



2023

Environmental, Social, and Governance (ESG) Report

Anhui Jinhe Industrial Co., Ltd.



Contents

| | |
|--|----|
| Chairman's Message | 01 |
| Introduction to Jinhe Industrial | 03 |
| Special Topic: Jinhe Industrial's Integrated Industry Chain | 09 |
| Special Topic: Digitalization for "Smart Production" | 11 |
| Contributing to the United Nations Sustainable Development Goals | 13 |
| Appendices | 73 |
| Key Performance Indicators | 75 |
| Index of Indicators | 77 |
| Feedback Form | 79 |

Operational Responsibility Creating Value for Shareholders 01

| | |
|---|----|
| Enhancing Corporate Governance | 17 |
| Strengthening ESG Management | 20 |
| Protecting Investors' Rights and Interests | 23 |
| Managing Internal Control and Risk | 25 |
| Practicing Ethical Business Conduct | 26 |
| Enhancing Information Security and Privacy Protection | 27 |

Product Liability Fostering Mutual Growth with Our Customers 02

| | |
|---------------------------------------|----|
| Improving Product Quality | 31 |
| Providing Excellent Customer Services | 33 |
| Building R&D and Innovation Systems | 35 |
| Protecting Intellectual Property | 36 |
| Strengthening Work Safety | 37 |

Environmental Responsibility Pursuing Sustainable Coexistence with Nature 03

| | |
|--|----|
| Environmental Management | 45 |
| Energy and Resource Management | 47 |
| Strengthening Pollution Prevention and Control | 49 |
| Practicing Green Operation | 52 |
| Response to Climate Change | 53 |

Partnership Responsibility Harmonizing with Partners 04

| | |
|------------------------------|----|
| Supply Chain Management | 57 |
| Driving Industry Development | 60 |

Employee Responsibility Prioritizing Employee Well-being 05

| | |
|--|----|
| Protecting Employee Rights and Benefits | 63 |
| Investing in Employee Training and Development | 64 |
| Providing Employee Care | 67 |
| Maintaining Occupational Health and Safety | 68 |

Social Responsibility Contributing to Social Harmony 06

| | |
|-------------------------------|----|
| Engaging in Community Welfare | 71 |
|-------------------------------|----|

Chairman's Message



Anhui Jinhe Industrial Co., Ltd.

Yang Le, Chairman



Dear Stakeholders,

Welcome to Jinhe Industrial's inaugural Environmental, Social, and Governance (ESG) report. We sincerely appreciate your continued interest in and support for Jinhe Industrial.

"Through rough paths and thorny trails, we reach the mountain's peak; amid hardships and challenges, we emerge as precious gems." Starting as a grassroots business in the fertilizer industry, Jinhe Industrial has come a long way. Over the past two decades, driven by unwavering determination and a vision for a brighter future, our employees have stood shoulder to shoulder, tirelessly forging ahead. With support from the government, shareholders, customers, and society, and through the relentless dedication of our workforce, we have overcome challenges and seized opportunities, propelling ourselves to the forefront of the food additives industry.

Jinhe Industrial is steadfast in fulfilling our social responsibilities, which serves as a driving force for our growth. We are dedicated to seamlessly integrating environmental protection, social responsibility, and corporate governance (ESG) into our business operations. Building on six years of publishing social responsibility reports, we have now incorporated an ESG report into our annual releases. Through rigorous ESG management practices, we not only demonstrate our unwavering commitment to society but also address the concerns of investors and other stakeholders. We are taking practical actions to make our operations more environmentally friendly and sustainable.

2023 marked the commencement of fully embracing the ideals outlined at the 20th National Congress of the Communist Party of China, serving as a vital link between past achievements and future initiatives in implementing the 14th Five-Year Plan. This year also stood as a significant milestone in Jinhe Industrial's development history. Despite confronting complex external challenges and fierce market competition, we remain steadfast in our original mission: fostering mutual growth with our customers, prioritizing employee well-being, creating value for shareholders, and contributing to social harmony. Under the strong leadership of our Board of Directors, all Jinhe Industrial employees are united and resolute. By leveraging our integrated industry chain, we have expedited our project development and spurred R&D innovation. Through our dedication and hard work, we have achieved significant performance.

In 2023, we made steady progress in project development and continued to refine our industrial layout. Through concerted efforts and relentless dedication, we successfully completed the technical upgrade project for sucralose and commenced production. Significant progress was also achieved in the first phase of the Dingyuan Phase II project, ensuring its timely completion and operation. Additionally, we began planning for the next phase of the project and commenced construction of a pilot base project for our research institute. These endeavors aimed to establish a crucial platform for the industrialization of our scientific and technological achievements, thereby further solidifying our position in the food additives industry. Furthermore, we persistently refined our industrial layout by focusing on emerging sectors within the new materials industry chain and strategically aligning our approach with policy guidance. This proactive move aimed to drive our high-quality business development and propel our industry forward.

In 2023, our commitment to innovation remained steadfast as we actively fostered an environment conducive to technological advancement. Through a combination of independent innovation and collaborative efforts, we strengthened our innovation platforms. Supported by multiple research platforms and high-caliber research teams, including academician and postdoctoral workstations, as well as provincially-certified enterprise R&D centers, we achieved breakthroughs in critical and fundamental technologies. Our project "A DMF Recycling Method" won the 10th Anhui Provincial Patent Gold Award, and project "Key Technology and Development Application of High-yield Sucralose" was awarded the 2nd Prize of Anhui Provincial Science and Technology granted by the provincial government. The project "Research and Application of Key Technology for Green Manufacturing of Food Additives", which is a national key R&D project for the 14th Five-year Plan we took part in, was successfully established and formally launched. Meanwhile, we gradually made new industry achievements in fields such as advanced manufacturing and quality living. For nine consecutive years, we have been honored as one of the Top 100 Patent Enterprises in Anhui Province.

In 2023, we remained committed to green development as we continuously strengthened our environmental management efforts. Regarding environmental protection as our top priority for survival and development, we continued to ramp up investments in environmental initiatives and upgraded public infrastructure for environmental protection. To vigorously promote energy conservation and emissions reduction, we established a dedicated team. This team is devoted to overcoming technical challenges and fostering product innovation to enhance both our product quality and work efficiency. Additionally, we diversified our business into renewable energy sectors, such as solar, wind, and biomass energy. These endeavors not only promoted clean energy but also injected green momentum into our sustainable development, earning us the prestigious title of National Green Factory.

In 2023, safety was our top priority as we raised our safety standards and heightened our awareness of the production safety red line. We upgraded our digital intelligence management and control platform and established a comprehensive safety center for real-time monitoring, risk forecasting, incident response, and safety management. Through the implementation of a dual-prevention mechanism, we strengthened our risk management in critical areas such as operations, equipment maintenance, and contractor oversight. By vigorously advancing production safety standards and consistently implementing proactive measures, we fortified safety across all sectors, laying a solid foundation for our unwavering pursuit of excellence in development.

In 2023, we remained committed to a people-first approach as we continued to fulfill our social responsibilities. Recognizing our employees as the backbone of our business success, we expanded our talent recruitment channels, enhanced compensation packages, and bolstered occupational health and safety measures. Moreover, we enriched our employees' lives outside of work, fostering a positive and supportive workplace environment. We took our social responsibilities seriously by ensuring that the benefits of our growth were shared with the wider community. Therefore, we actively participated in various social welfare initiatives, such as supporting education in impoverished areas, contributing to rural development, and engaging in charitable activities. All these activities facilitated stronger connections between the Company and society.

In 2024, we stand at the threshold of a new beginning, where opportunities and challenges intertwine. While the journey ahead may be long and arduous, as long as we keep moving forward, we will eventually reach our destination. In the upcoming year, the Company will maintain a rigorous, meticulous, pragmatic, and efficient work ethic, focusing on tangible results and concrete achievements. Our aim is to establish ourselves as a benchmark company in our industry by reinforcing minimum standards (bottom line), compliance requirements (red line), and stringent criteria (high-pressure line) for quality, safety, and environmental protection. Our commitment to continuous innovation will propel our development forward, bolstering our capacity for both independent R&D and collaboration. We will also actively support the transformation and modernization of traditional industry practices, aligning our efforts with the nation's commitment to achieving carbon peaking in 2030 and neutrality goals in 2060. Through these endeavors, we aim to make a meaningful contribution to resolving global climate and environmental issues. We will collaborate with our stakeholders to pave the way for greater sustainability.

Introduction to Jinhe Industrial

Company overview

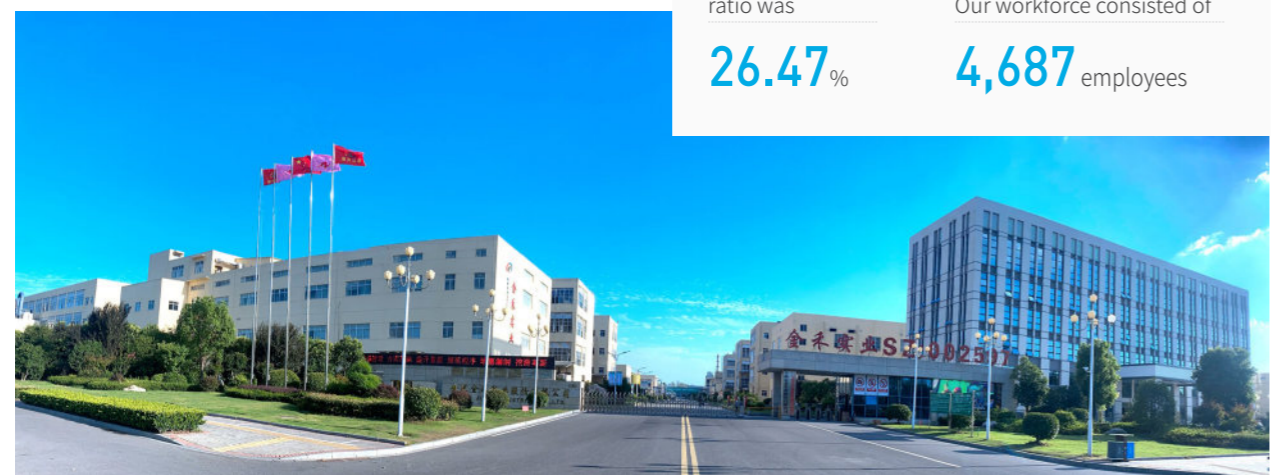
Anhui Jinhe Industrial Co., Ltd. (hereinafter referred to as "the Company", "Jinhe Industrial", "we", "our", or "us") boasts a long history dating back to the establishment of the Lai'an County Fertilizer Plant in 1974. Headquartered in Lai'an County, Chuzhou City, Anhui Province, the Company went public on the SME Board of the Shenzhen Stock Exchange on July 7, 2011 (stock symbol: Jinhe Industrial, stock code: 002597). Our operations are housed within two production facilities located in Lai'an Chemical Industry Park and Dingyuan Salt Chemical Industry Park. We specialize in the R&D, production, and distribution of food additives, fragrances for household and personal care chemicals, commodity chemicals, pharmaceutical intermediates, as well as functional chemicals and intermediates. Our product range includes sweeteners, flavors, fragrances, commodity chemicals, pharmaceutical intermediates, as well as functional chemicals and intermediates. By leveraging commodity chemicals as our primary raw materials, we have established a vertically integrated circular economy model. Our industry chain extends continuously downstream, leading to the establishment of a diverse strategic and industrial system with multi-faceted support. Additionally, we have created an industrial platform serving diverse sectors, including food and beverage, daily consumer goods, and high-end manufacturing. Our commitment lies in satisfying human needs for a better life while facilitating the development of advanced manufacturing.

Driven by a commitment to innovation, we have accelerated our technological advancements for greater development and prosperity. We have established an R&D center in Chuzhou, a research institute in Hefei, and an applied R&D center in Shanghai, creating an integrated R&D platform that encompasses front-end R&D, project implementation, and product application. Jinhe Industrial has earned recognition as a national high-tech enterprise, a national intellectual property demonstration enterprise, an innovative enterprise in Anhui Province, and a technology innovation demonstration enterprise in Anhui Province. With nearly 300 granted patents and a robust portfolio of non-patented technologies, we have

achieved significant success in independent innovation, proprietary technology development, and the commercialization of scientific and technological achievements.

Jinhe Industrial has garnered widespread recognition across society thanks to our core technological strengths, advanced management principles, exceptional product quality, and integrated approach to industry chain development. We have made significant progress and achieved impressive results in the food additives industry. Our key products hold leading global market shares. We have rapidly emerged as one of the prominent and competitive players in diverse sectors within the industry. We have been honored as one of the top 50 private enterprises in Anhui Province, one of the top 50 contributors to tax revenue among private enterprises in Anhui Province, and one of the top 100 private enterprises in the Chinese petrochemical industry for consecutive years.

| In 2023 | |
|-------------------------------|---|
| Our total assets amounted to | Our annual revenue reached |
| RMB 9.712 billion | RMB 5.311 billion |
| Our total profit reached | Our net profit attributable to shareholders of the listed company was |
| RMB 795 million | RMB 704 million |
| Our asset-liability ratio was | Our workforce consisted of |
| 26.47 % | 4,687 employees |



Business operations

The Company specializes in the R&D, production, and distribution of food additives, fragrances for household and personal care chemicals, commodity chemicals, and intermediate chemicals. Our product range includes sweeteners, flavors, fragrances, commodity chemicals, pharmaceutical intermediates, as well as functional chemicals and intermediates. After years of development, we have strategically positioned ourselves to serve industries such as food and beverage, daily consumer goods, pharmaceuticals, healthcare, agriculture, environmental protection, and advanced manufacturing.

Food additives

- Sweeteners: Sucralose, acesulfame-K (ace-K), allulose, glucosylated steviol glycosides, and oligofructose
- Food flavors: Methyl maltol, ethyl maltol, and methyl cyclopentenolone

Personal care fragrances

- Personal care fragrances: Galaxolide and cashmeran

Commodity chemicals and intermediates

- Commodity chemicals: Ammonium bicarbonate, hydrogen peroxide, formaldehyde, sulphur dioxide, sulphur trioxide, sulphuric acid, sodium formate, nitric acid, chloromethane, liquid ammonia, etc.
- High-grade chemical materials and intermediates: Electronic grade hydrogen peroxide, pentaerythritol, melamine, dimethylformamide, battery-grade ammonium bicarbonate, diketene, magnesium oxide, chloroethane, furfural, etc.
- Medical intermediates: SMIA and pyridine hydrochlorides

▲ Our core products



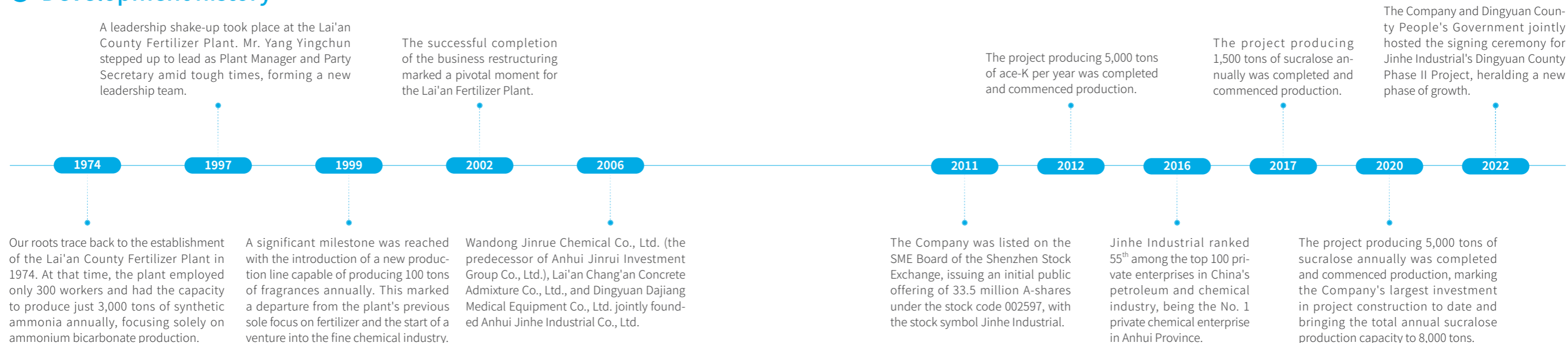
Our products are popular across China, and our food additives are exported to Europe, North America, Southeast Asia, India, and many other countries and overseas regions. Therefore, we have established two overseas subsidiaries.

Global business footprint

| | | | | | |
|------------------|--------------------|--------------|----------------|-------------|------------------|
| The US | Brazil | India | Mexico | Indonesia | Colombia |
| The Netherlands | The UK | Germany | Singapore | Ireland | Argentina |
| Thailand | Ecuador | Uruguay | Vietnam | Turkey | South Korea |
| Russia | Nigeria | Chile | Taiwan, China | Peru | South Africa |
| The Philippines | Costa Rica | Spain | Japan | Kenya | Puerto Rico |
| Myanmar | Dominican Republic | Guatemala | Algeria | Paraguay | Italy |
| Australia | Bangladesh | Morocco | Egypt | Pakistan | France |
| Ghana | Swaziland | Honduras | Haiti | Canada | Afghanistan |
| Venezuela | Senegal | Malaysia | Panama | New Zealand | Lebanon |
| Ukraine | Jamaica | Slovenia | Israel | Jordan | Belgium |
| Ethiopia | Serbia | Saudi Arabia | Albania | Switzerland | Zimbabwe |
| Lithuania | Iraq | The UAE | Liberia | Poland | Papua New Guinea |
| Hong Kong, China | Mauritius | Kazakhstan | Czech Republic | Libya | Sweden |



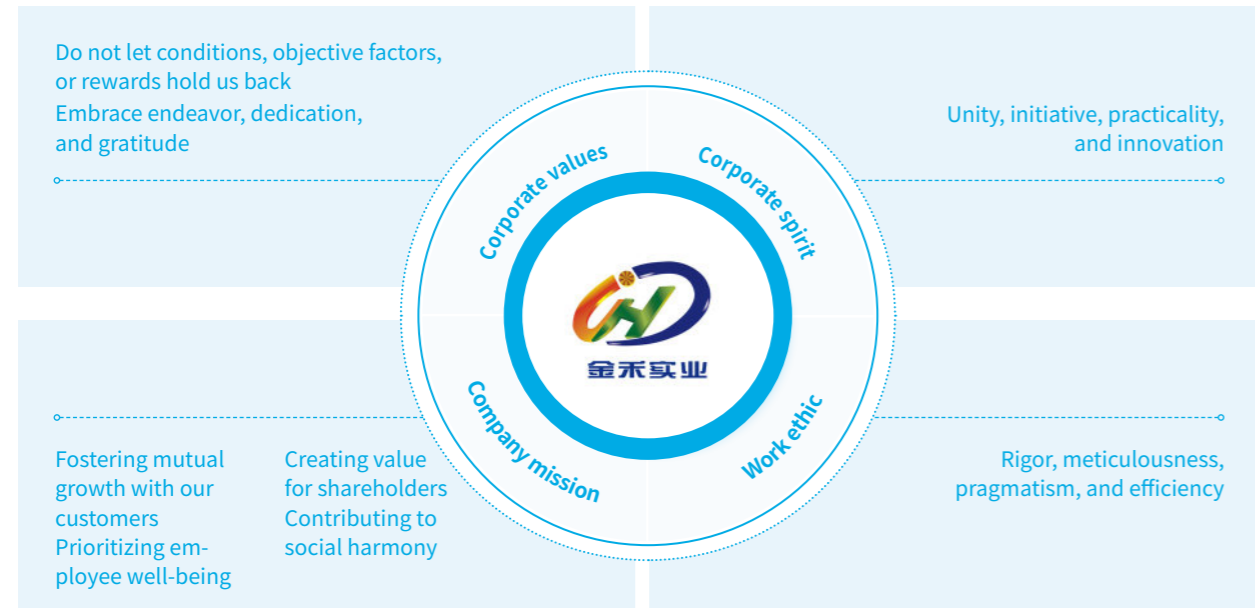
Development history



Company culture

Company vision

Our vision is to be a company capable of integrated research and production as well as comprehensive business operation. We aim to use chemical and biological technologies to consistently provide solutions to our customers in industries such as food and beverage, daily necessities, pharmaceuticals, healthcare, agriculture, environmental protection, and high-end manufacturing.



