leveraging the construction of an Excellent Engineer Practice Base, the Company continues to improve its talent development system, providing strong support for high-quality industrial development.



During the reporting period, the Company conducted key internal training programs, including certification renewal and retraining for enterprise leaders and safety management personnel; annual training for enterprise leaders and occupational health management personnel; specialized training in occupational health, safety and environmental management.



Talent Incentives

Based on internal policies such as the Compensation System Management Measures, the Company has established a compensation and incentive mechanism based on job value and performance contribution. The Company has developed a distribution system linking base salary and performance-based compensation, closely tying employee income to corporate performance, departmental performance and individual performance results.

Sequence-based and structured compensation system

- The Company has established a position-value-based compensation system, adopting a distribution model combining annual salary, agreement-based salary, and position-performance pay. Position-performance pay consists of base salary, performance pay, allowances and subsidies, and special incentives, with clearly defined salary grades and steps. The structure is transparent and standards quantified, reflecting job differences and competency levels.

Performance-linked distribution to strengthen incentives and constraints

- The Company adheres to "performance-based remuneration", closely linking compensation to corporate performance, departmental results and individual performance. Performance pay dynamically adjusts based on appraisal outcomes, favoring high-performing employees and key positions. Meanwhile, special rewards incentivize outstanding contributions, forming a distribution principle of "more work, more reward" and "better performance, better pay".

Parallel market benchmarking and dynamic adjustment

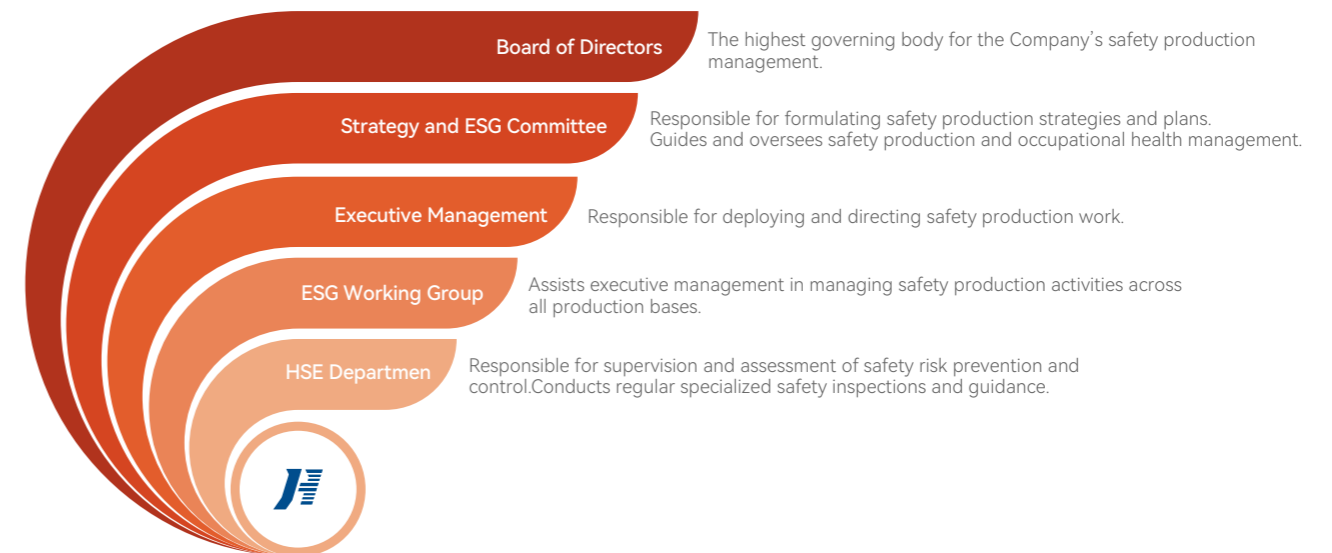
- The Company has established a compensation benchmarking and periodic adjustment mechanism, implementing differentiated incentives based on industry levels and operating performance, with preference for talent in short supply. Through standardized budget and disbursement management, it ensures that compensation distribution remains fair, compliant, and sustainably effective.

Occupational Health and Safety

Juhua Corporation regards safe production as the lifeline, red line and bottom line of its development, implements risk pre-control and forward-looking judgment, continuously advancing the establishment of a long-term safety management mechanism, strictly fulfilling its primary responsibility for safety production, and focusing on the identification and elimination of safety hazards. Through these efforts, the Company comprehensively enhances its safety management capabilities.

Governance

The Company strictly complies with applicable laws and regulations, including the Work Safety Law of the People's Republic of China, and has established a five-tier safety governance structure of "Board of Directors- Strategy and ESG Committee-Executive Management-ESG Working Group-Health, Safety and Environment (HSE) Department". This governance framework provides strict guidance to ensure intrinsic safety throughout the entire lifecycle of operations, including full production processes, entire value chains, and full lifecycle management. The Company clearly defines safety responsibilities across all departments and levels of management, and systematically cascades safety objectives down to each department and position. Through a tiered system of Safety Responsibility Agreements, responsibilities are assigned to individuals, ensuring full coverage of safety accountability with no blind spots.



The Company, in accordance with applicable laws and regulations such as the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, as well as system standards including OHSAS 18001 / ISO 45001, and based on its operational practices, has formulated and continuously updated internal policies such as Occupational Health Management Regulations and Management Regulations on the "Three Simultaneities" for Safety Facilities in Construction Projects. The Company has established a strict safety responsibility system, clearly defining annual safety responsibility targets and daily management mechanisms. Responsibilities for occupational health and safety are cascaded across all levels to ensure the effective achievement of safety objectives.

Safety Management System Documents	
Safety Management	Emergency Rescue Management Measures
	Measures for Hazard Identification and Risk Classification and Control
	Regulations on Safety Management of Contractors and Related Parties
	Incident (Event) Management Measures
	Hot Work Safety Management Measures
	Regulations on Safety Risk Assessment and Commitment Disclosure Management
	Safety Management Regulations for Chemical (R&D) Pilot Projects
	Chemical Safety Management Regulations
	Management Regulations on the "Three Simultaneities" for Safety Facilities in Construction Projects
	Electrical Incident Investigation Management Regulations
	Regulations on Full Employee Safety Responsibility System
	Production Operation Incident Management Measures
	Regulations on Personal Protective Equipment (PPE) Management
	Safety Production Cost Management Measures
	Safety Facilities Management Regulations
	Hidden Hazard Identification and Rectification Management Measures
	Regional Safety Responsibility Management Regulations
	Working at Height Safety Management Measures
Confined Space Operation Safety Management Measures	
Safety Reward and Penalty Management Regulations	
Occupational Health Management	Occupational Health Management Regulations
	Management Measures for the "Three Simultaneities" of Occupational Disease Protection Facilities in Construction Projects
Fire Safety and Security Management	Internal Public Security Responsibility System Management Regulations
	Internal Fire Protection and Gas Protection Safety Management Regulations

