

# 2024

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

**Guangdong Huate Gas Co., Ltd.**

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# About this Report

## Introduction

This Report is the 3rd Environmental, Social and Governance Report of Guangdong Huate Gas Co., Ltd. Based on objective, comprehensive, regulative and transparent principles, this Report expounds management ideas, key practices and annual achievements for environmental, social and governance work of Huate Gas in 2023.

## Time Range

The period of this annual report ranges from January 1,2024 to December 31,2024. To make the report more comparable and forward-looking, some content has been extended.

## Report Scope

This report focuses on "Guangdong Huate Gas Co., Ltd.". Unless otherwise specified, this report covers an organizational scope including Guangdong Huate Gas Co., Ltd. and its subsidiaries (see the 2024 Annual Report of Guangdong Huate Gas Co., Ltd. for details).

## Preparation Criteria

- Guidelines on Self-regulation of Listed Companies on the Science and Technology Innovation Board of Shanghai Stock Exchange No. 14 - Sustainable Development Report (For Trial Implementation)
- The Chinese Corporate Social Responsibility (CSR) Report Preparation Guide (CASS-CSR6.0)
- Sustainable Development Goals of the United Nations
- Global Reporting Initiative Sustainability Reporting Guidelines ((2021 edition))
- The Guidelines on Corporate Social Responsibility of State-owned Companies

## Sources and Authenticity

All the information and data cited in this report are sourced from the official documents, statistical reports and financial reports of Huate Gas. They cover both the internal data from departments and business entities of the Company as well as public information, which have been statistically processed, aggregated and audited by the Company. To ensure the completeness and continuity of the explanations, the Company has reviewed and extended some content under given topics. Unless otherwise specified, all monetary terms in this report are denominated in CNY, and if there is any inconsistency with the financial report, the financial report shall prevail.

## Appellation Description

In this report, for the convenience of expression and reading, Guangdong Huate Gas Co., Ltd. and its subsidiaries are referred to as "Huate Gas", "the Company" or "We" according to the specific context. For specific expressions, please refer to the 2024 Annual Report of Guangdong Huate Gas Co., Ltd.

Abbreviation of Company	Full Name of Company
Huate Gas, the Company or We	Guangdong Huate Gas Co., Ltd.
Southern China Special Gas Institute	Guangdong Southern China Special Gas Institute Co., Ltd.
Xinhui Special Gas Insititute	JiangMen City Xinhui Special Gas Insititute Co., Ltd.
Zhongshan Huaxin	Zhongshan Huaxin Gas Co., Ltd.
Suining Country United Chemical	Suining Country United Chemical Co., Ltd.
Jiangxi Huate	Jiangxi Huate Electronic Chemical Co., Ltd.
Asia Pacific Gas	Asia Pacific Gas Industry Co., Ltd.

## Report Access

To implement the Sustainable Development concept, You may browse or download the Report(the electronic version) at the official website of Huate Gas (www.huategas.com) or at the website of Shanghai Stock Exchange(www.sse.com.cn).

For any feedback and suggestions, please contact us through the following methods:  
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## Message from the Chairman

Dear Colleagues, Partners, and Friends,

Amid the rapid evolution of the global economy, sustainable development has become the mainstream of the times and a universal consensus. Huate Gas has set its sights on long-term development goals, contributing its wisdom and strength to the vigorous development of the gas industry and also to the construction of a resource-conserving and environment-friendly society. We will work hand in hand to create a beautiful future of sustainable development.

**Building the Foundation for Standardization for Development.** Huate Gas always looks upon standardized governance as the foundation for corporate development. By upholding the principle of "Orderly Governance, Stable Operation", we keep optimizing the governance system and improving the internal control mechanism. By perfecting the information disclosure system, we ensure the openness and transparency of corporate business information. Besides that, we actively accept social supervision, and continuously enhance the Company's market credibility and social reputation through standardized operation management and a responsible communication mechanism, thus laying a solid foundation for the Company's sustainable development.

**Practicing Green Development for Ecological Conservation.** Huate Gas persists in the path of "Green First, Sustainable Development". We strictly comply with national environmental protection laws and regulations, improve the environmental management architecture, fulfill environmental management responsibilities, and continuously increase investment in environmental protection facilities. By introducing advanced environmental protection technologies and equipment, implementing a number of environmental protection measures such as energy conservation, emission reduction, and water conservation, the Company has achieved the green transformation of the production process and the precise control over pollution emissions. In addition, the Company actively advocates the concept of "Green Office, Environmental Protection" and encourages employees to participate in environmental protection activities, jointly contributing to environmental protection.

**Taking Advantage of Opportunities in Changes to Create Value for the Gas Industry.** Amidst industrial upgrading, economic transformation, and the tides of globalization, Huate Gas proactively seizes development opportunities, dedicating itself to the R&D and application of gas-related products. Guided by the strategic principle of "prioritizing specialty gases as our core focus, while supporting growth with industrial gases and gas equipment." We uphold a science-driven development philosophy to maximize value for our clients.

**Gathering the Strength of Talents to Build an Innovation Engine.** Huate Gas always upholds the "People-oriented" corporate mission. With technological innovation as the core strength and talents as the foundation for development, we advocate the common growth of employees and the enterprise. We have rolled out a complete employee training mechanism, providing a broad development platform and space for employees' growth, creating a vibrant working environment, and enhancing employees' sense of belonging and cohesive force.

**Being Grateful, Fulfilling Responsibilities, Contributing to Society.** While pursuing high-quality development, Huate Gas has always cherished a strong sense of patriotism and great love for the country. We are enthusiastically involved in charity events, sincerely giving back to society. We actively fulfill our social responsibilities in such respects as charitable donations and rural revitalization, and vigorously spread the Chinese nation's traditional virtues such as being ready to help others and helping each other in difficulties, with a view to promoting social harmony.

On the road of sustainable development, Huate Gas has never halted its step of exploration. We are fully aware that the road ahead is not even, but every challenge brings an opportunity for growth. In the future, Huate Gas will stay true to its original dream to forge ahead on the path of green development while being driven by innovation and underlain by the sense of responsibility. With staunch faith, fearless courage, and unremitting efforts, we will pull together to cope with industry changes, keep injecting impetus into the sustainable development of the gas industry, and jointly create a cleaner, more efficient, and more prosperous future!

Heartfelt gratitude for your unwavering support and trust!

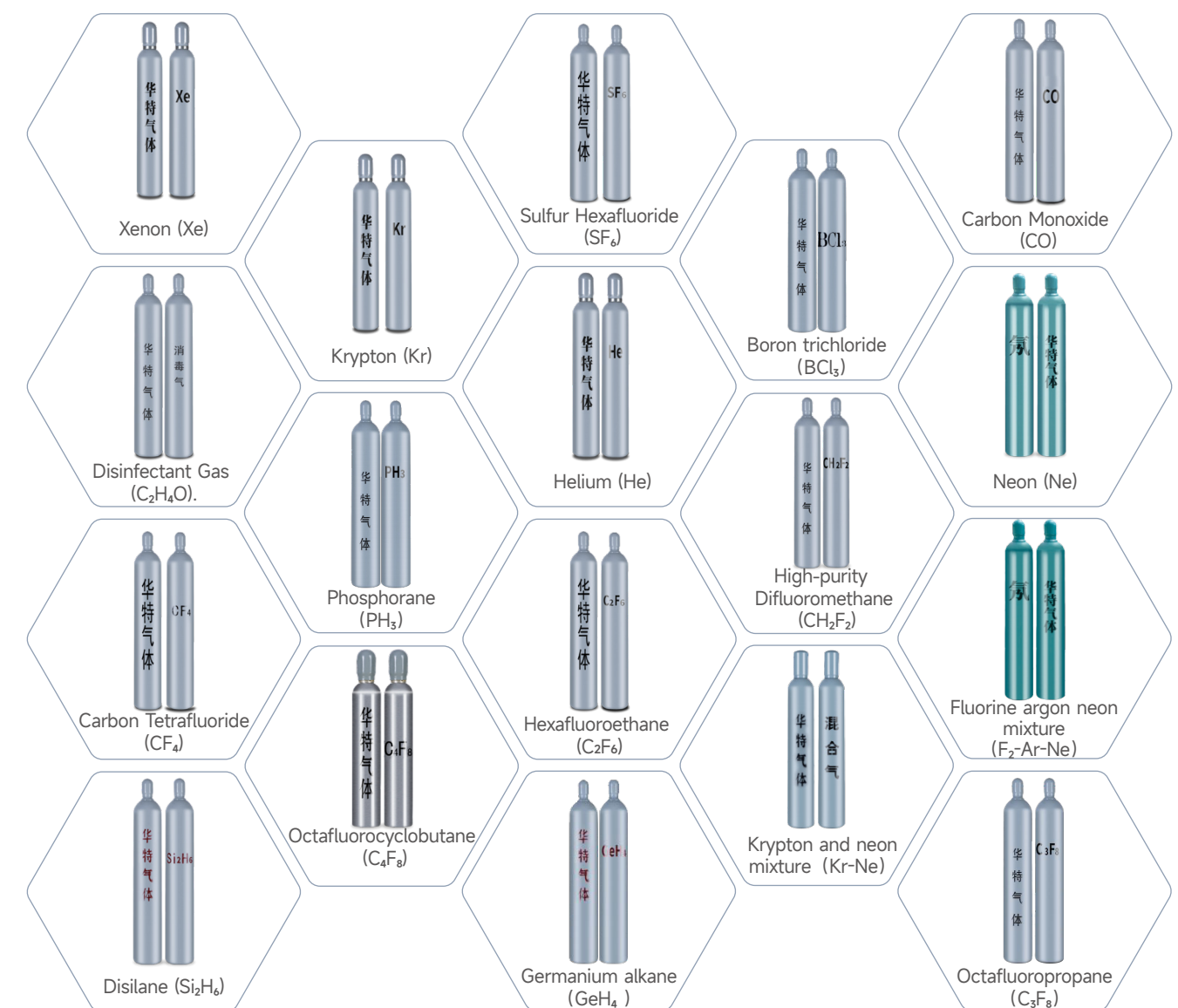
Shi Pingxiang  
Chairman of Huate Gas



# About Huate Gas

## Business Overview

Huate Gas is an enterprise with corporate business covering the R&D, production and sales of gas products. The Company focuses on providing high-quality gas products for multiple domains such as semiconductors, medical care and environmental protection. It has established a complete product system that involves a variety of specialty gases and bulk gases. Through continuous technological innovation and rigorous quality control, Huate Gas has ensured the excellent performance and extensive application of its products. Relying on its stable product quality and high-quality customer service, the Company has won the trust and praise from customers and has cultivated a good brand image in the industry.



## Huate Gas Profile

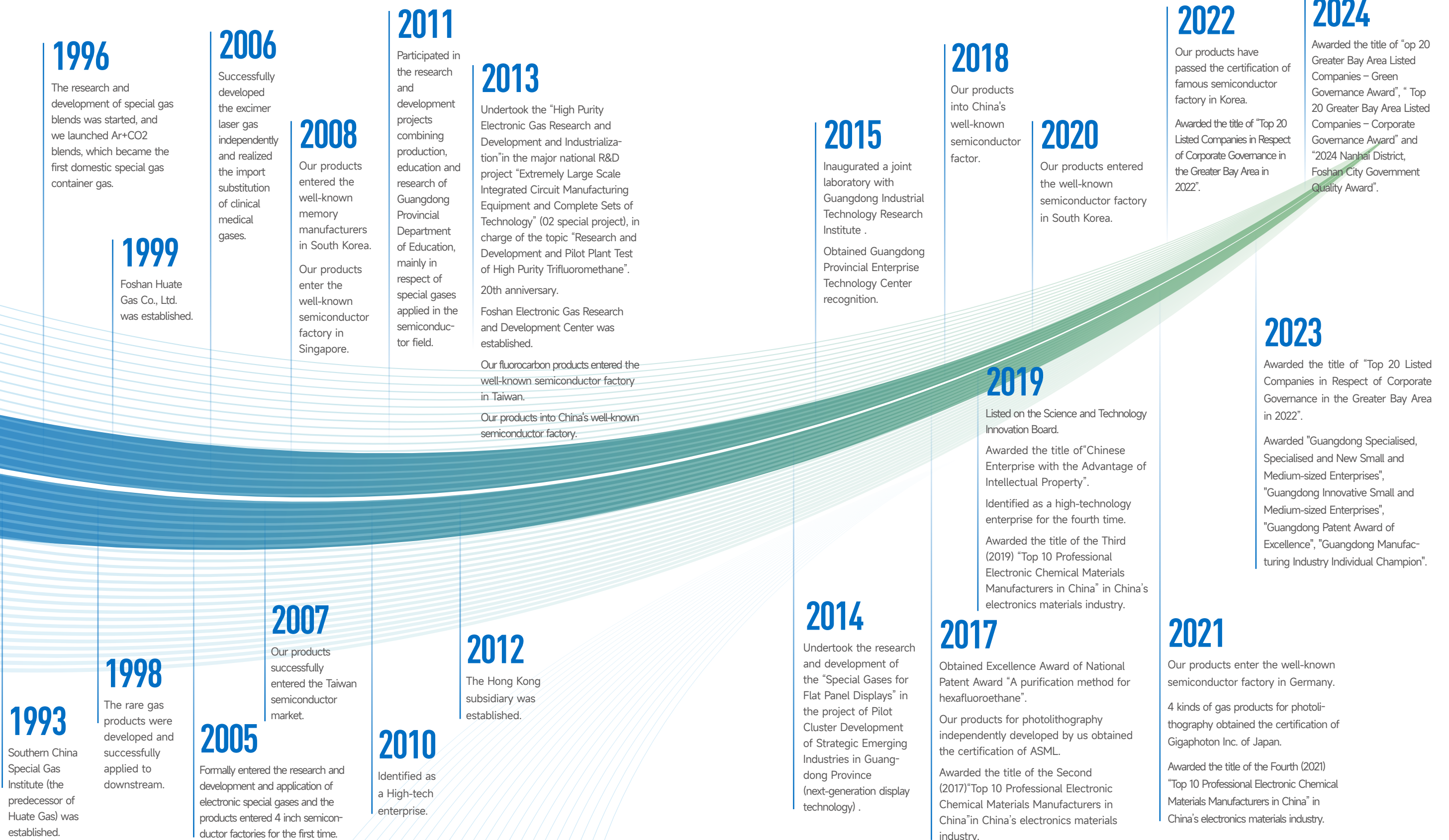
Founded in 1999, Guangdong Huate Gas Co., Ltd. was listed on the Sci-tech Innovation Board (STAR Market) of the Shanghai Stock Exchange in December 2019, with stock name abbreviated as "Huatae Gas" (688268.SH). It is the first Foshan-based enterprise to be listed on the China's Sci-Tech Innovation Board and the nation's first gas-sector company to go public on the A-share market.

The Company is committed to localizing the production of specialty gases, and overcoming the gas material bottlenecks in high-end fields such as extremely large-scale integrated circuits and new display panels. The Company specializes in R&D, production and sales of specialty gases, and concurrently develops ordinary industrial gases as well as related gas equipment & engineering businesses, in addition to providing one-stop comprehensive application solutions on gases.

Main Products

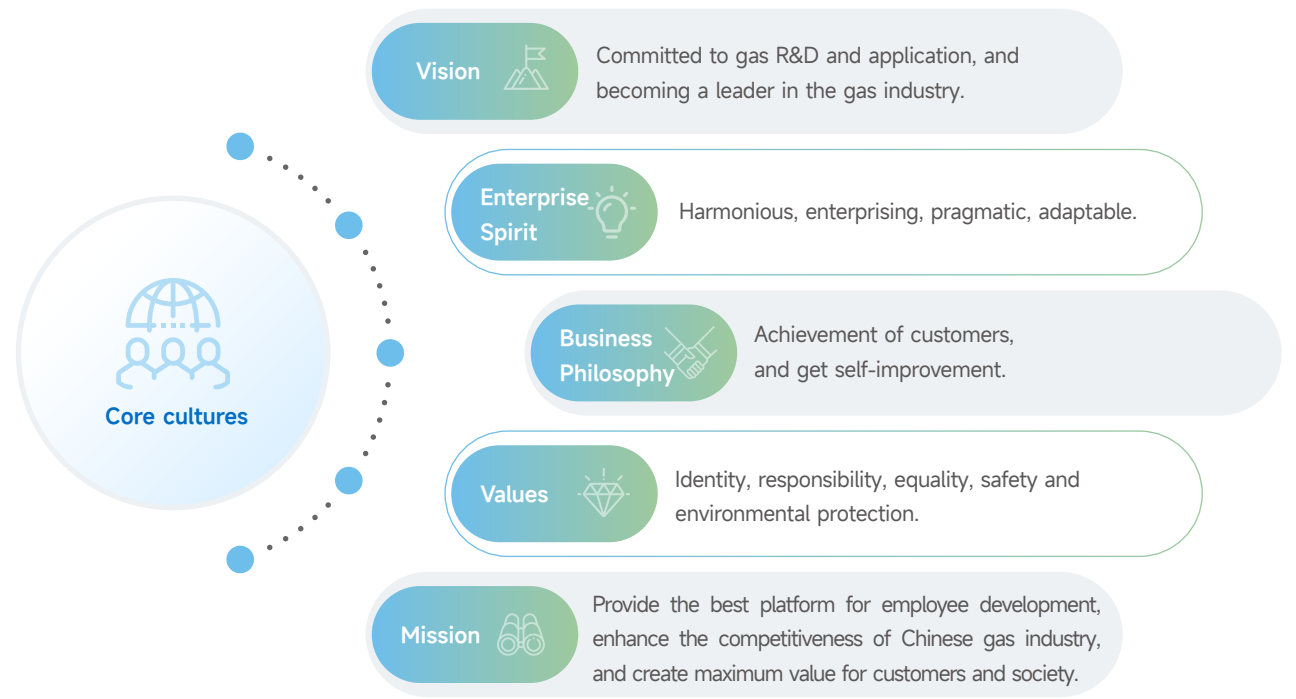


## Our Development





Our Culture



Our Honor

**Wind ESG**  
华特气体  
2024评级



Key Performance

Economic KPI		
Operating Revenue	Net Profit Attributable to Shareholders(billions)	Total Tax Payment
13.95 <sub>ten million</sub>	1.85	0.70 <sub>ten million</sub>
Basic Earnings per Share	Total Assets	Social Contribution Value per Share
1.54	33.01 <sub>ten million</sub>	3.63
Environmental KPI		
Percent of Pass of Pollutant Monitoring	Simultaneous Operation Rate of Environmental Protection Facilities	Implementation Rate of the "Three Simultaneous" for Environmental Protection in Construction Projects
100%	100%	100%
Total Amount of Investment in Environmental Protection (in ten thousand yuan)	Total Direct Energy Consumption (in tons of standard coal)	Total Water Consumption (in tons)
140.66	5,427.74	156,696
Social KPI		
Total Number of Employees	Signing Rate of Labor Contracts	Coverage Rate of Social Insurance
1,200	100%	100%
Training Coverage of New Employees	Total Duration of Employee Training	Investment in Work Safety
100%	185,555	16.8169 <sub>million</sub>
Investment in R&D	Percent of Pass of Products	Percent of Settlement of Customer Complain
48.9215 <sub>million</sub>	99.97%	100%
Governance KPI		
Number of Shareholders' Meetings Held	Number of BOD Meetings Held	Number of Board of Supervisors Meetings Held
4	16	8
Proportion of Female Directors on the Board of Directors	Proportion of Independent Directors on the Board of Directors	
28.57%	42.86%	



# Governance

Sustaianble Governance | Corporate Governance | Internal Control Management  
Investor Relations Management | Business Ethics



### Our Concept

By persisting in the corporate spirit "Harmonious, enterprising, pragmatic, adaptable." Huate Gas promotes the implementation of the sustainable development strategy in an all-around manner, and strikes a balance among economy, society, environment and corporate governance, in order to jointly create a better future.



### Our Actions

- Sustaianble Governance
- Corporate Governance
- Internal Control Management
- Investor Relations Management
- Business Ethics



### SDGs



## Sustaianble Governance

### Sustainable Development Goal and Vision

As a leading enterprise in the specialty gases industry, Huate Gas has always insisted on the business philosophy of attaching equal importance to economic benefits and social responsibilities. It has deeply integrated sustainable development into the Company's development strategy. During the process of promoting the green and low-carbon transformation, the Company, through practical measures such as building a circular economy system, has not only achieved a symbiotic and win-win result between environmental benefits and commercial value, but also led the coordinated development of the industrial chain as an industry benchmark, injecting a continuous stream of innovation impetus into the construction of an environment-friendly society.

Governance Issues	Optimising the governance mechanism of the three councils and strengthening risk management awareness. Adherence to honest business principles and transparent and reasonable disclosure of information.
Environmental Issues	Improve the environmental management system and enhance the efficiency of resource use. Strict emission pollution management, focusing on ecological environmental protection.
Industrial Issues	Promote the development of innovation ability and refine the supply chain management. Commitment to product quality improvement, improve customer service system.
Employee Issues	Maintaining a diverse and equal workplace and promoting the development of employees' abilities. Protecting employees' occupational health and creating shared value together.
Commonwealth Issues	Focus on creating social value and actively assume social responsibility.



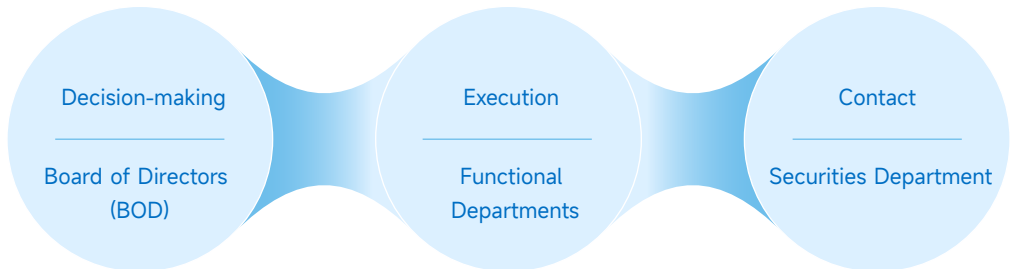
Contribution to SDGs

SDGs	Responses to SDGs
	Huate Gas has established an incentive-based salary system and provided supplementary welfare. It cares about the lives of employees, helps those in difficulties, actively participates in public welfare and charity activities, responds to rural revitalization, does its bit for promoting the new-type development of rural collective economy as well as rural poverty alleviation, and fulfills its social responsibilities.
	Huate Gas organizes physical checkup activities for employees and keeps abreast of their physical health. The Company provides labor protection supplies to ensure the health of employees at work.
	Huate Gas has built a full-fledged training system, and dedicated itself to providing employees with all-around training opportunities. It keeps improving the team of training lecturers, and helps employees improve their own literacy and professionalism.
	Huate Gas adheres to a governance philosophy of diversity, equity, and inclusion, strictly complying with laws and regulations. We uphold the principle of equal pay for equal work, reject discrimination in all forms, and actively safeguard the rights and interests of female employees.
	Huate Gas advocates the recycling and utilization of water resources. By adopting measures such as water resource recycling, it actively practices "Clean Water Use" and has also set up compliant sanitation facilities.
	Huate Gas continuously optimizes the energy structure, injects new impetus into the corporate development, actively carries out energy conservation and consumption reduction work, and promotes green and sustainable development.
	Huate Gas has established a perfect career development path, provided competitive salary and welfare, set up a salary adjustment system, continuously optimized the salary management system, and safeguarded the labor rights and interests of employees.
	Huate Gas focuses on the R&D of specialty gases, strengthens industry-university-research cooperation, fully stimulates the employees' enthusiasm in innovation, and advocates the path of replacement by localization.
	Huate Gas persists in the governance values "Diversity, Equality, Inclusiveness", respects the differences among individuals, and dedicates itself to providing an inclusive and impartial working environment. It firmly resists all forms of prejudice and harassment behaviors, insists on the principle of equal pay for equal work, and safeguards the legitimate rights and interests of employees.
	The Company actively participates in social public welfare activities, helps with rural revitalization, and organizes community co-construction activities.
	Huate Gas sets great store by supply chain management, maintains long-term and stable cooperative relationship with its suppliers, and creates a supply chain featuring fair competition, clean-fingered governance, and transparency.
	Huate Gas actively responds to the challenges of climate change, actively carries out energy conservation and emission reduction work, develops green and low-carbon products, and promotes the green transformation of the enterprise.
	Huate Gas strictly complies with laws and regulations, and ensures that its production and operation activities have no impact on the surrounding ecology, promoting the harmonious coexistence between humans and nature.
	Huate Gas continuously optimizes the governance structure for sustainable development, strengthens compliance management, and ensures that the rights of shareholders are legally protected. It further promotes the construction of incorruptible culture, and adheres to the principles of business ethics.
	Huate Gas upholds strict business ethics and norms, firmly resists all forms of illicit competition behaviors, and creates a positive and sustainable business environment.

Sustaianble Management

Huate Gas attaches great importance to sustainable development work. It observes relevant laws, regulations such as the *Guidelines on Self-regulation of Listed Companies on the Science and Technology Innovation Board of Shanghai Stock Exchange No. 14 - Sustainable Development Report (For Trial Implementation)* to keep improving the ESG governance structure and operation mechanism, while stressing the BOD's supervision and management over the Company's ESG -related work.

The Company is actively planning to build an ESG governance structure. So far, it has already established a three-in-one ESG governance structure covering the decision-making layer, the management layer and the execution layer, helping the Company forge ahead steadily on the path of sustainable development. As the supreme governance organ for the Company's ESG -related work and information disclosure, the BOD is responsible for formulating the Company's overall ESG strategy and medium- and long-term plans, clarifying the development direction, and comprehensively assessing ESG -related risks and potential opportunities.



To strengthen the ESG capabilities of employees at all levels of the Company, Huate Gas organizes ESG training, further analyzes the development trends of ESG, shares excellent practice cases in the industry, cultivates a corporate culture of sustainable development, and focuses more on comprehensively improving its own ESG management level, in order to promote the coordinated progress of the enterprise in economy, environment and society.



Stakeholder Engagement

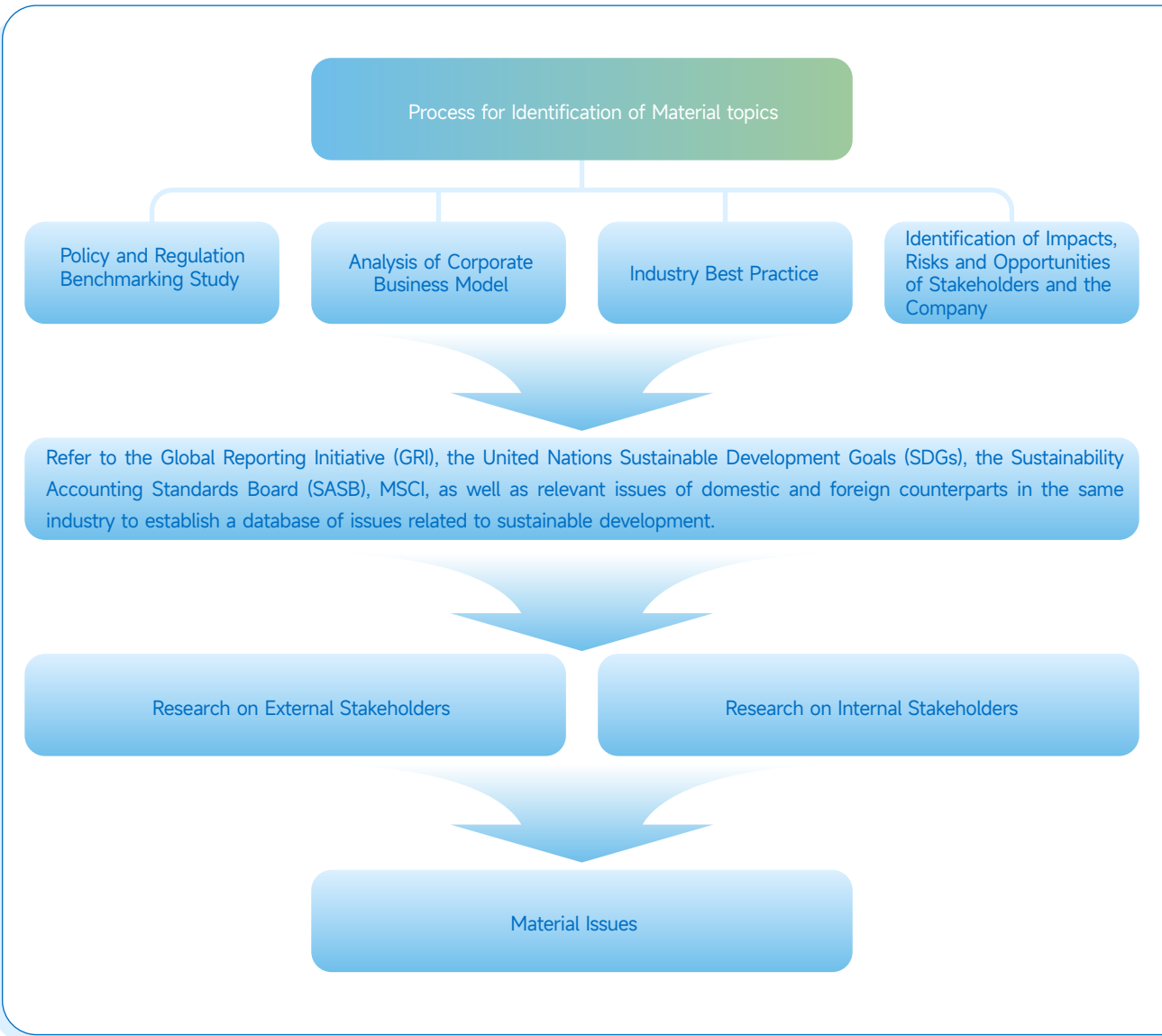
By upholding the value "Recognition, Responsibility, Equality, Safety, Environmental Protection", Huate Gas is committed to improving the efficiency of resource utilization, promoting the harmonious coexistence between the enterprise and the environment, and achieving sustainable development. Focusing on the needs and concerns of stakeholders, the Company has identified six key groups, in addition to actively responding to the demands and expectations of stakeholders. When preparing relevant reports, the Company takes the initiative to bring in relevant issues, in an effort to balance and maximize the interests on the basis of safeguarding the rights and interests of all parties, and to lay a foundation for the prosperity and development of the Company.