Company accolades

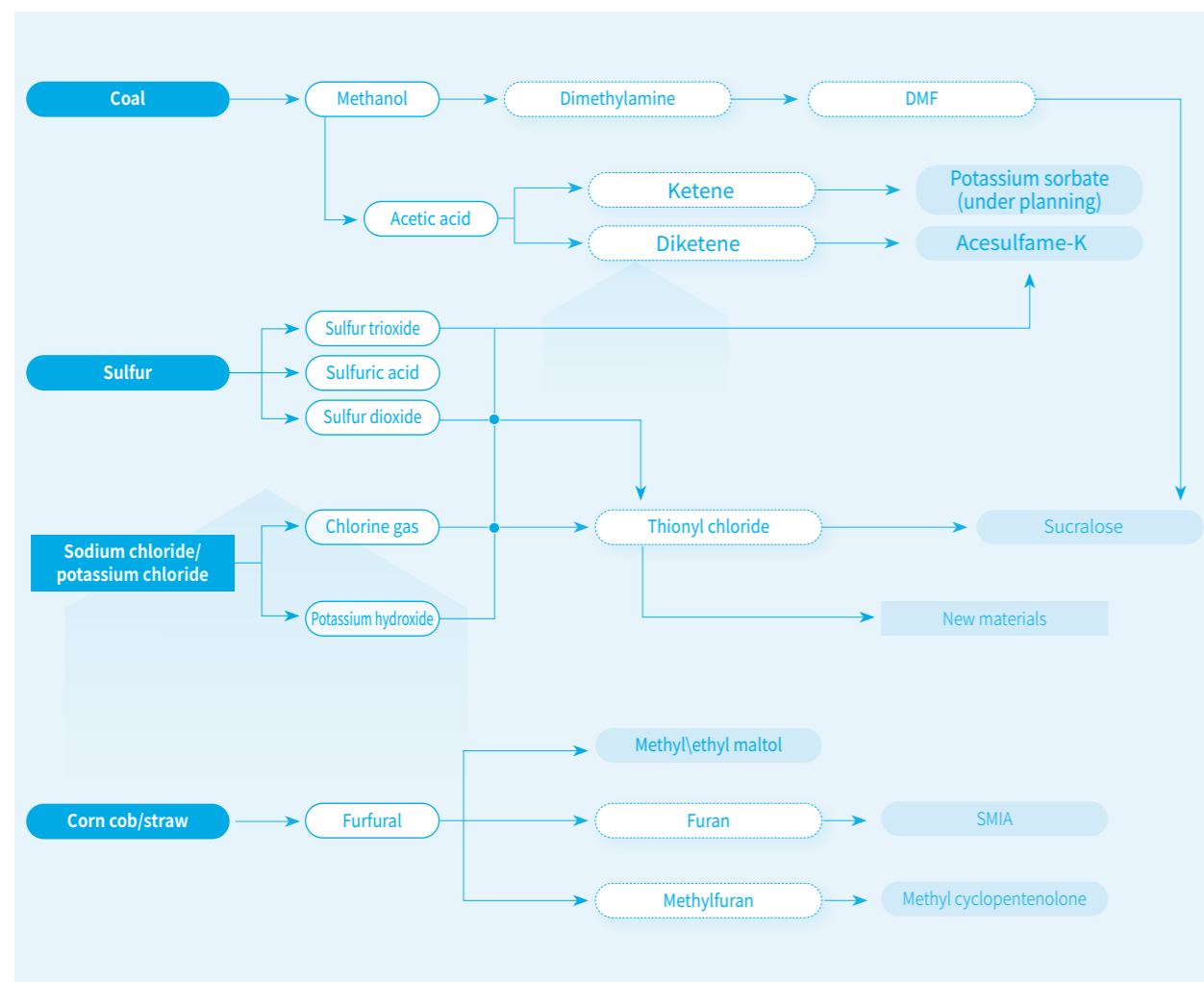
- One of China's Top 100 Fine Chemical Companies in 2022
- Anhui Provincial Enterprise Research and Development Center
- Anhui Provincial Industrial Excellence Award in 2023
- Single Champion Enterprise in the Manufacturing Industry recognized by the Ministry of Industry and Information Technology
- One of the Top 50 Private Enterprises Contributing to Tax Revenue in Anhui Province
- One of the Top 100 Private Manufacturing Enterprises with Comprehensive Competitiveness in Anhui Province
- One of the Top Ten Industrial Enterprises in Chuzhou City
- Role Model Organization in Chuzhou City
- Science and Technology Innovation Award for the Top 100 Innovative Enterprises in Anhui Province
- National Technology Innovation Demonstration Enterprise in 2023





Special Topic: Jinhe Industrial's Integrated Industry Chain

Starting from nitrogen fertilizer products, Jinhe Industrial has expanded along the industry chain, with a focus on our core business. We have vigorously ventured into the realm of fine chemicals and enhanced our self-reliance on resources and energy. By integrating both basic and fine chemical sectors, we have established a stable vertical supply structure. In terms of basic chemical production, the Company has a long-standing focus on product development. Building upon coal-based synthetic ammonia, we have diversified our offerings to include sulfuric acid and its derivatives, chlor-alkali-based sodium hydroxide, potassium hydroxide and its derivatives, as well as biomass-based furfural and its derivatives. This expansion has resulted in a diverse range of over 20 product types. In addition to external sales, we consistently provide high-quality raw materials for our internal production of premium chemical materials, intermediates, and healthy food ingredients. This helps mitigate risks associated with fluctuating raw material markets, ensuring our production stability and continuity.



▲ Jinhe Industrial's circular economy industrial park

Five strengths of Jinhe Industrial's integrated industry chain

Cost advantage

- Through vertical integration of our industry chain, we have closely linked each step, ensuring a steady supply of raw materials. By producing key raw materials for food additives in-house, such as thionyl chloride, DMF, and furfural, we have reduced external procurement costs and minimized the involvement of middlemen.

Quality assurance

- We uphold stringent internal quality control systems and utilize advanced testing equipment to ensure that every stage of production, from raw materials to final products, meets stringent quality standards.

Sustainable development

- We prioritize environmental protection and sustainability by integrating both upstream and downstream activities, facilitating resource recycling and waste reduction.

Stable supply

- While maintaining our production of traditional ammonia products, such as liquid ammonia and ammonium bicarbonate, using coal as a basic raw material, we have aggressively expanded our product portfolio, diversified our offerings, and strengthened our presence in downstream commodity chemical products. This enables us to provide a reliable and high-quality supply of raw materials for our in-house production of premium chemical materials, intermediates, and healthy food ingredients.

Market responsiveness

- Through the integration of both upstream and downstream activities, we maintain agility in responding to market fluctuations, allowing us to swiftly adjust our production plans to meet customer needs.



Special Topic: Digitalization for "Smart Production"

Industrial Internet construction

Jinhe Industrial continues to enhance in-depth integration of IT with industrial production. We have passed AAA (field level) management system certification for integration of IT application with industrialization, which is conducted by the National Ministry of Industry and Information Technology (MIIT). By constructing a digital system based on the industrial Internet platform and utilizing the integration capability of the data middleground and the technology middleground, we have achieved data interconnection, centralized storage and sharing in terms of equipment management, work safety, real-time production database, robotics system, SAP-ERP system, and BI system. This provides a solid foundation for data application and decision-making analysis. By creating a digital operation dashboard that displays statistical analysis in dimensions such as production, safety, equipment, and quality, we can intuitively understand the production and operation status, thus improving work efficiency. A unified portal has been established for various business systems to improve the convenience of use and user experience. The new business architecture of "platform + industrial intelligent app" empowers the informatization, digitalization and intelligent transformation of the Company.



▲ Desktop of the industrial Internet platform



▲ Digital operation dashboard



▲ Big screen for production

Case

Jinhe Industrial Internet Platform

Since 2021, the Company has invested more than RMB30 million to improve digital management. By building the digital factory management system, GIS map + dynamic risk warning system, SIS system, DCS system, the Company establishes a production process data collection and analysis system. The production data, such as production progress, on-site operation, quality inspection, equipment status, and material transfer can be automatically uploaded, which enables visualized process management and digitalized product management. This facilitates the realization of a double prevention mechanism for safety risk identification, safety inspection and hidden safety hazard management, safety operation license - operation management, equipment basic information management, intelligent inspection, equipment (electrical instrument) hidden danger management, operation list management, equipment management, training management and so on. By promoting the standardization, informatization and digitization of production site management, we have improved the safety management level, personnel efficiency, and equipment operation rate and reduced the corporate management and operation costs.

In the "List of 2023 Intelligent Manufacturing Demonstration Plants and Excellent Scenarios" issued by the Ministry of Industry and Information Technology of China, "Process Dynamic Optimization" of Jinhe Industrial was selected as one of the excellent scenarios.

As a safety center integrating real-time monitoring, risk prediction, accident disposal and safety management, Jinhe Industrial Internet Platform can effectively conduct all-around real-time monitoring of the overall safety condition, provide timely warning and work guidance to the health, safety, and environment (HSE) department, promote the safety management work, and realize the whole-process closed-loop management of the health (H), safety (S) and environmental (E) protection.



▲ Safety inspection management



▲ Real-time personnel positioning



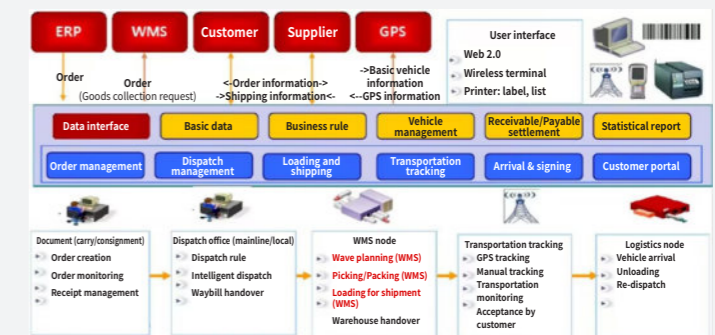
▲ Jinhe Industrial Internet Platform - Intelligent inspection robot control system

Case

Transportation management system

The Company has implemented online weighing management for vehicles entering or leaving the factory. The system generates delivery orders and shipping orders based on the purchase orders and sales orders and provides quantity confirmation by first weighing and second weighing. We use GPS positioning or connect to the system of the logistics transportation company to obtain the location information during transportation in real time, which facilitates trans-

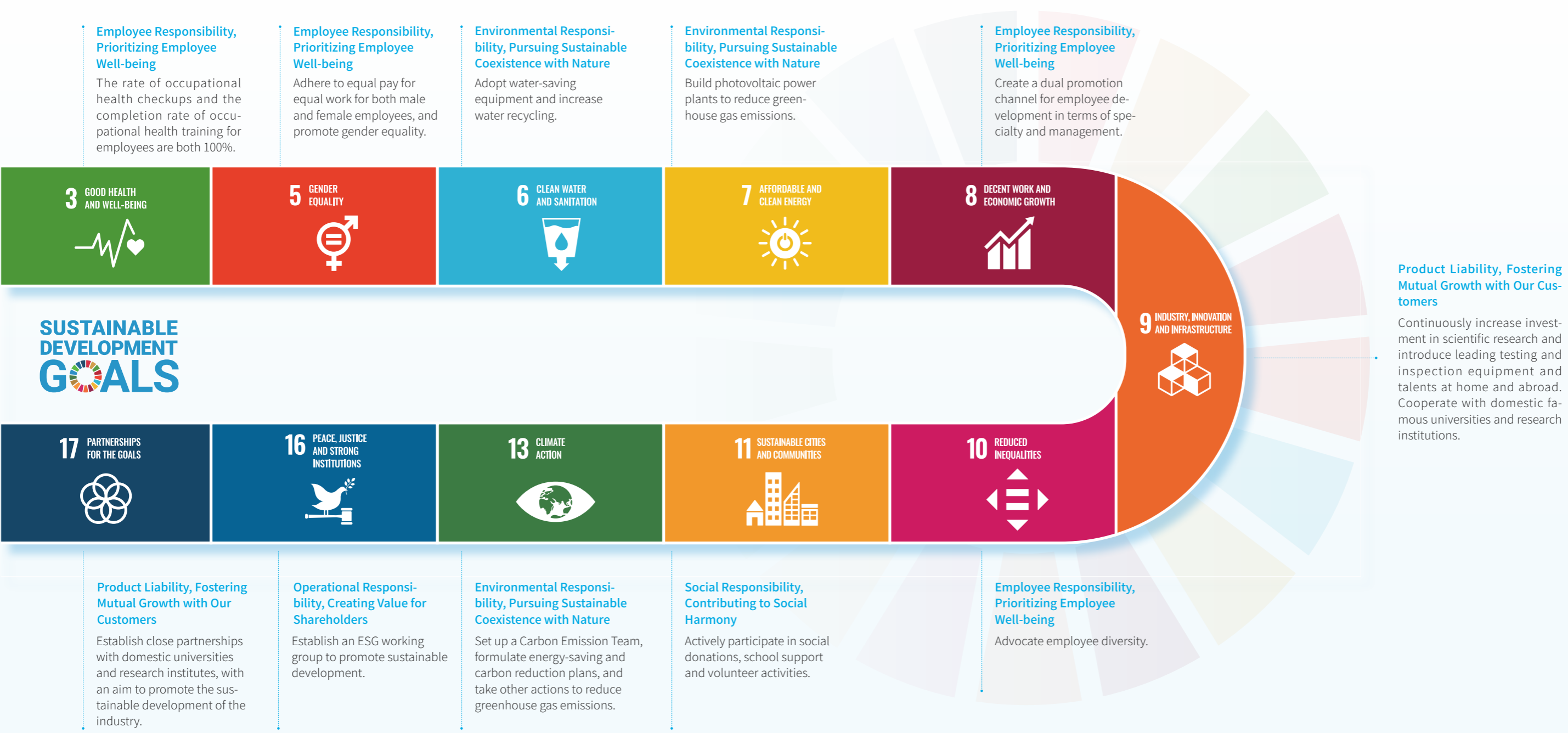
portation planning. Video monitoring can constrain drivers of special vehicles and improve the safety of hazardous chemical transportation. Finished fine chemical products and main raw materials can be tracked through a QR code to improve the efficiency and standardization of manual operations. Based on vehicle information statistics and planning, the weighing of vehicles entering and leaving the factory is automated, which reduces queuing time and improves the efficiency of material loading/unloading and weighing in the factory.



▲ Transportation management system

Contributing to the United Nations Sustainable Development Goals

We actively respond to the Sustainable Development Goals (SDGs) of "Transforming Our World: the 2030 Agenda for Sustainable Development" adopted by the 70th United Nations General Assembly. The agenda puts forward 17 SDGs, which aim to address issues around the society, economy and environment and put the world on the path to sustainable development. Focusing on the SDGs involved in our business areas, we continuously improve internal sustainable development management to enhance the social impact and promote the sustainable development of the industry and the society.



SUSTAINABLE DEVELOPMENT GOALS

Operational Responsibility

Creating value for shareholders

Jinhe Industrial has always been improving the corporate governance system and strives to enhance the corporate value and safeguard shareholders' rights and interests. The Company conducts business activities in strict accordance with the laws, regulations and regulatory requirements, and always communicates with investors in an open and transparent manner to make them fully understand our operation status and future strategies. We actively identify the various business risks to prevent potential risks and to ensure sound and healthy operations. By practicing business ethics, we establish a cooperative relationship with other enterprises for common development. In addition, we adopt advanced information security technologies and strict management measures to prevent cybersecurity threats and safeguard our assets and customer data.

- Enhancing Corporate Governance
- Strengthening ESG Management
- Protecting Investors' Rights and Interests
- Managing Internal Control and Risk
- Practicing Ethical Business Conduct
- Enhancing Information Security and Privacy Protection



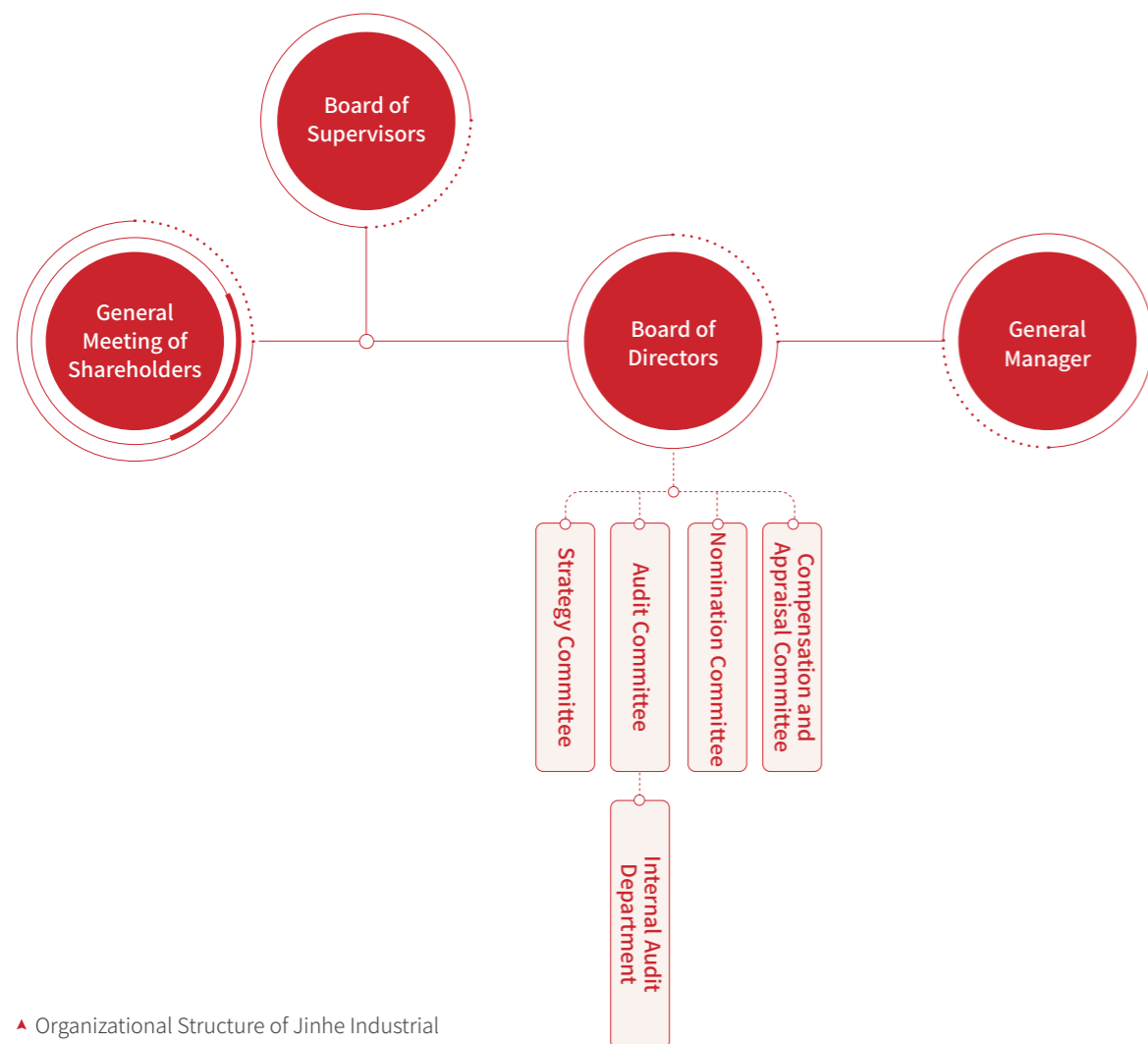
OPERATIONAL RESPONSIBILITY

Enhancing Corporate Governance

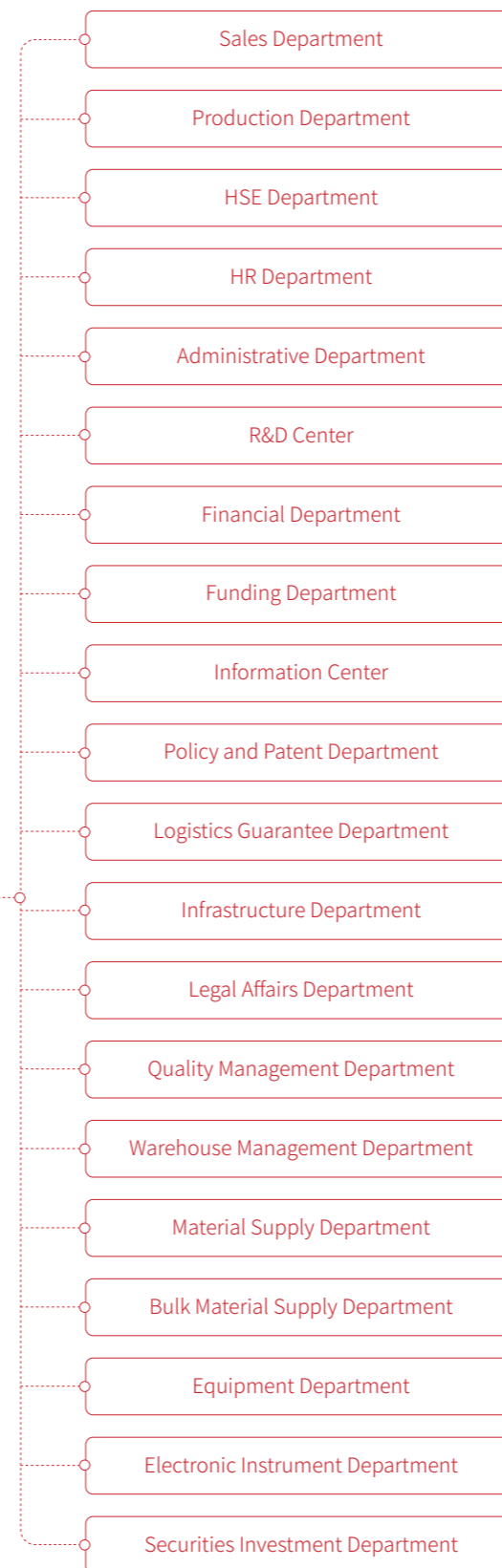
➤ Operation of the Three Meetings

The Company strictly complies with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Governance for Listed Companies, the Rules for Listing of Stocks on the Shenzhen Stock Exchange, the Shenzhen Stock Exchange Guidelines No. 1 on Self-regulation of Listed Companies - Standard Operation of Main Board Listed Companies, and other relevant laws, administrative regulations, departmental rules and normative documents. In light of the actual situation, the Company has continued to improve corporate governance and established a corporate governance mechanism with clear responsibilities and high efficiency.

