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About the Report

Overview of the Report

This Report is the second environmental, social and corporate governance (ESG) report released by Orinko Advanced Plastics Co., Ltd. (hereinafter referred to as "Orinko", "the Company" or "we"), aiming to disclose the Company's management, actions and performance on ESG issues to its stakeholders.

Organizational Scope of the Report

The headquarters and its branch offices and subsidiaries of Orinko Advanced Plastics Co., Ltd.

Time Range of the Report

The Report covers the period from January 1 to December 31, 2024. To enhance the comparability and continuity of the contents, part of the contents may trace back to previous years where appropriate.

Release Cycle of the Report

The Report is released annually in parallel with the Company's annual report. The specific time is subject to the official announcement of the Company in the year.

Sources of Information

The information in the Report is sourced from internal statistical statements, company documents, stakeholder surveys and interviews of Orinko.

References for Report Preparation

The Report is prepared in accordance with the *Self-Regulatory Guidelines No. 14 for Companies Listed on Shanghai Stock Exchange—Sustainability Report (For Trial Implementation)*, the *Self-Regulatory Guide No. 4 for Companies Listed on Shanghai Stock Exchange—Sustainability Report Preparation*, the *Self-Regulatory Guide No. 13 for Companies Listed on SSE STAR Market—Sustainability Report Preparation*, and UN SDGs, and also taking into account the actual situations of Orinko Advanced Plastics Co., Ltd. at the present stage.

Disclaimer

The Report contains predictive statements. Except for historical facts, any events and statements that may or will occur in the future (including but not limited to premises, objectives, estimates or business plans) shall be regarded as predictive statements. However, the future development of the facts or the trends may differ from the statements due to external variables.

Message from Chairperson

The year 2024 marked a pivotal juncture where the sustainability concept was further integrated in global economic and social development. For Orinko, it's also a crucial year where the Company honoured predefined ESG strategies and forged ahead towards sustainable development. In the face of unprecedented changes and accelerated advancement towards the "carbon peaking and neutrality" goals, we firmly believe that ESG is not only a "ballast" for enterprises to tackle the challenges, but also a "compass" guiding high-quality development.

Charting the course for ESG development with a strategic vision and building a new paradigm for sustainable development

As an explorer and practitioner in the new materials industry, Orinko is keenly aware that an enterprise's values have long transcended the economic dimension, embodying instead the enterprise's harmony with the environment, progress with the society, and alignment with the times. In 2024, we further incorporated the ESG concept into the Company's strategic plans, remained committed to the mission of 'facilitating customers' success with innovative materials and creating a green life for mankind', and built a sustainability system comprising environmental, social and governance dimensions.

In terms of environmental protection, guided by the "carbon peaking and carbon neutrality" goals, we drove green and low-carbon transition across the whole chain from R&D to production and operation. By conducting annual greenhouse gas inventory and verification, we precisely identified the major sources of carbon emissions, and advanced optimization of the energy structure and upgrading of production processes. Meanwhile, the Company further increased input in the R&D of renewable materials, established a whole industrial chain for RCR materials, and formed a closed loop for recovery, recycling and application, contributing to the green transition of the economy and society.

In terms of corporate governance, we consolidated the foundation of development through regulated and transparent operations, tightened internal control and risk management, and ensured efficient and compliant decision-making. Through diverse channels such as information disclosure and investor surveys, we built a bridge of mutual trust with shareholders, customers and employees. We fully acknowledge that outstanding governance capabilities serve as the guarantee for an enterprise's sustainable development, as well as the core competence for the enterprise to win market trust.

In terms of social responsibility, we enabled social values through a human-oriented approach. Employees are our most valued asset. In 2024, we

continued to refine the talent training system, established a whole-lifecycle mechanism for selecting, cultivating, using and retaining talents, and helped employees achieve both career values and personal growth. Meanwhile, we actively engaged in charitable activities, and practiced our responsibilities as a corporate citizen through student aid, assistance and community care initiatives, to make our achievements in development benefit more groups.

Conquering sustainable development challenges through innovations and pioneering a new path for industry transformation

As a strategic emerging industry in China, new materials represent both a frontier arena for technological innovation and a critical field for green transition. In 2024, guided by the ESG concept, we fulfilled our responsibilities by driving technological breakthroughs and engaging in industrial collaboration.

In terms of the innovation of green technologies, the Company, focusing on areas like new energies and high-end manufacturing, developed a number of energy-efficient and environment-friendly modified materials, enabling downstream customers to develop lightweight and low-carbon products. For example, the lightweight materials applied to new energy vehicles lower carbon emissions while enhancing battery duration; the environment-friendly flame-resistant materials applied to electronics and electrical appliances reduce the use of hazardous substances from the source. These technological outcomes have not only created value for customers, but driven the upgrading of industrial chains toward greener ones.

In terms of digital transformation, we advanced the building of "smart factories". We applied an intelligent production and management system to achieve real-time energy consumption monitoring, dynamic resource efficiency optimization, and a significant reduction in energy consumption per unit of output. Meanwhile, we leveraged digital tools to build a carbon footprint management system across product lifecycles, providing customers with transparent environmental performance data, and empowering the building of a green supply chain ecosystem.

We firmly believe that only by deeply integrating our innovation gene with the ESG concept can we open up new horizons amid the changes and turn challenges into opportunities.

Painting a blueprint for sustainable development with a global vision and fulfilling our new responsibilities as a Chinese enterprise

Globally, ESG development is moving from a stage of concept advocacy to one of implementation. Chinese enterprises are engaging in global sustainability governance with a most positive stance. Upholding a global vision of "serving the world with new materials", Orinko remains committed to its responsibilities during the process of internationalization.

On one hand, we actively aligned with international ESG standards, and refined our management system and information disclosure mechanism, to boost our global competitiveness. On the other hand, relying on the "dual circulation" development pattern, we established low-carbon industrial alliances with partners at home and abroad, sharing experience in carbon reduction and driving the green transition of global value chains. We are deeply aware that in the era of globalization, an enterprise's sustainability capabilities are not only the "golden name card" of its brand, but also an important testimony to the country's industrial competitiveness.

Looking ahead, we will pursue a more strategic perspective and take more practical steps, further enhancing ESG management, incorporating ESG requirements into our strategic decisions, business processes and corporate culture, and forming a regular and institution-based model of sustainable development.

Conclusion: Building a century-old enterprise through ESG endeavours

There is no end to the path of ESG, but one fresh starting point after another. Our practices in 2024 convince us even more that only when an enterprise closely combines its own development with national strategies, global trends and human well-being can it unleash enduring vitality beyond the commercial dimension.

Ushering into a new historical stage, we will adhere to the ESG concept, protecting the waters and mountains through environmental governance, promoting a better life by fulfilling our social responsibility, and staying true to our original aspiration in governance transformation.

Thank you!

Li Jianyi
Chairperson



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Company Profile

Orinko Advanced Plastics Co., Ltd. (hereinafter referred to as "Orinko") is a national high-tech enterprise, the first modified materials company listed on the STAR Market, as well as one of the largest advanced material enterprises with the widest customer coverage in China. As a new materials company operating globally, Orinko has set up seven production bases in Hefei, Anqing, Foshan, Chongqing, Wuhu and Weifang in China and Chonburi Province in Thailand, as well as a global R&D centre in Shanghai. Through the robust production network and technical service system, the Company provides global customers with more precise, accessible and timely professional services and integrated material solutions.

The Company's main products include modified materials, special-purpose engineering materials, environment-friendly high-performance PCR materials and multifunctional membrane materials, etc., and are applied in a wide range of national pillar industries and emerging industries, such as automotives, home appliances, new energy, consumer electronics, electronic and electrical products, AI, healthcare, rail transit, home furnishing & building materials, and security protection.

Committed to the mission of "facilitating customers' success with innovative materials, and creating a green life for mankind", Orinko provides high-quality products and exceptional services for global customers with a good reputation, continuous innovations and a stable quality, creating a green life for mankind.



Corporate Culture



Vision

Become a global leader in the advanced materials industry



Mission

Facilitating customers' success with innovative materials, and creating a green life for mankind



Core values

Customer first, open learning, reform and innovation, cooperation and striving, honesty and pragmatism



Organizational atmosphere

Simple interpersonal relationships, candid communication, openness and inclusiveness



Development Course

▶ 2008

The Company was incorporated and officially started business in the field of new materials.

▶ 2011-2016

The Company was qualified as a national high-tech enterprise.
 The Company was awarded the title of an innovation-oriented enterprise.
 The Company established a postdoctoral workstation.
 Hefei Industrial Park Phase II was completed.

▶ 2018

The Company was listed as a national enterprise technology center
 Shanghai Research Institute was put into operation.
 It acquired Guangdong Yuanrong to operate in the South China market.

▶ 2020

The Company was listed on the SSE STAR Market (stock code: 688219).

▶ 2023

Orinko New Energy Company was established to expand into the field of new energy battery separators.

Orinko ▶ 2008-2024 ●

▶ 2010

Hefei Industrial Park was completed and put into operation.

▶ 2017

The Company completed the joint-stock system reform.
 Chongqing Orinko was established to operate in the South-west China market.

▶ 2019

The new base in Hefei was completed and put into operation.

▶ 2022

Orinko Advanced Plastics International Co., Ltd. was established and set up a subsidiary in Thailand to promote the Company's process of internationalization.
 A new base in Anqing was completed and put into operation.
 The special nylon synthesis base in Shandong was put into trial operation, integrating synthesis and modification industrial chains.

▶ 2024

Orinko Environmental Technology (Anhui) Co., Ltd. was established as a joint venture to drive presence across the PCR industrial chain in all aspects.

Business Layout

Orinko Advanced Plastics Co., Ltd. is a national high-tech enterprise, the first modified materials company listed on the STAR Market, as well as one of the largest advanced material enterprises with the widest customer coverage in China.



- Modified new materials
- Special-purpose engineering materials
- Environment-friendly high-performance PCR materials
- Multifunctional membrane materials

Orinko provides specialised, innovative and efficient products and services for global customers, creating a green life for mankind.

Globalised Services



● **Global R&D Centre**
Shanghai

● **Synthesis base**
Weifang, Shandong

● **Domestic modification R&D and production base**
Eastern areas: Hefei and Anqing, Anhui
Western areas: Tongliang, Chongqing
Southern areas: Foshan, Guangdong

● **Separator base**
Wuhu, Anhui

● **Overseas presence**
Southeast Asia (Chonburi Province in Thailand)
Japan and South Korea (Tokyo, Japan)
North America, Europe (planned)

Honours and Awards in 2024

Significant awards and honors received by Orinko and its subsidiaries in 2024:

National Green Factory	A National Specialised and Sophisticated "Little Giant" Enterprise Producing Novel and Unique Products	A National High-Tech Enterprise
A Technology-Oriented SME	A Technological Innovation Demonstration Enterprise in China's Petroleum and Chemical Industry	An Intelligent Factory in Anhui Province
A Green Factory in Guangdong Province	A Pilot Base (Platform) for the Commercialisation of Technological Results in Hefei	A Technological Innovation Centre in Tongliang District, Chongqing
An Outstanding Private Enterprise in Anhui Province	One of the Top 10 New Material Industry Leaders in Anhui Province	One of the Top 100 Manufacturers in Anhui Province
One of the Top 500 Manufacturers in Guangdong Province	One of the Top 100 Private Enterprises in Foshan	One of the Top 100 Manufacturers in Foshan



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ESG Strategy

ESG Core Concept and Strategic Objectives

With "creating innovative materials to drive green development and harmony with nature" as the ESG mission, Orinko deeply integrates the ESG concept with the carbon neutrality goal, and strives to build an ESG value system featuring "environmental sustainability, co-growth with society and high-standard governance". Through systematic ESG strategic planning, the Company aims to be a benchmark of ESG practices for the global new materials industry, with specific objectives including:

Short-term objectives (2025-2028)

Governance upgrade



Officially put into operation the Strategy and ESG Committee under the Board of Directors, include the carbon neutrality goal and climate risk management into the decision-making agenda of the Board of Directors; significantly enhance the transparency of ESG information disclosure; and continuously release the annual ESG report and the special TCFD report.

Environmental transformation



In 2028, reduce energy consumption per unit product by 15% and greenhouse gas emissions (Scope 1 + Scope 2) by 20% when compared with 2025, and increase the proportion of green products (low-carbon modified materials, PCR renewable materials) to the operating income to 30%; complete the annual greenhouse gas emission inventory and verification, and build a carbon footprint management system covering the whole value chain.

Social values



Ensure a 100% employee training coverage, over an 80% talent retention rate in key posts, and zero significant safety accident; build at least four industry-leading "demonstration factories of green manufacturing"; and ensure a 100% ESG compliance audit rate across all suppliers.



Medium and long-term objectives (2028-2035 and before 2050)

Governance benchmark



The Board of Directors will continuously supervise the Company's progress towards ESG objectives, include the completion of ESG objectives into the ESG performance assessment, and continuously disclose progress of relevant core issues in the annual ESG report and TCFD report; participate in the formulation of international/domestic green standards, and become a member of the United Nations Global Compact.

Environmental leadership



In 2035, reduce the carbon emissions in its operations by 30% from 2025, and improve the proportion of clean energy to total energy consumption to 30%; form a closed loop of mass circular economy operations, and bring the proportion of renewable materials to operating income to more than 20%.

Social impact



Keep the ratio of R&D input above 5%, raise the self-sufficiency rate of key technologies to above 80%, become a core supplier of low-carbon materials in areas like new energy vehicles, PV, and energy storage, enable an employee satisfaction rate of over 90%, and ensure annual public welfare input equivalent to 0.5% of net profits or more, covering at least five community environmental protection and education programs.

ESG Strategic Directions



ESG Strategic Vision

Orinko views the ESG strategy as a key engine for the restructuring of core competence, leads environmental transformation with the carbon neutrality goal, deepens social values with a human-centric approach, and reinforces the foundation of development through transparent governance. Going forward, the Company will continue to strengthen the pattern of "technological innovation + industrial collaboration + globalized operations", forge differentiated advantages in areas like new energy materials and circular economy, provide global customers with more sustainable products and services, and empower the realization of "carbon peaking and carbon neutrality" goals and the sustainable development of humanity.



ESG Strategic Path: Phased Implementation and Capability Building

Stage of consolidating governance capability (2025-2028)

Complete the setup of the Strategy and ESG Committee under the Board of Directors, develop the *ESG Management Manual*, and include the carbon neutrality goal and response to climate risk into the Company's articles of association and business processes; conduct basic ESG diagnosis, formulate improvement plans for weak links in the governance structure and carbon emission management, and ensure the full coverage of ESG related systems by 2028.

Improve the "core path of carbon reduction", conduct an inventory of Scopes 1-3 emissions in accordance with the ISO 14064 standards, complete the setting of the carbon neutrality strategic goal and path planning, and make clear the carbon reduction objectives and schedule under the path of limiting the rise of global temperature to 1.5°C.

Stage of accelerated green transition (2028-2035)

Ensure continued production and delivery at the green production base in Thailand, establish R&D centres and production bases in North America and Europe, and meet local carbon emission-related compliance requirements (such as the CBAM of EU); improve the proportion of overseas operations to total operating income to 20% in 2035, and build a globalised green supply chain.

Establish the "Low-Carbon Materials Institute", and drive breakthroughs in the synthesis of bio-based materials and high-value utilization of waste plastics in collaboration of universities and research institutes; in 2035, realise a R&D outcome commercialisation rate of over 80%, and increase the number of new patents by more than 100, at least 50% of which are related to green products.

Stage of ecosystem-wide collaboration and globalization (2035-2050)

Establish the "New Materials Industry ESG Alliance" jointly with industrial chain partners and peer enterprises to build a green supply chain together; push more than 80% core suppliers to complete carbon footprint calculation, and form an industrial ecosystem featuring "sharing of technologies, mutual recognition of standards, and sharing of responsibilities".

Improve the climate-related risk disclosure framework in line with ISSB, TCFD and other applicable international standards, engage in the formulation of international ESG standards, realise carbon neutrality in its operations and value chain before 2050, become a member of the United Nations Global Compact, and improve its premium in the international market as a green brand.

ESG Support Measures and Resources Input

Resources allocation

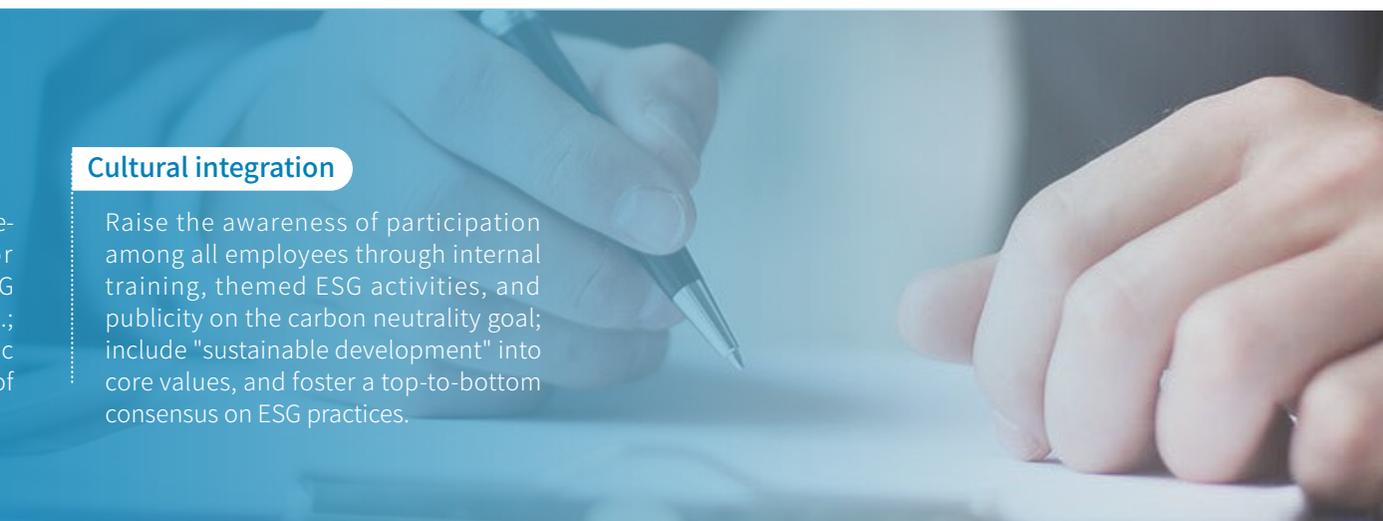
Ensure the annual ESG budget is not less than 1% of operating income; prioritise support for the R&D of green technologies, building of the governance system, and development of public welfare programs and the digital platform for carbon management.

Digital tools

Research and deploy the ESG data management platform; integrate modules for carbon emission accounting, supplier ESG data, and employee training records, etc.; realize real-time monitoring and dynamic optimization; and complete integration of data across the value chain before 2050.

