

2024 RUICHANG INTERNATIONAL HOLDINGS LIMITED

A CARLER AND

Sustainability Report

(Incorporated in the Cayman Islands with limited liability) (Stock Code:1334)

April, 2025

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About The Report

This report is the first annual sustainability report published by RUICHANG INTERNATIONAL HOLDINGS LIMITED. It systematically addresses the Company's sustainable development philosophy, practices, and performance, while responding to the key concerns of stakeholders.

Ed.

Report Boundary

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Reference Description

The report discloses information on RUICHANG INTERNA-TIONAL HOLDINGS LIMITED and its subsidiaries' responsibilities in economic, social, environmental, and corporate governance aspects. The reporting period primarily covers information from January 1, 2024 to December 31, 2024 with some data exceeding this period. RUICHANG INTERNATIONAL HOLDINGS LIMITED will be referred to as "Ruichang International", "Ruichang", "the Company", or "we".

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Data Sources

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The information and data in this report are sourced from Ruichang International. and its subsidiaries. Data and information are derived from publicly available company information, official documents, statistical reports, and financial statements. Unless otherwise specified, all amounts are denominated in Renminbi (RMB). The Board of Directors of the Company commits to ensur-

ing that this report contains no false statements or misleading information and assumes responsibility for its authenticity, accuracy, and completeness.

Guidelines and Framework 😥

Confirmation and Approval

The preparation of this report references the Hong Kong Stock Exchange's ("HKEX") Environmental, Social, and Governance ("ESG") Reporting Guide. Climate-related disclosures are based on the IFRS Sustainability Disclosure Standard S2 Climate-related Disclosures ("IFRS S2") and HKEX's Climate Disclosure Guidelines.

This report, confirmed by the management, was approved by the Board of Directors on March 28, 2025.

Report Access and Feedback

This report is published in both Chinese and English. In case of any discrepancies, the Chinese version shall prevail. It is published as an electronic document accessible on the company's website (https://www.ruichang.com.cn). For any feedback or suggestions, please contact us at: Address: 20th Floor, Innov Tower, No.1801 Hongmei Road, Xuhui District, Shanghai, China Email: Investment_Relationship@Ruichang.com.cn

Chairman's Message

Dear colleagues, customers, and business partners,

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It is my great honor to share with you the RUICHANG INTERNATIONAL HOLDINGS LIMITED 2024 Sustainability Report. Over the past year, the Company successfully listed on the Hong Kong capital market, marking a new chapter in Ruichang International's development. Through this report, we aim to update you on our key achievements in sustainable development and our future plans. As a dedicated expert in energy-saving and environmental protection technologies, we strive to contribute Chinese green momentum into global sustainable development. Chairman of the Board — LU Bo

In 2024, we achieved progress in three main areas:

Strengthening Foundations for Steady Progress

Amidst the complex and ever-changing external environment, Ruichang International demonstrated strong development resilience. We enhanced our technological capabilities and service quality to expand our market presence. Focusing on core businesses in industrial thermal energy engineering and air pollution control, we reinforced our leadership in combustion, waste heat recovery, catalysis, sulfur recovery, and incineration equipment manufacturing. We also actively explored strategic "second curves", offering comprehensive solutions from technical consulting, process design, manufacturing procurement, installation, and commissioning to support clients in achieving green value creation.

Innovating for Tangible Green Outcomes

We view technological innovation as the key driver of green development. Aligned with the national "dual carbon" strategy, the Company actively fosters innovation for sustainable growth. In 2024, R&D investment increased, with the total number of effective patents reaching 234. In business development, we advanced the modular delivery of sulfur recovery units, enhancing both quality and efficiency. In technology implementation, we focused on "new energy phase-change energy storage technology" and collaborated with research institutions to successfully convert research into practical applications. By year-end, the Company's phosphate resource recovery project was launched in Huangshan City, marking a new milestone in green development.

Improving Governance for Responsible Development

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Ruichang International has deeply embedded the concept of sustainable development into its management and operational processes, establishing a green development strategy centered on climate change response. In 2024, we strengthened climate risk management, further improved our "Climate Change Response Policy", and enhanced institutional leadership. We actively conducted greenhouse gas accounting, optimized energy management, and fully implemented environmental compliance requirements. While supporting clients in their low-carbon development, we improved our responsibility fulfillment and contributed to the overall improvement of the social ecological environment.

2024 was a year of accumulation and upward growth for Ruichang International. Looking ahead, we will continue to leverage technological innovation as a fulcrum and global vision as a guide, collaborating with various forces to promote the application of low-carbon technologies and the creation of green value. We will remain committed to our responsibility and mission as experts in energy-saving and environmental protection technologies, serving China and reaching out to the world to contribute more robust "Ruichang Solutions" to global sustainable development.

Sincere thanks to everyone for your continued support and trust. Thank you!

2024 Sustainability Highlights

01 Governance

The Company has established and implemented the "Corporate Risk Management System", building a three-tier corporate risk control defense system to minimize the likelihood of risks occurring with

work, promoting the deep integration of company operations with

Business ethics and compliance standards have been maintained of commercial morality, upholding honest and trustworthy operations

with no cases of violations

03 Social

Cumulative effective patents stand at 234 Newly granted patents stand at 24

An online learning platform has been introduced, launching a new phase of **digital training** to enhance employee development

"New Energy Phase Change Storage Technology"

strengthened to advance research in key areas including

Collaborative efforts with organizations such as the China

Building Materials Research Institute, Huazhong University of

Science and Technology, East China University of Science and

Technology, Sinopec East China Design Institute, and CNPC

Engineering Construction Limited, North China Branch have been

"Molten Sulfur Storage Technology"



Climate change has been further integrated into the sustainable governance frame-

climate change responses

442

123 courses have been offered

A total of **749.85** training hours

02 Environmental

A short-term, medium-term, and long-term framework for addressing climate change has been developed, driving the green transformation across the entire value chain to comprehensively tackle climate change challenges

By 2024, all operational sites have obtained ISO 14001:2015 Environmental Management System certification, achieving **100%** coverage

Continuously improve the sulfur recovery process and the supply capacity of complete equipment, with the total sulfur recovery rate of the product reaching up to **99.9%**, enhancing the resource utilization and harmless treatment of highly toxic gases containing hydrogen sulfide.

Efforts have been made to strengthen the management of emissions such as exhaust gases, wastewater, noise, and solid wastes. New filtration, collection, and treatment systems have been added, ensuring that emissions of wastewater, exhaust gases, and noise fully comply with **international and industry standards**, minimizing their negative impact on the environment and achieving full industry compliance

Intensified regulation of energy and water resource usage has been implemented, continuously upgrading and updating energy-saving technologies and equipment to improve resource utilization efficiency

Ruichang International Products: Energy-Saving, Emission Reduction, and Resource Recovery Effects Achieved in 2024



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About Ruichang International

RUICHANG INTERNATIONAL HOLDING LIMITED, founded in 1994 in Henan, is a diversified energy-saving and environmental protection technology company. We focus on meeting our clients' needs in energy conservation and environmental protection, particularly in the field of industrial thermal energy engineering. Leveraging our core capabilities in the manufacturing of combustion equipment, waste heat recovery, catalysis, sulfur recovery and incineration, flue gas treatment, and low-temperature waste heat utilization, as well as our modular design expertise and system engineering advantages. we are dedicated to providing global clients with green, sustainable energy-saving and emission-reduction system solutions and modular technical solutions.

The Company has dedicated over thirty years to the production of petrochemical equipment, establishing itself as a key manufacturer of catalytic cracking equipment, sulfur recovery equipment, and volatile organic compound incinerators within China's oil refining and petrochemical sector. We operate in four main business sectors, offering more than ten product lines to fully meet diverse customer needs in equipment upgrade scenarios. While maintaining strong partnerships with leading domestic petrochemical enterprises, we have also expanded our presence overseas by establishing branches and collaborating with local companies to gain an in-depth understanding of regional market demands. This enables us to root ourselves locally while gradually transitioning into an international enterprise.

Ruichang International has always relied on advanced technology and high-end R&D capabilities as the foundation of since its establishment. Since its inception, the Company has consistently increased investment in R&D, currently holding over 200 patented technologies. We are equipped with state-of-the-art hot and cold-state testing facilities for burners, making us the standard-setter for burners in the petrochemical industry within China. Our strong technical expertise, brand advantage, and market leadership position us as a key player in the industry.

Rooted in the energy-saving and environmental protection needs of clients in the petrochemical sector, this is the foundation of our growth. As national pollution reduction and carbon reduction policies intensify, and with the advancement of the "dual carbon" goals, Ruichang actively expands into other industrial sectors beyond petrochemicals, supporting industry-wide deep transformations and collectively addressing the challenges posed by climate risks. Currently, we have assisted industries such as steel, metallurgy, and papermaking—sectors with high carbon emissions—to implement equipment upgrades and reduce the environmental impact of their production processes, contributing to their green and sustainable transformation. Looking ahead, we will continue to focus on the energy-saving and environmental protection needs of various industries, dedicating ourselves to long-term development and delivering superior energy-saving and emission-reduction solutions to our clients.



- Customer-oriented
- Maintain Empathy
- Complete Communication via the Shortest Path
- Open-Minded and Embrace Change
- Self-Learning and Self-Motivated
- Full of Passion and Decision-Making Ability
- Provide Feedback in Real Time
- Enjoy Work



Vision:

- Focus on atmospheric treatment and energy-saving solutions for industrial thermal energy engineering
- Be a respected energy conservation and environmental protection technology company

Mission:

- Ruichang Blue, China Blue
- Contribute Ruichang's value to improving China's environment
- Assist global clients in achieving green and sustainable development



- 2024 Hong Kong International ESG List "Best ESG Practice Award"
- The Second KPMG (China) ESG 50 Awards · 2024 "Sci-Tech Empowerment ESG List"
- Fifth Batch of "Little Giant" Enterprises in Specialized, Refined, Unique and Innovative Fields
- Henan Province Specialized, Refined, Unique, and Innovative
 Enterprise
- Henan Province Energy-Saving and Environmental Protection Demonstration Enterprise
- 2023 Luoyang City Outstanding High-Growth Quality Improvement Enterprise
- 2023 Luoyang City Advanced Enterprise in Scientific and Technological Innovation
- 2022 Provincial Intellectual Property Advantage Enterprise
- First Prize for Science and Technology Progress, Gansu Province
- Second Prize for Science and Technology Progress, Henan Province



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01. Steady Progress Governance

Ruichang International places great emphasis on corporate governance, adheres to the bottom line of commercial ethics, and resolutely opposes corruption, bribery, and unfair competition. The Company recognizes that compliant operations are the cornerstone of sustainable development and is committed to creating a fair, just, and transparent business environment. Additionally, Ruichang International highly values communication with stakeholders, engaging in proactive and effective dialogue to understand their needs and expectations. By continuously optimizing its business strategies, the Company aims to achieve mutual benefits and win-win outcomes with stakeholders, driving the Company's stable development.

1.1 Corporate Governance

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Ruichang International establishes a comprehensive legal governance framework and operational mechanisms in accordance with relevant laws and regulations, including the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, and the Corporate Governance Code issued by the Hong Kong Stock Exchange. These mechanisms encompass the general shareholders' meeting, the Board of Directors and its specialized committees, the board of supervisors, senior management, independent directors, and the board secretary. The power institutions, decision-making bodies, supervisory bodies, and management teams operate with clearly defined responsibilities, ensuring standardized operations and safeguarding the interests of shareholders and the company. This robust foundation supports the company's sustained and stable development.

The Board of Directors oversees the establishment of audit committee, remuneration committee, and nomination committee to supervise the management of Company's affairs and professionally review and guide the Company's policies, decisions, and strategies. The Company places great emphasis on the independence, diversity, and professional competence of the board. During the nomination process, a wide range of factors are considered, including gender, age, cultural and educational background, race, skills, knowledge, professional experience, and tenure. As of the end of the reporting period, the Board of Directors and board of supervisors consist of eight members, including three independent non-executive directors. In terms of gender composition, the board includes three female members, exceeding one-third of the total board members. The board members possess diverse professional backgrounds, covering fields such as business administration, law, finance, and accounting, providing comprehensive professional guidance for the Company's strategic planning and decision-making.