The Company has established a governance structure consisting of the General Meeting of Shareholders, the Board of Directors and its special committee, the Board of Supervisors and the senior management. The Board of Directors is the executive body of the General Meeting of Shareholders and is responsible for the establishment, improvement and implementation of internal control. The Board of Supervisors is the supervisory body of the Company's operation and governance, and it supervises the establishment and implementation of internal control by the Board of Directors. The General Manager and the leadership team are responsible for organizing and guiding the daily operation of internal control. We ensure a clear division of powers and responsibilities among our decision-making body, supervisory body, organ of authority and senior management, and form a solid operation mechanism that allows for mutual constraints.



▲ Organizational Structure of Jinhe Industrial



Board of Directors and Board of Supervisors

During the reporting period, the Board of Directors of the Company consisted of **9** directors, including **3** independent directors. The Company promotes the diversity of the Board of Directors, and there is **1** female director now. With specialized knowledge and high-level educational backgrounds, the current directors come from diverse backgrounds, which can safeguard the scientific decision-making of the Board of Directors.

The Board of Directors consists of **4** special committees, namely the Strategy Committee, the Compensation and Appraisal Committee, the Audit Committee and the Nomination Committee.

Strategy Committee

Carries on research and gives advice for long-term development strategies and major investment decisions of the Company.

Audit Committee

Supervises and evaluates the work of external audit institutions, proposes to hire or replace an external audit institution, and reviews the Company's financial information and disclosure.

Compensation and Appraisal Committee

Gives advice on the Company's remuneration plans or programs for directors, supervisors and senior management.

Nomination Committee

Gives advice on the structure and size of the Board of Directors, the criteria and procedures for the selection of directors and senior management.

Each of the special committees is diligent and operates in accordance with the corporate governance and internal control systems. The committees carry on research and give advice on relevant matters to safeguard shareholders' interests and compliant development of the Company.

During the reporting period, the Board of Supervisors consisted of **3** supervisors, including **1** employee representative and **1** female supervisor. The Board of Supervisors has **1** chairperson. The employee representative in the Board of Supervisors is elected by employees through the Congress of Workers and Staff, and the term of office shall not exceed **3** years.

In 2023

The Company held

2 general meetings of shareholders

9 meetings for the Board of Directors

4 meetings for the Board of Supervisors

1 meeting for the Strategy Committee

3 meetings for the Audit Committee

2 meetings for the Compensation and Appraisal Committee

1 meeting for the Nomination Committee

Strengthening ESG Management

The Company attaches great importance to sustainable development and arranges relevant work around operational responsibility, product liability, environmental responsibility, partner responsibility, employee responsibility and social responsibility. The Company is committed to fully integrating environmental, social and corporate governance (ESG) affairs into the development strategies and business activities. Specifically, the Company continuously improves the ESG management structure, clarifies the division of responsibilities, standardizes the governance mechanism, ensures the rights and interests of stakeholders, and implements sustainable development strategies.

Three-level ESG management



▲ ESG management structure

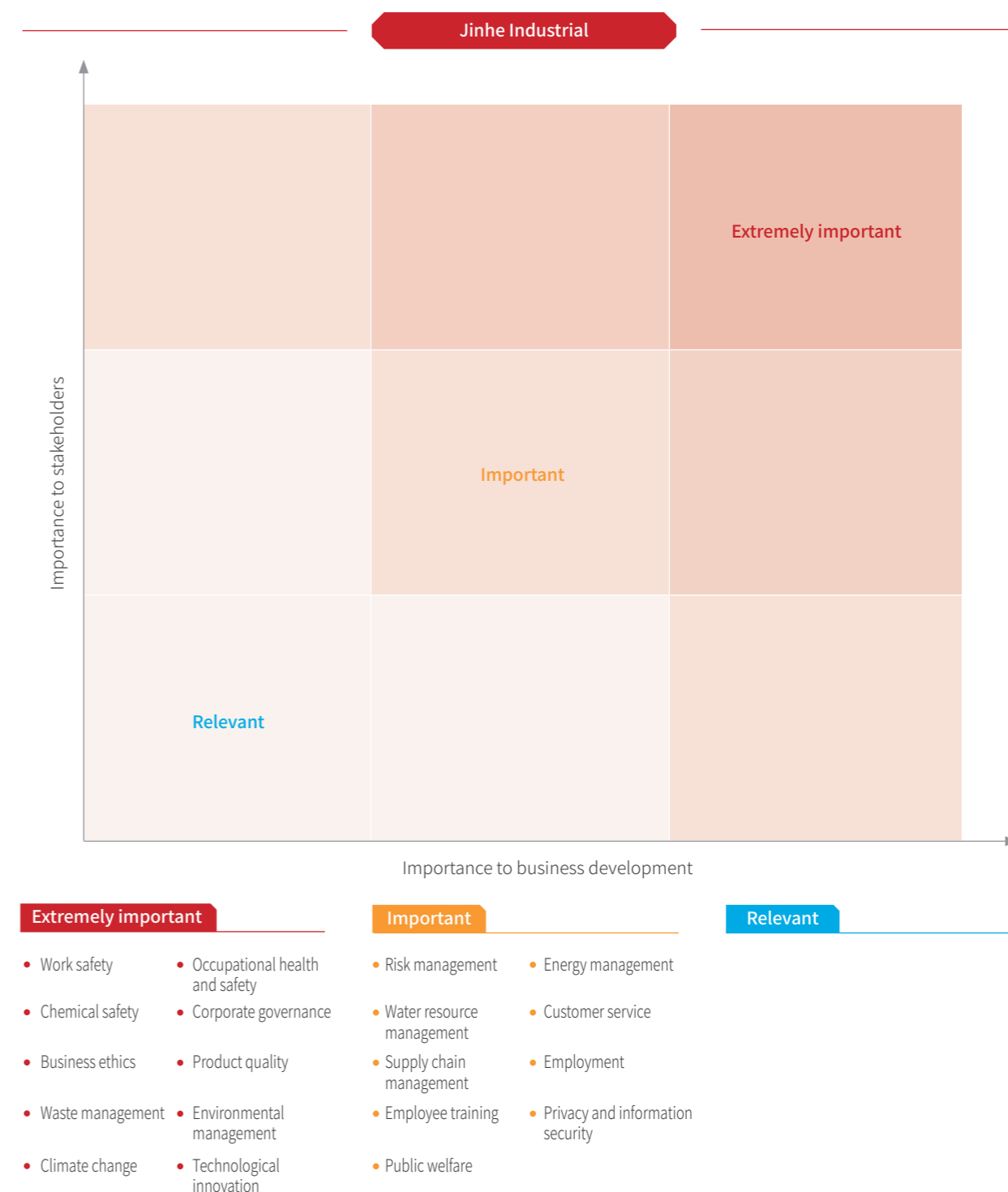
Communication with stakeholders

Prioritizing comprehensive and timely communication with stakeholders, we have established an efficient and standard communication mechanism to ensure the effectiveness and normalization of communication. Through diversified and efficient stakeholder communication channels, we can understand and respond to the demands and expectations of stakeholders in a timely manner, further enhance ESG management and better fulfill our responsibilities to all parties.

| Stakeholders | Expectation and demand | Countermeasure |
|--|---|---|
|  Shareholders/ Investors | <ul style="list-style-type: none"> • Anti-corruption and business ethics • Product quality and safety • Response to climate change • Compliant and stable operation • Compliance disclosure • Risk management | <ul style="list-style-type: none"> • Enhancing business management • Holding general meetings of Shareholders • Receiving investor visits • Distributing dividends to shareholders • Regularly disclosing information |
|  Government and regulatory agencies | <ul style="list-style-type: none"> • Rural revitalization and social welfare • Anti-corruption and business ethics • Waste management • Pollutant control • Energy management | <ul style="list-style-type: none"> • Complying with law and discipline • Creating job opportunities • Contributing to rural revitalization and social welfare |
|  Partners and suppliers | <ul style="list-style-type: none"> • Supply chain management • Green procurement • Energy management • Intellectual property protection | <ul style="list-style-type: none"> • Open and transparent procurement • Carrying out strategic cooperation • Technology exchanges • Creating a green supply chain • Performing contracts and agreements • Protecting intellectual property |
|  Customers | <ul style="list-style-type: none"> • Product quality and safety • Customer satisfaction • R&D innovation • Information security and privacy protection | <ul style="list-style-type: none"> • Enhancing product quality control • Enhancing privacy protection • Providing quality services • Conducting customer visits and training programs • Performing contracts and agreements • Delivering products on time |
|  Employees | <ul style="list-style-type: none"> • Employee rights • Employee care • Employee training and development • Employee health and safety • Diversity and inclusiveness | <ul style="list-style-type: none"> • Improving the compensation system • Providing a safe and healthy working environment • Enhancing employee training • Providing fair promotion channels • Carrying out employee care activities |
|  Society and public | <ul style="list-style-type: none"> • Rural revitalization and social welfare • Pollutant control • Water resource management | <ul style="list-style-type: none"> • Contributing to rural revitalization • Offering charitable assistance for education • Carrying out charitable activities • Taking measures for environmental management and water conservation |

Material issue analysis

To fully grasp the views and demands of customers, government, employees, partners and other stakeholders, the Company conducts surveys by questionnaires. We carry out in-depth communication with stakeholders to analyze and evaluate material issues for corporate operations. The questionnaires were completed in an anonymous manner. We have identified and included 19 issues to the material issue matrix according to the domestic regulations and guidelines and based on our business model, industry development and national policies. Among these issues, 10 issues were assessed as highly important issues.



Protecting Investors' Rights and Interests

Investor relations management

The Company respects and protects investors' rights and interests. In accordance with relevant laws, regulations, normative documents and the Articles of Association, the Company has formulated the Investor Relations Management System, which specifies the principles, purposes, contents, scope and methods of investor relations management. Laying emphasis on smooth communication with investors, we provide a variety of channels of communication and assign the Securities Investment Department to take charge of investor relations management affairs. During the reporting period, we responded to investors' demands, inquiries and suggestions through various communication channels. For example, we held performance presentations, disclosed special announcements related to investors, kept the investor hotline unimpeded, answered questions from Shenzhen Stock Exchange's online platform (irm.cninfo.com.cn), and received investors' research. These efforts effectively safeguarded investors' right to information and decision-making, enhanced our image in the capital market and protected investors' interests.



- » Provide timely reply and communication to concerns of investors through a variety of channels such as investor phone calls, investor emails, investor interactive platforms, on-site research, online briefings, and investor relations column on the official website.
- » Hold general meetings of stockholders by combining on-site meetings and online voting.
- » Arrange institutional investors, analysts, news media and other specific objects to visit the Company, hold analysts' teleconferences and conduct investors' online exchanges.
- » Update information on the Company's website and WeChat official account to facilitate investors' access to the latest information.
- » Establish investor information files.

▲ Measures for investor relations management

In 2023

The Company held a total of **2** performance presentations

Received over

500 investor phone calls

Answered

136 questions raised by investors on the online platform (irm.cninfo.com.cn)

Response rate

100%

Case

Investor relations activities

To further strengthen the communication with investors, we participated in "2023 Online Collective Reception Day for Investors of Listed Companies in Anhui", which was guided by the Anhui Securities Regulatory Bureau, and jointly organized by the Listed Company Association of Anhui and Shenzhen Quanjing Network Co., Ltd. We actively answered the questions raised by investors, elaborated on the progress of our business projects, and maintained communication with investors to convey our value.



On May 16, 2023, we held the 2022 Annual Results Performance Presentation through the interactive platform of the Shenzhen Stock Exchange. The Chairman, General Manager, independent directors and Secretary of the Board of Directors of the Company attended the performance presentation. We reviewed the operating results and financial situation in 2022 and provided detailed answers to the concerns of investors.



Enhancing information disclosure

In accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, Measures for the Administration of Information Disclosure of Listed Companies and the Articles of Association, we have formulated a series of systems to strengthen the management of information disclosure affairs, including the Information Disclosure System and the System for Accounting for Significant Errors in the Information Disclosure of the Annual Report. We fulfill the obligation of information disclosure truthfully, accurately, completely and in time, thus improving the management level of information disclosure and safeguarding the rights and interests of investors. We strictly abide by the rules of insider trading and formulate the Registration System for Informants of Insider Information to strengthen the confidentiality of insider information and maintain the fairness of information disclosure.

In 2023

The Company released

148 periodic reports and interim reports

Managing Internal Control and Risk

Internal control

According to the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Governance for Listed Companies and other laws and regulations, and the Articles of Association, the Board of Directors identifies internal and external risks and establishes internal control systems based on the of internal control and management objectives. The systems cover all aspects of operating activities, including but not limited to financial management, capital management, R&D management, work safety, budget management, information disclosure, internal audit control, procurement management, human resources, contract management, information system management, and control over subsidiaries, laying a solid foundation for the Company's long-term healthy development.

- Review various rules and systems issued and being implemented by the Company, and check the implementation of these systems.



- Promote self-assessment and rectification by business units.

- Sorts out missing systems for key business management and promotes the establishment and improvement of these missing systems

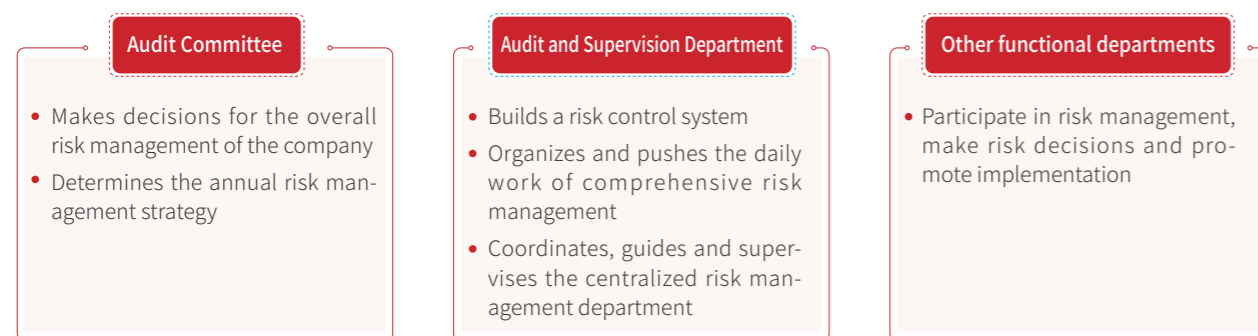
Improvement of key internal control matters

The Company engages an annual auditing accounting firm to audit the effectiveness of internal control over financial reporting and issue the Internal Control Audit Report. As per the Basic Standard for Enterprise Internal Control and relevant regulations, we maintain effective internal control over financial reporting.

Risk management

We have established a scientific and effective risk management system and carried out risk identification and assessment based on our strategy and business objectives, so as to continuously enhance risk management.

The core idea of risk management is "advance identification, indicator tracking, prevention publicity". Each department collects risk management information for risk identification and assessment and formulates prevention plans to prevent risks. Quantitative risk indicators are applied to achieve dynamic monitoring of risks in each business process so that risks can be detected in a timely manner. Through a series of risk management training and publicity, we enhance the awareness of risk management and promote risk control by all employees.



"Three lines of defense" for risk management

Practicing Ethical Business Conduct

Strictly abiding by the Law of the People's Republic of China Against Unfair Competition, the Anti-Monopoly Law of the People's Republic of China and other laws and regulations, we adhere to fair competition, oppose any form of commercial bribery, monopolization and unfair competition, and strictly require all employees to adhere to the business ethics. By carrying out training activities on anti-monopoly and fair competition, we continue to enhance the awareness of business ethics among employees. During the reporting period, the Company had no violation incidents involving improper competition behavior and violation of antitrust laws.

To regulate the professional behavior of the management and employees, we have formulated the Regulations on Penalties for Dereliction of Duty, Malpractice and Corruption, which specifies the classification of behaviors and penalties. An Inspector's Office has been set to supervise employees' behaviors and the Trial Measures for Reward of Integrity has been formulated to reward employees who perform well in integrity. To cooperate with suppliers in a clean and efficient manner and promote the integrity of both parties, we convey to each supplier our requirements and "zero tolerance" attitude towards integrity and anti-corruption issues. In addition, we require suppliers to sign the Supplier Integrity Commitment and upload it to the SRM system.

In terms of feedback handling and whistleblower protection, we have formulated the Whistleblower Protection and Reward System, and provided reporting channels such as the reporting telephone, mailbox, appointment of visit, letter, and WeChat official account, to encourage employees and partners to report corruption. With detailed provisions on whistleblower protection, we keep the personal information of the whistleblower and the provided reporting information confidential, strictly prohibit retaliation against whistleblowers, and take multiple measures to protect the rights and interests of whistleblowers.



Report handling process

Reward

If the issue complained of is found to be true, we will reward the complainant based on the economic loss recovered or the undue benefit obtained by the violator as determined by the judicial authorities.

Complaint channels

- Make a phone call at** 13955038758
- Send an email to** duchaban@ajhchem.com
- Other forms** Other forms as deemed appropriate by the complainant
- Make an appointment to report** Visit us

QR code of Jinhe Industrial's WeChat official account for supervision and reporting

During the reporting period, the Audit Department inspected and evaluated the management and implementation of departmental systems, key areas and key links to enhance corporate management. During the reporting period, in addition to process control, the Audit Department carried out a series of financial internal audits on large capital expenditures, financial investments, bank notes, and so on by checking accounts and vouchers. This effort has reduced the probability of abuse of authority by departments and facilitated integrity building.

To strengthen the compliance awareness of all employees and instruct employees to consciously practice integrity, we conducted anti-corruption training, which enhances the awareness of all employees to practice integrity.



▲ Anti-corruption training

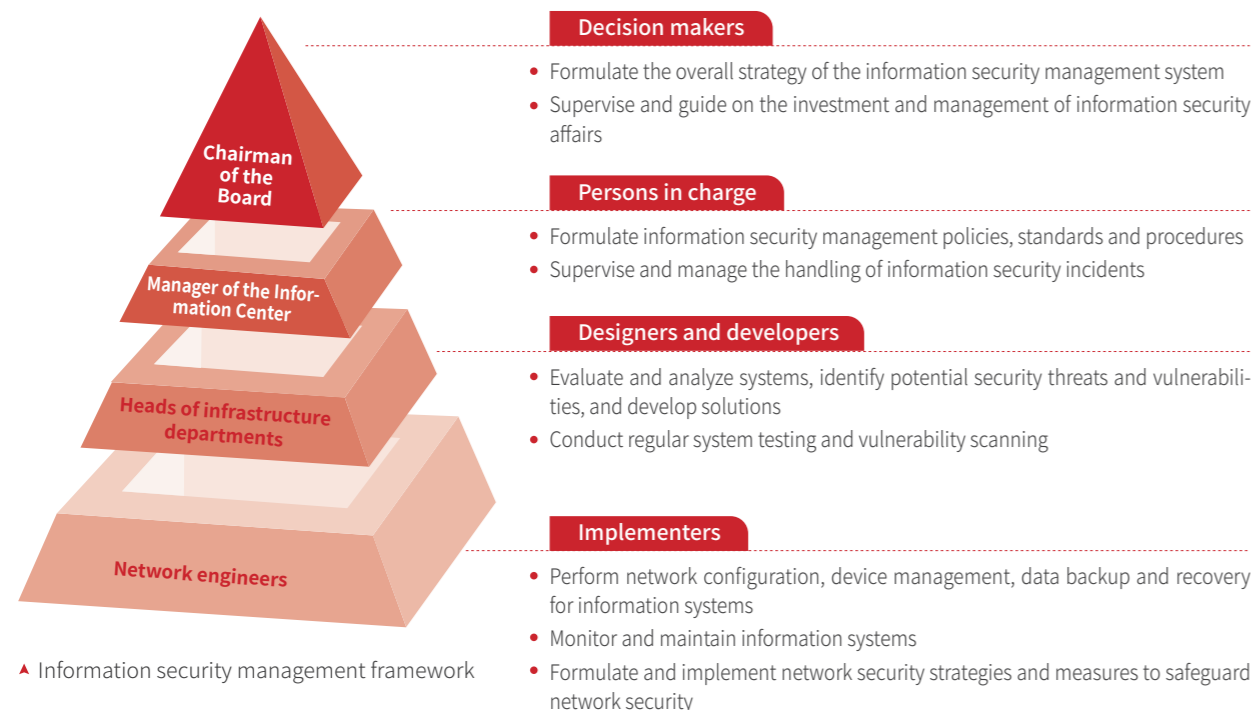


▲ Anti-corruption training

Enhancing Information Security and Privacy Protection

➤ Information security management

The Company highly values information security and strictly abides by laws and regulations such as the Network Security Law of the People's Republic of China, the Data Security Law of the People's Republic of China and the Personal Information Protection Law of the People's Republic of China. Based on the information security management standard, an information security management framework has been established and implemented under the leadership of the Chairman of the Board of Directors. The framework covers several key positions such as the manager of the Information Center, heads of infrastructure departments and network engineers, who jointly shoulder the responsibility of information security protection for the Company.