Cultural integration

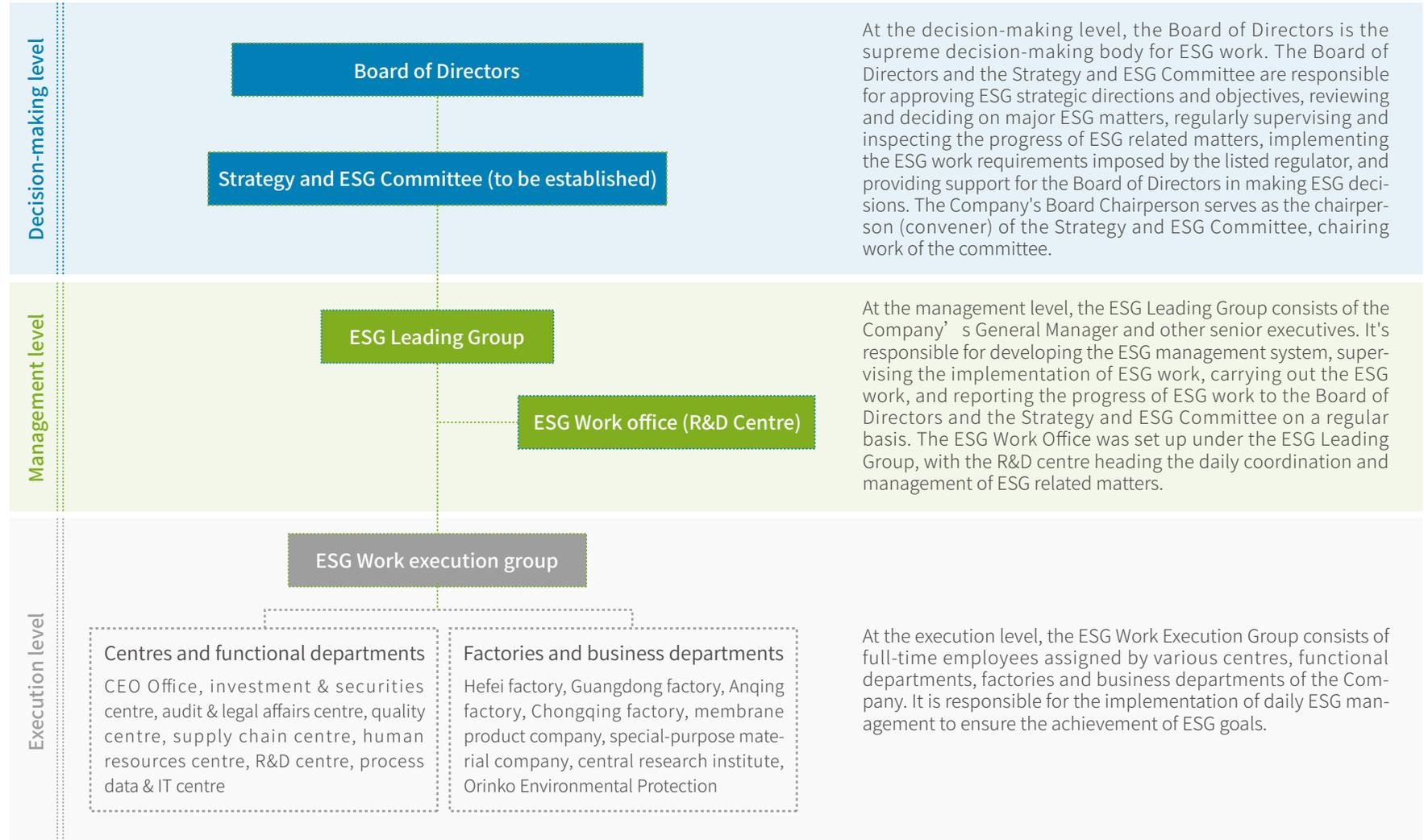
Raise the awareness of participation among all employees through internal training, themed ESG activities, and publicity on the carbon neutrality goal; include "sustainable development" into core values, and foster a top-to-bottom consensus on ESG practices.



ESG Governance

To systematically enhance the Company's ESG management capabilities, Orinko established and improved the ESG work mechanism, and built an ESG management structure comprising three levels, namely the decision-making level, management level and execution level, in 2024. Specifically, at the decision-making level, the Board of Directors and the Strategy and ESG Committee review the Company's ESG strategies and plans, major policies and sustainable development goals, to ensure the corporate governance, social responsibility and environmental responsibility are highly aligned with the Company's long-term development objectives. At the management level, the ESG Leading Group was set up, the ESG Work Office under which takes charge of the daily coordination, data management and external communication related to ESG work. At the execution level, the ESG Work Execution Group was established across various centres, functional departments, subsidiaries and business departments, coordinating the implementation of various ESG work within the Company.

ESG management structure



ESG job responsibilities and division of labour

At the decision-making level, the Board of Directors is the supreme decision-making body for ESG work. The Board of Directors and the Strategy and ESG Committee are responsible for approving ESG strategic directions and objectives, reviewing and deciding on major ESG matters, regularly supervising and inspecting the progress of ESG related matters, implementing the ESG work requirements imposed by the listed regulator, and providing support for the Board of Directors in making ESG decisions. The Company's Board Chairperson serves as the chairperson (convener) of the Strategy and ESG Committee, chairing work of the committee.

At the management level, the ESG Leading Group consists of the Company's General Manager and other senior executives. It's responsible for developing the ESG management system, supervising the implementation of ESG work, carrying out the ESG work, and reporting the progress of ESG work to the Board of Directors and the Strategy and ESG Committee on a regular basis. The ESG Work Office was set up under the ESG Leading Group, with the R&D centre heading the daily coordination and management of ESG related matters.

At the execution level, the ESG Work Execution Group consists of full-time employees assigned by various centres, functional departments, factories and business departments of the Company. It is responsible for the implementation of daily ESG management to ensure the achievement of ESG goals.

Communication with Stakeholders

Orinko attaches great importance to the concerns and demands of stakeholders. Through effective channels and mechanisms for the communication with stakeholders, the Company conveys and discloses the information stakeholders are concerned about in a timely manner, and listens to their feedback and suggestions. Based on comprehensive analysis and surveys, Orinko identified its main stakeholders as shareholders and investors, regulators, exchanges and rating agencies, customers, suppliers, contractors and other partners, communities, public society and media, employees, non-governmental organizations (NGOs), and industrial associations.

Main stakeholders	Expectations and demands	Main communication channels	Main stakeholders	Expectations and demands	Main communication channels
 <p>Shareholders and investors</p>	<ul style="list-style-type: none"> Economic performance Risk management Management structure Operation compliance R&D innovation 	<ul style="list-style-type: none"> General meetings of shareholders Regular report disclosure Daily communications (telephone, email and meeting) 	 <p>Communities, public society and media</p>	<ul style="list-style-type: none"> Charity and public welfare Protection of employee rights and interests Ecological environment protection Resource recycling and waste disposal 	<ul style="list-style-type: none"> Community project cooperation Charity and public welfare activities Daily communications (telephone, email and meeting)
 <p>Regulators, exchanges and rating agencies</p>	<ul style="list-style-type: none"> Compliance management Legal employment Business ethics 	<ul style="list-style-type: none"> Information disclosure Compliance training Questionnaire surveys 	 <p>Employees</p>	<ul style="list-style-type: none"> Employee health and safety Protection of employee welfare rights and interests Employee training and development 	<ul style="list-style-type: none"> Employee communication groups Corporate email box for employee feedback Corporate service account for employee feedback Employee satisfaction survey questionnaires
 <p>Customers</p>	<ul style="list-style-type: none"> Customer privacy and information security Customer services Product quality and safety Product performance 	<ul style="list-style-type: none"> Global service platforms Customer visits Quarterly operation communication meetings Customer satisfaction surveys 	 <p>NGOs</p>	<ul style="list-style-type: none"> Water resource management Energy management Response to climate change Waste management Legal employment 	<ul style="list-style-type: none"> Information disclosure Daily communications (telephone, email and meeting)
 <p>Suppliers, contractors and other partners</p>	<ul style="list-style-type: none"> Sustainable procurement Business ethics Responsible production 	<ul style="list-style-type: none"> Regular evaluation and review Supplier conferences Daily communications (telephone, email and meeting) 	 <p>Industrial associations</p>	<ul style="list-style-type: none"> Scientific and technological innovation and intellectual property protection Product management 	<ul style="list-style-type: none"> Exhibitions International standard formulation Academic exchange activities Industrial association meetings

Evaluation of Materiality Issues

To better understand stakeholders' core expectations and demands and make Orinko's ESG report more targeted and material, the Company carried out the ESG work in three stages, namely issue identification, issue survey and issue screening.



- **Analysis of industrial characteristics:** The Company took industrial characteristics into full consideration, including environmental issues like energy consumption and waste generation arising from the production process as well as social and governance issues like product quality and supply chain management.
- **Alignment with standards and policies:** With reference to relevant domestic and international standards, macro policies and industrial trends, such as national environmental protection policies, carbon peaking and carbon neutrality goals, and industrial specifications, the Company identified the ESG issues related to the industry, such as response to climate change, energy management, circular economy, product quality and safety, and compliance operation.



- **Stakeholder surveys:** The Company collected the opinions and suggestions of internal and external stakeholders through interviews and focus groups, etc. For example, it communicated with suppliers on the requirements for sustainable procurement, and communicated with employees on their expectations for career development and working environment, to fully understand the concerns and expectations of different groups for ESG issues.



- **Evaluation of financial materiality:** The Company analysed the impacts of various ESG issues on the Company's financial conditions, operating results, cash flows, financing modes and costs. For example, improved energy management can lower production costs and enhance profitability; response to climate change can help the Company avoid policy risk and market risk, and ensure sustained and stable operation.
- **Evaluation of impact materiality:** The Company evaluated the impacts of its performance in various ESG issues on the economy, society and environment. For example, circular economy practices can reduce resource waste and environmental pollution, exerting positive impacts on the society and environment; product quality and safety concern consumers' health and rights, having significant impacts on the society.



- **Identification of material issues:** Based on comprehensive analysis and ranking results, the Company identified the ESG issues of financial materiality and impact materiality to Orinko. These issues, such as response to climate change, energy management, circular economy, product quality and safety, and compliance operation, became the contents highlighted in the ESG report.
- **Dynamic adjustments:** The Company regularly reviewed and evaluated the materiality of the issues, and adjusted the scope and focuses of the material issues in time based on the changes in internal and external environments, changes in stakeholder expectations, and its own developments, to ensure Orinko's sustainable development strategy is consistently aligned with actual conditions.



Material Issue Evaluation Matrix for the ESG Report

Evaluation Results of the Material Issue Matrix



Material issues

Environmental dimension

- 1 Environmental compliance management
- 2 Carbon neutrality strategy
- 3 Pollution and emission management
- 4 Circular development
- 5 Water resource management
- 6 Response to climate change
- 7 Innovation of green products



Social dimension

- 8 Product quality and safety
- 9 R&D innovation
- 10 Supplier management
- 11 Customer service
- 12 Labour management
- 13 Employees' occupational health and safety
- 14 Employee training and career development
- 15 Employee care
- 16 Public welfare and charity



Corporate governance dimension

- 17 Listed company governance
- 18 Risk management and internal control
- 19 Anti-corruption and integrity
- 20 Privacy and data security
- 21 Intellectual property protection
- 22 Digitalisation



02 Making Innovations, Empowering Industrial Development

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R&D Innovation

The Company upholds innovations, and continuously increases input of resources in R&D to drive the development of new technologies and products. The Company has in place a professional and experienced R&D team, which consists of experts and technical talents in multiple disciplines such as polymer materials and chemical engineering. The team members possess profound theoretical knowledge and rich practical experience, laying a solid intellectual foundation for R&D innovation. In terms of industry-academia-research collaboration, the Company maintains long-term and stable partnership with several universities and research institutions. By jointly carrying out research projects and co-establishing R&D platforms, among other means, the Company integrates resources from all sides, broadens R&D perspectives, and accelerates technological innovation and the commercialisation of research outcomes. In 2024, the Company carried out the project of "Design, Preparation and Application of New-type High-performance Composite Polypropylene Fibre Reinforced Composites for Automobiles" jointly with the Anhui University.

The Company has established a sound innovation incentive mechanism to encourage employees to actively engage in R&D innovation. The Company has set up a special innovation award fund, providing considerable material awards and spiritual incentives for the teams and individuals who have achieved outstanding results in R&D innovation, to fully stimulate their enthusiasm for innovation. Meanwhile, the Company champions a culture of innovation, advocates the innovation concept defined by openness, inclusiveness, and cooperation, and encourages employees to try and innovate, offering an enabling culture and environment for R&D innovation.

R&D Innovation Mechanism



The Company makes constant innovations in new materials and new technologies. Meanwhile, it increases investments and efforts in the R&D of cutting-edge technologies, and converts novel ideas into product solutions in line with customer demands, to break foreign monopoly, replace imported products, and advance towards advanced technologies in the industry.



Based on pain points of the industry and customer demands, the Company follows market trends, and gives full consideration to customer demands. Through close cooperation with customers, it provides targeted product solutions to solve pain points of the industry and meet customer demands.



We continuously improve the serviceability and innovativeness of our products, and create new green material technologies.



R&D Framework

The R&D framework consists of basic research, applied research, and development research.

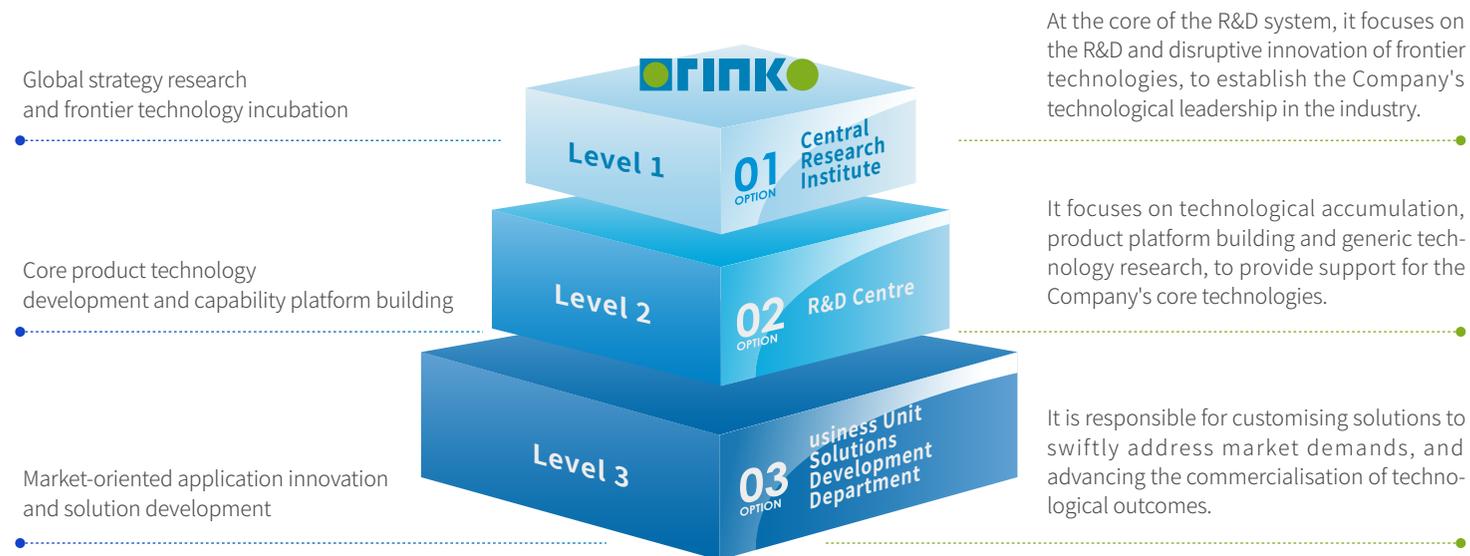
Basic research serves as the cornerstone. New theories and principles are explored to discover new scientific knowledge, and provide data support and theoretical guidance for the invention and creation of new technologies.

Applied research is the extension to basic research, and connects scientific research with the market. The research on how to apply the new knowledge and theories discovered in basic research to specific goals aims to open up ways for the specific application of the outcomes of basic research and convert them into practical technologies.

Development research aims to apply basic research and applied research in product development and production practices. It is the central link to convert science into productivity, including the research and development of industrialisation technology and industrial technology.

R&D System

With a customer-centric approach, the Company has established a three-level R&D system to ensure swift response to customer demands. It has also planned for the development of material technologies in the next 3-5 years, and put in place complete lifecycle management for product technologies.



R&D Platform Construction

A National Enterprise Technology Centre

By National Development and Reform Commission

A National CNAS Laboratory

By China National Accreditation Service for Conformity Assessment

A National-Level Postdoctoral Workstation

By National Post-Doctoral Administrative Committee

An Industrial Technology Innovation Centre of Petroleum and Chemical Industries

By China Petroleum and Chemical Industry Federation

An Engineering Research Centre in Anhui Province

By Anhui Provincial Development and Reform Commission

An Enterprise R&D Centre in Anhui Province

By Anhui Provincial Department of Science and Technology

An Enterprise Technology Centre in Guangdong Province

By Guangdong Provincial Department of Industry and Information Technology

An Enterprise Technology Centre in Guangdong Province

By Guangdong Provincial Department of Science and Technology

An Enterprise Technology Centre in Chongqing

By Chongqing Municipal Economic and Information Technology Commission

A Small and Medium-sized Enterprise Technology R&D Centre in Chongqing

By Chongqing Municipal Economic and Information Technology Commission

An Industrial Design Centre in Hefei

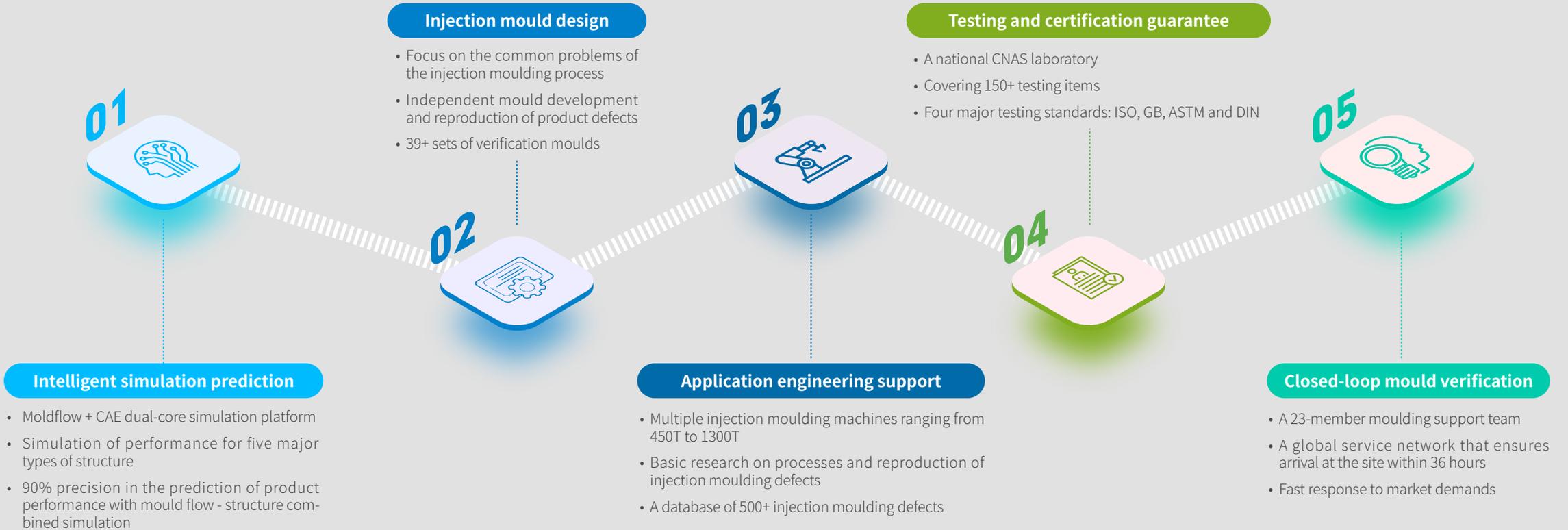
By Hefei Municipal Economic and Information Commission

A Technological Innovation Centre in Tongliang District

Science and Technology Bureau of Tongliang District, Chongqing

R&D Capability Building

Whole-process technological empowerment and one-stop material solutions:



Green Products and Solutions

Upholding the mission of "facilitating customers' success with innovative materials, and creating a green life for mankind", the Company actively responds to China's "carbon peaking and carbon neutrality" strategy, and embeds the green concepts of light weight, low carbon, energy conservation, environmental protection, health and safety, reliability and long service life into the whole process of product development. Committed to developing green and environment-friendly materials, the Company has launched innovative products including halogen-free flame-retardant reinforced nylon material, high-flow thin-wall injection moulding P-TPE translucent surface material, which are successfully applied in areas like new energy vehicles and home appliances, addressing key industry challenges and contributing to green and low-carbon development.



