GON
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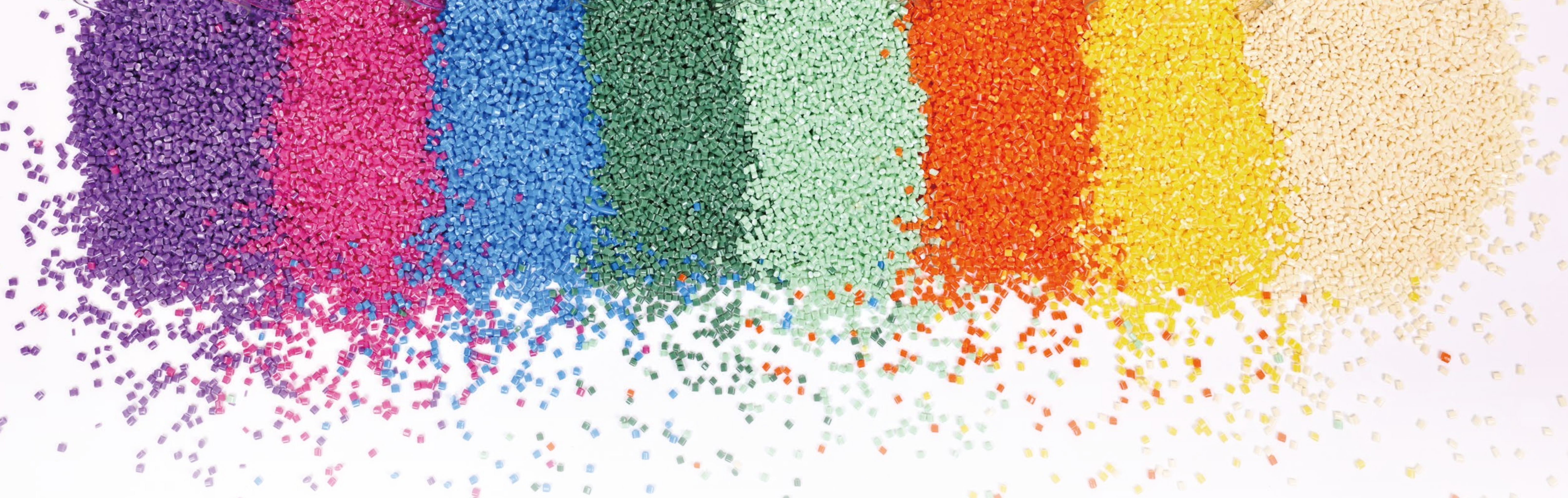
2025 Qingdao GON Technology Co., Ltd.

Environmental, Social and Governance (ESG) and Sustainable Development Report



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Report Overview

This report is the inaugural sustainability report (Environmental, Social, and Governance (ESG) and Sustainable Development Report) (hereinafter referred to as "this Report") published by Qingdao GON Technology Co., Ltd. and its subsidiaries (hereinafter collectively referred to as "GON TECHNOLOGY," "the Group," "we," or "us"). This Report comprehensively and objectively discloses the Group's compliance status, internal policies, management measures, and performance in environmental, social, and governance aspects during the period from January 1, 2025, to December 31, 2025 (hereinafter referred to as the "Reporting Period"), and demonstrates the Group's commitment to sustainable development.

Report Scope and Boundary

This Report discloses the management practices and performance of Qingdao GON Technology Co., Ltd. and its subsidiaries included in the consolidated financial statements of the Group regarding sustainable development. Relevant typical cases are primarily derived from the actual practices of the Group and its subsidiaries during the Reporting Period. To enhance the comprehensibility and verifiability of the disclosure, some content appropriately references historical continuity information or supplementary explanations.

Basis of Preparation and Benchmarking Standards

This Report is prepared following the disclosure requirements of the "Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 17–Sustainability Report (Trial)", the "Shenzhen Stock Exchange Listing Rules (2025 Revision)", the "Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 1–Standardized Operation of the Main Board", and Appendix C2 "Environmental, Social and Governance Reporting Guide" to the "Listing Rules and Guidance" of The Stock Exchange of Hong Kong Limited. This Report adheres to the principles of "Materiality," "Quantification," "Balance," and "Consistency."

Materiality

The Group conducted a materiality assessment during the Reporting Period, identifying material topics together with key stakeholders to determine the disclosure content of this Report. The materiality of topics has been reviewed and confirmed by the Board of Directors. The identification process and analysis results of material topics for 2025 are detailed in the "Materiality Assessment" section.

Quantification

The Group discloses quantitative data to demonstrate its performance in key environmental and social indicators. The relevant calculation methods and the standards, methods, and conversion factors used for calculating emissions and energy consumption are detailed in the relevant sections for clarity.

Balance

The Group describes each topic in a standard, objective, and equal manner, disclosing both positive and negative information during the Reporting Period to ensure a balanced content that allows readers to reasonably assess the Group's overall performance.

Consistency

Unless otherwise stated, the data disclosed in this Report are statistically compiled based on the unified information collection process and working mechanism established by the Group. Therefore, the relevant data statistical methods and assumptions made during report preparation remain consistent, ensuring data comparability year-on-year in the future.

Explanation of Terms

In this report, unless the context otherwise requires, the following terms have the meanings set forth below:

The Company,GON TECHNOLOGY,The Group,We,Us	Qingdao GON Technology Co., Ltd.
CSRC	China Securities Regulatory Commission
SZSE, Stock Exchange	Shenzhen Stock Exchange
HKEX	The Stock Exchange of Hong Kong Limited
Dongbao Bio	Baotou Dongbao Biotechnology Co., Ltd., a controlled subsidiary of GON TECHNOLOGY
Guangdong GON	Guangdong GON Plastics Industry Development Co., Ltd.
GON Dongming	GON Chemical (Dongming) Co., Ltd.
GON Yisu	GON Yisu (Zhejiang) New Material Technology Co., Ltd.
Guoqi Optoelectronics	Qingdao Guoqi Optoelectronics Technology Co., Ltd.
Henan Plastics Industry	GON Plastics Industry (Henan) Co., Ltd.
Huaian Xinsheng	Huaian Xinsheng New Material Technology Co., Ltd.
Jiangsu Guoheng	Jiangsu Guoheng New Material Technology Co., Ltd.
Liaoning Health	GON Future (Liaoning) Health Technology Development Co., Ltd.
Qingdao Composites	Qingdao GON Composite Materials Co., Ltd.
Qingdao Plastics Industry	GON Plastics Industry (Qingdao) Co., Ltd.
Rizhao GON Chemical	Rizhao GON Chemical Co., Ltd.
Sports Turf	Qingdao GON Sports Turf Co., Ltd.
Hong Kong Petrochemical	Hong Kong Petrochemical Co., Limited
Yiqing Bio	Qingdao Yiqing Biotechnology Co., Ltd.
Zhejiang Composites	Zhejiang GON Composites Co., Ltd.
Zhejiang Plastics Industry	GON Plastics Industry (Zhejiang) Co., Ltd.
Zhejiang Materials	Zhejiang GON Materials Industry Co., Ltd.
ESG	Environmental, Social and Governance

Data Scope and Forward-looking Statements

All information and materials in this Report originate from the Group's public data, internal administrative documents, statistical reports, financial reports, and results from third-party questionnaire surveys, among others. Unless otherwise specified, the amounts used in this Report are in Renminbi (RMB).

This Report contains forward-looking statements based on current expectations, estimates, forecasts, beliefs, and assumptions regarding the business and markets in which the Group and its subsidiaries operate. Actual performance may be affected by market risks and uncertainties. Consequently, actual results and returns may differ from the assumptions made and statements contained in this Report.

Data Sources and Reliability Assurance

The Group undertakes that the content of this Report is true, accurate, and complete, with no false records, misleading statements, or material omissions. The Group has conducted necessary internal reviews and management checks during the information collection, review, and disclosure process for this Report. The relevant data and statements are formed based on facts and available evidentiary materials during the Reporting Period.

Contact Information

An electronic version of this Report can be read and downloaded from the Group's website (https://www.qdgon.com). We welcome stakeholders to provide valuable feedback on this Report or our sustainable development performance and encourage readers to contact us through the following methods. Your feedback will help us further improve this Report and enhance the Group's overall environmental, social, and governance performance.

Address: No. 2 Road, Qingdao Industrial Park, Jihongtan Street, Chengyang District, Qingdao

Email: si@qdgon.com

Phone: 0532-89082999

Chairman's Statement

Dear Shareholders, Partners, Customers, Employees, and Friends from All Walks of Life,

This report is the inaugural sustainability report published by GON TECHNOLOGY. It marks a new starting point for us to review and enhance the quality of our growth from a new perspective of global development and to a higher standard of giving back to society.

This report is not only a phased response to our past efforts, but also a solemn commitment to the future: we will systematically present the Company's management framework, key initiatives, and continuous improvement path in the field of Environmental, Social and Governance (ESG) in a transparent and verifiable manner, and actively respond to the expectations of all stakeholders for our high-quality and sustainable development.

As a company operating at the forefront of the new materials and health industries, and in the face of changes in the global environmental and industrial landscape, we have come to realize more profoundly that corporate value extends far beyond financial performance; it also lies in how we coexist with the environment, empower our employees, and advance together with society. Sustainable development should not be merely a disclosure requirement, but should instead become the core of corporate governance, a source of industrial competitiveness, and a long-term commitment put into practice.

Leveraging Long-term Governance to Transform ESG from a "Requirement" into a "Capability"

We remain committed to safeguarding high-quality development through sound and well-regulated governance. ESG-related matters have been incorporated into the Board's overall purview, enabling more systematic deliberation and oversight and promoting an efficient closed loop among strategic coordination, risk management, and implementation.We have embedded anti-commercial bribery and anti-fraud requirements into key processes such as sales operations, tendering and bidding management, supplier admission, and procurement. Through measures such as the signing of integrity agreements, the maintenance of accessible whistleblowing channels, and the improvement of whistleblower protection mechanisms, we ensure that supervision throughout the process is accessible, traceable, and verifiable.

Driving Green Development to Consolidate the Growth Foundation of "New Materials+"

We regard green and low-carbon development as a strategic opportunity for industrial upgrading, rather than merely as a cost input. Centering on the entire process of energy use, equipment operation, and production organization, the Company has continued to promote energy efficiency improvement, process optimization, and equipment upgrading, while coordinating efforts in reducing resource consumption, lowering emissions, and improving efficiency, thereby shifting energy conservation and emissions reduction from "end-of-pipe treatment" to "process design." During the reporting period, we developed a number of replicable and quantifiable practice models through process and equipment upgrades, and carried out work such as product carbon footprint verification in accordance with ISO 14067, actively responding to customer and market demand for low-carbon data. Looking ahead, the Company will continue to improve its mechanism for identifying climate-related risks and opportunities, and will deeply integrate climate risk assessment and opportunity identification into business decision-making, so as to respond to external uncertainties with more robust strategies and seize growth opportunities in green products and green markets through more forward-looking planning.

Strengthening the Foundations of Quality and Delivery through Responsible Procurement and Supply Chain Resilience

Against the backdrop of increasing volatility in global supply chains, a secure, stable, and sustainable supply chain has become a core element of corporate competitiveness. We have established a full-process management system covering the entire lifecycle from supplier admission to exit, thereby promoting the supply of green raw and auxiliary materials and compliant and efficient delivery. At the same time, we focus on the coordinated development of our value chain partners. Through resource sharing, technical exchange, ecosystem co-building, and order coordination, we support our partners in enhancing production capacity, quality control, and compliance management capabilities, strengthening their operational stability and risk resilience, and jointly building an industrial community characterized by mutual trust, mutual benefit, and long-term collaboration.

Putting People First to Build a Safe, Stable, and Growth-oriented Organization

Talent is the Company's most valuable asset. We adhere to lawful and compliant employment practices and safeguard equal opportunities and development space for our employees. Through diversified channels such as labor unions and employee forums, we protect employees' rights to information and expression. Safety is the Company's most fundamental commitment to its employees. We place occupational health and safety among the top priorities of our operations and management, continuously improve our safety management system, and ensure the provision of labor protection equipment and occupational health examinations for employees. In terms of employee development, the Company has established a dual-channel development system for management and professional fields, promoting the transformation of talent development from institutional design to implementation into clear and accessible career paths, and facilitating the common growth of employees and the enterprise.

Advancing Good with Purpose by Leveraging Corporate Capabilities to Empower Social Value

Gratitude builds harmony, and development should give back to society. While continuously creating commercial value, Gon actively fulfills its social responsibilities. We have continued to invest in employment promotion, public welfare and charity, emergency support, and rural revitalization: through targeted recruitment, we provide stable job opportunities in assisted regions; by leveraging industrial chain collaboration, we help drive local income growth; and we continue to carry out public welfare initiatives such as education support and disaster relief. We firmly believe that the long-term value of an enterprise is reflected not only in its financial statements, but also in its tangible contribution to social prosperity and stable development.

Looking Ahead: Practising Trusted Sustainable Development through Long-term Commitment

Sustainable development is a long-term journey that requires persistent effort over time. In the future, we will continue to focus on and steadily advance the following priorities:

Governance Level

we will further improve the ESG governance structure and institutional system, and incorporate double materiality, climate-related risk and opportunity management, and supply chain ESG into annual business operations and risk management processes.

Environmental Level

we will continue to promote energy conservation, carbon reduction, circular utilization, and low-carbon product deployment, enhance the verifiability and benchmarking value of carbon data, and steadily strengthen our competitiveness in meeting customers' low-carbon access requirements.

Social Level

we will continue to uphold a people-oriented approach, strengthen occupational health and safety and employee development, and continuously enhance organizational cohesion and talent density.

Industrial Ecosystem

through responsible procurement and collaborative innovation, we will drive the joint improvement of value chain partners and build a more resilient and sustainable industrial community.

This report represents a new starting point for communication and engagement between Gon and all sectors of society. We sincerely welcome the supervision and valuable suggestions of all parties, and will continue to improve with a more open and pragmatic approach, responding to the changes of the times and fulfilling our responsibilities through high-quality sustainable development.

On behalf of the Board of Directors, I would like to extend my most sincere gratitude to all shareholders, partners, customers, and every employee who have long placed their trust in and supported Gon. The road ahead is long, yet bright with promise. May we move forward with shared commitment and collective strength, and together write a Gon chapter that can stand the test of time and the market.

Thank you all!

About GON TECHNOLOGY

Company Overview

Qingdao GON Technology Co., Ltd. (hereinafter referred to as "GON TECHNOLOGY" or "the Group") was established on December 22, 2000, with its headquarters located at Qingdao Industrial Park, Chengyang District, Qingdao. It is one of the first batches of national high-tech enterprises. In June 2015, the Company was listed on the Shenzhen Stock Exchange. In August 2021, the Company acquired Dongbao Bio (Stock Code: 300239), a listed company on the ChiNext, becoming its controlling shareholder. In February 2026, the Company's H-shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited, achieving an "A+A+H" multi-dimensional capital platform layout and entering a new stage of international development.

The Company consistently upholds its principle of "Dedication to Excellence" and adheres to its corporate vision of "Shaping a Century-Old GON TECHNOLOGY, Flourishing Technology for Generations." With technological innovation as the engine, the Company pursues high-quality development in the two major fields of chemical new materials and the broader health industry. Leveraging its vertically integrated industrial platform, GON TECHNOLOGY has built a unique "One Body, Two Wings" development strategy—with the vertical integration platform as the core, and the chemical new materials and the broader health industry as the two wings—promoting collaboration across the entire R&D, production, service, and application chain, achieving efficient linkage and economies of scale across its business segments.

In recent years, GON TECHNOLOGY has continuously advanced industrial chain extension, supply chain optimization, innovation chain strengthening, value chain enhancement, and ecosystem construction. It fully leverages the resource integration advantages of its vertically integrated platform in the chemical new materials and broader health industry to provide customers with multi-category, high-quality products and solutions. In the field of chemical new materials, the Company has built a vertically integrated industrial cluster centered around green petrochemical new materials, organic polymer modified materials, organic polymer composite materials, biodegradable materials, optical display materials, sports & health materials, and new energy vehicle lightweight structural components. In the broader health field, through its controlling stake in Dongbao Bio, a listed company in the collagen sector, the Company further deepens its presence in the health sector. Its product matrix covers gelatin, plasma substitute gelatin, collagen, empty capsules, double-protein dietary fiber, and beauty products, comprehensively laying out a big health industry ecosystem focused on the core business areas of "medicine, aesthetics, health, and food," striving to become a comprehensive enterprise group in this specialized field.

Corporate Culture

Entrepreneurial Spirit	Founding Principle	Core Values	Enduring Mission
"Aiming High, Serving the Country through Industry; Forging Ahead, Being Open and Inclusive; Balancing Righteousness and Benefit, Striving Constantly for Self-Improvement."	"Dedication to Excellence"	"Customer-Centric, Value-Oriented, Harmonious Co-prosperity,"	"Caring for Healthy Lives, Shaping Quality Living."

Corporate culture permeates the Company's strategic decisions and daily operations, using technological innovation as the engine and industrial synergy as the path. While serving customers and giving back to society, the Group continuously creates long-term shared value for stakeholders.

Annual Honors and Awards

The Group consistently integrates compliant operations, technological innovation, green manufacturing, and social responsibility into its development strategy and daily operations. By continuously enhancing product and service capabilities, strengthening operational management and risk control, promoting energy conservation, carbon reduction, and resource efficiency, and driving employment and regional economic development, we continuously consolidate the foundation for high-quality development. During the Reporting Period, the Group received several honors and recognitions in selections organized by authoritative institutions and government departments, reflecting the Group's phased achievements in comprehensive manufacturing strength, innovation capability, employment generation, green and low-carbon transition, and industrial upgrading.