▲ Information security management framework



The Company has formulated the Information Management System, Notice on Strengthening the Protection of the Trade Secrets and other relevant systems, and optimizes the system every year.



The Company improves information security management by building encryption systems and designing the decryption approval process and log audit system based on the organizational structure.



The Company reduces information security risks by building stable and efficient server room data centers and deploying firewalls to enhance the security detection and prevention capabilities at the network boundaries.

▲ Measures for strengthening information security

Case

Network security activities

Cybersecurity training

During the China Cybersecurity Week in 2023, we invited the Public Security Bureau of Lai'an County to conduct training on cybersecurity. This activity enhanced employees' awareness of data security and risk prevention ability and also improved our ability of cybersecurity service guarantee.



External network security inspection

We cooperate with network security vendors regularly to strengthen the ability of network security protection. By adopting the combination of situational awareness platform, probe and EDR, we monitor the internal security environment to prevent attacks by network viruses and malware. These measures ensure the safe and stable operation of the network and reduce security risks.

➤ Privacy protection

Prioritizing the privacy and security of customer data, we protect customer data against any illegal data transmission. According to our confidentiality management system, all information involving customers must be managed by level. Employees must submit an application for approval before accessing the documents, and they cannot copy the documents. To strengthen the ability of data and information risk identification, assessment and prevention, the Company established the Emergency Response Plan for Data Leakage Incidents based on the Information System Emergency Response Plan, facilitating timely response to data leakage emergencies.

Product Liability

Fostering Mutual Growth with Our Customers

We regard product quality as our life and always adhere to the quality policy of "keep improving to create superior products; abide by contracts to satisfy the customers; strive continuously to be industry-leading". Following the industry standards, we have created a reliable product quality management system. To improve product quality, we optimize the quality management process in an all-round way, refine the quality testing equipment, strengthen the quality management and education, and constantly reinforce the product quality in product production. These measures ensure the delivery of reliable products and quality services to customers.

- Improving Product Quality
- Providing Excellent Customer Services
- Building R&D and Innovation Systems
- Protecting Intellectual Property
- Strengthening Work Safety



PRODUCT LIABILITY

Improving Product Quality

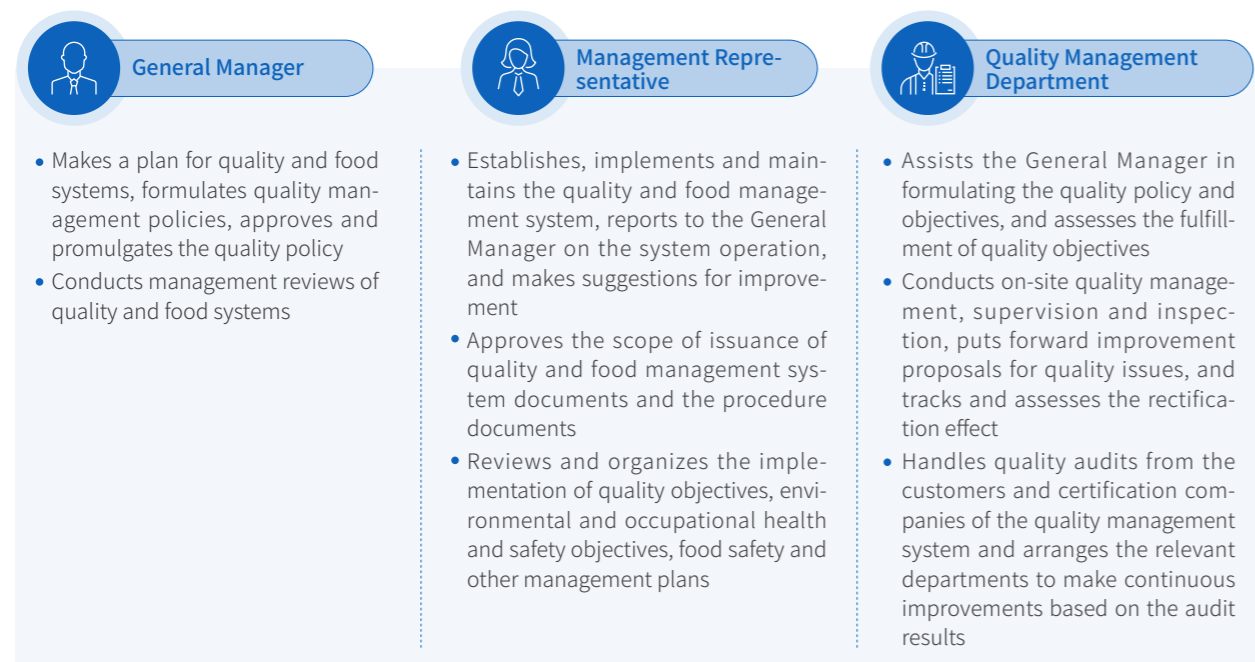
Quality management system

Attaching great importance to quality management, we continuously advance the construction of a quality management system in line with international quality standards. Currently, we have passed certifications including the ISO9001 (quality management system) and FSSC22000/ISO22000 (food safety management system), obtained third-party product certifications such as HALAL, and passed more than 20 audits for product quality and food safety from customers at home and abroad. Besides, we have received Sedex Members Ethical Trade Audits and passed supply chain audits in areas including human resources, health and safety, environment and business ethics.



▲ Certificate of quality management system ▲ Certificate of food safety management system ▲ HALAL certificate ▲ Sedex Members Ethical Trade Audit

In strict accordance with the Product Quality Law of the People's Republic of China and other laws and regulations, we have formulated internal management documents such as the Three-in-One Management Handbook, Customer Service Management System, Product Shelf-Life Confirmation and Verification Procedures and Production and Service Delivery Control Procedures. These documents specify the product quality requirements and acceptance control procedures for key processes. We also publish the latest quality management policy, quality management policy and objectives in the form of a quality management manual, and refine the quality management standards and related standard operation procedures. In addition, we clearly define the responsibility of quality management and the responsibilities of quality staff at all levels. The General Manager is responsible for quality management, and the Quality Management Department is responsible for implementing and coordinating product quality affairs.



▲ Quality management structure

Quality management process



Product inspection equipment

We have established a quality inspection center of about 2,500 square meters, which undertakes the analysis and testing of our products, raw materials and intermediate materials. Under the quality inspection center, we set up the Basic Chemical Quality Management Department and the Fine Chemical Quality Management Department. The quality inspection center is equipped with 55 sets of testing equipment and instruments, including the ICP-OES, AAS, sulfur meter, Infrared hydrocarbon meter, calorimeter, total carbon analyzer, infrared spectrophotometric oil meter, spectrophotometer, automatic moisture meter, gas chromatograph, liquid chromatograph, atomic absorption meter, and atomic fluorometer.



▲ Quality control equipment

Product quality training

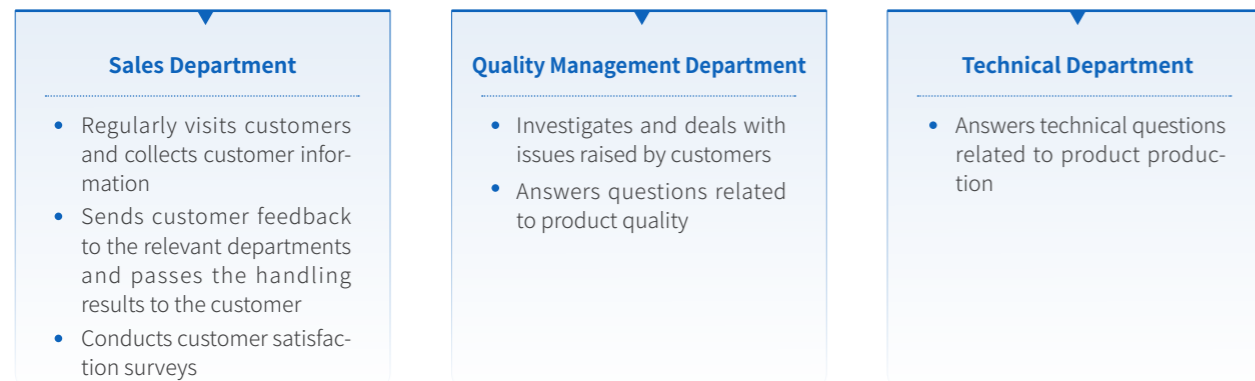
To enhance employees' awareness of product quality, we continuously carry out a full range of quality management training. The Quality Control Department systematically trains operators, equipment maintenance personnel and warehouse custodians in each market workshop on food safety and quality laws, allergen control, personnel health and hygiene, equipment maintenance and prevention of problematic products. This measure contributes to the guarantee of product quality and safety in an all-around way.



▲ Product quality training for employees

Providing Excellent Customer Services

The Company adheres to the "customer first" service concept and follows the customer service guidelines of "sincere, fast, thoughtful, consistent, and educated". In strict compliance with the Law of the People's Republic of China on the Protection of Consumer Rights and Interests and other relevant laws and regulations, the Company developed the Customer Service Management System, which defines the requirements of customer service. The Company has established a service management structure consisting of the Sales Department, Quality Management Department, Technical Department and other departments to provide timely and professional response and solutions to customers.



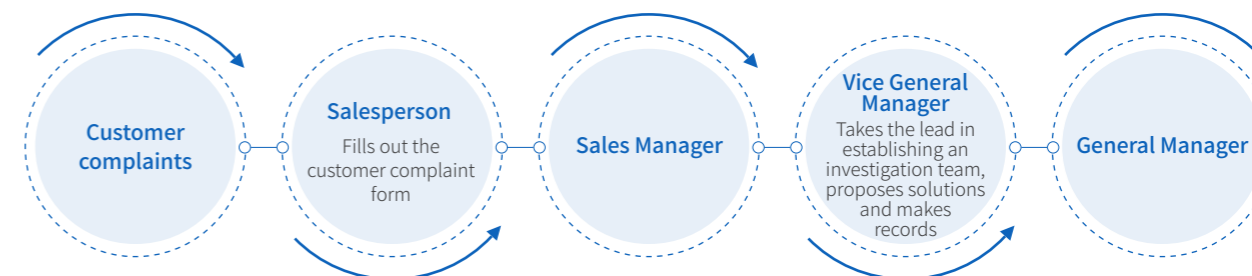
▲ Service management structure

▶ Optimizing customer services

The Company keeps optimizing the customer service management system to deeply understand customer needs, provide efficient, high-quality personalized services, and quickly respond to issues raised by customers, thereby enhancing customer satisfaction and loyalty. Under the Advertising Law and other relevant laws and regulations, we utilize industry conferences, exhibitions, official website, brochures and other means to publicize our product types, performance, purpose and quality standards, to safeguard the legitimate rights and interests of customers. We listen to customers' voices, focus on their demands, and provide them with targeted services. In addition, we respond quickly to issues raised by customers, contact the relevant departments to solve the issues, and follow up and verify the resolution, to make customers satisfied with the quality of our products and services.

▶ After-sales services

Giving priority to customers' opinions and feedback, we have established the Customer Complaint Handling Procedures to standardize the customer complaint management process. In response to the received complaints, the Quality Management Department immediately organizes investigations, completes the complaints handling within 24 hours and gives feedback to the customers. Moreover, we summarize all kinds of issues raised by customers and the solutions every year and submit them to the management for review, which prevents similar issues from recurring.



▲ Customer complaint handling process

To solve product quality problems and protect the rights and interests of customers, we have formulated the Unsafe Product Recall System, which defines the organization and command of product recall, notification of related parties, specific division of labor for the program, disposal guidelines and time requirements, the handling of withdrawn/recalled products, and so on. The Company conducts an annual recall drill to ensure the effectiveness of the system.

To further improve customer services, we conduct customer satisfaction surveys every year, which cover, but are not limited to, product quality, transportation and delivery, business services and customer services. In 2023, the Company's customer satisfaction rate reached 99.6%.

In 2023

Complaint handling rate for products and services

100%

During the reporting period, the Company experienced

0 product recalls



Building R&D and Innovation Systems

The Company owns the titles of national high-tech enterprise, national intellectual property demonstration enterprise, innovative enterprise of Anhui Province, technology innovation demonstration enterprise of Anhui Province, and enterprise R&D center of Anhui Province. Led by scientific and technological innovation as the driving force and supported by multiple research platforms and high-caliber research teams, including academician and postdoctoral workstations, as well as provincially-certified enterprise R&D centers, we carry out technical exchanges and cooperation with scientific research institutes and universities, develop high-end and fine chemical industry, create an industrial platform for integration of bio-chemical synthesis R&D and production, and promote the transformation and upgrading of traditional industries.

Adhering to the concept "Science and technology are the first productive force", we established an R&D management system led by the Chief Engineer to coordinate and step up the process of various R&D activities. By integrating front-end R&D innovation, project implementation and transformation, and product application, the system enables a three-in-one R&D operation platform, which continues to inject a strong impetus for corporate development.

The Company has three R&D bases located in Chuzhou, Hefei and Shanghai and nearly one hundred full-time R&D personnel who have an average of more than 15 years of experience in engineering and product R&D. The three R&D bases are equipped with advanced experimental facilities and cutting-edge R&D equipment, ensuring that the Company closely follows cutting-edge trends and maintains a leading position in the fierce market competition.

In 2023

The Company's R&D investment reached

RMB **235.3361** million

Accounting for

4.43% of operating revenue

With

642 R&D personnel

Accounting for

13.70% of the total number of employees

▶ Three R&D bases



Chuzhou R&D Center

The R&D center has 39 full-time R&D personnel, including 28 project engineers, with an average of more than 15 years of experience in process R&D and project construction. The center is currently carrying out small-and pilot-scale tests for more than ten types of products.



Hefei Research Institute

The research institute covers an area of 20,000 square meters and is equipped with advanced technology R&D equipment. It gathers research talents from Peking University, University of Science and Technology of China, Shanghai Jiao Tong University, Tianjin University and other famous universities, over 40% of whom hold a master's degree or above (5 researchers hold a doctoral degree). The research institute has conducted exchanges and established cooperation with Tianjin University, University of Science and Technology of China and other colleges and universities to promote the transformation of scientific and technological achievements.



Shanghai Application R&D Center

The application R&D center has 11 R&D personnel who specialize in food-related industries and come from Jiangnan University, Nanjing Agricultural University, Northeast Agricultural University, Hainan University and other well-known colleges and universities. All of the R&D personnel possess a high-precision technical background and working background in the sugar reduction industry, and over 50% of them hold a master's degree. The application R&D center is equipped with testing and processing equipment and instruments including the ultrapure water machine, electronic balance, stirrer, high-pressure homogenizer, pressure steam sterilizer, and constant temperature drying oven, which can satisfy the needs of basic R&D and application exploration of products.



▲ R&D laboratory



▶ Promoting industry-university-research cooperation and facilitating technological innovation

The Company has conducted diversified industry-university-research cooperation with many colleges and universities. Our partners include Huazhong Agricultural University, Fuzhou University, Tianjin University, Jiangnan University, Anhui University and Huaiyin Institute of Technology and other famous universities. The project cooperation with these universities provides continuous innovative impetus for our development. Every year, we invest nearly RMB10 million in industry-university-research cooperation.

By the end of the reporting period, we have won one 1st prize, two 2nd prizes and two 3rd prizes of the Anhui Provincial Science and Technology Progress Award. During the reporting period, our project "A DMF Recycling Method" won the 10th Anhui Provincial Patent Gold Award, and project "Key Technology and Development Application of High-yield Sucralose" was awarded the 2nd Prize of Anhui Provincial Science and Technology granted by the provincial government. The project "Research and Application of Key Technology for Green Manufacturing of Food Additives", which is a national key R&D project for the 14th Five-year Plan we took part in, was successfully established and formally launched, which demonstrates our strength in scientific and technological innovation.

Protecting Intellectual Property

Jinhe Industrial highly values the protection of intellectual property against competitive risks and regard intellectual property as our important asset. Strictly following the Patent Law of the People's Republic of China, Trademark Law of the People's Republic of China, Copyright Law of the People's Republic of China and other laws and regulations, we carry out intellectual property protection and constantly improve the intellectual property system. We have formulated internal management systems such as the Intellectual Property Management System, Patent Management System, Enterprise Copyright Management System, and Intellectual Property Reward and Punishment System, facilitating technological innovation and the formation of independent intellectual property. During the reporting period, we obtained the certificate of intellectual property management system and won the title "National Intellectual Property Demonstration Enterprise". We have won 1 gold award, 1 silver award and 5 excellence awards in the Anhui Provincial Patent Selection, and have been honored as one of the Top 100 Enterprises of Invention Patents in Anhui Province for nine consecutive years.



▲ Certificate of intellectual property management system



▲ National Intellectual Property Demonstration Enterprise

We carry our regular training and exchange activities on intellectual property and build an all-round training system for employees at different levels to strengthen their awareness of intellectual property protection.