Stakeholder	Topics of Interest	Communication Channels
Government & Regulatory Agencies	Environmental Protection Energy Saving and Carbon Reduction Water Resource Management Circular Economy Production Safety Employee Rights Business Ethics Data Protection and Privacy Social Welfare	Government Communication Meeting Regular reports & Announcements Daily Communication and Reporting Listed Company Training Activities
Investors & Shareholders	Environmental Protection Energy Saving and Carbon Reduction Water Resource Management Circular Economy Production Safety Employee Rights Business Ethics Data Protection and Privacy	General Meeting of Shareholders Regular reports & Announcements Announcement of Important Project Progress Investor Communication
Employees	Corporate Governance Production Safety Employee Rights Data Protection and Privacy	Staff Congress Employee Symposium Suggestion Box Employee Satisfaction Survey Corporate Culture Activities Proposal Management Regular Training Internal Magazine and WeChat
Suppliers	Corporate Governance Business Ethics Chain of supply management	Supplier Exchange Meeting Technology Exchange and R&D Co-operation Mail & Telephone
Clients	Corporate Governance Sustainability Data Protection and Privacy Business Ethics Product Quality Chain of supply management	Factory Visit Customer Satisfaction Survey Customer Feedback Mail & Telephone
Community	Environmental Protection Production Safety Employee Rights Social Welfare	Public Welfare Activities Community Monitoring

Identification of Material Topics

In strict accordance with the requirements of the *Self-Regulatory Guidelines for Listed Companies on the Guidelines on Self-regulation of Listed Companies on the Science and Technology Innovation Board of Shanghai Stock Exchange No. 14 - Sustainable Development Report (For Trial Implementation)*, the Company, based on the industry’s characteristics and its own business features, has conducted a comprehensive and in-depth dual-value dimension assessment of sustainable development issues. From an external perspective, the Company has evaluated the substantial impact of the issues on the economic, social and environmental systems (i.e., the importance of impact). On the other hand, from an internal perspective, the Company has examined the potential effects of the issues on its strategic planning, business pattern innovation, financial stability, cash flow management, financing structure and value chain resilience (i.e., the importance of finance). On this basis, the Company referred to internationally recognized ESG standard systems such as the Global Reporting Initiative (GRI) to implement a systematic hierarchical evaluation of the sustainable development issue database. By building an "Impact -Finance" two-dimensional matrix model, the Company is capable of accurately identifying the core issues that not only have significant external social value but inflict a substantial impact on the enterprise’s sustainable development ability.





Huate Gas's Issue Identification List

Dimension	Issue	Importance Explanation
E	Environmental compliance management	Dual Importance
	Energy utilization	Impact importance
	Climate change response	Dual Importance
	Water resource utilization	Impact importance
	Pollutant discharge	Dual Importance
	Ecosystem and biodiversity protection	Impact importance
	Circular economy	Impact importance
	Waste disposal	Dual Importancez
S	Protection of employees' legitimate rights and interests	Impact importance
	Employee training and development	Impact importance
	Occupational health and safety	Dual Importance
	Research and development and innovation	Dual Importance
	Product quality and safety	Dual Importance
	Protection of customers' rights and interests	Impact importance
	Information security and privacy protection	Impact importance
	Responsible supply chain management	Dual Importance
	Equal treatment of small and medium-sized enterprises	Relevant
	Social contribution	Relevant
G	Rural revitalization	Relevant
	Protection of shareholders' rights and interests	Impact importance
	Standardized corporate governance	Impact importance
	Anti-bribery and anti-corruption in business	Impact importance
	Anti-unfair competition	Impact importance
	Tax compliance	Impact importance
	Risk management	Impact importance
	Due diligence	Relevant
	Stakeholder communication	Relevant
	ESG governance	Relevant

Hute Gas's Evaluation Results of ESG Material Issues



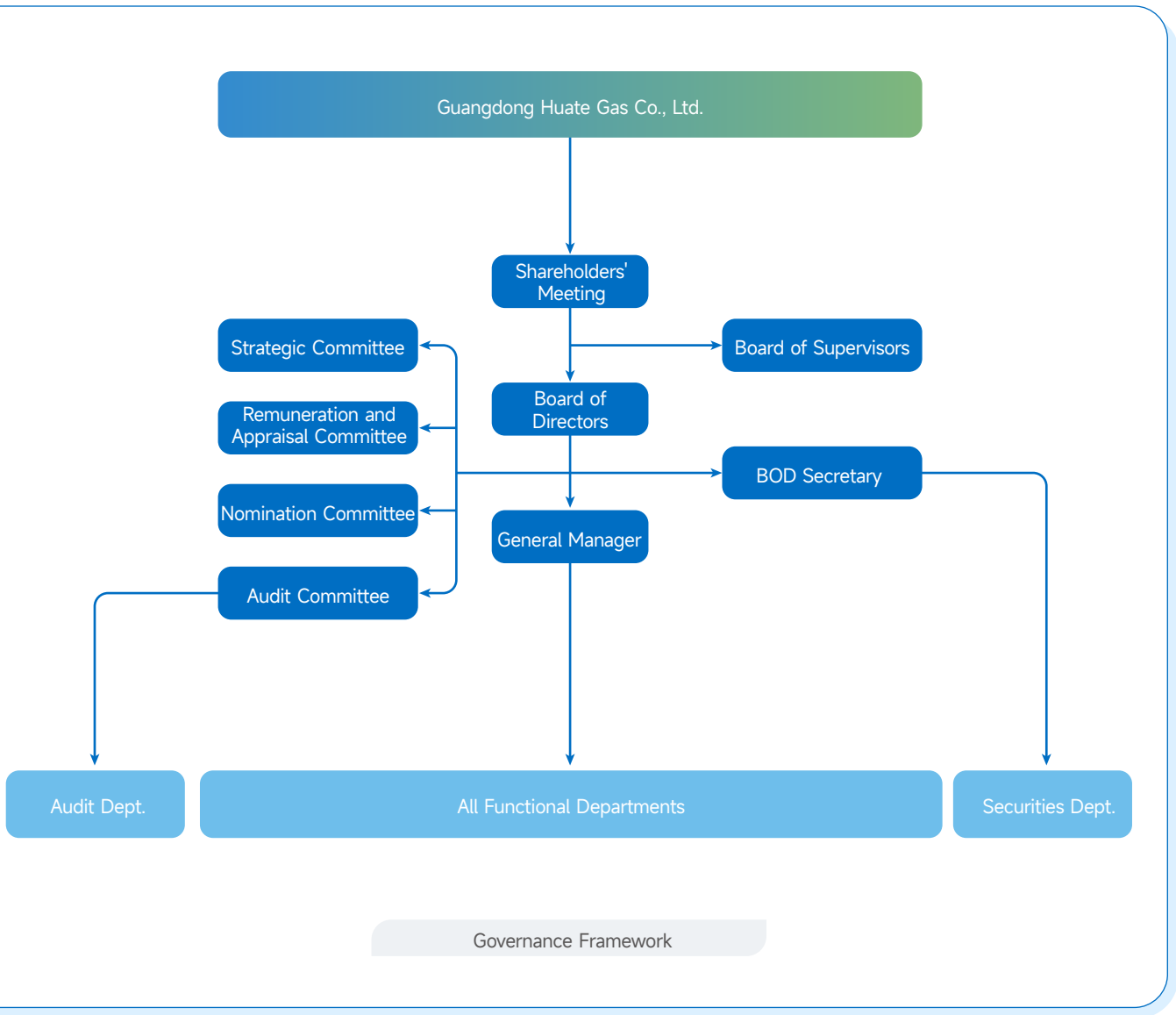
- 01、Environmental compliance management
  - 02、Energy utilization
  - 03、Climate change response
  - 04、Water resource utilization
  - 05、Pollutant discharge
  - 06、Ecosystem and biodiversity protection
  - 07、Circular economy
  - 08、Waste disposal
- 09、Protection of employees' legitimate rights and interests
  - 10、Employee training and development
  - 11、Occupational health and safety
  - 12、Research and development and innovation
  - 13、Product quality and safety
  - 14、Protection of customers' rights and interests
- 15、Information security and privacy protection
  - 16、Responsible supply chain management
  - 17、Equal treatment of small and medium-sized enterprises
  - 18、Social contribution
  - 19、Rural revitalization
- 20、Protection of shareholders' rights and interests
  - 21、Standardized corporate governance
  - 22、Anti-bribery and anti-corruption in business
  - 23、Anti-unfair competition
  - 24、Tax compliance
  - 25、Risk management
  - 26、Due diligence
  - 27、Stakeholder communication
  - 28、ESG governance
- Having both financial importance and impact importance
- Having financial importance but lacking impact importance
- Having impact importance but lacking financial importance
- Having neither financial importance nor impact importance



Corporate Governance

Governance System

Huate Gas has formulated the *Articles of Association*, the *Rules of Procedure for Shareholders' Meetings*, the *Rules of Procedure for Board of Directors Meetings*, the *Rules of Procedure for Board of Supervisors Meetings* and other rules and regulations in strict accordance with the requirements of the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Corporate Governance Standards for Listed Companies* as well as the relevant laws and regulations of the China Securities Regulatory Commission and the Shanghai Stock Exchange. It has established a corporate governance structure involving the shareholders' meeting, the board of directors and the board of supervisors, and kept improving the corporate governance system, in order to enhance the Company's operating efficiency.



Governance Structure

Shareholders' Meeting

The shareholders' meeting, as the supreme authority of the Company, makes decisions on the Company's business strategies and investment plans in accordance with the laws, and reviews the reports of the BOD. The Company strictly observes the *Articles of Association* and the *Rules of Procedure for Shareholders' Meetings* to ensure that the procedures for convening, holding and voting at the shareholders' meeting are in compliance with standards and norms. The Company upholds the principle of equality in treating all shareholders and provides an online voting platform to facilitate shareholders' participation in meetings and exercise of their rights, especially to ensure that the legitimate rights and interests of minority shareholders are fully realized.

KPI

During the reporting period, the Company held a total of **4** shareholders' meetings, including **1** annual shareholders' meetings and **3** extraordinary shareholders' meetings. A total of **19 proposals** were reviewed and approved at these meetings.

Board of Directors

The board of directors (BOD), as the leading body for implementing the resolutions of the shareholders' meeting and making business decisions, shall be fully responsible to the shareholders' meeting. For its operations in notification, convening, deliberation, voting and the content of resolutions, etc., the BOD shall strictly observe laws, regulations and the *Articles of Association*. In addition, the BOD shall make announcements in accordance with the information disclosure regulations for listed companies, in order to ensure the compliance of the decision-making procedures and the legality of the decision-making content, and to safeguard the transparency and fairness of corporate governance.

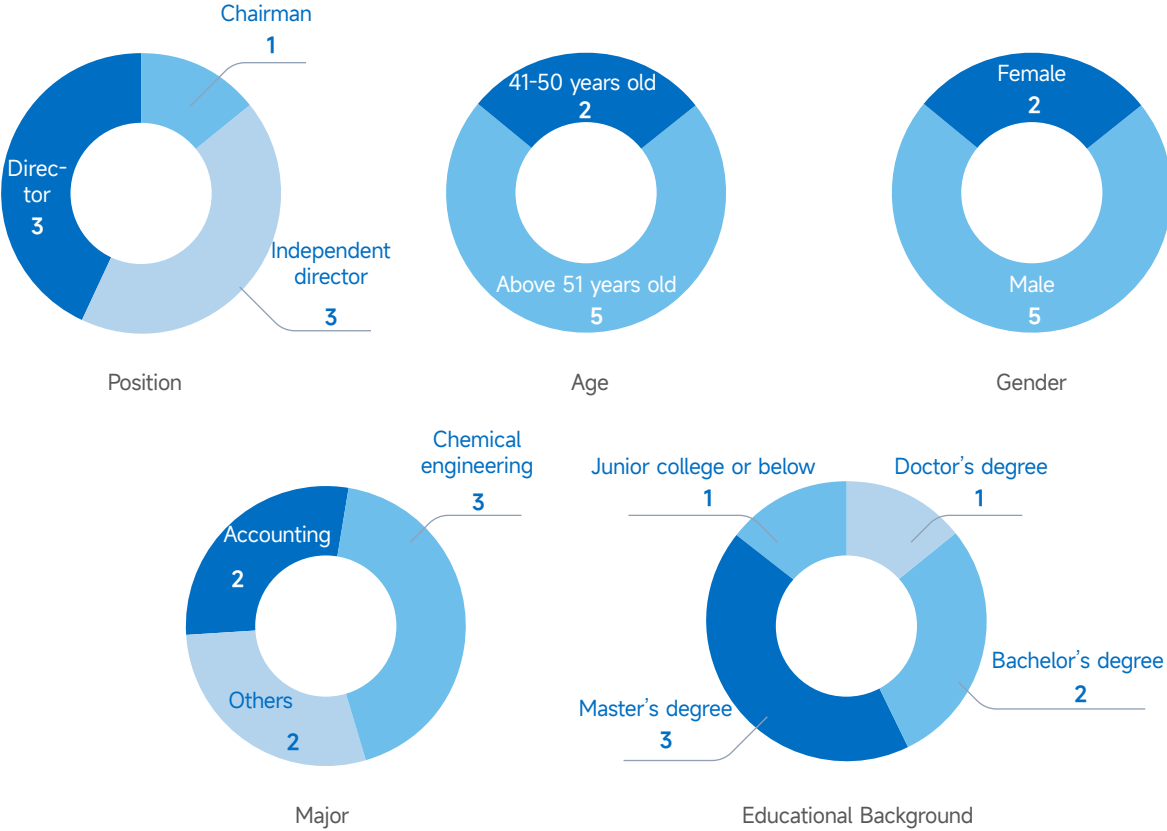
KPI

During the reporting period, the Company held a total of **16** BOD meetings and deliberated **62 proposals**.

● BOD Diversity

The board of directors of the Company is composed of management members with diverse backgrounds, whose professional backgrounds cover multiple fields such as corporate operation and management, financial management, and chemical industry. This is highly consistent with the Company's development needs. These management members can give full play to their respective professional expertise and provide strong professional support for the Company's all-round development. By the end of the reporting period, the Company's board of directors was made up of 7 directors in total, among which there were 2 female directors.





BOD members

KPI

During the reporting period, the average attendance rate of the company's board directors was **100%**.

● BOD Diversity

The Company attaches great importance to giving play to the positive role of independent directors in decision-making, and keeps improving the scientific decision-making level of the BOD. The number and structure of the BOD comply with the requirements of laws and regulations. By the end of the reporting period, the Company had set up 3 independent directors, accounting for 75% of the total persons of the Company's BOD.

● Special Committees

Under the BOD there are four major committees, namely the Strategic Committee, the Nomination Committee, the Remuneration and Appraisal Committee, and the Audit Committee. The BOD has formulated detailed rules of procedure to delimit the structure, responsibilities and meeting arrangements of each committee. The special committees are all composed of the Company's directors and independent directors. Members of each committee operate in accordance with the Company's realities and their respective rules to provide professional and efficient decision-making references for the BOD, ensuring that the decision-making process is both professional and effective.

Special Committees	Independent Directors (number)	Non-independent Directors (number)	Proportion of Independent Directors (%)	Independent Directors Serve as the Member (Yer/No)
Strategic Committee	2	3	40%	No
Audit Committee	2	1	66.67%	Yes
Nomination Committee	2	1	66.67%	Yes
Remuneration and Appraisal Committee	2	1	66.67%	Yes

Board of Supervisors

The Company's board of supervisors has a total of 3 supervisors, among which 1 supervisors are selected from employee representatives. The number and structure of the BOS comply with the requirements of laws and regulations. In accordance with the *Articles of Association and the Rules of Procedure for Board of Supervisors Meetings* and other rules, the Board of Supervisors actively perform its supervision duties, treat the Company and shareholders with a high sense of responsibility, and effectively supervise the Company's major affairs, financial status as well as the compliance of directors and senior executives in performing their duties. The supervisors shall make every effort to safeguard the rights and interests of the Company and shareholders to ensure that the Company's operations are standardized and transparent.

KPI

During the reporting period, the Company held **8** meetings of the Board of Supervisors and deliberated **25 proposals**.



Internal Control Management

Compliance Management

Huate Gas has always looked upon compliant operation as the bottom line of corporate operation. In strict accordance with national laws and regulations, the Company has established a governance system integrating risk control, compliance management and internal control construction. Through the normalized internal audit and dynamic rectification mechanism, the Company ensures the standardized operation of the entire business process. It keeps improving the standardized construction of institutional processes, establishes a risk assessment and response training system covering all employees, and stresses the organizational resilience.

With the internal control system as the foothold, the Company has established a closed-loop management mechanism for risk warning, process monitoring and effectiveness evaluation, which helps effectively identify and resolve business risks. According to the needs of business expansion and strategic planning, the Company continuously optimizes the adaptable internal control structure to strike a balance between risk prevention&control and operational efficiency, injecting institutional impetus into its sustainable growth.

Internal Risk Control

Huate Gas has always persisted in operating in accordance with laws and regulations. Based on its operation realities, the Company has formulated such management rules as the *Internal Audit Rules* and the *Internal Reporting Rules for Major Information*, providing all-round and systematic instructions and norms for the Company's operation to ensure the efficient operation of the internal control mechanism.

The Audit Committee of the Company, as the primary responsible department for internal control, has set up an Audit Department, which is responsible for in-depth inspection and supervision of the establishment and implementation of the Company's internal control system, providing a strong guarantee for the Company's legal and compliant operation, asset safety, the accuracy of financial reports, operational efficiency and the information authenticity & integrity. The Company keeps abreast of the operating status of internal control, and invites third-party institutions at regular intervals to evaluate and authenticate the internal control system. This helps effectively identify and prevent potential risks and shore up the defense line for the Company's steady progress.

During the reporting period, the Company evaluated the effectiveness and feasibility of the internal control system, hired a third-party accounting firm to conduct an independent and objective evaluation, and issued the *Internal Control Evaluation Report*.

KPI

In 2024, the audit report showed that the Company's internal control system continued to operate effectively, and there were no major or important internal control deficiencies in financial reports and non-financial reports.

Key Indicators	UOM	2024年
Internal Control Training Sessions	Times	26
Number of Employees Participating in Internal Control Training	Person	550

Related Transaction Management

The Company has always persisted in the principles of fairness in pricing, legality and compliance of the decision-making process, and standardization of information disclosure. In accordance with relevant laws and regulations such as the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Accounting Standards for Business Enterprises No. 36 - Related Parties Disclosure* and the *Articles of Association*, the Company, based on its operation realities, has formulated the *Related Party Transaction Decision-making Rules*, which is aimed at ensuring the related party transactions will not jeopardize the interests of the Company and all shareholders, but improve the standardization and efficiency of the operation, and achieve rapid identification, daily supervision and effective management of related party transactions, thereby safeguarding the legitimate rights and interests of the Company and shareholders. It also assures the healthy and stable development of the Company.

Tax Payments Management

The Company resolutely follows national tax laws and regulations, upholds the principle of tax payment in good faith, and strictly complies with tax management requirements to complete tax declarations and payments in a timely and accurate manner. It ensures the full payment of taxes and firmly resists illegal acts such as tax evasion. The Company's management team attaches great importance to tax management, and strengthens the internal control and supervision mechanisms to ensure the compliance and accuracy of tax treatment and effectively prevent and control tax risks.

The Company steadfastly upholds an integrity-driven business philosophy, consistently prioritizing tax compliance as a fundamental operational principle. We maintain a highly cautious and rigorous approach to tax-related matters, adhering to high standards and stringent requirements in tax governance. Through these efforts, we strive to foster an ethical and compliant business environment. During the reporting period, our tax management practices achieved significant results, providing robust assurance for the sustainable growth.

KPI

During the reporting period, the Company paid a total of RMB 69,778.9 thousand in taxes (excluding individual income tax).

Investor Relations Management

Information Disclosure

In strict accordance with relevant laws and regulations such as the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China* and the *Administrative Measures for Information Disclosure of Listed Companies*, the Company earnestly performs its information disclosure duties, formulates and implements the *Information Disclosure Management Rules* and the *Management Rules for Voluntary Information Disclosure*, and standardizes the information disclosure process. It conducts active and effective communication and exchanges with investors and prospective investors through information disclosure platforms such as the *cninfo.com.cn*, the "Shanghai Securities News" and the "Securities Times". While fully safeguarding the legitimate rights and interests of investors, the Company keeps enhancing the trust and recognition of the capital market for the Company's governance level.

案例

Huate Gas Awarded "New Quality Enterprise Golden Bull Award" and "Golden Information Disclosure Award"

The Company won the "New Quality Enterprise Golden Bull Award" and the "Golden Information Disclosure Award" at the 2024 High-Quality Development Forum for Listed Companies and the 26th Golden Bull Award Ceremony for Listed Companies, exemplifying its extraordinary performance in sci-tech innovation, corporate governance and information disclosure. As an outstanding listed enterprise in Foshan City, Huate Gas will continue to uphold the spirit of professional innovation and inject new impetus into the Company's sustainable development.



KPI

During the reporting period, the Company made public **4** regular reports and **104** interim reports.

Investor Communication

Huate Gas attaches great importance to investor relations management and regards it as a key part of the routine work. In strict accordance with the requirements of relevant laws and regulations and the *Articles of Association*, the Company has formulated a series of rules and regulations such as the *Investor Relations Management Rules*, in order to firmly safeguard the rights and interests of investors and strengthen communication with them.

By upholding the principles of compliance, equality, initiative, honesty and trustworthiness, the Company actively carries out investor relations management work. Through diverse channels such as the official website, E-Interaction, investor hotline, performance briefing, and email, the Company maintains tight connection with investors on multiple platforms and in multiple ways, which effectively safeguards investors' right to know and right to participate. By virtue of high-quality interactive exchanges, the Company effectively enhances the market's recognition of its corporate value, forming an healthy interactive investor relations ecosystem.

Key Indicators	UOM	2024
Regular Earnings Briefings	Times	3
Investor Open Day	Times	1
SSE E-Interactive Responses	Times	40
Investor Inquiry Response Rate	%	100
Investor Exchange	Times	185
Number of Investor Exchanges	Persons	1,100



Protection of Shareholders' Rights

Huate Gas is committed to creating extraordinary values for shareholders. In compliance with the concept of giving back to shareholders and society and in strict accordance with the profit distribution policy stipulated in the *Articles of Association*, the Company has formulated the *Shareholder Return Plan for the Next Three Years (2022 - 2024)*. Based on its realities, the Company keeps improving the profit distribution system, and makes the “Dividend decision-making and supervision mechanism” more scientific and stable, ensuring a giveback for the trust and support of the vast number of investors in a continuous and stable manner.

The Company's Cash Dividend in Three Years (UOM: Yuan)

Key Indicators	2022	2023	2024
Dividend per 10 Shares (Tax Included)	3.99	5	6
Cash Dividend Amount (Tax Included)	47,893,302.82	59,941,393.50	71,813,865.60
Proportion of Cash DividendAmount in Total Profit Distribution	23.22%	35.03%	38.86%

Business Ethics

Clean-fingered Governance

Huate Gas has established a comprehensive clean-fingered governance mechanism, aiming to specify employees' business behaviors and ethical codes. This mechanism clearly stipulates that funds and assets must be used in a legal and proper manner, immoral or illegal business competitions are banned, and employees are strictly prohibited from accepting illegal remuneration or bribes. Huate Gas encourages employees to report unethical behaviors, and promises to provide identity protection or rewards. Such clean-fingered governance mechanism provides a strong guarantee for creating a fair, impartial, and clean internal corporate environment.

Anti-unfair Competition

Huate Gas insists on the principles of fairness and honesty, and is fully aware of their importance to the Company's reputation, long-term development and market order. The Company clearly rejects immoral or illegal business behaviors such as false advertising, price fraud and commercial bribery, and resolutely safeguards consumers' rights and the market order.

During the reporting period, the company conducted 25 business ethics-themed training sessions totaling 50 hours of training. No major breaches of integrity or unethical conduct occurred, and the company faced no legal proceedings related to improper practices domestically or internationally throughout the year.

# Environment

Response to Climate Change | Environmental Compliance Management  
Rational Allocation of Resources | Persisting in the Green Operation



## Our Concept

Huate Gas dedicates itself to resource conservation and environmental protection, actively implements green and low-carbon development strategies, and bravely copes with the challenges from climate change. The Company has always observed environmental protection regulations and continuously optimized its environmental management framework, thereby becoming an exemplary enterprise in the industry that makes efficient use of resources and stays in harmony with the environment.

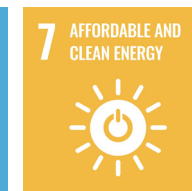


## Our Actions

- Response to Climate Change
- Rational Allocation of Resources
- Environmental Compliance Management
- Persisting in the Green Operation



## SDGs



## Response to Climate Change

### Governance

Amid the accelerated evolution of global climate governance and the restructuring of the industrial pattern by the low-carbon economy, Huate Gas has incorporated it into its core governance agenda, and formulated the *Management Measures for Responding to Climate Change*. Driven by top-level design, the Company promotes green transformation, and systematically responds to climate challenges through a three-in-one governance pattern "Strategy - Implementation - Supervision", injecting resilience into its sustainable competitiveness.



Energy Conservation Leading Group

Position	Person in Charge	Responsibilities
Group Leader	General Manager	<ul style="list-style-type: none"><li>Responsible for researching and making decisions on major energy conservation issues, and regularly listening to the work reports from deputy group leaders and members;</li><li>Formulate work requirements for promoting energy conservation and energy management, and put forward specific energy conservation goals of the Company to the energy conservation group.</li></ul>
Deputy Group Leadert	Operation Directort	<ul style="list-style-type: none"><li>Regularly inspect the implementation of energy conservation measures in departments, and preside over a monthly routine meeting on energy management work;</li><li>Formulate a performance assessment method with clear rewards and punishments;</li><li>Ensure the utilization of those renovation funds for the energy conservation plan.</li></ul>
Members	Department Managers	<ul style="list-style-type: none"><li>Responsible for specific energy management, promoting the implementation of the Company's energy efficiency improvement, energy conservation planning, energy conservation training and energy conservation publicity;</li><li>Deal with the relationship between daily production and energy conservation renovation, ensure the schedule-based maintenance and renovation of energy conservation projects, and guarantee the successful completion of renovation projects;</li><li>Do a good job in the Company's energy conservation training and energy conservation publicity..</li></ul>

● Low-Carbon Publicity

Focusing on the corporate development strategy, Huate Gas actively conducts energy conservation and carbon reduction training & publicity work, makes every effort to urge employees to develop good habits of spontaneously taking actions for carbon reduction, and ensures the fulfillment of the Company's development goals.