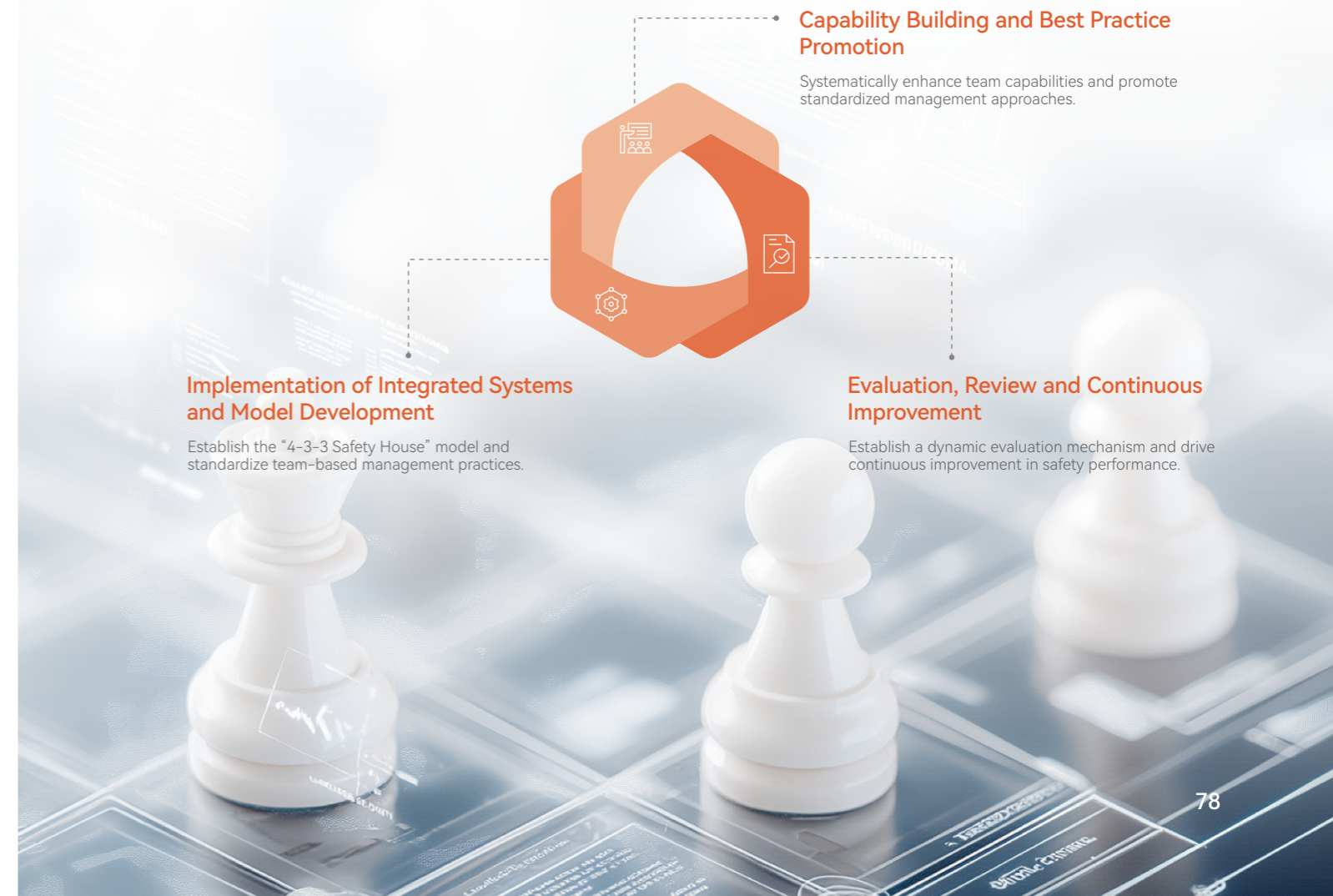
## Strategy

Juhua Corporation closely adheres to the main safety work line of "Felt leadership, Line responsibility, Local area management and Full participation", implements the development philosophy of "Safety First, Prevention Foremost", and has formulated 32 work measures across five aspects—prevention at source, human prevention, technical prevention, engineering prevention and management prevention. It has also formulated and issued the 2025 Safety Production "Action Plan for Breakthrough and Improvement" Task List, establishing a group-wide, integrated, multi-level occupational health and safety management system. The Company places strong emphasis on improving safety management effectiveness, strengthening the application of digital and information technologies, and enhancing capabilities in prevention and control of major hazard risks, monitoring, early warning, and emergency response. The Company continues to advance the "Zero Manual Intervention" iterative upgrade, promoting the transformation from high-quality equipment to high-quality intelligent systems, controlling risks at the source, eliminating potential hazards in a timely manner, and achieving dynamic elimination of major accident risks, and annual safety performance targets.

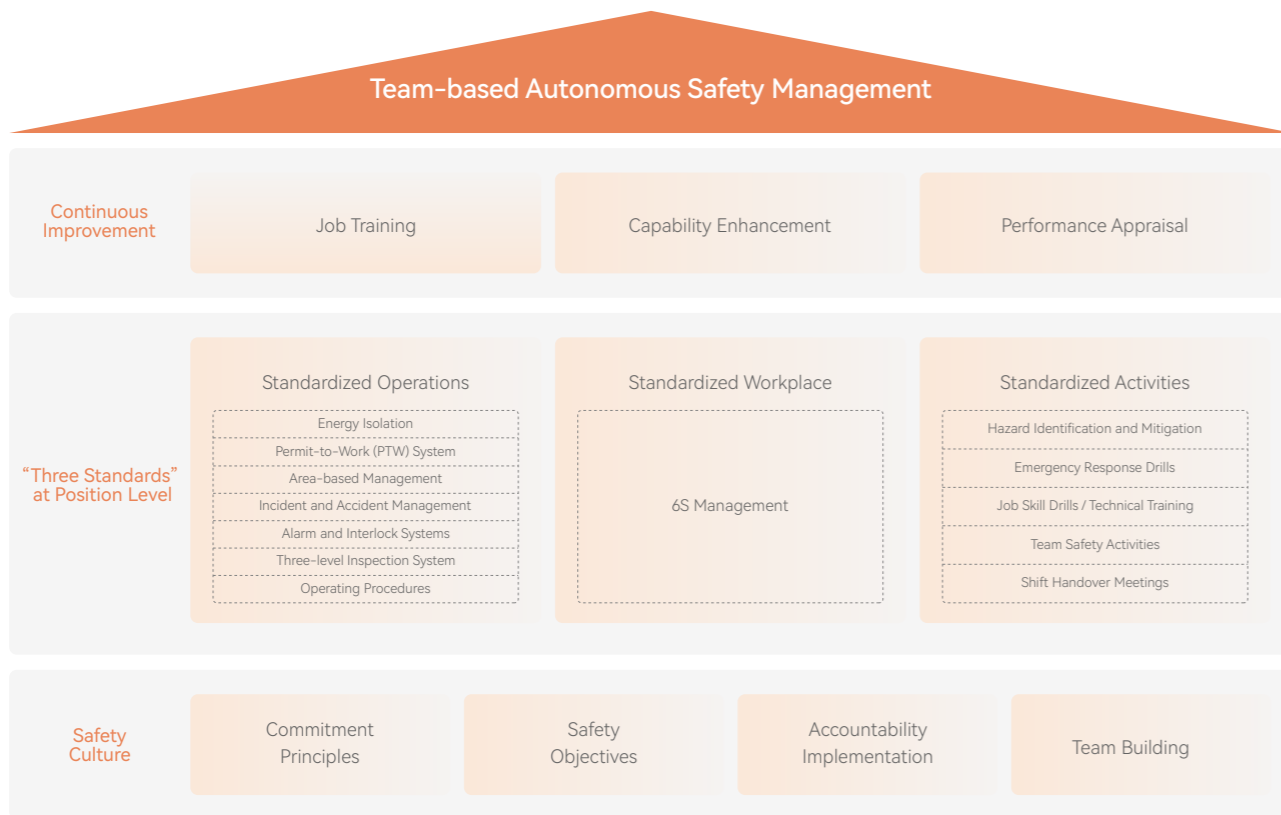
## Impact, Risk and Opportunity Management

### "Safety Cell Teams" Initiative

Juhua Corporation continues to promote the development of "Safety Cell Teams", strengthening the foundations of safety management at the grassroots level, including organizational capability, operational fundamentals and core competencies. This initiative promotes self-managed team-level safety management, effectively preventing and mitigating major safety risks and strengthening frontline safety capabilities. During the reporting period, based on the "4-3-3 Safety House Model" and its 10 core elements and evaluation criteria, 94 teams were assessed and recognized as "Red Safety Cell Teams". Focusing on 22 risk control elements, the Company conducted annual safety management audits for 15 high-risk enterprises, with overall performance rated as excellent.



>> Safety Management Model Review (433 Safety House Model) <<



>> The team operates in accordance with standard operating procedures and conducts work cycle inspections <<

序号	名称	内容	频次	责任人	备注
1	班前安全会	班前安全会，传达上级文件精神，布置当日工作任务，强调安全注意事项。	每日	班组长	
2	穿戴劳保用品	穿戴安全帽、安全带、防护手套、防护鞋、防护眼镜、耳塞、耳罩、防尘口罩、防毒面具、隔热服、防化服、防辐射服、防噪音耳罩等。	每日	作业人员	
3	设备工器具	检查设备工器具是否完好，是否符合安全要求。	每日	作业人员	
4	开机检查、操作	检查设备运行是否正常，是否符合安全要求。	每日	作业人员	
5	巡检	检查设备运行是否正常，是否符合安全要求。	每日	作业人员	
6	维护保养	对设备进行维护保养，确保设备正常运行。	每日	作业人员	
7	隐患排查	检查设备运行中是否存在安全隐患，并及时整改。	每日	作业人员	
8	交接班	交接班时，交接双方应检查设备运行是否正常，并签字确认。	每日	班组长	
9	安全培训	定期对员工进行安全培训，提高员工的安全意识和技能。	每月	安全管理人员	
10	应急演练	定期组织应急演练，提高员工的应急处置能力。	每季度	安全管理人员	

### Safety Training and Emergency Drills

Juhua Corporation firmly implements safety training and education programs, strengthening capability building in willingness, knowledge and skills to enhance individual capabilities in four core competencies for safety performance, i.e. foundational safety capability, safety leadership capability, risk control capability, and emergency command capability. Building on its equipment and operational transformation, the Company has established position-based safety competency standards, clearly defining safety capability requirements, skill levels and task lists for each role. It has also implemented evaluation mechanisms for line managers' safety performance, continuously improving risk control capabilities.