▲ Intellectual property training

In 2023

The Company organized

3 training courses related to intellectual property

including the April 26 Intellectual Property Week Training, Enterprise Trade Secret and Patent Protection Training, and Enterprise Patent Writing and Mining Training

The total number of training participants reached

350

In 2023

The Company possessed

286 authorized patents

201 patents for invention

The number of patents filed in 2023 was

58

The number of patents authorized in 2023 was

31

Strengthening Work Safety

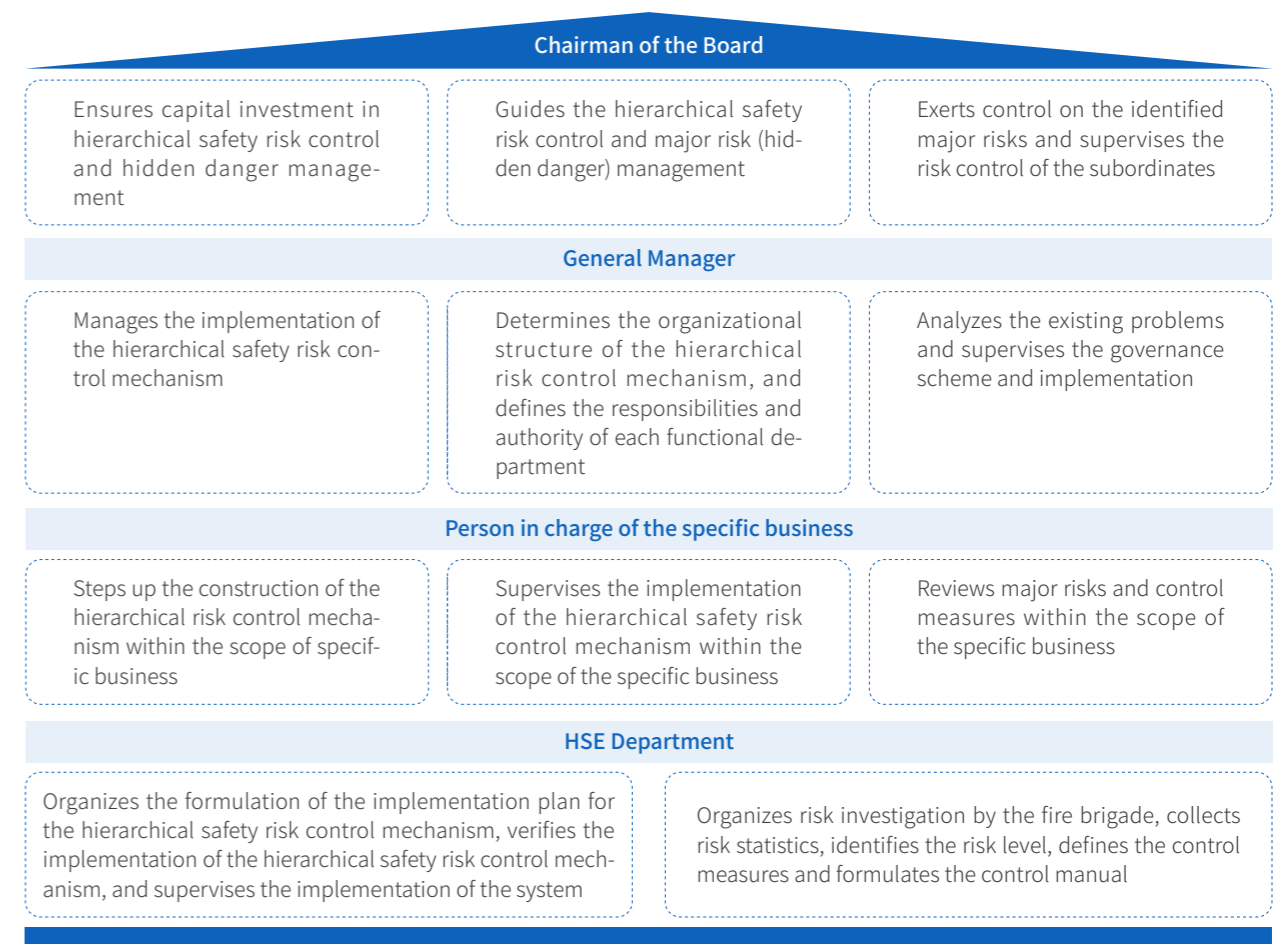
Jinhe Industrial believes that work safety is the cornerstone of corporate development and the eternal goal of corporate management. The Company adheres to the safety management policy "Safety first, prevention prioritized; full participation, comprehensive governance; optimizing working environment, protecting employees' health; strengthening scientific management, ensuring sustainable development". To ensure work safety, the Company continuously steps up the construction of the HSE management system, focuses on work safety management, and carries forward the establishment of a digital intelligence safety management platform. In addition, the Company has set up a full-time firefighting team to enhance the ability of safety risk management, implemented an all-employee responsibility system for work safety and intensified the entity responsibility for production safety. The Company strengthens the identification of potential safety hazards and emergency response, improves the safety awareness of all employees, and solidifies the basic safety management. What's more, we have been making efforts to build a standard safety management system to enhance the overall safety management capability.

▶ Work safety management system

The Company operates in compliance with the Work Safety Law of the People's Republic of China, the Law of the People's Republic of China on Prevention and Control of Occupational Diseases and other laws and regulations. Giving top priority to work safety for production and operation, we have formulated policy documents such as the Three-in-One Management Handbook as well as documents on the safety risk control system such as the List of Risky Areas, the List of Risks of Operational Activities, and the List of Risks of Equipment and Facilities.

▶ Work safety organization construction

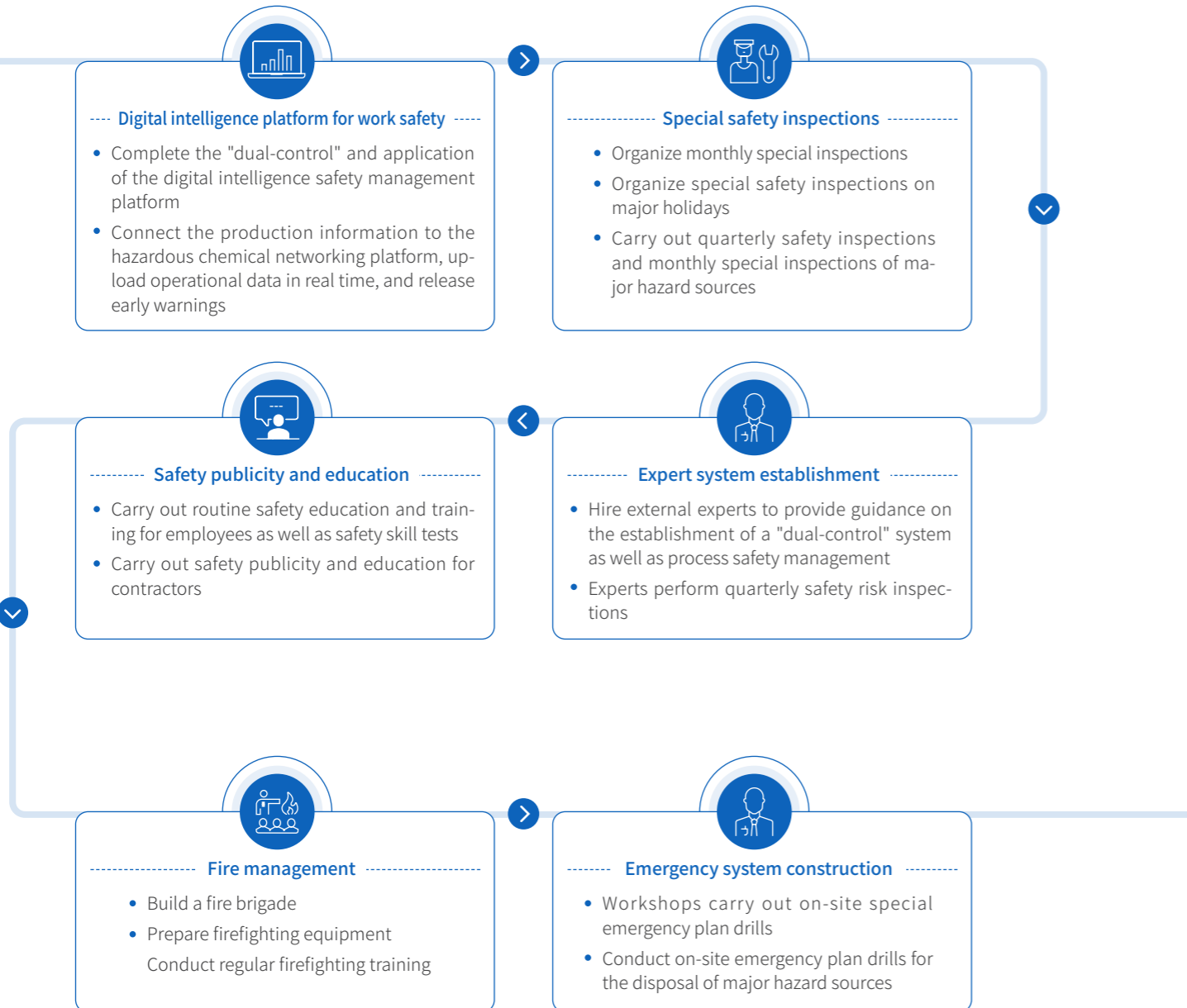
To strengthen the organizational construction of work safety, the Company has set up the HSE structure. Under the leadership of the Chairman of the Board, the General Manager, the Safety Director, the managers of all business units and the managers of functional departments (centers) form a leading group of work safety. This group is responsible for formulating the policies and objectives for work safety, and safety administrators are specified under the group to implement specific links. The Company requires all employees to sign a safety commitment letter, formulates annual safety management objectives and sets up a work safety responsibility system.



▲ Work safety management structure

➤ Safety risk prevention

Safety risk management is an important part of work safety and plays a vital role in preventing and reducing safety incidents. To improve safety risk management, the Company has established a safety risk management process through the construction of a digital intelligence work safety platform, the establishment of a safety expert system, special safety inspections, safety publicity and education, fire control, and the construction of an emergency response system.



▲ Safety management measures

➤ Safety inspection

According to the Hidden Danger Inspection Management System, the Company carries out routine safety inspections in workshops, inspections in branch offices and functional departments, special safety inspections by the managers and on-site inspections of contractors' projects to discover the hidden dangers of production facilities in terms of personnel, machines and materials. The hidden dangers identified are recorded in Jinhe Industrial Internet Platform for continuous tracking and rectification, ensuring that each hidden danger can be effectively dealt with.



▲ On-site safety inspection

➤ Enhancing safety education

The Company performs an in-depth analysis of risk identification of each position, formulates a hierarchical risk control training plan, and implements full training by levels and stages. In this way, employees can know well the laws, regulations, standards and systems related to the risk control system. We implement the "three-level safety education" system for new employees and a monthly safety education program for in-service employees. We also hold safety promotion activities such as the "Ankang Cup" knowledge contest, "Safety Production Month", and skills competitions to create a good atmosphere for safety production.

Prioritizing the safety management of contractors, we review contractors' safety qualifications, perform safety supervision during the construction process, carry out on-site inspections of contractors' projects, include contractors in the scope of safety training, and require contractors to consciously implement safety training measures. These efforts ensure that the goal of work safety can be achieved for personnel and projects of the Company.



▲ Routine safety training for employees and inspections at the contractor's site



▶ Emergency drill management

The Company continuously improves the emergency management mechanism, strengthens the emergency rescue capacity. In strict accordance with the safety management regulations, the Company files safety emergency drills and organizes a variety of emergency drills on a regular basis, which enhances employees' ability to deal with emergencies.



▲ Emergency drill for hazardous waste leakage

▶ Fire management

We have built a firefighting building to set up a firefighting control center, which is equipped with four firefighting trucks and one hazmat truck. A full-time fire brigade has been established, for which semi-military management is adopted. Our production sites are equipped with a full range of firefighting and hazmat equipment. To ensure that every employee is able to use firefighting equipment, the fire brigade randomly selects employees from the branch offices every month to assess their ability to use firefighting equipment.



▲ Fire emergency drill

In 2023

The Company held a total of

98 emergency drills

26 safety inspections

The rectification rate of hidden safety hazards reached

100%

The number of safety training sessions reached

621

Covering

4,687 employees

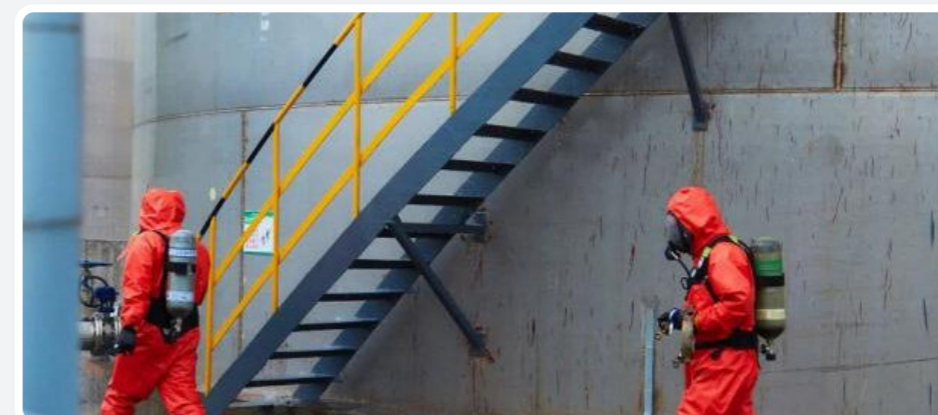
▶ Chemical management

The Company has developed the Three-in-One Management Handbook, which specifies a series of measures such as chemical procurement management, loading/unloading transportation management, chemical change management, management methods for precursor chemicals for toxics and explosives production, and chemical-related emergency drills. The storage places of major hazard sources are evaluated in accordance with the Identification of Major Hazard Sources of Hazardous Chemicals. In terms of daily management, the Company strictly prohibits the direct discharge of chemical reagents into the water body. Each department collects or stores all kinds of waste liquids containing poisonous and harmful, dirty oil or chemical substances generated from the cleaning of parts and components in special containers and adopts measures to prevent leakage. In the process of receiving and transferring external chemical waste liquids, the Company continuously intensifies protective measures and assigns specialists to perform on-site supervision. Moreover, detailed records of the transfer, reception and treatment process are kept and hazardous chemicals are registered on the designated platform to ensure the data is true and reliable.

Case

Emergency drill for leakage of hazardous chemicals

During the reporting period, the Company carried out an emergency response drill for hydrogen peroxide tank leakage, which covered on-site disposal, warning escalation and activation of the emergency response plan. The drill aimed to test the effectiveness of the emergency rescue plan and the collaborative capability of the emergency response team. This ensures that the emergency response measures can be carried out in a fast, efficient and orderly manner in the event of an accident, laying a foundation for safe production.



▲ Emergency drill for leakage of hazardous chemicals

Environmental Responsibility

Pursuing Sustainable Coexistence with Nature

Jinhe Industrial always adheres to the concept of green development. With a strong awareness that "Lucid waters and lush mountains are invaluable assets", we promote harmonious coexistence between humans and nature and incorporate this concept into all aspects of corporate development. Putting emphasis on environmental management, we have developed effective environmental management regulations, continuously improved the environmental management system, and included environmental assessment in the performance of the management. Besides, we take practical actions to implement the national environmental management laws and regulations by adjusting the product structure, accelerating the transformation and upgrading, and vigorously promoting energy saving and emission reduction. We have also increased investment in environmental protection to optimize the environmental protection monitoring and treatment equipment. In addition, we identify potential environmental protection risks and step up the construction of an emergency response system on a regular basis. We strengthen the publicity of the concept of environmental protection and periodically organize related training. In this way, every employee has a strong awareness of environmental protection.

- Environmental management
- Energy and resource management
- Strengthening pollution prevention and control
- Practicing green operation
- Response to climate change



ENVIRONMENTAL RESPONSIBILITY

Environmental Management

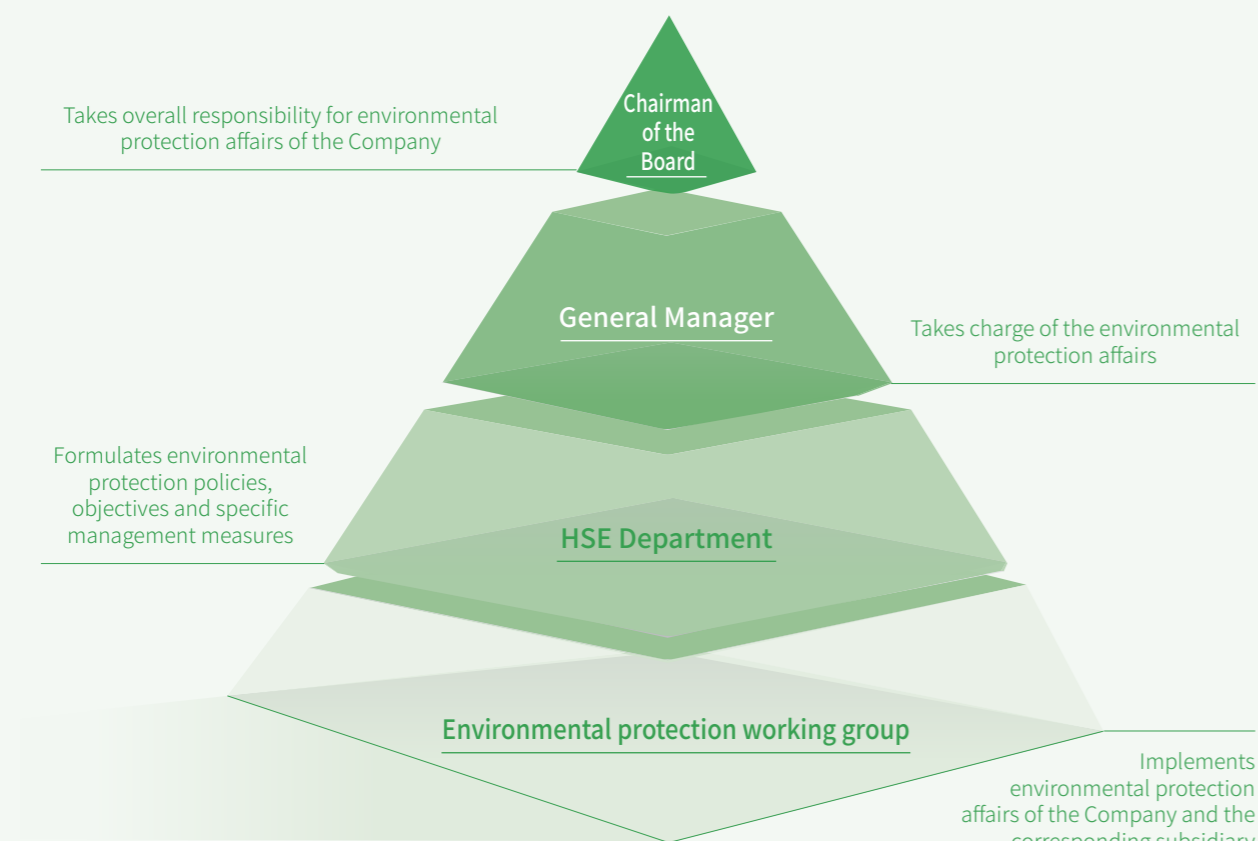
Strictly abiding by the Law of the People's Republic of China on Environmental Protection and other laws and regulations, the Company builds a comprehensive HSE management system and formulates management systems such as the Three-in-One Management Handbook, Environmental Protection Management System, Environmental Management System for Equipment Overhaul, Environmental Management Supervision and Protection Measures, Ten Prohibitions on Environmental Protection. In 2023, to optimize environmental management, the Company updated five systems, including the Operation Management System of Online Monitoring Equipment, the Operation Management System of Exhaust Gas Treatment Facilities, the Management System of Wastewater Treatment, the Management System of Online Station and O&M Technicians and the Management System of Environmental Protection. During the reporting period, the Company passed the ISO 14001 environmental management system certification.



▲ Certificate of ISO14001 Environmental Management System

During the reporting period, the Company passed the renewal audit for national green factory recognition, which not only symbolizes a recognition of the Company's achievements in green manufacturing, but also encourages the Company to further improve environmental performance in the future and lead the trend of green development in the industry.

A legal person representative responsibility system is implemented for environmental governance. The Chairman of the Board is fully responsible for the environmental protection affairs and the General Manager serves as the competent leader. We have set up the HSE Department, and the director of this department is in charge of the environmental protection affairs. All subsidiaries of the Company have set up an environmental protection working group respectively. The heads of the production section, HSE section and equipment section are in charge of environmental protection affairs at the grassroots level, and each grassroots unit has a full-time environmental protection officer, forming a comprehensive environmental management system.



▲ Environmental management structure

➤ Setting environmental management targets

The Company sets environmental management targets every year based on the business development and operating conditions. During the reporting period, to accurately improve the level of environmental management, the Company set targets for a higher water recycling rate and better management of wastewater, waste gas, noise and hazardous wastes.

Environmental management targets for 2023

Based on the best performance in 2022, the amount of wastewater generated per ton of product by each subsidiary decreases by

10%

The serviceability rate of environmental protection facilities reaches

100%

The pass rate of organized outlet testing reaches

100%

The operation rate of environmental protection facilities reaches

100%

The rate of waste gas collection by each production device reaches

100%

➤ Environmental management policy

Comply with laws and regulations, meet emission standards, carry out comprehensive utilization, continuous improvement, energy saving and consumption reduction, and achieve the coordinated development of the economy and environment.

➤ Environmental emergency management

Attaching attention to the prevention of and response to environmental emergencies, the Company continues to improve the risk prevention and environmental emergency response system. All subsidiaries and production units of the Company have issued and implemented the Contingency Plan for Environmental Emergencies. Besides, the Company carries out "six inspections", namely self-inspection of hidden dangers by all employees, mutual inspection by workshops, inspection by the HSE Department, inspection led by senior management, inspection by experts and inspection by affiliated cadres. The inspection results are summarized to sort out typical cases of hidden environmental dangers. The Company has established an emergency rescue team, prepared complete emergency facilities and necessary emergency materials, and regularly organized emergency drills to prevent all kinds of accidents. The Company also prioritizes the cultivation of employees' awareness of environmental risk prevention and control. In 2023, environmental protection training was conducted at all levels of branches and subsidiaries, which boosted all employees' awareness of environmental protection and management ability.

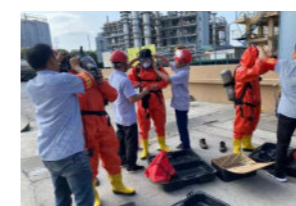
In 2023

The Company held a total of

40 environmental emergency drills

Covering

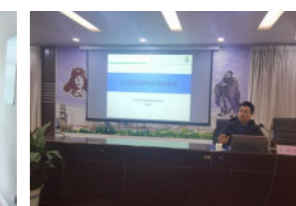
2,700 participants



▲ Environmental and fire emergency drill



▲ Conducting environmental training



Energy and Resource Management

Highly valuing the conservation and efficient utilization of energy, we have comprehensively implemented an energy-saving management strategy, which involves energy saving in management, energy saving through technological transformation, energy saving assessment and energy management system. In actual operation, we focus on improving the use efficiency of major energy sources such as electricity and coal, and formulate the Energy Management System Procedure.