In addition, the Company attaches great importance to low-carbon operation. It always takes "Conserving Resources, Eliminating Waste" as the guiding ideology in routine work, keeps advocating the green office motto "Low-carbon Economy, Energy Conservation, Consumption Reduction" among employees, and strictly controls the power consumption of lighting and electrical equipment in the office area. Besides that, the Company encourages employees to put energy conservation into practice, and enhances employees' awareness of energy conservation and emission reduction. The Company also organizes activities related to energy conservation and carbon reduction at regular intervals, in order to deepen employees' understanding of the significance of energy conservation and emission reduction, and to urge the enterprise to achieve the carbon neutrality goal in a more efficient manner.

Strategy

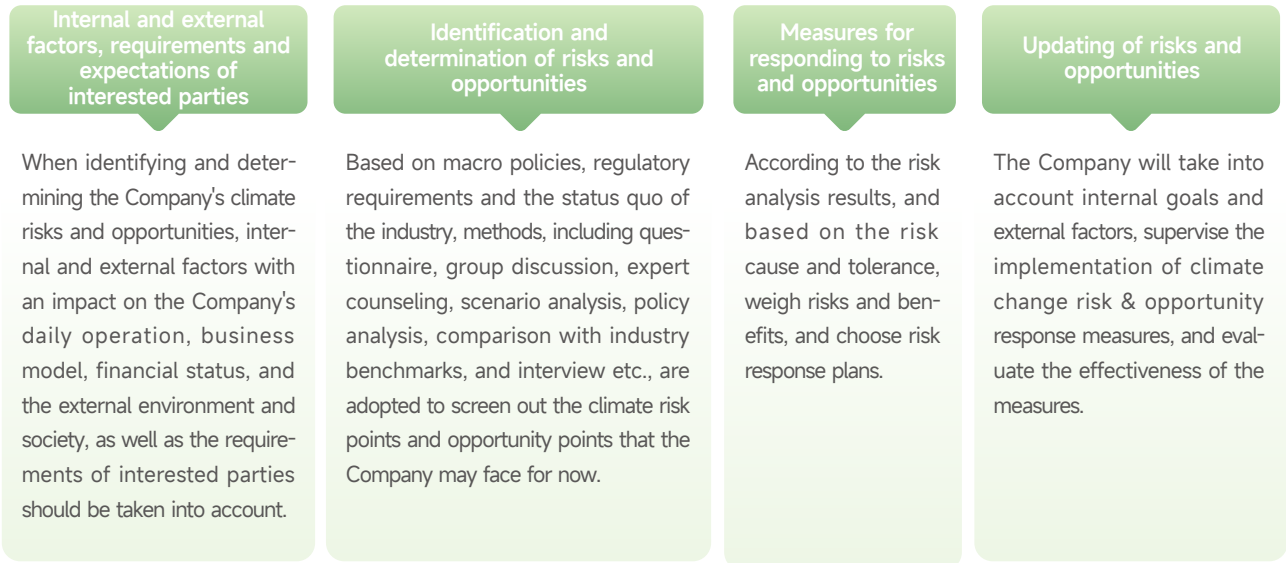
The production process of electronic specialty gases usually involves high carbon emission, and the emission sources are complex. With the ever-increasing market demands for electronic specialty gases, failure in effective control of carbon emissions will lead to further hike of the total carbon emissions in the industry. This not only goes against the national "Dual Carbon" strategy, but likely triggers policy constraints such as carbon tariff, thereby raising the Company's operating costs. Huate Gas analyzed both risks and opportunities, referred to studies of climate, macro environment, industrial policies, etc., and took into account its business realities to assess the impact of climate change on the corporate business. Then, the Company incorporated the assessment results into the strategic resilience planning, and accordingly adjusted its business development strategy and resource allocation, which helped significantly enhance its adaptability and resilience in responding to climate change.

Risk Type		Description	Financial Impact	Proba-bility	Impact Magni-tude	Impact Range	Links of the Value Chain	Countermeasures
Physical Risk	Extreme Weather	1.Inflct damage on premises and facilities of production bases in Guangdong and Jiangsu, disrupt employees' commuting and normal work, and restrict logistics conditions, leading to production interrup-tion and thus affecting revenue.  2.Some chemical raw materials stored in the Company's factory area pose safety and environmental risks under extreme weather conditions. Some of them may lead to fires and explosions, which will not just directly cause financial losses but may result in fines and compensations.  3.Hazardous chemicals in storage and transportation may leak due to broken package or improper handling during extreme weather events, which will in turn cause air, water and soil pollution and affect the normal life of surrounding residents.	Cost Increase  Revenue Decrease	High	High	Short-term	Up-stream Operation	1.Implement chemical zoning manage-ment to prevent secondary disasters caused by reactions after leakage, and make use of high-quality chemical storage containers.  2.Formulate the Comprehensive Emergency Plan for Production Safety Accidents, and build a systematic, standardized and institutionalized response mechanism for typhoons and rainstorms.  3.Store up sufficient emergency supplies and establish tight cooperation with local emergency rescue agencies to ensure that external support is timely given in case of accidents.  4.Set up cofferdams, emergency pools and other facilities in the factory area to prevent leaked chemicals from spreading outside the factory area.
TransformationRisk	Policy Risk	The chemical manufacturing industry has to deal with the predicament in which greenhouse gas emission and disclosure policies are continuously tightened. The requirement for carbon information disclosure leads to increase of the account-ing cost, and failure to meet the require-ment will affect the Company's reputation. In overseas markets, carbon tariffs will affect profits.	Cost Increase	High	High	Medi-um-te rm	Down-stream	1.Keep abreast of national and local disclosure policies & regulations on greenhouse gas emissions, and timely interpret policy changes, and prepare for compliant disclosure.  2.Disclose in detail information on greenhouse gas emissions in the Company's annual sustainable development report as per the requirements of relevant regulations.
	Upgraded Customer Require-ments	Semiconductor customers require the supply chain to provide carbon footprint certification, pushing the low-carbon transformation of the production process.	Cost Increase	Medium	Medium	Medi-um-te rm	Opera-tion	Optimize the gas production process to bring down carbon emissions.

Opportunity Type		Description	Financial Impact	Proba-bility	Impact Magni-tude	Impact Range	Links of the Value Chain	Countermeasures
Market Opportunity		With the advancement of green develop-ment, the demands for specialty gases from downstream industries such as PV and new energy are increasing on a gradual basis. Amid this backdrop, enterprises will explore new market opportunities via development of relevant products. In addition, the upgrad-ing of carbon reduction technologies boosts the optimization of the production process, leading to energy conservation and consump-tion reduction, which not only brings down costs but also meets environmental protection requirements, and attracts more customers with strong environmental awareness to tap the new market.	Revenue Increase  Corporate Reputation Enhance  Market Share Expansion	Medium	Medium	Long-term	Opera-tionDown-stream	Keep increasing investment in R&D to promote the technological upgrading of gas products, as a way to meet the rapidly-changing market demands, especially in terms of green gases and low-carbon technologies.
Energy Structure Opportunity		Since the state is vigorously promoting green development, support policies and incentive mechanisms for renewable energy have been successively put in place, providing opportunities for the Company to successfully adopt renewable energy. By adjusting the energy consump-tion structure and improving energy efficiency, the Company effectively brings down greenhouse gas emissions.	Cost Decrease	High	Medium	Long-term	Opera-tion	Carry out technological transformation on energy conservation, and keep exploring appropriate opportunities for application of renewable energy in production and operation of the Company.

Management of Impacts, Risks and Opportunities

To address the potential risks and opportunities brought about by climate change, Huate Gas has incorporated climate risks into the Group's risk management system. It has established the corporate climate risk assessment & management process mechanism, and exercised a closed-loop management for climate risk identification, assessment, response and improvement.



Indicators and Goals

KPI		UOM	2024	2023	2022
Greenhouse Gas Emissions	Total	tCO2e	16,027.13	14,794.35	12,668.88
	Scope 1		7,728.23	9,017.69	/
	Scope 2		8,298.90	5,776.66	/
Greenhouse Gas Emission Intensity	Total	tCO2e/1 million yuan of Revenue	11.49	9.86	8.45
	Scope 1		5.54	6.01	/
	Scope 2		5.94	3.85	/
Total Energy Consumption	Total	tce	5,427.74	/	/
	Direct Energy		3,159.37	/	/
	Indirect Energy		2,268.37	/	/
Energy Consumption Intensity	Total	tce/1 million yuan of Revenue	3.89	/	/
	Direct Energy		2.27	/	/
	Indirect Energy		1.63	/	/

Highlight

Amidst the global carbon neutrality strategy, Huate Gas has focused on the semiconductor and new energy sectors, successfully developing two innovative products—hexafluoro-1,3-butadiene (C4F6) and disilane (Si2H6)—which are poised for mass production. These breakthroughs provide critical material support for the low-carbon transition of industrial supply chains.

Products Drive the Green Transformation of the Semiconductor Industry.			
C <sub>4</sub> F <sub>6</sub>	Next-Generation Environmentally Friendly Etching Gases	<p>As a groundbreaking alternative to traditional PFCs, C4F6 replaces CF4 in the dry process of KrF laser sharp etching for semiconductor capacitor patterning, demonstrating exceptional environmental advantages in advanced semiconductor manufacturing:</p> <ul style="list-style-type: none"><li>● Outstanding Climate Benefits: Features the lowest global warming potential (GWP &lt; 10) and shortest atmospheric lifetime (&lt;1 day) among perfluorinated gases, achieving over 90% reduction in greenhouse gas emissions compared to conventional CF4.</li><li>To date, C4F6 may be the only viable substitute that meets both precise etching requirements and emission reduction targets.</li><li>● High Selectivity, Precision, Anisotropy, and Etching Rate: Superior to traditional PFCs in etching narrow-linewidth circuits, enabling finer microstructures.</li><li>● Application in High Aspect Ratio Processes: Primarily used in 3D NAND etching, with surging demand as layer counts increase in memory architectures.</li><li>● Enhanced Selectivity Ratio for Photoresist and Silicon Nitride: Reduces photoresist consumption and silicon nitride damage, improving chip yield and supporting the miniaturization of high-aspect-ratio structures.</li></ul>	The product has already been supplied to and implemented by domestic semiconductor clients.
Energy-Efficient Materials Empower the Clean Energy Revolution			
Si <sub>2</sub> H <sub>6</sub>	Key Materials for Low-Carbon Semiconductor Manufacturing and Photovoltaic Upgrades	<ul style="list-style-type: none"><li>● Solar Cell Production: In amorphous silicon wafer deposition, Si2H6 achieves significantly faster deposition rates compared to silane (SiH4), while reducing process temperatures by 200–300°C.</li><li>● Ion Implantation: As an ion source, disilane enables sustained plasma ignition and delivers higher ion beam intensity, outperforming alternative gases in precision and efficiency.</li><li>● Advanced Semiconductor Fabrication: With unique applications, disilane has emerged as a superior silicon source gas for sub-28nm processes, particularly in cutting-edge node manufacturing.</li></ul>	Small-scale production has commenced, with the product already in pilot adoption by select clients and undergoing certification by others.

Through continuous innovation breakthroughs, Huate Gas has established a low-carbon materials matrix spanning semiconductor manufacturing and clean energy sectors, delivering practical solutions to accelerate energy conservation and emission reduction across the global electronics supply chain.



Environmental Compliance Management

Governance

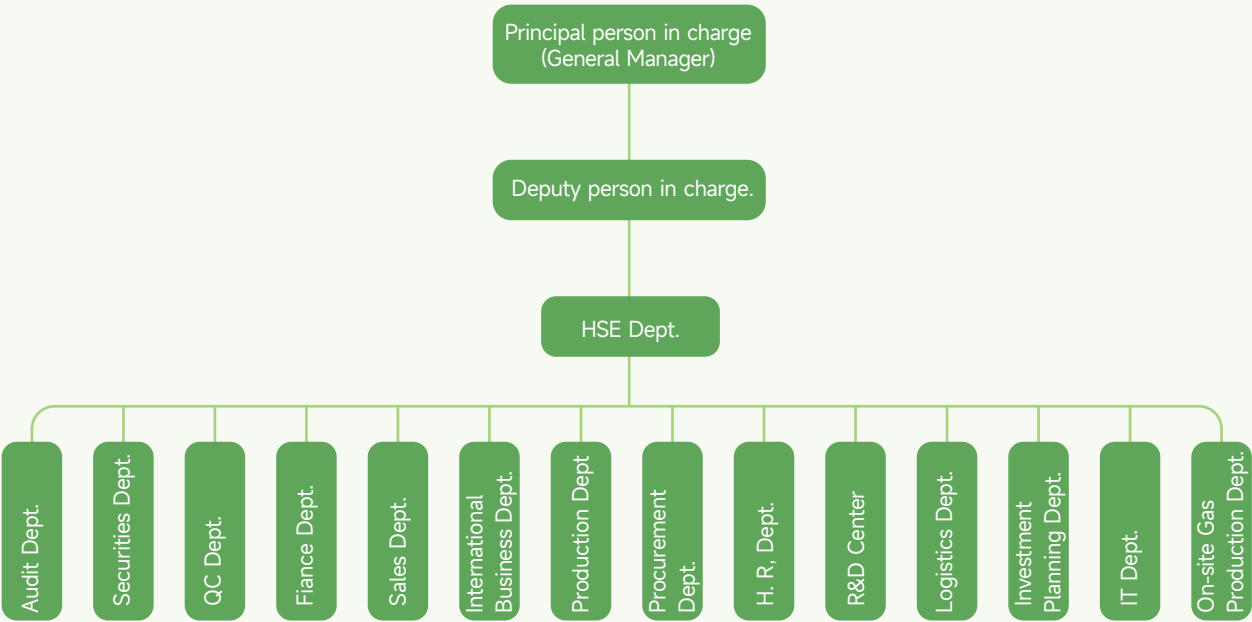
By persisting in the principles of conservation, protection and restoration, and focusing on environmental protection and ecological civilization construction, Huate Gas makes every effort to grow into a resource-conserving and environment-friendly enterprise, ensuring that the development process is in harmony with ecological protection.

KPI

- During the reporting period, the total investment in environmental protection was CNY 1.4066 million;
- The synchronous operation rate of environmental protection facilities hit 100%;
- The implementation rate of the "Three Simultaneous" for construction projects in terms of environmental protection was 100%.

To thoroughly implement the environmental protection concept, properly handle the balance between production & operation and the ecological environment, and resolve existing and potential ecological & environment problems, the Company has actively studied and strictly implemented environmental protection regulations, continuously improved environmental protection strategies and rules, and kept incorporating green and low-carbon concepts and technologies into its production and operation. As a result, we have developed a comprehensive set of environmental management rules and regulations that have been compiled into reference materials in order to promote the green development of the enterprise.

Besides, the Company has established an environmental management architecture with the general manager as the top leader and decision maker for safety and environmental protection, and the HSE Department as the hub for connecting the heads of departments.



Environmental Management Architecture

ISO 14001:2015 Environmental Management System Authentication Certificate



Guangdong Huate Gas Co., Ltd.



Guangdong South China Specialty Gas Research Institute Co., Ltd.



Chenzhou Xiangneng Semiconductor Gas Co., Ltd.



Dongguan High Energy Industrial Gas Co., Ltd.

To further strengthen environmental protection supervision and management, specify the environmental protection behaviors of the Company's employees, and enhance their awareness of environmental protection, the Company has specially formulated the Environmental Protection Reward and Punishment Management System. Employees who violate environmental protection regulations will be penalized according to the severity of the violations, while those who have made outstanding contributions in environmental management will be rewarded.

Environmental Information Disclosure

In strict accordance with relevant regulations, the Company reports in detail to the environmental protection authority of the local people's government on the operation of facilities at regular intervals. The report covers key information such as the operation status of facilities, pollutant discharges, sampling operation, monitoring details, and continuous operation records. Aside from that, based on the principle of openness and transparency, the Company makes public the operation status of facilities, daily monitoring data and relevant management rules, and takes the initiative to accept public supervision.

For environmental protection supervision work, the Company actively assists in the supervision and inspection by the environmental protection authority of the local people's government, faithfully reports relevant situations, and provides the required documents in a complete manner. It resolutely prohibits any excuse to hinder the on-site inspections by the environmental protection department, and strictly refrains from concealing the real situation or submitting false materials.

江西华特电子化学品有限公司

生产经营场所地址：江西省九江市永修县经济开发区星火工业园 行业类别：其他基础化学原料制造 所在地区：江西省-九江市-永修县 发证机关：九江市生态环境局

排污许可证正本  
排污许可证副本



许可证编号	业务类型	版本	办结日期	有效期限
91360425081450475H001V	申领	1	2020-07-31	2020-07-31 至 2023-07-30
91360425081450475H001V	重新申请	2	2022-08-26	2022-08-26 至 2027-08-25
91360425081450475H001V	变更	3	2022-09-29	2022-08-26 至 2027-08-25
91360425081450475H001V	重新申请	4	2023-12-05	2023-12-05 至 2028-12-04

大气污染物排放信息	水污染物排放信息	自行监测要求	执行（守法）报告要求	信息公开要求	环境管理台账记录要求
其他许可内容					

主要污染物类别：	废气、废水
大气主要污染物种类：	颗粒物,挥发性有机物,氟化物,氯化氢,氨氧化物,硫酸雾,臭气浓度,乙酸酯类,甲苯+二甲苯,非甲烷总烃,硫化氢,甲苯,氯（氯气）,二甲苯,乙酸丁酯
大气污染物排放规律：	有组织,无组织
大气污染物排放标准：	大气污染物综合排放标准GB 16297-1996,挥发性有机物排放标准 第2部分：有机化工行业DB36 1101.2-2019/DB36 1101.2-2019/,恶臭污染物排放标准GB 14554-93,《大气污染物综合排放标准》（DB31/933-2015）上海市地方标准《恶臭（异味）污染物排放标准》上海市地方标准DB31/1025—2016
废水主要污染物种类：	化学需氧量,pH值,悬浮物,氨氮（NH3-N）,总氮（以N计）,石油类,总有机碳,总磷（以P计）,五日生化需氧量,阴离子表面活性剂,氟化物（以F-计）,甲苯,二甲苯,全盐量
废水污染物排放规律：	间断排放，排放期间流量不稳定，但有周期性规律
废水污染物排放标准：	石油化学工业污染物排放标准GB 31571-2015,污水综合排放标准GB8978-1996

Disclose environmental information as required.

Enhancement of Environmental Protection Awareness

To make the Company's employees clearly understand the relevance and importance of their activities or jobs to the environmental management system and contribute to the achievement of management goals, the Company has formulated the Environmental Protection Education Rules and established the Employee Environmental Protection Education Management Archive. In addition, the Company organizes theme-based training on environmental management at regular intervals, and further deepens understanding and recognition of environmental management goals among employees of various departments through various means such as regular meeting, topic study, and cultural newsletters in daily work, in addition to strengthening the communication.



Training on the Standardized Management of Hazardous Waste

KPI

During the reporting period, the Company organized 6 environmental protection training sessions.

Strategy

The pressure from pollutant emissions in the electronic specialty gas industry should not be underestimated. Huate Gas analyzed both risks and opportunities, referred to relevant laws & regulations and local pollutant discharge standards, and took into account its production and business realities to systematically and accurately identify and assess environmental compliance issues, which provided a strong reference for subsequent improvements. The Company holds fast to the bottom line of environmental protection in economic development and vigorously promotes its long-term sustainable development.

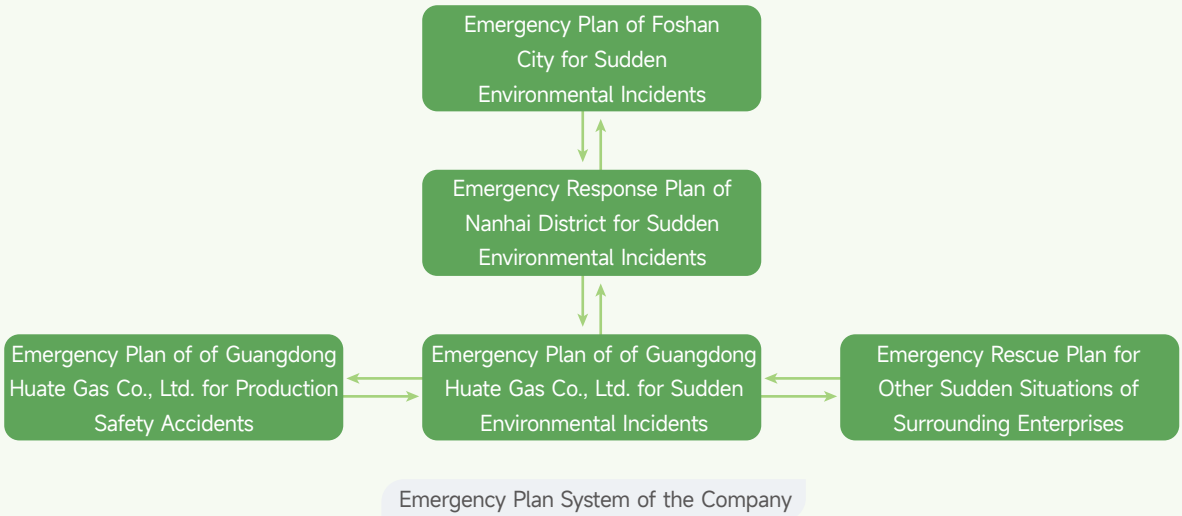
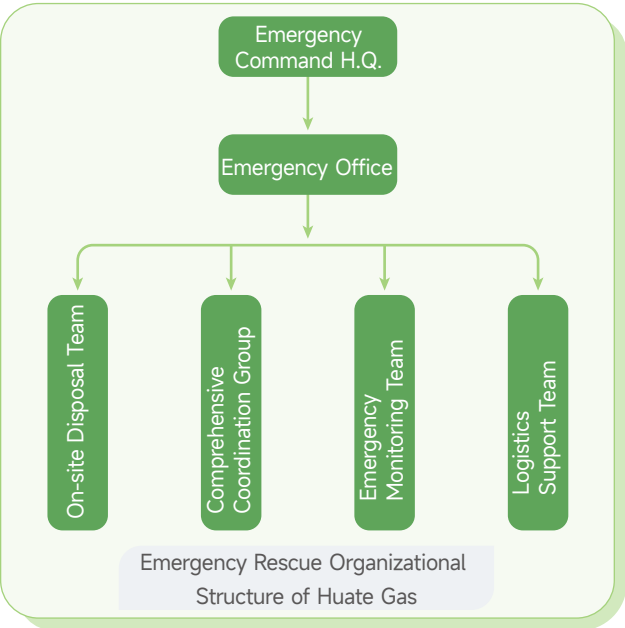
Risk Type	Description	Financial Impact	Probability	Impact Magnitude	Impact Range	Links of the Value Chain	Countermeasures
Leakage Risk	Leakage risks are mainly caused by chemical spills, fire accidents, and improper treatment of wastewater and waste gas. Chemical spills may lead to pollutants' entry into surface water through the rainwater pipeline. Hazardous waste such as firefighting sand, which has not been properly handled, may affect the environment. After being volatilized, spilled chemicals may also pollute the atmosphere. In the event of a fire accident, firefighting wastewater with chemicals may be discharged into surface water through the rainwater pipeline, and a large amount of toxic and harmful smoke will be generated to pollute the air.	Cost Increase Corporate Reputation Damage	Low	High	Short-term	Operation	1.Regularly conduct monitoring and management over environmental risk receptors, substances of environmental risk sources, environmental risk units and major risk sources; regularly analyze and review historical sudden environmental accidents and carry out prevention and control over sudden environmental incidents. 2.Formulate rules for inspection of hazard sources, arrange personnel for regular inspections, and install 24-hour monitoring devices in the storage tank area; recruit full-time personnel to manage hazardous waste, clarify job responsibilities, and give priority to safety precautions. 3.Set up fire hydrants at corresponding positions in the warehouse and storage tank area; build an accident emergency pool equipped with valves and water pumps; in case of leaks of methyl ethyl ketone, acetone, etc., the leaked substances can be stored in the accident emergency pool to prevent them from leaking outside the factory area. 4.Formulate exhaustive emergency response plan and emergency response system; timely stop filling and other production processes after an accident occurs, to ensure that the impact will not be further expanded.
Environmental Policy Risk	Due to the government's stricter pollutant emission standards or newly-issued environmental protection regulations, the Company needs to upgrade equipment or improve process to meet the new requirements, which increases the compliance costs.	Cost Increase	Medium	High	Medium-term	Operation	1.The Company has procured the national pollutant discharge permit and environmental impact assessment approval, and put its environmental emergency response plan on record. Also, the Company has established a dynamic policy tracking mechanism to keep abreast of environmental protection regulations. 2.Set aside special environmental protection funds for equipment upgrading and technological transformation. 3.Push ahead with the R&D of green technologies, develop new processes, upgrade the equipment through technological transformation, and seek raw and auxiliary materials for replacement of existing hazardous substances as a way to bring down long-term compliance costs.
Environmental Information Disclosure Risk	Failure to disclose environmental data in a timely, accurate, and complete manner may trigger regulatory penalties or a crisis of investor confidence.	Cost Increase Corporate Reputation Damage Financing Ability Decrease	High	High	Short-term	Operation	1.Improve the information disclosure system, strengthen internal audit and compliance inspection, avoid information discrepancies, and ensure the accuracy and timeliness of data. 2.Take the initiative to disclose the progress of environmental protection governance to enhance transparency and public trust. 3.Require and urge environmental protection management and statistics personnel to study relevant laws and regulations, enhance their awareness about the rule of law and environmental protection, and strive to improve their professional abilities and business level.
Opportunity Type	Description	Financial Impact	Probability	Impact Magnitude	Impact Range	Links of the Value Chain	Countermeasures
Market Opportunity	With the tightening of laws, regulations and policies related to pollution prevention and control, the demands of the downstream market for pollutant emission reduction has increased, creating new opportunities for the Company to develop environment-friendly products.	Revenue Increase	Medium	Medium	Long-term	Operation Downstream	Through sustained R&D advancements, the company has introduced innovative products such as germane (GeH <sub>4</sub> ) and disilane (Si <sub>2</sub> H <sub>6</sub> ), now gradually scaling production, while steadily advancing projects like hexafluoro-1,3-butadiene (C <sub>4</sub> F <sub>6</sub> ) and semiconductor precursors. These solutions not only meet the precision manufacturing demands of downstream clients but also deliver enhanced environmental performance, aligning with global sustainability goals.



Management of Impacts, Risks and Opportunities

Environmental Emergency Risk Management System

The Company has been continuously improving its environmental risk prevention & control system and constantly refining its emergency measure system. It has formulated the *Emergency Response Plan of Huate Gas*, established an emergency organization, and built an environmental emergency response system that enables three-level coordination among the Company/surrounding enterprises, the district, and the city. In this way, the Company will minimize the impact of incidents and control the pollution level at the fastest response speed and with the least resource input, which will reduce the Company's losses to the greatest extent and effectively assure environmental safety and the enterprise's stable development.



In compliance with the principle of "Prevention First" and in accordance with the requirements of the ISO 14001 environmental management system, the Company precisely conducts environmental risk inspections and assessments. It has formulated a series of environmental risk management rules, such as the *Procedure for the Control of Responses to Risks and Opportunities*, the *Procedure for the Control of Identification of Environmental Factors and Their Importance Degrees*, and the *Procedure for Identification of Hazard Sources, Risk Evaluation and Determination of Control Measures*. Within the scope of its environmental management system, the Company fully examines all relevant activities, covering the environmental impacts generated at those links under the Company's control, influence, and consideration, and throughout the life cycle from product procurement, production, delivery to after-sales service.

Links	Specific Operations
Risk Identification	Analyze the evolution law of possible environmental accidents as well as the impact of natural disasters, and identify environmental hazard factors.
Risk Analysis	Analyze the relationship with the surrounding residents, organizations, and regional environments that may be affected, build scenarios of sudden environmental events and their consequences, and determine the environmental risk level.
Risk Response	Regularly inspect emergency resources that are available at the first time, such as environmental emergency team, equipment, materials, monitoring equipment, pollutant emergency treatment capabilities, and pollutant emergency storage site, as well as those emergency resources that may be provided as assistance or contractual assistance, so as to ensure the ability to respond to environmental risks.
Prevention and Rectification	The Company conducts management reviews at regular intervals, strictly examines and reviews the environmental risk management system, and timely re-evaluates and revises the control procedures to ensure their adequacy and applicability.

Emergency Drills

To respond effectively to environmental protection risk accidents, the Company has established an emergency rescue team with the engineering and production operators as the backbone. After the founding of the team, the Company organizes professional knowledge training on safety and rescue once a month, and arranges environmental protection technicians to give lectures. In addition, the Company carries out drills and assessments at regular intervals to continuously improve the team's actual combat ability and professional literacy, ensuring that the rescue work can be performed quickly and efficiently in the case of accidents.