1.2 Risk Management



To further enhance the sensitivity and accuracy of risk identification, Ruichang has established a comprehensive Risk Assessment System. This system enables a thorough evaluation of potential risks, categorizing them based on their nature and potential impact. Before risks escalate into Crises, the Company implements strict management procedures to effectively prevent and control them, ensuring smooth business operations. When risks show signs of turning into negative impacts, the Company promptly escalates their assessment level, integrating them into the crisis management system and taking decisive and robust measures to address them.

Additionally, Ruichang has developed a detailed Risk and Opportunity Identification, Evaluation, and Response Measures Checklist. This checklist covers 20 critical processes, including contract and order reviews, product development management, manufacturing, delivery, and customer feedback management, ensuring comprehensive coverage of potential risks in business operations. During the risk assessment process, the Company evaluates risks based on four dimensions: likelihood, severity, scope of impact, and evaluation criteria. Through this refined approach, risks are clearly categorized into "high-priority" and "low-priority" levels, allowing for more focused and targeted risk management. For risks of different levels, specific response measures, management indicators, responsible departments, and timelines are established to ensure orderly risk control. Finally, the Company regularly assesses the effectiveness of risk management, promptly identifying issues and optimizing the risk management system to achieve the best possible results. The table is also updated periodically to reflect the latest policy trends and compliance requirements, ensuring its timeliness and applicability.

Looking ahead, Ruichang plans to integrate ESG-related risks into its overall risk management framework, achieving effective integration with traditional risk management. The Company will establish a comprehensive mechanism for identifying, assessing, and monitoring ESG-related risks, developing differentiated risk response strategies for various types of ESG-related risks. By continuously optimizing the risk management framework, Ruichang aims to enhance its ability to address ESG-related risks, aligning with the Company' s business development and external environmental changes. This will enable Ruichang to achieve sustainable and stable growth.

1.3 Anti-Corruption and Business Ethics

Ruichang International steadfastly adheres to the bottom line of business ethics, resolutely opposing any acts of embezzlement, corruption, or bribery. The Company is committed to winning the trust of the market and customers through fair competition and honest operations, fostering a clean and upright business environment. To effectively advance integrity initiatives and further regulate business conduct, Ruichang has established and implemented the Employee Anti-Bribery and Anti-Corruption Conduct Guidelines and the Business Ethics Management Standards. These guidelines clearly define the behavioral norms for employees in their work, strictly prohibiting any form of bribery, corruption, or improper exchange of interests. The guidelines apply to all levels of employees within the Company, ensuring that integrity requirements are integrated into daily operational management and promoting the implementation of a culture of honesty and compliance.



The Company has further detailed internal communication and complaint reporting procedures in relevant sections of the Employee Handbook. By establishing diverse reporting platforms, including email, hotlines, and online submission forms, Ruichang provides employees with clear channels for reporting and outlines the handling process. The Company encourages employees to report potential violations they discover. Additionally, Ruichang maintains a dedicated reporting department with staff responsible for handling complaints and reports. The department regularly collects and summarizes issues and evidences, maintaining records and conducting periodic analyses and resolutions. Through these efforts to streamline internal communication mechanisms, the Company aims to create an open and transparent corporate environment while enhancing employees', awareness of compliance and sense of responsibility.

To ensure that all complaints are promptly addressed and fairly resolved, Ruichang has established a strict whistleblower protection mechanism through the Reporting and Whistleblower Protection and Reward Procedures. The Company strictly protects the information of reporters, using anonymous methods during the reporting process and prioritizing the protection of whistleblowers during critical stages such as information circulation and incident investigations. Ruichang strictly prohibits any unauthorized access, disclosure, or retaliatory actions against complainants. Any violation of these protections will result in serious disciplinary action. In necessary cases, the Company may collaborate with judicial authorities to pursue legal accountability for those who retaliate, resolutely safeguarding the legitimate rights and interests of whistleblowers and maintaining the confidentiality of their reports.





In 2024, Ruichang did not experience any cases of embezzlement litigation. The specific details are as follows:

1.4 ESG Governance

Ruichang International fully launched its ESG governance framework in 2023, establishing a top-down ESG governance structure led by the Board of Directors to comprehensively coordinate and implement various sustainability initiatives. The Company's Audit Committee is responsible for managing and making decisions on ESG matters, reporting to the Board of Directors and being accountable to it. Under the Audit Committee, an ESG Executive Committee has been established. The ESG Executive Committee, under the guidance of the Audit Committee, is responsible for comprehensively coordinating and implementing ESG management work. Under the ESG Executive Committee, an ESG Working Group has been established to ensure the specific implementation and execution of ESG-related tasks.

Governance Level

Management Leve

(B)

Board of Directors

The Board of Directors bears the ultimate supervisory responsibility for ESG work, with primary duties including:

- Regularly listening to reports from the Audit Committee on ESG matters and providing oversight.
- Approving and issuing ESG reports and other disclosure documents.

Audit Committee

Execution

Level

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Responsible for managing and making decisions on the company's ESG affairs, reporting to the Board of Directors, and being accountable to it. Primary duties include:

- Reviewing the Company's ESG management policies, strategies, and firameworks, and overseeing the Company's ESG performance and achievement of goals to ensure compliance with applicable laws, regulations, exchange supervision requirements, and international standards.
- Reviewing communication methods and outcomes with stakeholders related to the company, assessing and managing potential impacts and risks associated with ESG-related issues on the Company's business.
- Reviewig the Company's ESG report and related disclosure documents and reporting to the Board of Directors.

ESG Executive Committee

Chaired by the Director and Executive Vice President, with members comprising heads of various functional departments and subsidiaries.Primary responsibilities include:

- Coordinating and advancing the Company's ESG initiatives, leading the ESG Working Group to comprehensively implement ESG work.
- Developing and reviewing the Company's ESG policies and codes of conduct to ensure the implementation of all ESG policies.
- Reviewing the identification of ESG risks and opportunities.
- Reviewing the Company's ESG work plans/schedules, ESG reports, and reviewing and supervising the work of the ESG Working Group.

ESG Working Group

Comprised of representatives firom various functional departments, with primary responsibilities including:

- Drafting ESG management systems, policies, and implementing relevant measures.
- Leading ESG infommation disclosure.
- Developing annual ESG work plans/schedules. Coordinating and advancing the execution of the Company's ESG strategies, goals, and work plans.
- Leading subsidiaries, divisions, and produ sites in the implementation of specific ESG initiatives.

Stakeholder Engagement

Ruichang International deeply recognizes the importance of maintaining good communication with stakeholders and regards it as a key link in the process of enterprise development. Through active and effective stakeholder communication, while effectively communicating its own strategic development, financial performance and social responsibility achievements, the Company also actively listens to opinions and suggestions, identifies the feedback and expectations of stakeholders on the Company, adjusts business strategies in a timely manner, and promotes the long-term healthy development of the Company.

The Company's main stakeholders include, but are not limited to, government and regulatory bodies, shareholders and investors, customers, suppliers and partners, employees, communities, etc. During the reporting period, we regularly communicated and interacted with stakeholders through multiple channels, listening to and actively responding to the expectations and requirements of various stakeholder groups to ensure that the Company's operational and management-related work fully aligns with stakeholders' rights.



Materiality Assessment

Ruichang International actively reviews internal and external trends and, through communication with stakeholders, understands their concerns and expectations. It conducts an annual review and assessment of materiality topics.

Identification process of material topics

Interpret macro policies and industry development trends to clarify Ruichang International's policy orientation for ESG practices, related risks, and opportunities. Refer to the ESG disclosure requirements of the Hong Kong Stock Exchange, industry standards, and benchmarking against peers to identify a comprehensive list of relevant topics.

 $\sum_{i=1}^{n}$

Identification

Maintain continuous communication with stakeholders such as decision-makers, employees, and internal/external experts, combining the Company's strategic development and direction to assess the importance of topics. Sort issues based on two dimensions: the importance of stakeholders and the significance of topics to the Company's operations, screening out key issues.

Assessment

Presentation

Construct an ESG issue importance matrix, which is confirmed and reviewed by the Company's Board of Directors and disclosed in the report. This demonstrates the outcomes of identifying important issues to stakeholders.



The materiality matrix of Ruichang in 2024 is as follows

Environmental topics 😑 Social topics 😑 Governance topics 🛢

Environmental topics	Social topics	Governance topics		
 Climate Change Response Clean Technology Opportunities (Green Products) Waste Management 	 2 Customer Relations 3 Technological Innovation 4 Intellectual Property Protection 5 Occupational Health and Safety 7 Product Liability 3 Information Security 	12 Stakeholder Communication16 Anti-Corruption17 Risk Management		
 Resource Utilization Environmental Compliance 	8 Employee Compensation and Benefits 8 Employee Compensation and Benefits 8 Community Investment 8 Community Inv			

02

Green Manufacturing Environmental

- ▲ Addressing Climate Change
- ▲ Environmental Compliance
- ▲ Emissions Management
- ▲ Resource Utilization
- ▲ Green Product

Environmental Section

2024

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02. Green Manufacturing Environmental

2.1 Addressing Climate Change

Ruichang International has developed the "Ruichang International's Policy on Addressing Climate Change", serving as the core guiding document for its climate change response. The policy follows the framework outlined in *International Financial Reporting Sustainability Disclosure Standard No. 2 (IFRS S2) – Climate-related Disclosures*, covering key aspects such as governance structures, strategic development, risk management mechanisms, and the establishment of indicators and targets. This policy guides Ruichang International's business units in exploring low-carbon development pathways, integrating climate change responses into company operations, and clearly communicating the Company's firm commitment and concrete actions in addressing climate change to stakeholders. Ruichang International fully understands the profound impact of climate change on the global economy, society, and ecosystems. It regards green development as a critical pathway to achieving long-term corporate goals. By leveraging technological innovation, Ruichang International is committed to transforming traditional secondary energy systems toward sustainable directions while exploring areas such as ecological governance, resource conservation, circular utilization, and pollution prevention. These efforts aim to support the sustainable development of both the Company and the industry.

In 2024, Ruichang International further updated the "Ruichang International Holdings Limited Environmental, Social, and Governance (ESG) Work Management General Rules", incorporating climate governance as a central component of ESG work. This update establishes a complete management loop from strategic decision-making to implementation.

Board of Directors

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As the highest decision-making body for climate governance, the Board is responsible for formulating and overseeing the Company's climate change strategy and goals, ensuring that climate management measures align with the Company's long-term sustainable development objectives. The Board regularly reviews climate-related issues, evaluates progress in carbon reduction, environmental management, and low-carbon innovation, and provides guidance on the Company's future green development direction.

ESG Executive Committee

As the central body for climate governance, the ESG Executive Committee is responsible for implementing climate strategies, including reviewing climate-related risks and opportunities, developing adaptive measures, setting short- and long-term emission reduction targets, and regularly reporting progress to the Board and Audit Committee.

Audit Committee

Under the authority of the Board, the Audit Committee oversees climate-related risk identification, assessment, and mitigation measures, ensuring compliance with regulatory requirements and industry best practices. It reviews ESG and climate-related reports and promotes transparent and standardized disclosure.

ESG Working Group

The group is responsible for daily tasks such as carbon emissions management, energy-saving and carbon-reduction measures, data collection and analysis, promoting renewable energy use, green supply chain management, and coordinating with business departments to implement specific emission-reduction actions.

Climate Strategy

Ruichang International actively responds to the national "dual carbon" goals and the industry's green and low-carbon development trends. Based on in-depth research into industry trends, policy requirements, and the Company's own development needs, Ruichang International has formulated an internal climate strategy in 2023. The strategy aims to advance low-carbon transformation through technological innovation, operational optimization, industrial chain collaboration, and green investment and financing, creating sustainable value for both the Company and society.