During the reporting period, we passed the energy management system certification and took this opportunity to continuously improve the operation mechanism of the system. By strengthening the construction and supervision of the energy management system, we achieved process control in terms of energy procurement, use and transformation. The standardized processes and continuous improvement contribute to the effective implementation of our energy-saving efforts.



▲ Certificate of ISO5001 Energy Management System

| Item for disclosure | Unit | 2023 |
|-----------------------|-------|----------------|
| Purchased electricity | kWh | 766,064,410.00 |
| Raw coal | Ton | 306,722.92 |
| Gasoline | Liter | 177,307.54 |
| Diesel | Liter | 1,145.89 |

Case

Modification of dichloromethane self-reheating distillation for ace-K

During the reporting period, we modified the dichloromethane distillation process by adopting mechanical vapor recompression (MVR) technology to improve production efficiency and reduce energy consumption. The gaseous dichloromethane emitted at the top of the tower did not go through the evaporation cooling and condensation, but was fed into the MVR compressor for mechanical compression and warming up. The heated gaseous dichloromethane was used to warm up the cold dichloromethane in the tower through heat exchange, which significantly saved the consumption of steam. After the modification, the steam consumption per ton of product decreased by 1 ton.

Case

Promoting recycling to improve energy utilization efficiency

To vigorously develop a circular economy, we supplied high-pressure steam generated by our power generation unit and high-pressure steam by-produced from sulfuric acid to some workshops that use high-pressure steam as energy. The remaining high-pressure steam was used for power generation. The medium-pressure steam generated after power generation was fed into the medium-pressure pipeline network for the purpose of production. After being effectively recycled and heated, the low-pressure steam generated in the production process was fed into the high-pressure pipeline network for power generation. In this way, we achieved comprehensive recycling of energy.

Water Resource Management

The water resources used in the process of production and operation come from primary water from rivers, purchased municipal water and recycled water. In response to the national call to establish a water-saving society, we prioritize the reutilization of water resources and tailor the water recycling and reutilization programs according to the actual production and operation conditions, ensuring the efficient utilization, conservation and protection of water resources. During the reporting period, a series of water conservation measures have been adopted at the Company and subsidiary levels, which improves the utilization efficiency of water resources and avoids the waste of water resources in the production process.

To strengthen water management and achieve rational and scheduled use of water, we set up a water-saving leading group headed by the General Manager to facilitate the management of water resources. We also revised the Management System of Planned Water Consumption and Water Conservation, the Water Quantity Measurement and Management System, and other systems to improve the management of water resources.

| Item for disclosure | Unit | 2023 |
|--|-------------|-----------|
| Volume of primary water from rivers | Cubic meter | 3,756,400 |
| Volume of water purchased from municipal sources | Cubic meter | 2,345,737 |

Case

Increasing primary water utilization rate and strengthening water conservation

During the reporting period, the Company actively carried out water conservation actions. In the treatment process of primary water, we took various measures to improve the utilization rate of primary water. For example, we adopted tail vortex flow facilities, preset hardness reducing devices, replaced reverse osmosis membrane, and reused concentrated water in the production process. We utilized the concentrated water produced by reverse osmosis membrane as recycled water and make-up water for wastewater treatment.

The cooling water entered the circulating cooling system for reuse. We increased heat recovery and reuse in the production process and adopted MVR technology for the ace-K production line and sucralose DMF processing, saving steam up to 2-3 tons per ton of product. Besides, measures were taken to reduce the use of steam and primary water as well as the amount of make-up water in the cooling system.

Package management

Adhering to the strategy of green and sustainable development, we prioritize the environmental protection and innovation reform of packages for raw materials. We select suppliers that have been certified in terms of environmental protection, hold no brief for excessive packaging, and advocate green packaging. All packages of our raw materials are in strict accordance with national and international environmental protection standards. We give priority to green packaging materials and strive to minimize the impact on the environment.

We actively explore updates in packaging design. Under the premise of ensuring safe storage and transportation of raw materials, we make a scientific and reasonable layout to minimize the amount of packaging materials and maximize packaging efficiency. Moreover, we continuously strengthen internal management and training to raise employees' awareness of green packaging. By strictly following the packaging quality standards and environmental protection requirements, we regularly evaluate and improve the packaging process to ensure that every packaging link is in line with the goal of green and sustainable development.

Strengthening Pollution Prevention and Control

In strict compliance with laws and regulations on pollution emission management, the Company continuously improves the management of waste gas, wastewater and solid wastes, and actively takes initiatives to reduce the emission of these wastes.

The Company strictly abides by the Law of the People's Republic of China on Environmental Protection, the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, the Law of the People's Republic of China on the Prevention and Control of Water Pollution, and the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste. According to these laws and regulations, the Company has formulated the Management System for the Operation of Waste Gas Treatment Facilities, the Management System for Wastewater Treatment, the Management System for Environmental Pollution Prevention and Control of Solid Waste, and the Management System for Dangerous Waste. During the reporting period, the concentration of pollutant emissions of the Company was far below the national permissible emission standards. The environmental protection equipment and facilities were in good condition. In addition to the monitoring of emission indicators of pollutants according to the national and regional emission standards, we set up the indicators of unit consumption of wastewater and solid waste products at the beginning of each year. Besides, we carried out strict emission management and formulated environmental monitoring programs to ensure compliant treatment and emission. According to the self-testing program, we entrust qualified testing units to carry out monitoring of wastewater, exhaust gas, noise, soil and groundwater on a monthly, quarterly and annually basis. The testing reports are uploaded to the self-testing system of the HSE Department.

Waste gas management

The Company actively carries out the management of ultra-low emission of waste gas and sets strict emission standards and emission reduction targets in accordance with the emission license and industry standards for pollutant emission stipulated by the state. To regulate the management of volatile organic compounds (VOCs), the Company purchases VOC detector FAD to conduct VOC testing once a quarter and follow up with the management based on the test results.

Moreover, the Company includes the above targets in the Environmental Protection Management Assessment Rules, performs assessments in accordance with the Company's requirements and ensures strict implementation based on the assessment results.



▲ Waste gas treatment system

Case Reform of diketene device cracking furnaces

To make solid progress on the special rectification of internal waste gas and further improve the environmental management capability, the Company implemented the renovation project to reduce the emission of flue gas from the diketene device cracking furnaces in 2023. This project aimed at significantly reducing the emission of nitrogen oxides by using ammonia catalytic reduction technology. The emission of nitrogen oxides after the renovation was lowered from 50 mg/m³ to about 11 mg/m³, which is far lower than the national standard (100 mg/m³). The renovation project not only reflected the Company's continuous innovation in emission reduction technology and optimization of production processes, but also enhanced production efficiency and reduced operating costs. In this way, a win-win situation was achieved in terms of economic benefits and environmental protection.


Wastewater management

The Company strictly controls the amount of wastewater generated and discharges wastewater after proper treatment in an effort to reduce wastewater emissions.

The Company's wastewater stations strengthen the water quality monitoring of subsidiaries' wastewater and strictly implement each subsidiary's wastewater COD content indicators stipulated in the annual target program for environmental protection. If the wastewater COD content data is found to be abnormal, the wastewater stations will contact the relevant subsidiary and make adjustments in a timely manner. Meanwhile, the data will be filed with the HSE Department. For wastewater with abnormal content, samples will be kept. Any objection to the COD content data of the wastewater sent by the subsidiaries due to production reasons shall be submitted in the same month. If pollution factors in the treated wastewater exceed the limit, assessments will be conducted in accordance with the Environmental Protection Management Assessment Rules. As of the reporting period, the Company has a total of 4 wastewater treatment stations.

Case Equipment modification for reducing wastewater generation

The Company modified the water use by the water ring vacuum pump of the two sets of MVR devices to make the condensate wastewater evaporated by MVR enter the vacuum pump for reutilization. By reducing the amount of wastewater increased in the process of treating high saline water by MVR, this measure lowered the load of wastewater treatment for the latter section, avoided the production impacts brought by the scaling of the vacuum pump impeller due to the use of primary water, prolonged the operation cycle and improved the work efficiency.



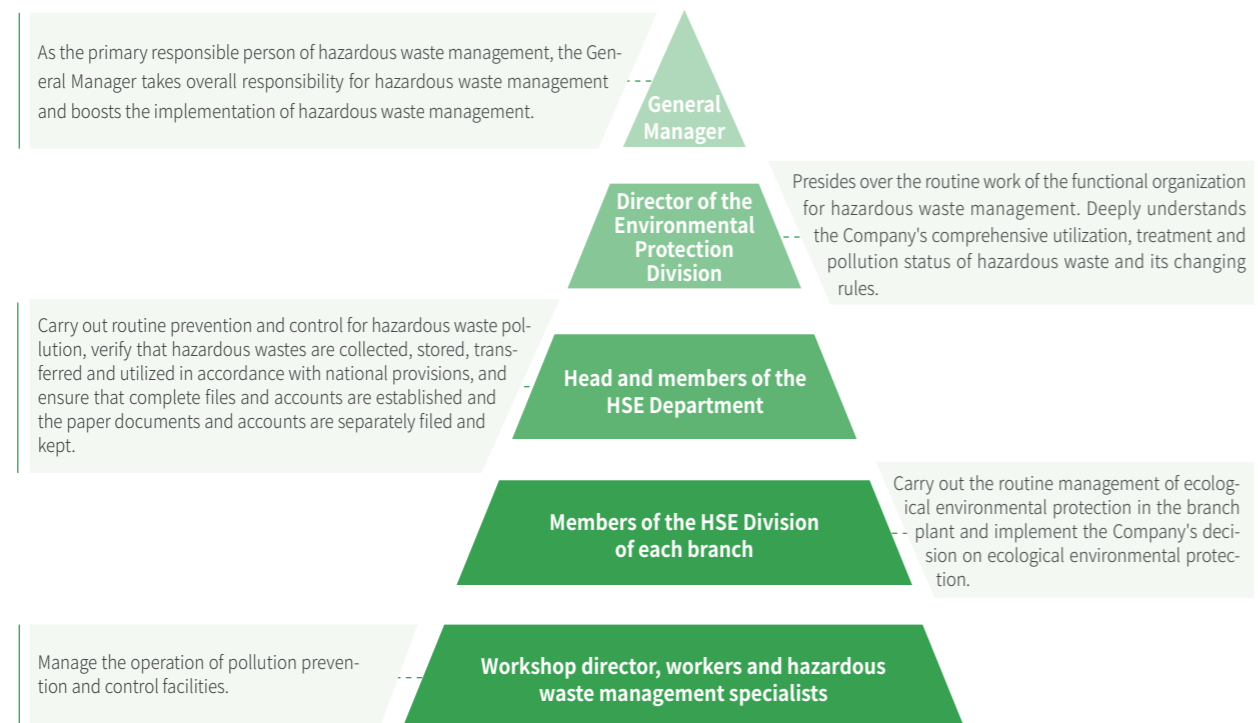
▲ Wastewater treatment station

Solid waste management

Solid wastes of the Company are divided into general wastes and hazardous wastes. General wastes are classified in the plant for standardized treatment. For hazardous wastes, the Company has formulated a hazardous waste management system in accordance with laws and regulations, which specifies the requirements for collection, storage, transportation and disposal for hazardous wastes and requires that the hazardous wastes must be disposed of by a qualified institution.

| Item for disclosure | Unit | 2023 |
|---------------------------|------|------------|
| Total solid waste | Ton | 153,973.10 |
| Total general solid waste | Ton | 125,699.08 |
| Total hazardous waste | Ton | 28,274.02 |

The Company has established a hazardous waste management structure that enhances management level by level.



▲ Hazardous waste management structure

Practicing Green Operation

While prioritizing environmental protection in the process of production and operation, the Company advocates the green and low-carbon working mode. All employees are encouraged to form the habit of energy saving and consumption reduction. The Company implements the sustainable working mode and builds a green workplace to construct an environment-friendly enterprise.

The Company has established the Green Office Management System. By making full use of newspapers, boards, videos and other media, as well as "World Environment Day" and "Energy Conservation Week" and other thematic activities, the Company vigorously promotes the development of green and low-carbon habits of all employees. Employees are encouraged to practice low-carbon work and lifestyles such as green traveling, clean plate campaign, trash sorting, and the use of videoconferencing.

The Company strictly follows the principle of water conservation in daily operations, especially in the management of domestic water used by employees. The recycled water system is used for toilet flushing to effectively utilize water resources and reduce unnecessary waste. The Company focuses on strengthening education and training on water conservation to comprehensively boost employees' awareness of water resources protection and practical action ability. Furthermore, the Company actively carries out diverse environmental protection publicity and education activities and takes part in public welfare activities for environmental protection. Promoting green office and lifestyle, the Company strives to implement the concept of environmental protection into all aspects.



▲ Tree-planting activity themed "Planting trees every year and generation by generation to form forests"



▲ Publicity for environmental protection

Hazardous waste management

The specialists make records of hazardous waste in a timely manner, which must specify the name, source, quantity, characteristics and type of packaging of hazardous waste, date of inbound delivery, location of the storage warehouse, date of outbound delivery and the name of the receiving unit.

Hazardous waste storage

Hazardous waste staging points are set up in the factory workshop. The hazardous waste warehouse is divided into solid hazardous waste warehouse and liquid hazardous waste warehouse. The hazardous waste warehouse is explosion-proof and is equipped with a firefighting/smoke exhaust system and hazardous waste marks.

Hazardous waste transportation

For the transfer of hazardous wastes, a hazardous waste transfer form must be completed in accordance with the relevant national regulations. Hazardous waste vehicles must have relevant transportation qualifications. Vehicles without such qualifications cannot be used to transport hazardous waste.

Hazardous waste disposal

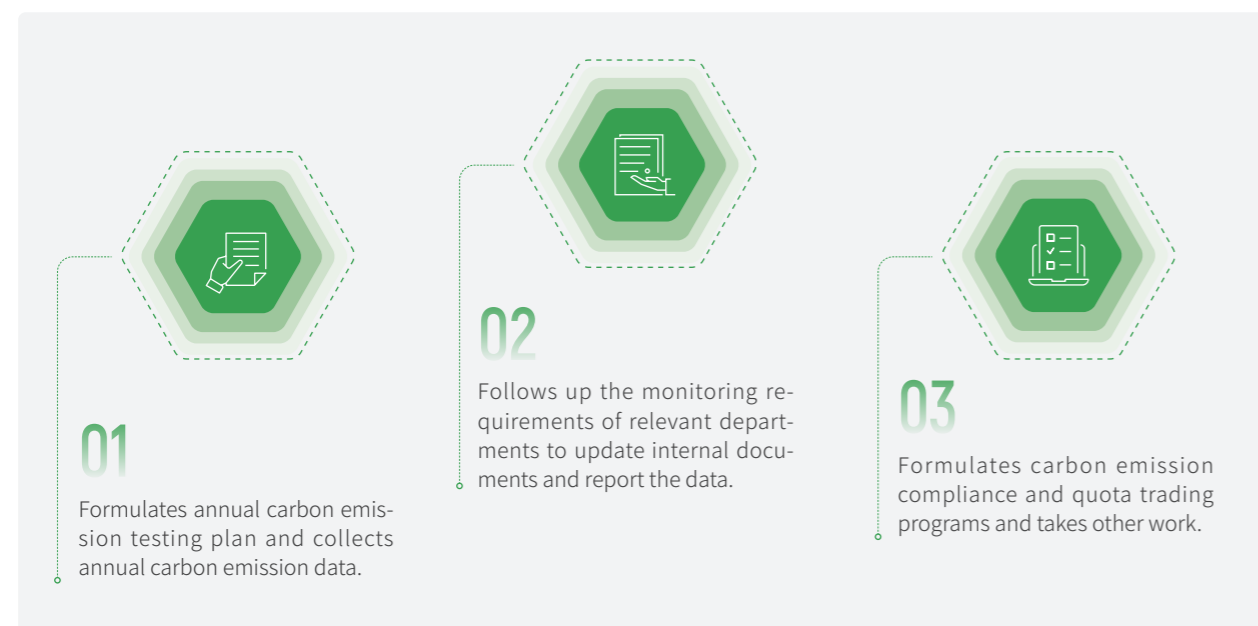
Hazardous wastes must be disposed of in accordance with relevant national regulations. A third party that is entrusted to dispose of hazardous waste must have the qualification, and the disposal method must comply with the requirements of the technical specifications for the disposal of hazardous wastes.

Emergency plan for hazardous waste pollution

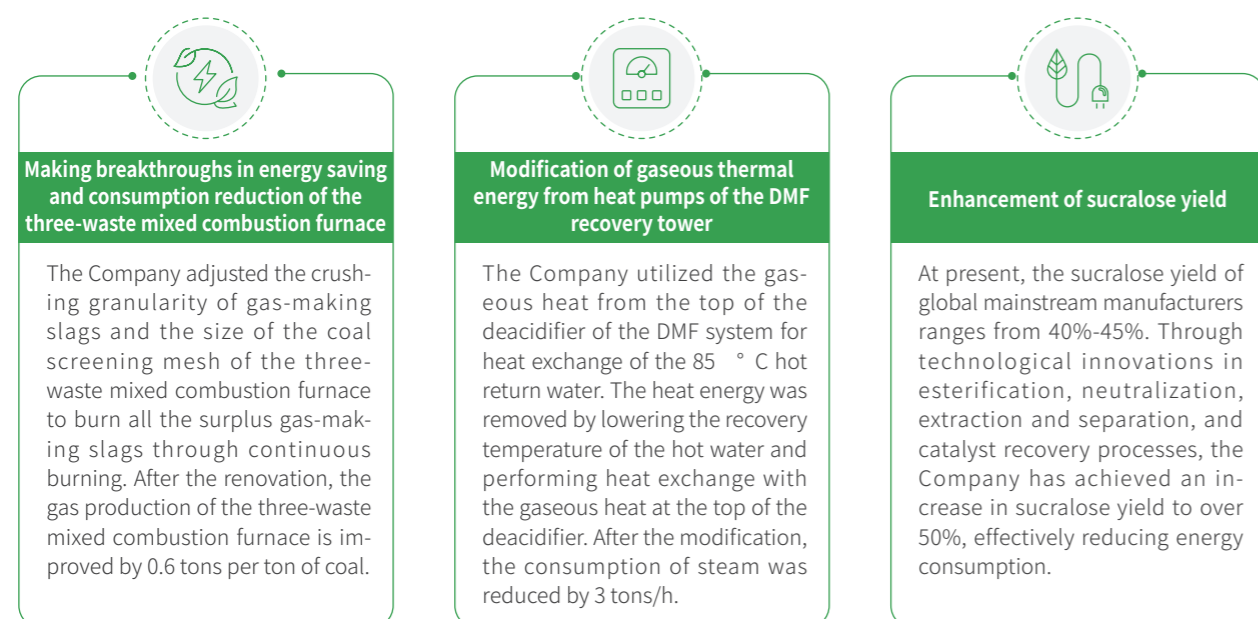
The Company prepares emergency facilities, equipment and supplies in accordance with the precautionary measures for hazardous waste incidents. Emergency plan drills are conducted at least once a year for the accident-prone areas. Relevant records (including drill plans, drill records, and image data) are made and archives are built for preservation.