The Group's main annual honors and awards include:

Award Title	Awarding Institution
2025 China Manufacturing Industry Top 500 Private Enterprises	All-China Federation of Industry and Commerce
2025 Shandong Top 200 Private Enterprises	Shandong Federation of Industry and Commerce, Shandong Provincial Development and Reform Commission, Shandong Provincial Department of Science and Technology,Shandong Provincial Department of Human Resources and Social Security, Shandong Provincial Department of Agriculture and Rural Affairs, Shandong Provincial Department of Commerce, Shandong Provincial Taxation Bureau, Shandong Provincial Market Regulation Bureau, Shandong Provincial Chamber of Commerce
2025 Shandong Top 100 Innovative Private Enterprises	
2025 Shandong Top 100 Private Enterprises for Employment Generation	
Shandong Private Economy High-Quality Development Outstanding Contribution Award	Shandong Provincial Development and Reform Commission, Shandong Provincial Department of Industry and Information Technology
2025 Provincial-Level Manufacturing Single Champion Enterprise	Shandong Provincial Department of Industry and Information Technology
2025 Provincial-Level Green Factory	
Shandong Province "One Enterprise, One Technology" R&D Center	Shandong Provincial Department of Industry and Information Technology
Qingdao 2025 Advanced-Level Intelligent Factory	Qingdao Municipal Bureau of Industry and Information Technology
New Generation "Qingdao Gold Flower" Cultivation Enterprise	Shandong Provincial Department of Industry and Information Technology, Shandong Provincial Development and Reform Commission, Qingdao Municipal Bureau of Agriculture and Rural Affairs

Annual ESG Performance Highlights

Environment (E)

Synergistic Promotion of Energy Conservation, Carbon Reduction, and Green Operations

The Group has established and maintains ISO 14001 Environmental Management System, ISO 50001 Energy Management System, and has conducted ISO 14067 Product Carbon Footprint verification/certification. It continuously promotes initiatives such as reactor insulation renovation, fan upgrades, cooling water circulation optimization, and tail gas treatment system optimization.

Continuous Strengthening of Pollution Prevention and Resource Recycling

The Group has established a comprehensive process control mechanism for wastewater, exhaust gas, and waste management. It continuously promotes wastewater reuse, VOCs treatment, hazardous waste standardized disposal, and resource utilization of general solid waste. Simultaneously, it continuously advances resource recycling practices such as EPS rejects and dust recovery, reducing consumption of virgin raw materials and waste generation.

Continuous Consolidation of Environmental Compliance and Green Manufacturing Foundation

During the Reporting Period, the Group did not experience any major environmental accidents nor receive any significant environmental administrative penalties. Concurrently, the Group was honored with awards such as "2025 Provincial-Level Green Factory," "2025 Provincial-Level Manufacturing Single Champion Enterprise," and "Qingdao 2025 Advanced-Level Intelligent Factory," indicating the continuous enhancement of its green manufacturing and intelligent manufacturing capabilities.

Social (S)

Continuous Deepening of Innovation-Driven Development and Green Product Portfolio

The Group insists on driving high-quality development through technological innovation, continuously strengthening R&D investment and technology transfer in areas such as polymer modified materials, composite materials, green petrochemical materials, and big health products. As of the end of the Reporting Period, the Group possesses 10 high-tech enterprises including GON TECHNOLOGY and Dongbao Bio, has accumulated 521 patents and 20 software copyrights, and has participated in the formulation of 16 national standards, 19 industry association standards, and 4 industry standards, continuously consolidating its innovation foundation.

Progress Made in Commercialization and Market Application of Recycled Materials

Responding to the demand for recycled material applications, the Group continuously promotes the development and productization of PCR materials. Its product portfolio covers applications in fields such as home appliances, displays, and electronic products. The recycled content in some products can reach over 90%.

Stable Employee Team Development, Continuous Increase in Training and Safety Investment

As of the end of the Reporting Period, the Group had a total of 5,532 employees. The Group continuously improves its compensation and benefits, career development, communication and feedback, and occupational health and safety systems. During the Reporting Period, employee satisfaction reached 98.2%, total employee benefit expenditure exceeded RMB 30.9579 million, and work safety investment exceeded RMB 20.994 million. Various work safety training sessions covered over 46,747 person-times, totaling more than 73,846 hours. As of the end of the Reporting Period, there were no work-related fatalities.

Continuous Fulfillment of Responsibilities in Charity and Rural Revitalization

The Group consistently engages in charitable activities focusing on education support, emergency disaster relief, stable employment, and livelihood care. It also helped drive employment in Anhui and Shandong provinces, contributing to pension and medical insurance for those employees. Simultaneously, through educational donations, targeted support, and emergency assistance, the Group continuously transforms its development achievements into social value.

Corporate Governance (G)

ESG Governance Structure Initially Established

The Group has formulated the "Environmental, Social and Governance (ESG) Management System," establishing a four-level governance structure of "Decision-making - Guidance - Promotion - Execution." This structure promotes effective connection between the Board, Strategy Committee, management, and various execution units in ESG management. During the Reporting Period, the Group advanced management implementation focusing on the preparation of its inaugural ESG report, materiality topic identification, and climate risk and opportunity analysis. It collected over 270 valid questionnaires and formed the annual materiality matrix.

Continuous Consolidation of Corporate Governance Foundation

The Group strictly complies with domestic and overseas listing rules and relevant laws and regulations on corporate governance, continuously improving the governance mechanisms of the Shareholders' Meeting, Board of Directors, and management. The Group successfully achieved an "A+A+H" capital platform layout in February 2026. The Board members possess diverse professional backgrounds in materials engineering, finance, law, etc., providing professional support for strategic decision-making, risk supervision, and standardized operations.

Maintaining a Solid Foundation for Integrity and Business Ethics

The Group continuously promotes anti-commercial bribery, anti-corruption, anti-fraud, and anti-unfair competition management. Integrity requirements are embedded in key processes such as procurement, sales, bidding, and supplier management. Reporting channels and whistleblower protection mechanisms are established. During the Reporting Period, the Group had no material corruption litigation cases and no major lawsuits or significant administrative penalties due to unfair competition, maintaining a stable compliance foundation.

Materiality Assessment

Double Materiality Analysis

In conjunction with sustainable development management requirements, the Group continuously conducts materiality topic management focusing on environmental, social, and governance issues that have a substantial impact on the Group's operational development. The Group identifies and analyzes materiality topics based on its actual operating conditions, industry development trends, and changes in the external environment.

Materiality topics referred to in this Report are those that have a significant impact (referred to as "financial materiality") on the Group's business model, operations, development strategy, financial condition, operating results, cash flows, financing methods, and costs in the short, medium, and long term. They also include topics where the Group's performance has a significant impact on the economy, society, and environment (referred to as "impact materiality").

Understanding the Context of Company Activities and Business Relationships	Based on its main business structure, core products and customer structure, main operating regions, and supply chain characteristics, the Group systematically reviews key matters and external environmental changes related to sustainable development during the Reporting Period. This includes regulatory policies and market focus, industry development trends, major risks and opportunities, and stakeholder demands.
Establishing a Long List of Topics and Boundary Identification	Using the topics set in the "Guidelines" as a foundation, combined with industry characteristics, corporate strategy, and annual key work, and referencing common industry practices and international/domestic standards, the Group supplements the identification of potential material topics, forming a long list of topics.
Materiality Assessment	The Group collects stakeholder opinions through questionnaires and other methods, covering employees, customers, media, and other relevant parties. During the Reporting Period, over 270 valid questionnaires were collected. Based on the questionnaire results and its own actual operations, the Group ranks and analyzes the materiality of topics considering factors such as the degree of impact and affected groups.

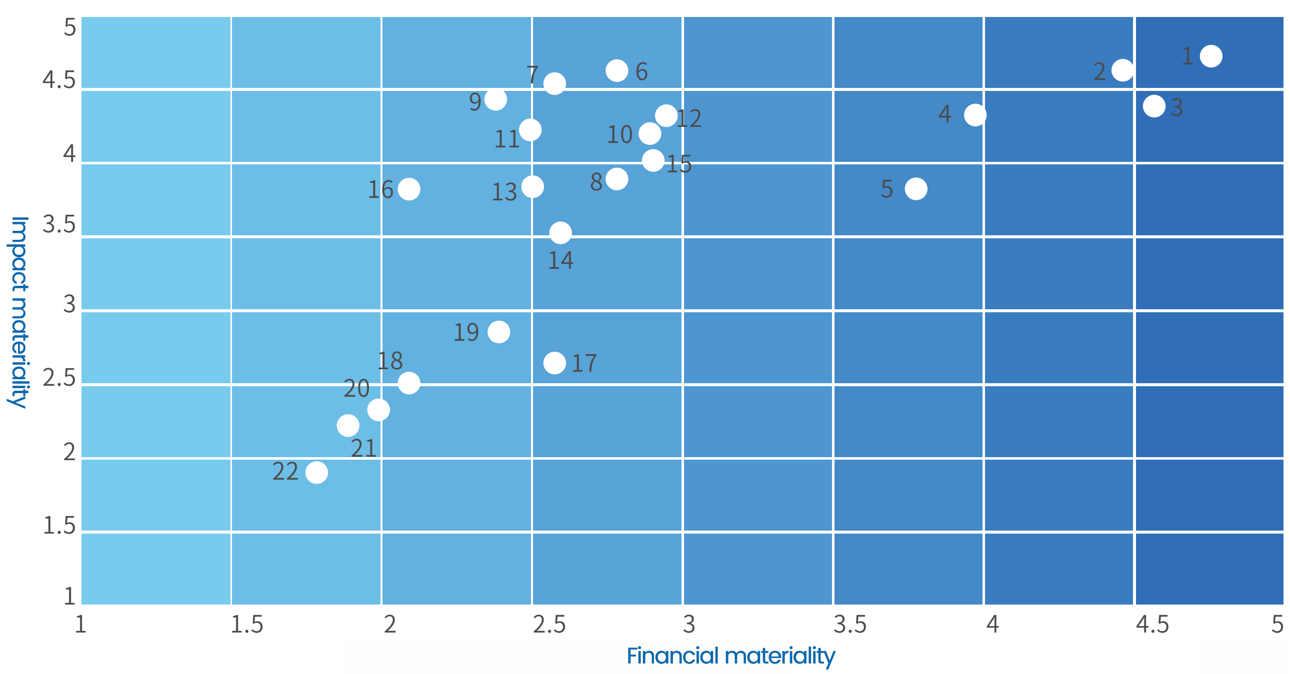
The Group consolidates the results of the impact materiality and financial materiality assessments, forming a comprehensive "double materiality" identification conclusion and materiality matrix, which is submitted to the Board of Directors for review and confirmation.

Stakeholder Engagement

The Group highly values communication with and response to stakeholders. Based on its business scope and production and operation characteristics, the Group identifies stakeholders that significantly impact its operational decisions, resource acquisition, and value creation. We establish diversified communication mechanisms, continuously understands the demands and concerns of all parties through meetings, surveys and interviews, questionnaires, information disclosure, and daily collaboration. It integrates relevant results into materiality assessment, policy improvement, and management enhancement, promoting the connection of the Company's sustainable development strategy with the reasonable expectations of all parties.

Stakeholder	Expectations and Concerns	Communication Channels and Actions
Government and Regulators	◦ Compliance with laws and regulations ◦ Environmental and safety compliance ◦ Tax contribution ◦ Stable employment and high-quality development	◦ Supervision and inspection & rectification closure ◦ Information reporting ◦ Policy feedback communication ◦ Compliance training ◦ Major issue reporting
Shareholders and Investors	◦ Standardized governance ◦ Operating performance ◦ Risk control ◦ Strategy and long-term value ◦ Information disclosure quality	◦ Periodic reports and announcements ◦ Results briefings / roadshows ◦ Investor hotline and interactive platforms ◦ Investor meeting reception
Employees	◦ Legal employment and rights protection ◦ Occupational health and safety ◦ Compensation and benefits ◦ Training and development ◦ Communication and care	◦ Labor contracts and policy dissemination ◦ Safety production training and emergency drills ◦ Performance communication and grievance channels ◦ Employee activities and feedback channels
Customers	◦ Product quality and delivery stability ◦ Technological innovation ◦ Compliance and traceability ◦ Green and low-carbon product solutions	◦ Customer audits and assessments ◦ Quality agreements and technical connection After-sales service ◦ Customer satisfaction and complaint handling mechanisms
Suppliers and Partners	◦ Fair procurement ◦ Contract performance ◦ Timely settlement ◦ Collaborative R&D and long-term cooperation ◦ Business ethics	◦ Supplier access and evaluation ◦ Procurement bidding and price comparison ◦ Contract management ◦ Integrity requirements and anti-fraud communication ◦ On-site audits
Industry Associations / Academic Institutions	◦ Standards and technological progress ◦ Industry collaboration ◦ Low-carbon and circular development practices	◦ Industry exchanges ◦ Standards discussions ◦ Project cooperation ◦ Technical forums and achievement sharing
Communities and the Public	◦ Controllable environmental impact ◦ Employment generation ◦ Charitable activities	◦ Community communication and visits ◦ Charitable activities ◦ Information disclosure ◦ Environmental and safety emergency liaison mechanisms
Media and Social Organizations	◦ Information transparency ◦ Compliant operations ◦ Social responsibility	◦ Press releases and media communication ◦ Official website / WeChat channels ◦ Major issue response mechanisms

Materiality Analysis and Conclusion



No.	Topic Name	No.	Topic Name	No.	Topic Name	No.	Topic Name
1	Innovation-Driven Development	7	Waste Management	13	Water Resource Utilization	19	Due Diligence
2	Product and Service Safety and Quality	8	Addressing Climate Change	14	Anti-commercial Bribery and Anti-corruption	20	Technology Ethics
3	Supply Chain Security	9	Employee Rights and Interests	15	Stakeholder Engagement	21	Equal Treatment of Small and Medium Enterprises
4	Circular Economy	10	Energy Utilization	16	Social Contribution	22	Rural Revitalization
5	Environmental Compliance Management	11	Employee Training and Development	17	Anti-unfair Competition		
6	Pollutant Emission	12	Data Security and Customer Privacy Protection	18	Ecosystem and Biodiversity Protection		

ESG Management System

ESG Governance Structure and Responsibilities

To standardize the Group's ESG management, ensure the effective operation of the ESG management system, and actively fulfill ESG responsibilities, the Group has formulated the "Environmental, Social and Governance (ESG) Management System." It is presented in a four-level structure of "Decision-making - Guidance - Promotion - Execution," incorporating "each executing unit (departments, subsidiaries)" into the execution layer.

Decision-making	Board of Directors	Acts as the leadership and decision-making body for ESG work, reviewing significant matters such as ESG strategic objectives, medium-to-long-term plans, management systems, and annual ESG reports.
Guidance	Strategy Committee of the Board	Assists the Board in supervising ESG-related impacts, risks, and opportunities; guides and reviews ESG policies, strategies, and objectives; monitors progress against objectives and provides guidance.
Promotion	ESG Leadership Group (General Manager as Leader, Management Team Members)	Serves as the organization and promotion body for ESG work, responsible for formulating ESG strategic objectives, medium-to-long-term plans, material topics, and management systems; implementing ESG strategies and objectives;coordinating departments and subsidiaries in executing ESG work.
Execution	ESG Working Group + Various Departments/Subsidiaries (Executing Units)	Advances topic management and indicator management by function according to the Leadership Group's deployment; executed and implemented by departments/subsidiaries within their business and management responsibilities,cooperate in providing data and improving the closed loop.

The ESG Leadership Group, based on work needs, establishes ESG working groups such as the Environment Group, Social Group, and Governance Group, forming a collaborative mechanism of "Decision-making Review - Research Guidance - Organization Promotion - Functional Execution" to ensure effective implementation of ESG-related work across all departments and subsidiaries.

During the Reporting Period

taking the preparation of the inaugural sustainability report as an opportunity and combine actual management needs, the Group sorted out and refined responsibility divisions, data scopes, information reporting, and other matters, promoting the formation of clearer work interfaces and collaborative processes. Relevant departments and subsidiaries participated in information collection, topic analysis, data reduction, and management improvement based on their respective responsibilities, gradually establishing an internal collaboration mechanism covering key topics.

02

Green Operations

Environmental Responsibility and Low-Carbon Products

Addressing Climate Change

Climate Governance and Strategy

The Group integrates climate change and energy transition topics into its sustainable development governance system, forming a collaborative management mechanism involving the "Board - Management - Execution Layer": The Board bears the ultimate responsibility for sustainable development and related risk management at the overall level, defining the sustainable development vision, risk appetite, and management priorities, and supervising ESG and climate-related matters concerning strategy, capital allocation, and major operational decisions. Management is responsible for coordinating and promoting sustainable development strategies and annual work arrangements, driving the implementation of key initiatives through cross-departmental coordination mechanisms. Business lines and local units are responsible for daily management tasks such as energy management, energy-saving renovations, emission monitoring, and data consolidation, ensuring goals are decomposed to positions and responsibilities assigned to individuals.

To consolidate the management foundation, the Group has established and passed multiple management system certifications/verifications, including ISO 14001 Environmental Management System, ISO 50001 Energy Management System, and ISO 14067 Product Carbon Footprint verification. These systems operate in coordination with quality, occupational health and safety management systems, providing institutional and process safeguards for energy efficiency improvement, carbon emission management, and low-carbon product development.

Climate Risk and Opportunity Identification

Based on its business layout and production operation characteristics, the Group identifies climate-related risks and opportunities along two main lines: physical risk and transition risk. These are classified by impact timeframe: short-term (within 1 year) / medium-term (1-3 years) / long-term (over 3 years). On this basis, the Group incorporates the identification results into mechanisms such as annual operating plans, EHS management, energy management, and supply chain management for continuous monitoring.