The Company continues to strengthen training for all employees. Key initiatives include upgrading the “e-Safety” learning platform, developing training courses, test banks and a learning credit management system, and improving training infrastructure and experience. During the reporting period, certification rate for principal persons in charge, safety management personnel, fire safety personnel and special operation workers reached 100%. A position-based training matrix was developed to assess competency gaps, ensuring 100% training before job assignment. Emergency response capabilities were strengthened, focusing on safe operation practices, self-rescue and mutual rescue skills, and emergency response procedures. The Company established standardized position-based emergency cards and promoted the five-step emergency method: “stop, evacuate, alert, report, assist.” Additionally, the Company organized training programs during the Occupational Disease Prevention and Control Awareness Week, inviting experts from provincial CDC institutions to deliver lectures.

During the reporting period, the Company achieved a 100% certification rate for personnel in the three safety-critical positions. A total of 965 individuals received annual and renewal training for principal responsible persons and work safety management personnel, 2,517 individuals received special operation training, and 5,714 employees participated in online safety training, with an average of 22.27 training hours per person.

During the reporting period, the Company conducted a total of **1,937** occupational health and safety training sessions.

### Case | “Everyone Talks About Safety, Everyone Responds to Emergencies” Campaign



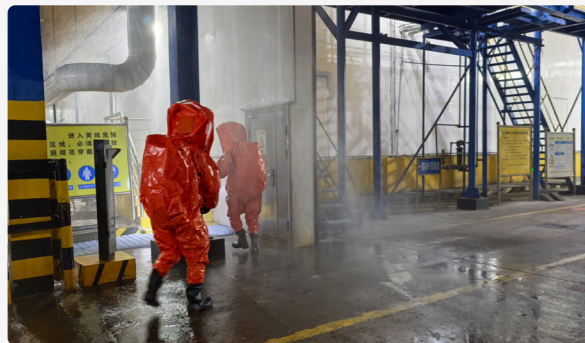
In May, Juhua Corporation launched its annual 100-day safety campaign themed “Everyone Talks About Safety, Everyone Responds to Emergencies—Identifying Safety Hazards Around Us”, alongside Safety Production Month activities and the “Ankang Cup” competition. The campaign included safety awareness campaigns, safety culture development, hazard identification and investigation, emergency drills and employee safety training. This initiative institutionalized hazard identification and remediation, ensuring risks are managed at the smallest operational unit, and promoting dynamic elimination of major safety risks.

The Company also organized emergency rescue skill competitions, confined space risk awareness training, safety warning education, and youth safety initiatives ensuring safety requirements for abnormal operating conditions are effectively implemented at frontline operations. Subsidiaries conducted team-level safety competitions, drills and skill contests, and extended safety education to production sites through formats such as “five-minute pre-shift safety briefings” and case-based safety discussions.





During the reporting period, the Company formulated and issued the 2025 Emergency Drill Plan for Production Safety Incidents, and conducted drills accordingly to strengthen emergency response teams and assess the feasibility and effectiveness of emergency plans.



The Company implements a dual prevention mechanism (risk classification control and hazard identification), and has established an internal hazard reporting reward system, encouraging employees to actively report safety hazards. This fosters a safety culture in which "Everyone is a Safety Officer". During the reporting period, total rewards for hazard reporting exceeded RMB 500,000. The Company strictly implements closed-loop rectification processes, ensuring all identified hazards are promptly and effectively addressed, building a strong foundation for safe operations.

### Case | "One-Form" Electronic Work Permit System



Juhua Corporation has implemented an integrated electronic work permit system across 13 hazardous chemical enterprises. The system integrates personnel positioning data and GIS-based visualization, enabling real-time monitoring and management of on-site personnel. The system is now fully operational, with approximately 76,800 work permits issued cumulatively.



### Metrics and Targets

The Company continues to deepen occupational health and safety management. Progress on key indicators is as follows:

Indicator	Unit	Target	Progress
Major or above safety incidents	/	0	Achieved
Total Recordable Incident Rate (per 200,000 hours)	/	≤0.18	Achieved
Lost Time Injury Rate (per 200,000 hours)	/	≤0.12	Achieved
Acute poisoning incidents	/	0	Achieved
Occupational disease incidence rate	/	0	Achieved
Regular testing rate for occupational hazard factors	/	100%	Achieved
Training rate for principal persons, occupational health managers and exposed workers	/	100%	Achieved
Occupational health records coverage	/	100%	Achieved
Reporting rate of occupational hazard projects	/	100%	Achieved

During the reporting period, the Company conducted occupational health examinations for employees exposed to occupational hazards, achieving a coverage rate of 100%. Total safety expenditure amounted to RMB 129 million.

## Resilient Supply Chain

### Governance

Juhua Corporation is committed to building a resilient and stable supply chain, strengthening supplier compliance management, optimizing supplier-related business processes, and establishing equal, mutually beneficial, close and long-term partnerships with high-quality suppliers. The Company has established a three-tier supply chain management structure, clearly defining responsibilities at each level to ensure stable operations and efficient management of the supply chain.



The Company strictly complies with applicable laws and regulations, including the Tendering and Bidding Law of the People's Republic of China and the Regulation on the Implementation of the Tendering and Bidding Law of the People's Republic of China, and has established comprehensive internal policies such as Supplier Management Measures, Procurement Management Measures for Overseas Companies and Management Measures for the Procurement and Supply of Bulk Raw (Fuel) Materials. These systems further standardize supplier risk control mechanisms, tendering and procurement processes and supplier admission criteria, and supplier performance evaluation systems, ensuring compliance across the full procurement lifecycle, including tendering, procurement, acceptance and payment.

The Company has implemented a strict supplier admission process, thoroughly reviewing suppliers' qualifications in areas such as performance track record, quality management, safety production, environmental protection and contract fulfillment capability to ensure the quality of supplier products and services. Environmental performance is treated as a baseline requirement in supplier selection. The Company assesses suppliers' environmental responsibility performance, avoids cooperation with suppliers involved in major environmental violations, and prioritizes those with strong environmental performance. During the reporting period, supplier admission and re-evaluation processes were further optimized, transitioning fully from offline approval to online processes. Enhanced due diligence was conducted on supplier qualifications and operational conditions. Suppliers that had not supplied goods within one year were subject to re-admission procedures.

Procurement of bulk raw (fuel) materials is conducted in accordance with the Management Measures for Bulk Raw (Fuel) Materials, leveraging approved digital and information-based procurement platforms. Procurement of other materials and services follows the Tendering Management Measures, with supplier sourcing conducted through six methods, including open tendering, open bidding, competitive quotation, invited tendering, competitive negotiation, and direct contracting.

In terms of anti-corruption in the supply chain, the Company requires suppliers to sign a Clean Conduct Commitment Letter. Contracts include anti-commercial bribery clauses, clearly requiring both parties to comply with all relevant anti-bribery laws and regulations, and strictly prohibiting any form of commercial bribery throughout all stages of contract engagement, including negotiation, signing, and execution. Clear reporting channels and responsible departments for handling complaints are also established.

### Pre-qualification and Control The Marketing

Department, together with the Production & Operations Department and the Procurement Center, conducts supplier evaluation. New suppliers are required to provide samples, pass quality inspection and trial use. Suppliers are assessed across multiple dimensions, including product quality, production and operational capabilities. Only suppliers that meet all requirements are admitted.

### Supplier Re-evaluation

The Company conducts annual re-evaluations of existing suppliers, assessing performance across quality, service capability, environmental management and supply performance. Suppliers scoring 80 points or above in comprehensive evaluation are classified as qualified suppliers; those scoring below 80 points are classified as unqualified suppliers and removed.

## Risk Identification and Response

Juhua Corporation places strong emphasis on supply chain risk management. In alignment with ESG management standards, the Company continuously develops a localized supply chain, advances intelligent supply chain transformation and strengthens overall supply chain resilience to ensure business continuity and operational stability. At the same time, the Company continuously improves its supply chain risk management framework, starting from supplier admission assessments and extending to ongoing monitoring and tracking, regular performance evaluations and implementation of continuous improvement measures. This establishes a full lifecycle risk management mechanism for suppliers. In accordance with the Group's procurement management policies, the Company optimizes its procurement structure by adopting a hybrid model combining long-term contracts and spot procurement, effectively reducing supply chain risks. In addition, the Company expands supplier sourcing channels to break reliance on existing supplier monopolies, leverages a digital procurement marketplace with competitive bidding functions to broaden sourcing scope. These measures further enhance supply chain flexibility and resilience.