Our Climate Strategic Vision



Innovation

We specialize in pollution reduction and carbon reduction, driving technological advancements to address climate risks. Through innovative solutions, we provide clients with efficient energy utilization and low-carbon solutions, contributing to a more sustainable future for society.

Protection

We commit to global environmental protection, actively participating in addressing global climate change, reducing resource consumption, lowering pollutant and carbon emissions, and safeguarding Earth's sustainable ecological balance.

Ruichang International has further deepened its strategic vision and identified key areas of focus for implementation in 2024:

- Leveraging technical expertise in high-efficiency heat exchange and energy-saving equipment, we will continuously optimize the energy efficiency and technological performance of existing products, helping clients reduce greenhouse gas emissions and pollutants.
- Promoting the research and development of green manufacturing technologies, exploring new low-carbon materials and intelligent production techniques to enhance carbon reduction effects throughout the product lifecycle.
- Strengthening environmental compliance management to ensure production and operations meet national environmental standards. Actively participating in climate change governance and biodiversity initiatives, and proactively developing ecological restoration projects.
- Continuously improving resource management to enhance the efficiency of wastewater, exhaust gas, and solid waste treatment, reducing energy consumption and pollutant emissions.



Collaboration

We aim to establish long-term, stable partnerships with our clients and support them in achieving a sustainable future through our efforts. Through active collaboration and trust, RuiChang International will join forces with clients to collectively pursue sustainable development.

- Reinforcing green procurement in supply chain management to promote coordinated emissions reductions among upstream and downstream enterprises, enhancing the overall sustainability of the supply chain.
- Collaborating with clients, research institutions, government agencies, and industry associations to foster the research, development, promotion, and standardization of low-carbon technologies.

Climate Risk Management

Ruichang International launched its climate change response strategy in 2023 and has been actively identifying potential climate risks and opportunities in its operations. Under the leadership of the Board of Directors and following the procedures outlined in the "Ruichang ESG Work Management General Rules", the Company regularly assesses physical risks (e.g., extreme weather events, changes in natural resources) and transition risks (e.g., policy changes, shifts in market demand). Ruichang International is committed to integrating these risks into its overall risk management framework.

Risk type	Risk item	Risk content	Impact time range
	Policy and legal risks	With the introduction of China's "dual carbon" goals, Ruichang International, as a equipment manufacturer, may face higher carbon emission costs, stricter emission limits, and even pressure to adjust and improve production processes during its manufacturing operations.	Medium-term
Transition risk	Market risk	As global requirements for carbon emissions and environmental protection become increasingly stringent, the Company must continuously identify shifts in customer preferences and demands in the field of pollution reduction and carbon reduction. It must strengthen the green attributes of its products, enhance innovation capabilities, and improve competitiveness to prevent market share loss.	Long-term
	Reputational risk	With the increasing demand for pollution reduction and carbon reduction, the Company needs to maintain capacity planning, ensure order delivery capabilities and quality, and consider expanding base project construction to avoid delivery delays or quality issues that could damage its reputation.	Long-term
N	Acute risk	Climate change may expose the Company to acute climate-related risks, such as typhoons, floods, and droughts. Acute climate events could disrupt logistics, cause raw material shortages, damage power equipment, or halt production lines, significantly impacting factory operations.	Short-term
Physical risk	Chronic risk	Global warming and water scarcity scenarios may increase operation- al costs and pose challenges to production stability, thereby reducing factory efficiency.	Long-term

Climate Action Plan

Ruichang International fully understands the challenges and opportunities brought by climate change and actively develops low-carbon transformation strategies to align with global sustainable development trends. The Company will gradually advance the improvement of its carbon management system, set emission reduction targets based on business development and suitable emission reduction pathways, and disclose specific timelines as appropriate.

In 2024, under the guidance of its strategic vision, Ruichang International has established a comprehensive framework to address climate change, encompassing short-term, medium-term, and long-term action plans:

Short-Term Goals (2025-2027)

Ruichang International fully understands the challenges and opportunities brought by climate change and actively develops low-carbon transformation strategies to align with global sustainable development trends. The Company will gradually advance the improvement of its carbon management system, set emission reduction targets based on business development and suitable emission reduction pathways, and disclose specific timelines as appropriate.

Planned initiatives include:

Renewable Energy Application

Assess the feasibility of introducing renewable energy sources such as photovoltaic power generation in major production bases to gradually reduce reliance on traditional energy sources.

Carbon Emission Management

Gradually improve the carbon inventory system, establish a data foundation for Scope 1, 2, and 3 emissions, and provide a basis for future target setting.

Carbon Reduction Benefits Management

Actively conduct calculations of pollution and carbon reduction benefits for products.

Production Process Optimization

Explore the application of low-carbon production technologies and continue to advance energy-saving optimizations in core business areas such as waste heat recovery.

Medium-Term Goals (2028-2035)

From 2028 to 2035, we plan to deepen the carbon management system, integrate green manufacturing principles into the entire production and operation process, and actively promote the implementation of a low-carbon supply chain to enhance the Company's green leadership within the supply chain.

Planned initiatives include: -

Energy Structure Adjustment

Steadily increase the proportion of renewable energy use, based on feasibility assessments, and optimize energy management systems.

Green Supply Chain Transformation

Conduct carbon footprint assessments for suppliers, explore green procurement and low-carbon transportation models, and improve the sustainability of the supply chain.

Carbon Market Exploration

Closely monitor policy changes in national carbon markets and explore market-based emission reduction pathways such as carbon trading.

Long-Term Goals (2036 and Beyond)

In the long term, Ruichang International will continue to deepen its low-carbon transformation strategy, refine its carbon neutrality strategic layout, and continuously optimize carbon neutrality implementation plans.

Planned initiatives include:

Operational Carbon Neutrality

Based on the Company's business development plans and carbon emission status, scientifically determine the timeline and specific pathways to achieve carbon neutrality, and disclose this information to the public and stakeholders as appropriate.

Green Frontier Technology Development

Innovate in frontier areas such as low-carbon material research, negative-carbon processes, and novel energy-saving technologies. Conduct research and development projects to leverage technological advantages and help more companies enhance their capabilities and standards in addressing climate change.

In 2024, Ruichang International referenced documents such as *The 2006 IPCC Guidelines for National Greenhouse Gas Inventories* and *The Greenhouse Gas Protocol: Enterprise Accounting and Reporting Standard* to calculate greenhouse gas emissions. Relevant indicators are disclosed below:



In the future, Ruichang International will continuously optimize its climate action plans based on business development, industry trends, and regulatory requirements, ensuring the company maintains a steady and sustainable development pace during its low-carbon transition.

2.2 Environmental Compliance

Green Development, Compliance First, Ruichang International integrates environmental compliance into the core principles of its business operations, establishing a Comprehensive and multi-level environmental compliance management system. *The company strictly adheres to environmental laws and regulations such as the Environmental Protection Law of the People's Republic of China, the Solid Waste Pollution Prevention and Control Law of the People's Republic of China, the Air Pollution Prevention and Control Law of the People's Republic of China*, and the Water Pollution Prevention and *Control Law of the People's Republic of China*. Through the formulation and implementation of internal rules and regulations, the company upholds the operational red line of "compliant emissions and environmental compliance", actively building an environmentally friendly enterprise. During the reporting period, the Company's operational sites have obtained ISO 14001:2015 environmental management system certification, achieving 100% coverage. The Company has defined the environmental management organizational structure with the general manager as the core, with the general manager as the first person in charge of environmental protection, and established the HSE (health, safety and environment) department as the exclusive functional organization of the Company's environmental protection, which is responsible for overall planning, implementation, supervision and guidance of various environmental protection management work, and ensuring the effective implementation of relevant rules and regulations. At the same time, the Company has equipped environmental professionals to take charge of daily environmental protection patrol, including regular monitoring of pollutants, compliance disposal of waste, conservation and utilization of resources and energy, etc., to ensure the sustainability and standardization of environmental protection. All levels of the Company have clear division of labor and close cooperation in environmental protection, perform their own duties and jointly fulfill environmental protection responsibilities.



Adhering to the policy of "prevention first and prevention combined", we have improved environmental emergency management guided by risk management, focusing on improving the ability to respond to emergencies. The company strictly standardized environmental emergency protection measures, formulated an on-site emergency disposal plan including hazardous waste warehouse, waste gas treatment facilities, and wastewater treatment facilities, and organized emergency drills every two years. Under the unified leadership of the general manager, departments at all levels adhere to the principle of "hierarchical response and management", implement the emergency responsibility system, and improve the emergency response capability of rapid response and efficient disposal of emergencies.

环境管理体系认证证书

agement System Certification

Ruichang International Environmental Man-

证书编号: 04324E31305R3M

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我还组织必须定期接受监督审核并经审核合格此证书方继续有

地址:中国:北京市-朝阳区北苑路170号3号楼(凯奥中心)17层 电话:010-8485008 网址:www.uicec.com 本证书信息可在国家认证认可當帮你理委员会作方网站(www. <section-header><section-header><section-header><section-header><section-header><section-header><text>

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Emergency Drill

In 2023, Ruichang International conducted emergency drills for on-site response plans involving hazardous waste warehouses, exhaust gas treatment facilities, and wastewater treatment facilities. The Company documented and evaluated the drill process, analyzing the rationality and effectiveness of the response measures, summarizing existing issues and shortcomings, and providing targeted improvement recommendations to ensure the suitability, sufficiency, and effectiveness of the plans. Based on the experiences and assessment results from the 2023 drills, the next round of emergency drills for these facilities is scheduled for 2025, serving as another opportunity to test and enhance the Company's environmental emergency management system.

Education and Publicity

Ruichang International promotes environmental awareness among employees through training programs and promotional activities, educating them on topics such as compliant pollutant emissions, proper waste disposal, and energy conservation. These efforts aim to help employees understand the importance and urgency of environmental protection, strengthening their sense of responsibility and commitment to environmental stewardship. Additionally, the Company encourages employees to actively propose environmental protection suggestions and innovative solutions, organizing review meetings to commend and reward outstanding suggestions and incorporating them into the Company's environmental protection plans. This fosters a collaborative effort between employees and the Company to advance environmental protection initiatives.

Supervision and Assessment

In 2024, Ruichang International set environmental compliance goals, including "zero accidents involving hazardous chemical leaks" and "100% effective resolution of environmental complaints". The Company monitors and enforces related environmental management measures to ensure the achievement of these goals. Through internal regulations, the Company establishes evaluation mechanisms, defining specific rewards and penalties, to track the implementation and completion of environmental protection objectives. In the event of an environmental incident, The Company responds swiftly in accordance with its emergency response plans, conducts investigations, and applies performance evaluations based on the severity of the incident and predefined criteria. Additionally, the Company maintains a record of environmental incidents to reinforce the learning of lessons and serve as a warning against future occurrences. Ruichang International maintains good communication and coordination with local communities, government agencies, and other stakeholders. The Company actively listens to community concerns and responds to their inquiries, fostering trust and understanding through public participation activities and information disclosure. This helps mitigate potential conflicts arising from ecological or noise-related issues.

In 2024, Ruichang International did not experience any major environmental incidents, did not receive complaints related to environmental issues, and was not subject to significant administrative penalties or criminal liability from environmental authorities or other relevant departments.

Ruichang International Environmental Compliance 201				
Metric	2024	Unit		
Total Number of Major Environmental Incidents	0	Incidents		
Total Number of Complaints Received from Local Community Due to Environmental Compliance Issues	0	Cases		
Total Number of Administrative Penalties or Criminal Liabilities Incurred Due to Environmental Compliance Issues	0	Cases		



2.3 Emissions Management

Ruichang International adheres to the core principles of reduction, resource utilization, and harmlessness, continuously conducting statistics on pollutant types and monitoring emission quantities while strengthening the treatment, control, and reduction of various wastes. The Company aims to minimize the negative environmental impact of emissions. Ruichang International strictly complies with environmental laws and regulations of the countries/regions where its operations are located, including *the Environmental Impact Assessment Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China, the Environmental Noise Pollution Prevention and Control Law of the People's Republic of China, the Environmental Noise Pollution Environment Prevention and Control Law of the People's Republic of China, the Environmental Noise Pollution Environment Prevention and Control Law of the People's Republic of China, the People's Republic of China, and the Solid Waste Pollution Environment Prevention and Control Law of the People's Republic of China. The Company has also established internal regulations such as the Dangerous Waste Pollution Prevention and Control Management System.*

As a manufacturer of environmental protection equipment, Ruichang International's main production processes involve exhaust gas emissions, along with small amounts of wastewater, non-hazardous waste, and hazardous waste emissions. The Company has legally obtained and updated its discharge permits and discloses environmental information in accordance with regulations.