Risk/Opportunity	Risk/Opportunity Category	Risk/Opportunity Description	Timeframe	Potential Impact	Main Response Measures
Physical Risk	Acute Physical Risk (Extreme Weather)	Extreme events such as heavy rain, floods, typhoons (coastal bases/logistics nodes), and extreme high temperatures may lead to plant/warehouse damage, power/water outages, logistics interruptions, and delivery delays; also increase the risk of safety incidents at chemical facilities.	Short-Medium	Production line stoppages, delivery defaults, increased costs for equipment repair and emergency response; pressure from insurance claims and production halts; impact on reputation and customer stability.	• Facility resilience enhancement (drainage, flood control, critical equipment reinforcement) • Extreme weather contingency plan and drills • Alternative key logistics routes and carriers • Insurance coverage optimization
Physical Risk	Chronic Physical Risk (Long-term Climate Change)	Rising temperatures increase the load on process cooling and plant air conditioning; tightening water withdrawal/discharge constraints in water-stressed regions may affect production continuity and increase water costs.	Medium-Long	Marginal increase in energy and water costs; increased investment in technological upgrades and adaptation; failure to improve water efficiency may trigger production curtailment/penalty risks.	• Energy efficiency improvement and waste heat utilization • Circulating water system optimization • Water intake/discharge compliance permit management
Transition Risk	Policy and Legal Risk	Stricter standards for carbon emissions, dual control of energy consumption, and pollutant emissions; rising carbon prices and energy costs lead to increased compliance and operational costs.	Short-Medium-Long	Increased compliance costs (environmental facilities, carbon management, third-party verification, etc.); non-compliance may trigger administrative penalties/production curtailment; pressure on capital expenditure and cash flow.	• Systematic compliance: ISO 14001/ISO 50001 etc. • Emission permits and annual reviews • Pollution control and process optimization • Carbon accounting management
Transition Risk	Market Risk (Customer Low-carbon Requirements/Access)	Downstream customers (home appliances, automotive, new energy, consumer electronics, etc.) have continuously increasing requirements for materials with a "low-carbon footprint" and "green supply chain," potentially affecting market access and order share for the Group's products.	Short-Medium	Increased difficulty in securing orders, decreased bargaining power; increased customer audit and information disclosure requirements; rising supply chain collaboration costs.	• Green power procurement and emission reduction projects • Customer collaboration on emission reduction
Transition Risk	Technology Risk (Low-carbon Process & Equipment Upgrade)	Low-carbon transition requires continuous introduction of energy-saving processes, equipment upgrades, and digital energy management; if technological iteration lags, energy efficiency gaps and cost disadvantages will emerge.	Medium-Long	Energy/carbon cost disadvantages; pressure on payback period for technological investment; asset stranding risk (high-energy-consumption equipment).	• Introduction of advanced energy-saving process technologies, equipment efficiency improvement • Driving energy audits and improvements • Waste heat recovery and key system optimization
Transition Risk	Reputation Risk (ESG & Climate Information Transparency)	Investors, regulators, and society are paying more attention to climate performance and disclosure quality; inconsistent disclosure, failure to meet emission reduction targets, or environmental incidents can amplify public opinion and trust risks.	Short-Medium	Increased financing costs, valuation discounts; damaged customer/employee trust; regulatory inquiries and rectification costs.	• Preparation for external certification and verification
Opportunity	Resource Efficiency & Cost Reduction (Energy/Process Optimization)	Improvements in energy-saving processes and equipment efficiency can reduce consumption of steam, natural gas, etc., achieving synergy between cost reduction and emission reduction, enhancing cost competitiveness.	Short-Medium	Energy costs have declined and gross profit has improved. Relief of carbon cost pressure; Enhance the ability to provide "low-carbon delivery" to customers.	• Continuously promote energy efficiency improvement projects • Waste heat recovery • Refined energy resource management
Opportunity	Renewable Energy & Green Power Trading	Procuring renewable energy such as wind/PV power through green power trading mechanisms reduces Scope 2 emissions and enhances "clean energy coverage" capability.	Short-Medium	Reduce Scope 2 emissions; improve adaptability to customer audits and export/supply chain requirements; beneficial for accessing green finance.	• Establish green power procurement and certificate management mechanism • Promote on-site PV and other distributed energy sources
Opportunity	Green Products & Low-carbon Solutions	Lightweight materials, green petrochemical new materials/high-performance materials, etc. can help terminals reduce energy consumption and carbon emissions. In the big health sector, we will delve deeply into the extensive application of collagen in the textile industry and innovatively enter the field of low-carbon process substitution.	Medium-Long	Unlock high-end applications and green premium potential; enhance customer stickiness and market share; improve overseas market access.	• R&D high-performance materials for scenarios like new energy, electronics, robotics • Product carbon footprint verification & EHS compliance coordination • Co-develop low-carbon application solutions with customers
Opportunity	Circular economy and resource closed loop	Measures such as the reuse of production scraps and defective products, the recyclable and degradable alternatives of packaging materials, and the reuse of waste and wastewater have formed a closed loop of "reduction - reuse - resource utilization", reducing the overall environmental costs and compliance risks	Short-Medium	The costs of raw materials and disposal have decreased. Pressure relief for waste and wastewater disposal; Enhance operational resilience.	• Promote recyclable/biodegradable packaging materials

Greenhouse Gas Emissions

Greenhouse gas emission management is a crucial component of the Group's efforts to advance its green and low-carbon transition, improve resource efficiency, and enhance operational resilience. The Group integrates Greenhouse gas management into its environmental and energy management systems, implementing management focused on resource usage statistics, process control, and continuous improvement. Data quality and management effectiveness are enhanced through ISO 14067 carbon footprint verification and ISO 50001 Energy Management System.

The Group's Greenhouse gas emissions primarily originate from:

Scope 1 (Direct Emissions): Emissions from fuel combustion (e.g., natural gas, diesel/-gasoline) during production and operations.

Scope 2 (Indirect Emissions): Indirect emissions from the use of purchased energy such as electricity.

The Group promotes emission reduction around key areas such as energy usage, plant operations, and production organization. Through initiatives like energy efficiency improvement, process optimization, equipment upgrades, and green power introduction, it continuously reduces the carbon emission level and energy costs during operations.

During the Reporting Period

At the equipment leve

The Group implemented energy-saving renovations such as coil repair welding and insulation replacement for reactor coils in the polymerization workshop, reducing heat loss and improving temperature control precision. This is estimated to save approximately 1,100 cubic meters of steam annually (equivalent to about 60.8 tons of standard coal), correspondingly reducing CO_2 emissions by approximately 168.6 tons.

At the utility level

The Group replaced 110kW Roots blowers used for environmental process water treatment aeration with permanent magnet air-floating blowers. Variable frequency drives were adopted for some power and environmental protection equipment to reduce power consumption and operational losses.

At the system optimization level

The Group promoted the transformation of cooling water circulation systems, using cooling discharge water to preheat pure water and recirculating it back for use, improving the reuse efficiency of energy and water resources.

At the resource circulation level

The Group established a recovery and reuse mechanism for rejects and dust (e.g., EPS rejects and dust recovery), reducing the consumption of virgin raw materials and waste generation.

During the Reporting Period

The Group's greenhouse gas emissions for the year are as follows

Indicator[1]	Unit	2025 Emissions
Direct Greenhouse Gas Emissions (Scope 1)	tCO_2e	45,881.41
Energy Indirect Greenhouse Gas Emissions (Scope 2)	tCO_2e	416,892.47
Total Greenhouse Gas Emissions	tCO_2e	462,773.88
Greenhouse gas Emission Density[2]	tCO_2e / Million RMB	21.78

Notes:

1. Greenhouse gas emissions data are presented in carbon dioxide equivalent (CO_2e) and are calculated with reference to, among others, the latest national average electricity emission factors published by the Ministry of Ecology and Environment, the "Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard" published by the World Resources Institute and the World Business Council for Sustainable Development, and the "Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 17 – Sustainability Report (Trial)." The Group accounts for 100% of the Greenhouse gas emissions over which it has operational control.

2. Density data is calculated based on the Group's operating revenue. The Group's operating revenue during this Reporting Period was 21,251.23 million RMB and this figure is also used to calculate other density data.

Pollutant Emission

Wastewater Management

Standardized treatment and discharge of wastewater are fundamental to the Group's environmental compliance management. The Group strictly follows national laws and regulations such as the *Water Pollution Prevention and Control Law of the People's Republic of China,* combined with requirements from pollutant discharge permits and municipal/industrial park connections. It continuously improves the entire process control of wastewater, ensuring that all types of wastewater are treated to meet discharge standards stably, thereby reducing potential impacts on the surrounding water environment.

The Group has established and operates an environmental management system certified under ISO 14001. Based on this, it has formulated and implements the *Wastewater Management System*, which standardizes key aspects including wastewater generation, segregated collection, operation management of treatment facilities, monitoring records, abnormal disposal, and compliance with emission standards. Supplementary documents like the *Automated Pollution Source Monitoring Equipment Management System* provide real-time, accurate data support through online monitoring and operational requirements, facilitating timely identification of operational fluctuations and corrective actions, thus enhancing the traceability and stability of wastewater management.

The Group adheres to the treatment path of "segregated collection - on-site pretreatment - municipal pipeline connection - advanced treatment by municipal wastewater treatment plant." Production wastewater, initial rainwater, and domestic sewage are collected separately and managed by category to reduce the treatment difficulty and environmental risks associated with mixed discharge. Catering to different products and discharge requirements, the Group has configured multi-stage wastewater treatment processes and implements classified treatment. After completing pretreatment at on-site wastewater treatment stations to meet standards, the water is discharged into the municipal pipeline network and finally enters the municipal wastewater treatment plant for further advanced treatment before discharge. Regarding process configuration, the Group employs multi-stage treatment units such as hydrolysis acidification, contact oxidation, and decolorization based on the characteristics of the wastewater quality. When necessary, a composite process of "physical-chemical pretreatment - biological enhancement - advanced treatment" is added to improve the biodegradability and treatment stability of complex wastewater components, ensuring long-term stable operation of the system. Simultaneously, emergency accident pools and initial rainwater collection systems are equipped to strengthen risk mitigation and emergency support under abnormal conditions.

To ensure that emissions are under control and data is verifiable, the Group has installed online real-time monitoring facilities at key discharge outlets to continuously monitor major pollutants such as COD and ammonia nitrogen. It also conducts self-monitoring and necessary manual testing/spot checks in accordance with the requirements of pollutant discharge permits, forming a dual verification mechanism of "online monitoring + manual recheck". Ensure that the status of wastewater treatment can be monitored and the discharge results can be traced. Centering on wastewater reduction and resource utilization, the company has invested in the construction of a production wastewater recycling and utilization project, achieving the recycling of part of the production wastewater, and promoting the reduction of pollutants such as nitrogen and phosphorus during the operation of the project. At the same time, we will continue to promote measures such as the closed-loop recycling of circulating cooling water and the reuse of rainwater to reduce the consumption of fresh water and the generation of wastewater from the source, and improve the efficiency of water resource utilization.

During the Reporting Period

the Group's total wastewater discharge was 2,520,683.97 tons.

Exhaust Gas Management

The Group regards exhaust gas treatment as a key focus of environmental compliance and cleaner production management. It strictly implements national and local requirements for air pollution prevention and control, pollutant discharge permits, and emission control. The Group implements comprehensive process control for major pollutants such as particulate matter, VOCs, SO_2, and NOx, ensuring emissions consistently meet applicable standards.

The Group has formulated the *Exhaust Gas Management System*, integrating exhaust gas management into daily production organization and equipment operation management. It specifies closed-loop requirements from raw material procurement, process organization, operation and maintenance of collection and treatment facilities, to monitoring records and abnormal disposal. Combined with relevant clauses in the *Environmental Management System Compilation*, it continuously supervises and provides feedback on the implementation of the system. The Automated Pollution Source Monitoring Equipment Management System supports operation adjustment and compliance management with online monitoring data, ensuring the accuracy and traceability of monitoring data.

The Group implements classified treatment based on different processes and exhaust gas characteristics, forming a treatment system centered on "source reduction, process enclosure, and efficient end-of-pipe treatment."

For the combustion and public utility sectors, the Group is equipped with low-nitrogen combustion and desulfurization and denitrification facilities to promote the coordinated control of SO_2 and NOx.

For the dusty waste gas, the Group adopts cyclone separation and combines bag/cartridge dust removal and other processes for pretreatment before discharging it at a high altitude.

For organic waste gas and VOCs-containing exhaust, the Group uses technologies like RTO (Regenerative Thermal Oxidizer) or RCO (Regenerative Catalytic Oxidizer) for efficient purification, and superimpos units like condensation, spraying, activated carbon adsorption, and multiphase catalytic oxidation based on operating conditions to improve collection efficiency and removal effectiveness.

To enhance resource efficiency, the Group simultaneously advances waste heat recovery and utilization, recovering heat generated by the treatment system for use in production or utility processes, thereby reducing fuel consumption and emission intensity.

The Group implements an operation management mechanism of "daily inspection, dedicated maintenance, periodic calibration" for exhaust gas facilities, ensuring treatment devices continuously operate effectively. It regularly conducts exhaust gas testing, maintaining and calibrating online monitoring equipment periodically to ensure the authenticity and accuracy of online data. In recent years, the Group has carried out systematic upgrades around treatment facility efficiency improvement: replacing some older bag filters with high-efficiency cartridge filters; replacing some inefficient "UV photolysis + low-temperature plasma" facilities, upgrading them to combined treatment routes like "cyclone tower + multi-stage filtration + activated carbon + RCO"; simultaneously continuously advancing the optimization of RTO systems for VOCs treatment, achieving treatment efficiencies up to 97%, and improving system operational stability through equipment renewal.

During the Reporting Period the Group's exhaust gas emission data are as follows

Exhaust Gas Emission Type	Unit	2025
Particulate Matter	Tonnes	14.11
Non-methane Hydrocarbons	Tonnes	9.44
Nitrogen Oxides (NOx)	Tonnes	49.40
Sulfur Oxides (SOx)	Tonnes	7.91
VOC Emissions	Tonnes	2.19

Waste Management

The Group regards waste management as a fundamental environmental task continuously promoted throughout its production and operations. Centered on the general principle of "reduction, harmlessness, and resource recovery," the Group systematically reduces the potential environmental and safety impacts of solid and hazardous waste. Simultaneously, through recovery and resource regeneration, it enhances resource utilization efficiency, supporting the Group's green operations and "zero waste" capacity building. The Group strictly complies with the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, the Law of the People's Republic of China on the Prevention and Control of Air Pollution*, and other applicable environmental protection laws and regulations. Internally, it operates following management documents such as the *Environmental Protection Facility Operation Management System and the Solid Waste Management System*, which stipulate clear requirements for the classification, collection, storage, utilization, and disposal of pollutants and waste. Combined with the "Solid Waste Management System" and the "Environmental Management System Compilation," it forms a closed-loop management process covering "generation - classification - temporary storage - transfer - disposal/resource recovery."

In hazardous waste management, the Group implements standardized, whole-process management for hazardous waste listed in the *National Hazardous Waste List*. Hazardous waste is classified and labeled at the point of generation and transported on the same day to designated storage facilities meeting construction standards for centralized temporary storage. Measures such as seepage prevention, rain protection, and diffusion prevention are implemented to prevent pollution and accidents. The processes of classified collection, storage, transfer, and disposal of hazardous waste are subject to institutionalized control and ledger management, ensuring the transfer and disposal process is traceable.

The Group's hazardous waste generally includes waste oil, waste filter cotton, waste activated carbon, waste catalyst, waste paint, waste oil-water mixtures, etc. The Group strictly follows normative requirements.In principle, all hazardous wastes should be entrusted to external third-party institutions with professional qualifications for proper disposal. The disposal methods include standardized disposal by outsourcing and collaborative processing or comprehensive utilization by compliant units.Simultaneously, the Group provides training and publicity to employees in relevant positions, emphasizing the importance of correct classification, storage, and transfer/disposal to minimize environmental and safety risks to the greatest extent.

The Group's harmless waste mainly includes general solid waste such as waste packaging bags and bone calcium mud cakes, as well as harmless waste such as domestic garbage, kitchen waste and paper. In terms of general solid waste and domestic garbage management, the company has formulated and implemented the "Solid Waste Management Regulations" and the "Emergency Management System", standardizing the management of industrial solid waste that does not have hazardous characteristics, and giving priority to promoting the treatment path of "recycling as much as possible and regenerating as much as possible". General solid waste should be classified and recycled as much as possible. Valuable solid waste, such as paper and plastic materials, should be given priority for recycling. Recycling activities should be recorded through waste clearance logs to enhance traceability and process supervision. Domestic waste is either coordinated by the group or regularly entrusted to sanitation units for removal to ensure compliant disposal and on-site cleanliness.

The Group continuously reduces waste generation by optimizing production processes, improving resource utilization efficiency, and strengthening resource conservation. It explores closed-loop recycling and material substitution in some business units, for example:

- post-treatment and reusing production scraps back into production to improve internal cyclic utilization levels
- at the packaging end, specialized teams test bio-based films and water-soluble inks, promoting the iteration of major packaging materials towards recyclable or biodegradable options, and discussing post-consumer recycling schemes with customers to further reduce the waste burden across the industrial chain.

Lifecycle Management of Hazardous Chemicals and Chemicals

To further strengthen the pre-risk control closely related to waste management, the company has simultaneously enhanced the full life cycle management of hazardous chemicals and chemicals. In accordance with the requirements of regulations such as the "Regulations on the Safety Management of Hazardous Chemicals", and in combination with the management frameworks of ISO 14001 environmental management system and ISO 45001 occupational health and safety management system, the company has established a hazardous chemicals management mechanism covering procurement, production, storage, transportation, use and disposal. Formulate and implement documents such as the "Safety Management System for Hazardous Chemicals", "Emergency Management System", and "Management System for Hazardous Materials", and carry out daily control under the supervision of the environmental health and safety (EHS) department.

Procurement process	adheres to source access and approval control. Procurement must only be from units with legal production or operating permits/licenses, and SDS/MSDS and safety labels must be obtained to ensure hazard communication and compliance traceability.
Storage area	uses dedicated warehouses equipped with fire-fighting facilities, gas leak alarms, and secondary protection measures to reduce the risk of accidental leakage and fire.
Transfer and handover process	operated by qualified/authorized personnel, and activities are recorded and tracked via electronic manifests/waybills to ensure whole-process traceability. The Group conducts weekly inspections by EHS responsible persons/specialists, promptly rectifying any non-compliance and reporting to the plant/base supervisor within 24 hours, forming a closed-loop management of "inspection - rectification - review."

The Group has formulated the *Emergency Plan for Environmental Emergencies*, incorporating scenarios like hazardous waste or chemical spills into key situations. The process includes isolating and controlling the pollution source, using pre-stored neutralization/adsorption materials on-site, liaising with local fire and ecological environment departments, and initiating evacuation and medical response if necessary. This ensures orderly and effective emergency response. Regular testing and drills of emergency plans are conducted with local fire departments to continuously enhance risk response capabilities.