## Sustainable Supply Chain Management

The Company incorporates key sustainability topics into supplier evaluation criteria, placing strong emphasis on suppliers' performance across environmental, social and governance (ESG) dimensions. Suppliers are required to strengthen management practices in areas including environmental management (e.g., adjusting strategic objectives and implementation plans in response to environmental changes), business ethics (e.g., proactive anti-corruption measures and signing integrity agreements), labor and human rights as well as occupational health and safety and environmental compliance (e.g., providing proof of zero pollutant discharge where applicable). In addition, the Company incorporates clauses related to environment, health and safety (EHS), integrity and anti-corruption and responsible supply chain management into its procurement framework agreements, achieving a 100% coverage rate.

As of the end of the reporting period, the Company had **3,429** suppliers.

To promote high-quality supply chain development, the Company and its subsidiaries organized supplier sustainability training programs, covering core topics such as fundamental concepts of supply chain sustainability, identification and assessment of environmental impacts within the supply chain, implementation of green procurement practices, and efficient resource utilization through supplier management; During the reporting period, the Company conducted 5 ESG-related training sessions for suppliers.

## Fair Treatment of Small and Medium-sized Enterprises (SMEs)

Juhua Corporation strictly complies with national policies such as the Regulations on Ensuring Payments to Small and Medium-sized Enterprises, and has established a standardized and transparent cooperation mechanism. The Company sets reasonable and compliant payment terms, aligned with industry practices and transaction norms, to support the healthy development of SMEs and contribute to a harmonious and mutually beneficial business ecosystem. In addition, the Company actively supports suppliers by promoting and procuring local agricultural products, supporting products from underdeveloped regions and prioritizing local procurement where feasible.

As of the end of the reporting period, **40.76** % of procurement expenditure was sourced from local suppliers.

## Community Contribution

Juhua Corporation integrates social responsibility into its corporate strategy, focusing on major national initiatives such as rural revitalization, East-West regional collaboration, and common prosperity. The Company actively strengthens targeted support for Xinjiang, carries out assistance programs in Sichuan, and implements a new round of paired support initiatives in Qujiang District, contributing to local community development through practical actions.

### Rural Revitalization

The Company implements national strategic requirements by formulating action plans and implementation guidelines for building a high-quality development model demonstration zone for common prosperity, establishing sound organizational structures, and advancing nine major initiatives for shared prosperity. Actively responding to the Western Development Strategy, the Company promotes both high-quality "Going global" and high-level "Bringing in" initiatives, and has constructed the Juhua Integrated High-Performance Silicon-Fluorine New Materials Project in Yumen City, Jiuquan, Gansu Province. This project extends, supplements and strengthens regional industrial chains, promotes integrated industrial development and drives high-quality economic growth in western regions.

### Case | Advancing Western Base Construction to Support National Strategy



In 2024, Juhua Group officially launched the construction of its western base, marking the beginning of a new phase of its "third venture". Juhua Corporation actively responded to this deployment and, through a capital increase and share expansion in 2025, plans to invest RMB 23.36 billion to fully advance the construction of the base. This project represents a key initiative to support the national Western Development Strategy, promote coordinated regional development and optimize industrial layout and expand opening-up.

The western base leverages local natural resources and green electricity to support low-carbon product manufacturing, enabling integrated and circular development of upstream and downstream industrial chains. Despite challenges such as harsh environmental conditions and tight construction timelines, the project team rose to the occasion and fully upheld the "One Juhua" culture and the Iron Man spirit. Recently, the fluoropolymer circulating water station—part of the base's public utility (environmental protection) infrastructure—successfully completed structural topping-out within 105 days, setting a construction record for similar-scale facilities and marking a key milestone in the project.



The Company also actively contributes to community vitality. Focusing on integrated high-quality development in Quzhou, it supports industrial cluster development, innovation platform construction and infrastructure enhancement, leveraging its advantages in industry, space, talent and resources to support regional economic systems and development platforms. To improve livelihoods and promote common prosperity, the Company signed paired assistance agreement with Zhaojue County in Liangshan Prefecture, Sichuan Province, as well as Huangtankou Township, Loushanhou Village in Quanwang Town, and Xingfuyuan Village in Qujiang District, Quzhou City, and implemented targeted support programs linked to industrial development and agricultural income generation. The Company also incorporated Qujiang District into employee wellness travel destinations, supporting rural tourism development.

During the reporting period, the Company invested RMB **2.2** million in rural revitalization, representing a **46.67** % increase year-on-year.

Case | Consumption-Based Support to Boost Rural Income



To deepen enterprise-local collaboration, Juhua Corporation actively participated in the "Juhua-Quijiang New Year Common Prosperity Market Fair" jointly organized by Juhua Group and the Quijiang District Federation of Trade Unions. The event featured over 30 farmers and enterprises, and more than 100 specialty agricultural products.

Through a consumption-driven support model, employees were encouraged to purchase local products, simultaneously meeting festive consumption needs, expanding sales channels for farmers, stabilizing income expectations. This effectively promoted agricultural value realization and contributed to common prosperity.



Case | Community-Enterprise Collaboration for Public Welfare



The trade union of the New Fluorinated Refrigerant Business Unit actively participates in local community governance. In June 2025, it jointly organized a Dragon Boat Festival charity event with a local community, where employees and residents participated in traditional activities, strengthening social cohesion.

The initiative also included visits to elderly individuals living alone and vulnerable households, providing essential supplies and festive care packages.



Social Contribution

Juhua Corporation actively promotes a culture of public welfare and social responsibility, engaging in charitable donations and sharing development with society. It continues to invest in areas including community development, education support, emergency relief, environmental protection, cultural and sports initiatives. The Company also encourages employees to participate in volunteer activities such as blood donation, and tree planting, fostering a strong spirit of volunteerism and contributing to community well-being and social harmony.

Case | Educational Support and Paired Assistance



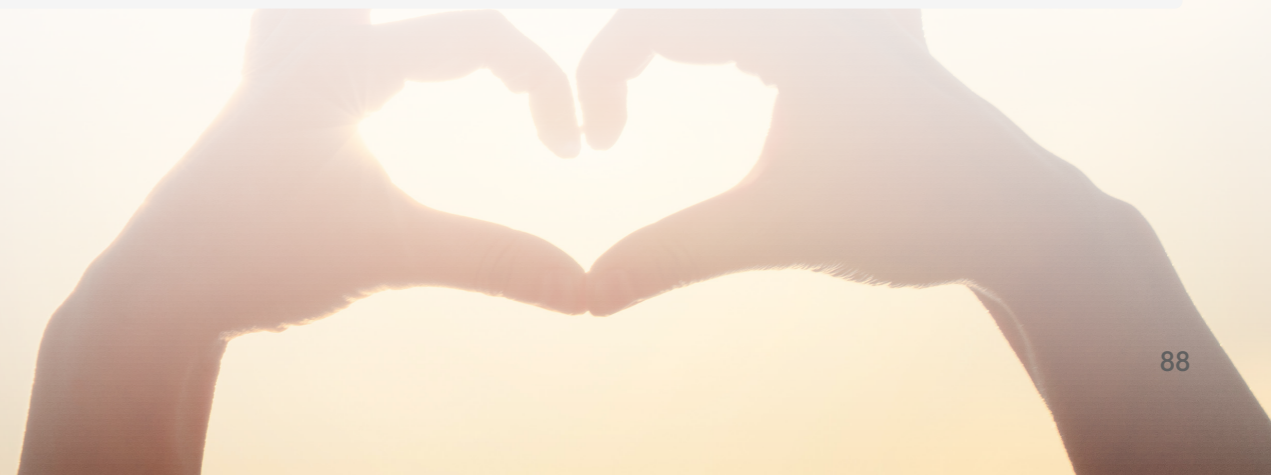
The trade union of the Chlor-Alkali New Materials Business Unit actively organizes employees to participate in educational support programs. Under the theme "Books Build Dreams, Walking Together for Good", the initiative mobilized employees' families to donate books, donated over 1,000 books to Duze Primary School and 53 students in need, provided stationery and care packages. Additionally, the trade union organized paired assistance for 3 underprivileged children, providing educational and daily necessities and financial aid totaling RMB 1,800. This initiative effectively alleviated educational cost burdens and supported student development.



Case | Voluntary Blood Donation



Juhua Corporation regularly organizes employees to participate in voluntary blood donation programs, supporting public healthcare needs. These activities reflect employees' strong sense of social responsibility and commitment to contributing to society.