Waste Gas Emissions

The Company's exhaust gas emissions primarily originate from cutting, welding, and spraying operations. For cutting operations, exhaust gases are collected using fume hoods, filtered through cartridge dust collectors, and safely discharged via chimneys. Welding operations employ blow-suction dust collection systems to collect and treat particulate matter generated at the site, ensuring compliant emissions. Spraying operations utilize fixed enclosed workstations, collecting exhaust gases and treating them through dry filtration, adsorption/desorption, and catalytic combustion before compliant discharge. Online monitoring devices are installed at spray exhaust gas emission outlets to real-time monitor and report emission data to provincial and municipal environmental monitoring centers.

Wastewater Emissions

Wastewater in the production process mainly comes from surface acid washing treatments. The Company has built wastewater collection pools and treatment systems, treating wastewater through acid-base neutralization and sedimentation before discharging it into the municipal network. Manual monitoring is conducted every six months to ensure compliance. Sludge generated during treatment is temporarily stored in designated hazardous waste warehouses to prevent secondary environmental pollution. Domestic sewage from the Company is pre-treated in septic tanks before being connected to the municipal sewage network for unified treatment at the wastewater treatment plant.

Noise Management

The Company's production facilities are primarily located indoors and do not involve high-noise equipment. As a result, noise generated during operation is minimized through sound absorption, sound insulation, vibration reduction, and distance attenuation, having minimal impact on the surrounding acoustic environment. The Company commissions qualified organizations annually to conduct noise monitoring and maintain records. The factory's noise levels consistently meet the limits specified in *the Emission Standard for Environmental Noise at Industrial Enterprise Boundaries (GB12348-2008).*

Waste Disposal

During production, the Company generates non-hazardous (general solid) waste, primarily scrap steel, which is uniformly recycled and reused by third parties to reduce resource wastage. Office and living waste is collected, sorted, and transported by municipal sanitation departments. Additionally, the Company generates hazardous waste such as used engine oil and waste acids, which are separately classified from general solid waste and office/living waste in accordance with requirements. Hazardous waste warning signs and labels are uniformly set up, and the waste is temporarily stored in compliance with regulations before being transferred to qualified third parties for collection and disposal, with accurate completion of transfer manifests.

In addition to accepting regulatory supervision and inspection, Ruichang International has set goals, including "compliant emission of pollutants" and "100% compliant handling of production solid waste and hazardous waste". The Company regularly inspects pollutant emissions and waste disposal, requiring responsible departments to rectify any non-conformities identified during inspections and monitoring. The Company tracks the implementation of corrective measures and links pollutant emission and waste disposal, along with related targets, to the performance evaluations and salary bonuses of responsible personnel at all levels, creating a dual incentive and constraint mechanism.

Based on data tracked by the end of 2024, the Company has achieved its emission management goals, with specific details as follows:

Metric		Emissions in 2024	Approved emissions	Unit
	VOCs	188	369	kg
Waste gas	SO ₂	0	Not applicable	kg
0	NOx	0	Not applicable	kg
	Particulate	310	642	kg
Wastewater	Industrial wastewater	565	Not applicable	ton
Wastewater	Domestic sewage	20,190.8	Not applicable	ton
	Total non-hazardous waste	42	Not applicable	ton
	Non-hazardous waste density	0.00095	Not applicable	ton Revenue /10,000 yuan revenue
Waste	Total hazardous waste	1.813	Not applicable	ton
	Hazardous waste density	0.00004	Not applicable	ton / 10,000 yuan revenue

2.4 Resource Utilization

Ruichang International consistently integrates efficient resource utilization throughout its production operations and daily office activities. The Company places great emphasis on cultivating employees' awareness of conservation to reduce resource consumption, avoid waste, and actively respond to calls for energy and water savings. Ruichang International strictly complies with relevant laws and regulations, including *the Energy Conservation Law of the People's Republic of China*, *the Regulations on Water Conservation*, and *the Provisions on Urban Water Conservation*. The Company operates in an industry that is not classified as high-energy-consuming, and its production processes do not involve large-scale industrial water use. All water withdrawals are sourced from freshwater, and the Company does not operate in regions with water supply constraints. In daily management, the Company focuses on standardizing energy and water usage, continuously upgrading and updating energy-efficient technologies and equipment to improve resource utilization efficiency.

Energy Utilization

The Company promotes energy-saving knowledge among employees through various channels, reminding them to reasonably use and properly switch on/off computers, air conditioners, lighting equipment, and printers in their daily work. Employees are encouraged to develop good habits such as turning off lights when leaving and shutting down machines when absent to minimize unnecessary energy waste. The Company gradually replaces traditional lighting with energy-efficient LED fixtures, optimizing the number and placement of lights to significantly reduce energy consumption while creating a brighter and more comfortable working environment for employees. The office building is equipped with large skylights and side windows to maximize natural light, reducing reliance on artificial lighting. Additionally, high-quality insulation materials are used for walls, which effectively prevent heat loss and lower energy consumption for heating in winter and cooling in summer.

Water Utilization

The Company periodically conducts water-saving awareness campaigns for employees, encouraging them to adopt water-saving practices in daily life—such as placing water-saving warning signs in restrooms and canteens to remind employees to develop good water usage habits. Furthermore, the Company adheres to green procurement principles, prioritizing the purchase of water-saving facilities and equipment (e.g., water-saving taps and toilets). Regular inspections and maintenance of water facilities are conducted to promptly identify and address issues like leaks, ensuring no unnecessary water waste.



In the future, the Company will unswervingly practice the concept of green development, explore ways to improve the efficiency of energy and resources use by introducing advanced technology, optimizing production processes, updating facilities and equipment, strengthening operation management and othermeans, and effectively promote the implementation of energy and water conservation.

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2.5 Green Product

Ruichang International focuses its core business on the research, design, and sales of green and environmentally friendly products. Leveraging its strong capabilities in process technology and equipment development, the Company provides customized environmental protection solutions for high energy-consuming and high-emission clients across the petrochemical, steel, and thermal power sectors, both domestically and internationally. These tailored solutions help clients comprehensively enhance their environmental management performance, driving synergistic benefits in environmental, climate, and economic outcomes.

Currently, the Company has established a business structure centered around three key divisions: the Heating Furnace Division, the Incineration Equipment Division, and the Energy-Saving Equipment Division. These divisions operate in close coordination, with a shared strategic focus on pollution reduction, carbon mitigation, energy conservation, and efficiency improvement. While all divisions aim to deliver outstanding environmental benefits, each maintains a clear strategic positioning and technical specialty. Their diversified and differentiated approaches have further shaped Ruichang International's core competitiveness in green product offerings.



Heating Furnace Division: Advancing Pollution and Carbon Reduction

The Heating Furnace Division closely aligns with market demands and technological advancements, focusing on the development of low-nitrogen burners, REGLASS non-metallic plate-type air preheaters, and waste heat recovery systems as its flagship products. During the reporting period, these products demonstrated high stability and exceptional environmental performance in actual project applications:

Low-Nitrogen Burner

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By utilizing advanced combustion technology and equipment design, this product effectively reduces nitrogen oxide emissions. In practical applications within the refining and chemical industries, it can lower nitrogen oxide concentrations to 40 mg/m³, far below the industry standard of 100 mg/m³. It also helps reduce carbon monoxide (CO) emissions, achieving significant pollution reduction benefits.

Waste Heat Recovery and Non-Metallic Air Preheater

Utilizing high-efficiency non-metallic heat transfer materials, these systems significantly improve air preheating efficiency and maximize the recovery of waste heat from production processes. This results in a substantial reduction in natural gas consumption for heating purposes, achieving outstanding energy-saving and carbon-reduction outcomes.

15,100⁺_{sets} Low-nitrogen Burners 70⁺

Combined Plate-type Air Preheaters

Case

Significant Synergistic NOx and CO Emission Reduction Achieved by Low-Nitrogen Burners in a Petrochemical Enterprise

Case

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We provided low-nitrogen burners for the hydrogen production and hydrogenation units of a large petrochemical project. Since their commissioning, the NOx emission concentration in the hydrogen production unit has been consistently below 30 mg/m³, exceeding project expectations. The hydrogenation unit employs the latest low-temperature furnace combustion technology, achieving NO, emissions below 50 mg/m³ while maintaining CO emissions below 50 mg/m³.



Note: Internal view of low nitrogen burner

Breakthrough Environmental and Carbon Reduction Results from Waste Heat Recovery Systems and Air Preheaters in a Refining Enterprise

A state-owned enterprise built a 1.5 million-ton-per-year integrated aromatics complex in Huizhou. We provided design, production, installation, and operational services for three waste heat recovery systems and air preheaters for the xylene units. Our aim was to leverage our expertise and experience to reduce xylene pollutant emissions and maximize thermal energy recovery. During the reporting year, the units operated stably, with all indicators surpassing design specifications. Notably, the flue gas temperature remained between 90°C and 95°C, far below the industry average of 120°C. The heating furnace efficiency reached 95%, exceeding the industry average of 93%. Additionally, the unit's energy consumption achieved world-class levels for aromatics complexes, significantly reducing energy consumption and operational costs while setting a new industry benchmark. According to estimates, each unit saves 10,708 million kilowatt-hours of electricity, reduces xylene emissions by 20.83 tons, and cuts CO₂ emissions by 23,436 tons.

Incineration Equipment Division: Harmless and Resourceful Progress

With over 35 years of technical expertise, Ruichang International has established itself as a leader in sulfur recovery processes and complete equipment supply. We offer comprehensive, systematic solutions, including proprietary process package design, detailed design, EPC engineering for plants, equipment design, manufacturing, and turnkey commissioning. Sulfur recovery units consist of main components such as sulfur production, tail gas incineration, and waste heat recovery. Ruichang International's sulfur recovery units have distinct advantages:

More stable combustion and higher integration

More advanced mixing technology and more thorough reactions

Shorter flames and more uniform furnace temperatures

More complete combustion and lower pollutant emissions

Our solutions have been widely applied in the refining and coal chemical industries, achieving total sulfur recovery rates of up to 99.5%. They help customers enhance resource recovery, reduce gaseous pollutant emissions, and lower heating demand, thereby promoting circular economy development, improving economic efficiency, and supporting environmental protection.

210⁺sets

Sulfur Equipment Packages

40⁺ sets

Large Sulfur Equipment Packages with a Capacity of Less Than 60,000 Tons with a Capacity of Over 60,000 Tons

2⁺ cote **EP/EPC** Projects for Sulfur Recovery Units

Note: Cumulative performance of sulfur recovery unit

Case

Ruichang' s EPC-Contracted Sulfur Recovery Unit Passes Start-Up Testing in One Attempt

Case

We provided EPC for the sulfur recovery and solvent regeneration units of the 200,000ton-per-year lubricant project of Liaoning Zhen De Group Liao Dong Wan Co., Ltd. This project encompassed design, manufacturing, supply, and construction, requiring high levels of professionalism and project management capability from the contractor. Ruichang International leveraged its extensive experience, technical expertise, and efficient coordination to adopt an advanced modular working model, significantly reducing the on-site footprint and minimizing installation work. After eight months of orderly construction and debugging, the unit successfully passed start-up testing in November 2024, demonstrating our professionalism and reliability in chemical projects.

