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寶業集團股份有限公司

BAOYE GROUP COMPANY LIMITED*

（a joint stock limited company incorporated in the People's Republic of China）

（Stock Code: 2355）

The Environmental, Social and Governance Committee

Terms of Reference

(Effective since 27 March 2026)

The Environmental, Social and Governance (the "**ESG**") Committee (the "**ESG Committee**", the "**Committee**") of Baoye Group Company Limited (the "**Company**"), together with its subsidiaries (collectively the "**Group**") was established in accordance with the resolution passed by the Company's board (the "**Board**") of directors (the "**Directors**") on 16 June 2023. The terms of reference of the Committee (the "**Terms of Reference**") were updated by the Board on 27 March 2026. The Terms of Reference are available in traditional Chinese and English, and the English version is a translated version for reference only. Should there be any discrepancy between the two versions, the Chinese version shall always prevail.

1. Composition

1.1 The ESG Committee shall be appointed by the Board from its Directors. The ESG Committee shall have at least three members ("**Member(s)**"), the majority of which shall be independent non-executive Directors. All of the Members shall be appointed and dismissed by the Board.

1.2 The ESG Committee shall have one chairman, who shall be appointed to preside over the work of the Committee and attend the annual general meeting of shareholders to answer questions from shareholders about the affairs of the Committee. The chairman of the

Committee shall be appointed and dismissed by the Board.

1.3 The Members shall have the same term of office as the Directors which is renewable upon re-election. During their term of office, if Members no longer act as Directors, they shall automatically lose their office as Members from the date of resignation. The Board shall fill the vacancies in accordance with the relevant provisions of the Terms of Reference.

1.4 The ESG Committee shall establish a working team (the "**ESG Working Team**") as an organ to fully implement the ESG and climate-related work of the Group. The ESG Working Team is composed of heads of functional departments and subsidiaries involved in ESG management roles, which are responsible for the implementation of related policies.

1.5 The leader of the ESG Working Team is the secretary to the Committee (the "**Secretary to the Committee**").

2. Meeting Procedures

2.1	The ESG Committee shall meet at least once a year; in case of important matters requiring resolution, the chairman of the Committee may request an interim meeting.
2.2	The ESG Committee meetings shall be presided over by the chairman of the Committee, and the chairman, if unable to attend, may appoint another Member to preside.
2.3	Meetings of the ESG Committee shall be held by more than two-thirds of the Members attending the meetings. Each Member has one vote. The resolution adopted at the meetings shall be passed by more than one-half of the Members (or their duly appointed delegates).
2.4	The meetings shall be held on-site or via video or telephone. Provided that the Members can fully express their opinions, interim meetings may be held by means of vote by correspondence.
2.5	The members of the ESG Working Team may sit in on the ESG Committee meetings. If necessary, the Committee may invite other Directors who are not Members or relevant senior management of the Company to sit in on the meetings and express opinions as attendees without voting rights. External consultants may also be invited to attend the Committee meetings.
2.6	The ESG Committee should be provided with sufficient resources (including employing independent consultants to provide professional advice) to perform its duties and relevant departments of the Company shall cooperate to this end. Any expenses incurred shall be borne by the Company.
2.7	The procedures for convening the meetings, means of voting and resolutions passed at the meetings of the ESG Committee shall comply with applicable laws, regulations, the Articles of Association of the Company (the "**Articles**"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and these Terms of Reference.
2.8	Resolutions and voting results adopted at the meetings of the ESG Committee shall be reported to the Board in writing.
2.9	Members attending and sitting in on the meetings shall keep confidential all matters discussed at the meetings. Disclosure of relevant information without the authorization of the Board shall be prohibited.