# Key Performance Indicators <sup>1</sup>

## Economic Performance

Indicator	Unit	2025	2024	2023
Revenue	RMB 100 million	269.91	244.63	206.55
Revenue from Core Operations	RMB 100 million	238.58	207.63	169.16
Total Assets	RMB 100 million	382.08	285.24	234.84
Current Ratio	%	1.24	1.46	1.44
Net Profit Attributable to Shareholders of the Listed Company	RMB 100 million	37.83	19.47	9.43
Total Taxes Paid	RMB 100 million	17.32	7.40	7.97
Asset-Liability Ratio	%	38.48	32.43	29.84
Weighted Average Return on Equity (ROE)	%	19.52	11.52	5.99
Cash Dividends Attributable to the Reporting Year	RMB 10,000	62,094.16	29,697.21	72,893.14
Social Contribution per Share	RMB	2.91	1.79	1.29

## Environmental Performance

Indicator	Unit	2025	2024	2023
<b>Environmental Management</b>				
Total Environmental Protection Investment	RMB 10,000	20,000.00	24,000.00	15,000.00
Environmental Investment as % of Operating Revenue	%	0.74	0.98	0.73
Environmental Non-compliance Incidents	cases	0	0	0
Compliance Rate of "Three Simultaneities" for Environmental Protection Facilities	%	100	100	100
Number of Environmental Administrative Penalties	cases	0	0	0
Amount of Environmental Administrative Penalties	RMB 10,000	0	0	0
Number of Environmental Training Sessions	sessions	36	36	30
Number of Participants in Environmental Training	person-times	8,286	7,806	4,600

<sup>1</sup> To enhance the consistency and comparability of data, certain historical data in this report have been retrospectively adjusted in accordance with the latest statistical scope and calculation methodologies.

<b>Energy Management</b>				
Total Energy Consumption	10,000 tce	133.65	147.82	137.28
Total Direct Energy Consumption	10,000 tce	5.95	10.94	7.46
Coal	tonnes	526,838.00	506,253.00	457,237.00
Natural Gas	10,000 m <sup>3</sup>	7,964.40	9,107.05	6,348.22
Gasoline	tonnes	27.08	25.79	16.37
Diesel	tonnes	4.56	4.11	3.26
Lubricating Oil	tonnes	89.50	94.00	78.00
Total Indirect Energy Consumption	10,000 tce	127.69	136.87	129.82
Purchased Electricity	MWh	2,799,967.83	3,097,353.47	2,888,956.69
Purchased Heat	GJ	14,127,561.09	14,340,929.90	14,006,144.73
Energy Intensity	tce / RMB 10,000 revenue	0.50	0.60	0.66
Total Clean Energy Consumption	MWh	489,000.00	625,112.00	63,000.00
Solar Power Generation	MWh	344,000.00	473,158.00	63,000.00
Wind Power Generation	MWh	145,000.00	151,954.00	/
Proportion of Clean Energy Consumption	%	16.21	19.87	2.15
Green Electricity Certificates Purchased	MWh	410,000	531,120	16,992
<b>Climate Change</b>				
Total Greenhouse Gas (GHG) Emissions <sup>2</sup>	tCO <sub>2</sub> e	6,137,996.35	6,643,649.67	6,196,018.09
GHG Emissions Intensity (Scope 1&2)	tCO <sub>2</sub> e / million RMB revenue	227.40	271.59	299.98
Direct GHG Emissions (Scope 1)	tCO <sub>2</sub> e	3,095,471.09	3,341,540.96	3,046,771.08
Indirect GHG Emissions (Scope 2)	tCO <sub>2</sub> e	3,042,387.80	3,302,108.70	3,149,247.00
Other Indirect GHG Emissions (Scope 3)	tCO <sub>2</sub> e	137.46	/	/
Number of Products with Carbon Footprint Certification	units	12	3	0

<sup>2</sup> Total greenhouse gas (GHG) emissions include Scope 1, Scope 2 and Scope 3 emissions.

Scope 1 and Scope 2 GHG emissions cover the following entities: Sulfuric Acid Plant, Electrochemical Plant, Juhua Chinlon Company, Jusu Chemicals Company, Tianjin Barrier Company, Quhua Fluorine Company, Chuangfu High-Tech Company, Fluorine New Chemical Company, Jusheng Fluorine Chemicals, Lianzhou Refrigerant Company, Ningbo Juhua Company, Lanxi Fluorine Chemicals Company, Jinju Chemicals Company, Feiyuan Chemical Company, Ningbo Juxie Company, Jubang High-Tech Company, Juhua Hong Kong Company, Jian'an Petrochemical Engineering Company, Technology Center Company, Global Fluorine Company, Middle East Trading Company, Juhui Company, and New Materials Research Institute Company.

Due to changes in the statistical scope, historical data have been retrospectively restated.

Scope 3 GHG emissions are disclosed for the first time in the current reporting period and cover employee commuting emissions at the headquarters of Juhua Corporation.

Indicator	Unit	2025	2024	2023
<b>Water Resource Management</b>				
Municipal Water Withdrawal	10,000 tonnes	2,130.29	2,508.58	2,642.30
Total Water Withdrawal	10,000 tonnes	2,130.29	2,508.58	2,642.30
Water Withdrawal Intensity	tonnes / RMB 10,000 revenue	7.89	10.25	12.79
Total Water Consumption	10,000 tonnes	1,557.15	1,922.37	2,062.59
Water Consumption Intensity	tonnes / RMB 10,000 revenue	5.77	7.86	9.99
Wastewater Discharge	10,000 tonnes	573.14	586.21	579.71
Reclaimed Water Reuse	10,000 tonnes	320.00	320.00	320.00
Recycled Water Volume	10,000 tonnes	56,985.26	65,290.95	58,806.46
Water Recycling Rate	%	96.30	96.30	95.70
<b>Pollutants and Waste Management</b>				
Wastewater Discharge Volume	tonnes	5,731,396.00	5,862,095.00	5,797,106.00
Wastewater Discharge Intensity	tonnes / RMB 10,000 industrial output	1.99	2.50	3.01
Chemical Oxygen Demand (COD)	tonnes	251.80	275.10	273.35
Ammonia Nitrogen (NH <sub>3</sub> -N)	tonnes	7.68	12.57	4.81
Nitrogen Oxides (NOx) <sup>3</sup>	tonnes	143.14	169.24	138.95
Sulfur Dioxide (SO <sub>2</sub> ) <sup>4</sup>	tonnes	42.82	47.44	35.34
Volatile Organic Compounds (VOCs)	tonnes	660.66	686.11	708.34
Non-hazardous Waste Generated	tonnes	244,159.84	279,306.08	247,381.69
Non-hazardous Waste Intensity	tonnes / RMB 10,000 industrial output	0.09	0.12	0.13
Hazardous Waste Generated	tonnes	24,942.29	29,396.49	30,030.39
Hazardous Waste Intensity	tonnes / RMB 10,000 industrial output	0.009	0.013	0.016
Comprehensive Utilisation of Solid Waste	tonnes	240,684.72	276,223.07	247,987.32
Solid Waste Utilisation Rate	%	98.69	98.07	97.34

<sup>3</sup> Data for nitrogen oxides (NOx) emissions have included Feiyuan Chemical Company since 2024.

<sup>4</sup> Data for sulfur dioxide (SO<sub>2</sub>) emissions have included Feiyuan Chemical Company since 2024.

## Social Performance

Indicator	Unit	2025	2024	2023
<b>Employees</b>				
Total Number of Employees	persons	9,093	8,409	7,197
Number of New Employees	persons	700	367	314
Number of Dispatch Workers	persons	654	704	664
Number of Part-time Employees	persons	0	0	0
Labor Contract Signing Rate	%	100	100	100
Incidents of Child Labor	cases	0	0	0
Complaints of Forced Labor	cases	0	0	0
Incidents of Labor Discrimination	cases	0	0	0
Number of Employees with Disabilities	persons	131	137	137
Number of Ethnic Minority Employees	persons	181	163	142
Ethnic Minority Employees in Management	persons	6	5	5
<b>Employees by Region</b>				
Mainland China	persons	9,093	8,409	7,197
Hong Kong, Macau and Taiwan	persons	0	0	0
Overseas	persons	0	0	0
<b>Employees by Gender</b>				
Female	persons	1,867	1,680	1,464
Male	persons	7,226	6,729	5,733
<b>Employees by Job Category</b>				
Skilled Workers	persons	6,611	5,522	4,875
Professional and Technical Staff	persons	1,899	2,367	1,751
Management Personnel	persons	583	520	571