Emergency Response Drill for Ammonia Cylinder Leakage and Fire Incident

Troubleshooting of Potential Environmental Impact Hazards

The Company has established a responsibility system for the troubleshooting of environmental hidden hazards. In this system, the Environmental Protection, Health and Safety Department is the responsible organ, and the department manager leads the technicians to work with relevant departments to carry out the investigation and elimination of environmental hidden hazards, and establish and implement the post responsibility system level by level.

Indicators and Goals

Huate Gas earnestly performs its environmental responsibilities and actively fulfills its promise of being environment-friendly. The Company keeps improving its environmental management system, increases investment in environmental protection, and focuses on key indicators such as emission management and accident management to formulate environmental compliance management goals in line with its own development, in order to forge ahead towards green and sustainable development.

The Environmental Compliance Management Goals of Huate Gas in 2024 and Their Achievement

Goal Planning	Goal Control	Achieved (Yes/No)
0 gas/pressure vessel explosion, and no major leakage accidents.	No leakage accidents	
0 annual fire accidents	No fire accidents	
Legal transfer of hazardous waste to qualified entities for disposal	No leakage accidents	
The noise emissions at the factory boundary meet the standards.	No excessive emissions	

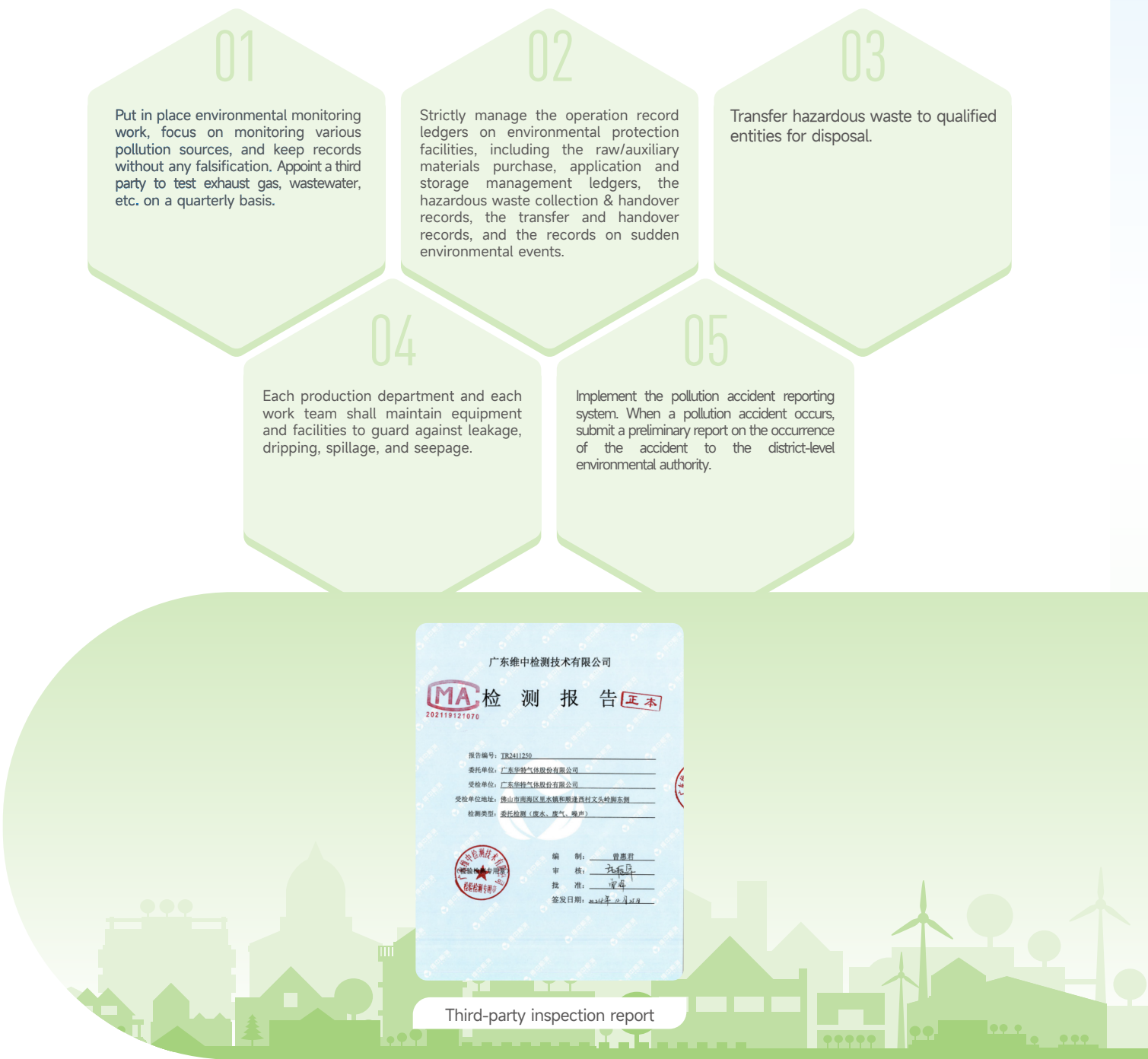
To ensure the steady progress of environmental protection work and the scheduled completion of environmental protection goals, strengthen the leadership and management in environmental protection work, safeguard the health of employees in production and labor, keep the environment from being polluted, and effectively guard against the occurrence of environmental pollution accidents/incidents, the Company has formulated the *Environmental Responsibility System and the Environmental Protection Target Responsibility System*, living up to clear delimitation of responsibilities from top to bottom and across all departments.

Indicators	UOM	2024	2023
Wastewater Discharge	t	59,885	46,333
Wastewater Pollutants	t	10,060	9159
Exhaust Gas Discharge	t	1,502.3	1,702.1
Compliance Disposal Rate of Reneral Industrial Solid Waste	%	100	100
Compliance Disposal Rate of Hazardous Waster	%	100	100
Training on Three Wastes (Wastewater, Emissions, Solid Waste) Discharge and Disposal	Times	6	6
Environmental Data Disclosure Non-Compliance Incident	Times	0	0

Pollution Prevention and Ecosystem Protection

In strict accordance with the requirements of relevant laws and regulations, the Company continuously strengthens the management over environmental emissions to ensure that its production and operation conform to relevant laws, regulations and standards.

Environmental Pollution Management Measures





Wastewater Management

The Company strictly implements the requirements of relevant policies and regulations, puts in place measures for prevention and control of wastewater pollution, scientifically improves the sewage treatment technologies, and strictly prevents the occurrence of environmental pollution accidents such as “Leakage, Spillage, Dripping, and Seepage”. It requires all relevant departments and workshops to strictly follow the operating procedures, rigorously manage and maintain the treatment facilities, and record the operation ledgers, ensuring that the wastewater treatment meets the standards for discharge.

The Company's main production wastewater sources comprise production wastewater, initial rainwater, domestic sewage (including employees' domestic sewage and kitchen wastewater), and wastewater from the cleaning of 12 mL air bomb bottles. The Company has built domestic sewage treatment and utilization facilities as well as industrial wastewater treatment and utilization facilities to conduct separate treatment for clean and dirty water and for rainwater and sewage. The HSE Department is responsible for conducting self-monitoring over the enterprise's wastewater discharge outlets at regular or irregular intervals, and full-time HSE administrators take samples of the workshop flushing wastewater on a regular basis. Excessive discharge is strictly prohibited.

KPI

During the reporting period, wastewater discharged by the Company totaled **59885 tons**, with recycled wastewater totaling **10060 tons**.

废水排放指标

Type of Sewage	Treatment Process		
	Pre-treatment Process	Treatment Process	Discharge
Domestic Sewage	Pretreated by three-stage septic tank	Treated by the process of "Hydrolysis acidification + contact oxidation + sedimentation + disinfection"	After meeting the local standards of Guangdong Province, the wastewater is discharged into the Hegui Sewage Treatment Plant through the Lishui municipal pipeline.
Kitchen Wastewater	Pretreated by oil and slag separation tank		
Production Sewage			
Cleaning Wastewater		Treated by the self-built sewage treatment facilities (with the treatment process of coagulating sedimentation + A/O biochemical treatment+ membrane bioreactor).	The treated water is recycled and reused for the cleaning line/equipment cooling make-up water and water spray make-up water, without being discharged externally.

During the reporting period, the Company continuously carried out wastewater recycling and utilization, vigorously developed advanced industrial wastewater treatment technologies such as the recycling of RO concentrated water, optimized the enterprise's wastewater management level, and promoted the work for reduction of wastewater and sewage emissions.

Exhaust Gas Management

Huate Gas has continuously strengthened the treatment of air pollution. It adopted a combination of classified collection, high-efficiency treatment equipment and refined management to bring down the emissions of exhaust gas. Also, the Company made use of spray purification tower to recycle and treat exhaust gas, strictly controlling the air pollutants generated during its production and operation processes.

Source Control		<ul style="list-style-type: none"><li>For raw material procurement and storage, strict measures are taken for volatile raw materials:</li><li>Closed facilities must be used for storage, for example, storage tank with breathing valve and pressure regulating device, or internal floating roof storage tanks adopted.</li><li>During the loading and unloading process, recycling and treatment measures shall be taken to bring down the generation of exhaust gas and reduce the possibility of exhaust gas emissions from the source.</li></ul>
Process Management and Control	Transportation, Storage and Treatment	<ul style="list-style-type: none"><li>During the transportation and storage of volatile raw materials and products, gases discharged from safety valves, pipelines and containers must be recycled, or other reasonable and effective treatment measures shall be adopted.</li><li>When sampling and analyzing, online closed-circuit sampling should be adopted, and the leakage rate of static sealing points should be strictly controlled within 0.5‰ to guard against gas leakage.</li></ul>
	Production Exhaust Gas Treatment	<ul style="list-style-type: none"><li>Exhaust gases discharged from all the exhaust ports of the production equipment shall be completely collected and handled via recycling, absorption, combustion and other measures, and then discharged in line with the standards.</li></ul>
	Odor Treatment	<ul style="list-style-type: none"><li>For the facilities that emit chemical odors such as malodorous pollutants, sealed treatment shall be adopted, and the malodorous pollutants shall be purified and recycled to ensure that there is no chemical odor outside the enterprise's factory boundary.</li></ul>
Monitoring and Supervision	Self-monitoring	<ul style="list-style-type: none"><li>The Company conducts self-monitoring of smoke and dust on its own at regular or irregular intervals, in order to keep track of the pollutant discharge concentration and total discharges, and accurately fills in the environmental protection statistical forms on a timely basis.</li></ul>
	Entrusted Monitoring	<ul style="list-style-type: none"><li>Appoint a third-party environmental protection monitoring agency to monitor exhaust gas across the Company at least once a year. The monitoring data will serve as an important basis for sum-up of pollutant discharges at the end of the year, and will be registered and published on the monitoring board. Ledgers will be established.</li></ul>
	Public Supervision	<ul style="list-style-type: none"><li>Accept the supervision and on-site inspection by the environmental protection authority of the local people's government, faithfully report the situation and provide information, make public the facility operation status, daily monitoring data and various management rules, and accept public supervision.</li></ul>

To minimize the impact on the local environment where the company operates, the Company monitors its exhaust gas emissions based on its production process and realities. The monitoring is performed at least four times a year, and each monitoring is conducted when the production is relatively stable.

KPI

During the reporting period, the exhaust gas discharged by the Company totaled **1,502.3 tons**.

Waste Management

Based on relevant laws, regulations and industry standards, Huate Gas has formulated the *Procedure for the Control of Waste Management* to implement the life-cycle management of the waste generated during the production and operation process, and clarify the responsibilities of each department and each position in each link. In order to achieve precise control over waste, the Company has established a standardized waste management ledger to record in detail information such as the waste type, quantity, flow direction, storage, utilization and disposal. In addition, the Company has adopted information technology means to realize the traceability and availability of waste information.



Solid Waste Discharge Indicators

		Generation Volume in 2024 (t)	Generation Volume in 2023 (t)	Treatment Process
General Waste	Generation Volume	107.49	82.26	● Domestic and office solid waste: it will be uniformly collected and then handed over to the sanitation department for disposal.
	Disposal Volume	107.49	82.26	● Industrial solid waste: it will be uniformly stored up in the general solid waste warehouse and recycled by general waste recycling companies.
Hazardous Waste	Generation Volume	42.21	42.21	● After being classified, collected and stored in the hazardous waste warehouse, hazardous waste will be handed over to professional
	Disposal Volume	42.21	42.21	● Environment-friendly recycling and disposal agencies for disposal at regular intervals.

Noise Management

During the corporate operation, Huate Gas's noise mainly comes from the operation of vehicles and mechanical equipment. To effectively alleviate the adverse impact of noise on the surrounding acoustic environment, the Company, in accordance with relevant regulations, conducts precise monitoring over the ambient noise at the factory boundary on a regular basis. In addition, the Company prefers low-noise and environment-friendly equipment. For the existing equipment, the Company installs professional noise reduction facilities such as high-efficiency sound insulation enclosure and vibration-damping pad to effectively suppress the noise generation and transmission, aiming to ensure that the noise at the factory boundary complies with the Class 2 standards of the *Emission Standard for Industrial Enterprises Noise at Boundary* (GB12348-2008).

Protection of Ecosystems and Biodiversity

The Company, with a high sense of responsibility, makes every effort to avoid any form of damage to the marine and terrestrial ecological environments. It ensures that all projects are implemented under an eco-friendly framework and in an orderly manner.

During the planning and implementation of investment projects, Huate Gas always takes "mitigation of the negative environmental impact" as a core consideration factor. The Company resolutely implements the "Three Simultaneous" principle (namely, the environmental protection facilities are designed, constructed, and put into use simultaneously with the main project), so as to control the impact of project construction on the environment from the source. To keep abreast of the impact of the Company's operation on the surrounding ecology and environment, the Company performs all-around inspections on the ecology and environment at the boundary of the corporate factory and within a 5-kilometer radius at regular intervals, with inspections covering multiple domains such as surface water, groundwater, the atmosphere, and the acoustic environment. By doing so, the Company strictly ensures that the environmental quality meets the relevant national and local standards.

During the reporting period, neither the production bases nor the operation sites of the Company were located in or around nature reserves. Results from comprehensive monitoring and evaluation show that no significant impact of the Company's operation activities on biodiversity has been found, implying that the Company has taken effective measures to maintain the balance and stability of the ecosystem.



Rational Distribution of Resources

Energy Utilization

The Company is committed to reducing the consumption of energy resources and improving the energy use efficiency in operations. In strict accordance with relevant laws and regulations such as the *Energy Conservation Law of the People's Republic of China*, the Company, centering on the energy management policy "Compliance with regulations, clean production, hike of energy efficiency, and continuous improvement", actively adopts new energy-saving technologies, processes, and materials, puts in place energy efficiency improvement plans, and ensures the effective and efficient operation of its energy management.

The Utilization of Various Types of Energy in 2024

		2024	2023
Direct Energy	Diesel oil (t)	2,407.83	2,762.41
	Liquefied Petroleum Gas (t)	87.99	111.58
Indirect Energy	Purchased Electricity (kWh)	18,441,995.72	10,129,154.65

Note: The above energy consumption is on a consolidated basis.

Utilization of Water Resources

The Company attaches great importance to water resource management. By upholding the concept of "Cherishing every drop of water", the Company stresses the everyday maintenance and management of water supply equipment & pipelines, and puts an end to the "Continuous Water Flow" in production and work, ensuring the reasonable use of water resources.



Circulating water equipment in the factory area



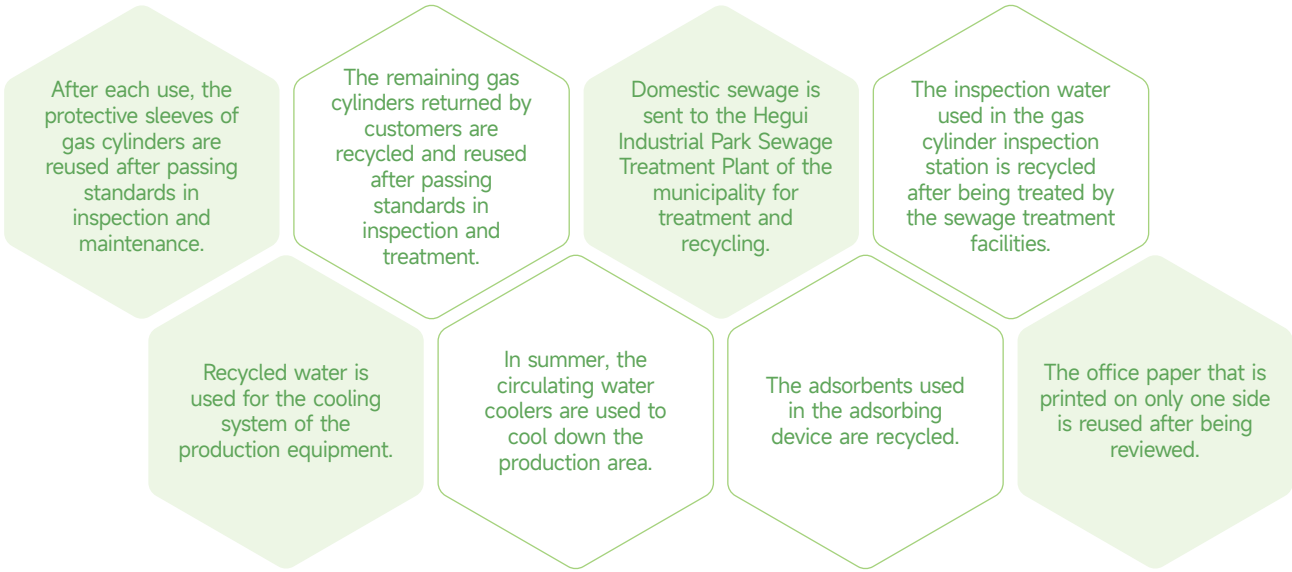
Circulating water cooler

KPI

During the reporting period, the total water consumption was **156,696 tons**.

Circular Economy

The Company complies with the relevant requirements of the *Circular Economy Promotion Law of the People's Republic of China*, and makes every effort to improve the utilization efficiency of various resources such as water resources, electric power resources, and office supplies through practical measures. On the one hand, it ensures the stability of resource supply, and on the other hand, it reduces resource waste, ensures the reasonable distribution of resources, and actively practices the concept of circular economy. Through the efficient utilization of resources, the Company promotes the sustainable development of the enterprise.



## Green Operation

The Company actively practices the concept of green office, aiming to reduce resource consumption and promote environmental sustainable development. Through a series of practical and effective measures such as implementing energy conservation and emission reduction, fully promoting paperless office, and strictly putting in place garbage classification and recycling, the Company continuously brings down carbon emissions and makes every effort to create an environment-friendly and energy-efficient office environment. All members of the Company work together to relieve the burden on the earth's ecology and jointly march towards a beautiful green and low-carbon future.



Energy Consumption Management

- Strictly implement the mandatory procurement system for energy-saving and environment-friendly products, give priority to green products in procurement, and refrain from purchasing energy-consuming products and equipment that are explicitly eliminated by the state or the city.
- Quicken the pace to eliminate high-energy-consuming office equipment, and actively promote the application of high-efficiency and energy-saving new products and technologies.
- Strictly implement the air-conditioning temperature setting standards, reasonably control the indoor temperature, and ensure that the indoor air-conditioning temperature in summer shall not stay below 26 degrees Celsius.
- Energy-saving lamps are adopted for the lighting system. During office hours, make full use of natural light. When the light is insufficient, adopt methods such as turning on the lights at intervals to reduce the power consumption of lighting equipment.
- Reduce the working time of electrical appliances whenever possible; turn off the air conditioner half an hour in advance before leaving the office or getting off work; turn off the lights when leaving the office or being away from the office for a long time; resolutely put an end to the use of lights during the daytime and lights that are always on.
- Strengthen the management over night lighting; timely adjust the switch time of night lighting in the office area according to the season change, and turn off unnecessary night lighting. Except for important holidays and major celebration activities, turn off the landscape lighting.
- Prohibit the use of mobile heating equipment, electric stove and other high-power electrical appliances in the office to ensure safe electricity use and save energy.



Water Conservation Management

- Phase out old-fashioned water-using appliances, and comprehensively promote the use of water-saving appliances.
- Strengthen the daily maintenance and management to water-using equipment, analyze the water consumption at regular intervals, and timely detect and resolve malfunctions and problems.
- Instruct and guide cadres and employees to develop water-saving habits, turn off the faucet in time after water use, and resolutely put an end to "Continuous Water Flow".
- For plant watering in the office area, water-saving irrigation methods such as sprinkler irrigation and drip irrigation are recommended, and plants shall be watered in a scientific and timely manner, but irrigation by overmuch water is prohibited.
- Advocate the use of recycled water, and encourage the use of rainwater and reclaimed water for plant watering.



Office Supplies

- Advocate the use of green office supplies, promote the use of recycled products such as environment-friendly recycled paper, restrict the use of disposable office supplies such as paper cup and plastic bag, prohibit the use of non-degradable disposable plastic products, and advocate the use of porcelain cup or glass cup for guests and meetings.
- Make full use of and recycle office supplies.
- Promote electronic office in an all-around manner, advocate paperless office, and make full use of platforms like Yukuaizheng App for the circulation of official documents. If paper version is required, print and copy the document on both sides of the paper, and strictly control the number of printed and distributed documents to effectively reduce paper consumption.



Green Travel

- Strictly manage the Company's vehicle usage, implement the vehicle dispatch approval system, actively practice green travel, and reduce the number of unnecessary office vehicle trips.
- For renewal of office vehicles, except for special work requirements, only new-energy vehicles can be purchased; actively promote the construction of charging infrastructure.
- Actively practice green travel methods, and call on employees to ride bicycles or take public transportation tools as much as possible when commuting to work and traveling on business, living up to low-carbon travel whenever possible.



Avoiding Waste

- Earnestly implement the Anti-food Waste Law of the People's Republic of China, conduct anti-food waste publicity and education on a regular basis, guide cadres and employees to have a reasonable diet, dine in a civilized manner, save food, object to waste, actively practice the "Clean Plate" campaign, and prevent waste on the tip of the tongue.
- The Company's cafeteria shall implement anti-food waste measures, for example, establishing a mechanism for predicting the number of diners; making full use of food ingredients, promoting the preparation of multiple dishes from one ingredient and multiple flavors from one dish to make the best use of every ingredient; provide scientific and refined meals, and supply smaller and half-portioned dishes.
- Strengthen the conservation of energy & resources, stress the supervision and management over the use of food ingredients, water and electricity. Disposable chopsticks and tableware are not provided for working meals.



Garbage Classification

- Actively practice domestic garbage classification, strictly implement the classification, collection, transportation and disposal of domestic garbage.
- Extensively organize volunteer service activities for domestic garbage classification, actively participate in setting an example for domestic garbage classification and resource recycling, do a good job in plastic pollution control, and give full play to the exemplary and leading role.



Cultivation of Trends

- Strengthen the publicity of energy resource conservation and ecological civilization construction, actively carry out themed publicity activities such as the National Energy Conservation Publicity Week, Low Carbon Day, and Green Travel Publicity Month, advocate a simple, moderate, green and low-carbon production and lifestyle, and cultivate a green ecological culture.



# Product

Innovation-Driven | Supply Management | Quality Assurance  
Customer Service Management | Shoring up Information Defense Line



## Our Concept

By insisting on the R&D motto "Continuous Innovation, Pursuit of Excellence" and taking the R&D of specialty gases as the core driving force, the Company implements the quality policy "Quality, the foundation of an enterprise's survival", keeps optimizing supplier resources, and injects strong impetus into the Company's sustainable development.



## Our Actions

- Innovation-Driven
- Quality Assurance
- Shoring up Information Defense Line
- Supply Management
- Customer Service Management



## SDGs



## Innovation-Driven

Specializing in the R&D of specialty gases, the Company insists on the R&D motto "Continuous Innovation, Pursuit of Excellence" and takes the R&D of specialty gases as the core driving force. It makes every effort to optimize the product line of electronic specialty gases, and helps expedite the localization process. Besides that, the Company strengthens its cooperation with industries, universities, and research institutes, vowing to continuously improve the technical level and market competitiveness of products. In the meantime, it persists in the product development strategy centering on the R&D of specialty gases, and holds fast to the path of replacement by localized products.

## Governance

Huate Gas attaches great importance to R&D and innovation work. To standardize the design and development process of new products, strengthen the management and supervision over the project R&D process, and ensure the orderly implementation of project R&D, the Company has formulated a series of rules such as the *New Product Development Rules* and the *Project R&D Management Rules*. That helps standardize the product development process, ensures the compliance of the new products' technical indicators with the Company and customers' needs, effectively improve the quality of new product development, shorten the development duration, and minimize the Company's business risks.



Project R&D Process

Incentive Scheme

To cater for the market’s economic environment and its innovation & development needs, the Company has formulated a series of rules such as the *R&D Personnel Performance Appraisal Methods* and the *Core Technical Personnel Project Payroll Management System*. By optimizing resource allocation and incentive mechanisms, the Company has significantly improved R&D efficiency, stimulated the innovation vitality of the R&D team, and accelerated the commercialization of major sci-tech breakthrough and R&D achievements.

In addition, to encourage employees to participate in technological innovation, the Company has formulated innovation reward rules such as the *Provisions on Project (Patent) Declaration Reward*. It gives prize incentives to those who provide clues or suggestions on R&D projects, and implements once-for-all high rewards for innovation achievements with significant benefits or great significance, fostering a positive atmosphere that encourages and supports innovation.

Social Recognition

The Company, as the only gas enterprise, was conferred upon the "China Top Ten Electronic Chemical Materials Companies" for four consecutive sessions in 2017, 2019, 2021, and 2023. The Company ever won the Achievement Industrialization Prize (R&D and industrialization of rare mixed lithography gases for integrated circuits) of the 6th "IC Innovation Award" sponsored by China Integrated Circuit Innovation Alliance(CICIA). It was also listed among China’s 5th batch of Specialized, Refined, Special, and Novel "Little Giant" Enterprises. Other honors and prizes won by the Company include "Guangdong Province Specialized, Refined, Special and Novel Small and Medium-sized Enterprises", "Guangdong Province Innovative Small and Medium-sized Enterprises", "Guangdong Province Patent Award - Excellence Prize", "Guangdong Province Manufacturing Single-item Champion", and "Foshan City’s Leading Sci-tech Enterprise (Innovation Efficiency) in 2023". During the reporting period, the Company won such honorary titles as "Advanced Unit for National Gas Standardization in 2023".

Talent Introduction

To cater for the marttttktet’s economic environment and its innovation & development needs, the Company has formulated scientific talent introduction management rules. It comprehensively evaluates talents from multiple dimensions such as educational background, professional expertise, and practical work experience, in order to keep optimizing the talent structure, and improve the efficiency in human resource allocation.

For introduction of R&D talents, the Company recruits talents through multiple channels such as talent market, college job fair, and internal referral. For outstanding talents, the Company provides a more competitive salary system and flexible welfare policies to further enhance its attraction to high-quality professional and technical talents and skilled talents, injecting strong impetus into its innovation and development.

Strategy

In the rapidly-changing business environment, R&D innovation is the key driving force for an enterprise to build core competitiveness. Amid the continuous upgrading of individualized and diversified market demands, the Company keeps strengthening its R&D system by gaining insights into technological trend, keeping abreast of the market, and responding to policy orientations. In the meantime, the Company is committed to building a high-quality R&D team and optimizing the innovation management mechanism, in order to provide a strong driving force for its sustainable development.

Risk Type	Description	Financial Impact	Proba-bility	Impact Magni-tude	Impact Range	Links of the Value Chain	Countermeasures
Core Competi-tiveness Risk	The changes in technology, the upgrading of products or the aggravation of com-petition may lead to risks, for example, a decline in the Company's market share and user size, more-than-expected R&D investment or less-than-expected R&D process, R&D failure, failure in commercialization of technologies,elimination of key equipment, and cut-throat competition.	Revenue Decrease  Cost Incerase	High	High	Medi-um-term	Upstream	1.Continuously bring in new technologies and new products that adapt to the changes in market demands, enabling the Company to safeguard its existing market position and competitiveness.  2.Continuously increase investment in R&D to ensure the competitiveness of products.
Talent Shortage Risk	With the development of the specialty gas indus-try, the competition for talents within the indus-try is intensifying day by day. Once core technical personnel are lost, it will inflict an adverse impact on the Company's prod-uct R&D as well as its stable development.	Revenue Decrease	High	High	Medi-um-term	Upstream	Provide R&D personnel with competitive salaries and incentives to enhance their sense of belonging.