The sulfur recovery unit employs a "two-stage Claus + hydrogenation reduction + solvent absorption + solvent regeneration" process, while the tail gas desulfurization uses an efficient pre-alcohol washing and incineration process. Since operation began, the unit has achieved a sulfur recovery rate exceeding 99.8%, with stable compliance of flue gas SO₂ and NO_x emissions.



Note: Field device commissioning diagram

Another core product of the Incineration Equipment Business Department - waste gas and liquid waste incineration system can help the refinery chemical integration project properly handle waste gas and liquid waste of the whole plant. Especially for hazardous wastes that are extremely difficult to dispose, our products can conduct 100% harmless treatment in the factory to ensure low emissions of pollutants and no harm. At the same time, the system has nested waste heat recovery function to make full use of waste heat, which can produce certain economic benefits in the project. By helping refining and chemical industry enterprises to firmly create an efficient, clean, high-end and green factory image, we firmly promote the sustainable development of environmental protection and economic synergy.

Ruichang's Exhaust Gas and Wastewater Incineration Solution Tackles Complex Environmental Challenges in a Chemical Project

Ruichang International provided a 300,000-ton-per-year propylene oxide plant with exhaust gas and wastewater incineration units, assisting the client in overcoming technical challenges such as multiple exhaust gas and wastewater streams, complex compositions, high treatment loads, and compact layouts. Based on a deep analysis of the composition, calorific value, and chemical properties of various exhaust gases and wastewaters, combined with model simulations, Ruichang International customized a solution, including a merged exhaust gas and wastewater plan and a graded feeding plan for fuel gas, exhaust gas, and air. Through optimized planning and layout, Ruichang International's solution achieved efficient combustion of 34 exhaust gas streams and 4 wastewater streams, ensuring stable compliance with emission standards.

Energy-Saving Equipment Division: Enhancing Energy Efficiency and Reducing Emissions

Ruichang International's Energy-Saving Equipment Division specializes in designing and producing waste heat recovery system products tailored for industries such as boilers, steel, and heating. These systems promote the reuse of waste heat, effectively reducing fossil fuel consumption, avoiding greenhouse gas emissions, and driving the industry toward green and low-carbon goals.

Our waste heat recovery products utilize glass plate heat exchangers, which, compared to traditional metal heat exchangers, exhibit superior corrosion resistance and a longer service life. This further contributes to reducing resource consumption and decreasing the frequency of engineering modifications, thereby aiding the industry in achieving sustainable green development.

. . Ruichang Assists Boiler Plant in Achieving Energy Efficiency, Emission Reduction and Performance Improvement through Waste Heat Recovery Retrofit

Case

In 2024, we assisted a boiler company located in Qingdao to carry out waste heat recovery transformation. Before the transformation, the flue gas temperature of the boiler plant was about 130 °C, and a large amount of heat energy dissipated with the flue gas, which could not be effectively utilized. By installing a waste heat recovery device, the waste heat of flue gas before desulfurization of the boiler can be recovered and used as the heat source of water from the heating boiler. After the transformation, the flue gas temperature of the boiler plant was reduced to 80 °C, which greatly reduced the power consumption required for boiler heating, and simultaneously increased the boiler operating efficiency by 3%.

It is estimated that the energy saving generated by this transformation is about 28 TJ, which can be converted into 3104 tons of carbon dioxide equivalent (tCO_2e) emissions.



Ruichang International Products: Energy-Saving, Emission Reduction, and Resource Recovery Effects Achieved in 2024

Through the collaborative efforts of our three core divisions—each leveraging their unique strengths—Ruichang International has achieved remarkable accomplishments in pollution reduction, carbon reduction, energy conservation, and efficiency improvement through the sale and application of green products. These efforts empower downstream industries to address climate change, develop circular economies, and build green factories.

During the reporting period, based on incomplete statistics, the environmental benefits achieved by Ruichang International's products for clients include:

• Listed by total amount



Note: The total sulfur recovery is estimated based on design values and includes sulfur recovery projects where Ruichang provided burners and complete equipment sets. The statistical scope covers units in operation since 2003.

03 Inclusive Development

Social

- Research, Development and Innovation
- ▲ Quality First
- Information Security and Privacy Protection
- Supply Chain
 Management
- ▲ Employee Care
- ▲ Community Investment



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03. Inclusive Development Social

Ruichang International is committed to becoming a valuable, responsible, and socially impactful enterprise. The Company integrates its operations and strategies with social well-being, striving for innovative growth and collaboration with stakeholders such as clients, employees, and suppliers to contribute to high-quality development.

3.1 Research, Development, and Innovation

We remain committed to driving development through technological innovation. By strengthening in-house R&D, deepening industry-academia collaboration, and enhancing innovation incentive mechanisms, we continuously advance the upgrading of our product technologies. Intellectual property (IP) protection is regarded as a core component of our independent innovation strategy. To this end, we have established an efficient, systematic, and comprehensive IP management system, which continues to enhance our competitiveness within the industry.

The Company has developed, revised, and implemented a series of internal regulations and procedures, including the R&D Management Regulations, Innovation Achievement Reward System, and Research Center Project Management Rules. These documents establish a robust R&D innovation management framework, defining norms for the full lifecycle of R&D projects and implementing a range of R&D support measures. In project management, the Company assigns responsibility based on project requirements, with each R&D project managed under a team accountability system. Key roles include project manager, director, deputy director, and other positions responsible for R&D center operations and assisting in project development and technical management. Through clear role definitions and refined management practices, we ensure the efficient advancement of scientific research.

Additionally, the company strictly complies with national laws and regulations such as *the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China, and the Enterprise IP Management Standards. An* integrated management system centered on the Enterprise IP Management System has been established, with supporting provisions including the Patent Management Rules, Trademark Management Rules, and "IP Reward System. These cover all aspects of patent and trademark application, administration, licensing, use, and rights protection, ensuring the standardization and systematization of IP management processes.





Product R&D

In recent years, the Company has increased its technological breakthrough in the fields of industrial thermal energy engineering, atmospheric governance, energy conservation and environmental protection, and promoted the formation of a technical innovation system with Ruichang characteristics. The Company adheres to the scientific and technological innovation strategy of focusing on core business, deepening technology upgrading, exploring the frontier, cultivating emerging business, building open ecological cooperation, win-win and optimizing management to stimulate vitality. It is committed to achieving key technology and product innovation in the short term, achieving cutting-edge technology breakthroughs and business expansion in the medium term, becoming the industry technology leader in the long term, building a sound innovation ecosystem, and achieving sustainable development and improving global competitiveness. To this end, the Company attaches great importance to industry university research cooperation, actively unites domestic and foreign scientific research institutions, universities and industry leading enterprises to deepen key technology research. In 2024, the Company will establish cooperation with China Building Materials Academy, Huazhong University of Science and Technology, East China Petroleum Design Institute, North China Branch of China Petroleum Engineering Construction Limited. and other units to promote the research and development of core fields such as "new energy phase change energy storage technology", "thigh-temperature sulfur heat storage and exchange technology" and "molten sulfur energy storage technology", further consolidate the technical foundation and enhance the industry influence. At the same time, the Company worked with Henan University of Science and Technology to establish the Industrial Pollution Prevention and Carbon Reduction Technology Research and Development Center to promote in-depth research and application of industrial pollution control and carbon reduction



Luoyang Ruichang Environmental Engineering Co., Ltd. and the China National Building Materials Academy Jointly Establish a Research Center for New Energy Phase Change Energy Storage

Luoyang Ruichang Environmental Engineering Co., Ltd. ("Luoyang Ruichang") has formally partnered with the China National Building Materials Academy Co., Ltd. to establish the "Joint Research Center for New Energy Phase Change Energy Storage". This center aims to drive technological innovation and industrial advancement in the field of new energy. Leveraging the China National Building Materials Academy's strong foundation in new materials research, energy storage technologies, and engineering applications, and combining it with Luoyang Ruichang's expertise in industrial energy conservation, thermal engineering, and energy storage system development, the center is dedicated to exploring efficient, stable, and environmentally friendly phase change energy storage solutions. The two parties will carry out in-depth cooperation in key areas such as the development of phase change materials, optimization of energy storage systems, and industrial application, with the goal of enhancing the reliability and cost-effectiveness of new energy storage technologies, thereby providing strong support for the development of a low-carbon energy system.

The establishment of the research center will further promote the application of energy storage technologies in fields such as new energy, power load balancing, and industrial waste heat recovery. By jointly building experimental platforms, intensifying technological breakthroughs, and facilitating the commercialization of research achievements, Luoyang Ruichang and the China National Building Materials Academy will explore more efficient and sustainable application models in the energy storage sector, contributing technological strength to the realization of China's dual carbon





Ruichang with Henan University of Science and Technology to Jointly Duild Industrial Pollution Prevention And Carbon Emission Reduction Technology R&D Center

Case

Luoyang Ruichang Environmental Engineering Co., Ltd. and Henan University of Science and Technology officially established the "Industrial Pollution Prevention and Carbon Reduction Technology Research and Development Center", which is committed to promoting industrial environmental protection technology innovation. Relying on the scientific research advantages of Henan University of Science and Technology in mechanical design, engineering combustion and other fields, as well as the technical accumulation of Luoyang Ruichang in environmental protection projects, the two sides will carry out in-depth research around key directions such as industrial wastewater treatment, waste gas treatment, solid waste recycling and improve the efficiency of industrial pollution control.



The R&D center will not only focus on the prevention and control of traditional industrial pollution, but also actively promote the innovation and application of carbon emission reduction technologies, reduce carbon emissions in the industrial production process, and help to achieve the national goal of "dual carbon". The conclusion of this cooperation has further strengthened the deep integration of industry, university and research, provided more efficient and environmentally friendly solutions for the industry, and promoted the continuous progress of industrial environmental protection technology.

Ruichang International actively expanded research and cooperation channels and deepened industry exchanges. During the reporting period, it officially joined the Luoyang Association for Science and Technology and applied to the Luoyang Municipal Science and Technology Association to establish the Luoyang Ruichang Environmental Engineering limited. Science and Technology Association. This move further strengthens the Company's academic influence in the field of technological innovation. As a technology-driven enterprise, Ruichang will leverage the high-level academic platform of the Luoyang Municipal Science and Technology Association to closely collaborate with research institutions, universities, and industry experts. The Company will actively participate in discussions on cutting-edge technologies, academic exchanges, research projects, and the promotion of industrialization. Simultaneously, the Luoyang Ruichang Environmental Engineering Co., Ltd. Science and Technology Association, which the Company independently applied to establish, will serve as the core organization for internal technological innovation within the enterprise. It will build a professional technical exchange platform to promote research on frontier technologies, the sharing of research results, and the deepening of innovative collaborative models.

Intellectual Property Protection

To ensure the effective implementation of the intellectual property management system, the Company has aligned key management forms such as the R&D Project Proposal, R&D Project Review Form, and R&D Project Task Book. These documents clarify the full-process management requirements for R&D projects in terms of intellectual property mining, application, and subsequent operational stages, ensuring that R&D achievements are fully protected and efficiently utilized. Through this system, the Company has achieved seamless integration from technology development to intellectual property protection, enabling innovative outcomes to be continuously transformed into competitive advantages for the enterprise under legal protection. This provides strong momentum for the Company's sustainable innovation.

In November 2024, the Company entered into an end-to-end intellectual property service agreement with a third party, covering the entire lifecycle from the initiation of new project R&D to the launch of project industrialization. The aim was to further strengthen intellectual property protection for the project, enhance R&D efficiency, and ensure that R&D investments could fully realize their commercial value and achieve predefined goals. Additionally, the Company provided incentives to individuals who made outstanding contributions in Intellectual Property Rights (IPR) protection efforts, ensuring that innovative achievements were not infringed upon. For any acts of theft, tampering, unauthorized possession, or other forms of infringement on the Company's intellectual property rights, the Company would resolutely safeguard its legitimate rights and interests. This includes requiring the infringer to cease the infringement immediately, compensate for damages, and, if necessary, file complaints with relevant government authorities or pursue legal action to hold the infringer accountable. These measures are taken to build a fair and just intellectual property protection environment.