Indicator	Unit	2025	2024	2023
<b>Employees by Age</b>				
Under 30 (excluding 30)	persons	2,538	2,200	1,319
30-40 (including 30, excluding 40)	persons	1,970	1,684	1,586
40-50 (including 40, excluding 50)	persons	2,234	2,229	2,256
50 and above	persons	2,351	2,296	2,036
<b>Employees by Education Level</b>				
Doctoral Degree	persons	21	25	21
Master's Degree	persons	203	200	150
Bachelor's Degree	persons	3,398	2,460	2,032
Associate Degree	persons	2,741	2,900	2,381
Below Associate Degree	persons	2,730	2,824	2,613
<b>New Employees by Gender</b>				
Female	persons	179	83	63
Male	persons	521	284	251
<b>New Employees by Recruitment Channel</b>				
Social Recruitment	persons	166	70	60
Campus Recruitment	persons	534	297	254
Other Recruitment Channels	persons	0	0	0
Proportion of Female Employees in Management	%	10.45	11.35	11.21
Proportion of Female Employees in Professional and Technical Roles	%	25.62	19.35	20.33
Proportion of Female Employees in Skilled Worker Roles	%	20.40	20.51	14.95
Social Insurance Coverage Rate	%	100	100	100
Employee Benefits Expenditure	RMB 10,000	10,832.75	10,682.06	10,177.65
Statutory Benefits Expenditure	RMB 10,000	3,620.85	3,500.29	2,777.54
Average Number of Paid Annual Leave Days per Employee	days	10	10	11
Employee Satisfaction	%	84.90	84.80	84.75
Number of Employee Turnover	persons	311	369	354

<b>Employee Turnover by Gender</b>				
Female	persons	102	130	134
Male	persons	209	239	220
<b>Employee Turnover by Age</b>				
Under 30 (excluding 30)	persons	99	57	40
30-40 (including 30, excluding 40)	persons	39	34	24
40-50 (including 40, excluding 50)	persons	14	39	38
50 and above	persons	159	239	252
Employee Turnover Rate	%	3.41	4.88	4.73
<b>Training and Development</b>				
Training Investment	RMB 10,000	717.27	392.46	530.05
Number of Training Sessions	sessions	3,375	2,777	2,015
Total Number of Employees Trained	persons	5,457	4,902	4,303
Total Training Attendance	person-times	78,827	73,433	45,600
Training Coverage	%	100	100	100
Total Training Hours	hours	40,918.5	36,158	29,870
<b>Occupational Health and Safety</b>				
Number of Major and Above Accidents	cases	0	0	0
Number of Work-related Injuries	persons	1	3	9
Total Recordable Incident Rate (per 200,000 working hours)	/	0.044	0.088	0.165
Lost Time Injury Rate (per 200,000 working hours)	/	0.011	0.034	0.102
Work-related Fatalities	persons	0	0	0
Fatality Rate	%	0	0	0
Hazard Rectification Rate	%	100	100	100
Safety Investment	RMB billion	1.29	1.12	0.97
Occupational Disease Cases	persons	0	0	0
Occupational Disease Rate	%	0	0	0

Indicator	Unit	2025	2024	2023
Safety Training Participation	person-times	9,196	7,313	7,679
Safety Training Coverage	%	100	100	100
Safety Risk Training Coverage	%	100	100	100
Work Injury Insurance Expenditure	RMB million	1,898.90	1,805.51	1,192.18
Work Injury Insurance Coverage	%	100	100	100
Occupational Health Examination Coverage	%	100	100	100
<b>Research and Innovation</b>				
R&D Investment	RMB 10,000	112,035	105,415	100,070
R&D Investment as % of Revenue	%	4.70	4.31	4.85
Climate-related R&D Investment Ratio	%	2.57	2.51	2.95
<b>R&amp;D Team</b>				
Total R&D Personnel	persons	1,062	898	734
R&D Personnel Ratio	%	11.68	10.67	10.19
Change in R&D Personnel	%	18.26	18.82	/
Below Bachelor's Degree	persons	334	235	208
Bachelor's Degree	persons	574	516	405
Master's Degree	persons	136	122	100
Doctoral Degree (PhD)	persons	18	25	21
Postdoctoral Workstations	units	2	2	2
<b>Innovation Outputs</b>				
Cumulative Number of Granted Patents	units	970	893	801
Total Number of Valid Patents	units	820	743	651
Newly Granted Patents During the Year	units	77	92	131
Cumulative Number of Invention Patents	units	668	610	559
Cumulative Number of Utility Model Patents	units	283	264	224
Cumulative Number of Design Patents	units	19	19	18

<b>Innovation Capability Certifications</b>				
"Specialized, Refined, Distinctive and Innovative" Enterprises	units	6	5	3
National High-tech Enterprises	units	13	12	11
Nationally Recognised Enterprise Technology Centers	units	1	1	1
<b>Product and Service Quality</b>				
Product Qualification Rate	%	99.99	99.99	99.99
Internal Quality Audits	times	1	1	1
Third-party Inspection Frequency	times	63	71	78
Product Recall Rate	%	0	0	0
Number of Products Recalled	units	0	0	0
Quality Culture Training Participation	person-times	170	54	50
Total Training Hours on Quality Culture	hours	24	6	6
<b>Customer Rights Protection</b>				
Number of Customer Complaints	cases	30	35	36
Number of Complaints Resolved	cases	30	35	36
Customer Satisfaction	%	89.64	89.73	89.73
Responsible Marketing Training Participation	person-times	330	388	419
Total Training Hours on Responsible Marketing	hours	154	65	71
Number of Responsible Marketing Training Sessions	times	55	23	25
Customer Service Training Participation	person-times	200	200	150
Total Training Hours on Customer Service	hours	20	18	12
Number of Customer Service Training Sessions	times	16	14	9
Number of Customer Complaint Response Assessments	times	15	6	3
Number of Customer Data Breach Incidents	cases	0	0	0
<b>Supply Chain Management</b>				
Total Number of Suppliers	units	3,429	3,183	2,842
Number of Suppliers in Mainland China	units	3,396	3,163	2,824
Number of Suppliers in Hong Kong, Macau and Taiwan	units	4	3	1

Number of Overseas Suppliers	units	29	17	17
Number of Suppliers Assessed	units	268	312	290
Proportion of Suppliers Signing Integrity Agreements	%	100	100	100
Proportion of Procurement Expenditure from Local Suppliers	%	40.76	38.58	40.76
<b>Information Security and Privacy Protection</b>				
Number of Information Security and Privacy Training Sessions	sessions	1	1	1
Number of Participants in Training and Awareness Activities	persons	51	50	50
Employee Coverage of Training and Awareness Activities <sup>9</sup>	%	100	100	100
<b>Community Investment and Rural Revitalisation</b>				
Total Charitable Contributions	RMB 10,000	134	308	87
Investment in Rural Revitalisation	RMB 10,000	220	150	180

## Governance Performance

Indicator	Unit	2025	2024	2023
<b>Compliance and Business Ethics</b>				
<b>Anti-bribery and Anti-corruption Training</b>				
Total Number of Directors Trained	persons	12	12	12
Percentage of Directors Trained	%	100	100	100
Average Training Hours per Director	hours/person	1.5	1.5	1.5
Total Number of Management Personnel Trained	persons	583	520	571
Percentage of Management Personnel Trained	%	100	100	100
Total Number of Employees Trained	persons	9,093	8,409	7,197
Percentage of Employees Trained	%	100	100	100
Signing Rate of Business Ethics and Integrity Commitments	%	100	100	100
Number of Whistleblowing Cases Related to Corruption	cases	0	0	0
Number of Concluded Legal Cases Related to Corruption	cases	1	0	0

<sup>9</sup> The employee coverage of information security and privacy protection training is limited to information security-related departments.