Oppor-tunity Type	Description	Financial Impact	Proba-bility	Impact Magni-tude	Impact Range	Links of the Value Chain	Countermeasures
Market Opportu-nity	Amid the rise of new technolgies, it provides a brand-new market for enterprises. By improving efficiency and expanding market share, the Com-pany promotes the rapid growth of business and fosters competitive edge.	Revenue Incerase  Cost Decrease	Medium	High	Medi-um-term	Upstream	1.Cooperate with universities and scientific research institutions to intensify the efforts in R&D of new technologies.  2.Bring in and cultivate technical talents and build professional teams to support innovation.



Impacts, Risks and Opportunities

To effectively manage and control the risks in R&D and innovation, the Company, based on its operation realities, conducts identification and assessment of risks and opportunities at regular intervals. By comprehensively examining the potential risk factors in the R&D process and implementing dynamic tracking and real-time monitoring of major risk events, the Company has not just significantly improved its ability in risk prevention and control, but also provided a strong guarantee for technological innovation, thus achieving the dual goals of minimizing risks and maximizing innovation.

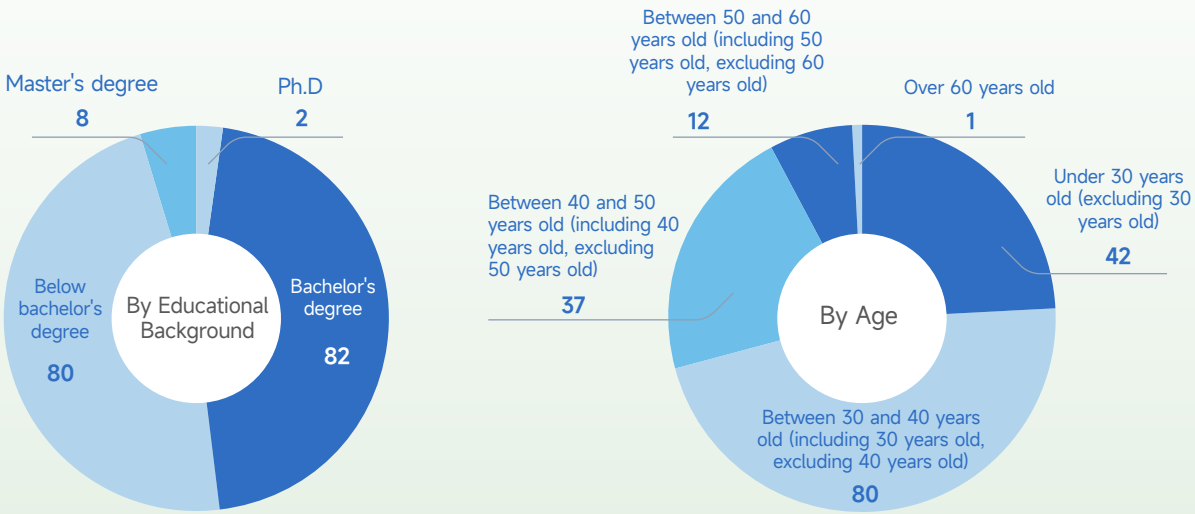
Links	Specific Operations
Risk Identification	Take advantage of internal discussions, expert counseling, and comparison with industry benchmarks to identify the risk factors related to technology, market, fund, and talent during the process of R&D and innovation.
Risk Assessment	Evaluate the impact of risks on R&D objective, progress, cost, and quality.
Risk Monitoring	Leverage regular inspection, data analysis, and follow-up with key indicators to monitor the risks related to R&D in real time, and adjust countermeasures according to the real situation to ensure the successful implementation of projects.
Risk Management	<ul style="list-style-type: none"><li>Formulate R&amp;D norms and processes, clarify the nodes for risk control, and bring down the probability of risk occurrence.</li><li>Establish a risk management system, enhance the risk awareness of managers at all levels, and implement risk management.</li></ul>

Indicators and Goals

Innovation Achievements				
Key Indicators	UOM	2022	2023	2024
R&D investment	Ten Thousand Yuan	6,011.84	5,042.88	4,892.15
Intellectual Property Rights				
Cumulative number of granted patents	Items	172	213	243
By patent type				
Cumulative number of granted invention patents	Items	/	32	37
Cumulative number of granted utility model patents	Items	/	178	203
Other intellectual property rights				
Cumulative number of trademarks	Items	45	51	51

KPI

As of the end of the reporting period, the Company's R&D team comprised 172 members, including 4 core technical personnel.



Innovation Achievements

R&D Achievements

The Company focuses on the R&D of specialty gases, keeps making innovations, improves the product planning of electronic specialty gases, expands the product varieties, and promotes the localization of more restricted electronic specialty gases. So far, the Company has replaced 55 varieties of imported products with domestic ones, which should be attributed to its unremitting efforts in enhancing the investment and commercialization of independent intellectual property rights and fulfilling its mission as a national high-tech enterprise. By the end of the reporting period, the Company had 64 ongoing R&D projects, among which 15 projects were intended for replacing imported products with domestic ones, and most of them focused on the chip fabrication process for development of high-performance products.

The Company has mastered the key technologies involved in the whole process of lithography gas production, storage, detection and application services, especially in the key links of gas purification, gas mixing, gas cylinder treatment, analysis and detection and other products to form independent core technologies.

Gas Purification	<ul style="list-style-type: none"><li>Be able to purify the corresponding purity according to the demand;</li><li>Be able to effectively identify impurity components, accurately remove impurities such as CO2, water and particulate matter, and purify the gas to 5N (99.999%) or even 7N (99.99999%).</li></ul>
Gas Mixing Process	<ul style="list-style-type: none"><li>Be able to control the concentration of target components at 0.1ppm according to different requirements, and has the ability to accurately prepare more than 30 component mixtures;</li><li>Combined with the influence of ambient temperature, humidity, wind speed, etc., the distribution error can reach within ±2%, higher than the industry general error level of ±5%.</li></ul>
Gas Cylinder Treatment	<ul style="list-style-type: none"><li>Master deionized water cleaning, inner wall grinding, passivation and other processes to solve the problems of secondary pollution of impurities adsorbed on the inner wall of the cylinder and reaction with the carrier gas;</li><li>It is one of the few enterprises in the world that has mastered the technology related to the high chemical activity of fluorine element;</li><li>Grinding: can make the finish up to 0.1~0.5μm, higher than the industry general 0.5μm;</li><li>Passivation: it can make the quantity change of corrosive gas within 1 year not exceed 1%, higher than the general 5% of the industry;</li><li>Vacuum: can make the vacuum environment up to 0.01pa, higher than the industry general 0.3pa.</li></ul>
Gas Analysis & Detection	<ul style="list-style-type: none"><li>The industry's first key technology for the detection of trace fluorine in excisor-laser gas solves the detection problems of recombination fraction and percentage concentration fluorine content in the industry. Compared with the general detection level in the industry (detection accuracy is 1-0ppb), the detection accuracy of a variety of gases can reach 0.1ppb (0.1*10<sup>-9</sup>).</li></ul>

The Company has independently developed multiple lithography gas mixtures including Ar/F/Ne, Kr/Ne, Ar/Ne, Kr/F/Ne, and Ar/Ne/Xe. As the only Chinese gas supplier dually certified by ASML and Gigaphoton, its lithography gases have achieved extensive adoption in semiconductor fabs. Building on the breakthrough in overcoming overseas supply barriers in 2023, the Company's lithography gas products during the reporting period have successfully penetrated semiconductor manufacturing facilities in Singapore and China's Taiwan region.

The Company has undertaken key scientific research projects, such as "R&D and Pilot Experiment of High-purity Trifluoromethane" in the National Science and Technology Major Project (Project 02), in addition to assuming the research and development of "Specialty Gases for Flat Panel Displays" in the Guangdong Province Strategic Emerging Industry Regional Agglomeration Development Pilot Project (New-generation Display Technology).

KPI

As of the end of the reporting period, the Company had presided over or participated in the formulation of 62 standards including multiple national standards for gases used in the electronic industry, 6 industry standards, 1 international standards and 11 group standards.

Industry-University-Research Cooperation

Developing in-depth cooperation with universities is one of the key measures for the Company to build its R&D platform. To this end, the Company has formulated a management rules for industry-university-research cooperation. So far, the Company has cooperated closely with South China University of Technology in R&D, and both sides have jointly established a postdoctoral research mobile station. By continuously increasing investment in R&D, the Company ensures that its product technologies always lead the industry, providing a strong technical support for the innovative development of the enterprise.

Intellectual Property Protection

To improve the Company's IPR management level, encourage sci-tech innovation, invention and creativity, and strengthen the management over intellectual property rights (IPR), the Company has formulated the *Intellectual Property Management Rules* in accordance with relevant national laws and regulations, in order to protect the legitimate rights and interests of the Company and interested parties, and push ahead with the commercialization and industrialization of scientific research, technological development and high-tech achievements.

The Company has set up the Intellectual Property Office, which assists the administrative department and departments subordinate to the R&D center in carrying out intellectual property management work. In addition, the Company organizes themed training on intellectual property protection at regular intervals, as a way to enhance the awareness of intellectual property protection among all employees.



Supply Management

Governance

In strict accordance with relevant laws and regulations and based on its realities, Huate Gas has formulated a series of rules such as the *Procurement Control Procedures*, established a multi-dimensional and trans-department collaborative assessment system, and kept optimizing supplier resources, in order to ensure the sustainable development of the supply chain. In the meantime, the Company is committed to creating a supply chain environment featuring fair competition, clean-fingered and transparent governance, and strong traceability, with a view to providing a strong guarantee for efficient operation.

Strategy

The sustainable development of the supply chain has become the core strategic fulcrum for the stable operation of an enterprises. Based on its planning in line with industry trends, the Company, in strict accordance with the requirements of policies and regulations, has systematically examined the business needs and potential risks in each link of the supply chain. By building the whole-process management system, the Company has optimized resource allocation. Through a series of precise measures, the Company has effectively improved the supply chain's collaboration efficiency and anti-risk ability, providing a strong guarantee for the stability of production and operation, and simultaneously creating a differentiated advantage in sustainable development.



Risk Type	Description	Financial Impact	Probability	Impact Magnitude	Impact Range	Links of the Value Chain	Countermeasures
Risk from Price Fluctuation of Main Products	With the continuous improvement of the localization level of specialty gases, the Company's full-fledged products are likely to face more fierce market competition. In addition, the Company has to deal with direct competition from large-scale foreign gas companies in more domains. Some factors, including changes in the competitive environment, technological progress, and changes in the development trend of downstream industries, might affect the supply-demand relationship, thus leading to price fluctuation of products.	Cost Increase	Medium	Medium	Short-term	Upstream	1.Optimize production process and supply chain management to reduce production costs and enhance price competitiveness. 2.Keep a close eye on policy orientations, win the policy support, and seize the opportunities for industry development.
Risk from Price Fluctuation of Main Raw Materials	The Company's raw materials are mainly purchased from air separation gas enterprises, metal smelting enterprises, chemical enterprises, gas companies engaged in producing crude products, etc. Affected by factors such as the market environment, the prices of raw materials might fluctuate. If the Company's upstream industries are affected by factors such as the market environment, the prices of raw materials will fluctuate accordingly.	Cost Increase	Medium	Medium	Short-term	Upstream	1.Through technological improvement and process optimization, reduce the consumption of raw materials and relieve the pressure from price fluctuation. 2.Establish cooperative relationships with suppliers to jointly cope with market changes and stabilize the supplies. 3. Keep abreast of changes in industry policies, adjust procurement strategies in a timely manner, and avoid policy risks.
Currency Fluctuation Risks	The Company's overseas sales revenue, predominantly settled in US dollars, faces margin compression risks from substantial RMB appreciation. Implementing price adjustments may erode competitive positioning and depress sales volume, consequently impairing financial performance metrics.	Revenue Decrease	Medium	Medium	Short-term	Upstream	Maintain vigilant oversight of international markets, minimize cross-currency settlement exposures, utilize accredited financial advisors' intelligence, and implement structured derivative instruments for FX risk mitigation contingent on materiality thresholds.

Opportunity Type	Description	Financial Impact	Probability	Impact Magnitude	Impact Range	Links of the Value Chain	Countermeasures
Digital Transformation of the Supply Chain	The digital supply chain has comprehensively optimized the collaboration efficiency and information transparency of all links in the supply chain. It has significantly improved the operational efficiency of the supply chain and also endowed the Company with a more agile market response ability.	Cost Decrease	Medium	Medium	Long-term	Operation	Promote real-time information sharing and transparent management through digital platform to ensure seamless connection among enterprises in the upstream and downstream of the supply chain and achieve high-efficiency collaborative operation.

Impacts, Risks and Opportunities

To effectively reduce various risks in the supply chain, the Company has established a systematic risk management mechanism. By accurately identifying potential risks, scientifically assessing their impact magnitudes, dynamically monitoring the changing trends of risks, and implementing targeted management measures, the Company has effectively ensured the security and stability of the supply chain and provided strong support for the continuous and stable operation of the business.

Links	Specific Operations
Risk Identification	Identify the possible risks existing in the supply chain links (e.g., procurement, production, logistics, sales, etc.), including raw material supply, price fluctuation, logistics disruption, and change in market demand, etc.
Risk Assessment	The Company conducts annual performance assessment on suppliers, with assessment contents covering five aspects such as supplier product quality, delivery time, service, price, and HSE performance.
Risk Monitoring	Track the risk changes of the supply chain links in real time, review the operating conditions of the supply chain's key nodes (such as suppliers and logistics providers) at regular intervals, and detect potential risks in a timely manner.
Risk Management	Sum up the experience in risk management at regular intervals, optimize the supply chain risk management rules and processes, adjust strategies in a timely manner, and improve the risk-resistance ability.

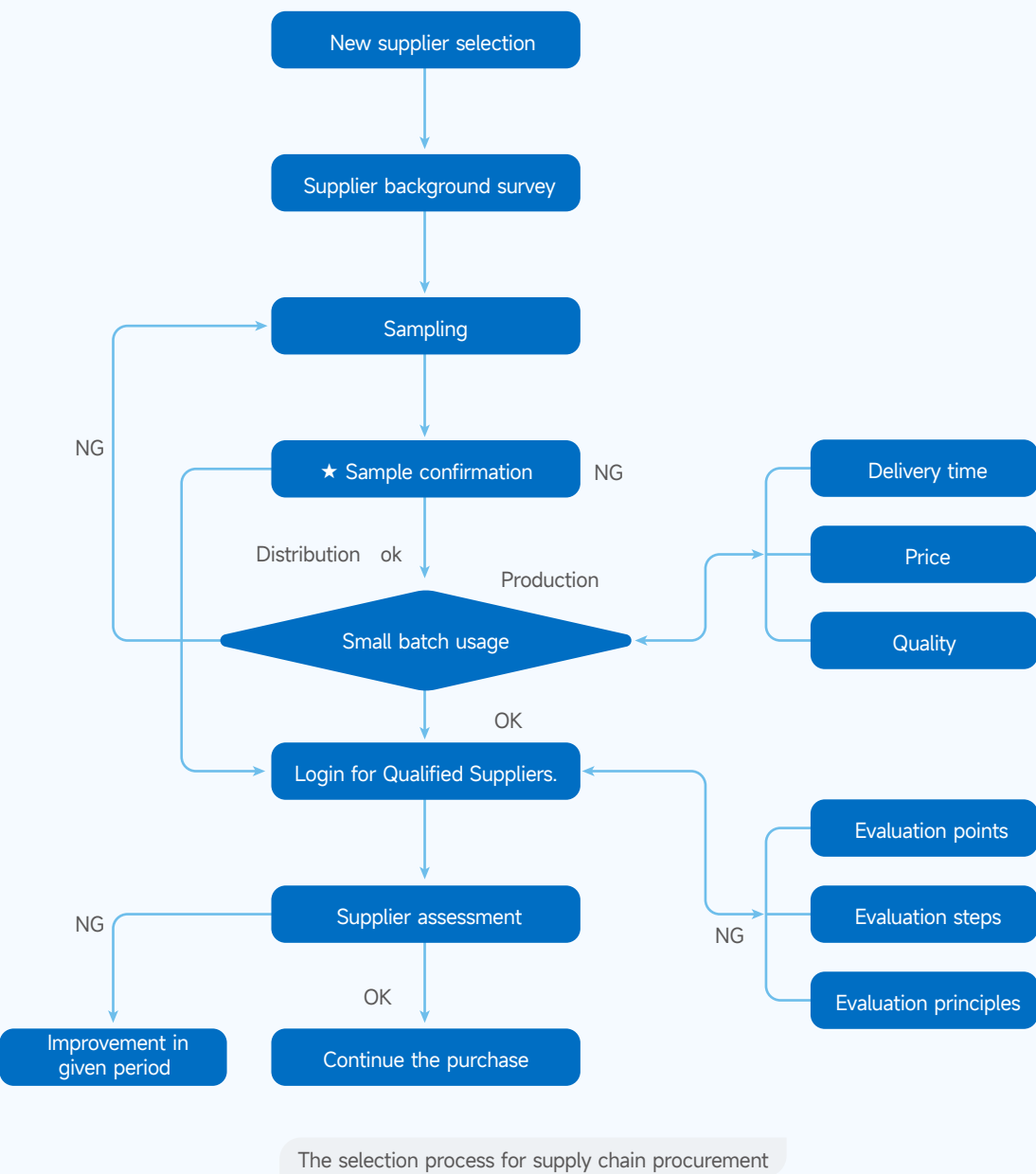
Indicators and Goals

Key Indicators	UOM	2024
Materials and material-related suppliers	/	1,348
Number of domestic suppliers	/	1,334
Number of overseas suppliers	/	14
Supplier Evaluation Completion Rate	%	100
Proportion of Suppliers with quality management system certification	%	100
Proportion of Suppliers with environmental management system certification	%	100
Proportion of Suppliers with occupational health and safety management system certification	%	100

Supply Chain Life Cycle Management

Supplier Selection

Before starting the procurement process, the Company will conduct a basic review of suppliers in terms of legal eligibility, performance capability, reputation, etc. according to the *Procurement Control Procedures*. Besides the basic qualifications, the Company focuses on the suppliers' performance in quality management system, HSE management system, social responsibility, and environmental protection, etc.



Supplier Classification

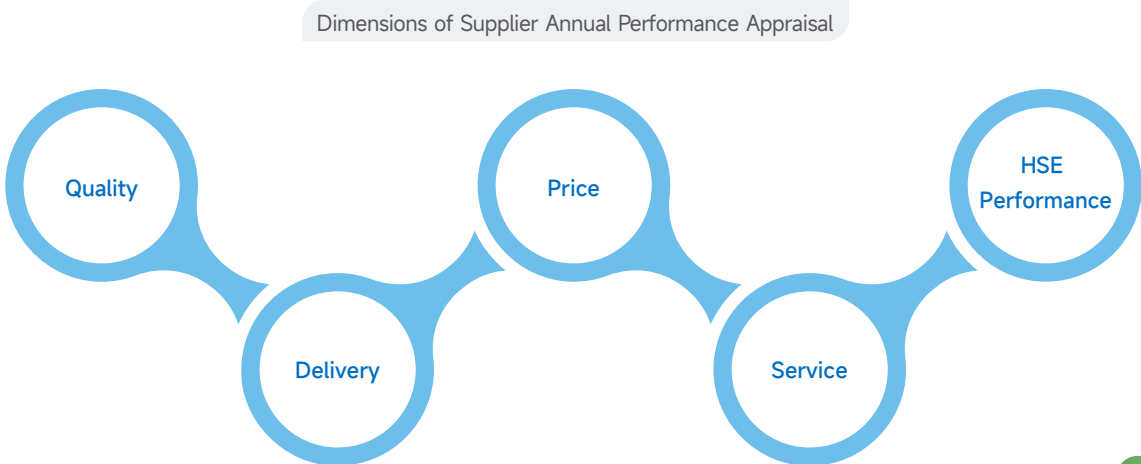
Huate Gas divides its suppliers into four categories according to the goods and services they supply, and adopts different selection criteria for different types of suppliers, as detailed below:

Supplier Type	Material Type	Selection Methods
Type A	Raw materials for production, packaging materials, valves, and products for distribution	<ul style="list-style-type: none"><li>Send the New Supplier Investigation and Evaluation Form and the Questionnaire on the Suppliers' Environmental Conditions to new suppliers, requiring them to fill in the forms in strict accordance with requirements and provide the qualification certification documents required in the forms.</li><li>The purchaser shall verify the returned New Supplier Investigation and Evaluation Form, fill in the New Supplier Preliminary Review and Assessment Form, and submit it to relevant departments for approval.</li><li>After approval, the quality control department shall conduct a written or on - site review of the supplier.</li><li>The purchasing department shall acquire samples from the supplier and hand them over to relevant departments for testing and trial production. The results shall be reported back to the quality control department, the quality inspection room, the procurement department, and the R &amp; D center.</li></ul>
Type B	Equipment, spare parts, reagents	<ul style="list-style-type: none"><li>The purchaser shall conduct a business qualification review of the supplier.</li><li>The user department shall confirm the specifications of the required materials to ensure they meet the usage requirements.</li></ul>
Type C	Services such as logistics outsourcing, testing, certification, and metrological calibration	<ul style="list-style-type: none"><li>For logistics suppliers: conduct a business qualification review, with review contents including but not limited to business licenses and permit for road transportation of hazardous chemicals, etc.</li><li>For metrology and testing service provider: conduct a business qualification review, with review contents including but not limited to business license, recognition of metrology and testing capabilities, system certifications, etc.</li></ul>
Type D	Auxiliary materials, office/labor protection supplies, hardware accessories	<ul style="list-style-type: none"><li>For suppliers of this type, the purchaser needs not conduct a qualification review, and can make purchases online or directly from real stores.</li></ul>

Supplier Evaluation

At the beginning of each year, Huate Gas conducts an annual performance assessment on existing qualified suppliers. For Type A suppliers with supply volume greater than 3 batches in the previous year, a comprehensive evaluation of their supply performance in the past year will be performed together with relevant departments in the form of the Annual Supplier Evaluation Form.

The Company comprehensively integrates annual performance evaluations and annual system audit ratings of suppliers to dynamically adjust the Qualified Supplier List. During the reporting period, the company achieved a 100% supplier evaluation completion rate.





Clean-fingered Procurement

To promote the construction of a clean-fingered supply chain, the Company signs the "Honesty and Integrity Agreement" with suppliers, requiring them to strictly abide by relevant national laws and regulations, rules on clean-fingered practice, and provisions of Huata Gas on clean-fingered management.

KPI

During the reporting period, the signing rate of the *Honest and Integrity Agreement* among all suppliers of the Company reached **100%**.

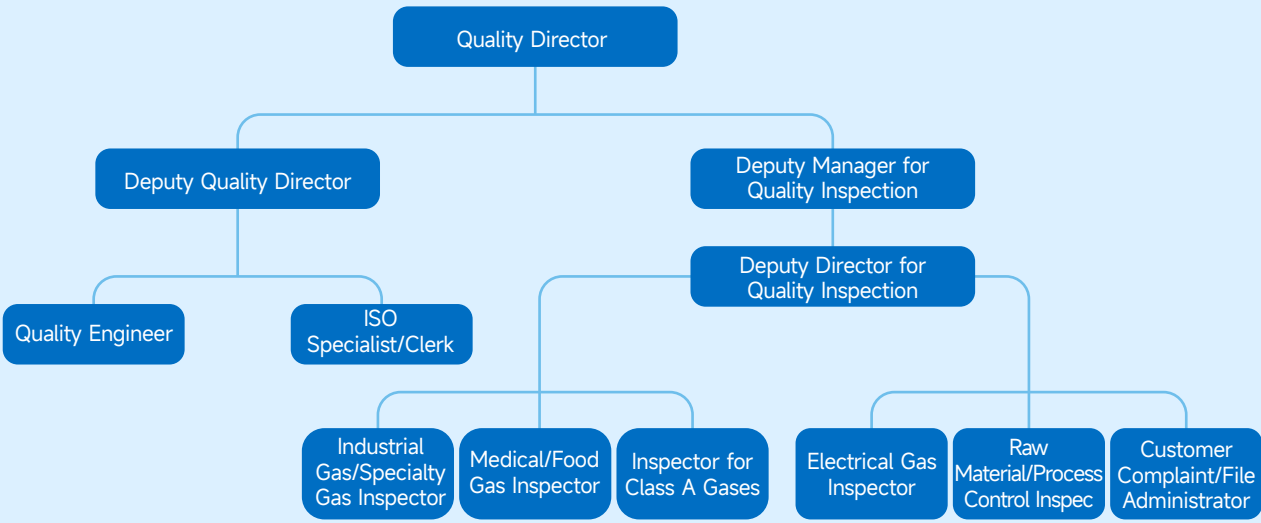
Quality Assurance

Huate Gas insists on the product quality policy "Customer First, High Quality, High Efficiency". The Company has formulated strict quality control standards and processes in all respects ranging from raw material procurement, production and processing to finished product inspection. Besides that, the Company attaches importance to the cultivation of employees' quality awareness, and keeps improving their operation skills and standardization, so as to ensure the stable and reliable quality of products.

Governance

In strict accordance with the requirements of relevant laws and regulations such as the *Product Quality Law of the People's Republic of China*, Huate Gas has formulated a series of management rules such as the *Management Manual*, the *Procedure for the Control of Finished Product Inspection*, and the *Procedure for the Control of Product Conformity Management*, in order to ensure the product quality through a dual-track parallel mechanism featuring source control and whole-process supervision.

For the quality management system, the Company has the general manager lead the construction of the quality system and take charge of quality management work. The top manager coordinates the strategic planning of quality and allocates resources. The Quality Control Department is specifically responsible for the quality supervision in the whole process ranging from raw material procurement to production process and finished product inspection. The Quality Control Department also works with other functional departments to establish a life-cycle quality traceability system ranging from product design & development to market delivery, which not only ensures the stability and consistency of product performance but effectively improves the product pass rate and customer satisfaction through continuous optimization of production processes and testing standards.



Organizational Architecture of Quality Management

During the reporting period, the Company passed the ISO 9001 Quality Management System authentication and the ISO 22000 Food Safety Management System authentication.





Quality Improvement Training

During the reporting period, the company proactively organized a series of quality enhancement training initiatives, including SPC (Statistical Process Control) training and product shipment requirement training. Through systematic and comprehensive training content combined with diverse training formats, these programs successfully stimulated employees' in-depth reflection on quality control, effectively strengthened their quality awareness, and laid a solid foundation for the steady improvement of product quality.



Strategy

Huate Gas is fully aware of the importance of product quality and safety to the Company's development. In light of relevant regulations and industry standards and based on its realities, the Company identifies and evaluates the impacts, risks and opportunities of product quality and safety. This helps the Company clarify its rectification direction for strengthening quality inspection and providing high-quality products, and promotes the fulfillment of its sustainable development goals.

Risk Type	Description	Financial Impact	Proba-bility	Impact Magni-tude	Impact Range	Links of the Value Chain	Countermeasures
Risk from Unqualified Product Quality	If the Company fails to effectively identify substandard raw materials, substandard intermediate products or substandard finished products due to improper inspection, or the Company's failure in timely controlling and handling defective products directly leads to product performance defects, it may bring about large-scale rework or recall, loss of faith among customers, and high-amount compensation. In addition, if defective gases flow into the semiconductor or medical fields, it may cause a sharp drop in chip yield or medical equipment failures, jeopardizing the stability of the industrial chain and the public safety.a	Revenue Decrease Corporate Reputation Damage	Low	High	Short-term	Operation Downstream	1.Build a life-cycle instrument management system, establish a dynamic list covering all testing equipment, formulate an annual calibration plan, and post qualification cards in eye-catching positions to ensure the visual traceability of the instrument status. 2.Establish a closed-loop inspection process control, implement a sampling inspection plan, and set up physically-isolated areas for products awaiting inspection, qualified products and unqualified products. 3.Refine the time-sensitive management and control mechanism for non-conforming items, and establish a reverse mechanism for dealing with quality problems.

Opportunity Type	Description	Financial Impact	Proba-bility	Impact Magni-tude	Impact Range	Links of the Value Chain	Countermeasures
Policy Opportunity	Government subsidies and tax incentives support quality improvement, leading to a sustainable circular mechanism featuring "Quality Improvement, Policy Incentives".	Revenue Increase	Low	Medium	Short-term	Operation	Build a policy intelligence response system, keep a close watch on relevant policies, and give attention to relevant information within the industry to ensure the timely transmission of information.