Innovative materials for automotives

Focusing on light weight, low carbon and environmental protection, safety and comfort, intelligence and interaction, Orinko provides integrated material solutions for the 12 major systems of automotives.



Polarity injection-moulded surface for intelligent cockpits

Orinko pioneered the "ORINKO IMSS" injection moulding technology, which is widely applied to the injection moulding of large thin-wall surface products, replacing the traditional moulding process for soft surfaces like genuine skin wrapping, slush moulding and vacuum thermoforming in negative mould, and greatly boosting productivity and product competitiveness.

Integrated long-carbon-chain nylon industry

Orinko integrated the long-carbon-chain nylon synthesis and modification industrial chain, achieving breakthroughs in such areas as new energy cooling pipes, fuel pipes, inlet pipes and pipe joints, and breaking foreign monopoly.

Innovative translucent bumper materials

Orinko created innovative translucence bumper materials, which feature high light transmittance, excellent light diffusion, stable dimensions and high weather resistance, delivering to customers intelligent and tech-infused products.

High-gloss black PMMA alloy

Orinko completed the 3500kJ ageing certification and was included in the SAIC General Motors system, designated for the development of exterior trim panels of pillars, grilles and other components of all vehicle models.

Innovative materials for home appliances

Focusing on intelligence, premium quality, segmentation, energy conservation & environmental protection, health and safety, and home aesthetics, Orinko keeps advancing product innovation and upgrading, and provides integrated material solutions for home appliances in the whole house.



Thermoplastic powder coatings for dishwasher baskets

In the field of basket powder, Orinko independently developed the resin and powder grinding technology, which precisely matches the dip moulding process, enables replacement of imported products and takes the lead in the domestic market.

Spray-free materials

From mould flow analysis to customization of colour effects, and from materials to processes, Orinko delivers domestically leading green and low-carbon spray-free materials for home appliances.

Renewable materials

Orinko provides renewable and low-carbon PP, ABS and PC material series across the ecosystem, empowering customers to achieve the goal of reducing carbon emissions from products.

The first refrigerant-resistant PBT material at home

Orinko passed the long-term refrigerant immersion and precipitation test, as well as relevant GMCC tests, breaking the monopoly of imported materials on the customer side.

Innovative materials for new markets

Focusing on light weight, low density, chemical corrosion resistance, and weather resistance, Orinko continuously develops novel and unique formulations and processes, providing innovative materials for new markets such as engineering materials, consumer electronics, and new energy.



Halogen-free flame-retardant nylon

The highly heat-resistant alloy technology solves the problems related to precipitation, corrosion and moulding appearance of existing products, guaranteeing safe connections in the new energy field.

PC and alloy materials

With the UL746C F1 certification, the materials for outdoor applications feature an RTI of 120°C and excellent low-temperature resistance performance (-50°C). They are applied in areas like communication radomes, connectors, charging guns, and batteries, etc.

Dielectric PPE materials

Orinko is the only manufacturer in China that can stably supply the whole series of low-loss PPE materials with a dielectric constant ranging from 2.6 to 9.0, and has been recognised by multiple communication equipment manufacturers.

Integrated high-temperature nylon materials

Orinko integrated the high-temperature nylon synthesis and modification industrial chain, achieving breakthroughs in areas such as new energy, consumer electronics, and LED display, with products leading in the domestic market.

Lithium-ion battery separator materials

Orinko continuously advances implementation of the lithium-ion battery wet-process separator project, speeds up production of wet-process separators with stable quality and excellent performance, focuses on achieving breakthroughs in the lithium-ion battery market, and strives to become a supplier of new energy materials that can produce a range of functional separators.



Domestic production line

Orinko independently designed the first fully domestic 6.5-meter-wide finished product production line in China, demonstrating full mastery over production line iteration and upgrade technologies.

Aramid fibre coating materials

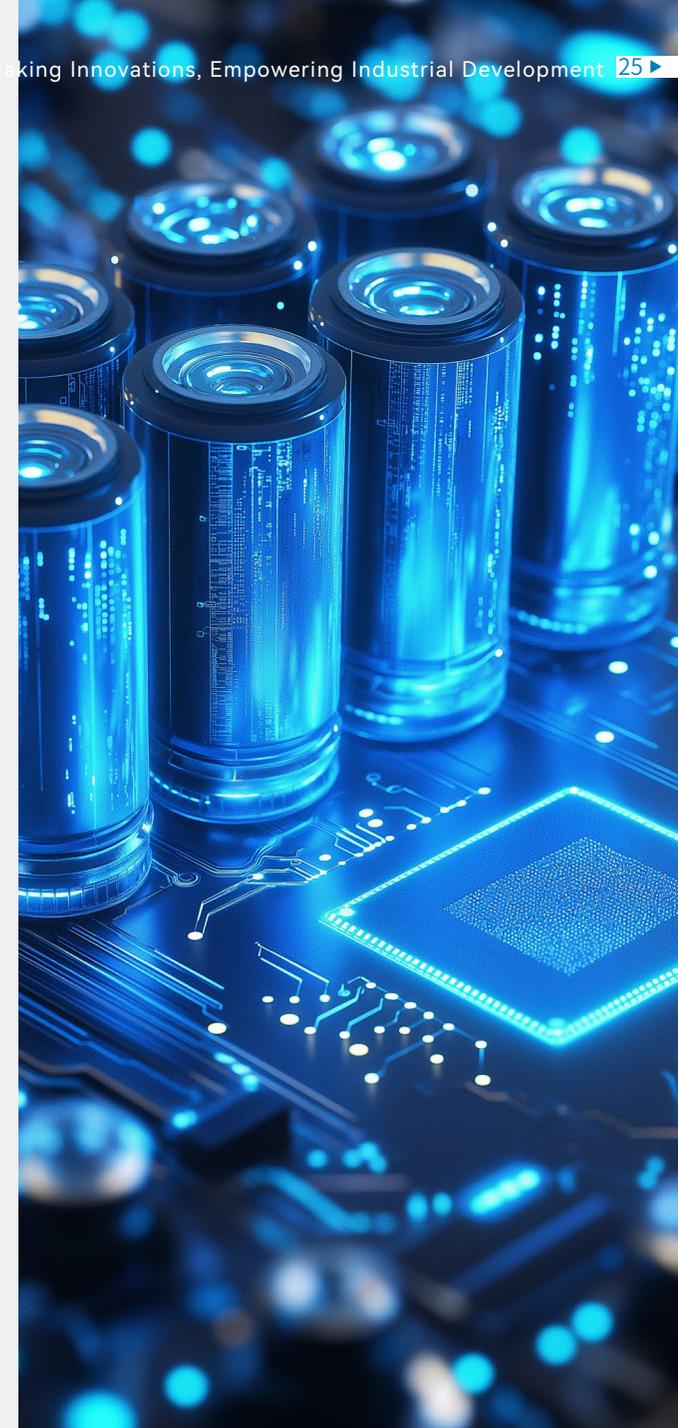
Orinko independently developed the polymerization and coating technology for para-aramid fibre. The product features high temperature resistance (with a film-breaking temperature of over 350°C), low specific gravity, oxidation resistance, and sound wettability, improving the energy density and safety performance of batteries.

Online coating process

Orinko independently designed the online coating equipment, which achieves integrated production, shortens the production cycle and boosts production efficiency.

High-temperature resistant ceramic coated separator

Based on the conventional ceramic formulation, Orinko improved the heat-resistant performance of heat-sensitive auxiliary materials, and increased the product's heat resistance temperature by another 20-50°C.



Intellectual Property Protection

Since its establishment, Orinko has viewed intellectual property protection as a major strategy guiding its development. The Company has continuously improved the intellectual property management system, refined intellectual property management policies, and enhanced the capabilities in creating, applying, protecting and managing intellectual properties, to provide strong support for its innovation and development.



Building of the Intellectual Property Management System

Orinko has established a special department for intellectual property management, as well as dedicated IP management positions, including the director of intellectual property and intellectual property management specialists, to take full charge of the application for and management of the Company's intellectual property rights such as patents, trademarks, software copyrights. The Company has formulated and improved a series of intellectual property management policies, including the *Patent Management Measures*, to specify the creation, application, protection and management of intellectual properties, and put in place a long-term management mechanism, to ensure the orderly advancement of intellectual property related work.

Intellectual Property Creation and Quality Improvement

The Company highlights intellectual property motivation and the building of an innovation culture. In accordance with the *Patent Management Measures* and relevant national regulations, it gives commendations and awards to the employees who complete inventions, creating a sound atmosphere for independent innovation. Meanwhile, the Company has in place a classified and tiered system for patent protection, and implements scientific, tiered and classified protection of patents in compliance with the *Measures for the Tiered and Classified Management of Patents*, refining management of patents and enhancing the quality and values of patents.

International Deployment of Intellectual Properties

Orinko actively expands international markets, having applied for one patent through the Patent Cooperation Treaty (PCT) system, and applied for and been granted three registered trademarks through the Madrid trademark registration system, which further enhances its capability in deploying intellectual properties worldwide. Also, the Company actively engages in the formulation of international standards, which amplifies its influence and voice in the global industry.

Intellectual Property Achievements and Honours

For its remarkable achievements in the intellectual property field, Orinko was granted many honours at the state or local level. The Company was recognised as a "National Intellectual Property Demonstration Enterprise", honoured the "China Outstanding Patent Award" and "Anhui Patent Silver Award", and named as an "Intellectual Property Demonstration Enterprise of Guangdong Province" and an "Intellectual Property Competitive Enterprise of Chongqing", among others. In addition, the Company also won local honours including the "Patent Intensive Product of Hefei", "Patent Navigation Project of Hefei", and "High-Value Patent Cultivation Project of Hefei", which further consolidated its technological leadership in the industry.

Intellectual Property Statistics and Standards Formulation

As of the end of 2024, Orinko was authorised 382 intellectual property rights, including 274 patents, on a cumulative basis, a testimony of the Company's strong capabilities in technological innovation. The Company is also an active participant in the formulation of standards, engaging in the development/revision of 26 national standards, two industrial standards, and four group standards, and contributing to the technological progress of the industry.



03 Maintaining Steady Growth, Upholding Value Creation



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Product Quality and Safety

Product Quality System Development

Orinko has obtained certifications for ISO 9001, ISO/IEC 17025, and IATF 16949 quality management systems. Adhering to the requirements of these systems, it implements comprehensive quality management, ensuring meticulous control over product safety and quality from product initiation and design to production and sales. Additionally, a full set of production management measures has been established to control all factors during production, ensuring product quality and delivery meet customer expectations. To efficiently satisfy customer needs, the Company has set up an internal laboratory accredited as a National Enterprise Technology Center and a CNAS-accredited laboratory, providing comprehensive product and application technology services to customers.

System Standards



- ISO 9001:2015 Quality Management System
- IATF 16949:2016 Automotive Quality Management System
- ISO 45001:2018 Occupational Health and Safety Management System
- ISO 14001:2015 Environmental Management System
- IECQ QC 080000:2017 Hazardous Substance Process Management System
- Intellectual Property Management System

Laboratory Accreditations



- National ISO/IEC 17025 accredited laboratory
- Laboratory accreditation by SAIC Motor, Ford, BYD, JAC Motors, FAW-Volkswagen, and others
- Joint laboratory established with Guangzhou Institute of Chemistry, Chinese Academy of Sciences



Hardware Facilities

Leading quality inspection and R&D equipment, and advanced and customized production equipment



● Eight major performance testing equipment



Product Quality Policy

Orinko has established the Quality Management Manual and adheres to the quality policy of "putting quality first, making continuous improvement, and providing stable products and satisfactory services to customers".

Orinko's Commitments:



Quality First

Orinko regards quality as its life and always puts quality first, with continuous efforts to improve product and service quality.



Customer-Oriented

Orinko is customer-centric, responding to customer requirements quickly and effectively, and continuously improving customer satisfaction.



Zero Defects

Do things right the first time. The Company does not accept non-conformance, produce non-conforming products, or allow non-conformance to pass through.



Full Employee Participation

All employees are involved in continuous improvement and the Company's quality culture building to ensure the effectiveness of the quality management system.

Orinko enhances product quality from the following four dimensions:

Improve quality management processes

Orinko has developed processes such as the *New Product Development Management Process*, the *Change Management Process*, the *Unqualified Product Management Process*, the *Incoming Material Inspection Management Process*, the *Production Process Inspection Management Process*, and the *Product Delivery Inspection Management Process*, covering quality management throughout the entire product lifecycle.

Strengthen quality performance management

Orinko has developed the *Quality Performance Management Measures*, quantifying quality objectives and conducting regular assessments and feedback.

Promote standardized management

Orinko actively promotes standardized management, including raw material standardization, process standardization, measurement system standardization, and product development process standardization.

Customer-oriented

Orinko gains deep insights into customer needs, actively promotes continuous improvement, and continuously enhances the ability to meet customer requirements.

The Company's quality policy defines continuous improvement as the driving force for constantly enhancing the ability to meet customer requirements. As a key priority of Orinko's quality culture, continuous improvement has been embedded into the top-level design logic of the Company's quality strategy.

Product Traceability Management

Orinko promotes product traceability management with digital transformation as the core driver. It has achieved a leap in end-to-end supply chain traceability through technological upgrades, process restructuring, and ecosystem collaboration, building an efficient and transparent technological foundation for quality control, risk response, and customer trust.

► On the technical front

Orinko has fully implemented a digital traceability platform, connecting the entire lifecycle data chain from raw material procurement, production and processing, warehousing and logistics to end customers. This enables precise management through "one item, one code", with traceability granularity refined to the single-piece or batch level. The real-time data collection rate has improved to 98%, and key node information is uploaded to the blockchain to ensure data integrity and full-process reliability. System response speed has been significantly optimized, reducing the average traceability time for quality issues from 2 hours to 3 minutes, with a 100% accuracy rate in identifying affected batches.

► On the application front

The traceability system has expanded its coverage from core products to the entire product line and 180 suppliers, and achieved deep integration with the PDM, SCRM, ERP, and MES systems, facilitating quality collaboration across the supply chain. To meet customer demands, Orinko has developed a mobile visual traceability interface, which allows customers to instantly access over 20 key pieces of information, including product inspection reports, process parameters, and logistics tracking, simply by scanning QR codes. This has led to a 50% year-on-year reduction in process handling time and a 97% customer satisfaction rate for traceability inquiries. Additionally, traceability data is used to inform and improve R&D and production, helping to identify and optimize 15 process bottlenecks, which contributed to a 1.2% reduction in product defect rate.

In the future, Orinko will further integrate the traceability system with various scenarios and explore a "quality - environment - social responsibility" integrated traceability system, continuously setting the industry benchmark through transparency and digital capabilities.

Reduction in process handling time

50%

Customer satisfaction rate for traceability inquiries

97%

Reduction in product defect rate

1.2%

Nonconforming Product Control and Management

The Company has formulated procedures such as the *Incoming Material Inspection Management Process*, the *Production Process Inspection Management Process*, and the *Product Delivery Inspection Management Process* to ensure strict quality verification for raw materials, processes, and finished goods. Leveraging digital intelligent systems, it has realized the preloading of quality standards and automatic judgment, ensuring the reliability of product quality. For in-process quality control, methods such as first inspection, in-process inspection, and final inspection are appropriately applied based on product characteristics. Statistical knowledge and tools are utilized to effectively detect and reduce process variation.

For any nonconforming product identified during raw material, in-process, or finished product inspections, the Company follows the *Unqualified Product Management Process* to isolate, label, and lock the items in the system. Meanwhile, a nonconforming product review process is triggered, where team members jointly assess the quality risks of the nonconforming product and provide appropriate handling recommendations from the perspective of customer requirements.

Product Quality Enhancement Initiatives

In 2024, Orinko's quality management efforts achieved breakthrough progress in comprehensive quality systematization, digitalization, and company-wide lean activities, comprehensively supporting the enhancement of product competitiveness and customer satisfaction. Through systematic optimization and innovation, the quality management system transitioned from traditional "post-error correction" to a "prevention-first, full-process control" model, leading to significant improvements in core indicators. Specifically:

 System Optimization and Risk Control	 Process Control and Efficiency Improvement	 Customer-Oriented and Continuous Improvement
<p>Standardization development:</p> <p>The Company reviewed and optimized 32 quality control processes covering R&D, procurement, production, and logistics, closing management gaps in high-risk areas. As a result, the coverage rate of Process Failure Mode and Effects Analysis (PFMEA) increased from 75% to 95%.</p> <p>Risk prevention and control:</p> <p>A three-level "red-yellow-green" quality early warning mechanism has been established, intercepting 28 potential major quality risks over the year and achieving the goal of zero major quality incidents.</p>	<p>Digital empowerment:</p> <p>By introducing the QMS system, key process inspection efficiency improved by 50%, defect miss rate dropped to 0.02%, full-chain traceability response time compressed to 3 minutes, and issue location accuracy reached 100%.</p> <p>Breakthrough in first-time pass rate:</p> <p>Through real-time monitoring with SPC (Statistical Process Control) and process parameter optimization, the first-time pass rate of core products rose from 98.2% to 99.6%, reaching an industry-leading level.</p> <p>Supply chain collaboration:</p> <p>Leveraging the SRM system, the Company collaborated with suppliers to build a comprehensive quality system. The pass rate of incoming material batches increased by 5%, and production abnormalities caused by raw materials were reduced by 80%.</p>	<p>Complaint closed-loop management:</p> <p>A customer quality interaction platform has been launched, enabling full digitalization of the "complaint - analysis - correction - feedback" process. The average handling time was reduced from 7 days to 48 hours, the customer complaint rate dropped by 65% year-on-year, and the recurrence rate of repeat issues reduced to below 3%.</p> <p>Full employee participation:</p> <p>A series of "Lean Improvement" activities were conducted, with 800 employees trained and 256 improvement proposals accepted, directly contributing to cost savings of RMB 22.7 million.</p>

In the future, Orinko will deepen its "comprehensive quality system" strategy, focusing on zero-defect management and quality chain construction. It will continue to drive quality upgrades through technological innovation, providing higher-value products and services to global customers.