# Indicator Index Table

## Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial) Index Table

Disclosure Requirement	Corresponding Section	Disclosure Requirement	Corresponding Section
Article 20	Addressing Climate Change and Advancing Low-Carbon Development Resource Utilization and Ecosystem Protection	Article 38	Community Contribution
Article 21	Addressing Climate Change and Advancing Low-Carbon Development	Article 39	Community Contribution Key Performance Indicators
Article 22	Addressing Climate Change and Advancing Low-Carbon Development	Article 40	Community Contribution Key Performance Indicators
Article 23	Addressing Climate Change and Advancing Low-Carbon Development	Article 41	Innovation-Driven Development
Article 24	Addressing Climate Change and Advancing Low-Carbon Development Key Performance Indicators	Article 42	Innovation-Driven Development
Article 25	Addressing Climate Change and Advancing Low-Carbon Development Key Performance Indicators	Article 43	N/A
Article 26	Addressing Climate Change and Advancing Low-Carbon Development	Article 44	Customer Relationship Management Product Quality Resilient Supply Chain
Article 27	Addressing Climate Change and Advancing Low-Carbon Development	Article 45	Resilient Supply Chain
Article 28	Addressing Climate Change and Advancing Low-Carbon Development Clean Technology Opportunities	Article 46	Resilient Supply Chain
Article 29	Environmental Compliance Management	Article 47	Product Quality
Article 30	Pollution Prevention and Control Key Performance Indicators	Article 48	Information Security Customer Relationship Management
Article 31	Pollution Prevention and Control	Article 49	Employee Rights and Benefits Talent Development and Growth Occupational Health and Safety
Article 32	Resource Utilization and Ecosystem Protection	Article 50	Employee Rights and Benefits Talent Development and Growth Occupational Health and Safety
Article 33	Environmental Compliance Management	Article 51	ESG Governance
Article 34	Resource Utilization and Ecosystem Protection	Article 52	ESG Governance
Article 35	Resource Utilization and Ecosystem Protection	Article 53	ESG Governance
Article 36	Resource Utilization and Ecosystem Protection	Article 54	Business Ethics
Article 37	Resource Utilization and Ecosystem Protection Pollution Prevention and Control	Article 55	Business Ethics
		Article 56	Business Ethics

### China Enterprise Sustainability Reporting Guidelines (CASS-ESG 6.0) – General Framework Index Table

CASS Topic	Disclosure	Corresponding Section	
Report Preface (P)	Reporting Norms (P1)	Quality Assurance (P1.1)	About This Report
		Information Notes (P1.2)	About This Report
	Executive Statement (P2)	Executive Statement (P2.1)	Message from the Chairman
	Company Profile (P3)	Basic Information (P3.1)	About Juhua Corporation
		Strategy and Culture (P3.2)	About Juhua Corporation
		Business Overview (P3.3)	About Juhua Corporation
	Significant Changes in Organizational Size, Structure, Ownership, or Supply Chain During the Reporting Period (P3.4)	About Juhua Corporation	
Environmental (E)	Climate Change Response (E1)	Climate Change Response (E1.1)	Addressing Climate Change and Advancing Low-Carbon Development
	Pollution Prevention and Ecosystem Protection (E2)	Pollutant Emissions (E2.1)	Environmental Compliance Management Pollution Prevention and Control
		Waste Management (E2.2)	Pollution Prevention and Control
		Ecosystem and Biodiversity Conservation (E2.3)	Resource Utilization and Ecosystem Protection
		Environmental Compliance Management (E2.4)	Environmental Compliance Management
	Resource Utilization and Circular Economy (E3)	Energy Utilization (E3.1)	Resource Utilization and Ecosystem Protection
		Water Resource Utilization (E3.2)	Resource Utilization and Ecosystem Protection
Circular Economy (E3.3)		Pollution Prevention and Control	
Social (S)	Rural Revitalization and Social Contribution (S1)	Rural Revitalization (S1.1)	Community Contribution
		Social Contribution (S1.2)	Community Contribution
	Innovation-Driven Development (S2)	Innovation-Driven Development (S2.1)	Innovation-Driven Development
	Suppliers and Customers (S3)	Supply Chain Security (S3.1)	Resilient Supply Chain
		Equal Treatment of Small and Medium Enterprises (S3.2)	Resilient Supply Chain
		Product and Service Safety and Quality (S3.3)	Product Quality
		Data Security and Customer Privacy Protection (S3.4)	Information Security
	Employees (S4)	Employee Rights Protection (S4.1)	Employee Rights and Benefits
Occupational Health and Safety (S4.2)		Occupational Health and Safety	
Career Development and Training (S4.3)		Talent Development and Growth	

Governance (G)	Sustainability-Related Governance Mechanisms (G1)	Sustainable Governance Mechanisms (G1.1)	ESG Governance
		Due Diligence (G1.2)	ESG Governance
		Stakeholder Communication (G1.3)	ESG Governance
Business Conduct (G2)	Business Conduct (G2)	Anti-Bribery and Anti-Corruption (G2.1)	Business Ethics
		Anti-Unfair Competition (G2.2)	Business Ethics
		Risk and Compliance Management (G2.3)	Risk Prevention and Control
Report Postscript	-	Key Performance Indicators (A2)	Key Performance Indicators
		Indicator Index (A3)	Indicator Index Table
		Assurance Report (A4)	Assurance Report
		Feedback (A6)	Feedback Form

### 1.1.3.GRI Standards 2021 Index Table

GRI Topic	Disclosure	Corresponding Section
GRI 2: General Disclosures 2021	2-1 Organizational details	Company Overview, Business Overview, Corporate Culture, Honors and Awards
	2-2 Entities included in the organization's sustainability reporting	About This Report
	2-3 Reporting period, frequency and contact point	About This Report
	2-4 Restatements of information	N/A
	2-5 External assurance	Assurance Report
	2-6 Activities, value chain and other business relationships	Company Overview Business Overview Resilient Supply Chain
	2-7 Employees	Employee Rights and Benefits
	2-8 Workers who are not employees	Employee Rights and Benefits, Resilient Supply Chain
	2-9 Governance structure and composition	Corporate Governance
	2-10 Nomination and selection of the highest governance body	Corporate Governance
	2-11 Chair of the highest governance body	Corporate Governance
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance
	2-13 Delegation of responsibility for managing impacts	Corporate Governance
	2-14 Role of the highest governance body in sustainability reporting	ESG Governance

GRI Topic	Disclosure	Corresponding Section
GRI 2: General Disclosures 2021	2-15 Conflicts of interest	ESG Governance
	2-16 Communication of critical concerns	ESG Governance
	2-17 Collective knowledge of the highest governance body	Corporate Governance, ESG Governance
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance
	2-19 Remuneration policies	Corporate Governance
	2-20 Process to determine remuneration	Corporate Governance, Employee Rights and Benefits
	2-22 Statement on sustainable development strategy	ESG Governance
	2-23 Policy commitments	See respective sections
	2-24 Embedding policy commitments	See respective sections
	2-25 Processes to remediate negative impacts	ESG Governance, Risk Prevention and Control, Business Ethics
	2-26 Mechanisms for seeking advice and raising concerns	ESG Governance
	2-27 Compliance with laws and regulations	Business Ethics, Risk Prevention and Control
	2-28 Membership associations	Resource Utilization and Ecosystem Protection
GRI 3: Material Topics 2021	3-1 Process to determine material topics	ESG Governance
	3-2 List of material topics	ESG Governance
	3-3 Management of material topics	ESG Governance
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Key Performance Indicators
	201-2 Financial implications and other risks and opportunities due to climate change	Addressing Climate Change and Advancing Low-Carbon Development
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Community Contribution
	203-2 Significant indirect economic impacts	Community Contribution
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Resilient Supply Chain
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Business Ethics
	205-2 Communication and training about anti-corruption policies and procedures	Business Ethics
	205-3 Confirmed incidents of corruption and actions taken	Business Ethics
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business Ethics

GRI 207: Tax 2019	207-1 Approach to tax	Risk Prevention and Control
	207-2 Tax governance, control, and risk management	Risk Prevention and Control
	207-3 Stakeholder engagement and management of concerns related to tax	ESG Governance
GRI 301: Materials 2016	301-2 Recycled input materials used	Pollution Prevention and Control
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Resource Utilization and Ecosystem Protection
	302-2 Energy consumption outside of the organization	Addressing Climate Change and Advancing Low-Carbon Development
	302-3 Energy intensity	Resource Utilization and Ecosystem Protection
	302-4 Reduction of energy consumption	Resource Utilization and Ecosystem Protection
	302-5 Reductions in energy requirements of products and services	Resource Utilization and Ecosystem Protection
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Resource Utilization and Ecosystem Protection
	303-2 Management of water discharge-related impacts	Resource Utilization and Ecosystem Protection
	303-3 Water withdrawal	Resource Utilization and Ecosystem Protection
	303-4 Water discharge	Resource Utilization and Ecosystem Protection
	303-5 Water consumption	Resource Utilization and Ecosystem Protection
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas	Resource Utilization and Ecosystem Protection
	304-2 Significant impacts of activities, products and services on biodiversity	Resource Utilization and Ecosystem Protection
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Addressing Climate Change and Advancing Low-Carbon Development
	305-2 Energy indirect (Scope 2) GHG emissions	Addressing Climate Change and Advancing Low-Carbon Development
	305-3 Other indirect (Scope 3) GHG emissions	Addressing Climate Change and Advancing Low-Carbon Development
	305-4 GHG emissions intensity	Addressing Climate Change and Advancing Low-Carbon Development
	305-5 Reduction of GHG emissions	Addressing Climate Change and Advancing Low-Carbon Development
GRI 306: Waste 2020	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Pollution Prevention and Control
	306-1 Waste generation and significant waste-related impacts	Pollution Prevention and Control
	306-2 Management of significant waste-related impacts	Pollution Prevention and Control
	306-3 Waste generated	Pollution Prevention and Control