Response to Climate Change

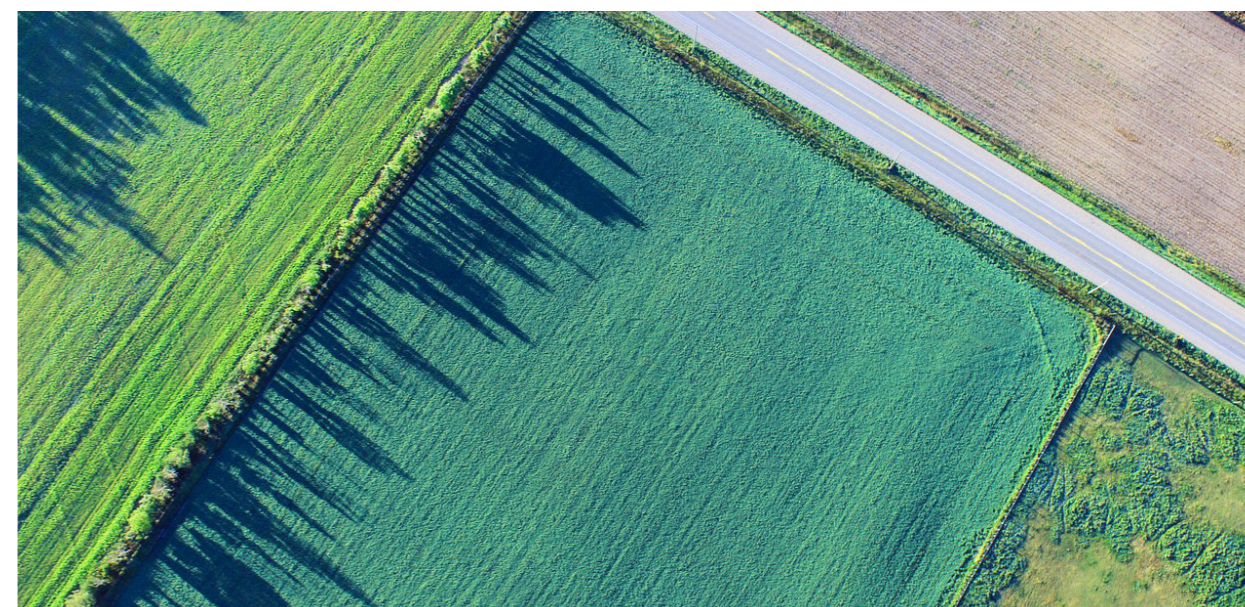
The Company thoroughly implements the national goals of "carbon peaking" and "carbon neutrality". In compliance with the United Nations Framework Convention on Climate Change, the Paris Agreement and other international agreements, the Company carries out comprehensive climate risk assessment and management. Focusing on the potential impact of climate change risks, the Company incorporates the issue of addressing climate change into the corporate strategy. To implement the specific implementation plan of "carbon peaking and carbon emission reduction" around the overall goal of carbon emission peaking, a carbon emission management group has been established.



▲ Responsibilities of the carbon emission management group



▲ Process improvement and carbon reduction initiatives



Case

Renewable energy power generation project

The Company has built a photovoltaic power station equipped with 40 MW power generation facilities in Zhangshan Township, Lai'an County. The purpose of taking this step is to implement the national goals of "carbon peaking" and "carbon neutrality", boost the low-carbon economy, achieve the transformation of economic development mode, and create a comprehensive demonstration base of clean energy. Besides, the Company has a 30 MW biomass cogeneration project. The use of renewable energy can significantly reduce greenhouse gas emissions and mitigate climate change, which is conducive to the sustainability of energy supply and enhancement of energy security.



Case

Promoting industrial structure transformation

The Company actively explores and promotes the transformation of industrial structure. To reduce carbon emissions from the source of production, the Company expands the production of products that take bio-based raw materials as starting materials and actively develops new bio-based materials to replace fossil raw materials. At present, the food additives and pharmaceutical intermediates such as maltol, MCP, sucralose, and SMIA produced by the Company are products derived from furfural and white sugar made from corn kernels and sugarcane, which means these products originate from natural crops.

Partnership Responsibility

Harmonizing with Partners

At Jinhe Industrial, we firmly believe that excellent partnerships are the cornerstone of our success and the backbone of our growth. We are committed to advancing sustainable practices with our suppliers to ensure that our supply chain meets the highest social responsibility standards. Additionally, we actively engage in industry-specific academic and research activities, business competitions, and trade shows to contribute our efforts to driving sustainable industry development.

- Supply chain management
- Driving industry development



PARTNERSHIP RESPONSIBILITY

Supply Chain Management

A stable and sustainable supply chain is essential for delivering outstanding service to our customers. We aim to foster transparent, mutually beneficial, and responsible partnerships with our suppliers. To achieve this, we have implemented internal policies such as the Supplier Management System to regulate our management practices. These efforts ensure that our suppliers consistently meet our standards in quality, delivery, environmental protection, and social responsibility. We are dedicated to collaborating with our suppliers to create a sustainable supply chain. During the reporting period, we successfully implemented our Supplier Relationship Management (SRM) system module. This online tool covers all aspects of procurement and supplier management. It drives the integrated digital and intelligent operations for both suppliers and buyers, thereby enhancing the efficient coordination of information, processes, and resources across the supply chain.

Unified management principle

We follow consistent control and process standards in supplier management. Essentially, only suppliers certified as qualified in our SRM system are allowed to take part in daily procurement activities.

Q.C.D.S principle

Quality, cost, delivery, and service provided by suppliers are equally prioritized. Moreover, attention is paid to existing or potential risks associated with suppliers and their sustainability.

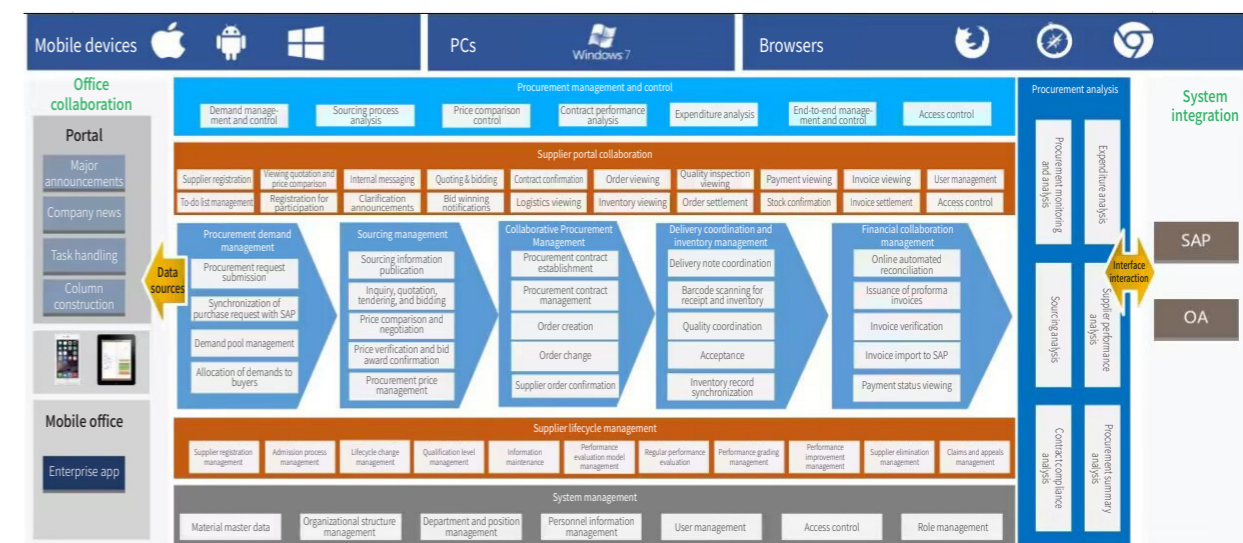
Priority cooperation principle

When selecting suppliers for materials produced in China and sold abroad, preference is given to manufacturers for direct collaboration. If direct collaboration is not feasible, contracts with agents or distributors may be considered based on practical circumstances.

▲ Supplier management principles

Supplier relationship management system (SRM)

In recent years, the Company has been using an SRM system to streamline and enhance procurement management within our supply chain. Through the implementation of various solutions, we have developed a multi-faceted, algorithm-driven predictive model and a robust digital procurement decision-making system. These solutions include supplier management, sourcing management, contract management, coordination between procurement and finance, quality coordination, catalog-based procurement, mobile office, and performance appraisal. These initiatives are aimed at maximizing the efficiency of our procurement process.



▲ SRM system architecture



Supplier admission

During the admission process, the Company focuses on evaluating suppliers' performance in areas such as compliance and product quality, along with other relevant qualifications. Based on supplier risk assessment results and on-site audits, we decide whether to enter into partnerships with them. All suppliers entering our material supply system must register in our SRM system and provide accurate, complete information as required. This ensures the submission of authentic, valid, and comprehensive qualification documents. Additionally, suppliers must sign agreements such as The Supplier's Anti-Commercial Bribery Commitment Letter and The Supplier's Quality, Delivery, and After-Sales Service Commitment Letter. These signed documents, bearing the supplier's official seal, are then uploaded to our SRM platform. Moreover, we actively seek out strategic suppliers and establish long-term partnerships with them. Our aim is to foster cooperative relationships based on trust and integrity, benefiting both parties in the process.

Supplier integrity management

The Company always adheres to open and transparent procurement practices and holds no brief for any illegal and non-compliant activities, such as unfair competition, bribery, and corruption. We are dedicated to collaborating with our suppliers to foster responsible procurement and supply chain practices that are fair and free from corruption. To ensure that our suppliers operate with integrity and honesty, we require them to sign the Supplier Integrity Commitment. We make it clear that suppliers are not allowed to offer bribes to customers or their associates in any form or under any circumstances. Furthermore, the Company has established dedicated channels, such as email and a WeChat mini-program, for reporting any potential or actual improper behavior. This ensures the prompt identification and resolution of such wrongdoing.

Supplier training

The Company is committed to creating a harmonious and stable business environment with all suppliers and business partners. To achieve this goal, we organize monthly training meetings where supplier representatives are provided with detailed explanations of our management systems, as well as discussions on supplier performance evaluation and improvement. These training sessions aim to help participants establish correct, safe, and standardized operating procedures, ensuring the stability and smooth operation of our supply chain.



Driving Industry Development

Jinhe Industrial is committed to fostering the balanced growth of our industry ecosystem by leveraging our strengths, actively engaging in exchanges and collaborations within and beyond our industry, and enhancing communication and coordination with industry associations. The Company is a member of The Listed Companies Association of Anhui Province and holds the positions of Vice Chairman Unit at the China Food Additives and Ingredients Association, the Anhui Provincial Scientists Association, and the China Association of the Fine Chemical Raw Materials and Intermediates Industry.

In 2020, we achieved significant progress in our application for expanding the use of the food additive ace-K. We successfully obtained approval for five of our applications and received the official Notice of Conclusion of Administrative License Review. These applications encompassed the expanded use of ace-K in hard bean curd products, instant cereals (including rolled oats and oat flakes), and mixed liquor products. Additionally, our application for increased use of ace-K in pastries and tea beverages was also approved.

In 2021, our application for expanded use of ace-K in the production of mixed liquor was approved in the administrative license review conducted by the National Health Commission. This achievement has been showcased and commercialized through RIO Cocktail's new products, demonstrating a significant outcome of the Company's leading position in standard applications.

Jinhe Industrial's participation in industry standard development

In 2022, our applications for expanded use of ace-K in biscuits and sucralose in reconstituted cheese were approved by the National Health Commission and publicly announced.

In 2023, two industry standards that we led in drafting, HG/T6155-2023 1, 1, 2-Trichloroethane for Industrial Use and HG/T6156-2023 2-Methylfuran for Industrial Use, were officially published.

Case

Citrosuco China and Jinhe Industrial Hosted the First Global Business Innovation Competition

On November 4, 2023, Citrosuco, a leading global orange juice supplier, teamed up with Jinhe Industrial to launch an exciting innovation competition aimed at inspiring young entrepreneurs to promote healthy living. This competition was all about facilitating entrepreneurship with a focus on promoting a healthier lifestyle. The participating teams consisted of professionals and university representatives from a wide range of fields, including food, health care and elderly care. Teams went through rigorous stages, presenting their ideas in semifinal pitches and final defenses. A panel of expert judges evaluated projects based on professionalism, potential, innovation, and commercial viability. The judges remarked that all entries centered around the theme of promoting health, showcasing a commitment to sustainable development. This event significantly boosted Jinhe Industrial's visibility and impact in society, allowing the Company to advocate for healthier living concepts and methods while also facilitating our expansion in the thriving health market.



▲ Competition site



▲ Study tour organized by the fragrance and flavor branch



▲ Invitation card for the China International Natural Extracts & Health Ingredients Exhibition

Employee Responsibility

Prioritizing Employee Well-being

Jinhe Industrial always upholds a people-centric philosophy, striving to create a fair and harmonious working environment for all employees. We prioritize the professional growth of our employees, not only addressing their immediate job needs but also focusing on their long-term career aspirations. Through regular training sessions, opportunities for job promotion, and inter-departmental exchanges, we empower our employees to continually enhance their skills and fulfill their individual potential. We are also committed to enhancing our employee support system by offering various benefits such as health check-ups and psychological counseling, ensuring that our employees operate at their optimal capacity in a healthy workplace. Furthermore, we aim to be recognized as the employer of choice by fostering open communication with our employees, actively listening to their feedback, and demonstrating our care and respect for their well-being.

- Protecting employee rights and benefits
- Investing in employee training and development
- Providing employee care
- Maintaining occupational health and safety



EMPLOYEE RESPONSIBILITY



In 2023

The Company had

4,687 employees

We had

3,209 male employees

We had

1,478 female employees

Our turnover rate was

11.60%

The rate of our labor contract signing with employed staff was

100%

Protecting Employee Rights and Benefits

➤ Employment

The Company pursues a people-centric philosophy, emphasizing human value over material possessions. We are committed to fostering a fair and harmonious work environment for all employees. We rigorously comply with relevant laws and regulations, such as the Labor Law of the People's Republic of China, the Company Law of the People's Republic of China, and the Trade Union Law of the People's Republic of China. We have developed and consistently improved our employment systems to guarantee equal pay for equal work. We embrace diversity in our workforce, uphold gender equality, and prioritize the protection of female employees. We prohibit the use of child labor and forced labor, as well as any violation of employee rights and interests.

➤ Democratic management

Protecting employee rights and interests is a top priority for the Company. We are committed to safeguarding our employees' rights to information, participation, and supervision by actively fostering open communication between employees and the Company. We have set up a structured employee communication system and actively facilitated dialog between employees and management to address their concerns. At open communication sessions organized by our Labor Union, our employees can express their concerns and challenges and receive solutions.

As we highly value the contributions and perspectives of our female employees, we have established a dedicated Women's Committee. Additionally, seven working groups have been formed to comprehensively handle the tasks of the Women's Committee, with committee member updates scheduled every two years.

➤ Compensation management

The Company upholds a compensation management philosophy centered around performance management and performance-driven approaches to inspire employee motivation. In response to the dynamic market landscape, we combine base salaries with performance incentives, crafting a compensation structure that aligns with market standards while ensuring fairness.

Operating within the framework of our Performance Management System, we implement performance management practices in a rational and equitable manner. This includes setting performance objectives, breaking them down into actionable steps, evaluating performance, and assessing outcomes. These processes enable our employees to clearly understand their work goals and direction. Such an approach not only boosts our operational efficiency but also enhances our overall business performance. Moreover, it maximizes the value employees bring to the Company, thereby fostering a mutually beneficial relationship between employees and the Company. In cases where employees have concerns about their performance evaluations, they can initiate an appeals process. The Human Resources Department commits to resolving such appeals within three working days of receipt.

➤ Employee benefits

The Company values employees' right to rest on public holidays and offers various types of leave, including statutory holidays, paid annual leave, sick leave, marriage leave, maternity leave, parental leave, and personal leave. Moreover, we provide additional perks such as Spring Festival benefits, Mid-Autumn Festival gifts, birthday celebrations, health check-ups, and complimentary housing.

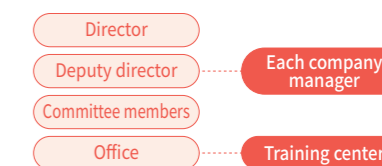
Furthermore, we have established a special fund to help employees facing serious illnesses. This fund helps cover medical expenses beyond those covered by insurance, providing financial support and demonstrating our care and concern for our employees' well-being.

Investing in Employee Training and Development

The Company prioritizes employee development in alignment with our strategic and operational needs. We provide tailored learning programs and career training plans to nurture talented individuals. We ensure equal opportunities for career advancement to foster sustainable business growth.

➤ Training system

We develop an annual training plan based on our Training Management System and ensure its effective execution. To oversee our training initiatives, we have established a Training and Development Committee. This committee focuses on crafting training strategies, defining training outlines, identifying training needs, selecting trainers, designing training materials, planning training sessions, overseeing implementation, evaluating effectiveness, and providing incentives.



▲ Jinhe Industrial's Training and Development Committee structure

Our department heads, including those from Human Resources, Production, Equipment, Electrical Instrument, HSE, as well as Quality Management, collectively identify the main training topics for the year. This collaborative approach ensures that training aligns closely with our operational requirements. Our training delivery methods are adapted to meet departmental needs, opting for either online or offline formats. During online training, we monitor discipline in real-time on the online platform. For offline training, we select certain sessions and conduct thorough checks on content and quality to ensure effective outcomes.

In 2023

| We trained a total of | The total training hours for our employees amounted to | Our average training duration was |
|------------------------|--|-----------------------------------|
| 4,687 employees | 80,054 hours | 17.08 hours |

To retain and pass on our knowledge and experience, we have actively built an internal team of trainers. This approach aims to empower our employee growth in a more flexible and efficient manner, thereby continuously enhancing their competitiveness.



➤ Induction for new employees

The Company provides a specialized training system for newly onboarded employees to help them quickly adapt to our work atmosphere, environment, and procedures. To underscore the significance of new employee training, trainers evaluate the effectiveness of the training. Those who do not meet the required standards will be unable to progress to the next stage of training.



▲ Induction at Jinhe Industrial

Case University student forum training

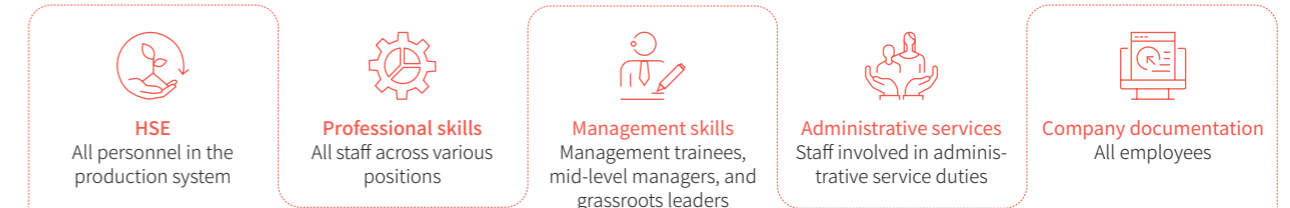
In 2023, the Company initiated the Golden Talent Class program specifically designed for recent graduates. This program offers training for newly hired graduates who hold full-time undergraduate degrees or higher. During these sessions, we presented an overview of the Company and our corporate policies, aiming to facilitate a quicker understanding of the Company's culture and values among the graduates.



▲ University student forum

➤ Employee training

Following their induction, employees undergo further training tailored to their department and role, aimed at enhancing their professional skills and competencies, as well as unlocking their full potential in the workplace.



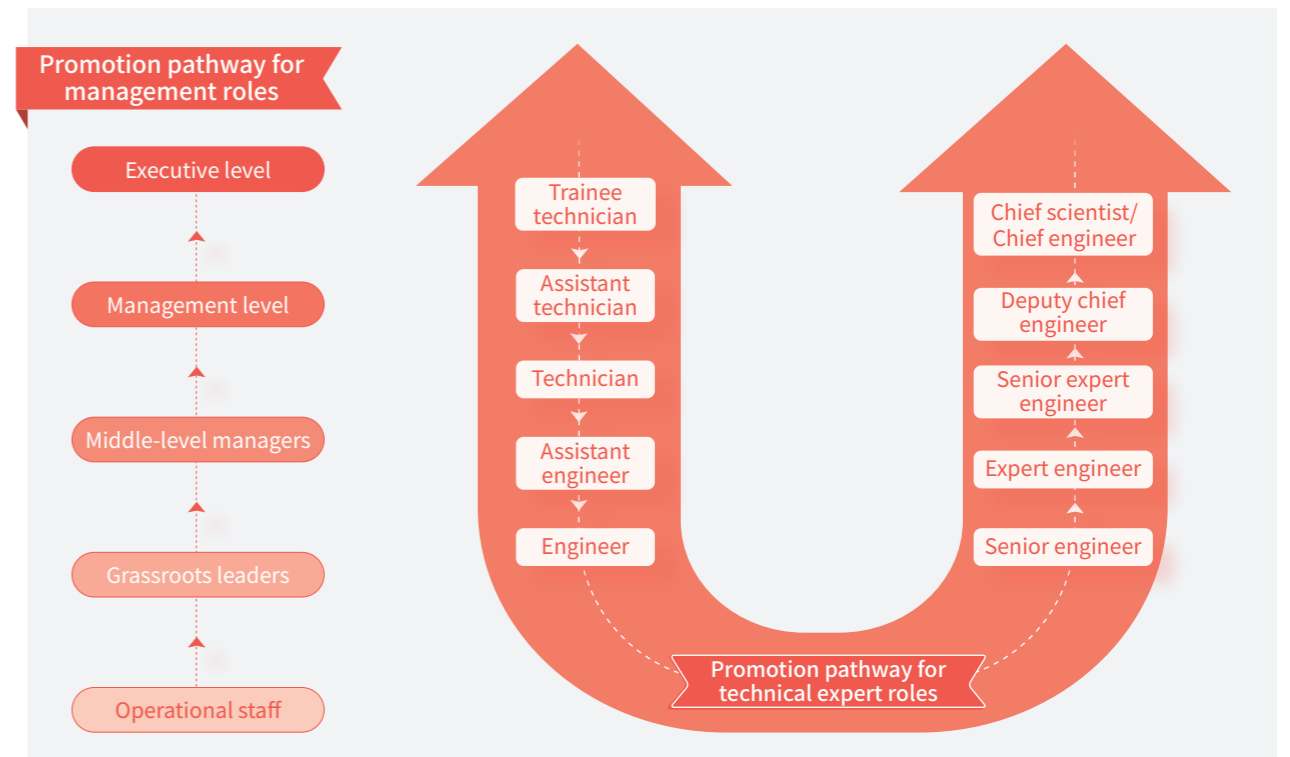
▲ Jinhe Industrial's employee training programs and participants

➤ Career development

According to the Company's characteristics, we have established the Promotion Management System. This system divides our positions into management and technical expert roles while developing specific career promotion pathways for each. During promotion assessments, we conduct comprehensive evaluations of employees across five dimensions: fundamental requirements, professional qualifications, performance records, compliance with rules and ethics, and competency qualities. The Human Resources Department is tasked with scrutinizing employees' eligibility for promotion, ensuring that the promotion process adheres to standards of fairness, impartiality, and transparency.