During the Reporting Period the Group's waste emission performance is as follows

Waste Type	Unit	2025 Emissions
Total Non-hazardous Waste Discharged	Tonnes	37,721.96
Total Hazardous Waste Discharged	Tonnes	2,011.60
Total Waste Discharged	Tonnes	39,733.56
Emission Density	Tonnes / Million Revenue	1.87

Ecosystem and Biodiversity Protection

Based on a prevention-oriented management philosophy, the Group incorporates ecosystem and biodiversity protection as an extended topic within environmental management. It emphasizes minimizing potential disturbances to surrounding environmental media and biodiversity through pollution prevention, resource efficiency improvement, and site ecological maintenance, on the basis of legal compliance and controllable risks. This promotes long-term harmonious coexistence with the community environment.

The Group follows national and local environmental protection laws and regulations. Focusing on key environmental elements such as wastewater, exhaust gas, solid waste, noise, and soil and groundwater risk prevention, it continuously implements measures to ensure emissions meet standards, controlled processes, and risk prevention, avoiding pollution impact on surrounding soil, water bodies, and air. This fundamentally reduces potential pressure on local organisms and ecosystems. The Group also links ecological protection requirements with cleaner production concepts, reducing adverse impacts on the ecological environment by improving resource utilization efficiency, reducing energy and water consumption, and strengthening standardized management of chemicals and hazardous waste.

Case Greening and Beautification

Yiqing Bio actively practices the corporate culture concept of green, healthy, and harmonious. During the Reporting Period, it organized employee volunteers to carry out campus greening renewal actions. By clearing old plants in the green belt and replanting 30 Photinia fraseri, it not only significantly enhanced the overall ecological quality and landscape aesthetics of the industrial park but also strengthened the environmental awareness and teamwork spirit of all employees through practical actions, jointly building a green ecological landscape.

Environmental Compliance Management

Governance

The Group strictly complies with national and local environmental protection laws and regulations, focusing on implementing regulatory requirements such as solid waste pollution prevention and control, air pollution prevention and control, pollutant discharge permits, and environmental impact assessments. By establishing and improving the environmental compliance governance structure, it integrates environmental compliance management into daily operations, ensuring that responsibilities are implemented at all levels. Organizationally, the Group has established a three-level environmental management network of "Company - Department/Workshop - Team," and released the annual safety and environmental protection target implementation plan decomposition table, breaking down and implementing compliance responsibilities level by level. Each executing unit is specifically responsible for energy management, energy-saving renovations, emission monitoring, and data statistics, achieving responsibility assigned to positions and tasks assigned to individuals.

The Group has formulated a series of core systems such as the *Environmental Compliance Evaluation Procedure and the Environmental Protection Facility Operation Management System*, promoting the coverage of the environmental management system over production and operation activities and ensuring its continuous and effective operation.

During the Reporting Period

subsidiaries established and operated environmental management systems according to GB/T24001-2016/ISO 14001:2015 standards, passing third-party certifications and completing annual surveillance audits. Among them, GON Yisu established an environmental management system according to the ISO 14001:2015 standard and obtained certification from third-party certification bodies like DNV. It completed its annual surveillance audit in 2025, with the system operating effectively, covering polystyrene product production and related environmental management activities throughout the process.

Strategy

GON TECHNOLOGY establishes environmental compliance as the baseline for green operations and risk prevention and control. The Company recognizes the significance of compliant operations for safeguarding the surrounding ecological environment and public health. It insists on deeply integrating full-cycle compliance management of construction projects, strict compliance with pollutant discharge permits, stable operation of pollution prevention facilities, and environmental risk emergency capacity building into its daily operational system. By constructing a strategic framework centered on "prevention first, full-process control," the Company is committed to promoting the transformation of environmental management from passive compliance to active governance on the basis of strict adherence to national environmental protection laws and regulations, ensuring that business development and ecological protection progress synergistically, building a green barrier for long-term stable operations.

Impact, Risk, and Opportunity Management

In response to sudden environmental emergencies, the Group has formulated the *Emergency Plan for Environmental Emergencies* and completed official filing, building a multi-scenario plan system.

During the Reporting Period

some units organized multiple emergency drills for risks such as leaks. Through drill reviews, they continuously optimize emergency procedures and resource allocation, enhancing their ability to handle environmental emergencies. The Company also integrates requirements for chemical and hazardous waste management with environmental emergency management, strengthening key position training and on-site inspections to ensure a closed loop is formed among risk identification, process control, and emergency response.

Indicators and Targets

During the Reporting Period

the Group did not experience any penalties for violating environmental protection laws and regulations. Its environmental management system and risk prevention measures operated effectively. In the future, the Group will continue to deepen the construction of its environmental management system, continuously improve resource recycling efficiency and pollutant emission control levels, and steadily enhance environmental performance.

Energy Management

The Group regards energy management as a crucial means for improving operational efficiency, controlling costs, and reducing environmental impact. Focusing on key energy-consuming processes, it conducts energy consumption monitoring, target decomposition, and energy-saving improvements. Through systematic management, it enhances energy performance, driving unit output energy consumption to remain stable with a downward trend. The Group formulates annual energy-saving management targets based on actual production and operations, clarifying energy efficiency improvement requirements in the 2025 Safety and Environmental Target Implementation Plan Breakdown Table. Simultaneously, a three-level management network of "company - department/workshop - team" established, and energy conservation responsibilities implemented layer by layer.

The Group has established management documents such as the Energy Management System and strictly implements them accordingly. It integrates energy management with the environmental management system for coordinated operation. Through system requirements, it ensures key aspects such as energy consumption statistics, management of key energy-consuming equipment, application of energy-saving technologies, and promotion of renovation projects. The Group emphasizes that the energy efficiency of major energy-consuming equipment should not be lower than national standards. It establishes an energy-saving work guarantee mechanism, encouraging and supporting the development and application of new energy-saving technologies. It consolidates the energy management foundation through resource statistics management, energy data ledgers, and equipment operation records

During the Reporting Period

the Group and some subsidiaries passed ISO 50001 Energy Management System certification and formulated the "Energy Management Manual." They use a systematic approach to identify energy waste areas, formulate corrective measures, and continuously improve energy performance, thereby achieving energy consumption reduction and improved energy utilization efficiency.

The Group focuses on enhancing energy performance through three paths: "energy-saving renovation, lean management, and renewable energy substitution."

The Group promotes energy-saving projects in combination with the operational characteristics of production plants and utilities, optimizing and improving the operating efficiency of key energy-consuming equipment. For example, by implementing renovation and replacement of burners, fans, and heat storage media in the Regenerative Thermal Oxidizer (RTO), investing RMB 935,000, the annual natural gas consumption was saved by approximately 250,000 standard cubic meters, achieving the dual effect of energy efficiency improvement and operating cost optimization.

The Group promotes energy-saving and consumption-reduction measures in utility facilities and management processes, such as optimizing lighting, equipment operation strategies, and maintenance mechanisms to reduce ineffective energy consumption.

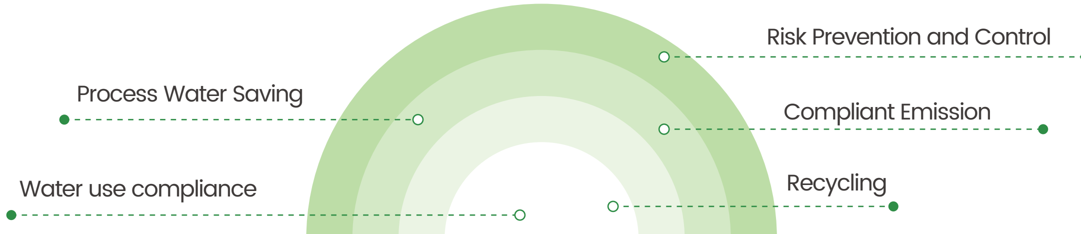
The Group actively explores and applies renewable energy. As of the end of the Reporting Period, the Group's subsidiaries had installed a total of 1968 kW of solar power generation devices, forming clean power supply. Rizhao GON Chemical also applies solar street lights in scenarios like office area road lighting, achieving renewable energy substitution for part of its electricity.

During the Reporting Period the Group's energy performance is as follows

Energy Type	Unit	2025 Consumption
Total Direct Energy Consumption	Tonnes of standard coal	25,783.19
Total Indirect Energy Consumption	Tonnes of standard coal	95,482.82
Total Energy Consumption	Tonnes of standard coal	121,266.01
Total Energy Consumption Density	Tonnes of standard coal / Million Revenue	5.71

Water Resource Management

The Group regards water resource management as a critical link in ensuring stable production operations and reducing environmental impact. It carries out systematic management focusing on "compliance in water intake/use, process water conservation, recycling, discharge compliance, and risk prevention." By establishing water consumption ledgers, setting water consumption targets, promoting reuse and water-saving renovations, it continuously improves water resource utilization efficiency. The Group strictly complies with national and local laws and regulations on water resource management and water intake permits. It handles water intake permits according to law and organizes water intake and use in accordance with the permit and the annual water use plan approved by government water affairs departments, ensuring no exceedance of permits or quotas. It incorporates eliminating running, dripping, and leaking, and eliminating non-compliant discharge of production wastewater as baseline requirements into daily management.



The Group has issued water-saving management systems such as the *Enterprise Water Conservation Management System*. It establishes water consumption ledgers and statistical mechanisms, regularly inspects water facilities, promptly identifies and addresses running, dripping, and leaking issues. It promotes employee water-saving awareness by posting water-saving slogans and conducting publicity and education. The Group also links water-saving requirements with performance management. GON Dongming established a water-saving leading group, sets annual water consumption per ton targets, and conducts performance evaluations quarterly, complemented by energy resource management methods and performance appraisal systems, promoting the transformation of water-saving targets from "proposed" to "assessable and improvable" process management.

The Group adheres to the strategy of taking multiple measures simultaneously: "process water saving + equipment water saving + circulation system optimization + unconventional water utilization." It focuses on reducing fresh water intake from aspects such as production cooling, cleaning, pure water preparation, landscaping, and logistics water use.

At the process end	the Group has enhanced the level of water reuse by optimizing the production process, reducing water-using links, and rationally utilizing circulating water.
On the equipment side	water-saving appliances should be selected and water-saving renovations should be carried out. Equipment maintenance and management should be strengthened to avoid water waste caused by malfunctions.

During the Reporting Period

efficiency improvement renovations were widely carried out on circulating cooling water systems, increasing the cooling water circulation cycle from 7.5 times to over 9 times. By adjusting the temperature difference between inlet and outlet of circulating cooling water and optimizing flow control, the demand for fresh water replenishment was reduced.

the Group's water usage is as follows

Indicator	Unit	2025
Total Water Consumption	Cubic meters (m^3)	3,362,740.50
Water Consumption Density	Cubic meters (m^3) / Million Revenue	158.24

Circular Economy

Governance

The Group strictly complies with laws and regulations such as the *Circular Economy Promotion Law of the People's Republic of China,* ensuring the legality and compliance of the resource recycling process. Relying on its ESG governance structure and environmental management system, and having formulated internal management systems such as the *Circular Economy Management Measures*, the Group stipulates clear requirements for waste classification, recycling, and compliant disposal, laying the foundation for resource utilization. Simultaneously, taking into account production characteristics, it establishes operational specifications and management boundaries for recovery and reuse, ensuring that internal reuse is implemented under controllable quality and safety conditions.

Strategy

The Group integrates the concept of circular economy into the entire process of material R&D, manufacturing, and resource management. Focusing on the path of "reduction, reuse, and recycling," it promotes resource efficiency improvement and waste reduction. This not only reduces raw material consumption and disposal costs but also lessens the environmental burden through the application of recycled materials and internal recycling, enhancing the green competitiveness of products and the supply chain.

Impact, Risk, and Opportunity Management

The Group promotes "internal circulation + supply chain collaboration" in parallel during processes like injection molding:

water mouth material and defective products generated during injection molding, as well as three-guarantee parts generated at customer sites, are centrally collected and sorted by the crushing room, classified and crushed. After review and verification within the percentage allowed by customers, they are mixed back for use, achieving closed-loop consumption of production scraps.

During product supply and manufacturing transfer processes, the Group promotes the use of reusable plastic dustproof bags, PP turnover boxes, turnover carts, and other turnover equipment, which are centrally collected and managed by the production department, reducing the use of disposable packaging and logistics consumables.

The Group continues to promote the market application of lightweight materials to reduce end-product energy consumption and increases the development and application of recycled plastics, focusing on exploring the use of recycled plastics from electronics and ocean-bound plastics to replace partially virgin materials with recycled materials, driving resource circulation in the industrial chain. Around the circular economy practices of EPS materials, the Group continuously focuses deeply on the EPS recycling economy, maintaining cooperation with downstream home appliance manufacturers and upstream recycling and processing enterprises to promote closed-loop recycling in the industrial chain. Simultaneously, it strengthens the internal circulation system, establishing an efficient recovery and reuse mechanism for EPS rejects and dust, effectively reducing raw material consumption and waste output. Building on this foundation, it continuously improves classification management and compliant disposal requirements, ensuring the controllability and traceability of the recycling process.

Case Productization and Large-Scale Application of PCR Recycled Materials

During the Reporting Period, around downstream customers' demands for green materials, recycling, and supply chain carbon reduction, the Group positioned PCR (Post-Consumer Recycled) plastics as a key direction for new material innovation and product structure upgrading. It promoted the shift of PCR materials from "technology reserve" to "productization and large-scale application," forming a PCR material product matrix covering systems such as HIPS, ABS, PC/ABS, and PP. It established ongoing cooperative relationships with multiple customers in application scenarios like home appliances, display and electronic product housings, achieving stable supply.

To improve the batch stability and end-use consistency of recycled materials, the Group implements process management of "rough sorting - automatic sorting - cleaning - modification granulation - inspection and release" during the production of PCR materials. Recycled raw materials undergo material and color sorting, cleaning to remove surface stains and coating interference. Performance testing and sample retention management are conducted batch by batch. Modification and color matching granulation are carried out based on customer requirements for performance and color, ensuring key indicators meet delivery specifications. Simultaneously, the Group strengthens the environmental management of the production process. Wastewater generated during production is treated and recycled, and exhaust gas is treated by facilities to meet emission standards, promoting an integrated closed loop of "material circulation - quality control - process compliance." This project not only expands the application boundaries of the Group's recycled materials but also lays the foundation for forming replicable product development and large-scale delivery capabilities in the fields of green supply chain and low-carbon material solutions.

Indicators and Targets

During the Reporting Period

The Group made progress in resource efficient utilization and waste recycling management

Indicator Name	Unit	2025 Data
Total Non-hazardous Waste Discharged	Tonnes	37,721.96
General Solid Waste Recovery and Reuse Rate	-	Give priority to promoting "recycling as much as possible and regenerating as much as possible".
Packaging material consumption	Tonnes	4,605.70
Installed capacity of solar energy equipment	kW	1,968

The Group plans to continuously improve the resource recovery and reuse rate of raw materials and packaging materials. To this end, it will further increase the development and application of recycled plastics to replace partially virgin materials, driving resource circulation in the industrial chain.

During the Reporting Period

The Group did not experience any major environmental incidents due to resource waste or improper waste disposal. Various circular economy management initiatives progressed as planned.

03

Shared Responsibility

Customers, Supply Chain and Employees

Product Safety and Quality

Governance

Product and service safety and quality are the core foundations for GON TECHNOLOGY to achieve long-term stable operations and customer trust. The Group strictly follows relevant national laws and regulations, industry standards, and customer specifications. Taking into account the regulatory differences and application scenarios of different business segments, it constructs a comprehensive quality management system.

The Group uses quality management system documents as the core framework, covering key aspects such as design and development, procurement, production provision, quality control, product release, traceability, non-conforming product control, and after-sales service. The Group implements control over the entire product process through documents like the *Product Quality Manual, Identification and Traceability Control Procedure, and After-sales Service Manual*. It is complemented by actionable procedure documents and SOP supporting documents at each base/subsidiary, ensuring that quality control and strict traceability from suppliers to customers are guided by rules, executable, and verifiable. The Group emphasizes cross-departmental collaboration and quality independence: Quality-related work is typically vertically managed by the Quality Department, independent of the production department and reporting to or supervised by top management, ensuring the authority and impartiality of quality judgments. The production department bears responsibility for process control and self/peer inspections. The R&D department is responsible for standard design and new product introduction verification. The procurement and supply chain team is responsible for supplier access and performance management. The customer service/sales team is responsible for collecting customer feedback and liaising with quality improvement, forming a closed-loop management chain covering "R&D - Supply - Manufacturing -

As of the end of the Reporting Period

the Group had obtained certifications for quality management systems such as ISO 9001 and IATF 16949.

Strategy

GON TECHNOLOGY has always regarded "customer-oriented, value-driven, and mutual growth through harmony" as its core values and deeply integrated them into its product and service strategies. Under the trend of industrial automation, digitalization and intelligence transformation, the company is committed to providing outstanding material solutions in new fields such as chemical new materials and big health by strengthening R&D innovation and quality control. It aims to enhance its global competitiveness and brand reputation with high-standard quality assurance.

Impact, Risk, and Opportunity Management

Chemical New Materials Business

In the chemical new materials segment, the Group establishes a full-process quality control system from raw materials to finished products around products such as organic polymer modified materials, organic polymer composite materials, and green petrochemical new materials. It focuses on quality standards, material properties, process stability, product consistency, and environmental compliance. The Group formulates quality control requirements based on laws and regulations, industry specifications, customer requirements, and internal standards, and accordingly implements control at key points such as supplier audits, raw material incoming inspection, production process control, and finished product inspection.

Case GON Yisu

GON Yisu, focusing on product quality stability and process control, continuously improves its comprehensive quality management mechanism covering R&D design, production operation, inspection release, and abnormal handling. The Company formulates clear quality management policies, clearly defines the quality responsibilities of each department, regularly conducts internal audits and management reviews, and establishes emergency plans based on production realities, carrying out hazard identification and risk assessment, continuously consolidating the quality management foundation.