Management of Impacts, Risks and Opportunities

To reduce the risks likely arising from product quality, the Company has formulated the *Procedure for the Control of Risk and Opportunity Identification and Response*, which clearly stipulates the relevant management procedures and the job responsibilities of relevant departments, in order to effectively respond to risks and opportunities.

Links	Specific Operations
Clarify the Needs and Expectations of Internal and External Factors and Stakeholders	1.External factors: including laws and regulations, technological innovation, market competition, and market demands etc.  2.Internal factors: including the Company's values, management documents, professional knowledge, and business performance etc.
Identify and Determine Risks and Opportunitie	1.The department heads, based on the operation of their own departments, identify the risks and opportunities related to their departments. The identification results are recorded in the Risk and Opportunity Evaluation and Analysis Form and reported to to the Quality Control Department.  2.The Quality Control Department collects the lists of risks and opportunities submitted by each department, and reports them to the Management Representative.  3.From the Company level, the Management Representative comprehensively analyzes various internal and external factors as well as the requirements of stakeholders, and takes into account the risks and opportunities identified by each department to determine the risks and opportunities that the Company needs to respond to.
Formulate Risk and Opportunity Response Measures	According to the identification results, adjust the response strategies in a timely manner to improve the risk-resistance ability.
Update the Identification and Response Results of Risks and Opportunities in a Timely Manner	In case of change of the management system or the internal/external factors that affect the Company's management system, update the evaluation results and response measures for risks and opportunities.

Indicators and Goals

Huate Gas has always been committed to fully complying with the laws and regulations of different countries and regions across the globe. Through continuous optimization and improvement, it actively responds to and meets the needs and expectations of stakeholders. Based on its production and operation realities, the Company sets and implements specific and effective quality goals to ensure the steady development of the Company and a continuous provision of high-quality products and services to society.

Goals	Goal Achievement in 2024	Goals for 2025
Customer comprehensive satisfaction $\geq 97\%$	All Achieved	Customer comprehensive satisfaction $\geq 97\%$
Completion rate of customer complaint handling100%		Completion rate of customer complaint handling100%
Qualified rate of incoming goods $\geq 99.3\%$		Qualified rate of incoming goods $\geq 99.3\%$
Qualified rate of general gas production $\geq 99.99\%$		Qualified rate of general gas production $\geq 99.99\%$
Qualified rate of speciality gas production $\geq 99.7\%$		Qualified rate of speciality gas production $\geq 99.8\%$
Percentage of products exceeding the control limit OOC $\leq 0.5\%$		Percentage of products exceeding the control limit OOC $\leq 0.5\%$
Disposal rate of nonconforming products 100%		Disposal rate of nonconforming products 100%
		Equipment maintenance timeliness rate $\geq 99\%$
		Qualified rate of R & D product in production $\geq 90\%$

Quality Risk Management		
Key Indicators	UON	2024
Number of Risk Assessments Conducted	Times	6

Product Quality Inspection		
Product Pass Rat	%	99.97
Number of Internal Quality Audits within the Year	Times	4
Number of Sampling Inspections by Third-Party Agencies	Times	80
Percentage of Products That Need to Be Withdrawn and Recalled Due to Health and Safety Reasons	%	0
Number of Products That Need to Be Withdrawn and Recalled Due to Health and Safety Reasons	Pieces	0
Number of Negative Public Opinions on Company's Product Quality	Times	0

Product Safety and Quality Management

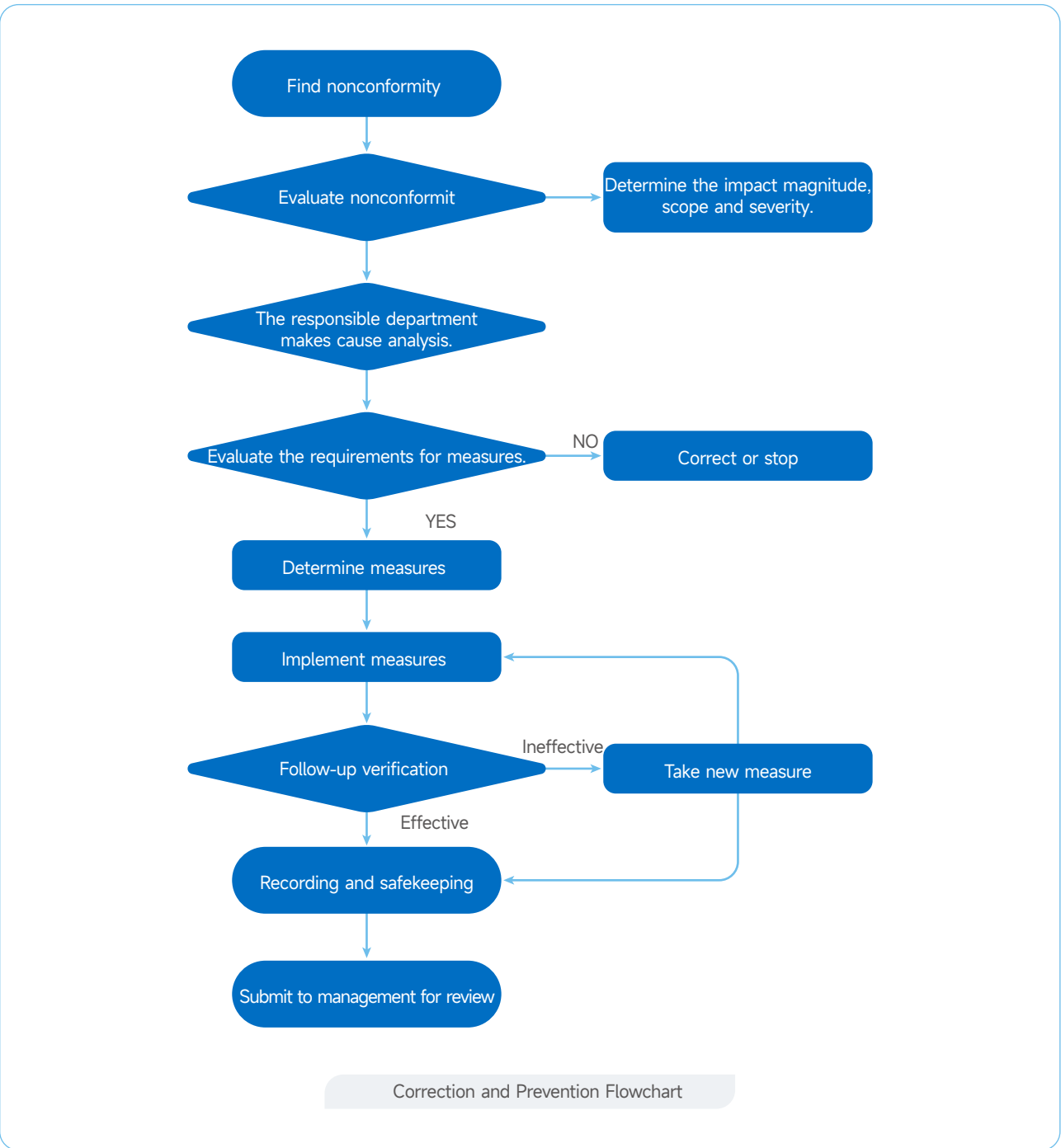
Life-cycle Quality Management

Management	manage production equipment in accordance with the specified procedures.
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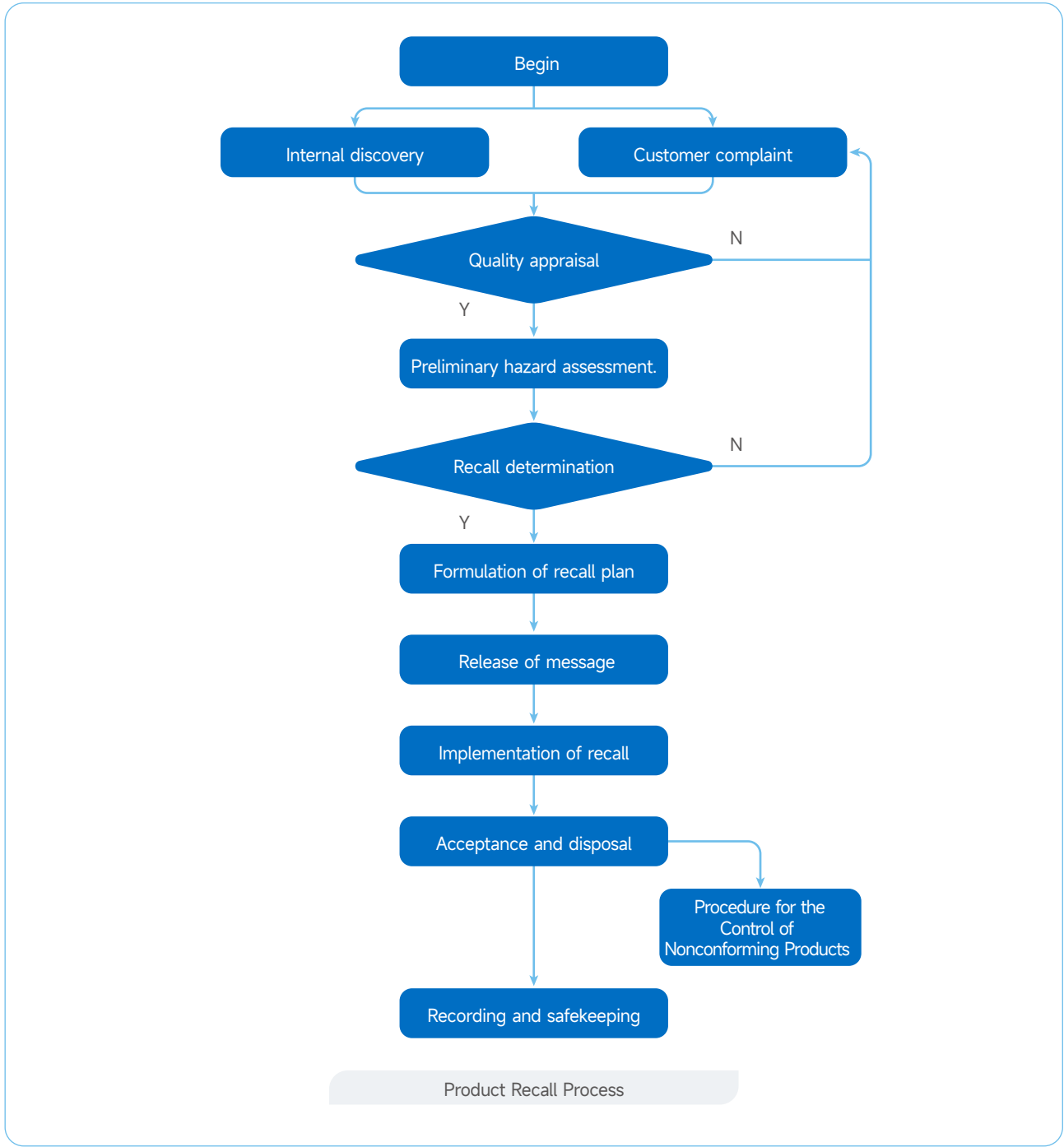
Nonconforming Products Management and Recall

Huate Gas has formulated the Procedure for the Control of Corrective and Preventive Measures in accordance with relevant laws and regulations, with a view to eliminating the existing and potential risk factors in product quality management and social responsibility operation. This system has effectively guarded against the recurrence of similar problems, ensured the continuous and effective operation of the Company's management system, and continuously improved the product quality and social responsibility performance.





The Company has formulated the product recall control process, aiming to effectively trace and recall products with quality or safety risks. This process is composed of recall timing confirmation, product quality identification, recall plan formulation, information release, recall implementation, and acceptance and disposal, etc. It ensures that those nonconforming products are safely withdrawn and effectively handled, safeguarding the safety of customers and maintaining the effective operation of the Company's management system.



## Customer Service Management

### Customer Service System

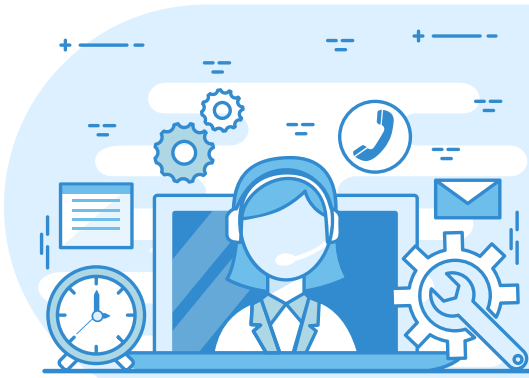
Huate Gas attaches great importance to the construction of the customer service management system, insists on the marketing concept "Creating Value for Customers, Growing Together with Customers", and implements its core value "Customer Orientation" in all work. The Company has formulated the *Procedure for the Control of Customer Service*, and established channels to facilitate customer communication, in order to ensure that it has a precise understanding of customer needs, provides all-round pre-sale, in-sale and after-sale services, and keeps improving customer satisfaction.

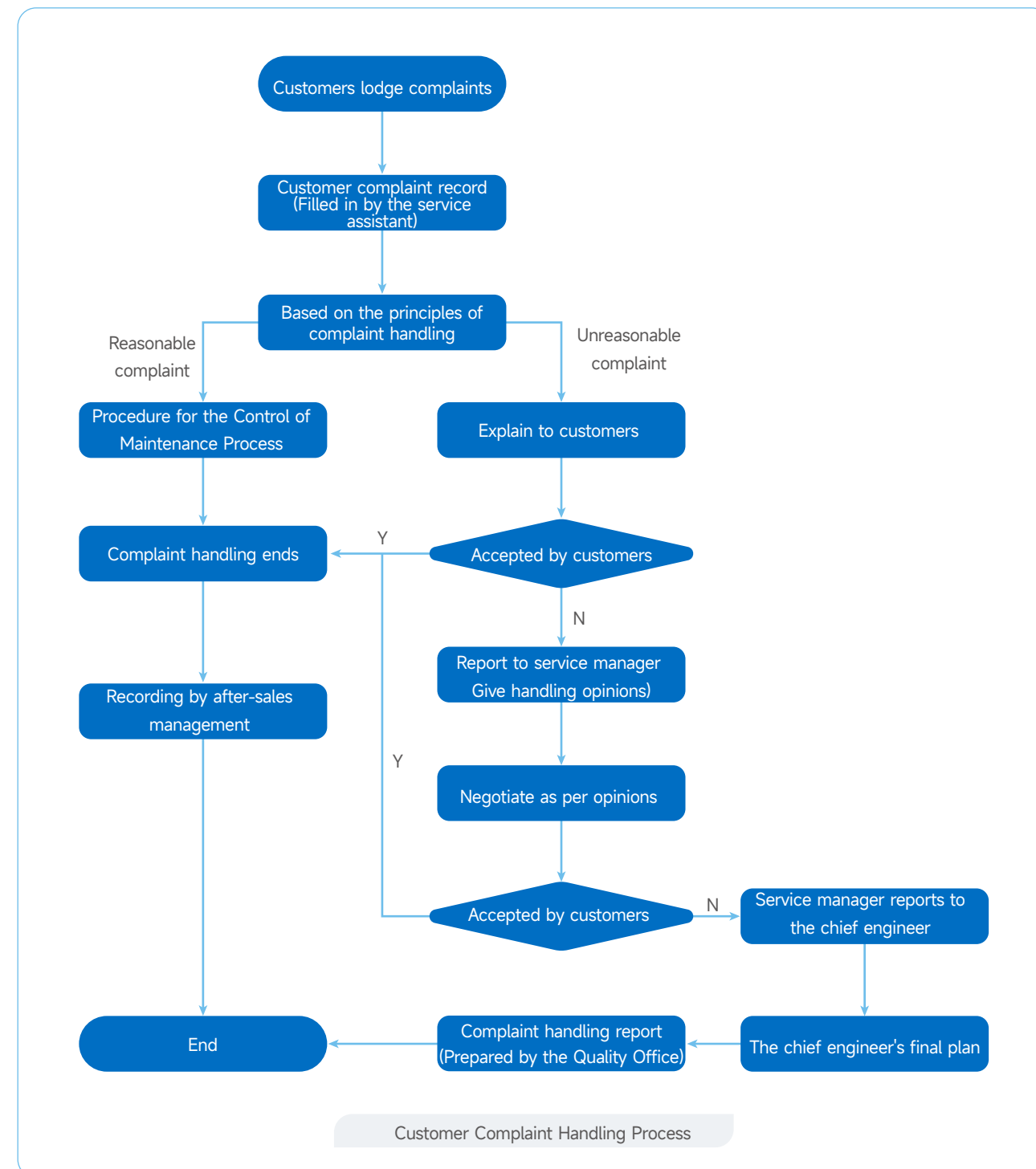


### Customer Complaint Handling

Huate Gas has set up a dedicated service hotline for customers' rights and interests, ensuring a timely response to and disposal of customers' complaints and return requests. The Company should reply to 100% of customer complaints and file the disposal results, living up to zero customer complaints on a gradual basis.

The customer service team and the quality management team grade the importance of quality feedback. At the end of each month, they classify and sum up all quality feedback by the production factory, product category, and cause of nonconformity, and make the sum-up documents that serve as an important reference for the production factory to improve the quality-related work and keep upgrading product quality.





To improve the efficiency of handling customer complaints, Huate Gas has established a digital customer complaint handling system, and it strictly observes the *Procedure for the Control of Customer Service* to supervise and handle product quality complaint issues.

## Customer Satisfaction

To fully learn about customer needs, the Company conducts customer satisfaction survey at regular intervals each year. In the survey, it learns about the customers' satisfaction with the Company's products, services, etc. from multiple dimensions. The Company's customer service staff distribute the Customer Satisfaction Survey Form to customers on a regular basis, requesting them to give feedback within three weeks. Based on the survey results, the Company keeps optimizing the quality management system and continuously improves customer satisfaction. For items in the survey form that dissatisfy customers or score below 80 points, the Company issues reports as per relevant procedures, and obliges relevant departments to reply in a timely manner and put in place improvement measures.

### KPI

During the reporting period, the comprehensive customer satisfaction rate was **98.5%**, the customer complaints disposal rate was **100%**.

## Customer Privacy Protection

Huate Gas strictly complies with relevant laws and regulations, and promises to rigorously protect customer privacy. All customer information is kept confidential, and the legality and compliance of information collection channels are ensured.

During the reporting period, the Company did not have any incidents of infringing on customer privacy or leaking customer information.

## Shoring up the Information Defense Line

### Information Security Management System

To protect the corporate interests, enhance competitiveness and strengthen the management of trade secrets, Huate Gas has formulated a series of rules such as the *Confidentiality Management Regulations* and the *IT Information Security Management Regulations*, and established an information security policy "Active Prevention, Timely Detection, Rapid Response, and Ensuring Security". By enhancing employees' awareness of information security, the Company provides a strong guarantee for the stable operation of the information system, ensuring that there are rules for management and evidence for execution.



Information Security Policy	Measures
Active Prevention	<ul style="list-style-type: none"><li>Keep improving and implement various information security measures to prevent the occurrence of information security incidents.</li></ul>
Timely Detection	<ul style="list-style-type: none"><li>Timely detect information security risks through the information network monitoring platform and the central log management system, in combination with administrative monitoring, security and other measures.</li></ul>
Rapid Response	<ul style="list-style-type: none"><li>Rely on the alarm events provided by the information security auxiliary system and the early warning information provided by administrative security and functional departments to live up with follow-up in real time, report different events to the relevant business leaders;</li><li>For those that may have a partial or overall impact, report them to the IT manager in a timely manner for handling, and report them to the information security leading group for handling according to the event level.</li></ul>

In addition, the Company has established an information security organization to ensure the efficient and stable operation of the information security system.

Information Security Organizational Structure and Responsibilities	
Information Security Officer	<ul style="list-style-type: none"><li>Coordinate and organize the Company's information security work and report directly to the immediate leader.</li><li>Formulate the Company's information security system plan according to the business development needs, and promote the deployment, implementation and evolution of the information security system.</li><li>Organize security system auditing to fully explore, evaluate and eliminate the Company's information security risks.</li><li>Formulate risk emergency plans related to information security.</li><li>Organize the handling of information security emergencies.</li><li>Conduct information security prevention, early warning and notification, etc.</li></ul>
Information Security Leading Group	<ul style="list-style-type: none"><li>Organize and manage the technical team of current department, coordinate the distribution of resources and personnel within the department.</li><li>Participate in the construction of the information security system and projects and push ahead with the implementation.</li></ul>
Department Manager	<ul style="list-style-type: none"><li>Implement the tasks assigned by superiors, take charge of handling sudden information security events, and ensure the safe, efficient and stable operation of the Company's IT system.</li><li>Assume the responsibility of monitoring and managing the information security of current department, require the department to comply with the requirements of the National Information Security Bureau in information security work, and work with the IT Department to implement the IT security construction.</li></ul>

Key Indicators	UOM	2024	2023	2022
InfoSec Training Sessions	Times	5	4	2
Participation in InfoSec Training	Person-times	60	31	24
Employee Coverage of InfoSec Training	%	86	82	80
Total Investment in Data Security	10 thousand yuan	50	70	50

Information Security Assurance Measures

Huate Gas attaches great importance to information security management and always puts information security and privacy protection first. It has established a complete system covering personnel management, training mechanisms, technical defense and emergency response plans. By means of signing confidentiality agreement, regular training, internal auditing, and the application of technical tools, the Company ensures the standardization and effectiveness of its information security management. In response to potential risks, the Company has formulated a detailed emergency response plan to ensure that it can respond quickly and handle properly in case of emergency.

During the reporting period, the Company did not have any information security incident, fully mirroring its extraordinary achievements in information security management.

Assurance Measures	Contents
Information Security Personnel Management	<ul style="list-style-type: none"><li>Employees are required to sign confidentiality agreements when they join the company.</li><li>All project team members of high-confidentiality projects shall sign special confidentiality agreements and receive information security training, and project personnel need to work in a centralized office area of the project.</li><li>According to the <i>Rules for Management of Key Positions (Information Security)</i>, formulate a list of key personnel in information security positions and organize information security training.</li></ul>
Employee Information Security Training	<ul style="list-style-type: none"><li>New employees shall be organized to participate in information security training to ensure that employees know well about their information security responsibilities.</li><li>Organize on-the-job personnel to receive information security training at regular intervals.</li></ul>
Strengthening Security Assurance Capability	<ul style="list-style-type: none"><li>Set up an internal audit team.</li><li>Conduct internal information security audit at lease once a year.</li><li>The audit team urges relevant responsible departments to improve the problems found in the audit.</li><li>Capitalize on the Esafenet data encryption tool to prevent the leakage of unauthorized confidential data.</li><li>Leverage monitoring software to monitor the real-time status of servers and network devices in the domain, and generate log content.</li></ul>
Information Security Incident Emergency Response Plan	<ul style="list-style-type: none"><li>Set up an emergency team for scope control and incident investigation over information leakage incidents.</li><li>Formulate the <i>HT-IT-002 Overall Emergency Response Plan for Major IT Emergencies</i> to deal with unexpected events in the information computer room.</li></ul>

# Employee

Compliant Employment | Employee Democracy | Employee Growing  
Occupational Health and Safety | Public Welfare



## Our Concept

Huate Gas persists in fulfilling its corporate mission of putting people, first, insists on legal employment, safeguards the legitimate rights and interests of employees, actively fulfills social responsibilities, devotes itself to the construction of public welfare undertakings, and steadfastly promotes rural revitalization, doing its bit for building a beautiful society.



## Our Actions

- Compliant Employment
- Employee Democracy
- Employee Growing
- Occupational Health and Safety
- Public Welfare



## SDGs



## Compliant Employment

Huate Gas insists on putting people first and dedicates itself to providing the best platform for the development of employees. The Company strictly follows relevant laws and regulations such as the *Labor Law of the People's Republic of China* and the *Labor Contract Law of the People's Republic of China* to formulate management rules such as the *Employee Handbook* and the *Management Handbook*, in an effort to standardize its management in recruitment, training, compensation, welfare, vacations, etc., specify the employee management process, ensure the enterprise's compliant operation, and promote the fulfillment of the enterprise's strategic goals.

## Employee Recruitment

Huate Gas looks upon talent as the core asset for corporate development and an advantage for long-term competition. In accordance with relevant laws and regulations, the Company has formulated personnel recruitment management rules, and its Human Resources Department is responsible for recruitment management. The Company usually recruits talents by releasing recruitment information through online recruitment, on-site recruitment, its official website, and other channels.



The company has adopted a multi-channel social recruitment strategy, leveraging both online recruitment platforms and offline recruitment channels to attract and hire qualified talent. During the reporting period, 57 professionals were successfully onboarded through public recruitment initiatives.

Huate Gas has collaborated with multiple universities, actively participating in career fairs and hosting on-campus seminars to engage directly with graduates. These efforts enable targeted talent selection through face-to-face interactions, ensuring alignment with the company’s technical and cultural requirements.

Key indicators	UOM	2024	2023	2022
Employees in Total	Persons	1,200	1,186	1,156
New Employees	Persons	152	153	116
Number of New Employees by Recruitment Channel				
Social Recruitment	Persons	57	/	/
Campus Recruitment	Persons	6	/	/
Other Recruitment Channels	Persons	89	/	/

Employees' Rights and Interests

The Company strictly abides by the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and the *Civil Code of the People's Republic of China*. It also refers to the UN international charters on human rights such as the Universal Declaration of Human Rights and the International Covenant on Civil and Political Rights to formulate the Employee Handbook as per relevant laws and regulations. This is aimed at earnestly safeguarding the legitimate rights and interests of employees and providing an equal, inclusive, and diversified working environment for employees.

Diversification and Anti-discrimination

Huate Gas upholds the “Diversified, Impartial, and Inclusive” governance value, respects the differences among individuals, and dedicates itself to providing an inclusive and equal working environment. The Company has formulated the *Procedure for the Control of Anti-discrimination*, and resolutely resists any form of prejudice and harassment, ensuring that employees enjoy equal opportunities in employment, compensation and welfare, training, and promotion, and there are no discriminatory behaviors for the sake of age, gender, educational background, and race. The Company prohibits any intimidating, hostile, inappropriate speech, behavior, or illegal sexual harassment etc. The Company advocates equal pay for equal work and gender equality, refrains from setting limits over gender, and safeguards the legitimate rights and interests of every employee.

Where employees believe that they have suffered discrimination, they can report this case through the *Procedure for the Control of Preventive Disciplinary Measures* and the *Procedure for the Management of Employee Suggestions and Complaints*. If the discrimination is verified by the Human Resources Department, the reporting employees will be rewarded, and the information about the reporting employees will be kept confidential when necessary.

KPI

During the reporting period, the Company did not have any labor discrimination incidents.

Prohibition of Forced Labor and Employment of Child Labor

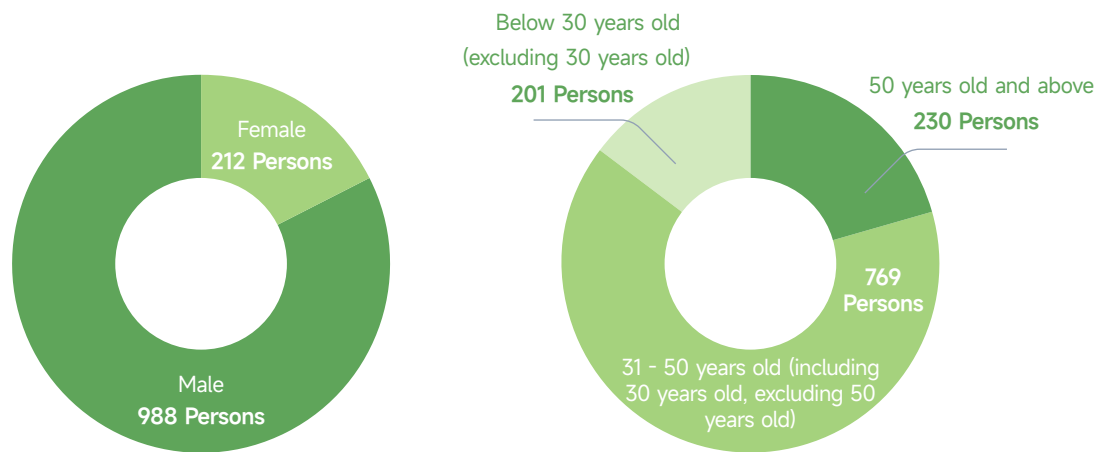
The Company strictly observes relevant laws and regulations such as the *Labor Law of the People's Republic of China* to ensure that the employment relationship is established on a voluntary and equal basis, and it strictly prohibits any form of forced labor. To standardize its attendance management, the Company has formulated the *Procedure for the Management of Working Hours*, stipulating that employees should have at least one day off every seven working days and the total working hours per week should not exceed 60 hours, in order to ensure that employees get a reasonable amount of rest. If there is a need for overtime work, overtime compensation, after being approved, will be provided to employees in light of the overtime management regulations.