2024

IDENTIFY and Retention

Ruichang International has established a specialized and high-level team of technological innovation based on its well-developed R&D system. The Company actively recruits senior experts and doctoral talents externally to build a professional R&D team. This team features complementary expertise, possesses excellent professional skills and qualities, and has extensive experience in product development and design. As a result, Ruichang International has formed a strong core R&D team with robust professional capabilities. In accordance with the "Regulations for Rewards and Recognition of Scientific and Technological Innovation Achievements", the Company has implemented a reward mechanism, including awards for intellectual property, scientific research projects, and technological achievements. These awards recognize teams and individuals who have made outstanding contributions in R&D, design, and process optimization. The Company also provides targeted incentives for iterative improvements, forward-looking breakthroughs, and the resolution of key technical challenges. This approach continuously strengthens the Company's R&D capabilities and technological innovation, driving scientific progress and fully stimulating the enthusiasm, initiative, and creativity of its scientific and technological staff. This fosters continuous new breakthroughs and achievements in the Company's technological endeavors.

In 2024, the Company has obtained 234 patents in total. The total R&D investment of the Company is 31.56 million yuan, accounting for 7.1% of the main business income of this year. The details are as follows:

R&D innovation of Ruichang International Total investment in R&D innovation 3,1566 ten Proportion of R&D innovation Investment to main business revenue 7.1 % Total number of new patent applications 466 terms

3.2 Quality First

Ruichang International steadfastly adheres to the principle of prioritizing product safety and quality, treating them as the foundation of the Company's development. The Company continuously enhances its quality management standards, optimizing production and quality control processes according to internationally leading specifications. This ensures that products meet the stringent requirements of global markets, providing customers with higher-quality, safer, and more reliable products and services.

The Company strictly complies with the Product Quality Law of the People's Republic of China, integrating product quality management throughout the entire lifecycle of research, development, production, testing, delivery, and after-sales support. This ensures that all products conform to national standards and industry regulations. To strengthen internal quality control, Ruichang has compiled and revised key documents such as the Quality Manual, Quality Incentive and Punishment Management Measures, and Quality Incident Handling Management Measures, along with related quality management control procedures. These measures aim to manage quality-related risks, control product quality from the source, and refine execution standards at each stage, enhancing the systematicness and operability of quality management.

While implementing quality management, the Company places great emphasis on customer experience. It has developed and implemented the Customer Satisfaction Measurement Procedure, using customer satisfaction survey results as the core basis for improving the quality management system. This ensures that product quality not only meets standard requirements but also aligns with customer needs, fostering long-term and stable customer relationships through high-quality products and services. During the reporting period, the Company's operational sites have obtained ISO 9001:2015 guality management system certification, achieving 100% coverage



Note: Ruichang International Quality Management System Certification

Product Quality Assurance

Review

Lean

Production

Product

Quality

Post-Sales

Handling

Ruichang International has established a systematic and standardized product quality management system, strictly followed the whole process quality management measures, and well controlled the quality from drawings to after-sales:

The drawings issued by the customer or the third party or designed by themselves shall be strictly in accordance with Drawing the internal Regulations on the Management of Design and Process Documents, which must be signed by the design/proofreading/review parties before being issued, and the proofreading record card/design quality assessment card shall be attached.

After the design drawings are completed, procurement is carried out based on material requirements. The purchasing Material officer then establishes a "Goods Receipt Inspection Form" in the ERP system; after passing inspection, the materials Procuremen are admitted into inventory. If the inspection fails, the quality inspector initiates an "Unqualified Raw Material Handling Form," which is handled collaboratively by relevant departments.

Production teams base their manufacturing processes on various technical documents (layout diagrams, assembly diagrams), and are required to conduct strict self-inspections during production according to product type, drawing requirements, and process document requirements to ensure product quality and safety.

Quality inspectors inspect physical items according to drawing and agreement requirements. If the inspection passes, subsequent procedures or processes can proceed; if there are any non-conformities, the quality inspector will initiate an "Unqualified Product Handling Form," which is handled collaboratively by relevant personnel and departments. Inspection/

In case of quality issues (including post-sales installation services and technical guidance, etc.), sales personnel initiate a "Field Quality Issue Feedback" process, which is co-signed and approved by responsible persons before being handed over to relevant departments and personnel for handling. For major or significant quality incidents, the Quality Center follows the 8D process requirements, organizing related responsibility departments to investigate the incident, evaluating relevant personnel, and holding special meetings or highlighting them in quarterly quality meetings for discussion, comments, and warnings.



Note: 8D process of quality management

Ruichang International ensures that each link meets the high standard quality requirements and minimizes the product quality risk through the above whole process quality management measures and 8D quality management process.

Customer Relationship Management

Ruichang International has always adhered to a customer-centric service philosophy. Through the Customer Relationship Management (CRM) system, the Company has established a service model characterized by "customized products and point-to-point communication." This approach ensures timely and efficient responses to customer needs, actively builds communication bridges, and continuously optimizes the customer service management system with customer satisfaction as the core objective.



Upon receiving customer requests, Ruichang International maintains a highly responsible attitude, engaging in in-depth and comprehensive communication with customers to thoroughly identify their pain points and challenges. This ensures a full and profound understanding of the customer's business scenarios. Based on this understanding, the Company leverages its expertise and experience to tailor a customized solution for the customer. During the product development phase, Ruichang International proactively updates customers on project progress and adjusts or enhances the product according to customer feedback, striving to maximize the fulfillment of customer expectations.

"

Additionally, the Company has established an efficient after-sales response mechanism to ensure prompt resolution of customer issues. For technical debugging and usage-related problems, Ruichang International provides online video guidance services, supported by a professional technical team remotely, to quickly resolve common issues and improve response efficiency. For complex problems requiring on-site support, the after-sales service team dispatches technical personnel to the site for maintenance and resolution, ensuring that customers receive professional and efficient support within the shortest possible time. Through this integrated online and offline after-sales system, Ruichang International comprehensively safeguards customer rights and delivers a more convenient, efficient, and professional service experience.

Furthermore, the Company continuously improves its customer satisfaction management mechanisms. The customer satisfaction survey forms has been updated during the reporting period, optimizing the methods for collecting feedback to evaluate customer needs and service quality more comprehensively. By conducting regular follow-ups, analyzing customer feedback, and implementing after-sales improvement measures, Ruichang International ensures that customer opinions are promptly translated into actionable optimization plans, thereby enhancing customer experience and satisfaction.

Quality Audit and Traceability

The Company conducts systematic reviews and spot checks on the full-process documents and key records of the quality management system during its annual internal audits and management reviews. This ensures compliance and efficiency at every stage. The scope of the review covers design documents and technical drawings, Bill of Materials (BOM), incoming inspection reports, inventory application forms, inspection records, and quality reports. These efforts ensure rigorous and efficient management across the entire chain, from design, procurement, production, to quality testing. This minimizes product quality risks and enhances overall quality control standards.

To further improve customer experience, the Company regularly conducts systematic inspections and analyses of customer communication feedback recorded in the CRM system. Based on core metrics such as customer follow-up situations, travel days, payment progress, and opportunity conversion rates, the sales team is evaluated and assessed. Additionally, the Company regularly conducts specialized training on negotiation strategies and business communication skills to enhance the sales team's customer insight capabilities, negotiation skills, and precise service awareness, ensuring that customer needs are efficiently addressed and continuously improving customer experience to drive business growth.

In 2024, Ruichang International has a 0% recovery rate of sold or shipped products due to safety and health issues. The Company received 20 complaints regarding products and services and services. The annual performance indicators for product and service safety and quality have been satisfactorily met, with specific details as follows:

Produ	cts and Services of Ruichang Intern	ational			2024		
0	Contract Fulfillment Rate	100%	0	Number of Complaints Received Regarding Products and Services	20 _{Cases}	O Customer Satisfaction Rate	97.7
0	Percentage of Products Recalled Due to Safety and Health Issues	0%	0	Complaint Resolution Rate	100,		



2024

3.3 Information Security and Privacy Protection

In the current era swept by artificial intelligence and digitalization, data has become one of the most critical assets for enterprises. Ruichang International has keenly recognized this trend and places great emphasis on data security and customer privacy protection, consistently adhering to principles of legality, compliance, and transparency in all its operations, resolutely eliminating any behavior that may endanger data security and customer privacy. Ruichang International strictly complies with laws and regulations related to privacy protection and information security, such as the *Cybersecurity Law of the People's Republic of China and the Data Security Law of the People's Republic of China*, in the countries and regions where its business operates. The Company's primary business targets enterprises and does not involve personal consumer privacy data, thus focusing on the security and stability of information systems.

The Company has established and implemented the Confidentiality Management System, which clearly defines the scope of trade secrets, confidentiality measures, and archival management measures, and makes explicit agreements on the confidentiality of various types of information. The Company maintains high confidentiality for project development and intellectual property matters, and has formulated the Research and Development Project Confidentiality System, which clearly outlines the confidentiality obligations of project leaders and other confidential personnel. The Company also specifies the maintenance and management of archive facilities and equipment through the Engineering Technology Documentation and Archive Management System, and emphasizes the safety and confidentiality of engineering technology archives. Under the framework requirements of the Company's internal confidentiality and security work, the Company has established an effective information security management system, and operational system, comprehensively enhancing its information security management level and protective capabilities.

Data Security Construction

Ruichang International has improved the position of data security in enterprise operation, carried out a series of effective data security work in depth, and created a multi-level and comprehensive data security protection system. In 2024, we implemented the following measures:



Implemented strict network boundary security measures through a security system to prevent external illegal intrusions and ensure the safety of the Company's network environment.



Utilized an electronic document security management system to encrypt data transmission and storage, ensuring the confidentiality and integrity of data during transmission and storage.

Vulnerability Detection and Risk Assessment Conducted monthly internal and external network and devices

(such as computers, servers) vulnerability detection and risk assessment to identify potential vulnerabilities, signs of malicious software intrusion, and unauthorized access risks.

Security Audits Conducted email system security audits through a network behavior management system by reviewing email logs and monitoring abnormal email transmission behaviors to prevent phishing attacks and data leaks.





Conducted comprehensive security training for all employees, including phishing email simulations to test their security awareness and response capabilities, and regularly released security information videos to continuously enhance their data

In business collaborations, customer-related privacy information

is clearly stipulated in specific contract terms or through separate

confidentiality agreements to ensure the compliant use and

secure storage of customer data, preventing information leaks

and protecting customer rights.



security awareness and prevention abilities.

Established comprehensive emergency response plans and mechanisms, and regularly backed up data from various system software to ensure rapid responses to sudden data security incidents and minimize their impact on business operations.



Information Security Hazard

Rectification Rate

Information Security of Ruichang International

3.4 Supply Chain Management

In the context of global economic cyclical fluctuations and persistent trade frictions, Ruichang International deeply understands the importance of supply chain management to business development. The Company actively takes measures to address potential risks, ensure supply chain quality and safety, and promote sustainable development. By collaborating with upstream and downstream supply chain partners, Ruichang International strives to build a green, healthy, and mutually beneficial ecosystem.

Ruichang International has established and implemented internal regulations such as the Supplier Management System and Qualified Supplier Management Measures to rigorously manage suppliers. These regulations cover comprehensive evaluations of supplier qualifications, production capacity assessments, ESG performance, and quality control systems. The Company strictly prohibits the procurement of "high-pollution, high-environmental-risk" products, outdated production equipment and products, and high-energy-consuming, high-polluting products restricted or not encouraged by the state, ensuring that purchased products meet the Company's quality requirements and sustainable development goals. To further deepen the commitment to sustainable development, the Company initially compiled the Sustainable Supply Chain Statement in 2023. This statement advocates for suppliers to actively implement ESG principles beyond legal requirements and sets specific requirements for suppliers in three areas: environmental protection, employee rights, and corporate governance. Currently, the Company is gradually promoting and implementing these standards among suppliers, encouraging them to conduct business responsibly in a manner consistent with commercial ethics. This approach extends the Company's sustainability requirements to its business partners, ensuring that both parties share a unified sustainable development value and implementation standard.