During the R&D and design phase, GON Yisu conducts systematic evaluations on matters such as the introduction of new raw/auxiliary materials and the application of new process conditions according to the *New Product Introduction Control Procedure*, comprehensively considering the needs for product quality improvement and cost optimization. During the production operation phase, the Company identifies and strictly controls key control procedures affecting product quality, formulates post operation procedures, clarifies abnormal handling steps, improves process monitoring and data recording, ensuring stable production processes, traceable process parameters, and controllable product output quality. Simultaneously, according to the *Product Inspection Control Procedure*, the Company sets inspection points at key stages such as raw/auxiliary material incoming, blending and feeding, production process, and finished product warehousing. It implements full-process verification of product conformity and achieves trend early warning through quality data monitoring.

Regarding abnormal inspections or lab test non-conformities, GON Yisu has established an abnormal feedback and closed-loop disposal mechanism. It promptly reports abnormalities according to the *Non-conforming Output Control Procedure* and conducts problem tracing according to the *Identification and Traceability Control Procedure*. It forms a classified disposal process including concession release, rejection, return, and exchange, promoting the closed-loop implementation of problem identification, feedback, correction, and improvement, continuously enhancing product quality management.

Facing customer-side access and ongoing cooperation, the Company actively engages with and passes customer audits, supported by its system capabilities and delivery process control. During the Reporting Period, the Company successfully completed 7 second-party customer on-site audits, continuously meeting customer access and cooperation requirements. Some products and bases also obtained specialized certifications or compliance certificates in conjunction with customer and export requirements, including specialized certifications like CQC, UL94, REACH, RoHS, and PCR, further enhancing product adaptability and market competitiveness.

Impact, Risk, and Opportunity Management

Big Health Business

In the big health sector, the Group fully recognizes the significant impact of products like gelatin, collagen, and empty capsules on the safety, stability, and efficacy of downstream pharmaceuticals and health products. It strictly follows national regulatory requirements and industry standards to establish a comprehensive quality management system covering supplier selection, raw material procurement, production manufacturing, product inspection, release, and after-sales service. Subsidiaries establish a Quality Management department to supervise quality control, ensuring continuous compliance with regulatory requirements and customer needs. Combining the full process for gelatin/collagen products, the Group establishes a product quality and safety management manual running through R&D, procurement, production, inspection, release, traceability, and non-conforming disposal. It focuses on full-process quality management in R&D, deepening intellectual property risk control. On the R&D side, mechanisms such as R&D quality risk assessment, intellectual property risk assessment, management of Critical Quality Attributes/Critical Process Parameters, consistency control from lab-scale to pilot-scale to process transfer, change control, and knowledge management are introduced to ensure that R&D output and scale-up process are controllable, verifiable, and traceable. Simultaneously, through cross-departmental quality review mechanisms, the Group strengthens collaboration among R&D, production, inspection, and quality assurance, enhancing regulatory compliance and delivery stability.

The Group's subsidiary, Dongbao Bio, has passed certifications such as FSSC22000 Food Safety System, ISO9001 Quality Management System, and the U.S. NSF-GMP certification. Its central testing laboratory has passed CNAS accreditation. Some products have obtained the European Pharmacopoeia suitability dual certificates (Double TSE+CHEM) and related certificates issued by the European Directorate for the Quality of Medicines & HealthCare (EDQM), and have obtained export registration qualifications for hygiene to the EU, providing compliance support for products entering high-standard markets.

The Group establishes a quality testing and release mechanism covering Incoming Quality Control (IQC), In-Process Quality Control (IPQC), and Outgoing Quality Control (OQC). Inspection points are set at various stages such as raw/auxiliary material incoming, blending and feeding, production process, finished product warehousing, and shipping. Sampling plans, testing methods, and judgment criteria are implemented. Abnormalities trigger rapid feedback and tiered handling. The Group's quality department organizes testing implementation according to systems such as the *Product Inspection Control Procedure and Quality Control Procedure*. Test results form reports and are archived. Some units retain test data and process records through systems like LIMS, ensuring data traceability and auditability. For non-conforming products detected during inspection or process abnormalities, the Group carries out isolation, review, rejection/return/exchange, root cause analysis, and Corrective and Preventive Actions (CAPA) according to the Non-conforming Product Control Procedure, *Non-conforming Output Control Procedure, and Identification and Traceability Control Procedure*, continuously improving process stability and issue closure efficiency.

The Group has established an institutionalized customer complaint management system including the Withdrawal/Recall Control Procedure and After-sales Service Manual. It establishes mechanisms for collecting customer feedback information and after-sales tracking, integrating customer complaint handling, returns/exchanges, and after-sales management into the quality closed loop, achieving problem identification, responsibility determination, disposal execution, and improvement review. The Group organizes simulated recall drills according to procedural requirements, and the quality department follows up on the disposal of recalled products and the implementation of corrective and preventive measures, ensuring that even in extreme situations, scope containment, recall execution, and compliant disposal are fully controlled throughout the process. For external non-conforming products such as customer returns and three-guarantee parts, the Group establishes a return ledger and isolation management mechanism. Returned products are analyzed by quality engineers to confirm the disposal method. Disposal, whether rework, downgrade utilization, or scrapping, is carried out according to the review process and system requirements, ensuring quality risks are not transferred and the disposal process is traceable.

Indicators and Targets

The Group takes "continuously improving customer satisfaction" as a medium-to-long-term core goal, striving to further reduce product failure rates through digital transformation,maintaining "zero major quality accidents.

During the Reporting Period

The Group did not experience any major safety or quality liability accidents related to products and services. There were no instances requiring product recalls due to product safety and health issues, and it did not receive any administrative penalties related to product safety and quality.

Customer Service

Customer service is a crucial lever for GON TECHNOLOGY to maintain long-term customer relationships, enhance delivery certainty, and continuously improve products and processes. On the basis of strictly following relevant laws, regulations, and contractual agreements, the Group establishes a full lifecycle customer service system covering pre-sales, in-sales, and after-sales. Through system documents, it clarifies processes and responsibility divisions. Relying on multi-channel feedback mechanisms and standardized problem-closing tools, it transforms customer feedback into specific actions for continuous product and service optimization, enhancing customer satisfaction and loyalty.

The Group formulates and strictly implements system documents such as the *Sales Delivery Person-Order Correspondence Responsibility Process Service System*. Many subsidiaries have established management documents like the *Customer Service Management System, Customer Complaint and After-sales Service Management Regulations, Customer Complaint Handling Procedure, Customer Satisfaction and Service Control Procedure, Customer Satisfaction Evaluation and Improvement Management System, and Customer Satisfaction Management Control Procedure*, forming customer-centric service standards and key performance requirements. Organizationally, the Group generally implements a service structure of "front-desk handling - mid-to-back office collaboration - closed-loop delivery":The pre-sales technical support department is responsible for technical consultation, solution design, sample provision, and joint development, translating customer needs into executable technical solutions.The order and delivery management department is responsible for order processing, production follow-up, logistics coordination, and delivery acceptance, ensuring accurate and timely product delivery.The after-sales technical service department is responsible for commissioning, complaint handling, and customer relationship maintenance, ensuring quick problem location and effective measures implementation. Some business units further clarify the Customer Service Department as the core hub, with multiple departments such as sales, technology, and delivery collaborating closely. Process management is conducted through indicators such as service etiquette, response timeliness, and problem resolution rate, and service quality is continuously improved through a closed-loop mechanism of "training - assessment - analysis - optimization."

Pre-sales-In-sales-After-sales Full Process Management: Enhancing Delivery Certainty with "Technology + Quality + Process"

The Group proactively positions customer service at the development and access stage, emphasizing starting with demand diagnosis and technical solutions to improve the one-time delivery success rate. Taking the new materials business as an example, in the early stage of product development, R&D engineers confirm requirements through technical communication with customers and on-site implementation, providing solutions around customer technical pain points. They continuously verify and finalize versions with customer R&D personnel during the development process, ultimately forming clear delivery benchmarks and quality standards. On the business side, during the customer development stage, samples are provided for trial and feedback is tracked through processes like the "Sample Application Form" to facilitate transactions. For new customer access, based on the review and due diligence requirements of documents like the "New Customer Application Form" and "Customer Information Survey Form," domestic large home appliance customers typically need to pass processes such as factory audit, material trial, and batch trial before obtaining supplier qualifications, ensuring that supply capacity and service capability match customer access standards.

During the in-sales stage, the Group ensures stable product indicators and controllable delivery quality through institutionalized delivery and process control. According to documents such as the "Raw Material and Product In/Out Factory Management System," "Product Protection and Delivery Related Procedures," and "Service Activity Control Procedure," the Group standardizes aspects such as factory inspection, packaging, transportation, and arrival acceptance. During production, it strictly implements key process parameter control and recording according to process operating procedures, forming visual control and early warning over the delivery process. For the medical aesthetics and health business, the company, in combination with the monthly shipping plan of the Marketing Department, conducts preliminary preparations based on inventory and customer internal control standards. It also conducts market visits to understand the actual production situation and usage demands of customers, promotes customized blending of gelatin, and realizes end-to-end services from "performance recognition" to "application guidance". At the same time, we provide customers with pre-sale communication, in-sale target stability control and after-sale technical guidance to enhance the stability of material usage and production yield for customers.

In the after-sales stage, the Group emphasizes "rapid response + on-site support + closed-loop improvement." The Group has institutionalized rapid response time requirements for customer feedback and on-site handling. Customer feedback is received through multiple channels such as phone, email, WeChat, and customer self-built SRM systems. After-sales personnel follow up on-site and simultaneously communicate problem points to the plant organization for control and rectification. Remote debugging, customer on-site guidance, and specialized technical support are provided when necessary. For internal disposal, the Group routinely forms cross-departmental "8D teams" (Quality, Technology, Production, Supply Chain, Service), using methods like 5W2H, 5Why, fishbone diagrams, and FTA to conduct root cause analysis. Temporary containment measures and permanent corrective measures are formulated and verified, promoting measure standardization and revising relevant system documents (such as process documents, inspection standards, service specifications), capturing complaint experience into a quality knowledge base and case library to prevent recurrence of similar problems.

Satisfaction Evaluation and Continuous Improvement: Driving Service Upgrades with Data

The Group establishes a customer satisfaction measurement and improvement mechanism, creating systems such as the Customer Satisfaction Management Control Procedure. It conducts annual or regular evaluations through methods like questionnaires, telephone follow-ups, market visits, and key customer surveys. Evaluation dimensions typically cover product quality, delivery capability, technical support, communication efficiency, logistics service, abnormal handling cooperation, etc. Results are compiled into analysis reports, handed over to responsible departments for formulating corrective measures and tracking closure.

During the Reporting Period, the Group's customer complaint handling rate remained at 100%, and the customer satisfaction level reached 94.74%. The Group combines satisfaction results with service capacity building. For relatively weak items in the questionnaire (such as "problem resolution satisfaction"), it drives experience upgrades by adding customer service positions, optimizing processes, and strengthening collaboration.

Case Customer Needs Driving Service Optimization

The Group insists on transforming customer complaints and satisfaction feedback into verifiable improvement actions. During the Reporting Period, the Group received a complaint from an overseas customer regarding the "reverse side" issue of glossy diffusion plates. The root cause was that the product has two specifications: "glossy side up/glossy side down," with low appearance recognizability, making confusion easy during production and transfer, leading to abnormalities. In response to this issue, the Group implemented specific improvements. By adding dedicated sample identification cards for different specifications and implementing identification card verification and process control during material transfer in each process step. After the improvement measures were implemented, a total of 138 batches were shipped to the customer over 5 consecutive months. Customer acceptance and after-sales tracking confirmed no recurrence of similar issues. The customer recognized the response speed, root cause analysis, and improvement effectiveness.

Innovation-Driven Development

Governance

The Group has constructed an R&D organizational system centered around the Technology Center, forming a collaborative mechanism of "Decision-making Layer - Management Layer - Execution Layer - Support Layer."

The Decision-making Layer, through mechanisms like the Technical Committee, reviews and evaluates R&D directions and major projects.

The Management Layer, led by technical heads, coordinates R&D in new materials and processes.

The Execution Layer, undertaken by the Technology Center, Research Institute, or Development Department, undertakes project research, forming specialized R&D teams based on material systems or application directions.

The Support Layer, comprising departments like Procurement, Production, and Quality, collaboratively promotes the engineering transformation and mass production introduction of achievements.

Simultaneously, the Group establishes a systematic R&D and innovation management system, forming a full-process management framework: It standardizes the project initiation, execution, and acceptance processes through the "R&D Project Management System." It implements project-based accounting and budget approval through the "R&D Expense Management Measures." It clarifies the patent application, maintenance, and utilization process and establishes an early warning mechanism through the "Intellectual Property Management System." It sets specialized rewards for major technological breakthroughs through the "Science and Technology Innovation Incentive System" to stimulate innovation enthusiasm.

Strategy

GON TECHNOLOGY positions technological innovation as the "core engine and primary driving force" of its overall development strategy. Relying on its vertically integrated industrial platform, it has built a "One Body, Two Wings" industrial ecosystem in the dual tracks of chemical new materials and big health bisiness. The Group adheres to the principle of combining market demand-driven with core technology breakthroughs. It continuously advances the material system upgrade around the high-end, green, and intelligent directions of the chemical new materials segment. Simultaneously, in the big health bisiness field, it focuses on pharmaceutical excipients, nutritional health, new materials, and other fields and application expansions, accelerating the transformation of technological achievements and product iteration, comprehensively enhancing the long-term supply capacity for the downstream high-end manufacturing and big health bisiness industrial chains.

Impact, Risk, and Opportunity Management

Core Achievements

In the new materials direction, targeting application needs in new energy vehicles (lightweight, high-temperature resistance), electronics and electricals (high thermal conductivity, insulation), drones, robotics, etc., the Group focuses on strategically positioning long-chain nylon, SPS materials, PEEK materials, high-performance polymer alloys, and other material systems, promoting material properties and reliability towards higher levels.

In the high-end composite materials and advanced process direction, the Group focuses on carbon fiber-reinforced composites and advanced molding processes like HP-RTM, serving lightweight components such as new energy vehicle battery packs.

In the aviation-grade transparent materials direction, the Group advances technological breakthroughs and import substitution for key materials like CPMMA.

In the "material-intelligence integration" direction, the Group explores the integrated application of new materials with AI and embodied intelligent robot industries, entering emerging sectors with material solutions for key components like lightweight frames, forming new growth curves.

The Group simultaneously advances global presence and industrial collaboration, planning to expand global market coverage and enhance international cooperation and delivery capabilities through regional headquarters and overseas capacity construction.

The Group actively advances the construction of a digital intelligent logistics system, independently deploying an automatic loading/unloading system and intelligent inspection robots at the Ruihua plant area. This system achieves paperless documentation through electronic processes and is highly integrated with the ERP system. It not only significantly improves loading/unloading efficiency and vehicle throughput but also effectively reduces manual operation errors and safety hazards, laying a digital foundation for the Group to build a tight and efficient safety management system.

Intellectual Property

The Group regards intellectual property as a key lever for commercializing innovation outcomes and building competitive barriers. It establishes dedicated intellectual property management systems and working mechanisms. Through measures such as patent database searches, patent warnings, and competitor technology comparisons, it identifies potential infringement risks and reduces compliance risks in external cooperation and supply chain processes. Up to now, the Group has 10 high-tech enterprises including GON TECHNOLOGY and Dongbao Bio, and has obtained a total of 521 patents and 20 software Copyrights.

During the Reporting Period

Group has 10 high-tech enterprises including GON and Dongbao Bio, and has obtained a total of 521 patents and 20 software Copyrights.

The Group did not experience any penalties for violating intellectual property laws and regulations.

Indicator Name	Unit	2025 Data
R&D Investment Amount	RMB '0000	69,449.01
R&D Investment as % of Operating Revenue	%	3.27
Number of R&D Personnel	Persons	761
R&D Personnel as % of Total Employees	%	13.76%
Number of High-tech Enterprises	Entities	10
Total Accumulated Patents	Items	521
Total Accumulated Software Copyrights	Items	20

Collaborative Innovation and Industry Contribution

The Group adheres to open innovation, deeply constructing a collaborative innovation path of "government-industry-university-research-application" through the trinity model of "industry ecological co-building, core technology breakthroughs, and professional talent co-cultivation."

At the industry ecological level, the Group actively participates in industry governance and standard system construction, contributing back to the industry to enhance technical capabilities and brand influence. GON TECHNOLOGY has participated in the formulation of 16 national standards, 19 group standards and 4 industry standards.

During the Reporting Period

Dongbao Bio participated in the formulation of 1 national standard, 3 industry standards and 1 group standard. It cooperated with institutions such as the Technical Institute of Physics and Chemistry of the Chinese Academy of Sciences, Jiangnan University, Changzhou University, China Meat Research Center, and Inner Mongolia Agricultural University, focusing on fields like biomedicine, healthy light meals, and new material applications, deeply engaging in R&D on collagen, capsules, and their extended products.

Simultaneously, the Group actively integrates into core industry circles, promoting ecosystem building and experience sharing by participating in professional forums and industry conferences. During the Reporting Period, it attended the Annual Meeting of the Bio-based Functional Macromolecules Materials and Technology Committee of the Chinese Society for Imaging Science and Technology and the Medical-Industrial Integration Transformation Summit Forum, conducting in-depth research and discussion on topics related to biological macromolecules, strengthening technical exchanges and cooperation. It participated in standard discussion meetings for the "Requirements for Safety Guarantee Responsibility Management of Major Hazard Installations in Hazardous Chemical Enterprises," promoting the formation of industry consensus on safety and compliance management.

At the technology breakthrough level, the Group deepens university-industry joint R&D, opening up the achievement transformation chain. It carries out cooperation projects with Jilin University on PEEK resin process technology development and PAEK/PEK alloy material preparation technology development. It jointly applied for key technology breakthrough projects with Qingdao University of Technology and Utsunomiya University (Japan), focusing on collaborative R&D of high-performance composite material component processing technology for new energy vehicles, forming a collaborative innovation path of "government-industry-university-research-application." Additionally, GON TECHNOLOGY signed a development agreement with City University of Hong Kong on photovoltaic production increase and lithium extraction from seawater, focusing on the frontier field of green energy, opening up the entire chain of "technology R&D - pilot verification - industrialization." Rizhao GON Chemical also engaged in in-depth dialogue with Beijing University of Chemical Technology on green chemical technology and high-end talent cultivation, building a technological moat for the new materials industry.