Supply Chain Management

Supplier Management

To continuously optimize and improve supplier management, Orinko has built systems such as SRM, QMS, and MIP to implement lifecycle management of suppliers. It closely monitors suppliers' quality and non-quality system development, mobilizes resources to empower them, and enhances supply chain efficiency and flexibility, ensuring stable production. Meanwhile, the Company collaborates with suppliers in technological innovation to deliver satisfying products and services to customers.

Orinko has developed a series of digital intelligent management models to achieve dynamic management of suppliers from onboarding to process management and exit. Based on category management needs, the Company has formulated differentiated supplier onboarding rules and daily management models, supplemented by an exit mechanism that promotes the survival of the fittest among supply resources, thereby realizing visualized and transparent management of operations.

Supplier Assessment and Performance Evaluation

To strengthen dynamic management of suppliers, the Company has formulated and implemented the *Supplier Performance Evaluation Management Measures*, conducting performance assessments of raw material suppliers. This promotes comprehensive improvements in supplier capabilities and efficiency across four key dimensions: product quality, delivery performance, pricing, and service level, ultimately ensuring the delivery of satisfying products and services to Orinko's customers.

The Company's supply chain center organizes monthly supplier performance evaluations in collaboration with the quality, planning, and finance departments. Evaluation results are categorized as Green+, Green, Yellow, or Red, representing Excellent, Good, Average, and Poor, respectively, encouraging continuous improvements in supplier quality and management and ensuring stable production.



New Supplier Onboarding

The Company develops and onboards new suppliers in accordance with the *New Supplier Development and Introduction Management Measures*. Suppliers that meet the requirements are included in the List of Qualified Suppliers. The principles for evaluating qualified suppliers are as follows:

- Quality

Pass ISO 9001 certification or pass a second-party audit, with the audit methodology aligned with process audit requirements;

Pass the on-site audit of its quality capability and achieve a rating of B level or above.
- Cost

Meet the Company's gross margin and payment term requirements.
- Delivery

Deliver goods within the specified time (excluding uncontrollable factors), ensuring that the Company can supply finished products to customers without interruption.
- Service

Meet rapid response requirements, i.e. arranging dedicated personnel within 24 hours when required.

Execute purchase contracts and technical agreements (incorporate technical standards as an annex to the quality assurance agreement, with the same effect as the technical agreement), as well as quality assurance agreements (including quality objectives for the year).
- Environment and occupational health

Suppliers certified under ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System, and IECQ QC080000 Hazardous Substance Process Management System will receive bonus points and be given priority among suppliers of the same grade.

Supplier Audits

Supplier audits include onboarding audits for new suppliers and annual audits for existing ones.

Onboarding Audits for New Suppliers

In accordance with the *New Supplier Development and Introduction Management Measures*, Orinko conducts on-site audits of new suppliers, covering production workshops, DCS system, R&D management, laboratory center, fire safety acceptance, warehouses, and logistics and transportation. For any issues identified during the audit, the Company collaborates with the suppliers to review them and formulate systematic improvement measures.

Annual Audits

Following the *Supplier Control Procedure*, the Company conducts on-site audits of existing suppliers. A score of 80 or above is required to qualify as a qualified supplier. For any product or operational system-related issues identified during the audit, the Company collaborates with the suppliers to revise system documents, optimize rules and regulations, and introduce new specifications, ensuring that 100% of the identified issues are properly addressed.

Case 2024 Supplier Conference

Orinko held its 2024 Supplier Conference on January 19, 2025, in Hefei, Anhui Province. Company executives, department heads, and representatives from 129 core suppliers attended the event. During the conference, Mr. Li Jianyi, Chairman of Orinko, emphasized the importance of creating value for customers together with suppliers and highlighted the need to build a healthy ecosystem. His speech covered topics such as establishing strategic partnerships, promoting joint innovation, fostering positive competition, and quickly seizing opportunities. He also stressed the critical role of product and technological innovation, as well as Orinko's exploration and practices in digital transformation.

Five awards were presented at the conference: the Best Growth Award, the Outstanding Supplier Award, the Excellence in Quality Award, the Technological Innovation Award, and the Gold Strategic Supplier Award, recognizing the contributions of outstanding suppliers. In addition, a session was held to reinforce integrity awareness among suppliers and employees. In 2024, Orinko strengthened its collaboration with leading companies such as Midea, achieving significant business growth. Looking ahead, the Company will continue to focus on the automotive, home appliance, and consumer electronics sectors while expanding into emerging industries such as smart home, low-altitude economy, and robotics. Orinko will further deepen cooperation with new energy vehicle manufacturers to meet customers' evolving requirements for material performance, while continuing to deliver high-quality, reliable products and services to home appliance customers.



Customer Service

Building Customer Service Capabilities

Orinko is committed to providing customers with comprehensive service experience:



In-depth technical support

Full lifecycle technical service assurance, from mold trials to mass production and after-sales support.



End-to-end satisfaction of customer requirements

Serving 1000+ customers, the Company deeply understands their pain points and offers professional solutions.



Fast response mechanism

The Company offers 24/7 quick response to customer demands.



Strategic collaboration and sharing

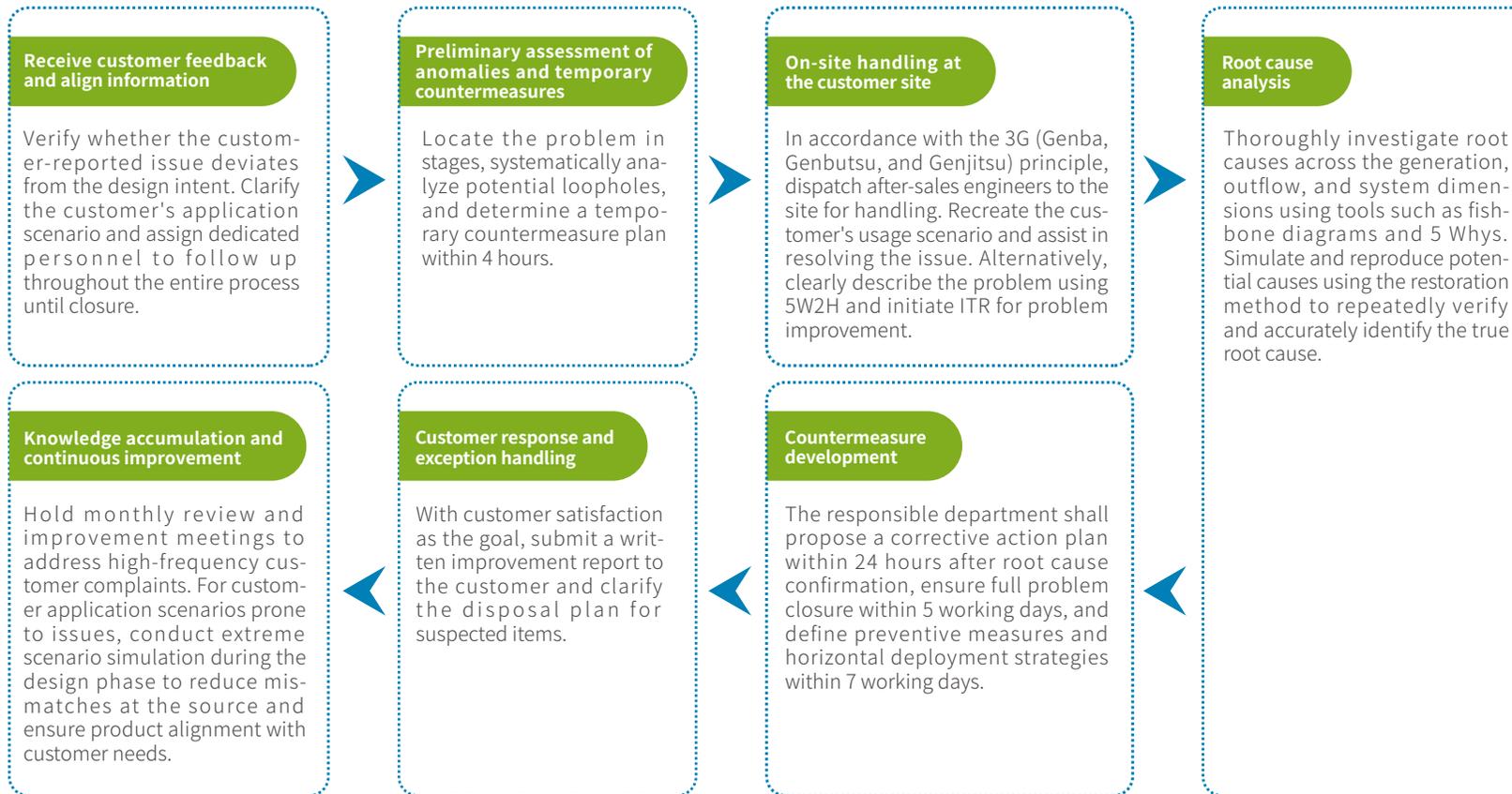
Orinko conducts regular follow-up visits and technical exchanges to co-build a collaborative innovation ecosystem.



After-sales Service

Orinko has formulated a series of management measures, including the *Customer Complaint Management Measures*, and established a CRM-based complaint handling process, ensuring full-process follow-up and closed-loop management from complaint initiation to process tracking, root cause analysis and corrective action.

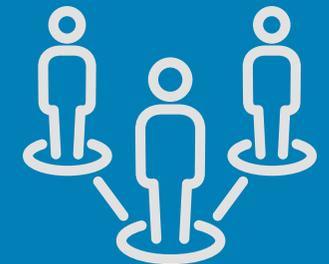
After-sales services primarily focus on handling customer complaints, with the specific process outlined as follows:



Customer Satisfaction Survey

In 2024, Orinko conducted a customer satisfaction survey targeting strategic and key customers across business lines such as automotive, smart home, and structural functionalities. The survey covered aspects including quality, delivery, service, product innovation, brand value, and international expansion at the customer end. Survey results showed improvements across all dimensions compared to 2023.

The Company developed a comprehensive improvement plan, which included collecting customer feedback on anomalies, compiling feedback summary reports, conducting on-site customer visits, and implementing special improvement initiatives, with clearly defined deadlines and responsible persons for each task, all aimed at further enhancing customer satisfaction.



04 Ensuring Integrity and Transparency, Practising Normative Governance

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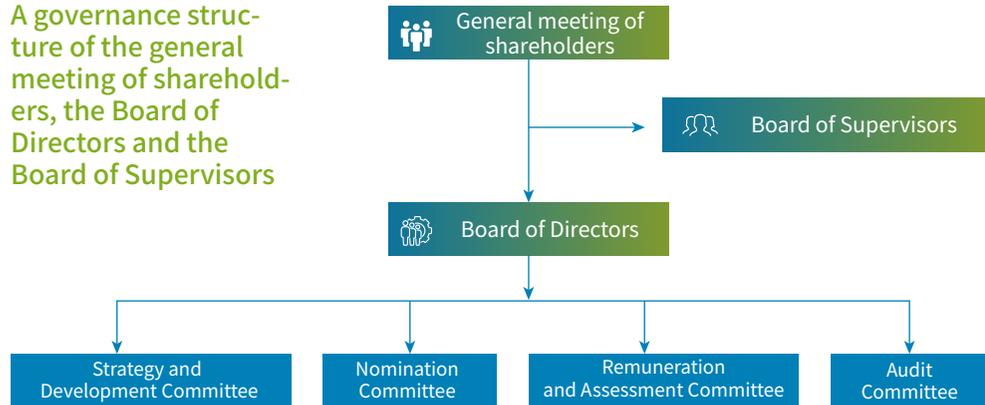
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Governance System of the Listed Company

In accordance with the requirements of the *Company Law of the People's Republic of China* (hereinafter referred to as the "*Company Law*"), the *Securities Law of the People's Republic of China* (hereinafter referred to as the "*Securities Law*"), the *Rules Governing the Listing of Stocks on the STAR Market of the Shanghai Stock Exchange*, and other relevant laws and regulations, Orinko Advanced Plastics Co., Ltd. continues to improve the corporate governance structure, ensuring its standardized operation. The summoning, convening and voting procedures of the Company's general meetings of shareholders and meetings of the Board of Directors and the Board of Supervisors comply with the provisions of relevant laws and regulations, and all relevant members perform their respective rights and obligations in strict accordance with relevant laws and regulations. The Company makes all major decisions on production and operation, investment and finance according to the procedures and rules set forth in the *Articles of Association* and relevant internal control systems. During the Reporting Period, we recorded good and independent practice, and standardized information disclosure, with actual conditions of corporate governance in line with the requirements of normative documents on corporate governance of the listed company.

A governance structure of the general meeting of shareholders, the Board of Directors and the Board of Supervisors



In 2024, the Company held a total of four general meetings of shareholders, nine meetings of the Board of Directors, nine meetings of special committees and eight meetings of the Board of Supervisors.

About the general meeting of shareholders

The general meeting of shareholders is the highest power body of the Company. The summoning, proposals, convening, voting, resolutions and meeting minutes of the general meeting of shareholders comply with the requirements of relevant laws, regulations, normative documents, the *Articles of Association and the Rules of Procedure for Shareholders' Meeting*. The Company appoints the lawyer to attend and witness the meeting and issue the legal opinion, which further guarantees the legality and validity of the meeting, ensures that all shareholders enjoy equal status and fully exercise their rights, and safeguards the rights and interests of minority shareholders.

About the Board of Directors

The Board of Directors is the decision-making body of the Company. The summoning, proposals, convening, voting, resolutions and meeting minutes of the meeting of the Board of Directors comply with the provisions of relevant laws, regulations, normative documents, the *Articles of Association* and other relevant systems. All directors of the Company perform their duties and obligations in a faithful, diligent and prudent manner, maintain timely and ongoing oversight of the Company's operation and management, fully discuss various proposals at meetings, give careful deliberations and make scientific decisions, with no violations of laws or regulations or harm to the interests of the Company and its shareholders, especially those of minority shareholders.

About the Board of Supervisors

The Board of Supervisors is the supervisory body of the Company. The summoning, proposals, convening, voting, resolutions and meeting minutes of the meeting of the Board of Supervisors comply with the provisions of relevant laws, regulations, normative documents, the *Articles of Association* and other relevant systems. All supervisors perform the duties entrusted by all shareholders, diligently and dutifully supervise the Company's financial conditions and the legality and compliance of directors and senior executives in performing their duties, oversee and express opinions on major events, related party transactions and financial conditions of the Company, and safeguard the legitimate rights and interests of the Company and its shareholders.

About special committees

The Company's Board of Directors has four special committees, namely the Audit Committee, the Remuneration and Assessment Committee, the Strategy and Development Committee, and the Nomination Committee, which were accountable to the Board of Directors. The composition of all special committees complies with the requirements of relevant laws and regulations as well as the *Articles of Association*. In the principle of diligence and dutifulness, all members of special committees conscientiously perform their duties, attend the meetings in person, without entrusting attendance or absence, and put forward many valuable professional opinions on the Company's system improvement and decisions on daily operations, playing their due roles in enhancing the Company's supervision mechanisms and safeguarding the legitimate rights and interests of the Company and its shareholders.

Construction of the Board of Directors

The Company fully considers the age, gender, professional background, industrial experience and other factors of board members to optimize and diversify the composition of the Board of Directors.

As of 31 December 2024, the Company had a total of seven directors, of which three were external independent directors, accounting for 42.86%, and four were non-independent directors, taking up 57.14%. The current board members had professional competence in multiple fields, such as industries, finance, law, accounting and human resource management, with abundant industry experience.



The Company had a total of seven directors

7

Number of external independent directors

3

Proportion

42.86%

Number of non-independent directors

4

Proportion

57.14%

Communication with stakeholders (investors)

The Company continues to improve the investor relations management, arranges special personnel to take charge of relevant matters, and provides multiple communication modes, such as SSE E-interactive, on-site surveys by investors, investor hotline, performance presentation and announcement disclosure, carefully listening to the opinions and suggestions of investors on the Company's production, operation and strategic development.

Timely reply on SSE E-interactive

On the SSE E-interactive platform, the Company timely answered a total of 68 questions from investors in 2024;

Reception of investors in on-site surveys

The Company receives institutions and individual investors in on-site surveys, and provides investors with opportunities to gain a deeper understanding of the Company's operation and development;

Call answering of the investor hotline

The Company arranges special personnel to answer calls through the investor hotline, so that investors can obtain necessary information in a timely manner;

Regular performance presentations

In 2024, the Company held three presentations (Orinko 2023 Annual and 2024 First Quarterly Performance Presentation, Orinko 2024 Semi-annual Collective New Material Performance Presentation, and Orinko 2024 Third Quarterly Performance Presentation).



Compliance Information Disclosure

In accordance with relevant provisions of the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Administrative Measures for Information Disclosure of Listed Companies* and the *Articles of Association*, the Company formulates a series of management systems including the *Information Disclosure System*, to further strengthen the management of the Company's information disclosure affairs, fulfil information disclosure obligations in a truthful, accurate, complete and timely manner, improve the Company's information disclosure management level and information disclosure quality, and safeguard the rights and interests of investors.

According to the *Information Disclosure Management System*, the Company's directors, supervisors and senior executives faithfully and diligently perform their duties, ensuring that the Company discloses information in a truthful, accurate, complete, timely and fair manner. In addition to information disclosed as required by mandatory regulations, we also actively and timely disclose information that may have a substantial impact on the decisions of shareholders and other stakeholders, and ensure that all shareholders have equal opportunities to obtain information, without disclosing or leaking information to individual or partial investors. The Company discloses various key information in a complete, timely and accurate manner, so that public investors have a deep understanding of the Company's operation status, financial health, progress of major events, existing risks and future development potential. Its information disclosure not only effectively safeguards the right to know of all investors, especially small and medium-sized investors, but also provides reliable references for their investment decisions, thereby guiding investors to make more wise and rational choices.

In 2024, the Company issued a total of four regular announcements and 76 temporary announcements to the public.



Number of regular announcements

4

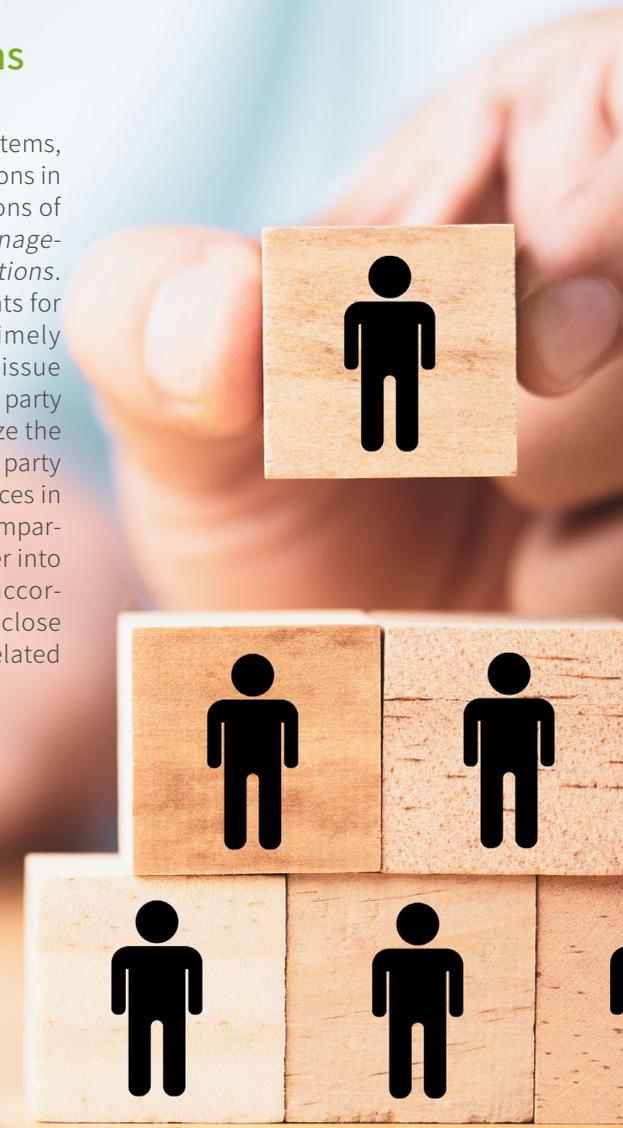


Number of temporary announcements

76

Related party transactions

Orinko improves its internal control systems, and standardizes related party transactions in strict accordance with relevant provisions of the *Articles of Association and the Management System for Related Party Transactions*. The Company signs relevant agreements for new related party transactions in a timely manner, while independent directors issue independent opinion letters on relevant party transactions. We continue to standardize the decision-making procedures for related party transactions, determine transaction prices in the principles of justice, openness and impartiality, follow legal procedures and enter into relevant agreements or contracts in accordance with regulations, and timely disclose information, ensuring the fairness of related party transactions.