3. Competence and responsibilities of the ESG Committee

3.1	Formulate and review the Group's ESG and climate-related administrative policies, strategies and structures; review ESG and climate-related policies, regulations and trends, and provide decision-making advice to the Board regarding the Group's ESG and climate strategies and operation, to ensure the Group's compliance with the requirements of applicable laws and regulations.
3.2	Monitor and supervise the formulation and implementation of the Group's ESG and climate-related objectives, establish ESG and climate management objectives and report to

	the Board for approval, regularly review the progress of the ESG and climate-related objectives, and provide suggestions and resources on the actions needed to achieve these objectives.
3.3	Identify ESG and climate-related risks and opportunities, report to the Board on important trends affecting the Group's ESG and climate strategies, assess the impact of ESG and climate-related risks and opportunities on the Group and provide suggestions to the Board accordingly.
3.4	Raise questions on major issues arising from internal production and operation that affect the Group's discharge of its social responsibility, and inspect and push forward the handling of these issues.
3.5	Monitor communication with the Group's stakeholders and collect their feedback on ESG and climate-related work.
3.6	Guide and review the Group's ESG materiality analysis.
3.7	Timely ESG and climate capacity training should be provided to ensure the committee understands the latest trends in ESG and climate matters and possesses the necessary climate knowledge and skills to oversee ESG and climate-related matters and their management. External expert advice may also be sought when necessary.
3.8	Ensure that the timely publication of the ESG report within the annual report or as a separate ESG report is in accordance with the Listing Rules and other related guidelines, review the ESG report and climate-related disclosures and report to the Board, while recommending specific actions or suggestions to the Board in order to ensure the completeness of the ESG report and climate-related disclosures.
3.9	Promote a positive culture throughout the Group and actively incorporate ESG and climate-related considerations into the business decision-making process.
3.10	Other duties assigned by the Board.

4. Competence and responsibilities of the ESG Working Team

4.1	The ESG Working Team shall carry out ESG management work comprehensively under the guidance of the ESG Committee, and the ESG Committee shall appoint a leader of the ESG Working Team.
4.2	The ESG Working Team is composed of, but not limited to, heads of the Investor Relations Department, Finance Department, Audit Department, Compliance Department, Legal Department, Human Resources Management Department, Administration Department, Production Management Department, Quality Management Department, Supply Chain Management Department, Marketing Department, etc. and subsidiaries. Its responsibilities include:
(a)	Formulate and implement specific ESG and climate-related work plans according to the Group's ESG and climate management policies, strategies and objectives;
(b)	Analyze how to relate the ESG material issues identified to the Group's strategies, vision, values, and business;
(c)	Analyze the relationship between ESG and climate-related risks and Opportunities and the Group's overall risk management system, and provide advice on risk control;
(d)	Regularly measure and analyze ESG and climate-related KPI data and submit it to the ESG Committee for review, to facilitate the Committee's understanding of the progress of the Group's ESG management performance objectives and progress in achieving climate-related objectives;
(e)	Regularly retrieve important ESG and climate-related information or policies and report them to the ESG Committee for consideration so that the Committee can understand the Group's ESG and climate-related risks;
(f)	Assist in the preparation of the Group's annual ESG report, and submit it to the ESG Committee and the Board for review and approval for disclosure;
(g)	Provide the ESG Committee and the Board with additional information needed for ESG

	and climate-related decision-making, and provide them with directional gap analyses and recommendations on the pros and cons of implementing relevant measures, so that the Board can take ESG and climate-related factors fully into account when making decisions;
(h)	Proactively deliver feedback from key investors and stakeholders to the Committee; and
(i)	Other duties assigned by the Committee.

5. Reporting Procedures

5.1 The Secretary to the Committee shall properly keep complete minutes of meetings of the Committee. The minutes of the meetings may be available for inspection by any Director within any reasonable time after reasonable notice has been given.

5.2 The Secretary to the Committee shall be responsible for preparing the minutes of the meetings of the Committee. The first draft and final draft of the meeting minutes shall be sent to all Members within a reasonable time after the meetings. The first draft is for Members to express their opinions and the final draft is used for their records.

5.3 Unless restricted by law or regulation, the Committee must report to the Board and must make the Board fully aware of its findings, decisions and recommendations.

6. Supplementary Provisions

6.1 The Terms of Reference shall come into force upon approval by the Board.

6.2 For the matters which are not covered by the Terms of Reference or conflict with the provisions of newly issued or revised laws, regulations and regulatory documents, the Listing Rules and the Articles after the Terms of Reference have become effective, the relevant laws, regulations and regulatory documents, the Listing Rules and the Articles shall prevail.

6.3 The right to interpret and amend the Terms of Reference shall reside with the Board.

**For identification purpose only*