Supplier Investigation and Accountability

When suppliers encounter significant risks (including ESG-related issues), such as violations of laws and regulations or major negative public opinion events, Ruichang International will conduct investigations and hold suppliers accountable for related issues. Based on the investigation results, differentiated management measures will be implemented, including but not limited to training and education, time-bound rectifications, suspension, or termination of cooperation.

Supplier Collaboration and Communication

In addition to routine communication with suppliers through safety meetings and project meetings, where knowledge about manufacturing processes is shared, Ruichang International also collaborates with suppliers to develop rectification plans and action schemes based on their ESG performance and responsible procurement practices. This strengthens the ESG management capabilities of suppliers.

Total Number of Suppliers 269_{Companies}

Ruichang International Supply Chain

Supplier Selection and Onboarding

The Company employs a combination of qualitative evaluations and quantitative scoring for supplier onboarding assessments. In addition to basic considerations such as qualifications, product quality, and timely delivery, the ESG performance and governance capabilities of suppliers are also taken into account. Under equivalent conditions, suppliers with outstanding ESG management and performance are prioritized for cooperation. Additionally, the Company adopts a diversification strategy to avoid over-reliance on a single supplier, reducing the risk of supply chain disruptions caused by issues with individual suppliers.

Supplier Daily Management

To continuously and effectively promote the establishment of a healthy supply chain, Ruichang International conducts rigorous daily performance evaluations of suppliers. Based on their performance across various evaluation dimensions and metrics, the Company compiles a "Supplier Quality Report." Suppliers are rated twice a year, with scores recorded to track their performance in real-time.

Additionally, the Company provides targeted guidance to cooperating suppliers regarding ESG management requirements and ESG-related risk practices, urging them to improve their overall performance in environmental protection, labor rights, and health and safety.

By Region Mainland China $268_{companies}$ / Overseas $1_{companies}$

2024
3.5 Employee Care

Employees are not only the core assets of enterprises, but also the key force to promote innovation and growth of enterprises. Ruichang International has always adhered to the people-oriented management concept, deeply implemented the concept of respect, equality, inclusiveness, health and sustainability in every link of the Company's operation, and is committed to creating a good working environment and broad development space for employees to achieve a win-win situation between employees' personal value and the long-term development of the enterprise.

Ruichang International has always upheld the principle of compliant operations, strictly adhering to relevant laws and regulations such as the People's Republic of China Labor Law and the People's Republic of China Labor Contract Law in our operational areas. We ensure that all aspects of employee management comply with legal requirements, effectively safeguarding employees' rights. In 2024, as the Company scales up, we have systematically optimized and upgraded multiple key human resources modules, including recruitment management, labor contracts, attendance systems, compensation and performance management, career development, and training systems. We have updated important documents such as the "Employee Handbook," "Training Management System," and "Performance Management System" to better align with the Company's development needs and employee expectations. At the same time, the Company has introduced an EHR (Enterprise Human Resources) management system, leveraging digital technology to streamline HR management processes, enabling efficient data flow and precise analysis. The Company's HR management has taken a solid step towards scientific, digital, and intelligent practices, laying a solid foundation for sustainable development through talent and organizational support.

In terms of production safety and occupational health management, as a core business equipment supplier, Ruichang International continues to strictly adhere to relevant laws and regulations such as the *People's Republic of China Safety Production Law* and the *People's Republic of China Occupational Disease Prevention Law*. We have established and implemented internal regulations including the General Rules for Safety Production, Safety Production Responsibility System, Safety Production Target Management System, Safety Production Hidden Danger Investigation and Rectification Management System, Safety Performance Evaluation Management System, Occupational Health and Safety Management System, Labor Protection Equipment Management Regulations, and Related Party Safety Management Regulations. The General Manager serves as the primary person responsible for safety production, overseeing all aspects of the Company's safety work comprehensively. We have also set up an HSE (Health, Safety, and Environment) department as a dedicated functional body for safety management, conducting daily safety management and guiding safety-related work in various workshops. At the same time, we require production workshops and teams to fulfill their respective responsibilities and collaborate efficiently to ensure the health and safety of all personnel within the operational premises. During the reporting period, the Company's operational premises have obtained ISO 45001:2018 certification for the Occupational Health and Safety Management System, achieving 100% coverage.



Note: Ruichang International Occupational Health and Safety Management System Certification

Fair Employment Promotion

In the employment sector, Ruichang International strictly follows the principles of fairness, impartiality and openness, and resolutely eliminates any form of employment discrimination. The recruitment process of the Company treats all job seekers equally, and makes an objective assessment based on the job requirements and the professional skills and comprehensive quality of the candidates, so as to ensure that every qualified talent can have equal opportunities for competition. No matter gender, age, race or other personal factors, they will not become factors that affect employment decisions. In addition, the Company actively expands diversified recruitment channels, establishes long-term cooperative relationships with various universities, vocational training institutions and professional talent platforms, widely attracts talents from different backgrounds, and promotes the diversified development of talent teams.

In 2024, Ruichang International further improved the Position Qualification Management System based on its business strategy and organizational structure. It established a scientific job grading system covering seven major categories: management positions, business management positions, marketing positions, technical positions, functional positions, project management positions, and operational positions. This system provides employees with diversified career development pathways. Each category is divided into multiple levels, with clear promotion channels and standards. Employees can advance in their respective fields by improving their abilities and meeting the required standards.

The Company regularly conducts performance evaluation, provides clear feedback and development suggestions for employees, helps employees understand their strengths and weaknesses in work, and improves their ability in a targeted way. At the same time, the Company will also timely release promotion opportunities and job requirements to encourage employees to actively participate in competition. Provide development support for potential employees through internal training, mentoring and other ways to ensure that every employee has the opportunity to achieve career promotion by his own efforts and gain broad development space within the Company.

In 2024, Ruichang International had no human rights violations such as recruitment discrimination, forced labor, and child laborhappened, and child labor, and no employee complaints happened.

Excellent Salary Incentive

Ruichang International knows that good work welfare is an important factor to improve employee satisfaction and loyalty. The Company provides a competitive salary system, which is regularly adjusted according to market conditions and employees' work performance to ensure that employees' efforts are reasonably rewarded. In addition to the basic salary, there are also rich incentive mechanisms such as performance bonus, project award and year-end bonus to fully stimulate the enthusiasm of employees.

In terms of social security, the Company pays various social insurance and housing provident fund for employees in strict accordance with national laws and regulations to provide a solid guarantee for employees' lives. In addition, the Company also provides additional commercial insurance, such as supplementary medical insurance, etc., to further enhance the risk resistance of employees



Enable Employee Growth

Ruichang International places high importance on employee growth and development, establishing a systematic and practical employee development framework to empower career advancement and drive sustainable company growth. The Company's employee training system is oriented to meet business needs and employee personal development, covering new employee orientation training, job skills training, management ability training, professional quality training and other dimensions. New employees' induction training aims to help them quickly understand the Company's culture, rules and regulations and business processes, and integrate into the work environment; For job skills training, internal experts or external lecturers are invited to give lectures according to the professional needs of different positions, so as to improve the professional skills and work efficiency of employees; Management ability training, etc., their leadership ability and decision-making level are cultivated; Professional quality training focuses on improving employees' communication ability, teamwork spirit and professional ethics. In addition to diverse training programs, the Company continuously implements the "On-the-job Degree Advancement Management Measures", encouraging employees to pursue higher education, providing a certain tuition subsidy for those who apply for study on their own, achieving coordinated development between individuals and the Company.

Case

Ruichang International EHR - E- Learning Platform Launch

In 2024, Ruichang International introduced the EHR E-Learning platform to enhance the quality and efficiency of employee training, migrating all training processes to an online platform and embarking on a new phase of digitalized training.

During the platform preparation stage, the Company's human resources department collaborated with various business teams, based on job requirements and corporate strategic goals, to comprehensively review the training course system. In addition to uploading content covering corporate culture, rules and regulations, safety production, and quality management systems for all employees, it also set up rich professional courses tailored to the characteristics of different positions. For example, production departments were provided with advanced production technology and front-line supervisor management skill enhancement courses; finance departments received tax policy interpretation and financial data analysis content; marketing teams were prepared with market trend analysis and customer relationship management courses, meeting the personalized learning needs of employees in different functions.

With the widespread application and deep penetration of the EHR E-Learning platform, its powerful data analysis capabilities gradually demonstrated their value, enabling the human resources department to optimize and iterate course content based on training data feedback. The platform broke the time and space limitations of traditional training models, allowing employees, whether busy on the production line or traveling for work, to embark on a learning journey anytime and anywhere, providing new support for employees' skill development and the Company's long-term growth.

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Screenshot of Elearning Training Page



Case

Empowering Through Sports, Vibrant Ruichang International

Case

At Ruichang International, the annual sports event is not only a cherished tradition but also a vivid embodiment of the Company's commitment to employee care and team building under its ESG philosophy. In 2024, building on previous events such as basketball, badminton, and running competitions, the Company introduced new projects like "two-person three-legged race" and tug-of-war, injecting fresh vitality into the event. These additions further enriched the diversity and fun of the sports meet, attracting more employees to actively participate and collectively create a joyful and unifying celebration.





Ruichang International Mid-Autumn Festival Journey: Sharing Family Ties, Making Mooncakes Together

At Ruichang International, employee care extends beyond the workplace and into employees' family lives. Ahead of the 2024 Mid-Autumn Festival, the Company organized a heartfelt family activity: inviting employees and their family members to visit the manufacturing plant to learn how to make mooncakes together.

On the day of the event, the specially decorated venue was filled with a warm and welcoming atmosphere. Some families divided tasks clearly, with parents kneading dough and filling pastries while children helped place molds, while others worked together to try different shapes and designs. Laughter and joy could be heard throughout the venue. The interactions between employees and their family members during the process were particularly touching. One employee shared, "I' m usually too busy with work to spend time with my child doing crafts. This activity allowed me to accompany my child in learning a new skill, which felt incredibly fulfilling." Another employee's partner commented, "I only knew about his work at Ruichang International before, but through this activity, I felt the warmth of the Company and gained a more personal understanding of his work environment".

Ruichang International hopes to create platforms like this for employees and their families to interact and connect, allowing employees to enjoy warm family moments and a harmonious home atmosphere outside of work.



Occupational Health and Safety (OHS)

The Company has consistently adhered to the safety management principle of "safety first, prevention foremost, and comprehensive governance" over the years. It firmly establishes the "red line" awareness for production safety, continuously improves the safety management system, identifies and addresses potential hazards, and fosters a consensus on safety.

Special Operations Safety Control

In addition to defining safety management principles, responsibilities, and execution standards for production operations, the Company strictly enforces special operations safety management regulations. For high-risk operations such as hot work, confined space operations, lifting operations, pressure testing, and blocking safety passages within the company, the Company implements full-process control, including operation approval, supervision, and post-operation inspections. This ensures the safety of personnel involved and the controllability of the operational environment, preventing accidents and ensuring the safe execution of high-risk operations.

Hazard Identification and Risk Prevention

The Company has established a dual prevention system for risk classification control and hazard identification and rectification. It defines three major inspection modes: specialized inspections, seasonal inspections, and holiday inspections. Using a scientific approach, the Company identifies, assesses, and eliminates various safety hazards. Seasonal and holiday inspections are organized by the HSE department according to annual, quarterly, monthly, and weekly plans, conducting comprehensive checks on production sites, equipment, facilities, and operational environments to ensure strict adherence to all safety standards. Additionally, targeted special inspections are conducted irregularly, referencing past accident cases to develop specific rectification plans and optimization measures. During the reporting period, the Comp any identified 699 safety hazards, with a 100% rectification rate. Hidden danger rectification rate reaches 100%.