Internal Audit

In 2024, the Company conducted audits on four main business processes, namely sales and collection management, production and warehousing management, procurement and payment management, and expense management for Orinko and its branches and subsidiaries as follows:



Sales and collection audit

The sales and collection audit mainly evaluates the design effectiveness of internal control systems in the sales process and the rigor of the execution process, making the Company's overall sales activities controllable. The audit covers such process nodes as sales order management, sales process control, customer management, shipment and income confirmation and leased warehouses. According to the audit results, the internal control management of the sales and collection process is controllable in general.



Production and warehousing audit

The production and warehousing audit mainly evaluates the design effectiveness of internal control systems in the production and warehousing process of domestic modified material factories and the rigor of the execution process, making the Company's overall production and warehousing activities controllable. The audit covers such process nodes as production planning management, production process management, quality management, warehousing management and asset management. According to the audit results, the internal control management of the production and warehousing process is controllable in general.



Purchase and payment audit

The purchase and payment audit mainly evaluates all purchase activities on the supply chain purchase platform. The audit covers such process nodes as purchase plan management, purchase order management, payment approval management, contract execution management and supplier management. According to the audit results, the internal control management of the purchase and payment process is controllable in general.



Expense audit

The expense audit mainly evaluates the implementation of expense control policy and the compliance of expense reimbursement procedures in the expense reimbursement and accounting process, making the Company's expense management transparent and effective. The audit covers such process nodes as expense budget preparation, expense reimbursement approval, expense accounting and travel expense management. According to the audit results, the internal control management of the expense process is controllable in general.

Business Ethics

Orinko commits to creating a clean, transparent and efficient corporate environment, laying a solid foundation for the Company's sustainable development.

Construction of anti-fraud system

To prevent fraud risks and safeguard the legitimate rights and interests of the Company and its shareholders, Orinko released the *Anti-Fraud Management System* in January 2024, aiming to standardize anti-fraud efforts of Orinko and its subsidiaries, creating a clean and self-disciplined corporate culture environment.

The *Anti-Fraud Management System* requires establishing an anti-fraud work execution group responsible for organizing fraud risk self-assessment, risk prevention and training for all departments. The group is also responsible for accepting fraud reports, investigating cases, compiling reports, and reporting the cases according to established procedures.

Construction of anti-fraud culture

To create a clean, honest and self-disciplined cultural environment, the Company holds various forms of publicity and promotion activities:



The Company's directors, supervisors and senior executives take the lead in complying with the Company's various systems through practical actions, and uphold honest and righteous professional ethics, setting good examples;



The corporate culture of "anti-corruption and integrity" is promoted in various forms, including but not limited to employee manual, website and posters;



New employees are required to take the anti-fraud management system training and the exam;



Illegal, unethical and dishonest behaviours can be reported through multiple channels, with protective measures for informants.

Anti-fraud measures in internal control systems

The Company assesses fraud risks, establishes internal control systems, and strengthens daily business management and supervision to reduce the possibility of frauds. The main measures are as follows:

Construction of internal control systems

Internal control systems are established and improved for various businesses to conduct closed-loop management over systems and processes, plugging vulnerabilities and preventing frauds.

Separation of incompatible duties

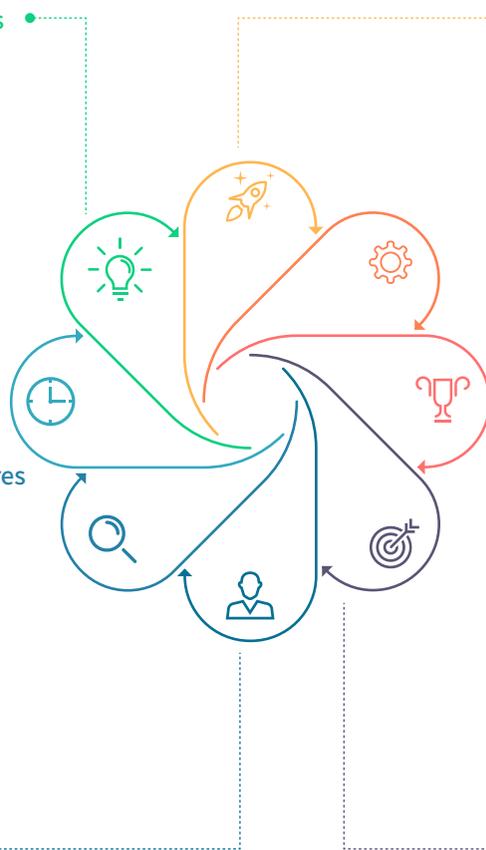
With "internal check" at the core, each economic transaction must be handled by two or more departments or personnel, forming supervision and check mechanisms for each other.

Authorized review and approval measures

The *Decentralization Manual* is regularly revised to strictly review and approve all business activities of the Company.

Intellectual property protection

Its intellectual property protection measures focus on the protection of business secrets and anti-unfair competition in accordance with the *Administrative Regulations for Cultural Publicity, Software Use and Intellectual Property Applications*.



Declaration of interest conflicts

An interest conflict declaration mechanism is established to enable employees to promptly and truthfully declare existing or potential interest conflict information of their own and their specific related parties.

Honesty and self-discipline agreement

The Company organizes internal employees to sign the *Honesty and Self-discipline Agreement*, and requires suppliers to sign the *Honest Cooperation Agreement* and other relevant agreements that need to be signed.

Reporting and investigation measures

A fraud reporting hotline is set to ensure timely and effective information transmission, with a promise to protect the privacy of reporting units and informants.

Punishment measures

Once frauds are confirmed, corresponding punishments will be imposed immediately.

Reporting channels and informant protection

The Company sets up a special hotline, email address and mailbox for reporting and promises to keep the reporting units, informants and the report contents strictly confidential.

Reporting Channels

Telephone:
18355099271

Email:
audit@orinko.com.cn

Address:
Audit and Legal Service Centre in the Office Building at the northwest corner of the intersection of Changning Avenue and Ningxi Road, Baiyan Industrial Park, Hefei High-tech Zone

Informant Protection

The Company prohibits any organizations or individuals from unlawful discrimination or retaliation against personnel participating in the investigations. Anyone who illegally discloses the informant's information or retaliates against the informant will be given punishments, such as warning or a dismissal, according to the seriousness of the cases. Those who violate the laws will be transferred to judicial authorities for legal proceedings in accordance with the laws.

Information Security

Orinko has a specialized position of Information Security Engineer responsible for information security and data privacy protection. The Company develops a series of management systems, such as the "Information Security Management Measures and the Data Centre Management Measures, and carries out security protection work in five aspects, namely networks, host computers, applications, data and operations. The specific implementation is as follows:

Network



Firewall deployment

Efficient firewalls are deployed at the Company's network boundaries to monitor and filter network traffic in real time, and intercept malicious attacks and unauthorized access, ensuring security of internal systems and data.

Internet behaviour management

Efforts are made to manage employees' Internet behaviours and standardize network use, preventing information leakage or security incidents caused by improper behaviours.

Sangfor VPN for remote access control

A safe remote access channel is built via VPN to restrict access to internal networks, ensure the security of remote access, and effectively prevent information leakage.

Host computer



Protection by antivirus software

Antivirus software is installed on terminals and servers, and virus databases are upgraded and updated promptly to effectively identify and remove malicious software, preventing virus and malicious software intrusion.

Desktop protection system and watermarks

The desktop protection system is deployed, and desktop watermarks are set to prevent illegal replication or dissemination of content on the screen, further protecting confidential information.

Domain controller management and password strategy

In the domain controller management, terminal password complexity and 5-minute lock screen are set to enhance account security and prevent illegal login and operations.

Disposal of scrapped information assets

After irreversible destruction, scrapped information assets are uniformly scrapped to prevent recovery of data in the scrapped equipment and avoid data leakage.

Application



Vulnerability scanning and remediation

Vulnerability scanning devices are imported to conduct regular security checks on applications to promptly identify and rectify non-compliant applications and eliminate security hazards.

Revocation of departing employees' access permission

The application system access permission of departing employees is revoked promptly according to the demission process to prevent permission abuse or information leakage.

Unified identity authentication and permission control

A unified identity authentication system is imported to control the access permission of various business systems, so that users can only access the resources they require for their work, which improves security and controllability of systems.

Data



Data backup strategy

Important system databases are fully backed up once a day. Business application data is incrementally backed up every day, and fully backed up every seven days to ensure data integrity and availability, and enhance the data disaster resistance capability.

Data storage security

Professional data backup software is used to store the backup data on a safe and reliable data backup storage server to ensure security and reliability of the backup data.

Operation



Industry vulnerability intelligence monitoring and handling

Security engineers conduct internal verification and disposal for industry vulnerability intelligence in a timely manner, preventing the Company's systems and applications from threats from known vulnerabilities.

Monitoring of security log alerts

Relevant security log alerts are monitored to promptly detect and handle security incidents, so that security incidents can be responded to and resolved quickly.

Virus handling and incident investigation

After discovery, viruses and other security threats are handled immediately and investigated in a closed-loop management model to prevent recurrence of similar incidents.



Digital Construction

Orinko upholds a digital intelligent construction strategy covering the whole business process, and builds digital intelligent factories. The specific achievements and progress are as follows:



Manufacturing platform construction

The Company establishes a unified manufacturing management platform to gradually integrate production, warehousing and logistics systems in a centralized management model and significantly improve production efficiency and management accuracy through functions, such as work order tasks, material error proofing, output reporting, and historical traceability.



Warehousing management optimization

The Company builds a unified inventory management platform, enabling precision management and efficient operation of inventories through features, such as purchase arrival, inventory transfer, outbound shipment and storage location statement. Meanwhile, warehousing efficiency is further optimized through pull production, reduced workshop inventories and precise storage location management.



Logistics management enhancement

The Company develops a unified shipment and in-transit monitoring platform for overall visual management over the logistics process through functions, such as arrival scheduling, in-transit monitoring, automated charging and order visualization, significantly improving control capability and efficiency in the delivery process.



Visual management of factories

The Company achieves data-driven intelligent visual operation at its benchmark factory in Hefei. A big data centre is composed of three major areas, namely the visitor passage area, the on-site operation area and the on-site command meeting area, involving eight modules, i.e. general management, production, quality control, warehousing, logistics, equipment, security & environmental protection and lean management. Comprehensive visual management covers multiple business areas, including corporate publicity, factory introduction, quality management, mixing operation, extrusion operation, colour powder centre, additive centre, warehousing management, logistics management, equipment management, security & environmental protection management, lean management and work safety management, totalling 23 visual boards. We achieve the goal of overall visual management through real-time alerts for key data anomalies, earning unanimous recognition from customers.



Number of visual boards

23



Technological exploration and application

The Company actively explores the application of AI-powered intelligent assistants, pioneering a new intelligent interactive office model. Specifically, nine AI-driven scenarios, including intelligent inventory inquiry, IT knowledge base, yellow card assistant, Orinko GPT and translation assistant, are launched to enhance employees' work efficiency and customer service quality significantly. Key applications include:

Marketing terminals enable employees to inquire product inventories when they communicate with customers and to retrieve yellow card data when they recommend products.



Planning personnel can inquire available inventory, label dates and batch numbers through AI-powered Q&A, making scientific and reasonable production and purchase plans rapidly, with no need to spend time in system switching and complex manual inquiry.



AI-powered knowledge base provides business personnel with business personnel system use guidance, base printer use guidance, yellow card inquiries and daily IT office procedure guidance.



Achievements in digital construction

The company makes remarkable achievements after above digital construction:

Efficiency improvement:

Digital tools are applied to significantly reduce redundant links in work procedures, improving work efficiency.

Cost control:

Digital means helps us precisely manage resources, achieving reasonable cost control.

Business expansion:

Digital construction provides powerful support for the Company's product and service innovation.

Honours and awards:

- National Manufacturing and Internet Integration Development Pilot Demonstration Project: a project on manufacturing of modified plastics and capabilities of lean quality management and control
- Enterprise-level Industrial Internet Platform in Anhui Province: an industrial Internet platform on full life-cycle control of new types of multi-functional composite materials
- Industrial Internet New Application Model Demonstration Project in Anhui Province: a new model application demonstration project on manufacturing of modified plastics and lean quality management
- Intelligent Factory in Anhui Province: an intelligent factory for producing modified plastics
- Top 10 Empowered Industrial Scenario Demonstration Project in Hefei: an industrial Internet demonstration project on digital collaboration in high-performance fireproof material industry chain



05 Low-Carbon Transition, Reshaping Industry Ecosystems

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Strategic Carbon Neutrality Action

Orinko's strategic goals for carbon neutrality

Guided by China's "dual carbon" goals, Orinko commits to becoming an internationally competitive green new materials solution provider through technological innovation and whole-industry-chain collaboration.

Short term (by 2028)

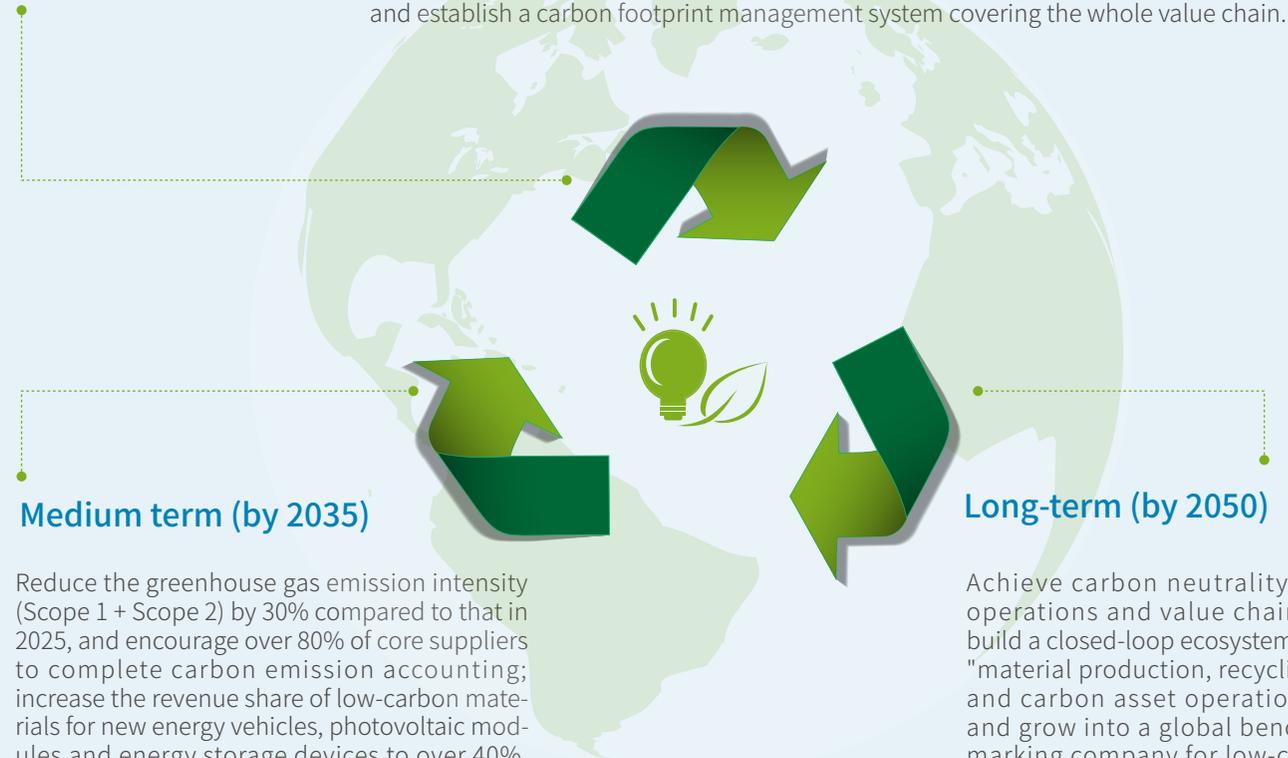
Reduce the energy consumption per unit product by 15% and the greenhouse gas emission intensity by 20% (Scope 1 + Scope 2), and increase the revenue share of green products to 30%; complete the annual greenhouse gas emission accounting and verification, and establish a carbon footprint management system covering the whole value chain.

Medium term (by 2035)

Reduce the greenhouse gas emission intensity (Scope 1 + Scope 2) by 30% compared to that in 2025, and encourage over 80% of core suppliers to complete carbon emission accounting; increase the revenue share of low-carbon materials for new energy vehicles, photovoltaic modules and energy storage devices to over 40%, and achieve large-scale production capacity in circular economy businesses.

Long-term (by 2050)

Achieve carbon neutrality in operations and value chains, build a closed-loop ecosystem of "material production, recycling and carbon asset operation", and grow into a global benchmarking company for low-carbon transition in the new materials industry.



Orinko's carbon neutrality strategy focuses on four core areas:

Low-carbon product upgrades driven by technological innovation

Developing high-performance low-carbon materials

Breakthroughs are made in bio-based resins, post-consumer recycled plastics, and lightweight engineering plastics to reduce carbon footprints throughout the full life cycle. For example, battery pack shell materials (over 20% weight reduction) and motor insulation materials (15% higher temperature resistance) are developed for new energy vehicles, helping downstream customers achieve emission reduction goals.

Advancing cutting-edge material technologies

Based on the demands of emerging fields, such as low-altitude economy and robotics, low-dielectric and high-thermal-conductivity modified materials are developed to make intelligent devices more lightweight and efficient. Materials relating to carbon capture, utilization and storage (CCUS) are explored to offer support for industrial carbon sequestration.

Globalization and policy compliance capacity building

Addressing international carbon policy challenges

A dedicated team is established to track policies such as the EU CBAM and the US IRA, and a traceable product carbon footprint system is built to ensure that exported products meet international low-carbon standards. The Company engages in global supply chain carbon emission reduction cooperation to enhance its green brand premium.

Strengthening carbon emission governance and disclosure

The carbon neutrality target is included into the ESG-specific performance assessment. The annual greenhouse gas emission data is published to disclose climate risk response and emission reduction progress, improving transparency and investor confidence.