In strict accordance with relevant regulations such as the *Regulations on Prohibition of the Use of Child Labor* and based on its realities, the Company has formulated the *Procedure for the Control of Prohibition of the Use of Child Labor and Minor Workers*, stipulating that child labor and minor workers shall not be recruited in any form, and the age information of applicants shall be verified at the time of recruitment to ensure compliance. The Company has enacted the *Procedure for the Control of Preventive Disciplinary Measures*, stipulating that all employees shall report child labor and employment of minor workers, as a way to put an end to the use of child labor. Once child labor is found in the Company, the child labor work will be immediately stopped. Then, the Company will arrange professional medical institutions for health checkup, ensuring that the child has not suffered any health damage at work, and the child will be sent safely back to his or her guardians.

KPI

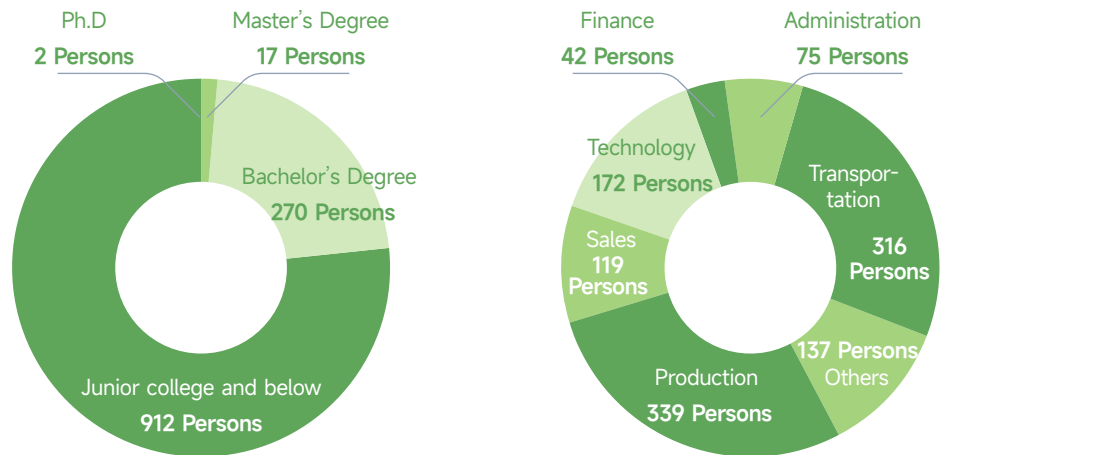
During the reporting period, the Company did not have any incidents on misuse of child labor, forced labor, or insult and harassment.

Key Indicators	UOM	2024	2023	2022
Labor Discrimination Incidents	Cases	0	0	0
Ethnic Minority Employees	Persons	29	29	20
Disabled Employees	Persons	8	8	4



Employee Gender Structure

Employee Age Structure



Employee Educational Background Structure

Employee Professional Structure

Women's Rights and Benefits

Huate Gas gives attention to the rights and benefits of female employees. In accordance with laws and regulations such as the *Law of the People's Republic of China on the Protection of Women's Rights and Interests* and the *Labor Contract Law of the People's Republic of China*, the Company strictly puts in place legal holidays(e.g., maternity leave, breastfeeding leave, miscarriage leave) and maternity allowances. In addition, the Company provides "four-period" protection for female employees as per relevant national regulations, and does not arrange female employees in pregnancy and lactation to engage in jobs that are harmful to themselves and the fetus.

The Company's trade union has specifically set up a female employees' committee to guide female employees to participate in corporate construction. It organizes training on "Self-esteem, Self-confidence, Self-reliance, and Self-improvement" to improve the literacy of female employees, care about the lives of female employees, and safeguard their special rights and interests, in order to create a workplace environment that respects and supports women.



Activity for the International Women's Day (March 8th )

KPI	UOM	2024	2023
Employees Enjoying Maternity Leave	Persons	12	6
Return-to-work Rate after Enjoying Maternity Leave	%	100	83.33
Employees Enjoying Parental Leave	Persons	15	2
Return-to-work Rate after Enjoying Parental Leave	%	100	100



Employee Compensation and Welfare

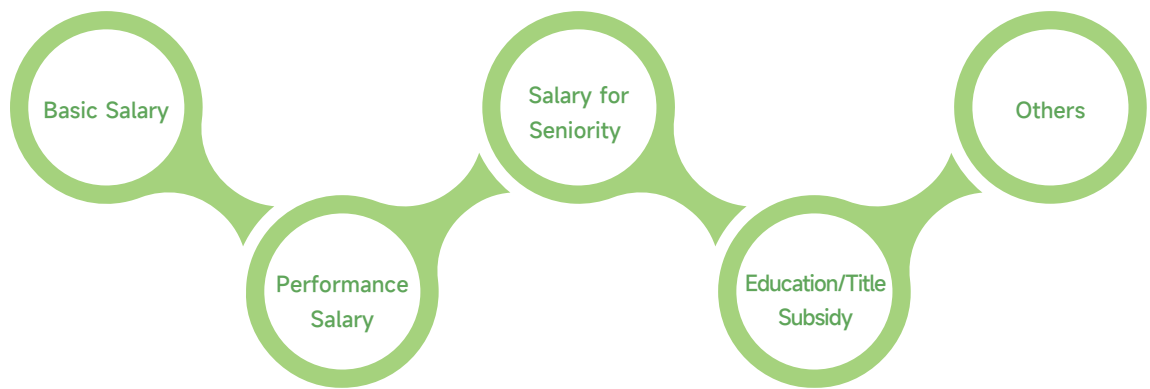
Huate Gas takes talent as the foundation for development. To attract and retain talents, the Company has built a competitive compensation and welfare system. It keeps optimizing compensation management, stimulates employees' work enthusiasm, and provides a strong driving force for the Company's sustainable development.

Compensation and Performance

The Company insists on the "Fair, Competitive, Inspiring, and Legal" compensation management concept. To standardize compensation management work, it has formulated the *Compensation Management Regulations* based on its realities. The Company has set up the Compensation Management Committee, which is responsible for guiding the formulation of compensation adjustment policies and management measures. The Enterprise Management Department, as the implementation and control organ under the Compensation Management Committee, takes charge of the implementation of compensation management measures and policies.

The Company has established an incentive compensation system. Also, it has set up a compensation team specifically responsible for salary adjustment review work. The salary adjustment review process follows rigorous procedures and standards. The compensation team adjusts salaries based on such factors as employees' work performance, the Company's operating conditions, and the market salary level, in order to ensure the fair and orderly operation of the compensation system.

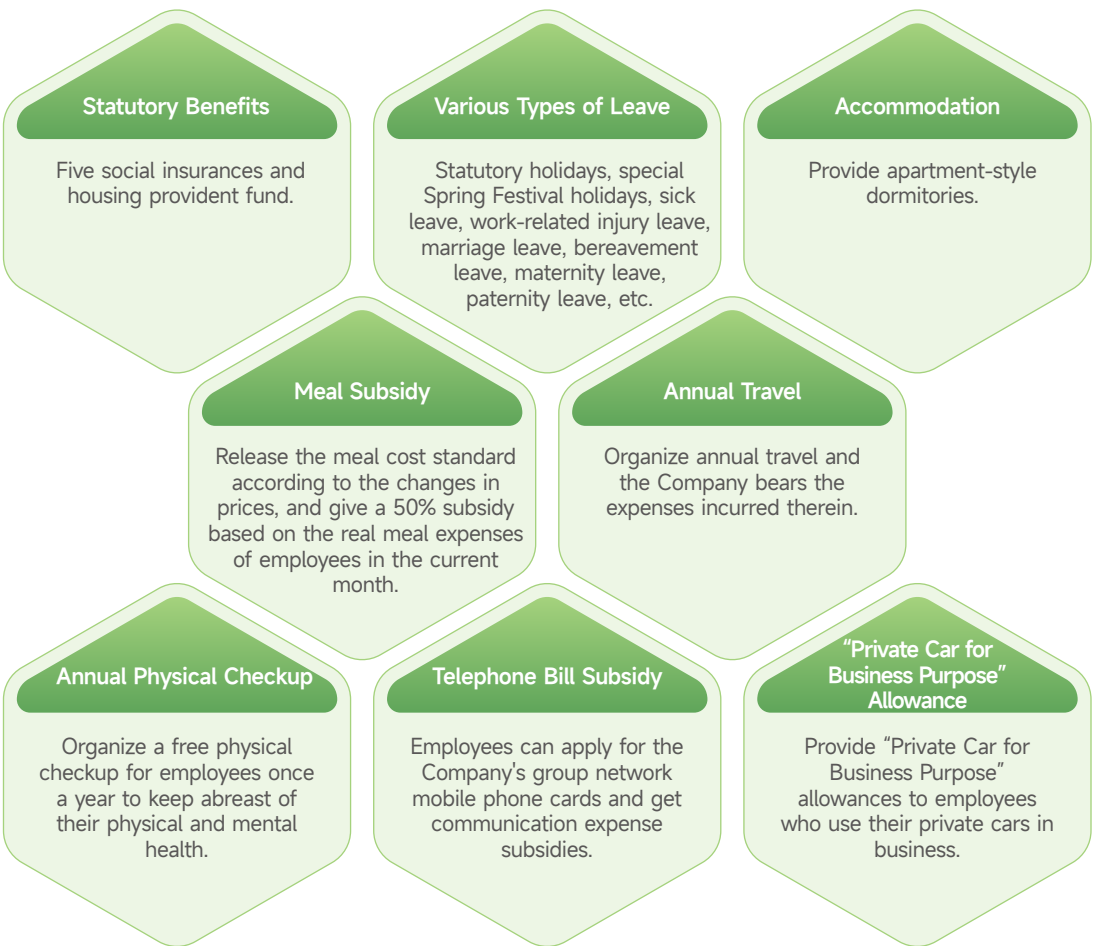
Employee Salary Structure of Huate Gas



Welfare Guarantee System

The Company attaches great importance to the employees' welfare guarantee, strictly complies with national laws and regulations, and pays social insurance for employees according to laws, including basic endowment insurance, medical insurance, work-related injury insurance, unemployment insurance, maternity insurance, and housing provident fund, in order to fully ensure that employees enjoy a complete welfare guarantee system. In addition, the Company provides supplementary benefits for employees to improve employees' job satisfaction, loyalty, and overall happiness, enabling them to work in a reassured manner and make progress together with the Company.

Welfare System



Key Indicators	UOM	2024	2023	2022
Labor Contract Coverage	%	100	100	97.57
Coverage of Five Insurances & One Housing Fund	%	100	100	98.82
Welfare Expenditure	10 Thousand Yuan	2,786.04	2,767.63	/

Care for Employees

To enrich employees' spare time life, the Company organizes various cultural and sports activities such as basketball games and hiking, making employees enhance their friendship and cohesion in the activities. The Company also sets up a reading room to provide a place for employees to read books and improve themselves.



When employees are faced with unexpected misfortunes or family difficulties, the Company organizes fundraising for the employees in need to help them tide over the difficulties. Besides, the Company manages to address the schooling problems for the children of employees with non-local household registrations, actively participates in the points assessment activities organized by the government and schools, and makes efforts to properly resolve the schooling problems for the children of employees.

Employee Democracy

Democratic Management

Huate Gas respects the democratic rights of its employees. In light of the provisions of the *Trade Union Law of the People's Republic of China* and the *Constitution of the All-China Federation of Trade Unions*, the Company has established trade union and convened workers' congress. The trade union dedicates itself to safeguarding the legitimate rights and interests of employees, actively participates in the enterprise's democratic management, and implements democratic supervision. It guides employees to participate in corporate development, and to completes production and operation tasks. It also organizes employee training, improves employee literacy, mobilizes employees' work enthusiasm, and promotes the corporate development.

Communication with Employees

Huate Gas attaches great importance to the communication between employees. To better safeguard the rights and interests of employees and facilitate the communication between the Company and employees, the Company learns about the voices of employees through various means such as setting up suggestion box and feedback form, conducting employee satisfaction survey, and organizing employee symposium.

With a view to cultivating a participatory corporate management culture, the Company encourages employees to put forward any suggestions and opinions on the corporate operation and business, providing directions for the Company's improvement and optimization. The Company implements the "Continuous Improvement Plan", in which employees are advised to make proposals and provide solutions according to the existing problems at the current stage. The solutions from employees cover risk avoidance, efficiency improvement, intensified management and cost reduction. The Company will reward those who put forward solutions.

In addition, the Company has formulated the *Rules of Huate Gas for Management of Employees' Appeals*, ensuring that employees have a timely and effective communication with the management under the principle of "Openness, Fairness, Impartiality and Transparency" when they have problems at work.

Employee Satisfaction

The company conducts a satisfaction survey on all employees every year. By distributing employee satisfaction questionnaires to all employees, the survey content covers aspects such as salary and benefits, working environment, communication mechanism, working hours and vacation policies. The company timely understands the demands of employees and solves potential problems according to the survey results, comprehensively understands the real thoughts of employees on the company's development and operation and management, and joins hands with employees to promote the development of the enterprise.

KPI

During the reporting period, the Employee satisfaction increased **5.6%** year on year.



Employee Growing

To cater for the rapid development of the gas industry and the Company, Huate Gas takes technological innovation as the core and talents as the foundation to advocate the common growth between employees and the enterprise. It has formulated a complete set of employee training and career development plans, including but not limited to reserve talent cultivation, management cadre training, further education for MBA, etc. Besides, the Company cultivates talents in a progressive manner and sifts out talents from competition, providing an extensive development platform and space for employees' growth.

Building Career Channels

Promotion Management

Huate Gas attaches great importance to the self-development of its employees. The Company has formulated the *Employee Career Development Management Regulations*, and implemented a dual-channel design, encouraging employees to choose a career development path suitable for themselves from both horizontal and vertical dimensions, and helping employees improve their professionalism and competitiveness.

Technical Line		
Rank	Position	Grade
P12	Chief Engineer	
P11	Deputy Chief Engineer	
P10	Senior Engineer	Senior Level 1
P9		Level 2
P8		Level 1
P7	Assistant Engineer	Level 2
P6		Level 3
P5	Senior Technician	Level 1
P4		Level 2
P3	Technician	Level 1
P2		Level 2
P1	Junior Technician	
P0	Intern	

Functional Line		
Rank	Position	Grade
D2	Director	
D1	Deputy Director	
M4	Manager	
M3	Deputy Manager	
M2	Assistant Manager	
M1	Supervisor	
M0	Deputy Supervisor	
A5	Senior Specialist	Level1
A4		Level2
A3	Specialist	Level1
A2		Level2
A1	Assistant	
A0	Intern	

Internal Transfer

To further optimize the allocation of talent resources and improve the utilization efficiency of its human resources, the Company fills the vacant positions within the enterprise in a timely and accurate manner through the talent exchange & allocation mechanism for internal transfer and inter-subsidary transfer. While enriching the talent reserve pool and the talent structure, the Company reasonably controls the talent flow frequency to ensure the stable development and continuous innovation of business segments under the Company.

KPI

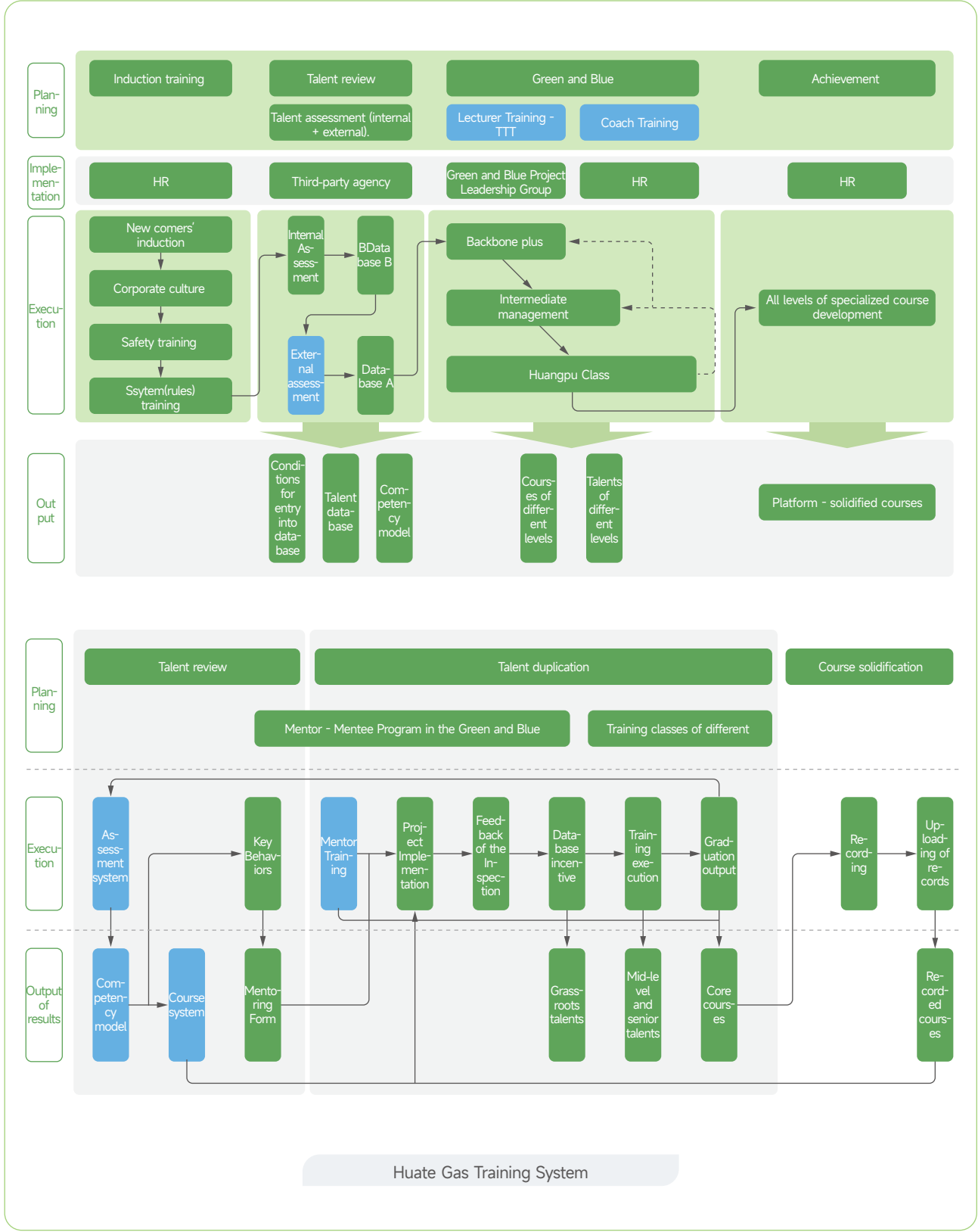
During the reporting period, **56** employees successfully completed internal transfers.



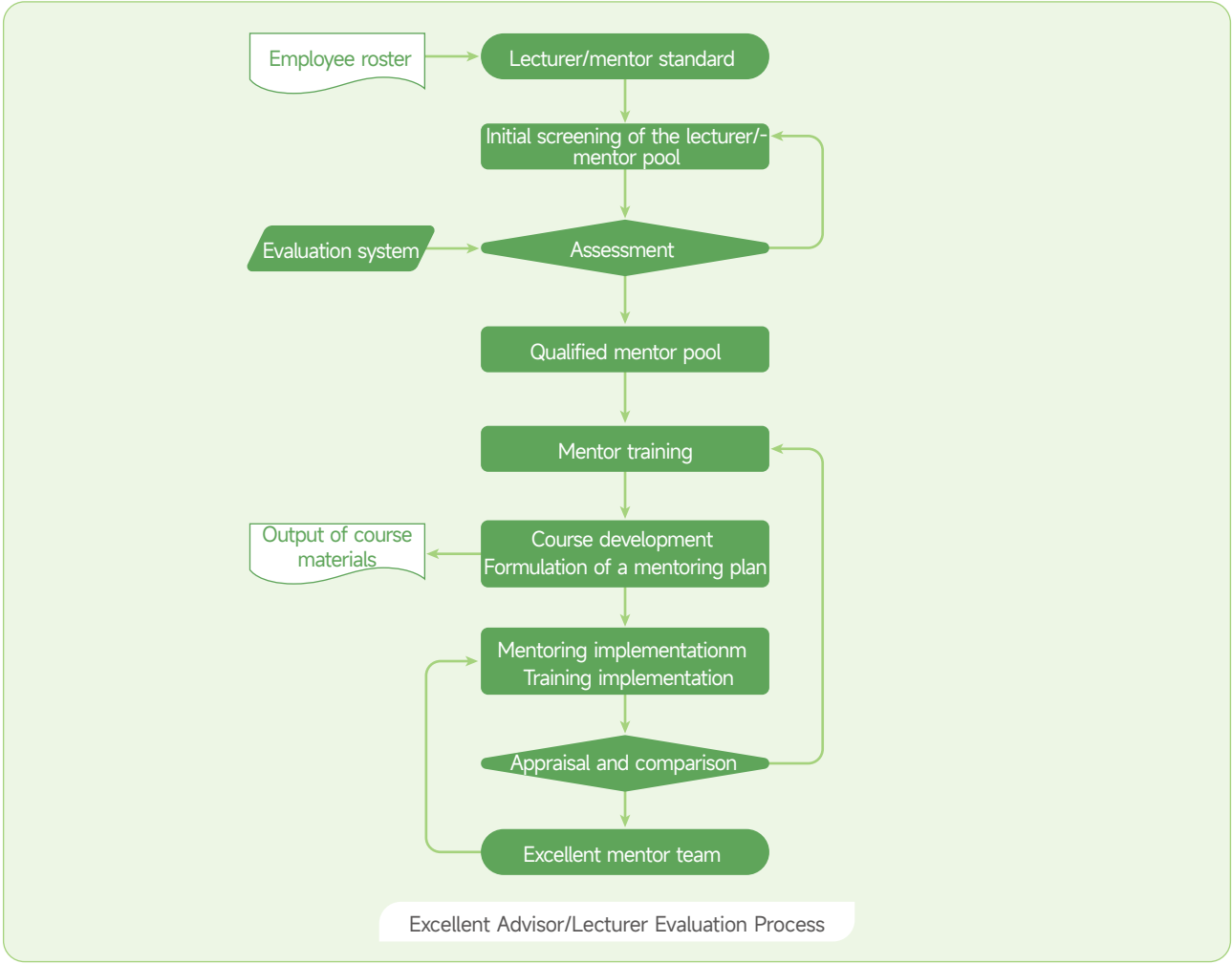
Employee Developing

The Company is fully aware that employees are the core driving force for promoting the sustainable development of an enterprises, thus the Company attaches great importance to employees' career planning and personal growth, encourages employees to improve themselves, and achieves the common growth between individuals and the enterprise. The Company has formulated relevant training rules such as the *Procedure for the Control of Human Resources* and the *Training Evaluation Management Rules*. The Human Resources Department has rolled out the Annual Training Plan, according to which employee training is organized as per the needs of various departments.

The Company has established a complete training system through induction training, job transfer training, on-the-job training, class training, and the "Green and Blue Project", helping its employees to grow in career.



To ensure the professionalism of the training lecturers, the Company has formulated the *Trainer Management Rules*, which covers lecturer selection, cultivation, employment, output, and evaluation & assessment etc., ensuring that the lecturers have adequate capability and awareness to take up their jobs.



Key Indicators	UOM	2024	2023
Employee Training Investment	10 Thousand Yuan	38.87	53
Total Duration of Employee Training	Hours	185,555	127,923
Average Duration of Training Received by Each Employee per Year	Hours	623	538
Employee Training Coverage Rate	%	100	100
Certified Internal Trainer	Persons	19	16



Occupational Health and Safety

Huate Gas insists on the work safety concept "Safety First, Prevention Upmost, Comprehensive Governance", and gives priority to the protection of people's lives and safety. The Company attaches great importance to employees' occupational health and safety, and has built an all-around occupational health and safety management system from the system establishment & improvement and prevention & control measure supervision and management, with a view to creating a safe and healthy workplace environment for employees and helping the enterprise develop steadily.

Governance

In strict accordance with relevant laws and regulations such as the *Work Safety Law of the People's Republic of China* and the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, the Company has formulated relevant management rules such as the *All-employee Work Safety Responsibility System* and the *Occupational Health Management Rules*.

The Company has established a work safety committee to build a three-level management architecture led by the general manager. The committee is responsible for implementing relevant national laws, regulations and policies, studying the Company's work safety plan, and guiding, arranging and supervising the implementation of the plan, in addition to organizing emergency plan drill activities.

The company has established an occupational health management department, which is responsible for implementing national laws, regulations, technical standards on the prevention and control of occupational diseases, fulfilling the occupational health management rules, and ensuring employees' occupational health and production safety. As of the end of the reporting period, the Company and its subsidiaries had passed the ISO 45001 Occupational Health and Safety Management System Authentication.

Occupational Health and Safety Training

To enhance employees' awareness of occupational health and safety, the Company has formulated an annual occupational health and safety training plan, according to which it organizes occupational health and safety education and training at regular intervals.



Panel meeting of occupational health and safety team



Guangdong Huate Gas Co., Ltd.



Jiangxi Huate Electronic Chemicals Co., Ltd.



High Energy Industrial Gas Co., Ltd.



Work safety training in workshops





Strategy

The personal safety of employees is the key for the Company's development. By referring to relevant laws, regulations and industry standards on occupational health and work safety, and taking into account its realities, Huate Gas identifies and evaluates the impacts, risks and opportunities related to occupational health and safety, clarifies the direction for strengthening the management over occupational health and work safety and formulating rectification measures, and achieves the Company's sustainable development goal.