▲ Promotion criteria at Jinhe Industrial



▲ Career promotion pathways at Jinhe Industrial: management and technical expert roles

Providing Employee Care

We actively care for our employees, placing importance on their personal interests, as well as their spiritual and cultural development. We organize various recreational activities to strengthen team unity, foster a stronger sense of belonging to the Company, and enhance overall happiness among our staff. These endeavors aim to cultivate a supportive and people-centric work environment.



▲ Fun staff sports day



▲ Performing arts showcase



▲ Celebrating National Day: staff basketball competition



▲ Employee spring outing



▲ Team-building activity

➤ Caring for female employees

To safeguard the physical and mental well-being of our female employees, our Women's Committee regularly organizes heart-to-heart talks and specialized health check-ups. Additionally, thoughtful services are provided for pregnant and nursing employees, fostering a caring ambience within the Company. Every year on International Women's Day of March 8, our female employees receive holiday subsidies, and various sports activities are organized, such as targeted shooting, a tug-of-war, and leisurely bike rides.

Case

Legal knowledge seminar for female employees

In October 2023, to protect the legitimate interests and rights of our female workers, the Women's Committee under the Company's Labor Union invited a full-time lawyer from the local judicial bureau to conduct a legal knowledge training session for our female employees. This training encouraged our female employees to proactively understand, comply with, and apply legal principles while strengthening their sense of self-protection. Additionally, it helped ease their work pressure and fostered a greater sense of belonging to the Company.



Maintaining Occupational Health and Safety

➤ Occupational health and safety management

The Company has developed a manual outlining our strategy for managing occupational health and safety in compliance with national and industry-specific laws and regulations pertaining to occupational health and safety. These include the Labor Law of the People's Republic of China, the Occupational Disease Prevention and Control Law of the People's Republic of China, and the Regulations on Work Injury Insurance. We have established scientific and practical goals for occupational health and safety management, defining the scope, the processes and performance assessments in the management system. In this way, we continuously enhance our occupational health and safety management system. The Company has established a well-structured HSE organization, featuring a production safety leadership group led by the Chairman and comprising the General Manager, the Safety Director, branch managers, and managers from functional departments or centers. By clearly defining responsibilities and implementing specific procedures, the safety manager ensures the smooth and effective operation of our occupational health and safety management system.



▲ ISO 45001 certification for occupational health and safety management system

Fatalities, incidents of mass poisoning, explosions, and major fires

0

Incidents involving minor or severe injuries

▲ Occupational health and safety management goals at Jinhe Industrial

The Company actively implements occupational health and safety standards by providing necessary protective gear for our employees, such as safety helmets, goggles, earplugs, dust masks, and gloves, to minimize safety risks in the workplace. We conduct comprehensive assessments of workplace hazards, including air quality, noise levels, lighting, and ventilation, to ensure that the work environment meets health and safety standards and eliminates occupational hazards. Regular health check-ups are organized for our employees, particularly those exposed to high-risk environments. Furthermore, we provide occupational health education and training to enhance our employees' awareness of the importance of occupational health and safety and their ability to protect themselves.

In 2023

The number of our employees in positions at risk of occupational diseases was

1,554

The number of our employees who have developed occupational diseases was

0

The number of our employees who participated in medical check-ups for occupational disease was

1,554

Case

Occupational safety and health training

During April 25 to May 1, 2023, the 20th National Publicity Week for the Occupational Disease Prevention and Control Law was held under the theme of Putting Workers' Health First. To enhance our employees' health knowledge and health protection practices, our HSE Department organized a series of activities during the Occupational Disease Prevention and Control Publicity Week. Through these activities, our employees gained a deeper understanding of different types of legally defined occupational diseases, their characteristics, and protective measures. They also learned about safety management-related knowledge, such as significant hazards in the production process. This training enabled our employees in the production system to better understand their job roles and nature, fostering a strong sense of safety awareness and enhancing their ability to prevent occupational diseases.



In 2023

The number of working days lost due to work-related injuries was

0

The number of employees who passed away as a result of work-related injuries was

0

Our investment in the occupational health and safety for our employees amounted to

RMB 3.5862 million

Social Responsibility

Contributing to Social Harmony

As the saying goes, "Never forget the one who dug the well when you drink the water." The Company embraces a sense of social responsibility rooted in the idea of repaying society for its support. We actively participate in various social welfare activities, including supporting education for the less privileged, collaborating with rural communities, and making charitable donations, to foster positive interactions between the Company and society.



SOCIAL RESPONSIBILITY

Engaging in Community Welfare

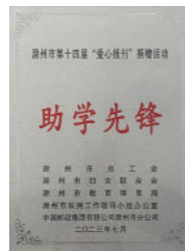
In 2023

The Company dedicated our efforts to facilitating rural revitalization by supporting local agriculture and rural development, such as purchasing agricultural products and distribute them to employees as benefits. We also engaged in charitable activities, such as sponsoring education, expressing gratitude to traffic police and firefighters, and visiting nursing homes and senior care facilities. Throughout the year, the Company invested in charitable initiatives, approximating

RMB **6** million.



▲ The Company's 2023 public welfare awards



▲ Certificate of donation for the Bright Action initiative

Case

Targeted support demonstrates our focus on our corporate social responsibility

There is an old Chinese saying, "When you enjoy the fruit, be grateful to the tree; when you drink the water, be thankful for the source." The Company has been actively contributing to industrial support and rural revitalization. In Zhangshan Town, the Company built two 20MW photovoltaic power projects. The photovoltaic power stations offer jobs to the local community, as they require regular equipment maintenance, weed control, inspections, installation, and construction. With a focus on achieving prosperity for all and a commitment to building a harmonious society, the Company seeks suitable assistance programs while ensuring effective implementation. Additionally, the Company actively purchases agricultural products. During the reporting period, we sourced peaches, grapes, and other produce from villages such as Xiangguan and Yangshan. Such a move not only boosts the income of local farmers but also fosters mutually beneficial development between the Company and rural communities. These efforts demonstrate our dedication to rural revitalization and our active fulfillment of social responsibility.

Case

Supporting education with charity donations

To help more talented students realize their dreams of attending prestigious universities and to support dedicated teachers in their noble profession, the Company has established awards such as the Freshmen Enrollment Award and the Teaching Excellence Award at Lai'an High School. These awards recognize outstanding teachers and students, motivating them to work together and strive for excellence. In 2023, the Company donated a total of RMB1.66 million to support education.

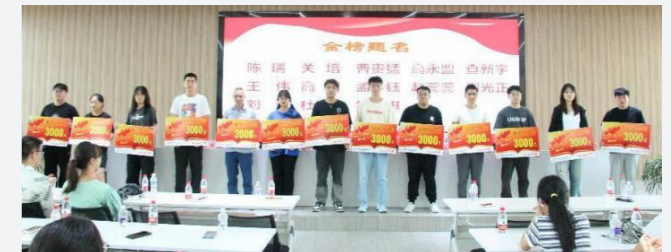


▲ Education support donation ceremony

Case

The Top Honor scholarship distribution

Jinhe Industrial has always put people first, striving to create a harmonious corporate culture. On August 25, the Company held the 2023 Scholarship Distribution Ceremony for Employees' Children. Every year, the Company shows our care and support for our employees' children by awarding scholarships to those who have been accepted into undergraduate and graduate programs. This initiative aims to inspire more employee children to excel academically. It not only fosters a stronger sense of belonging among our employees but also shows our genuine care for our employees' children who are about to embark on their university journey.



▲ Scholarship distribution ceremony

Case

Blood donation, sharing hope for life

To further promote and uphold the spirit of the legendary figure Lei Feng and to implement the core socialist values of China, Jinhe Industrial organized a blood donation drive on April 14. The blood donors included not only party members and members of the youth league but also many young employees. One of our employees, Zhang Guanghong, has been donating blood out of compassion in 11 years, setting a commendable example for his colleagues.



▲ Summer cool treats drive



▲ Visit to nursing homes





Appendices

About the report |

This report is the inaugural Environmental, Social, and Governance (ESG) report published by Anhui Jinhe Industrial Co., Ltd. (hereinafter referred to as "the Company") for stakeholders.

Report coverage |

The information disclosed in this report aligns with the financial disclosures in the Company's 2023 Annual Report. Certain details may pertain to policies and practices from previous years.

Data explanation |

The report utilizes various data sources, including the Company's raw operational data, annual financial records, internal statistical reports, and publicly available government data. All financial figures in this report are denominated in Chinese Renminbi (RMB). In case of any inconsistencies between this report and our financial statements, the latter shall prevail.

Reliability assurance |

The content of this report contains no false or misleading statements, nor any significant omissions. The Company assumes responsibility for ensuring the authenticity, accuracy, and completeness of the report.

Basis of preparation |

The GRI Standards for sustainability reporting published by the Global Sustainability Standards Board (GSSB)
 The ISO 26000:2010 - Guidance on Social Responsibility published by the International Organization for Standardization (ISO)
 The Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR 5.0) published by the Chinese Academy of Social Sciences
 The Guidelines for Social Responsibility of Listed Companies published by the Shenzhen Stock Exchange

Preparation process |

This report is built upon the Company's ESG practices and follows a systematic process of project initiation and survey—material collection—drafting and revision—executive review—board approval—external disclosure. Throughout the project initiation, drafting, and revision phases, we actively engaged in discussions with relevant stakeholders, examining and refining the framework and details of the report.

Publication channels |

The electronic version of this report is available for viewing and download on our official company website (<https://www.jinheshiye.com>) and the CNINFO website (www.cninfo.com.cn).

We are committed to continually enhancing the disclosure of our reports and our corporate social responsibility governance. If you have any questions or suggestions regarding this report, please do not hesitate to contact us.

Anhui Jinhe Industrial Co., Ltd.
Address: 127 Chengdong Street, Lai'an County, Chuzhou City, Anhui Province, China
Telephone: 0550-5682597
Email: ajhchem@ajhchem.com

Key Performance Indicators

| | Environmental performance | Unit | 2023 |
|---------------|--|------------------|----------------|
| Energy | Environmental investment | RMB ten thousand | 4,060.65 |
| | Gasoline | Liter | 177,307.54 |
| | Diesel | Liter | 1,145.89 |
| | Raw coal | Ton | 306,722.92 |
| | Purchased electricity | kWh | 766,064,410.00 |
| Air emissions | Particulate matter | Ton | 9.84 |
| | Nitrogen oxide | Ton | 107.58 |
| | Sulfur oxide | Ton | 87.41 |
| | Volatile organic compounds (VOCs) | Ton | 0.00 |
| Wastewater | Total discharge | Cubic meter | 5,006,026.00 |
| | Chemical oxygen demand | Ton | 1,477.50 |
| | Ammonia nitrogen content | Ton | 51.16 |
| Solid waste | Total solid waste | Ton | 153,973.10 |
| | Total general solid waste | Ton | 125,699.08 |
| | Total hazardous waste | Ton | 28,274.02 |
| Water | Volume of primary water from rivers | Cubic meter | 3,756,400.00 |
| | Volume of water purchased from municipal sources | Cubic meter | 2,345,737.00 |

| | Social performance | Unit | 2023 |
|--------------|--|------------------|-----------|
| R&D | R&D investment | RMB ten thousand | 23,533.61 |
| | Proportion of R&D investment | % | 4.43% |
| Safety | Number of workplace accidents | Case | 0 |
| | Number of work-related injuries | Person | 0 |
| | Percentage of workers covered by occupational health check-ups | % | 100% |
| | Number of workers who have developed occupational diseases | Person | 0 |
| Supply chain | Number of suppliers | Company | 3815 |
| | Number of suppliers from the Chinese Mainland | Company | 3795 |
| | Number of suppliers from Hong Kong, Macao, Taiwan, and other regions/countries | Company | 20 |
| | Number of suppliers who have signed the commitment to ethical conduct | Company | 3815 |
| Customer | Customer satisfaction survey result | % | 99.60% |

| | Social performance | Unit | 2023 |
|--|--|------------------|--------|
| Employee | Total number of employees | Person | 4687 |
| | Number of male employees | Person | 3209 |
| | Number of female employees | Person | 1478 |
| | Number of employees aged 51 and above | Person | 1009 |
| | Number of employees aged 30 to 50 | Person | 2922 |
| | Number of employees aged under 30 | Person | 756 |
| | Number of employees with bachelor's degree or higher | Person | 515 |
| | Number of employees with college diploma | Person | 1042 |
| | Number of employees with education below college diploma level | Person | 3130 |
| | Total number of grassroots leaders and employees | Person | 4319 |
| | Total number of employees in middle management | Person | 352 |
| | Number of female employees in middle management | Person | 37 |
| | Total number of employees in senior management | Person | 16 |
| | Number of female employees in senior management | Person | 1 |
| | Total number of employees trained | Person | 4,687 |
| | Total training hours for employees | Hour | 80,054 |
| | Average training hours per employee | Hour | 17 |
| | Total training hours for male employees | Hour | 54,810 |
| | Total training hours for female employees | Hour | 25,244 |
| | Total training hours for grassroots employees | Hour | 73,769 |
| Total training hours for middle management employees | Hour | 6,012 | |
| Total training hours for senior management employees | Hour | 273 | |
| Employee turnover rate | % | 11.60% | |
| Social insurance coverage rate | % | 100% | |
| Community engagement for the public good | Number of individuals participating in volunteer activities | Person | 65 |
| | Total amount of donations for public welfare | RMB ten thousand | 600 |

Index of Indicators

GRI content index

| | |
|-------------------------|---|
| Explanatory note | This ESG report from Anhui Jinhe Industrial Co., Ltd. covers the period from January 1 to December 31, 2023. It has been prepared in accordance with the GRI standards. It also incorporates information outlined in the GRI content index. |
| GRI 1 adopted | GRI 1: Foundation 2021 |

| GRI standard | Item for disclosure | Corresponding chapter |
|---|---|--|
| GRI 2: General Disclosures 2021 | | |
| 2-1 | Organizational details | Introduction to Jinhe Industrial |
| 2-3 | Reporting period, frequency, and contact point | Appendices |
| 2-7 | Employees | Employee Responsibility Prioritizing Employee Well-being |
| 2-9 | Governance structure and composition | Operational Responsibility Creating Value for Shareholders |
| 2-12 | Role of the highest governance body in overseeing the management of impacts | Operational Responsibility Creating Value for Shareholders |
| 2-14 | Role of the highest governance body in sustainability reporting | Operational Responsibility Creating Value for Shareholders |
| 2-22 | Statement on sustainable development strategy | Operational Responsibility Creating Value for Shareholders |
| 2-29 | Approach to stakeholder engagement | Operational Responsibility Creating Value for Shareholders |
| GRI 3: Material Topics 2021 | | |
| 3-1 | Process to determine material topics | Operational Responsibility Creating Value for Shareholders |
| 3-2 | List of material topics | Operational Responsibility Creating Value for Shareholders |
| 3-3 | Management of material topics | Operational Responsibility Creating Value for Shareholders |
| GRI 201: Economic Performance 2016 | | |
| 201-1 | Direct economic value generated and distributed | Introduction to Jinhe Industrial |
| GRI 205: Anti-Corruption 2016 | | |
| 205-2 | Communication and training about anti-corruption policies and procedures | Operational Responsibility Creating Value for Shareholders |
| GRI 302: Energy 2016 | | |
| 302-1 | Energy consumption within the organization | Environmental Responsibility Pursuing Sustainable Coexistence with Nature |
| GRI 303: Water and Effluents 2018 | | |
| 303-1 | Interactions with water as a shared resource | Environmental Responsibility Pursuing Sustainable Coexistence with Nature |

| GRI standard | Item for disclosure | Corresponding chapter |
|--|---|--|
| GRI 303: Water and Effluents 2018 | | |
| 303-2 | Management of water discharge-related impacts | Environmental Responsibility Pursuing Sustainable Coexistence with Nature |
| 303-3 | Water withdrawal | Environmental Responsibility Pursuing Sustainable Coexistence with Nature |
| GRI 306: Waste 2020 | | |
| 306-1 | Waste generation and significant waste-related impacts | Environmental Responsibility Pursuing Sustainable Coexistence with Nature |
| 306-2 | Management of significant waste-related impacts | Environmental Responsibility Pursuing Sustainable Coexistence with Nature |
| 306-3 | Waste generated | Environmental Responsibility Pursuing Sustainable Coexistence with Nature |
| GRI 308: Supplier Environmental Assessment 2016 | | |
| 308-1 | New suppliers that were screened using environmental criteria | Partnership Responsibility Harmonizing with Partners |
| GRI 401: Employment 2016 | | |
| 401-1 | New employee hires and employee turnover | Employee Responsibility Prioritizing Employee Well-being |
| 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | Employee Responsibility Prioritizing Employee Well-being |
| GRI 403: Occupational Health and Safety 2018 | | |
| 403-1 | Occupational health and safety management system | Employee Responsibility Prioritizing Employee Well-being |
| 403-3 | Occupational health services | Employee Responsibility Prioritizing Employee Well-being |
| 403-4 | Worker participation, consultation, and communication on occupational health and safety | Employee Responsibility Prioritizing Employee Well-being |
| 403-5 | Worker training on occupational health and safety | Employee Responsibility Prioritizing Employee Well-being |
| 403-6 | Promotion of worker health | Employee Responsibility Prioritizing Employee Well-being |
| 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Employee Responsibility Prioritizing Employee Well-being |
| 403-10 | Work-related ill health | Employee Responsibility Prioritizing Employee Well-being |
| GRI 404: Training and Education 2016 | | |
| 404-1 | Average hours of training per year per employee | Employee Responsibility Prioritizing Employee Well-being |
| 404-2 | Programs for upgrading employee skills and transition assistance programs | Employee Responsibility Prioritizing Employee Well-being |
| GRI 405: Diversity and Equal Opportunity 2016 | | |
| 405-1 | Diversity of governance bodies and employees | Employee Responsibility Prioritizing Employee Well-being |
| GRI 414: Supplier Social Assessment 2016 | | |
| 414-1 | New suppliers that were screened using social criteria | Partnership Responsibility Harmonizing with Partners |

Feedback Form

This report is the inaugural ESG disclosure by Jinhe Industrial to the public. To continuously improve our ESG management practices and enhance our ability to fulfill our ESG responsibilities, we are eagerly looking forward to your opinions and suggestions on our work. Please give us your feedback by answering the following questions.

1. Overall, how would you rate this report?

- Excellent Good Average Poor Very poor

2. Do you think this report effectively and accurately reflects the Company's significant impacts on governance, society, and the environment?

- Excellent Good Average Poor Very poor

3. How do you feel about the responsiveness and quality of information disclosed in this report regarding issues that concern stakeholders?

- Excellent Good Average Poor Very poor

4. How clear, accurate, and comprehensive do you consider the information, metrics, and data disclosed in this report?

- Excellent Good Average Poor Very poor

5. What are your thoughts on the readability of this report, including its organization, content, language, and formatting?

- Excellent Good Average Poor Very poor

Open-ended questions

What aspects of this report do you find most satisfactory?

What suggestions do you have for improving our future ESG reports?



Anhui Jinhe Industrial Co., Ltd.

Address: 127 Chengdong Street, Lai'an County, Chuzhou City, Anhui Province, China

Telephone: 0550-5682597

Email: ajhchem@ajhchem.com