At the talent supply level, the Group innovates the industry-education integration model, consolidating the foundation of the reserve of skilled talent. Yiqing Bio and Qingdao Health School deeply advanced industry-education integration, jointly carrying out a "modern apprenticeship" pilot class training program. Corporate mentors and school mentors jointly formulated a scientific talent training plan and implemented centralized theoretical learning and post practical training for ten days. This school-enterprise collaborative education model not only helps the company enhance the matching degree between talent supply and job demands, strengthen the reserve of skilled talents at the grassroots level, but also promotes the further improvement of students' professional qualities and practical abilities, and drives the closer connection between the education chain, talent chain and industrial chain, innovation chain, providing support for the company's sustainable development and students' career growth.

Indicators and Targets

The Group will continue to adhere to innovation-driven development, continuously advancing related work around key material R&D, frontier industry integration, and global collaborative innovation. It will dynamically optimize R&D investment arrangements and talent team building measures taking into account actual operations, continuously enhancing its independent innovation capability and core competitiveness.

Technology Ethics

Technology ethics is a crucial topic that the Group must simultaneously pay attention to when advancing digital transformation, automation upgrades, and artificial intelligence applications. The core lies in ensuring that technology applications comply with national laws and regulations and social public order and good morals, avoiding compliance and reputational risks caused by issues such as algorithm bias, data misuse, privacy leaks, intellectual property infringement, or excessive reliance, and safeguarding the legitimate rights and interests of employees, customers, and other stakeholders.

The Group's current intelligent and digital applications primarily focus on production automation, warehousing and logistics automation, and office efficiency tools, temporarily not involving technology ethics-related content. As the Group's applications in scenarios such as intelligent manufacturing, digital supply chain, and AI-assisted R&D gradually expand, it will further refine technology ethics management requirements, improve internal guidelines and training dissemination, and continuously enhance the compliance, transparency, and controllability of technology applications, ensuring that technological progress and responsible governance advance simultaneously.

Supply Chain Security

Governance

The Group strictly follows national laws and regulations on procurement management, contract management, anti-commercial bribery, and compliant operations. Taking into account the requirements of management systems such as quality, environment, occupational health and safety, and information security, it establishes and implements supplier management systems and process documents. With the "Supplier Management Control Procedure," "Supplier Management System," "Supplier Questionnaire Survey Management System," and "Supplier On-site Audit Management System" as the core institutional foundation, complemented by documents such as the "Procurement Control Procedure," "Raw Material Procurement Management System," "Raw Material and Product In/Out Factory Management System," and "Supplier Audit Management System" (e.g., QES/GON/GL-58), it stipulates clear requirements for aspects such as supplier development timing, qualification review, access audit, process audit, performance evaluation, rectification tracking, and exit removal.

To ensure the systematic implementation of supply chain security management, the Board of Directors and its Strategy Committee are responsible for top-level design and strategic supervision. The ESG Leadership Group, led by the General Manager, is responsible for formulating supply chain security strategic objectives. The Procurement and Supply Chain Management departments, as the execution layer, vertically manage supplier access, performance evaluation, and risk monitoring, exercising independent quality judgment and regularly reporting to management. This forms a clear chain of authority and responsibility with implementation at each level. For major suppliers related to production, safety, environmental protection, fire protection, and other company operations, the Group implements full-process supervision. Commercial contracts must be reviewed by the Group's Legal Department before signing to ensure that key terms such as quality standards, delivery milestones, acceptance procedures, liability for breach, compensation mechanisms, and force majeure clauses are clearly executable, reducing the risk of performance disputes and supply interruption.

Strategy

GON TECHNOLOGY regards supply chain security as the lifeline for ensuring production continuity, product quality stability, and customer delivery certainty. Against the backdrop of increasing global supply chain volatility, the Group is committed to building an independent, controllable, safe, efficient, and resilient supply chain system, viewing it as a source of core competitiveness and a practice of long-termism. By deepening its vertically integrated industrial strategic positioning, the Group continuously strengthens its control over key raw materials and core technologies, securing the foundation of quality and delivery.

Impact, Risk, and Opportunity Management

Full Lifecycle Management

The Group adheres to the management principles of "strict access, dynamic evaluation, continuous improvement, and elimination of the laggards" for suppliers.

Before supplier admission, the Group verifies their business/industry qualifications, production capacity, facilities and equipment, quality system, delivery history, and industry reputation. On-site audits are organized if necessary, and suppliers are required to provide samples that pass testing before being included in the supplier system. New or changed suppliers must undergo questionnaire surveys and compliance reviews according to the system. Qualified suppliers also undergo periodic questionnaire reviews and annual evaluations.

During the cooperation execution phase, the Group embeds key requirements into the contract and agreement system: After finalizing a supplier, it signs documents such as the "Quality Assurance Agreement" and "Product Environmental Protection Agreement" with them, specifying requirements for raw/auxiliary material quality, delivery, and compliance. Suppliers are required to provide materials such as environmental declarations, notices of environmental and occupational health and safety requirements for related parties, and commit that materials comply with applicable regulations (e.g., REACH) restriction requirements. Simultaneously, through mechanisms such as incoming inspection, delivery process tracking, abnormal feedback, and joint improvement, the Group monitors supplier performance in real-time on key indicators such as on-time delivery rate, quality pass rate, and cost fluctuation, ensuring supply-demand collaboration and process control. For gaps identified during computer surveys or on-site inspections of suppliers, the Group requires them to formulate and confirm improvement plans, specifying rectification deadlines, responsible persons, and verification standards, and continuously follows up until closure, ensuring the closed-loop management of problem "identification - rectification - verification - archiving" is implemented.

Risk Management and Business Continuity

In terms of business ethics and compliance, the Group regards supply chain ethical risks as a crucial component of supply chain security, reinforcing compliance boundaries through both system and commitment constraints. The Group requires suppliers to sign the "Supplier Integrity Agreement" and promotes managers to sign the "Manager Integrity Self-Discipline Commitment Letter." Simultaneously, it implements system requirements such as the "Anti-commercial Bribery and Anti-corruption Manage-

In terms of supply chain ESG risk management, the Group incorporates ESG factors such as environmental performance, labor standards, product safety, and business ethics into supplier evaluation and ongoing management, promoting green and responsible procurement practices. During the supplier access stage, the Group verifies qualification compliance and gives priority to suppliers with a foundation in management systems such as ISO 9001, ISO 14001, ISO 45001, and ISO 50001. At the contract stage, it embeds ESG and compliance clauses, clarifying responsibilities for labor rights protection, environmental compliance, and product safety. It moderately links ESG performance with annual supplier ratings, order allocation, payment terms, and other management decisions. Regarding the animal-derived raw material supply involved in the big health business business, it strictly follows national regulatory provisions and industry standards, establishing a comprehensive quality management system covering the entire chain of supplier selection, raw material procurement, product conformity testing, production manufacturing, inspection release, and after-sales service. During the supplier access stage, strict controls are implemented, sequentially conducting questionnaire surveys, sample testing, on-site evaluation, and other review processes. Procurement commences only after all standards are met, and separate batch testing is conducted. Only after test results are qualified can suppliers be included in the "Qualified Supplier List." During the cooperation period, departments such as procurement, quality management, production, and process jointly conduct supplier quality evaluations, implementing process quality control throughout to ensure stable and controllable raw material quality.

The Group establishes a closed-loop mechanism of "prevention beforehand, monitoring during the event, and disposal afterwards" around performance risk, concentration risk, and logistics interruption risk. The Group promotes a supplier diversification strategy for core materials. For key materials, in principle, it ensures supply from two or more suppliers, and strives to achieve geographically differentiated procurement to reduce single-source and regional risks.

In terms of inventory strategy

it sets reasonable inventory levels for core raw materials and key frequently used materials, establishing a safety level or safety stock mechanism, and setting up a material early warning mechanism. When inventory falls below the warning line, procurement from backup suppliers is immediately initiated.

In terms of logistics

The Group adopts multiple transportation modes such as land, sea, and rail, signing cooperation agreements with several logistics companies to ensure stable transportation through multiple channels. In case of logistics abnormalities, it can quickly switch to alternative transportation modes or activate backup supplier supply.

Supply Chain Mergers and Acquisitions

The Group strengthens its autonomous control over key raw materials and core technologies through industrial mergers and acquisitions, investments, and project strategic positioning, reducing the impact of supply chain fluctuations on operations. The Group continuously builds its new "One Body, Two Wings" vertically integrated industrial platform.

In the new materials field

Forming a full-chain strategic positioning of "monomer - synthetic resin - organic polymer modified/composite materials - products"

In the big health bisiness field

Forming an industrial chain system covering raw materials (gelatin, collagen) - dosage form carriers (empty capsules) - end products.

In recent years, the Group has strengthened upstream and downstream collaboration in the big health bisiness field by acquiring Dongbao Bio; invested in building million-ton polystyrene projects and expandable polystyrene projects, acquiring and restructuring related petrochemical and chemical projects to improve key raw material sources for styrene, etc.

During the Reporting Period

Group acquired Huaian Xinsheng New Material Technology Co., Ltd., strategically positioning new catalyst and terminal olefin compound projects, enhancing the guarantee capability and technological autonomy for key catalysts and raw materials.

Indicators and Targets

During the Reporting Period

Group continuously optimized its supplier structure. Key management data is as follows

Indicator Name	Unit	2025 Data
Total Number of Active Suppliers	Entities	2,269
By Region: Mainland China	Entities	2,186
By Region: Overseas	Entities	83
Number of Suppliers Certified to ISO 14001	Entities	>300
Number of Suppliers Participating in Training	Entities	140
Total Hours of Supplier Training	Hours	>90

The Group will continue to focus on the supplier structure in the future, striving to further increase the number of suppliers certified to environmental management systems, while actively conducting supplier training. By growing together with the supply chain, the Group aims to enhance the sustainability and resilience of its supply chain.During the Reporting Period, the Group did not experience any major business disruptions due to supply chain interruptions, nor did it experience any major negative social impact incidents due to improper supplier management.

Equal Treatment of Small and Medium-sized Enterprises (SMEs)

Equal treatment of SMEs is an integral part of the Group's efforts to build a healthy industrial ecosystem, enhance supply chain resilience, and improve compliance governance. GON TECHNOLOGY recognizes that SMEs play an irreplaceable role in raw material supply, supporting processing, logistics warehousing, distribution services, and regional market expansion. Fair, transparent, and predictable cooperation mechanisms not only help ensure the continuity of the Company's procurement and delivery but can also drive collaborative growth upstream and downstream through resource sharing and capability empowerment, forming a mutually dependent and win-win development pattern among large, medium, and small enterprises. The Group strictly follows relevant laws, regulations, and business ethics, advocating fair competition and honest cooperation, ensuring that SMEs enjoy equal rights in cooperation access, business negotiations, contract performance, payment settlement, and dispute resolution, and preventing behaviors that harm the rights and interests of SMEs, such as delaying payments.

The Group has established and implemented the "Measures for Equal Treatment of Small and Medium-sized Enterprises." In terms of business cooperation opportunities, it provides equal opportunities for SME suppliers, distributors, and service providers upstream and downstream in the supply chain to participate in the Company's business activities, without setting discriminatory thresholds.

In terms of payment

It adheres to the principle of not delaying or discounting payments to SMEs.

In terms of communication and request response

It treats reasonable requests from SMEs equally, receives, handles, and resolves them according to the Company's system, without dismissing or handling perfunctorily due to the size of the partner, forming a normalized communication and feedback mechanism and continuously optimizing cooperation processes.

Upstream in the supply chain

Group incorporates supplier development as an important part of supply chain management, assisting SME growth through "business support + capability empowerment." On one hand, the Group signs annual framework cooperation agreements with suppliers, specifying annual order arrangements or procurement volume ranges, enhancing the operational stability of SME suppliers and reducing market volatility risks. On the other hand, the Group provides service support for supplier capacity expansion upgrades, energy and environmental protection upgrades, etc., within the scope of compliance. It shares accessible process, environmental protection technology, and other resources with raw material suppliers, helping them improve quality, efficiency, and compliance capabilities. For SME suppliers in need, the Group can also assist them in meeting the quality and compliance requirements for procurement through technical guidance, quality control experience sharing, and support with standards and testing methods.

Downstream, regarding customers and distribution service providers

Group supports the development of SME customers through market support, technical guidance, customer cultivation, and information support. The Group conducts irregular on-site visits based on sales situations, communicating sales techniques and providing product knowledge training to assist with market expansion. Simultaneously, it provides partners with corporate endorsement materials, including production qualifications, product promotional materials, and corporate intellectual property certificates, enhancing their market promotion capabilities. When necessary, the Group cooperates with customers in organizing visits and study tours of production process flows, helping them quickly understand product knowledge and corporate information, laying the foundation for their sales activities. The Group also formulates marketing policies in conjunction with annual milestones to promote partners' sales enthusiasm and enhance the sustainable operating capabilities of SME customers.

Regarding needs and pain points during cooperation, the Group adheres to fair and unified cooperation standards, implementing consistent standards in areas such as cooperation access and service response. Through normalized communication mechanisms, it actively listens to suggestions and requests, continuously optimizing cooperation processes and support policies, building a long-term stable, fair and unified, and mutually trusting and win-win cooperation ecosystem.

Data Security and Customer Privacy Protection

Data security and customer privacy protection are the foundational baseline for the Group's digital operations and business compliance, and also key support for maintaining customer trust, protecting intellectual property, and ensuring business continuity. The Group strictly follows laws and regulations such as the *Cybersecurity Law of the People's Republic of China, the Data Security Law of the People's Republic of China, and the Personal Information Protection Law of the People's Republic of China*. Taking into account its own information technology construction stage and business characteristics, it establishes data security and privacy protection management requirements. Through measures such as system construction, authority control, confidentiality management, backup and recovery, and training dissemination, it reduces data security and privacy risks, ensuring the security and controllability of data throughout its entire lifecycle.

The Group continuously improves and promotes the implementation of its information security system system, including the "Office Network Management System." The Group implements paperless online office systems and sets authority ranges for each business system based on the "principle of least privilege," achieving hierarchical authorization and access control for sensitive information. For classified management, the Group has issued the "Confidentiality Management System," clarifying classification and management requirements for secrets, and requiring personnel involved with classified information to sign confidentiality contracts, strengthening institutionalized protection for key technologies and trade secrets.

The Group conducts hierarchical classification of core information assets, identifying key data (such as formulas, process parameters, screw combinations, customer drawings, contract and order information, etc.) and implementing differentiated access and confidentiality requirements. Each business system is configured with authority according to roles, ensuring information confidentiality. Systems like ERP and OA implement hierarchical authority management and control. The Group strengthens physical and environmental security management in R&D and production areas through measures like access control and monitoring. It centrally manages office terminals and networks, isolating core network areas to reduce the risk of unauthorized access and lateral movement. In terms of data backup and recovery, the Group implements backup management for local information systems using the method of "one full backup, daily incremental backup." Some units establish regular automatic backup mechanisms for servers and configure backup recovery resources, ensuring critical data is recoverable and traceable.

The Group implements necessary de-identification and encryption measures for business scenarios involving personal information processing. Taking the e-commerce business as an example, the Group uses privacy waybill services according to postal management requirements. When shipping sales orders, the recipient's information is de-identified through CRM software, for example, using virtual numbers for mobile phones and hiding parts of the address with "*". In order information exported from e-commerce platforms or CRM, the recipient's name, phone number, and address are presented in encrypted garbled form, making it impossible to export true information, effectively reducing the risk of personal information leakage during the courier process. For non-consumer scenario customer information, the Group emphasizes access and use based on authority management and business necessity principles, combined with system storage and archiving requirements, reducing unnecessary copying, downloading, and external distribution.

During the Reporting Period, the Group did not experience any major information leaks or significant cybersecurity incidents.

Rural Revitalization and Social Contribution

The Group regards rural revitalization and social contribution as important components of fulfilling corporate social responsibility and promoting common prosperity. Combining the operational characteristics of "two major business segments + multi-base layout," it continuously carries out actions along two main lines: industrial driving and employment support, and charitable activities and emergency support, promoting the development achievements of the enterprise to better benefit the communities where it operates and broader social groups.

During the reporting period, the Group adhered to the principle of giving equal weight to compliant operation and value sharing, strictly abided by tax laws, regulations and collection and management requirements, fulfilled its tax obligations in accordance with the law, and actively supported local economic development and the construction of public service systems.

Industry-Driven Rural Revitalization

Relying on its industrial chain advantages, the Group assists rural revitalization and helps groups in less developed areas through the method of "benefit linkage + skill enhancement + stable employment." Subsidiary Dongbao Bio, as a leading enterprise in the agricultural and animal husbandry industrialization of Inner Mongolia Autonomous Region, forms a benefit linkage mechanism through bone raw material procurement, indirectly driving income growth for local farmers and herdsmen, promoting the extension of agricultural and animal husbandry resources into the high value-added health industry chain, achieving industrial synergy and value co-creation.

Subsidiaries such as Jiangsu Guoheng and GON Dongming also conduct targeted recruitment and skills training for neighboring villages, providing stable job opportunities, cumulatively driving nearly 100 people to achieve stable employment. After completing professional training, relevant employees enter company positions, obtain stable income, and acquire vocational skills, further improving their family living standards and enhancing their capacity for sustainable income generation.

In addition to targeted support, the Group actively responds to national rural revitalization and stable employment policies, participating in recruitment activities organized by human resources and social security departments in economically less developed regions, recruiting local people in difficulty for employment. During the Reporting Period, it helped drive employment for nearly 100 people in Anhui and Shandong provinces, paying for their pension, medical, and other social insurance, promoting the extension of employment support from "recruitment" to "protection."

While focusing deeply on industrial support, the Group also focuses on empowering agricultural modernization through technological innovation. Its subsidiary, Dongbao Daejeon, officially appeared on CCTV-7 Agricultural Channel with its fertilizer product series, showcasing advanced agricultural concepts. The Group continuously strives to develop more high-quality and environmentally friendly agricultural products through deepened industry-university-research cooperation, effectively assisting farmers in increasing income and agricultural efficiency while driving the green and sustainable transformation of agriculture with technological innovation, contributing solid scientific and technological strength to the implementation of the national rural revitalization strategy.