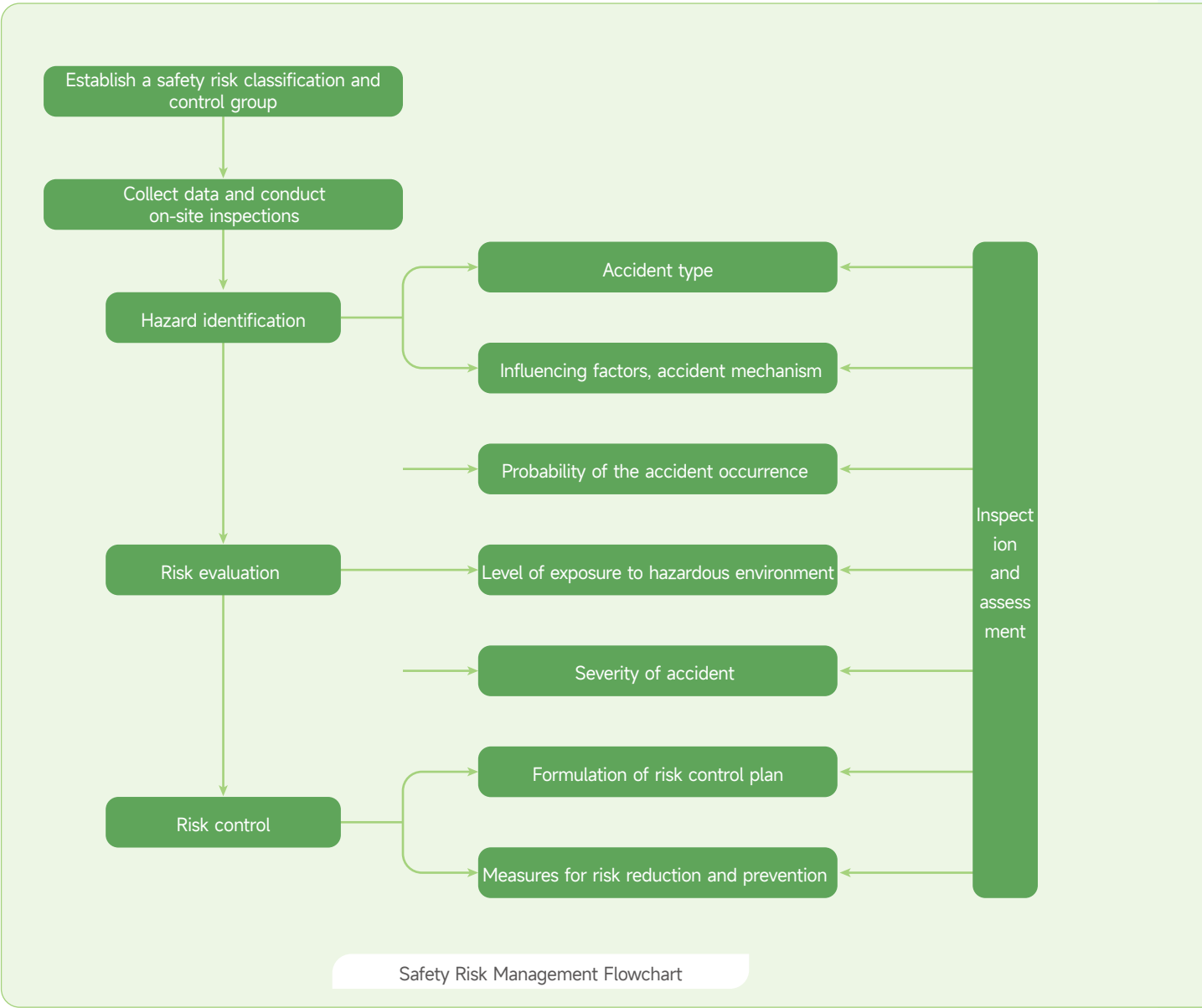
Risk Type	Description	Financial Impact	Probability	Impact Magnitude	Impact Range	Links of the Value Chain	Countermeasures
Legal Risk	1.If the Company fails to provide a working environment that meets the occupational health and safety standards, which brings about employees' health problems or safety accidents, employees may file legal lawsuits against the Company. The Company may bear huge compensation costs.	Revenue Decrease	Medium	Medium	Medium-term	Operation	1.Provide complete occupational disease and safety protection facilities, such as labor protection supplies.
	2.There are clear requirements for the Company's occupational health and safety management as per relevant laws and regulations. In case of violations of these regulations, such as failure in provision of labor protection supplies as required, administrative penalties, such as fines and orders to suspend production for rectification, will be imposed on the Company by the regulatory authorities. This will not only disrupt the Company's normal operation but also impact the financial statement.						2.Keep improving the occupational health and safety management system.
Reputation Risk	1.If serious occupational health and safety accidents occur in the Company, it will draw the attention from the general public and cause negative public opinion, bringing about damage to the Company's brand image and a loss of consumers' faith in the Company's products or services, thereby affecting the Company's market competitiveness.	Revenue Decrease	Medium	Medium	Long-term	Operation	3.Organize occupational disease prevention and work safety education & training to improve employees' awareness of occupational disease prevention and work safety.
	2.If serious occupational health and safety accidents occur, partners may worry about the Company's occupational health and safety management capabilities and will re-evaluate the cooperative relationship with the Company, which will compromise the Company's supply chain stability and business expansion.						4.Detect occupational disease factors to ensure the safety of the working environment.
Operational Risk	1.An unhealthy working environment and frequent safety accidents will lead to an increase in the absenteeism rate of employees. Employees' failure in maintaining normal work attendance for health problems will affect the Company's production efficiency and work progress.	Cost Increase	Medium	Medium	Short-term	Operation	1.Establish employees' occupational health files, keep abreast of employees' health conditions, and show solicitude for employees' health.
Market Risk	2.To deal with occupational health and safety issues, the Company needs to invest more resources in safety management, employee training, and equipment maintenance, etc., which increases the Company's management costs.						2.Keep improving the emergency rescue system, organize emergency drills at regular intervals, and improve the Company's emergency response capabilities.
	The Company invests a lot of resources to maintain the operation of the occupational health and safety management system, which indirectly raises the product cost and inflicts some impact on the Company's product competitiveness and price.	Cost Increase	Low	Medium	Long-term	Operation	3.Provide complete emergency supplies and equipment to ensure quick alleviation of the impact in case of safety accidents.
							4.Organize occupational health and safety system authentication to ensure management compliance.

Opportunity Type	Description	Financial Impact	Probability	Impact Magnitude	Impact Range	Links of the Value Chain	Countermeasures
Management Efficiency	Optimize the financial budget and management process of occupational health and safety, which will help not only improve the overall operation efficiency of the Company but also effectively reduce the risk of accidents, thereby avoiding the high financial costs caused by accidents.	Cost Increase	Medium	Medium	Long-term	Operation	1.Install occupational disease notification signs for positions involving occupational diseases, and distribute occupational disease protection supplies according to different positions and types of work to ensure the safety of employees.
							2.Reasonably arrange the laborer rest time for employees.
							3.Keep optimizing the occupational health and safety management system to ensure the effective operation of the management system.
							1.Establish a work safety responsibility system and a complete occupational health and work safety management process system.
							2.Organize occupational health physical checkup at regular intervals.

Management of Impacts, Risks and Opportunities

To standardize the identification of hazard sources, risk assessment and risk control activities and ensure that various safety risks are under effective control, the Company has formulated the *Safety Risk Level Management and Control Rules*, which covers risk identification, risk assessment, risk classification, and risk control.

To achieve "All-staff, All-Process, All-around, All-weather" risk control, the Company has established a safety risk classification and control group. The group leader is responsible for arranging and coordinating the work related to construction of the safety risk classification system, and performing assessment. The deputy group leader takes charge of work related to organization & coordination, process training, technical guidance, and preparation of safety risk classification and control documents. The group members are responsible for implementing the specific work of the safety risk classification system.





Indicators and Goals

During the reporting period, the Company released the occupational health and safety goals for 2024. Guided by these goals, it put in place various occupational health and safety tasks and kept optimizing the management over occupational health and safety.

Occupational Health and Safety Goals	Achieved (Yes/No)
0 safety accidents for general accidents and above	
0 work-related injury accidents for serious injuries and above	
0 fire accidents	
0 food poisoning accidents	
0 incidence of occupational diseases	
100% intact rate of safety equipment and facilities100%	
No more than 3 major work-related injury accidents per year	
0 major safety hazards found during on-site inspections by government departments	
100% pass rate of safety education and training	
100% rectification rate of hidden safety hazards	
100% ratio of special operation and special equipment operation personnel working with certificates	

	UOM	2024	2023	2022
Proportion of Deaths on Duty	%	0	0	0
Deaths Related to Work	Persons	0	0	0
Work-related Injuries	Persons	0	0	0

	UOM	2024	2023	2022
Total Investment in Safety	10 Thousand Yuan	1,681.69	1,061.24	574.86
Investment Amount in Workers' Compensation Insurance	10 Thousand Yuan	39.09	/	/
Coverage Rate of Workers' Compensation Insurance	%	100	/	/
Investment Amount in Occupational Accident Insurance	10 Thousand Yuan	31.79	/	/
Coverage Rate of Occupational Accident Insurance	%	100	/	/
New Occupational Disease Cases	Cases	0	0	0

Safety Practices

Investigation of Hidden Safety Hazards

In accordance with the principles "Whoever is in charge is responsible" and "All-staff, All-process, All-around, All-weather", Huate Gas has formulated the *Hidden Hazard Investigation and Management Rules*. The general manager serves as the first responsible person for the hidden hazard troubleshooting work, takes charge of the capital investment in hazard management, and urges relevant departments to formulate effective preventive measures, etc. By establishing and improving the hidden hazard investigation and management system, the Company actively discovers and eliminates various hidden work safety hazards in a timely manner to ensure the Company's work safety.



Troubleshooting of Hidden Hazards

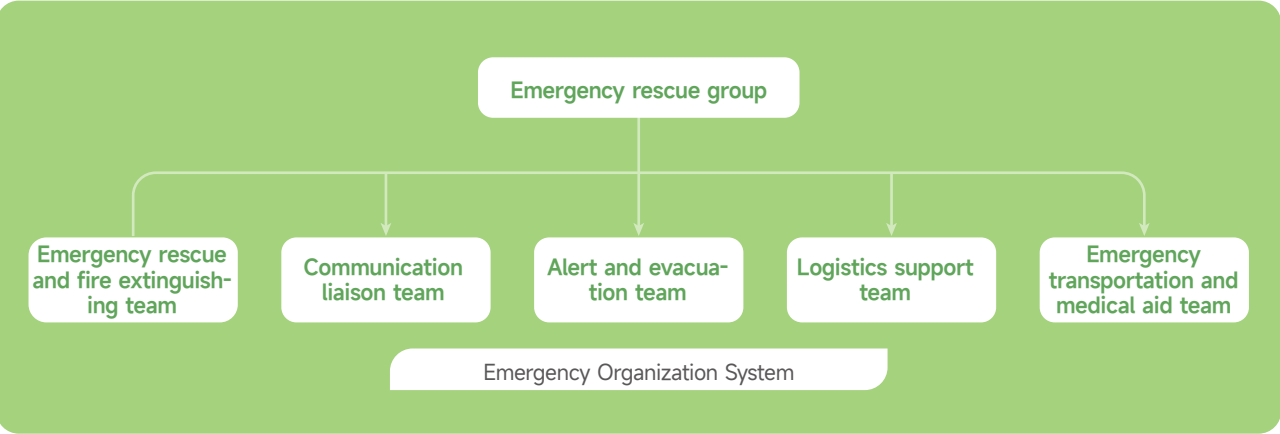
KPI

During the reporting period, the rectification rate of hidden safety hazard investigations was 100%.



Safety Emergency Management

To standardize emergency management and effectively improve the response to safety accidents, the Company has formulated the *Production Safety Accident Emergency Plan* in accordance with relevant laws and regulations such as the *Work Safety Law of the People's Republic of China*. The Company has set up an emergency rescue leading group, under which there are 5 professional rescue teams. The Company formulates annual emergency drill plan according to work safety risks, and organizes various emergency plan drills to ensure the employees' health and safety and the general public's life safety.



KPI

During the reporting period, the Company organized **71** work safety emergency drills.



Emergency Drill for Work and Production Resumption

Intelligent Safety Management

By virtue of an intelligent safety management platform, the Company has achieved real-time monitoring and multi-level early warning for 376 flammable and toxic monitoring points, 2 major hazard sources, and 376 real-time data monitoring interfaces. It has also completed the holistic design of the synchronous large-screen function on the computer terminal and the mobile terminal function, living up to all-around intelligent data management and control featuring "Rapid Perception + Real-time Monitoring + Alarm in Advance+ Emergency Response + Systematic Evaluation", realizing integrated supervision over smart operation safety, and reducing the probability of safety accidents.

Contractor Safety Management

To strengthen the safety management over contractors and effectively prevent the occurrence of safety accidents, the Company has formulated the *Contractor Safety Management Rules* in accordance with the requirements of relevant laws and regulations. The HSE Department, as the main execution department, is responsible for formulating the contractor safety supervision and management rules and qualification review standards, organizing HSE training for contractors and implementing assessments, and inspecting and guiding the development of the contractor's safety supervision work, etc.

By signing a project HSE agreement with contractors, the Company clarifies the HSE responsibilities and HSE risk prevention & control requirements of both sides. Also, it conducts HSE education and risk disclosure for contractors in advance to maintain the safety of the working environment and shore up the safety defense line for the Company's stable operation.



Employees' Occupational Health

The Company has established a complete occupational health monitoring mechanism to detect occupational disease hazard factors at regular intervals. It has established monitoring and evaluation ledgers to detect occupational disease hazard factors in the workplace and conduct occupational health examinations on a regular basis. In addition, the Company has installed occupational disease protection tools as required, renovated facilities for reduction of hazards, and informed the employees of occupational disease hazards before they take up jobs. It has set up occupational disease hazard notification boards and warning signs at eye-catching places of production workshops and work positions, as a way to reduce the health risks of occupational diseases.

The Company conducts occupational health examinations for employees exposed to occupational disease hazards before taking up posts, during their tenure, when leaving their posts, and in emergencies. For patients suspected of suffering from occupational disease, it reports to the local health department and arranges employees to undergo occupational disease diagnosis or medical observation.





Physical Checkup in the Factory Area

KPI

During the reporting period, the pass rate of the Company's detection of occupational disease hazard factors was **100%**.

Public Welfare

Social Public Welfare Program

While pursuing high-quality development, the Company has always cherished a strong sense of patriotism and great love to the country. It actively participates in public welfare and charity activities and fulfills its corporate social responsibilities in assistance for students in need etc.

Key Indicators	UOM	2022	2023	2024
Charitable Donations	10 Thousand Yuan	66.11	44.84	52.76
Public Welfare Project Activities	Times	/	4	2
Person-times of Employees as Public Welfare Volunteers	Person-times	/	480	230
People Receiving Assistance	Persons	/	3000+	2000+

Rural Revitalization

With a strong sense of social responsibility and mission, Huate Gas responds to the Central Government's rural revitalization strategy and actively contributes to rural revitalization, interpreting corporate responsibilities with practical actions.

During the reporting period, the Company actively participated in the "High-Quality Development Promotion Conference for the New-type Rural Collective Economy in Nanhai District & the Common Prosperity "100 Million + 1" Action Program", helping to promote the high-quality development of the new-type rural collective economy, and pushing ahead with the improvement and beautification of rural hardware facilities and living environment in Nanhai.

case

The "100 Million + 1" Action for the High-Quality Development of the New-type Rural Economy in Nanhai District

On July 2, 2024, at the High-Quality Development Promotion Conference for the New-type Rural Collective Economy in Nanhai District, the Company signed a pairing agreement with the Taiping Community of Dali Township, becoming a part of the Common Prosperity "100 Million + 1" Action Program. Through this cooperation, Huate Gas helped improve the quality and efficiency of the Taiping Community's collective economy, promoted the improvement of rural hardware facilities and the optimization of the living environment, jointly explored a new path for the high-quality development of the new-type rural collective economy, in order to achieve win-win cooperation and common development, and do its bit for rural revitalization.



Since it actively participated in Meizhou City's "June 30th" Rural Revitalization Campaign, the Company won the "Bronze Prize of the 2023 Meizhou Poverty Alleviation and Assistance Award" for its outstanding contributions.

Huate Gas will insist on the high-quality development path, keep fulfilling its social responsibilities, and deepen its investment and practice in rural revitalization. It will continuously explore to innovate in assistance pattern, integrate competitive resources, and do its bit for promoting the poverty alleviation cause to a new height and supporting the prosperity and development of the countryside.

Appendix

Key Indicator Table

Key Indicato	UOM	2024	2023	2022
Economic Performance				
Total Assets	100 million yuan	33.01	31.62	23.95
Net Asset Attributable to Shareholders	100 million yuan	19.50	18.25	15.42
Operating Revenue	100 million yuan	13.95	15	18
Net Profit Attributable to Shareholders	100 million yuan	1.85	1.71	1.29
Operating Cash Flow	100 million yuan	2.94	1.70	/
Total Tax Payment	100 million yuan	0.70	0.93	0.85
Basic Earnings per Share	yuan/share	1.54	1.43	/
Weighted Average Return on Net Assets	%	9.76	9.77	/
Social Contribution Value	100 million yuan	4.37	4.19	/
Social Contribution Value per Share	yuan/share	3.63	3.48	/
Party Building				
Number of Party branches	/	1	/	/
Number of Party members	person	17	/	/
Governance				
Number of Shareholders' Meetings Held	times	4	4	3
Annual Shareholders' Meeting	times	1	/	/
Extraordinary Shareholders' Meeting	times	3	/	/
Proposal Deliberations at Shareholders' Meetings	items	19	16	/
Board of Director	persons	7	7	7
Independent Director	persons	3	3	3
Female Director	persons	2	2	2
Number of BOD Meetings Held	times	16	14	8
Proposal Deliberations at BOD Meetings	items	62	47	/
Number of Special Committee Meetings Held	times	11	11	7
Proposal Deliberations at Special Committee Meetings	items	27	23	/
Board of Supervisor	persons	3	/	/
Supervisor of Staff	persons	1	/	/
Number of Board of Supervisors Meetings Held	times	8	/	/
Proposal Deliberations at Board of Supervisors Meetings	items	25	/	/
Internal Control Training Sessions	times	26	20	20
Employees Participating in Internal Control Training	persons	550	15	15
Regular Report Disclosure	pieces	4	4	/
Interim Report Disclosure	pieces	104	153	/
Regular Earnings Briefings	times	3	4	3
Investor Open Day	times	1	1	1
SSE E-Interactive Responses	times	40	49	28
Investor Inquiry Response Rate	%	100	100	100
Dividend per 10 Shares (Tax Included)	yuan	6	5	3.99
Cash Dividend Amount (Tax Included)	yuan	71813865.60	59941393.50	47893302.82
Proportion of Cash Dividend Amount in Total Profit Distribution to Shareholders	%	38.86	35.03	23.22
Business Ethics-themed Training Sessions	times	25	25	2
Major Incident of Violating Integrity in Operations	times	0	0	0
InfoSec Training Sessions	times	5	4	/
Incident of InfoSec	times	0	0	0
Environmental Protection				
Response to Climate Change				
Total GHG Emissions (Scope 1 + Scope 2)	tCO <sub>2</sub> e	16027.13	14794.35	12668.88
Direct GHG Emissions (Scope 1)	tCO <sub>2</sub> e	7728.23	9,017.69	/
Direct GHG Emission Intensity (Scope 1)	tCO <sub>2</sub> e/million yuan Revenue	5.54	6.01	/
Indirect GHG Emissions (Scope 2)	tCO <sub>2</sub> e	8298.90	5776.66	/
Indirect GHG Indirect GHG Emissions (Scope 2)	tCO <sub>2</sub> e/million yuan Revenue	5.94	3.85	/
Total Energy Consumption	tce	5427.74	/	/

Key Indicato	UOM	2024	2023	2022
Total Energy Consumption Intensity	tce/million yuan Revenue	3.89	/	/
Direct Energy Consumption	tce	3159.37	/	/
Indirect Energy Consumption	tce	2268.37	/	/
Environmental Compliance Management				
Total Investment in Environmental Protection	10 thousand yuan	140.66	94.47	52
Synchronous Operation Rate of Environmental Protection Facilities	%	100	100	100
Implementation Rate of the "Three Simultaneous" for Construction Projects in terms of Environmental Protection	%	100	100	100
Gas/Pressure Vessel Explosion, and Major Leakage Accidents.	items	0	0	0
Annual Fire Accidents	items	0	0	0
Hazardous Chemical / Waste Leakage Accident	items	0	0	0
Environmental Data Disclosure Non-Compliance Incident	items	0	0	0
Other Major Environmental Violations	items	0	0	0
Environmental Risk Emergency Drill	times	7	6	7
Environmental Protection Training Sessions.	times	6	6	/
Environmental Compliance Management-Pollution Prevention and Ecosystem Protection				
Wastewater Discharge	t	59885	46333	/
Wastewater Recovery and Utilization	t	10060	9159	/
Exhaust Gas Discharge	t	1502.3	1702.1	/
General Industrial Solid Waste Production	t	107.49	82.26	/
General Industrial Solid Waste Disposal Volume	t	107.49	82.26	/
Hazardous Waste Production	t	42.21	35.56	/
Hazardous Waste Disposal Volume	t	42.21	27.24	/
Training on Three Wastes (Wastewater, Emissions, Solid Waste) Discharge and Disposal	times	6	6	/
Rational Distribution of Resources				
Diesel Oil	t	2407.827	2762.40	747
Liquefied Petroleum Gas	t	87.99	111.58	/
Purchased Electricity	kWh	18441995.72	10129154.65	10348258.23
Total Water Consumption	t	156696	118376	66576
Product				
Innovation & Intellectual Property Protection				
R&D Investment	10 thousand yuan	4892.15	5,042.88	6,011.84
Cumulative Number of Granted Invention Patents	items	244	213	172
Trademarks	items	51	51	45
Innovation-R&D Team				
Personnel in the R&D team	persons	172	/	/
By Educational Background				
Below bachelor's degree	persons	80	/	/
Bachelor's degree	persons	82	/	/
Master's degree	persons	8	/	/
Ph.D	persons	2	/	/
By Age				
Under 30 years old (excluding 30 years old)	persons	42	/	/
30 ~ 40 years old (including 30 years old, excluding 40 years old)	persons	80	/	/
40 ~ 50 years old (including 40 years old, excluding 50 years old)	persons	37	/	/
50 ~ 60 years old (including 50 years old, excluding 60 years old)	persons	12	/	/
Over 60 years old	persons	1	/	/
Core Technical Personnel	persons	4	/	/
Changes in R&D Personnel	persons	6	/	/
Supply Management				
Materials and material-related suppliers	/	1348	/	/
Number of Domestic Suppliers	/	1334	/	/
Number of Overseas Suppliers	/	14	/	/
Supplier Evaluation Completion Rate	%	100	100	/
Proportion of Suppliers with Quality Management System Certification	%	100	/	/



Key Indicato	UOM	2024	2023	2022
Proportion of Suppliers with Environmental Management System Certification	%	100	/	/
Proportion of Suppliers with Occupational Health and Safety Management System Certification	%	100	/	/
Signing Rate of the <i>Honest and Integrity Agreement among all Suppliers</i>	%	100	100	/
Quality Assurance				
Total Duration of Quality Culture Training	hour	12	/	/
Quality Culture Training Sessions	times	5	/	/
Participants in Quality Culture Training	Person-times	412	/	/
Quality Risk Assessments	times	6	/	/
Product Pass Rate	%	99.97	/	/
Internal Quality Audits within the Year	times	4	/	/
Sampling Inspections by Third-Party Agencies	times	80	/	/
Percentage of Products That Need to Be Withdrawn and Recalled Due to Health and Safety Reasons	%	0	/	/
Number of Negative Public Opinions on Company's Product Quality	times	0	/	/
Customer Service				
Customer Complaints	times	9	10	/
Customer Complaints Disposal Rate	%	100	100	/
Comprehensive Customer Satisfaction Rate	%	98.5	97.12	/
Incidents of Infringing on Customer Privacy or Leaking Customer Information	items	0	0	0
Information Security and Privacy Protection				
InfoSec Training Sessions	times	5	4	2
Participation in InfoSec Training	Person-times	60	31	24
Employee Coverage of InfoSec Training	%	86	82	80
Total Investment in Data Security	10 thousand yuan	50	70	50
Information Security Incident	items	0	0	0
Employee				
Employees' Rights and Interests				
New Employees	persons	152	153	116
Social Recruitment	persons	57	/	/
Campus Recruitment	persons	6	/	/
Other Recruitment Channels	persons	89	/	/
Employees in Total	persons	1200	1186	1156
Gender Structure				
Female	persons	212	416	203
Male	persons	988	770	953
Age Structure				
Below 30 years old (excluding 30 years old)	persons	201	253	/
31 - 50 years old (including 30 years old, excluding 50 years old)	persons	769	777	/
50 years old and above	persons	230	156	/
Educational Background Structure				
Ph.D	persons	2	/	/
Master's Degree	persons	16	/	/
Bachelor's Degree	persons	270	/	/
Junior college and below	persons	912	/	/
Professional Structure				
Production	persons	339	336	/
Sales	persons	119	119	/
Technology	persons	172	166	/
Finance	persons	42	45	/
Administration	persons	75	78	/
Transportation	persons	316	319	/
Others	persons	137	123	/
Ethnic Minority Employees	persons	29	29	20
Disabled Employees	persons	8	8	4

Key Indicato	UOM	2024	2023	2022
Labor Contract Coverage	%	100	100	97.57
Coverage of Five Insurances & One Housing Fund	%	100	100	98.82
Labor Discrimination Incidents.	items	0	0	0
Incidents on Misuse of Child Labor, Forced Labor, or Insult and Harassment.	items	0	0	0
Employee Turnover	persons	162	/	/
Employees Enjoying Maternity Leave	persons	12	6	/
Return-to-work Rate after Enjoying Maternity Leave	%	100	83.33	/
Employees Enjoying Parental Leave	persons	15	2	/
Employees Enjoying Parental Leave	%	100	100	/
Compensation and Welfare				
Grant Restricted Shares to Employees	persons	/	25	/
Grant of Restricted Shares	10 thousand shares	/	32.92	/
Welfare Expenditure	10 thousand yuan	2,786.04	2767.63	/
Statutory Welfare Expenditure	10 thousand yuan	1,536.00	1530.89	/
Non-statutory Welfare Expenditure	10 thousand yuan	1,250.03	1236.74	/
Employee Training & Development				
Training Investment	10 Thousand Yuan	38.87	53	33.6
Trained Staff	Person-times	9358	8322	4,400
Trained Executive	Person-times	35	20	/
Total Duration of Employee Training	Hour	185555	127923	173,394
Average Duration of Training Received by Each Employee per Year	Hour	623	538	24
Employee Training Coverage Rate	%	100	100	100
Certified Internal Trainer	persons	19	16	/
Internal Transferees or Internal Job Applicants	persons	56	/	/
Occupational Health and Safety				
Total Investment in Safety	10 thousand yuan	1681.69	1061.24	574.86
Food Poisoning Accidents	items	0	0	0
Incidence of Occupational Diseases	items	0	0	0
Major Driving Accident	items	0	0	0
Deaths on Duty	items	0	0	0
Safety Inspection	items	145	41	12
Identify Safety Hazards	items	719	172	71
Rectification Rate of Hidden Safety Hazard Investigations	%	100	100	100
Safety Emergency Drills	times	71	40	/
Safety Training	times	127	107	281
Employee Physical Examination Coverage	%	100	100	100
Rate of Special Operation Personnel Holding Certificates	%	100	/	/
Investment Amount in Workers' Compensation Insurance	10 thousand yuan	39.09	/	/
Coverage Rate of Workers' Compensation Insurance	%	100	/	/
Investment Amount in Occupational Accident Insurance	10 thousand yuan	31.79	/	/
Coverage Rate of Occupational Accident Insurance	%	100	/	/
New Occupational Disease Cases	items	0	/	/
Public Welfare				
Charitable Donations	10 thousand yuan	52.76	44.84	66.11
Public Welfare Project Activities	times	2	4	/
Person-times of Employees as Public Welfare Volunteers	Person-times	230	480	/
People Receiving Assistance	persons	2000+	3000+	/

Appendix

Indicators Index

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Index of Indicators in the Self - regulatory Guidelines for Listed Companies on the Shanghai Stock Exchange No. 14 -Sustainable Development Report (For Trial Implementation)

Dimension	NO.	Issue	Chapter
Environment	1	Responding to Climate Change	Response to Climate Change
	2	Pollutant Discharge	Environmental Compliance Management
	3	Waste Disposal	Environmental Compliance Management
	4	Ecological System and Biodiversity Protection	Environmental Compliance Management
	5	Environmental Compliance Management	Environmental Compliance Management
	6	Energy Utilization	Rational Allocation of Resources
	7	Water Resource Utilization	Rational Allocation of Resources
	8	Circular Economy	Rational Allocation of Resources
Social	9	Rural Revitalization	Public Welfare
	10	Social Contribution	Public Welfare
	11	Innovation-driven	Innovation- Driven
	12	Science and Technology Ethics	/
	13	Supply Chain Security	Supply Management
	14	Equal Treatment of Small and Medium-sized Enterprises	/
	15	Product and Service Safety and Quality	Quality Assurance Customer Service Management
	16	Data Security and Customer Privacy Protection	Shoring up the Information Defense Line
Sustainable Development Governance	17	Employees	Compliant Employment Employee Democracy Employee Growing Occupational Health and Safety
	18	Due Diligence	Importance Issue Analysis
	19	Communication with Stakeholders	Communication with Stakeholders
	20	Anti-commercial Bribery and Anti-corruption	Business Ethics
	21	Anti-unfair Competition	



Feedback form

Dear Readers:

Thank you very much for reading this report. We attach great importance to and look forward to receiving your feedback on this report. Your opinions and suggestions are an important reference for us to keep improving the corporate ESG information disclosure and promote corporate ESG management & practice. You are welcome to bring forth your valuable opinions, and we sincerely thank you for your kindness!

1.What is your overall evaluation of our performance in fulfilling ESG?

☐ Very good ☐ Good ☐ So-so ☐ Poor ☐ Bad

2.What is your overall evaluation of this report?

☐ Very good ☐ Good ☐ So-so ☐ Poor ☐ Bad

3.How do you think we have done in terms of communication with stakeholders?

☐ Very good ☐ Good ☐ So-so ☐ Poor ☐ Bad

4.How do you think we have done in terms of product liability?

☐ Very good ☐ Good ☐ So-so ☐ Poor ☐ Bad

5.How do you think we have done in terms of environment, safety and occupational health?

☐ Very good ☐ Good ☐ So-so ☐ Poor ☐ Bad

6.How do you think we have done in terms of employee responsibility?

☐ Very good ☐ Good ☐ So-so ☐ Poor ☐ Bad

7.How do you think we have done in terms of ESG?

☐ Very good ☐ Good ☐ So-so ☐ Poor ☐ Bad

8.Do you have any opinions and suggestions on our performance in fulfilling ESG and this report?

Please contact us via the following ways:

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