GRI Topic	Disclosure	Corresponding Section
GRI 306: Waste 2020	306-4 Waste diverted from disposal	Pollution Prevention and Control
	306-5 Waste directed to disposal	Pollution Prevention and Control
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Resilient Supply Chain
	308-2 Negative environmental impacts in the supply chain and actions taken	Resilient Supply Chain
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Employee Rights and Benefits
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Rights and Benefits
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Occupational Health and Safety
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety
	403-3 Occupational health services	Occupational Health and Safety
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety
	403-5 Worker training on occupational health and safety	Occupational Health and Safety
	403-6 Promotion of worker health	Occupational Health and Safety
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety
	403-8 Workers covered by an occupational health and safety management system	Occupational Health and Safety
	403-9 Work-related injuries	Occupational Health and Safety
	403-10 Work-related ill health	Occupational Health and Safety
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Talent Development and Growth
	404-2 Programs for upgrading employee skills and transition assistance programs	Talent Development and Growth
	404-3 Percentage of employees receiving regular performance and career development reviews	Talent Development and Growth
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Employee Rights and Benefits
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Employee Rights and Benefits
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Employee Rights and Benefits
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Employee Rights and Benefits

GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Employee Rights and Benefits
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Community Contribution
	413-2 Operations with significant actual and potential negative impacts on local communities	Community Contribution
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Resilient Supply Chain
	414-2 Negative social impacts in the supply chain and actions taken	Resilient Supply Chain
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Product Quality, Chemical Safety Management
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Product Quality, Chemical Safety Management
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Product Quality, Customer Relationship Management
	417-2 Incidents of non-compliance concerning product and service information and labeling	Product Quality, Customer Relationship Management
	417-3 Incidents of non-compliance concerning marketing communications	Product Quality, Customer Relationship Management
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Relationship Management

# Independent Assurance Statement

Lianhe Equator Environmental Impact Assessment Co., Ltd. (hereinafter referred to as "Lianhe Equator" or "we") was commissioned by Zhejiang Juhua Co., Ltd. (hereinafter referred to as "Juhua Corporation" or "the Company") to conduct an independent limited assurance engagement on the Zhejiang Juhua Co., Ltd. 2025 Sustainability Report (hereinafter referred to as "the Report").

Juhua Corporation's responsibility is to cooperate with the Lianhe Equator assurance team by providing due diligence support, including relevant data, information, and institutional documents for this assurance engagement, and ensuring that such information is true and valid.

Lianhe Equator's responsibility is to conduct the assurance within the agreed scope of authority and issue an assurance statement.

## Assurance Standards

This assurance engagement was conducted in accordance with the AA1000 Assurance Standard v3 (AA1000AS v3) to assess the Report's adherence to the four principles of Inclusivity, Materiality, Responsiveness, and Impact.

In addition, based on the Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 14 – Sustainability Reports (Trial) (hereinafter referred to as the "Guidelines"), limited assurance was performed on the reliability and quality of selected performance information disclosed in the Report.

## Assurance Scope

- The assurance period covers January 1, 2025 to December 31, 2025;
- The scope of information is limited to sustainability-related information included in the Report, excluding information relating to suppliers, partners, and other third parties. The organization's positions, opinions, forward-looking statements, and forecasts are also excluded;
- The assurance follows AA1000AS v3, with Type 2 assurance and a moderate level of assurance;
- The following specific performance indicators were selected for assurance:
  - Number of newly authorized patents in 2025
  - Total Recordable Incident Rate per 200,000 working hours
  - Indirect greenhouse gas emissions (Scope 2)
  - Hazardous waste generation intensity

## Assurance Methodology

The assurance work conducted by Lianhe Equator mainly included:

- Reviewing sustainability-related information disclosed in the Report;
- Conducting sample interviews with management personnel and staff responsible for performance data measurement and collection;
- Reviewing and inspecting management practices, business processes, and supporting evidence;
- Verifying the completeness and effectiveness of data sources, collection processes, processing methods, and internal review mechanisms for performance information;
- Collecting and evaluating evidence and management representations supporting the organization's adherence to AA1000 principles.

## Limitations

The assurance procedures involved sampling and calculation of selected information only, and therefore may not identify all potential deficiencies or irregularities.

## Assurance Conclusion

Based on the procedures performed, we have reached the following conclusions regarding Juhua Corporation's adherence to AA1000 principles and the reliability and quality of selected performance information:

- Inclusivity:** Juhua Corporation has identified key stakeholders, including government and regulatory authorities, shareholders and investors, customers, employees, suppliers, partners, communities and society, and media. The Company has established communication and response mechanisms tailored to different stakeholders to collect their expectations and concerns. We conclude that Juhua Corporation complies with the principle of Inclusivity.
- Materiality:** Juhua Corporation has established a materiality assessment process. Based on its business characteristics and industry trends, and through stakeholder engagement, ESG topics were systematically evaluated from both financial materiality and impact materiality perspectives. A total of 27 ESG topics were identified and a materiality matrix was developed. We conclude that Juhua Corporation complies with the principle of Materiality.
- Responsiveness:** Juhua Corporation has established multi-dimensional communication channels and maintains regular or ad hoc engagement with stakeholders, continuously responding to their expectations. The Company has also disclosed key stakeholder concerns in the Report, including climate change, chemical safety, product and service safety and quality, sustainability governance, waste management, occupational health and safety, employee training and development, and innovation. We conclude that Juhua Corporation complies with the principle of Responsiveness.
- Impact:** Juhua Corporation has established an ESG governance framework featuring: ① Strategic leadership at the Board level. ② Oversight by the Strategy and ESG Committee. ③ Coordination at the management level. ④ Implementation by ESG working groups

This forms a closed-loop governance system. The Company also integrates ESG-related risks and opportunities into its strategy and daily operations. It assesses the impacts on strategy, reputation, operations, and business, sets targets for key topics such as climate change, waste management, and occupational health and safety, and discloses relevant practices and progress. We conclude that Juhua Corporation complies with the principle of Impact.

- SSE Guidelines

The Report has established a sustainability disclosure framework in accordance with the Guidelines. Considering industry characteristics, development stage, business model, and value chain, Juhua Corporation has identified and disclosed topics of financial and/or impact materiality. The Report describes stakeholder participation in the materiality assessment process and discloses environmental and social data. Recommendations for improvement have been adopted or explained prior to the issuance of this assurance statement.

- Selected Performance Indicators

Based on the procedures performed and evidence obtained, we did not identify any matters that would lead us to doubt the reliability and quality of the selected performance data.

## Competence and Independence Statement

Lianhe Equator was established in 2015 and is a registered green bond verification and certification body approved by the Green Bond Standard Committee. It is also licensed by AccountAbility AA1000 CIC as a sustainability assurance provider and has extensive experience in assurance and certification. Members of the Lianhe Equator assurance team possess the professional competence and experience required for this engagement, comply with the AA1000AS v3 Code of Conduct, and follow the Lianhe Equator Sustainability Assurance Procedures. There are no relationships between Lianhe Equator and Juhua Corporation that would impair the independence, objectivity, or impartiality of this assurance engagement.



Executive President

Lianhe Equator Environmental Impact Assessment Co., Ltd. Website: www.lheia.com

March 25, 2026, Tianjin, China



AA1000  
Licensed Report  
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# Feedback Form

Dear Reader,

Thank you for reviewing this report. We highly value and sincerely welcome your feedback.

Your comments and suggestions are an important basis for us to continuously improve our ESG disclosure quality and enhance our ESG management and practices. We greatly appreciate your valuable input.

If you have any comments or suggestions regarding the Company's sustainable development, please feel free to contact us at: [jhgf@juhua.com](mailto:jhgf@juhua.com).

1.How would you rate our overall ESG performance?

Excellent   Good   Fair   Poor   Very Poor

2. How would you rate this report overall?

Excellent   Good   Fair   Poor   Very Poor

3.How do you evaluate our stakeholder engagement?

Excellent   Good   Fair   Poor   Very Poor

4.How do you evaluate our corporate governance practices?

Excellent   Good   Fair   Poor   Very Poor

5.How do you evaluate our performance in fulfilling economic responsibilities?

Excellent   Good   Fair   Poor   Very Poor

6.How do you evaluate our performance in fulfilling environmental responsibilities?

Excellent   Good   Fair   Poor   Very Poor

7.How do you evaluate our performance in fulfilling social responsibilities?

Excellent   Good   Fair   Poor   Very Poor

8.8.Please provide any additional comments or suggestions regarding our ESG performance and this report:

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