Whole-process green manufacturing and energy efficiency improvement

Building intelligent green factories

Energy consumption in the process of production is monitored and optimized in real time on the energy management platform (EMP). Rooftop photovoltaic system and green electricity purchase are promoted to increase the proportion of renewable energy use to 25% by 2030 and use green electricity in all main production bases by 2050.

Advancing the circular economy model

Throughout the whole industry chain of "waste plastic recycling, sorting, modification and application", PCR (post-consumer recycled) material production bases are established in East China and South China, with an annual production capacity of 150,000 tons. Lightweight PCR-ABS for vehicles and weather-resistant PCR-PP for home appliances are developed to help customers reduce emissions in their supply chains.

Green and high value-added industrial structure

Exploring core new energy materials

The wet-process separator project is extended to lithium battery separators, oil-based coatings and aramid coatings, aiming to develop leading customers in the new energy industry and seize opportunities amid global surging demands for new energy materials.

Phasing out outdated production capacity, optimizing production capacity layout

With a declining number of conventional high-energy-consumption material production lines, green manufacturing bases are established in Southeast Asia (e.g. Thailand factory) and North America to better meet overseas market demands and reduce both emissions in transportation and impacts from trade barriers.





Orinko' Carbon Neutrality Action

Orinko focuses on the full life-cycle carbon reduction, boosts coordinated development of green design, green purchase, green intelligent manufacturing, green logistics and green recycling, and forms closed-loop model from technological innovation to industrial chain collaboration, setting a leading example for achieving a green and low-carbon economy in the industry.

Green design: advancing low-carbon transition through technological innovation



Orinko attaches attention to the quality of raw materials at the source, and designs and develops renewable low-carbon products, bio-based low-carbon products and high-quality low-carbon products throughout the whole industry chain, building a green material system spanning from synthesis to modification. The Company's high-performance steel-replacing plastic materials not only enhance the lightweight performance of terminal products, but also significantly reduce their carbon emissions, providing critical support for green transition of new energy vehicle and home appliance industries. Additionally, its self-developed spray-free materials and laser-engraving materials empower the low-carbon economy, demonstrating that its forward-looking designs advance green manufacturing.

Green purchase: co-building a closed-loop model in supply chains



Adhering to the green supply chain management principle, Orinko establishes strategic partnerships with Midea, GEM and other leading enterprises, and develops PCR (post-consumer recycled) material recycling, dismantling and advanced plastic processing through equity investments and co-investments in factories. This closed-loop management model spanning from raw materials to terminal products not only ensures upstream resource supply, but also drives large-scale development of resource recycling. Furthermore, the Company leverages its Thailand production base to expand PCR resource channels, providing solid support for building global green supply chains and demonstrating its strategic layout in international resource guarantee.

Green intelligent manufacturing: offering technological support to energy management



In the field of green intelligent manufacturing, Orinko's production bases actively carry out the ISO 50001 energy management system by establishing a microgrid system integrating energy management system, distributed photovoltaic modules and energy storage devices, which enables real-time energy consumption monitoring and data-driven operation analysis. The digital transition of energy management not only increased the energy utilization efficiency, but also provides scientific basis for decarbonizing the production process. By reference to Danaher's DBS lean management system, Orinko establishes its own lean production system to build green factories through process optimization and energy management improvement initiatives. Currently, its Hefei and Guangdong factories have successively passed provincial and national-level green factory demonstration certifications, further solidifying the Company's leading position in the field of green manufacturing.

Case Hefei and Guangdong production bases were awarded green factories in 2024

Since the construction start of the factories, Orinko has carried out friendly sustainable development concepts of low carbon, energy efficiency and environmental protection in design and project construction. With green development and circular economy as its main development directions, the Company commits to building a "green manufacturer" to advocate green manufacturing concept and boost comprehensive green development.



At the organizational level, the Company set up a green factory promotion body, consisting of the promotion committee, the promotion office, the promotion backbone group and the green factory construction assessment group.



At the institutional level, the Company developed a range of management systems, developed the green factory performance assessment management system, and defined the duties and the target-based assessment accountability system.



At the practical level, the Company satisfied the green factory assessment requirements in terms of building and lighting infrastructures, ISO management system certification, energy, resource input, products, environmental emissions and performance.

Green logistics: intelligent optimization for low-carbon transportation



Orinko significantly reduces energy consumption and carbon emissions in the process of transportation by such measures as local purchase, optimized transportation routes and prioritized use of new energy vehicle models. Meanwhile, the Company adopts the WMS (Warehousing Management System) for automated and unmanned warehouse operations, improving the space utilization rate of warehouses, the inbound and outbound efficiency of goods and the intensive use of land. We apply AGVs (automated guided vehicles), palletizing robots, conveyor belts and other intelligent devices in automated cargo handling and sorting, making logistics operations more automatic and efficient.

Full life-cycle carbon reduction: a closed-loop system from materials to value chains



Orinko actively responds to national and market policies by establishing a carbon footprint accounting platform. By the full life-cycle assessment method stated in the ISO 14067 standard, the Company uses professional software, such as eFootprint, LCA for Experts, and databases, including CLCD, ELCD and Ecoinvent, to assess product carbon footprints and compile reports, in a bid to track and monitor environmental emissions from raw material acquisition through the whole production process, and adopt targeted emission reduction measures in key links. In 2024, we completed the carbon accounting for over 200 product series in PP, ABS, and PC categories and the third-party carbon footprint evaluation for two product series, boosting the construction of a product carbon footprint database by both internal and external efforts. According to the ISO 14067 standard, the Company organized greenhouse gas accounting and carbon reduction assessment management across its production bases to have comprehensive understanding of its own greenhouse gas emissions, identify key emission reduction processes, and formulate and implement effective carbon reduction measures, laying a solid foundation for its sustainable development.

Response to Climate Change

Governance

Orinko integrates climate change governance into its top-level design by establishing a climate governance system that is supervised by the Board of Directors and led by the management with cross-departmental collaboration. The Board of Directors proposes to establish a Strategic Development and ESG Committee to define the decision-making rights and responsibilities for climate-related issues, and develop climate policies and execution mechanisms as a whole. Each production base has a climate action team, which incorporates low-carbon goals into performance evaluation to fulfil climate responsibilities throughout core processes, such as R&D, production, and supply chains. The Company holds regular trainings and publicity programs on climate issues to enhance employees' awareness of climate change, and continues making its governance framework more complete and effective through the stakeholder communication mechanism.

Strategy

Admit the progress toward "dual carbon" goals, Orinko formulates short-term, medium-term and long-term strategic plans against climate change, focusing on synergy between green technological innovation and emission reduction on full value chains. Through systematic evaluations on climate-related risks and opportunities, the Company optimizes carbon footprints of products throughout the full life cycle, explores alternative solutions for clean energy, and boosts technological innovation in green processes, reducing the carbon emission intensity in operations and value chains in an all-round way. We deeply integrate the low-carbon concept into our product R&D and business models, develop high value-added and environmentally friendly materials, and empower low-carbon transition in downstream industries, building a climate resilience competitiveness. In the implementation of the strategic plans, the Company lays emphasis on cooperation with stakeholders, and participates in discussions on industry initiatives and policies to jointly build a climate-friendly industrial ecosystem.

Risk management

Orinko establishes a full life-cycle climate risk management system based on the TCFD (Task Force on Climate-related Financial Disclosures) framework to identify the impacts of physical risks (such as extreme weather) and transition risks (such as policy tightening) on its operations and quantify their financial relevance. In response to extreme weather, policy and regulations updates, technological disruptions and other potential risks, the Company formulates emergency plans, and keeps optimizing its resource allocation capabilities. By taking advantage of its green financial tools and low-carbon technology reserves, we become more adaptive to transition risks, such as carbon pricing mechanisms and changes in market preferences.



Climate-related risks and countermeasures (partial)

Risk type	Risk description	Countermeasures	Impact degree	Time range
Entity risk	Global warming leads to frequent extreme weather conditions, such as high temperatures, heavy rains and typhoons, which may affect the operational stability of production bases, cause equipment damage, disrupt raw material supply or delay logistic delivery.	<ol style="list-style-type: none"> 1. Establish climate risk maps, and screen physical risks in core production bases and supply chain nodes; 2. Strengthen disaster-resistance capabilities of infrastructures, such as flood control facilities, backup energy systems; 3. Sign flexible supply agreements with major suppliers, and establish emergency stocks. 	Lead to potential local production capacity fluctuations in the short term, require continuous investments in resilience building in the long term.	<p>Short term (1-3 years)</p> <p>Long term (more than 5 years)</p>
Transition risk in policy compliance	Global carbon peak and carbon neutrality policies and increasingly strict industry emission standards, such as the EU's CBAM and the expansion of the domestic carbon market, may increase carbon compliance costs and carbon tariffs on exported products.	<ol style="list-style-type: none"> 1. Establish a policy research team to Keep track of global carbon policy trends; 2. Optimize the carbon footprint accounting system for products, and develop purchase of low-carbon raw materials and green manufacturing processes; 3. Hedge compliance costs through carbon offsetting and carbon trading tools. 	Increase compliance costs in the medium term, avoid market access barriers through technological upgrades in the long term.	<p>Medium term (3-5 years)</p> <p>Long term (more than 5 years)</p>
Transition risk in technological substitution	Conventional high-carbon materials are under the pressure of substitution with low-carbon ones, such as degradable materials, PCR materials and bio-based materials. Lagging technological iterations may lead to the loss of market shares.	<ol style="list-style-type: none"> 1. Increase investments in R&D to develop low-carbon modified materials, such as renewable PP, ABS, and PC series materials. 2. Establish a whole industrial chain of "consumer product recycling, dismantling, crushing, sorting, pelletizing and modification" in PCR material production bases. 3. Jointly build a green supply chain together with customers in new energy vehicle, home appliance and other industries to pass low-carbon product certifications. 	Record declined sales volume of part of conventional products in the medium term, achieve a differentiated competitiveness through technological innovation in the long term, expected an increase of 10%-15% in new revenue.	<p>Medium term (3-5 years)</p> <p>Long term (more than 5 years)</p>
Transition risk and raw material fluctuations	Climate change intensifies price fluctuations of oil and other conventional raw materials, affecting the stability of production costs. Meanwhile, the supply system of low-carbon raw materials, such as bio-based resins, remains immature, so there may be purchase risks.	<ol style="list-style-type: none"> 1. Establish a raw material price monitoring mechanism to reduce the impact of price fluctuations through hedging and other tools; 2. Establish production bases through co-investment with upstream PCR enterprises in East China and South China to ensure stable supply of low-carbon raw materials; 3. Optimize purchase strategies, and increase the proportion of local purchase to reduce supply chain risks. 	Suffer an impact on profits from cost fluctuations in short term, optimize supply chains to gradually alleviate the impact in the medium term, rely on low-carbon materials for substitution in the long term.	<p>Short term (1-3 years)</p> <p>Long term (more than 5 years)</p>
Transition risk in project progress below expectation	The progress of new construction projects is affected by such factors as climate-related approvals and supply chain delays, which may result in the lag of production capacity release and the loss of market opportunities.	<ol style="list-style-type: none"> 1. Establish project-specific working groups to monitor the progress in real time and coordinate resources; 2. Strengthen climate resilience cooperation with equipment suppliers, raw material suppliers and construction units, and formulate emergency plans; 3. Simultaneously advance the development of existing businesses and the R&D of cutting-edge technologies to diversify risks. 	Have a potential impact in the implementation pace of the second growth curve in the medium term, reduce the dependence on a single project through diversified layout in the long term.	Medium term (3-5 years)
Core competitiveness risk	The brain drain of technical personnel or the leakage of core technologies lead to lagging R&D of low-carbon materials, making it difficult to meet customer demands for high-performance and low-emission products.	<ol style="list-style-type: none"> 1. Sign confidentiality agreements with core technical personnel; 2. Implement employee shareholding plans to bind the interests of core talents; 3. Establish an R&D achievement protection mechanism to strengthen technical barriers based on patents. 	Have an impact on R&D efficiency in the short term, lead to declined market competitiveness in the medium term, require continuous investments in talent and technological reserves in the long term.	<p>Short term (1-3 years)</p> <p>Medium term (3-5 years)</p>

Core competitiveness risks : Risks are classified based on the TCFD framework and industry characteristics, focusing on entity risks (physical impacts) and transition risks (policy, technology and market changes), while including climate risks relating to core competitiveness.

Climate-related opportunities and countermeasures (partial)

Opportunity type	Opportunity description	Countermeasures	Impact degree	Time range
Policy-driven opportunities	<p>China's 14th Five-Year Plan and the Guiding Opinions on Promoting High-Quality Development of the Petrochemical and Chemical Industries During the 14th Five-Year Plan Period explicitly support the development of high-end modified materials, bio-based materials and low-carbon materials, and requires that domestic chemical new materials meet 75% of domestic demands by 2025, indicating a clear import substitution trend. China's new materials industry scale is expected to exceed RMB11 trillion by 2025 and reach RMB23.5 trillion by 2029, with a compound annual growth rate of approximately 21%.</p>	<ol style="list-style-type: none"> 1. Focus on R&D of high-end modified materials, and make breakthroughs in special engineering plastics (such as long-carbon-chain nylon, PEEK), bio-based materials and other "bottlenecks", accelerating the process of import substitution; 2. Participate in developing industry standards, strengthen cooperation with government departments and industry associations, and strive for policy subsidies and green credit support. 	<p>Record the revenue share of high-end products of more than 25% in the medium term (3-5 years), grow into a core beneficiary of import substitution in the long term (more than 5 years), and expect to contribute additionally 15%-20% of profits.</p>	<p>Medium term, long term</p>
Explosive demands for new energy materials	<p>Global new energy vehicles and energy storage markets are experiencing rapid growth. In 2024, China's lithium battery market recorded 1,175 GWh of shipments, and the demand for lithium battery separators is expected to reach 26.7 billion square meters by 2025. The Company is steadily advancing its wet-process separator project, aiming to become a leading supplier of new energy materials.</p>	<ol style="list-style-type: none"> 1. Accelerate the implementation of the wet-type separator project, and develop high-performance lithium-ion separator materials, covering energy storage, power batteries and 3C fields; 2. Develop lightweight materials for new energy vehicles, such as battery pack shell materials and motor insulation materials, as well as weather-resistant materials for photovoltaic modules to retain core customers. 	<p>Increase the revenue share of new energy materials by more than 10% in the medium term (3-5 years), develop the business into the second growth curve in the long term (more than 5 years), and expect an increase of 5-8 percentage points in the gross profit margin.</p>	<p>Medium term, long term</p>
Circular economy and low-carbon products	<p>During the development of the circular economy driven by global "dual carbon" goals, there are increasing demands for PCR (post-consumer recycled plastic) materials in automobile and home appliance industries. The Company establishes a complete industrial chain covering "consumer product recycling, dismantling, crushing, sorting, pelletizing and modification", and builds joint venture production bases in East China and South China, with a total annual capacity of 150,000 tons, covering PP, ABS, PC and other recycled materials.</p>	<ol style="list-style-type: none"> 1. Expand the production capacity of PCR materials, and develop high value-added recycled material products, such as lightweight PCR-ABS for automobiles and weather-resistant PCR-PP for household appliances; 2. Provide carbon footprint accounting services for customers, jointly build green supply chains, and help downstream customers achieve ESG goals. 	<p>Continuously increase the revenue of circular economy in the medium term (3-5 years), form a closed loop of "production, recycling, modification and application" in the long term (more than 5 years), and expect to contribute 10%-15% of profits.</p>	<p>Medium term, long term</p>

Opportunity type	Opportunity description	Countermeasures	Impact degree	Time range
International market expansion	With the increasing demands for low-carbon materials in new energy vehicle and home appliance markets across Southeast Asia, North America and Europe, the Company's Thailand factory phase I has come into operation. In 2024, the Company recorded rapid growth in overseas revenue, and planned to sales offices in North America and Europe.	<ol style="list-style-type: none"> 1. Make business presence with its Thailand base at the core, gradually expand into markets in North America and the EU countries, and meet local requirements for low-carbon compliance (e.g. EU CBAM); 2. Develop localized production and supply chain layout, while reducing transportation emissions and impacts of trade barriers. 	Gradually increase the proportion of overseas business revenue in the medium term (3-5 years), grow into a global supplier of green materials in the long term (more than 5 years), and expect to earn more than 20% of revenue from international markets.	Medium term, long term
Technological innovation and product upgrades	With surging demands for lightweight, high-strength and low-dielectric materials in emerging industries, such as intelligent connected vehicles, low-altitude economy (drones) and robots, the Company has developed lightweight PC materials for drones and electromagnetic shielding materials for robots, achieving mass production of relevant vehicle models.	<ol style="list-style-type: none"> 1. Establish a specialized R&D team to focus on developing materials for cutting-edge fields such as low-altitude economy and robots; 2. Advance AI-assisted R&D, and accelerate product iterations to seize the initiative in emerging markets. 	Continue to increase business revenue from emerging fields in the medium term (3-5 years), form technological barriers in the long term (more than 5 years), and expect to achieve revenue increase by 10% to 15%.	Medium term, long term
Green manufacturing and energy efficiency enhancement	With energy efficiency upgrades of the manufacturing industry driven by China's "dual-carbon" policy, the Company introduces lean management and digital tools (e.g. MES, WMS systems) to build intelligent green production lines, with the goal to reduce the energy consumption per unit product by 15% by 2028 compared with that in 2025.	<ol style="list-style-type: none"> 1. Promote energy-saving technologies, such as photovoltaic power stations and green electricity purchase, to reduce carbon emissions in the production process; 2. Enhance the resource utilization rate through intelligent upgrades to reduce waste discharge. 	Reduce energy consumption costs in the short term (1-3 years), build zero-carbon manufacturing demonstration factories in the long term (more than 5 years), enhance the brand's ESG competitiveness.	Short term, medium term, long term

Opportunities are classified based on policy guidance, market demands, technological innovation and internationalization strategies, focusing on business segments highly related to low-carbon transition, such as new energy materials, circular economy and green manufacturing.

Indicators and targets

With reference to mainstream international standard frameworks, such as TCFD and SASB, Orinko builds a climate performance management indicator system, covering carbon emission intensity, energy use efficiency, proportion of renewable energy and other core dimensions. The Company sets phased emission reduction targets in a scientific and practical manner based on process optimization, equipment upgrades, circular economy model innovation and other measures in the pathway toward carbon neutrality, and conducts regular evaluations and disclosures to stakeholders to make climate actions increasingly more transparent. Furthermore, we take an active part in climate action initiatives, commit to aligning with global temperature control goals, and carry out climate actions through dynamic and iterative indicator management, contributing measurable value to stakeholders.

Circular Development

Purchase of recyclable resources

Under China's "dual-carbon" policy, the proportion of recycled material manufacturers shows a gradual upward trend. Orinko partners with domestic waste household appliance and automobile dismantling plants to make business layout in South China and East China, which greatly shortens recycling chains, reduces recycling costs, and improves the PCR recycling system. In 2024, the Company launched product portfolios involving PP, ABS, PA, PBT, PE, PC, PPO, AS, HIPS and GPPS, and provided services mainly to manufacturers of home appliances, automobiles, electric vehicles and electric tools.

Utilization of renewable resources

By strengthening R&D and manufacturing of recycled materials in terms of quality and process, the Company cooperates with many brands to widely apply its products in electronic appliances, automobiles and other fields.