Charitable Activities

The Group continuously carries out charitable activities and livelihood care actions, focusing on fields such as education support, emergency disaster relief, public safety, and care for vulnerable groups.

Education Suppor	The Group focuses on the development of education in remote areas. In 2025, it donated teaching equipment such as desks and computers to Liuyu Town Xinyu Hope Primary School in Pingyi County and Xinglong Primary School in Longtun Village, Daying Town, Ziyun Miao and Buyei Autonomous County, Anshun City, Guizhou Province, improving teaching conditions and contributing to educational equity. Various subsidiaries also carried out local charitable donations. During the Reporting Period, GON Yisu donated RMB 200,000 to the Zhoushan High-tech Zone Charity Branch, of which RMB 50,000 was used to aid Dazhou, a counterpart support area, reflecting cross-regional counterpart support responsibility.
Emergency Disaster Relief	The Company, through its Hong Kong subsidiary, donated HKD 2 million to the "Tai Po Hung Fook Estate Relief Fund" established by the SAR Government following a fire at Tai Po Hung Fook Estate. The funds were used for medical assistance, emergency resettlement, and living support for affected residents. During the Reporting Period, it also donated HKD 3 million to the Hong Kong Exchanges and Clearing Charity Foundation Limited to support broader social welfare causes.

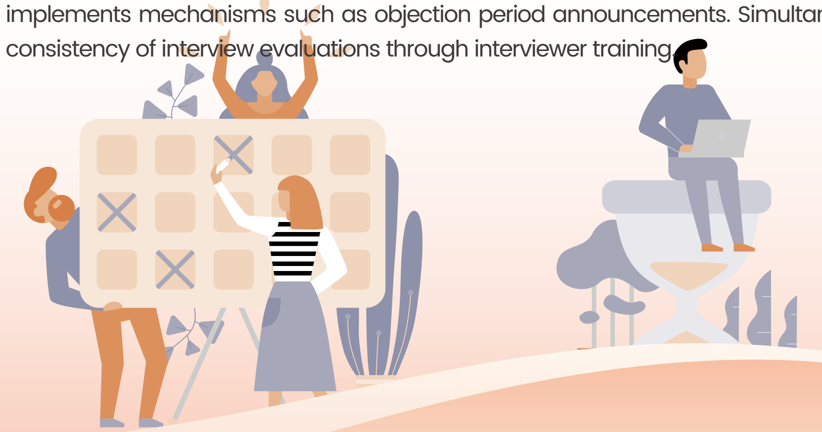
Employees

Employees are the core resource for the Group to advance the implementation of its "One Body, Two Wings" strategy, ensure safe and stable operations, and continuously improve product and service competitiveness. The Group adheres to the principle of putting people first and emphasizing both compliant employment according to law and employee development. Focusing on compliant employment, employee stability, communication and consultation, compensation and benefits, occupational health and safety, and training and development, it builds an institutionalized human resource management system, continuously enhancing employees' sense of gain, belonging, and organizational cohesion.

Employment Compliance and Equal Opportunities

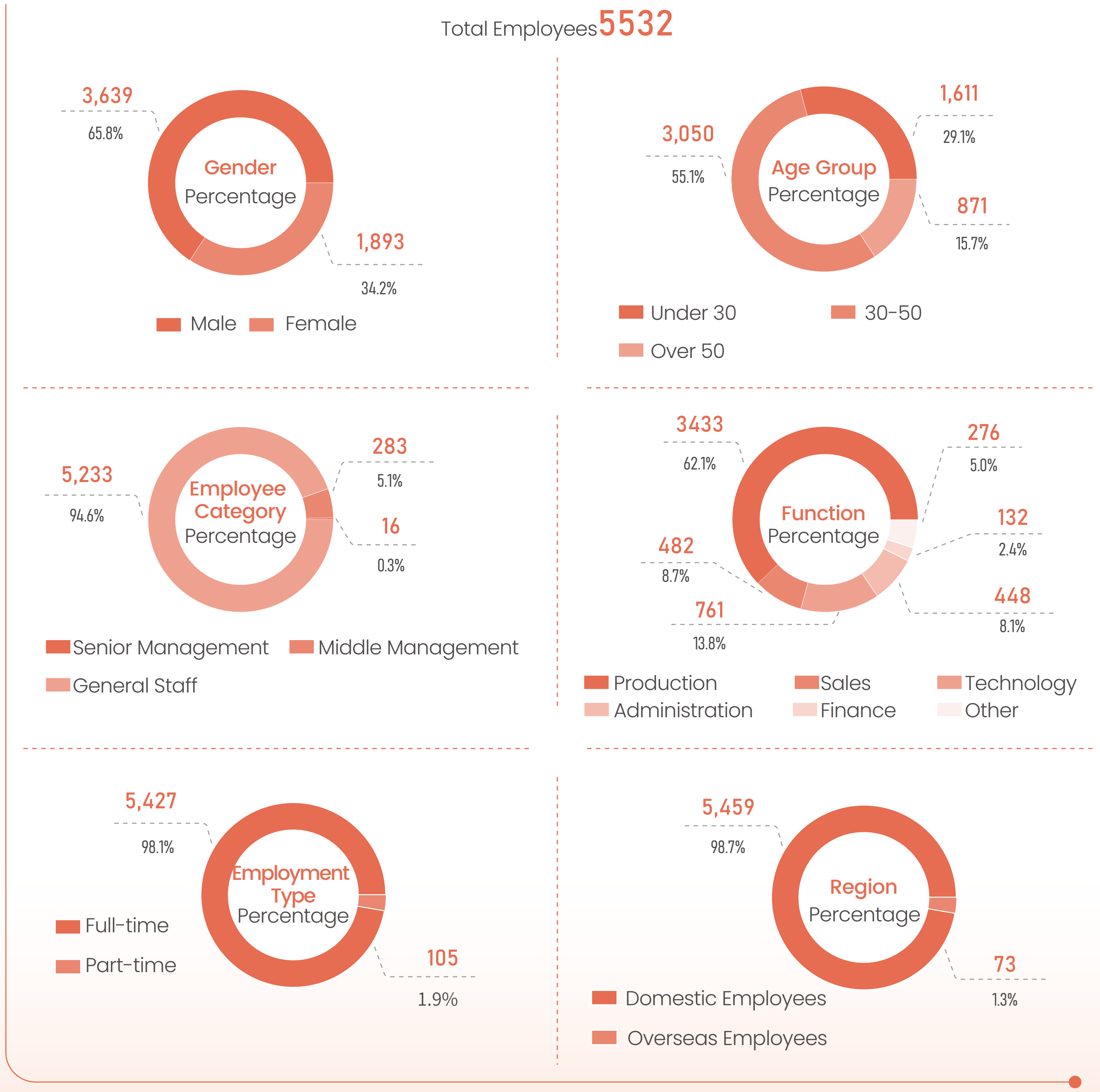
Ensuring compliant employment and equal opportunities is an important foundation for the Group to stabilize the organization, improve the quality of talent supply, and prevent labor and employment risks. The Group strictly complies with applicable laws and regulations such as the *Labor Law of the People's Republic of China, the Employment Contract Law of the People's Republic of China*, and the *Social Insurance Law of the People's Republic of China*. It simultaneously follows local labor law requirements for overseas and Hong Kong business units, signing labor contracts with employees according to law, standardizing management matters such as working hours, leave, and social insurance contributions, ensuring that employment management is legal and compliant. The Group adheres to the baseline of legal employment, explicitly prohibiting the use of child labor and any form of forced labor. During recruitment, hiring, and employment management processes, it implements requirements such as verification of the legal minimum working age, identity information verification, and review of entry documents, ensuring that employees work on a voluntary basis and protecting their rights to resign and take leave according to law from undue restrictions.

To ensure fairness, justice, and openness in recruitment and hiring, the Group establishes and implements the *Recruitment Management System* and relevant clauses on recruitment and hiring in the employee handbook. It specifies clear provisions for aspects such as job posting, screening, interviews, hiring, and probationary period assessment. Probationary periods have corresponding assessment conditions, and employees become regular employees only after passing the assessment, ensuring a transparent selection process with consistent standards. The Group conducts recruitment and competition management based on the principle of "fixed posts and headcount, matching people to posts." It comprehensively uses diversified evaluation methods such as assessments, written exams, and interviews. Combining scientific scoring standards, it enhances selection fairness. Measures such as recusal and background checks prevent conflicts of interest and employment risks. Focusing on internal career development, the Group adheres to the principle of "openness, fairness, and justice" in promoting job competitions and cadre selection, proactively disclosing positions, conditions, procedures, and results. It establishes a "dual-channel" development path with parallel management and technical/professional tracks, showing employees clear career advancement directions and encouraging internal cultivation and merit-based promotion. To strengthen process supervision and remedy, the Group sets up internal review and candidate grievance channels and implements mechanisms such as objection period announcements. Simultaneously, it enhances the professionalism and consistency of interview evaluations through interviewer training.



During the Reporting Period

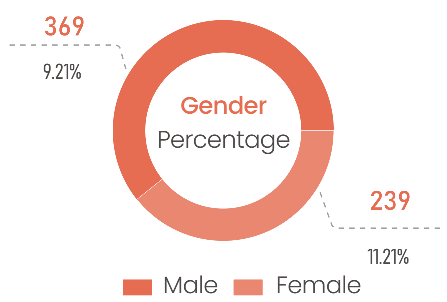
Group's employee data is as follows

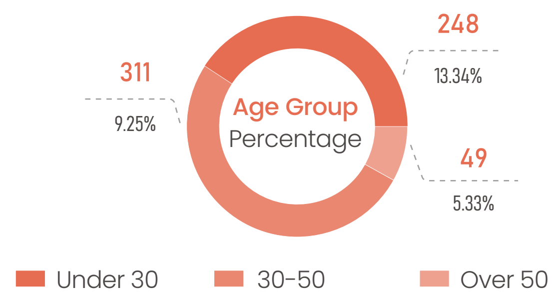


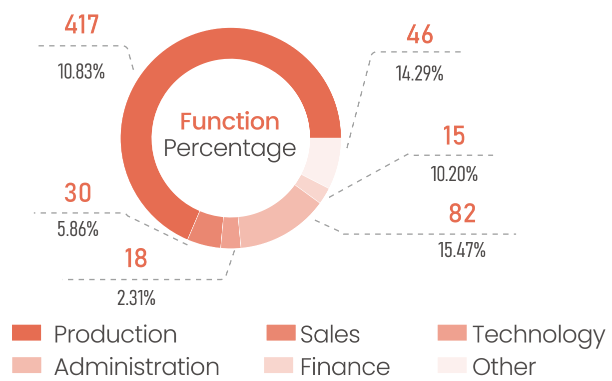
Employee Stability and Key Position Turnover

During the Reporting Period

The total number of employees who left the Group, categorized by gender, age group, and function, was 608, with a turnover rate of 9.9%.







Notes:

1.Employee turnover rate is calculated as (number of employees who left during the Reporting Period) divided by (number of employees in that category at the end of the Reporting Period + number of employees who left during the Reporting Period) x 100%.

Employee Communication and Democratic Management

Multi-channel Communication and Employee Participation

The Group values protecting employees' rights to information, participation, and expression. The Group establishes trade unions and forms trade union committees to safeguard employees' legitimate rights and interests and coordinate labor relations. Simultaneously, considering operational management needs, it irregularly convenes employee representative congresses, work meetings, and meetings related to the management system, promoting employee participation and discussion on matters related to their own rights and interests, work arrangements, and safety and health. To improve the effectiveness of communication, the Group continuously conducts employee discussions and communication meetings, combined with semi-annual or annual satisfaction surveys, to systematically collect employee feedback on dimensions such as management communication, working environment, compensation and benefits, and career development, creating an open, transparent, and interactive organizational atmosphere.

Case Building a Multi-level Democratic Communication Mechanism for Employees

The Group actively builds a multi-level democratic communication mechanism centered on the Employee Representative Congress, safeguarding employees' rights to information, participation, and suggestions regarding major corporate decisions through standardized democratic procedures. During the Reporting Period, the Group's subsidiary, Yiqing Bio, successfully convened the Fourth Session of the Seventh Employee (Member) Representative Congress. By extensively listening to and adopting suggestions from employee representatives at the congress, the Company further strengthened the transparency of democratic management. While enhancing the scientific nature of corporate decisions, it significantly enhanced employees' sense of ownership and collective cohesion.

Grievance Handling and Complaint Feedback Closed Loop

The Group simultaneously builds convenient and traceable channels for request expression and handling, setting up various entry points such as offline suggestion boxes and online emails/mailboxes (including the General Manager's mailbox). It supports employees in making suggestions on management, seeking help for job difficulties, or submitting complaints and grievances. The Group has formulated and implemented system documents such as the "Opinion, Suggestion, Grievance Handling and Feedback Control Procedure" and the "Information Exchange, Communication Participation and Consultation Control Procedure." It process-manages the handling, classification, investigation and verification, handling feedback, and archiving of employee requests. By limiting the scope of access and other measures, it strengthens information protection and confidentiality requirements, ensuring that employee expression channels are "usable, dare to use, and responsive after use."

Compensation, Benefits, and Care

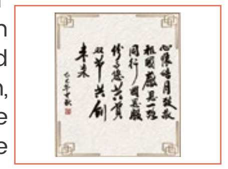
The Group adheres to the compensation management orientation of "adapting to the market environment, reflecting talent value, and playing an incentive role." Based on job value and guided by performance contribution, it builds a compensation system that balances internal fairness and external competitiveness. Employee compensation typically consists of base salary, performance-based salary, time-rate (piece-rate) wage/commission, overtime pay, benefits and allowances, and other bonuses. Through clear job grade standards and assessment rules, it links individual contributions with team/company goal achievement, continuously strengthening incentive constraints and value orientation.

Benefit Guarantee and Employee Care

On the basis of legal compliance, the Group continuously improves employee benefit allocation, contributing to the "five insurances and one housing fund" as required. Considering business types and employee needs, it provides diverse welfare arrangements such as annual health check-ups, meal allowances, transportation/communication subsidies, employee dormitories or commuting support, festival benefits, birthday greetings, work uniforms, and labor protection supplies, covering key scenarios such as employee health protection, life convenience, and work support. For overseas entities or local operating units, the Company also follows local labor laws and regulatory requirements to implement relevant compensation and benefit arrangements, ensuring effective implementation of the system and clear predictability of employee rights and interests.

In terms of employee care, the Group is based on institutionalizing the protection of employees' rights to rest and leave, implementing statutory leave arrangements such as paid annual leave, sick leave, maternity/paternity leave, marriage and funeral leave. Considering actual production and operations, it explores more flexible scheduling and shift adjustment mechanisms to reduce the impact of peak work pressure on employees' physical and mental health. The Group provides accessible psychological support resources for employees by conducting mental health themed activities, setting up psychological support hotlines, and organizing physical and mental health promotion and care actions. Simultaneously, considering summer heat prevention and cooling measures, health check-ups, and care visits, it continuously improves the level of employee physical and mental health protection and work experience.

Case Traditional Festival Benefits and Activities



The Group subtly integrates care for employees into traditional festivals. During the Spring Festival, it carefully prepares abundant "gift" annual goods for employees. During the Dragon Boat Festival, it sends customized warm zongzi gifts and Wuchang rice. During the Mid-Autumn Festival, the Group sends exquisite mooncakes symbolizing reunion and thoughtful health-related gifts to every employee across the country. Additionally, during the National Day and Mid-Autumn Festival "Double Festival" celebration, the Company specially organized a cultural feature essay solicitation activity titled "Our Festivals, Our Stories," inviting employees and their families to record the warmth of the festival through photography, calligraphy, painting, literary creation, and other diverse forms. These activities enrich employees' spiritual and cultural life while making every employee feel the warmth and sense of belonging like home amidst their struggles.

Summer "Cooling" and Frontline Occupational Health Care

During the peak summer heat, the Company, in conjunction with local trade unions, continuously went deep into the production frontline to carry out "Summer Cooling" sympathy activities, distributing heatstroke prevention materials and medicines to employees in high-temperature positions, effectively safeguarding the health and safety of frontline workers. Taking this opportunity, the Company further improves the employee health protection system. Through regular full-staff health check-ups, occupational disease screening, and health management training, it continuously deepens the practice of "delivering tangible benefits to employees," implementing occupational health care.

Diversified Sports Activities Enhancing Employee Vitality

The Group actively advocates a healthy and positive corporate culture. By establishing "Thursday Badminton Day" and booking professional venues, it encourages employees to release stress and enhance physical fitness through competitive interaction. It unites team strength through "staff fitness runs." Simultaneously, the Group regularly holds staff tug-of-war competitions and mountaineering team-building activities, enhancing cross-departmental communication, collaboration, and fighting spirit amidst natural beauty, deeply planting the concept of "healthy living, happy work" in the hearts of employees.

Case Female Employee Care and Festival Themed Activities

During the "March 8th" International Women's Day, the Group held a series of celebration activities themed "Chasing Dreams, Showing Beauty." By commending outstanding female worker models, conducting health themed training, and distributing exclusive holiday gifts, it conveyed respect and care to all female employees. The event also specially invited medical experts to provide policy consultations and free clinic services, effectively addressing practical issues of concern to female employees. By building a comprehensive care system, it continuously enhances the sense of gain and happiness of female employees.

To promote employee mental health and work-life balance, the Group, on the basis of implementing statutory leave rights and daily care measures, carried out thematic activities focused on "Caring for Employee Mental Health" during the Reporting Period. Through methods such as convening special meetings and setting up promotional boards, it disseminated knowledge on stress management, emotional adjustment, and physical and mental health maintenance to employees, guiding them to correctly identify sources of stress and establish positive coping styles. During the activities, considering daily management communication and union care mechanisms, the Group provided one-on-one communication and necessary work arrangement support (such as shift adjustments, substitutions, etc.) to employees under high pressure or experiencing major difficulties, helping them receive timely support.

During the Reporting Period

Employee satisfaction reached **98.2%**, and total expenditure on various employee benefits exceeded RMB **30.9579** million.