Occupational Disease Prevention and Health Management

When entering into employment contracts with staff, the Company strictly fulfills its obligation to inform employees about potential health risks associated with their positions, ensuring they fully understand the possible health hazards of their roles. To prevent, control, and eliminate occupational hazards and protect the physical health and related rights of all employees, the Company has established a leadership group for occupational disease prevention. This group is responsible for identifying, assessing, managing, and improving occupational disease hazards, and for enforcing the occupational health management system. Additionally, the Company conducts annual on-site detection of occupational hazard factors, including noise, dust, benzene, and radiation, in the work environment. Issues are addressed by improving the work environment, and specialized personal protective equipment is provided based on the nature of the position and the specific hazards involved. Regular inspections and updates of protective gear are conducted to ensure their effectiveness.

Coverage of special

post personnel ratio



Note: No occupational disease cases occurred during the reporting period

Safety Training and Cultural Construction

The Company regards safety training and culture building as critical components of its safety management system. It ensures that employees possess the necessary safety knowledge and skills and enhances their safety awareness. All newly hired employees must complete three-level safety education at the factory, workshop, and team levels to ensure they understand basic production safety regulations, operating procedures, and occupational health protection knowledge. For special operations personnel (e.g., high-altitude work, hot work, confined space operations, electrical work, welding, etc.), certification is required before commencing work, and regular retraining is conducted to ensure skills align with the latest industry standards.

The Company regularly conducts emergency drills for on-duty employees, combining case studies, practical training, and first aid skills to strengthen employees' understanding of safety risks and their ability to respond to emergencies. The Company also places special emphasis on cultivating safety leadership among managers, organizing regular specialized safety management training to enhance the safety management capabilities of all levels of management and ensure the implementation of safety responsibilities. During the reporting period, the Company conducted 14 emergency drills, covering themes such as electric shock, fire and explosion, and confined space rescue. Additionally, 43 safety training sessions were held, totaling 3,339 hours of training, covering all executives and employees.

2024 Ruichang International Fire Emergency Evacuation Drill and Fire Rescue Knowledge Training Case

In order to further strengthen fire safety management and improve employees' fire emergency response and self rescue ability, Ruichang International organized a special evacuation drill and fire rescue knowledge training for fire accidents on February 6, 2024, to test the feasibility of emergency plans and improve employees' fire response ability by simulating sudden fire scenarios.

This drill simulates a sudden fire in the office building. With the smoke spreading, the Company's employees need to respond quickly and evacuate in an orderly manner. After the drill starts, the on-site safety officer will immediately trigger the fire alarm system, notify the fire emergency team, and organize personnel to use fire extinguishers to control the fire source. With the expansion of the "fire", the evacuation guidance group quickly directed the workshop staff to evacuate to the designated assembly point in a low position along the safety channel to ensure the safe transfer of personnel. After the drill, the drill commander in chief will comment on the drill process and carry out training on fire-fighting equipment, focusing on the cause of fire, the correct use of fire extinguishers and emergency escape and evacuation skills. During the training, the trainees practiced the use of fire extinguishers and emergency escape skills, and improved the practical operation ability of fire-fighting equipment.



Case

employees.

2024 Ruichang International Mechanical Injury Accident Emergency Response Drill

On June 13, 2024, in order to improve the emergency response ability of front-line employees in sudden safety accidents and ensure that mechanical injury accidents can be quickly and efficiently handled. Ruichang International organized an emergency drill for mechanical injury accidents in the pipe fitting workshop to simulate real accident scenarios and strengthen the actual emergency response ability of

In this drill, it is assumed that a worker's hand was hit by the lathe due to operating errors during pipe processing, and the on-site personnel should respond quickly according to the emergency plan. After the drill starts, the nearby workers quickly press the emergency switch button, call for help to the surrounding personnel, and report to the monitor. Upon arrival, the team leader shall immediately organize personnel to get emergency medical kits and rush to the site, and call the emergency number to quickly evacuate the injured from the site.

After the drill, the HSE department carried out a comprehensive review of the whole process, reviewed the key links such as response speed, casualty rescue, equipment power-off treatment, and proposed optimization measures. The drillers shared the experience and improvement suggestions in actual operation, which further improved the feasibility of the emergency plan. This drill effectively improved the staff's ability to deal with accidents and the team's awareness of collaborative rescue, provided practical experience for efficient handling of mechanical injury accidents in the future, and ensured that Ruichang International's safety management system was more perfect and the implementation was more efficient.



Case

2024 Ruichang International Electric Shock Accident Special Plan Drill

On June 18, 2024, Ruichang International carried out a discussion type emergency drill for electric shock accidents in the board exchange workshop, starting with the inducement of electric shock accidents, the conseguences of electric shock accidents, how to prevent the surrounding front-line personnel, and how to respond to accidents, and comprehensively and stereoscopically explained the electric shock accidents. After the explanation, the HSE Department will ask questions and front-line operators will answer questions to demonstrate the specific handling of the accident.



The Company has comprehensively established a work safety responsibility system covering all levels and all posts, established an assessment scheme through the Safety Performance Evaluation Management System, and signed the Work Safety Objective Management Responsibility Statement at the beginning of each year, which specifies specific reward and punishment measures and amounts, and achieves layer by layer decomposition and full signing; At the end of December every year, the implementation plan and completion of the objectives and indicators are monitored and assessed. The assessment results are linked to the salary of the department and management to promote the implementation of safety production responsibilities at all levels. In 2024, the Company's Letter of Responsibility for the Management of Work Safety Objectives in 2024 has been signed by 100% of the staff, and the following key indicators of occupational health and safety have been set up. According to the year-end data tracking and work review, relevant objectives have been achieved:



In 2024, the Company achieved 100% signing of the 2024 Work Safety Target Management Responsibility Agreement. The following key targets for occupational health and safety were set, and all targets were achieved based on year-end data tracking and work reviews:

afety production and occupational health of Ruic	hang International 2024		,	
Total number of OHS training sessions: 43 Sessions	Total investment in work safety: 64.31 Ten thousand yuan		Number of identified work safety risks and hazards: 699 Items	Number of employees diagnosed with occupational contraindications: 0 Employees
Total number of employee participations in occupational health and safety training sessions: 1,767 Instances	Lost workdays due to workplace injuries: 48 Days		Completion rate of work safety risk and hazard rectifications: 100 %	Number of employees diagnosed with suspected occupational diseases: 0 Employees
Total hours of employee participation in occupational health and safety training: 3,339 Hours	Number of work-related accidents resulting in lost workdays: 3 Incidents		Total number of employees working in positions with occupational disease hazard factors: 110 Employees	Number of employees diagnosed with occupati- onal diseases: 0 Employees
Total number of work safety drills: 14 Times	Percentage of injured persons in work-related accidents: 3 %		Total number of employees undergoing occupational disease hazard factor examinations: 110 Employees	Placement rate of employees with occupational contraindications, suspected occupational diseases, or occupational diseases: None
Number of work related fatalities accurred in each of		γ		

Number of work-related fatalities occurred in each of the past three years 2022: **0** person / 2023: **0** person / 2024: **1** person

Rate of work-related fatalities occurred in each of the past three years 2022: 0 % / 2023: 0 % / 2024: 0.22 %



3.6 Community Investment

Ruichang International has always adhered to the concept of corporate social responsibility, actively engaging in public welfare initiatives and contributing to the sustainable development of society. Since 2012, the Company has invested in the construction of Ruichang Hope Primary School, aiming to improve the local educational environment and provide better learning conditions for children in impoverished areas. Through this initiative, the Company not only focuses on its own development but also strives to promote social progress and fairness, contributing to the revitalization of rural education with its corporate strength.

In the process of building and developing Hope Primary School, Ruichang International has continuously increased its support, providing better learning environments and growth opportunities for children. In 2024, the school added multifunctional classrooms, and to enhance the classroom interaction experience, the Company invested over ten thousand yuan, donating smart TVs, wireless projectors, and other equipment. These contributions help create a modern and intelligent teaching environment, allowing students to learn in a more vivid and intuitive way, improving classroom participation and broadening their horizons.

To enrich students' extracurricular activities, the Company also donated a dedicated stage, providing the school with better facilities for cultural and sports activities. This enables students to participate in more artistic performances, speech competitions, and sports events during their free time, fostering their overall literacy and promoting physical and mental well-being.

At the same time, to encourage outstanding students, the Company has established the "Ruichang Scholarship", which recognizes students with excellent academic performance and character. This scholarship encourages them to reach new academic heights. Additionally, the Company donated learning stationery and daily necessities to all students, ensuring they can focus on their studies in a better environment.

For many years, Ruichang International has adhered to integrating social responsibility into its corporate development strategy. Through public welfare projects such as Ruichang Hope Primary School, the Company has demonstrated its deep commitment to social welfare. We firmly believe that public welfare is not only a reflection of a company fulfilling its social responsibilities but also an important part of its corporate culture.



Appendix 🕨 ESG Index of HKEX

Key Categories	Description	Chapter	
"Comply or explain"	Provisions		
A. Environmental			
Aspect A1: Emission	5		
General disclosure	Information on: (a)the policies; and (b)compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	2.3 Emissions Management	
KPI A1.1	PIA1.1 The types of emissions and respective emissions data.		
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	2.1 Addressing Climate Chang	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	2.3 Emissions Management	
KPIA1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).		2.3 Emissions Management	
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	2.1 Addressing Climate Chang	
KPI A1.6	XPI A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.		
Aspect A2: Use of Re	sources		
General disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	2.4 Resource Utilization	
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	2.4 Resource Utilization	
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	2.4 Resource Utilization	
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	To be developed in future detailed management initiatives	
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.		
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.		
Aspect A3: Environn	ent and Natural Resources		
General disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.		2.2 Environmental Compliance 2.3 Emissions Management 2.4 Resource Utilization	
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	2.3 Emissions Management	
Aspect A4: Climate C	hange		
General disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.		2.1 Addressing Climate Change	
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	2.1 Addressing Climate Chang	

Key Categories	Description	Chapter
B. Social		
Employment and Lab		
Aspect B1: Employme	ent	
General disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	3.5 Employee Care
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region. 3.5 Employee Car	
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	3.5 Employee Care
Aspect B2: Health and	Safety	
General disclosure	Information on: (a)the policies; and (b)compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	3.5 Employee Care
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	3.5 Employee Care
KPI B2.2	Lost days due to work injury.	3.5 Employee Care
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	3.5 Employee Care
Aspect B3: Developm	ent and Training	
General disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	3.5 Employee Care
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	3.5 Employee Care
KPI B3.2	The average training hours completed per employee by gender and employee category.	3.5 Employee Care
Aspect B4: Labour Sta	andards	
General disclosure Information on: (a)the policies; and (b)compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.		3.5 Employee Care
KPI B4.1	KPI B4.1 Description of measures to review employment practices to avoid child and forced labour.	
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	3.5 Employee Care
Operating Practices		
Aspect B5: Supply Ch	ain Management	
General disclosure	Policies on managing environmental and social risks of the supply chain.	3.4 Supply Chain Managemer
KPI B5.1	Number of suppliers by geographical region.	3.4 Supply Chain Managemer

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Key Categories	Description	Chapter	
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	3.4 Supply Chain Management	
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	3.4 Supply Chain Management	
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	3.4 Supply Chain Management	
Aspect B6: Product Li	ability		
General disclosure	Information on: (a)the policies; and (b)compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	3.2 Quality First	
KPI B6.1	Information on: (a)the policies; and (b)compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	3.2 Quality First	
KPI B6.2	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	3.2 Quality First	
KPI B6.3	Number of products and service related complaints received and how they are dealt with.	3.1 R&D Innovation	
KPI B6.4	Description of quality assurance process and recall procedures.	3.2 Quality First	
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Not Applicable	
Aspect B7: Anti-Corru	ption		
General disclosure	Information on: (a)the policies; and (b)compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	1.2 Risk Management 1.3 Anti-Corruption & Business Ethics	
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.		
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	1.3 Anti-Corruption & Business Ethic	
KPI B7.3	Description of anti-corruption training provided to directors and staff.	-	
Community			
Aspect B8: Communit	ty Investment		
General disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.		
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	3.6 Community Investment	
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.		



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