Content certification of renewable materials

As the EU's Green Deal initiative requires 100% recyclable plastic packaging by 2030, and China's 14th Five-Year Plan for Circular Economy Development targets a recycling industry output of RMB5 trillion by 2025, global supply chains are facing increasingly stringent requirements for the use ratio of recycled materials. For instance, brands like Apple and Dell require over 30% of recycled plastics in their products by 2030. Orinko commits to "building value chains for circular economy and driving green material upgrades", passes GRS, UL 2809, ISO 14021 and other international authoritative certifications, and creates a closed-loop process of "recycled materials → green products → low-carbon supply chains" in line with global market access standards, gaining a first-mover advantage in "green competitiveness".

• Quality

From sorting, crushing, high-efficiency cleaning to composite sorting and purification, the whole operation process complies with the standards. Through melting in high temperature, impurities are further removed, then the materials are pelletized, cooled and homogenized into finished products, which are high-quality PCR materials, and can replace all or part of new materials in modified formulas.

• Process

Under intelligent and IT-based control, the whole PCR production process becomes an integrated manufacturing procedure guarantee system incorporating waste plastic sorting, crushing, high-efficiency cleaning, composite sorting and modified material pelleting.

Certification	Number	Core value
GRS	62	Make efforts in environmental protection, social responsibility and business development to drive global industrial chains toward a low-carbon circular model.
UL 2809	48	Quantify carbon emission reduction data, supporting customers' carbon offset claims, and help companies reach the requirements of recycled material utilization regulations of all countries, while avoiding trade barriers.
ISO 14021	68	Boost technological innovations in PCR products, and enhance transparency and credibility, while avoiding trade barriers.
OBP	1	Reduce marine plastic pollution, protect biodiversity, and advance the circular economy, while mitigating policy risks.

06 Protecting Environment, Building a Green Home Together

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Environmental Management

Development of the Environmental Management System

Orinko's major production bases strictly comply with the *Environmental Protection Law of the People's Republic of China*, the *Regulations on the Administration of Construction Project Environmental Protection*, and other relevant laws and regulations. The Company continues to improve its environmental management system through system development and compliance management, identification of environmental factors and risk control, as well as resource conservation and recycling. Orinko has successfully obtained ISO 14001 Environmental Management System certification. In line with the *Environmental Protection Target Responsibility System*, the Company has set environmental goals and indicators, which are then allocated to specific departments. Detailed plans for training, drills, and hazard inspections are developed for each target and indicator to continuously enhance environmental performance. Through scientific planning, full participation, and continuous improvement, Orinko effectively enhances its environmental management, achieving coordinated development of both economic and environmental benefits.

During the construction of new facilities, Orinko strictly implements the "Three Simultaneities" policy for environmental protection in construction projects, ensuring that environmental protection facilities are designed, constructed, and commissioned simultaneously with the main project. The Company enforces rigorous standards throughout project design and regulatory submission, environmental acceptance, and pollutant discharge permit processing. It also ensures timely completion of environmental impact declarations and the preparation of related project documentation for public disclosure.

In 2024, the Company recorded no environmental pollution incidents and received no environmental complaints.

Development of the Environmental Management System

To comprehensively enhance the Company's environmental protection efforts and continuously strengthen environmental risk management, ensuring compliance with relevant laws, regulations, and standards in production and operations, Orinko strictly adheres to the requirements of the *Environmental Protection Law*, the *Environmental Impact Assessment Law*, and the *Law on the Prevention and Control of Environmental Pollution by Solid Waste*. It has formulated documents such as the *Hazardous Waste Management System*, and the *Methods for the Routine Administration of Environmental Protection Collection System* as operational guidelines. A dedicated Environmental, Health and Safety (EHS) department is established, staffed with full-time personnel responsible for supervising and guiding environmental management efforts to ensure effective operation of the Company's environmental management system and continuous improvement of its environmental performance, thereby reducing the impact on the public and the environment.

Environmental Emergency Management

Orinko's major production bases have integrated environmental risk prevention and control into routine enterprise management, continuously enhancing their capacity to prevent environmental risks and reinforcing pre-incident prevention efforts. The Company has established a comprehensive emergency response mechanism for environmental incidents, formulating the *Emergency Plan for Abrupt Environment Incidents* as a guiding document. It has also set up a response team for environmental emergencies and concerns, fully responsible for ensuring swift, accurate, and efficient emergency handling within the factories. These measures aim to minimize, mitigate, or eliminate casualties and property losses caused by unexpected environmental incidents. Additionally, the Company conducts regular emergency drills to strengthen the emergency response capabilities and identify potential environmental risk points, followed by assessment and rectification, while reinforcing routine environmental monitoring.



Environmental incident occurrence rate in 2024

0

Energy Management

Energy Management Policy

Energy saving & efficiency improvement, and clean production

Energy saving & efficiency improvement



In its energy use, Orinko seeks to minimize waste and continuously improve utilization and operational efficiency, thereby reducing energy costs and improving overall performance.

Clean production



The Company is committed to complying with energy conservation laws and regulations, actively adopting high-efficiency and energy-saving equipment and technologies, and meticulously organizing energy management to reduce energy consumption and greenhouse gas emissions, thereby fulfilling its social responsibility and obligations in environmental protection.

Development of the Energy Management System

To reduce energy consumption and improve energy efficiency, Orinko's major production bases have developed the *Energy Management Manual* as a guiding document, in accordance with the ISO 50001 Energy Management System standard and tailored to the Company's specific context. The manual defines the Company's energy management policy and objectives. To ensure effective implementation, the company leadership coordinates with relevant departments to carry out the *Energy Management Implementation Plan*, establishing practical measures and actions, and ensuring their execution.

Energy-saving Initiatives and Outcomes

Real-time energy consumption monitoring and analysis

Through the workshop energy management system, Orinko collects energy consumption data at workshop, production line, team, and equipment levels, and calculates total energy consumption and energy intensity as dual-control indicators. By comparing collected data with historical production data, the system identifies anomalies and uncovers potential energy-saving opportunities, continuously optimizing energy use efficiency.



- Identify equipment operation patterns and schedule off-peak electricity usage
- Monitor the power supply system to detect abnormalities in real time
- Set energy efficiency benchmarks with over-limit alerts and benchmark analysis



- Enable real-time energy monitoring
- Automatically generate energy reports
- Integrate with the MES system to support intelligent manufacturing networking

Equipment operation optimization

The Company enhances energy efficiency through multiple measures, including identifying equipment operation patterns to schedule off-peak electricity usage, monitoring the power supply system to detect anomalies in real time, and setting energy efficiency benchmarks with over-limit alerts and benchmark analysis.

Rooftop photovoltaic power generation



Hefei Factory



Chongqing Factory



Guangdong Factory



Anqing Factory

Distributed photovoltaic systems have been installed at all major production bases of Orinko, increasing the use of renewable energy.

- Idle rooftop space on industrial buildings is utilized for PV panel installation, without occupying land resources;
- Reduction in emissions of CO₂, SO₂, NO₂, and particulate matter;
- Power generated is primarily self-consumed, with excess electricity fed into the grid, effectively reducing peak-hour power loads;
- During staggered electricity consumption, the Company benefits from government policies that prioritize the consumption of green energy, such as solar power, thereby reducing the impact of staggered power rationing and outages.



Water Resource Management

Development of the Water Resource Management System

Orinko has established a water-saving and water-consuming management steering group led by the general manager, with department and workshop heads serving as team members, and designated personnel responsible for daily management of water-saving efforts. To ensure effective implementation, the Company has introduced specific responsibility systems for water conservation leaders, departments, and officers, with clear responsibilities assigned to individuals. A comprehensive set of water conservation management regulations has been established, including the pipe network inspection system, the water-saving and water-consuming statistics system, and the reward and punishment system for water-saving quota management. To incorporate water-saving as a mid- to long-term component of corporate management, Orinko has formulated an annual water conservation plan and the 14th Five-Year Plan for water conservation.

Water-saving Initiatives

Water balance testing and rational water use assessment:



Regular water balance testing is carried out to fully understand the Company's water supply network and water usage status, providing a scientific basis for rational water use. The test results help identify issues in water usage, enabling targeted optimization and improvement measures to enhance both efficiency and effectiveness.

Water recycling systems:



During production, cooling towers, circulation tanks and other equipment are used to facilitate water recycling and reuse.

Water-saving Publicity

The Company's water-saving and water-consuming management steering group has organized multiple water-saving publicity campaigns for employees, distributing brochures and sharing water-saving tips via the internal network. These efforts aim to embed water-saving awareness deeply into employees' mindset, turning conservation into a conscious and voluntary habit. Employees are encouraged to report any leaks, drips, or abnormal water usage promptly to the management for immediate repair.

Pollution and Emissions Management

At its major production bases, Orinko ensures that the emissions of exhaust gas, wastewater, solid waste, and noise generated during the manufacturing process all comply with environmental protection requirements.



Wastewater



During its production process, the Company generates circulating cooling water and domestic wastewater. Wastewater is treated through a dedicated sewage treatment system, with regular monitoring of indicators such as chemical oxygen demand (COD), biochemical oxygen demand (BOD), ammonia nitrogen, and total phosphorus, to ensure compliance with discharge standards. Orinko centrally collects and treats wastewater using a combination of physical, chemical, and biological methods, ensuring compliance with national and local discharge standards before discharge.

Exhaust gas



During the extrusion, blending, coloring, and additive processes, exhaust gases such as particulate matter, hydrogen chloride, and non-methane total hydrocarbons may be generated. The Company treats them properly using activated carbon, bag-type dust collectors, zeolite rotors combined with RTO, and pulse dust collectors before discharge in compliance with relevant standards.

Solid waste



During production processes such as blending and material feeding, as well as in employees' daily activities, the Company generates general solid waste (e.g., packaging materials, waste paper) and hazardous solid waste (e.g., spent activated carbon, waste mineral oil). Orinko keeps detailed records and statistics on the quantities, types, and disposal of solid waste, and regularly inspects and evaluates the treatment process. General waste and hazardous waste are stored separately in dedicated temporary storage areas and are collected centrally before being transferred at regular intervals to qualified third-party entities for compliant disposal.

Noise



The Company's major sources of noise include production machinery, ventilation systems, and transport vehicles. To reduce noise, technical measures such as installing vibration-damping pads on equipment are implemented. When upgrading or replacing equipment, low-noise models are prioritized. The Company also engages qualified third-party institutions to regularly monitor environmental noise levels. Effective noise reduction measures are adopted to ensure that noise emissions comply with national and local environmental protection standards.

07 Putting People First, Building a Defense Line to Ensure Safety

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Workplace Safety Management

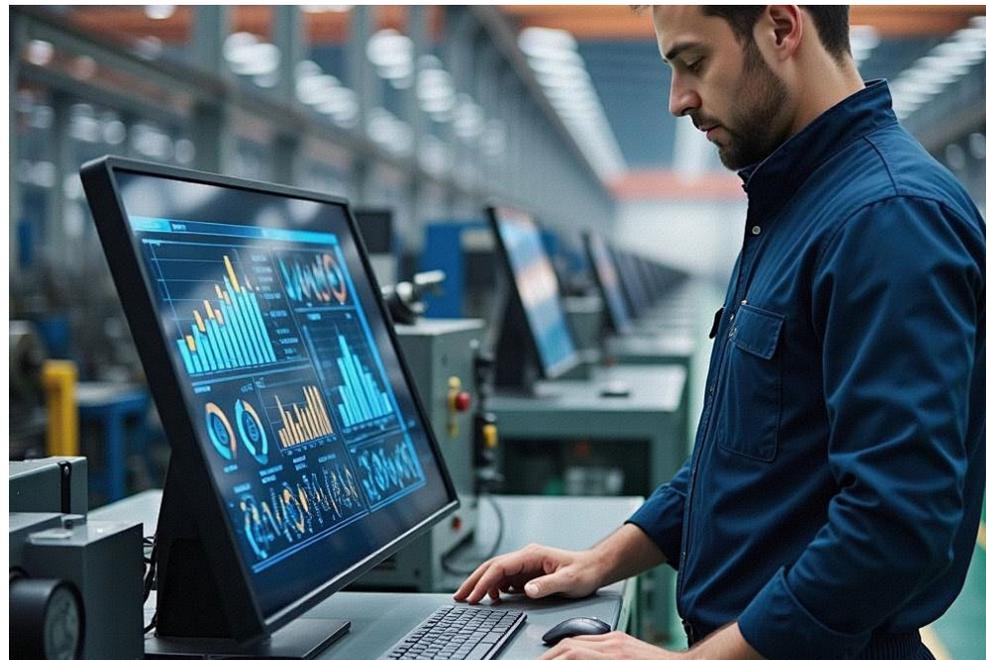
Development of the Workplace Safety System

All major production bases of Orinko strictly comply with relevant national laws and regulations, and uphold the concept of "safety is the basis of survival" and the policy of "safety first, prevention foremost, and comprehensive control". The Company has established a comprehensive safety management system covering the entire production process.

At the organizational level, the Company has implemented a safety accountability system, with the general manager serving as the highest decision-maker and commander for safety matters, ensuring that safety responsibilities are enforced at all levels to prevent and reduce the occurrence of safety incidents. Safety-related metrics, including administrative penalties, work-related injuries, and the on-time rectification rate of identified hazards, are incorporated into performance evaluations across departments, with a reward and penalty mechanism in place to effectively enhance the Company's safety management. Guided by the *Management System for Workplace Safety Goals*, Orinko sets workplace safety goals and performance indicators, which are further allocated to specific departments. Through a combination of goal-setting and process management, supported by the collective efforts of all employees, the Company achieved its target of zero safety incidents in 2024.

Workplace Safety Accountability

In accordance with the State Council's *Five Provisions on Strengthening the Safety Management in the Production of Enterprises*, Orinko's major production bases have established a workplace safety accountability system, and signed the *Letter of Commitment on Workplace Safety Accountability* with principal safety officers of all functional departments. All factories have implemented the safety accountability system with commitment letters signed at every level.



Workplace Safety Training

In 2024, Orinko's major production bases enhanced workplace safety training to ensure improved safety awareness and operational skills among employees. Training topics covered three-level safety education for new employees, specialized safety training, and comprehensive safety training. The training content included workplace safety laws and regulations, safe operation procedures, and accident case analysis. These training sessions enhanced employees' safety awareness and operational capabilities, reduced "three violations" (violation of procedures, discipline, and safety rules), and effectively prevented and reduced the occurrence of accidents.

Average hours of safety training per employee

40

Workplace Safety Initiatives

"Workplace Safety Month" Events



June 2024 marked the 33rd Workplace Safety Month in China. Orinko's major production bases actively responded to the campaign themed "Safety first for everyone, emergency readiness for everyone". In alignment with relevant directives issued by local governments, the Company promptly formulated an activity plan and ensured its implementation through comprehensive publicity and organized execution, enabling the campaign to be well-planned, well-arranged, well-inspected, and well-executed.

The production bases focused on promoting national workplace safety laws and regulations, workplace safety knowledge, and the Company's internal workplace safety management system, with the goal of enhancing employees' safety awareness and accident prevention capabilities. A wide range of engaging and informative activities were launched, along with intensified efforts to identify and rectify potential hazards. These initiatives enhanced recognition of workplace safety across the organization, improved safety management mechanisms, elevated the quality of workplace safety management, strengthened risk prevention capabilities, and effectively eliminated potential hazards, yielding significant outcomes and ensuring workplace safety.

"Fire Safety Month" Events

To build a harmonious and safe factory environment and foster a strong culture of fire safety, Orinko takes active steps to enhance fire awareness among all employees. In strict accordance with the *National Outline for Fire Safety Publicity and Education*, the Company has made solid efforts to implement the "Fire Safety Month" campaign. In November 2024, major production bases of Orinko officially held kick-off ceremonies to launch the "Fire Safety Month" initiative.



Fire safety quiz with prizes



Nighttime dormitory emergency evacuation drill



Specialized training on fire protection systems

Dual Prevention Mechanism

Risk Classification & Control and Hazard Investigation & Rectification

At all major production bases, Orinko has established a "six-mechanism" safety risk control system to implement hierarchical management of safety risk areas. Risk points are evaluated, with supporting tools such as risk data collection/review/reporting flowcharts, risk classification methods and standards, risk rating (risk matrix), early warning grading standards, and a structured risk control process. Over 80 types of hazards were identified, including mechanical injuries, burns, electric shocks, object strikes, vehicle-related risks, fires, and falls from height.



Occupational Health and Safety

Development of the Occupational Health and Safety System

Orinko strictly complies with the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* and other relevant laws and regulations. It has established institutional documents such as the *Responsibility System for Occupational Disease Hazard Prevention and Control*, the *Occupational Disease Hazard Warning and Notification System*, and the *Publicity, Education and Training System for Occupational Disease Prevention and Control*, to regulate employees' work practices, strengthen supervision and risk control, and effectively protect employees' occupational health and safety. All major production bases have continuously improved their occupational health and safety management systems and obtained ISO 45001 Occupational Health and Safety System certification.

The Company places great importance on employees' occupational health, treating it as a key aspect of its ESG management. Orinko is committed to ensuring a healthy and safe working environment for employees and continuously improves its occupational health management measures to enhance both work quality and quality of life for employees. To achieve this goal, the Company has adopted the following measures:



- ▶ When signing labor contracts with employees in positions exposed to occupational disease hazards, the Company truthfully informs them of potential occupational hazards and their consequences, as well as protective measures, and clearly includes this information in the labor contract.
- ▶ In accordance with the *Technical Specifications for Occupational Health Surveillance* (GBZ188-2014), the Company formulates an annual plan for occupational health examinations, and selects hospitals with corresponding qualifications to provide physical examinations for employees, aiming to prevent the occurrence of occupational diseases and strengthen occupational health management through regular health checkups.
- ▶ Subsidiaries and branches are required to provide employees exposed to occupational hazards with personal protective equipment that meets national standards, free of charge, and offer training and supervision to ensure proper use of personal protective equipment. Warning signs are placed in workplaces, job positions, equipment, material packaging, and storage areas where occupational hazards are present, and occupational health bulletin boards are set up in prominent locations, to raise employee awareness.



- ▶ Employees engaged in hazardous or toxic operations are required to undergo occupational health examination before taking the job, during employment, and upon departure. In the event of an emergency in the workplace, immediate health examinations must be conducted.
- ▶ For employees exposed to occupational risks, corresponding measures are taken as required, along with regular re-examinations.
- ▶ The Company strictly enforces the "Three Simultaneities" occupational health policy for construction projects, ensuring that occupational health facilities are designed, constructed, and commissioned simultaneously with the main project. This guarantees the efficient operation of supporting occupational health equipment and reduces occupational health risks in the workplace.

Occupational Health Assessment

Orinko conducts annual occupational health assessments for employees, including physical examinations and occupational disease screenings. In 2024, the participation rate for occupational health examinations reached 100%.

Hazards and risks in the workplace are assessed, and occupational disease hazard factors are monitored regularly to ensure the implementation of effective occupational health control measures.



Participation rate in occupational health examinations

100%

Occupational Disease Prevention



The Company has established a comprehensive occupational health management system that covers occupational health assessments, occupational disease prevention, work-related injury management, health monitoring, and reporting. Responsibilities and obligations are defined in accordance with relevant standards and regulations, with regular reviews and continuous improvements in place.



For occupational disease prevention, Orinko has prepared documents such as the *Pre-assessment Report on Occupational Disease Hazards*, the *Special Plan for the Design of Occupational Disease Prevention Facilities*, and the *Assessment Report on Control Effect of Occupational Disease Hazards*. Employees are provided with relevant training and guidance on occupational disease prevention and protection.



The Company regularly organizes occupational health training and educational activities to enhance employees' awareness of occupational health and self-protection capabilities.



Manage and record work-related injury incidents, conduct investigation and analysis, and propose improvement measures.

Assist employees in applying for work-related injury compensation and provide necessary medical and rehabilitation support.

Compliance and Regulatory Adherence



Orinko complies with relevant occupational health regulations and standards to ensure the Company's occupational health practices align with legal and regulatory requirements.



Orinko regularly conducts ISO 45001 Occupational Health and Safety Management System audits and provides relevant occupational health data and information.

08 Embracing Diversity and Shared Growth, Fulfilling Corporate Responsibility



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Protection of Employees' Rights and Interests

Labor Management

Orinko strictly complies with the *Labor Law*, the *Labor Contract Law*, and other relevant laws and regulations. It signs labor contracts with employees, makes timely contributions to social insurance and housing provident fund, and ensures full and punctual salary payments. The Company emphasizes the protection of minors and strictly prohibits the employment of child labor. It respects employees' freedom of association, allowing them to lawfully organize or join labor unions and other social organizations. In recruitment, hiring, and promotion, discrimination based on race, gender, age, religion, ethnicity, disability, or place of residence is strictly prohibited, ensuring all employees have equal access to fair opportunities. Reasonable working hours are arranged to protect employees' lawful rights and interests.

Employee Safety and Labor Protection

Respecting and caring for every employee, Orinko refines its implementation of labor laws and regulations through detailed internal regulations and disciplines to standardize management. The Company continuously improves its workplace safety system and operating procedures and regularly organizes safety training and educational activities to enhance employees' workplace safety awareness and emergency response capabilities. Various safety activities, such as the "Workplace Safety Month" campaign, fire drills, and safety competitions, are actively carried out to strengthen accident prevention and safety awareness. The Company also strictly complies with laws and regulations on occupational health, establishes detailed occupational health management systems, provides free occupational health examinations and necessary protective equipment, and posts warning signs in workplaces to ensure employees' health and safety.



Human Resources Management

Employee Recruitment and Employment

Upholding the spirit of continuous innovation and pursuit of excellence, Orinko actively embraces globalization by recruiting college graduates, experienced professionals and high-level talents. The Company attracts top industry professionals, international talents, and high-potential graduates from the world's top 30 universities in the materials field, aiming to deliver world-class, competitive products and services.

As of 2024, Orinko has employed over 2,270 staff members. The R&D and marketing teams are composed of individuals with master's or doctoral degrees or specialized knowledge in materials science. In 2024 alone, the Company recruited over 170 college graduates and several renowned industry experts and overseas professionals.

Number of employees

2,279

College graduates recruited in 2024

170+

Employee Compensation and Benefits

Employee compensation primarily consists of: fixed salary, welfare subsidies, short-term incentive bonuses, and long-term incentive bonuses (such as equity). Employee benefits mainly include: social insurance (including pension, medical, unemployment, work-related injury, and maternity insurance) and housing provident fund, meal subsidies, holiday gifts, regular team-building activities, annual physical examinations, company dormitories, and commuter shuttles.

Short-term incentives

Monthly performance bonuses, process-based incentives, recognition awards, commissions, annual performance bonuses, etc.

Medium- to long-term incentives

Equity incentives, among others.

Compensation Management Principles

 <p>Strategic alignment</p>	<p>Compensation aligns with the Company's overall strategy, with a focus on rewarding strategic talents.</p>
 <p>Relative fairness</p>	<p>Salaries are determined based on job value to reflect internal equity, while also benchmarking against the market to ensure competitiveness for key talents.</p>
 <p>Performance-oriented</p>	<p>Adjustments to base pay and distribution of variable pay are tied to performance, ensuring that dedicated employees are fairly rewarded.</p>
 <p>Benefit sharing</p>	<p>Employee income is linked to the Company's business performance—the better the Company performs, the more employees share in its success.</p>

Employee Communication

Employee communication is a vital component of effective internal communication. It involves conveying information to employees, establishing communication channels, identifying issues, and finding solutions. Effective communication enhances the Company's continuous development, drives internal collaboration, serves as a key tool for problem-solving, and acts as a crucial bridge for employee engagement and feedback.

Employee communication channels within the Company mainly fall into two categories: online communication and offline communication.

Online communication



OA office system

Allows employees to access official documents and send internal emails.



Feishu

Enables seamless information exchange among all employees.



Chairman's mailbox

Allows all employees to offer suggestions, report misconduct, or submit complaints directly.



Employee suggestion box

Provides an anonymous feedback channel to encourage employees to raise issues and offer suggestions.

Offline communication



Regular meetings

Including team meetings, weekly, monthly, biannual and annual meetings, employee forums, dormitory visits, and interdepartmental exchange sessions, which provide opportunities for face-to-face communication among employees, between staff and management, and across departments.



Performance reviews

Held at least once every quarter to guide employees to improve their work performance and advance their personal development.



Employee satisfaction surveys

Carried out annually through questionnaires to gather comprehensive feedback on work, life, company policies, interpersonal relationships, employee growth, and corporate development.



Rationalization proposal initiatives

Regularly organized to encourage cost-reduction and efficiency-enhancing suggestions, tapping into employees' collective wisdom to improve the Company's economic performance.



Employee Development and Training System

Employee Development

Guided by its strategic priorities, Orinko has built a multidimensional talent development system. In 2024, the Company centered its efforts on a tiered and categorized training framework, integrating diverse online and offline learning scenarios. Over the year, Orinko conducted more than 800 customized training sessions, achieving 100% employee coverage, with an average of 9.5 training hours per employee and 13,301 training attendances recorded. The Company also launched the innovative "Orinko Star Training Camp" to help emerging talents grow into strategic talent pipelines, with plans to further enhance the training model in 2025.



Customized training sessions

800+

Employee coverage

100%



Average training hours per employee

9.5

Attendances recorded

13,301



Case

The 24th Orinko Star Training Camp

To support the rapid growth of emerging talents, the Company innovatively launched the 24th Orinko Star Training Camp, with over 170 new campus recruits in 2024. Adopting business orientation and combination of training and practical experience as the core philosophy, the program developed a curriculum system driven by cultural identity and business understanding, inviting external experts and Company executives to give lectures on corporate culture, product knowledge, and career advancement skills, fostering strategic vision and a strong sense of organization belonging. The program introduced an innovative four-site rotational model, allowing participants to gain in-depth experience of the entire production process through rotations across different production bases and workshops. A horizontal competition mechanism was embedded in localized project management, stimulating innovation momentum through a standardized evaluation system and real-time score display. Additionally, the program built a three-in-one mentorship model, where business mentors guided professional advancement, career mentors supported career path planning and HR mentors enhanced soft skills, enabling multi-dimensional growth of participants through job rotations and phased performance reviews. The training camp received an overall satisfaction rate of 98%. In 2025, the Company will further enhance the data-driven dynamic assessment model, continuously strengthen organizational talent pipeline and increase the density of high-potential talents.

Overall satisfaction rate of the training camp

98%



Employee Training

Orinko has established a comprehensive training system that includes tiered and categorized internal training as well as professional training by external experts, supporting employees' continuous growth and career development.

Internal Training Development

To support the Company's growth, strengthen knowledge management, and foster a learning-oriented organization, Orinko launched several initiatives in 2024 such as focused capability building and modular course coaching to develop an internal trainer team, shifting from reliance on external resources to cultivating internal expertise. As a result, 55 employees successfully passed certification. Additionally, in alignment with trainer schedules and business priorities, Orinko regularly hosted internal knowledge seminars covering manufacturing, R&D, business, finance, planning, and lean management, attracting over 1,000 participants.



Case

Orinko Trainer Evaluation and Certification

To meet the Company's growing training needs and promote the inheritance of knowledge and wisdom, Orinko launched a trainer evaluation initiative in June 2024 to select and certify internal trainers with strong professional capabilities and effective teaching skills.



Introduction of External Training Resources

In 2024, Orinko restructured its external training model to support strategic transformation and organizational capability upgrading, shifting from standardized knowledge input to value-driven capability development. On one hand, the Company actively invited experts across various fields to build specialized knowledge systems. In marketing, Orinko implemented the LTC process management while strengthening the "iron triangle" system, to deliver systematic solutions for customers, thereby enhancing the Company's brand reputation. In manufacturing, initiatives such as Lean Improvement Week and in-depth OBS system training enabled lean competency certification of core leaders, supporting the construction of benchmark factories. On the other hand, targeted training programs were launched for the management team, covering areas such as strategic planning and deployment, organizational transformation, and digital process development. Senior executives also engaged in benchmarking visits and industry forums to enhance business thinking and strategic execution capabilities. This structured, tiered talent development system provides critical talent support for the Company's strategy of "customer orientation, product leadership, lean operations, and sustainable development".

Employee Promotion and Career Development

Employee Promotion

To align with the Company's strategic priorities of customer orientation, product leadership, lean operations, and sustainable development, while better attracting, motivating, and retaining top talents, Orinko carries out its employee promotion initiatives based on the following three principles:

 <p>> Objective evaluation</p> <p>It adheres to the principles of openness, fairness, and impartiality in comprehensive assessments of employees' job competency.</p>	 <p>> Progressive promotion</p> <p>In principle, employees are promoted progressively. Employees with significant contributions and outstanding performance will be granted accelerated promotion opportunities.</p>
	 <p>> Dynamic management</p> <p>Talent management allows for upward or downward mobility, as well as entry and exit, providing flexibility.</p>

Employee Career Development

Orinko highly values employees' career development. It has established a multi-channel promotion mechanism that includes management and professional career tracks, supporting both vertical promotion and horizontal development. Through talent review, the Company builds a talent pipeline, and enhances job rotation and vitality mechanisms, effectively stimulating talent engagement. Employee career development is deeply integrated into the corporate governance system to support organizational capability enhancement.

Construction of Career Development Pathways

Orinko implements multi-channel position management that includes management and professional career tracks, supporting both vertical promotion and horizontal development. The management pathway includes functional management and production management, while the professional pathway covers areas such as strategic operations, marketing, technical R&D, production operations, process coloring, quality management, supply chain, financial management, human resources, information technology, legal management, technology management, administrative management, and operational support.



Employee Care

Orinko organizes a wide variety of activities for employees during various holidays and traditional festivals, such as the Lantern Festival, International Women's Day (March 8), Mother's Day, Father's Day, Mid-Autumn Festival, National Day, and more. The Company provides various benefits to employees and organizes team-building trips each summer. To enrich employees' leisure time, it has built facilities such as basketball courts, badminton courts and gyms, and organizes various competitions like skill contests, tug-of-war, basketball games, shuttlecock kicking, and badminton competitions. These activities help enhance employees' competitiveness and team spirit. The Company also periodically organizes flexible competitions and employee-led innovation activities. These initiatives help cultivate a sense of dedication and commitment to the job, strengthen employees' sense of ownership, stimulate innovation, and unleash employees' initiative and enthusiasm

Dormitories



In 2024, the Company renovated and upgraded employee dormitories, improving the supporting facilities to better serve staff needs.



Canteen



In 2024, the Company continually introduced new menu items in the Canteen, enhancing the quality of meals to ensure employees enjoy healthier, safer, more nutritious, and balanced food.

Shuttle Service



To improve commuting convenience for employees, the Company offers shuttle bus services, addressing the issue of long commutes.

Office Environment



In 2024, the Company carried out a comprehensive renovation and redesign of the office building, providing employees with a more comfortable and aesthetically pleasing modern workspace.



Public Welfare and Charity

Case Charity Program for Student Support

On October 25, 2024, the Party branch secretary and staff of Orinko Advanced Plastics Co., Ltd. visited Fengle Town Central School in Feixi County, Hefei, Anhui Province to carry out a charity program for student support. Orinko provided scholarships and supplies to ten outstanding students.

As a publicly listed company, Orinko actively fulfills its social responsibilities. While pursuing its own development, the Company also dedicates part of its resources and efforts to public welfare, giving back to society through concrete actions.



Case Charity Campaign to Support Agricultural Product

In November 2024, Orinko launched an internal charity campaign titled "Support Rural Revitalization by Purchasing Agricultural Products". Organized by the Company's Party branch, the campaign encouraged employees to purchase specialty agricultural products—rice and lotus root starch—from Jianggang Village in Fengle Town, Feixi County, Hefei, Anhui Province. The campaign, open to all employees, aimed to boost the sales of agricultural products from Jianggang Village through compassionate consumer action, helping increase farmers' income and contributing to rural revitalization.



Appendix

Key ESG Performance in 2024

I . Governance

Corporate governance performance

Number of general meetings of shareholders held

4

Number of resolutions reviewed at general meetings of shareholders

23

Number of board meetings held

9

Number of resolutions reviewed at board meetings

48

Number of supervisory board meetings held

8

Number of resolutions reviewed at supervisory board meetings

25

Business ethics performance

Confirmed corruption incidents

0

Confirmed unfair competition and antitrust violations

0

Number of anti-corruption training sessions

1

Number of employees who participated in anti-corruption training

432

Average hours of anti-corruption training per employee

1.2

Percentage of employees who signed the business ethics commitment letter

100%

R&D and innovation performance

R&D investment

RMB **275,119,851.69**

R&D investment as a percentage of total revenue

4.52%

Number of R&D staff

566

R&D staff as a percentage of total workforce

24.84%

Information security performance

Complaints related to customer privacy violations

0

Confirmed incidents of customer data leakage, theft, or loss

0

Intellectual property performance

Cumulative intellectual property rights obtained

382

Intellectual property rights obtained during the reporting period

61

Of which, cumulative granted patents

274

Of which, granted patents

31

II. Environmental

Organizational GHG emissions

Total GHG emissions

1,455,614.97 tCO₂

Of which: Scope 2 emissions

110,959.35 tCO₂

GHG emissions reduced through carbon reduction measures

231,903.46 tCO₂

Of which: Scope 1 emissions

1,087.23 tCO₂

Of which: Scope 3 emissions

1,343,568.39 tCO₂

Environmental management performance

Total investment in environmental protection

RMB **20.25** million

Number of environmental violations and penalties

0

Energy management performance

Energy consumption in production operations
Total electricity consumption in production

221,913.1 MWh

Purchased electricity

204,623.53 MWh

Natural gas consumption

448,848.88 m³

Rooftop photovoltaic self-generated electricity

17,289.57 MWh

Diesel consumption

0 tons

Water resource management performance

Total water withdrawal

558,272.84 tons

Waste management performance

Total waste generated

3,131.44 tons

Hazardous waste

274.855 tons

Total wastewater discharged

558,272.84 tons

Compliance rate for waste treatment

100%

Non-hazardous waste

2,856.585 tons

Total exhaust gas emissions

2,811,831,600 m³

III. Social

Employee rights and interests performance

Labor contract signing rate

100%

Social insurance coverage rate

100%

Employee rights and interests performance

Number of public welfare and charity activities conducted

4

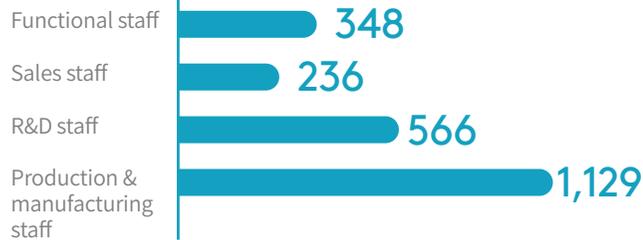
Employee employment performance

Total number of employees

2,279

Male	Female
1,866	413

By profession:



By educational background:



Employee training performance

Total training hours for employees

8,535

Average training hours per employee

9.5

Average hours of safety training per employee

40

Average training hours per new employee

10

Coverage rate of new employee training

100%

Percentage of employees regularly assessed for performance and career development

100%

Occupational health and safety performance

Major fire accidents

0

Work-related fatalities and serious injuries

0

Employee workplace safety education and training rate

100%

Rectification rate of potential hazards

100%

Facility and equipment maintenance rate

100%

Occupational health and safety performance

Number of work-related fatalities of direct employees

0

Occupational disease incidence rate

0

Occupational health examination participation rate

100%

Supplier Management Performance

Total number of suppliers

484

Of which, domestic suppliers

474

Of which, overseas suppliers

10

Number of new suppliers added during the reporting period

71

Number of suppliers eliminated during the reporting period

0

Percentage of newly introduced suppliers selected based on environmental standards

100%

Index of Reporting Indicators

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

Environmental

No.	Topic	Article	Corresponding Section in This Report
1	Climate change tackling	Article 21-28	Low-Carbon Transition, Reshaping Industry Ecosystems
2	Pollutant discharge	Article 30	Protecting Environment, Building a Green Home Together Industry Ecosystems
3	Waste disposal	Article 31	Protecting Environment, Building a Green Home Together Industry Ecosystems
4	Ecosystem and biodiversity protection	Article 32	During the reporting period, the Company's operating sites were not located in protected areas, and its business activities did not have any significant negative impact on ecosystems or biodiversity.
5	Environmental compliance management	Article 33	Protecting Environment, Building a Green Home Together Industry Ecosystems
6	Energy usage	Article 35	Protecting Environment, Building a Green Home Together Industry Ecosystems
7	Usage of water resources	Article 36	Protecting Environment, Building a Green Home Together Industry Ecosystems
8	Circular economy	Article 37	Low-Carbon Transition, Reshaping Industry Ecosystems

Social

No.	Topic	Article	Corresponding Section in This Report
9	Rural revitalization	Article 39	Embracing Diversity and Shared Growth, Fulfilling Corporate Responsibility
10	Contributions to the society	Article 40	Embracing Diversity and Shared Growth, Fulfilling Corporate Responsibility
11	Innovation-driven	Article 42	Making Innovations, Empowering Industrial Development
12	Ethics of science and technology	Article 43	During the reporting period, the Company's business did not involve scientific and technological fields such as genetics or AI ethics, nor did its production and operations involve any activities related to ethics of science and technology.
13	Supply chain security	Article 45	Maintaining Steady Growth, Upholding Value Creation
14	Equal treatment to small and medium-sized enterprises	Article 46	During the reporting period, the Company had no outstanding payments overdue to small and medium-sized enterprises. As of the end of the reporting period, there were no accounts payable (including notes payable) exceeding RMB 30 billion or accounting for more than 50% of total assets.
15	Safety and quality of products and services	Article 47	Maintaining Steady Growth, Upholding Value Creation
16	Data security and customer privacy protection	Article 48	Ensuring Integrity and Transparency, Practising Normative Governance
17	Employees	Article 50	Embracing Diversity and Shared Growth, Fulfilling Corporate Responsibility Putting People First, Building a Defense Line to Ensure Safety

Governance

No.	Topic	Article	Corresponding Section in This Report
18	Due diligence	Article 52	Sustainable Development Management
19	Communications with stakeholders	Article 53	Sustainable Development Management
20	Anti-commercial bribery and anti-corruption	Article 55	Ensuring Integrity and Transparency, Practising Normative Governance
21	Anti-unfair competition	Article 56	Ensuring Integrity and Transparency, Practising Normative Governance

ORINKO