Fairness and Market Competitiveness Management

To reduce information asymmetry and strengthen system fairness, the Group ensures that the compensation distribution process is transparent, standards are consistent, and results are explainable through open job grade systems, performance evaluation, and feedback mechanisms. Simultaneously, it closely links compensation with individual performance, providing positive incentives for high-performing employees and offering improvement support and development opportunities for those with periodic performance needing improvement. It establishes an open and transparent performance management and feedback mechanism, clarifying the evaluation cycle, evaluation criteria, result application, and communication requirements. Managers conduct performance result communication and improvement interviews with employees after the assessment, ensuring employees fully understand the evaluation basis and improvement directions. To ensure the fairness, justice, and traceability of performance evaluations, the Group simultaneously sets up performance grievance channels and clarifies employees' right to appeal: If employees have objections to performance appraisal results, they can submit written or oral grievances to the Human Resources/Comprehensive Management Department or superior management within a specified time limit. The responsible department, upon accepting the grievance, organizes verification, initiates cross-departmental review if necessary, or submits to relevant review mechanisms for re-evaluation, and provides feedback on the handling conclusion and basis to the employee within an agreed period.

The Group also regularly conducts peer and regional compensation level analysis, considering regional living costs, industry characteristics, and the Company's operating strategy. It participates in market compensation surveys, dynamically calibrating compensation positioning and competitiveness for key positions to enhance talent attraction and retention capabilities.

Hardship Assistance and Humanistic Care

The Group values timely support and humanistic care for employees in difficulty. It has established a normalized assistance and relief mechanism for employees in difficulty, carrying out diversified assistance and care visits through trade unions or specialized management mechanisms. It provides necessary financial assistance and care support to employees facing special difficulties in life due to major illnesses, accidental injuries, or disasters. Through standardized application, verification, and collective review processes, it ensures that assistance is open, fair, traceable, and verifiable.

During the Reporting Period

Group, through Qingdao and Chengyang District charitable organization channels, assisted in applying for and implementing relief for 7 employees from families in difficulty (4 at municipal level, 3 at district level). While alleviating the employees' temporary financial pressure, it enhanced their sense of belonging and organizational support. The Group simultaneously established assistance ledgers, ensuring standardized processes, clear criteria, and traceable use of funds, and continued to monitor subsequent changes in difficulties.

Occupational Health and Safety

The Group regards occupational health and safety as a baseline requirement for production and operations. It has established a system covering occupational health and work safety. The Group and some manufacturing subsidiaries use the occupational health and safety management system as a framework, constructing systematic management requirements including policies and objectives, organizational responsibilities, operational control, and continuous improvement. Through system documents such as the "Occupational Health Management Regulations," "Work Safety Responsibility System Management Regulations," "Safety Inspection and Hazard Investigation and Management System," and "Safety Risk Hierarchical Control System," it clarifies responsibility boundaries and management requirements at each level, promoting the implementation of safety responsibilities down to positions, teams, and the worksite. The Group simultaneously establishes systems for occupational disease hazard notification, health monitoring, file management, hazard factor testing, evaluation and project reporting, and occupational health "three simultaneities" (simultaneous design, construction, and commissioning), ensuring full-process control from source control to process protection, and then to health monitoring.

The Group continuously promotes the standardized construction of occupational health and safety management systems. The Group and some subsidiaries have passed ISO 45001/GB/T 45001 occupational health and safety management system certifications and conduct annual surveillance audits or recertification management to strengthen system effectiveness. Simultaneously, some subsidiaries in the chemical new materials segment have obtained occupational health and safety management system confirmation certificates or are conducting external evaluations. For units still under construction or with incomplete systems, the Company will promote system supplementation, risk identification, and post protection configuration considering the commissioning schedule, gradually achieving management coverage under the same standards.

The Group adheres to the occupational health management principle of "prevention first, engineering control as priority, individual protection as the last line of defense," advancing along three main lines:

First, hazard factor identification and testing evaluation: For occupational disease hazard factors such as dust, noise, and chemical exposure, it regularly commissions qualified institutions to conduct testing and evaluation of occupational disease hazard factors in the workplace, and advances compliance work such as status evaluations and annual declarations. It sets up occupational hazard notification signs and warnings at positions with occupational disease hazards.

Second, employee health monitoring and file management: It establishes individual occupational health monitoring files for employees exposed to hazard factors, organizing pre-employment, in-service, and pre-retirement health check-ups, and implementing key follow-up and management for high-risk positions.

Third, engineering control and on-site protection: Focusing on key processes, it implements engineering measures such as ventilation and dust removal, noise reduction, gas purification, local exhaust, and enclosed retrofitting. Simultaneously, based on post risks, it adequately equips employees with and supervises the use of personal protective equipment such as dust masks, gas masks, earplugs/earmuffs, chemical-resistant gloves, safety shoes, and face shields, establishing distribution ledgers and promoting standardized wearing.

Case: Implementation of Winter Production "Cold Prevention and Ensuring Safe Operation" Responsibility

In response to severe cold winter weather, GON Chemical (Dongming) initiated a "Cold Prevention and Ensuring Safe Operation" special action, refining tasks into the annual core safety production goals. It conducted a grid-by-grid inspection of all plant process pipelines, key valves, and fire-fighting facilities. The Company scientifically added insulation layers and electric heat tracing systems to weak links, supplemented by digital trend analysis to enhance abnormal condition early warning levels, ensuring the implementation of winter prevention responsibility to "not freeze a single piece of equipment, not freeze a single pipeline."

In some processing scenarios, the Group reduces direct personnel exposure through enclosed automatic feeding, local collection hoods and dust removal systems, equipment isolation, and remote control. It also implements zoning layout and vibration damping foundations for high-noise equipment to reduce noise risk. For high-temperature summer operations, considering ventilation and heat exchange, heat insulation, rest area setup, and distribution of heatstroke prevention medicines, it reduces the risk of heatstroke and heat stress.

The Group establishes an emergency management system covering scenarios such as production safety, fire protection, occupational health, and natural disasters, forming a hierarchical plan structure of "comprehensive emergency plan + specialized emergency plan + on-site disposal plan." It clarifies the responsibilities and division of labor for the emergency command and various functional teams (such as emergency rescue, medical aid, security evacuation, communication support, material support, etc.).

Units formulate annual drill plans considering their production risk characteristics, regularly organizing fire drills, accident disposal drills for leaks/fires, and post emergency response training. Through drills, they test the operability of plans and enhance on-site collaboration and rapid response capabilities. Some park-based enterprises also build full-time or part-time emergency response teams and establish emergency rescue collaboration mechanisms with surrounding units to enhance coordinated disposal capabilities under emergencies. Simultaneously, the Group establishes a safety education and training system system, covering management personnel training, in-service personnel retraining, new employee three-level safety education, transfer/resumption of work/"four new" (new technology, new process, new equipment, new material) training, and education for other relevant parties, ensuring employees master post safety procedures and emergency response capabilities. It implements licensed operation and recertification management for special equipment operators and key device operators, enhancing training effectiveness through case warnings, on-site practice, and team education.

Case Comprehensive Fire Safety Defense Line Building

GON Chemical (Dongming) officially launched a fire safety publicity month activity themed "Fire Safety for All, Life First - Safe Use of Electricity and Fire" during the Reporting Period. By introducing an intelligent monitoring system for 24-hour real-time monitoring of key areas such as hazardous chemical storage areas and reaction units, and organizing plant-wide blanket fire inspections. Additionally, addressing the loading/unloading risks in the storage and transportation workshop, it conducted a simulated drill for raw material tank leakage, strictly executing the response plan according to the actual process, eliminating fire hazards at the source, and enhancing the fire safety awareness of all employees.

Deepening "Work Safety Month" Special Activities

The Group successfully held the launch ceremony for the 24th National "Work Safety Month" during the Reporting Period, coordinating seven major series of activities including safety knowledge competitions, practical emergency drills, safety hazard rectification, and selection of "Safety Models." The activities specially added a "Safety Golden Idea" solicitation segment, encouraging employees to contribute suggestions through democratic management mechanisms, transforming work safety from "I must be safe" to "I want to be safe," comprehensively enhancing the safety literacy and emergency response capabilities of all employees.

Case Practical Emergency Drills Enhancing Disposal Levels

Jiangsu Guoheng and GON Yisu respectively carried out comprehensive emergency drills for propylene leakage fire and specialized drills for fall-from-height accidents. By simulating highly realistic accident scenes, they tested the scientific nature and operability of the emergency plans. During the drills, various functional teams cooperated closely in aspects such as risk identification, security evacuation, and medical rescue, significantly enhancing the self-rescue capabilities of frontline employees, laying a practical foundation for building a tight occupational health and safety protection system.

The Group regards safety investment as an important guarantee for system operation, formulating annual safety expense plans and investing in an orderly manner, focusing on areas such as intrinsic safety transformation, construction of safety and environmental protection facilities, improvement of fire protection systems, operation and maintenance of risk monitoring and early warning systems, hazard rectification, occupational health testing and check-ups, PPE configuration, training, and drills.

During the Reporting Period

Group's cumulative work safety investment exceeded RMB 20.994 million. Various work safety training sessions covered over 46,747 person-times, totaling more than 73,846 hours.

As of the end of the Reporting Period, there were no work-related fatalities. Employee occupational injuries are as follows:

Health and Safety Indicator	Unit	2025	2024	2023
Number of Work-related Fatalities	Persons	0	0	0
Fatality Rate	%	0	0	0
Number of Work-related Injuries	Persons	2	3	2
Work Days Lost due to Injury	Days	237	293	219

Training and Capacity Development

The Group adheres to the philosophy of "making the best use of talents, retaining talent through development." It has established a career development system covering different job groups, providing employees with clear and predictable growth paths. On one hand, the Group sets up a "dual-channel" mechanism with parallel management and professional/technical tracks. Employees can choose to develop between management and expert roles based on their personal characteristics and career plans, achieving "promotion even when taking on management responsibilities, and promotion equally when focusing deeply on professional capabilities." On the other hand, for different positions such as marketing, functional, technical, and operational, the Company can also set corresponding sequences and job grades, and systems, clarifying qualification requirements, competency models, and promotion conditions, ensuring that each job group has a matching growth path.

The Group regards internal talent mobility as an important lever for organizational vitality and talent cultivation. It encourages and supports employees to engage in internal job rotations or cross-departmental transfers based on meeting business needs and personal preferences, enriching professional experience and broadening capability boundaries. The Company can, through documents such as the "Post Change Management System," "Employee Hiring, Entry, Exit and Change Management System" or related procedures, clarify the types of post changes, application conditions, approval processes, and connection of post-change compensation and performance, ensuring an orderly and standardized transfer process. Considering the need for developing high-potential talent, the Group designs "rotation plans," providing cross-departmental practice opportunities for a certain period and assigning mentor guidance. Simultaneously, it opens up internal opportunities through internal job posting mechanisms, encouraging employees to engage in "zigzag" development within the same sequence, reflecting the organization's flexibility and support in job allocation and talent cultivation.

Training System Construction

To support strategic development and employee capacity growth, the Group establishes a training management system that matches business development. Through documents such as the "Training Management System" or "Training Awareness and Qualification Management Procedure," it clarifies training responsibilities, implementation requirements, and record-keeping methods (such as training sign-in sheets, assessment records, effectiveness evaluations, etc.), promoting the standardized operation of training work.

Training content adheres to hierarchical classification and job alignment

New Employee Training

Covers corporate culture, general rules and regulations, safety and quality fundamentals, etc., helping employees quickly integrate and possess basic compliance and safety literacy.

On-the-Job and Post Skills Training

Focusing on key post SOPs, equipment operation and maintenance, process flow, quality control, data and system applications, etc., it conducts intensive training.

Management and Leadership Training

Targeted at management personnel, focusing on skills such as team management, performance coaching, task decomposition, and resource coordination for improvement.

Safety and Compliance Training

Considering industry characteristics, it covers content such as the Work Safety Law, hazardous chemical management, dual prevention system, fire protection and emergency response, occupational health, and special equipment operation specifications, ensuring all employees have the baseline capabilities in place.

In terms of trainers, the Group adopts a model combining "internal and external, full-time and part-time": Internal managers and technical core members serve as trainers for experience passing down and hands-on teaching. In areas such as special equipment licensing, regulatory topics, and fire emergency response, external professional institutions or qualified service providers are introduced for training support (such as safety manager, team leader training, etc.), enhancing the professionalism and authority of the training. Training formats can also combine centralized teaching, on-site practice, online learning, case studies, and on-the-job practice, balancing learning efficiency and transformation effectiveness, achieving the training logic of "taking business problems as the classroom and project results as the assessment," which helps accelerate the formation of a talent echelon for key positions.

Case Occupational Safety Practical Training

Rizhao GON Chemical compiled a "Five Ones" safety culture pocket book covering all positions, integrating job responsibilities, operating procedures, job risks, hazard investigation, and emergency disposal lists into a refined summary. Through random checks and simulated assessments, it ensures employees deeply understand the relevant content. This system transforms safety knowledge into a practical tool carried by employees, effectively promoting the end-level implementation of the work safety responsibility system and facilitating the transformation of grassroots safety management from form to effectiveness.

GON Yisu's electrical and instrumentation team adopted a "theory + case + practice" three-dimensional teaching model, conducting simulated simulation drills on core content such as electrical short circuit repair, signal actual diagnosis, and automatic control system debugging, comprehensively enhancing employees' emergency response and practical operation capabilities under complex working conditions. The training process not only supplemented knowledge blind spots in daily work but also, through immersive analysis of typical failure examples, built a solid technical protection system and talent pool for the stable operation of the company's equipment.

Case Production Standardization and Lean Management

Rizhao GON Chemical organized "process card" special training and closed-book assessments, focusing on in-depth interpretation of the four core process indicators: temperature, pressure, flow rate, and liquid level, ensuring that frontline employees' coverage of operating specifications and key information of supporting equipment reaches 100%. Through the combination of normalized training and dynamic supervision, the Company minimized human operational deviations, transforming process discipline into employee behavioral habits, thereby continuously improving the level of refined management.

GON Plastics Industry (Qingdao) carried out "Lean Injection Molding" special training, focusing on the whole process control of "man, machine, material, method, environment" and the implementation of the "three inspections" system, aiming to standardize operating procedures and firmly establish a quality foundation by enhancing employees' operational skills and lean awareness. Simultaneously, GON Yisu conducted "Lean Warehousing" quality management training, strengthening employees' awareness of the First-In-First-Out (FIFO) principle and inventory accuracy. Echoing this, GON Plastics Industry (Zhejiang) held an all-employee product quality training conference themed "Never Forget the Original Intention, Set Sail for a New Dream," deeply promoting the "three inspections and three controls" long-term management mechanism, driving the transformation of quality management from "passive rectification" to "active prevention," guiding all employees to jointly build an industry quality benchmark trusted by customers with data-driven and problem zeroing awareness.

Case Full Industry Chain Cognition and Collaboration Capability Enhancement

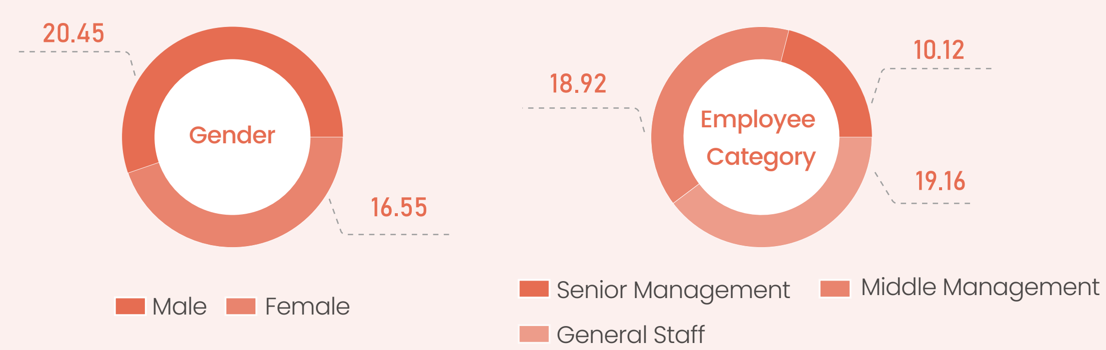
Rizhao GON Chemical organized all sales department personnel to participate in EPS industry full-process special training, systematically learning key processes, core parameters, and quality control logic from raw material styrene to finished product output, significantly deepening the team's understanding of the product lifecycle. This training effectively built an efficient communication bridge between "production" and "sales," enabling sales personnel to more accurately grasp customer needs and convey technical advantages, achieving positive interaction driven by product awareness.

During the Reporting Period

During the Reporting Period, the Group conducted various training sessions covering a total of 64,737 person-times, with an average training hours per employee of 19.12 hours.

Group's talent cultivation and employer brand building were recognized by external institutions, receiving the "2025 China Best Employer Nomination Award" from Zhaopin.com.

Average Training Hours



04

Integrity Governance Compliance and Business Ethics

Corporate Governance and Risk Management

Corporate governance and risk management are fundamental safeguards for GON TECHNOLOGY to achieve the stable implementation of its "One Body, Two Wings" strategy, maintain the compliance bottom line, and enhance operational resilience. The Group strictly complies with corporate governance and information disclosure laws and regulations such as the Company Law of the People's Republic of China and the Securities Law of the People's Republic of China. It also aligns with the regulatory requirements of the Shenzhen Stock Exchange and the Hong Kong Stock Exchange listing rules, continuously improving its governance structure and internal control system to ensure clear boundaries and standardized, transparent operations in decision-making, execution, and supervision. The Group also incorporates ESG factors into its management and risk management processes, strengthening the identification and response to key risks such as compliance, environment and safety, supply chain, and reputation.

The Group has established a governance system with the Shareholders' Meeting, Board of Directors, and management at its core. The Board of Directors bears ultimate responsibility for the Company's strategic direction, major decision-making, and supervision, enhancing deliberation efficiency and professionalism through the mechanism of specialized committees. According to the disclosure in the Company's Hong Kong listing prospectus, the Company has established specialized committees including the Strategy Committee, Audit Committee, Remuneration and Appraisal Committee, and Nomination Committee, clarifying member composition and chairperson selections to support the Board in fulfilling its duties in strategic review, audit supervision, compensation and performance, and nomination governance.

Board Diversity and Professional Capability Building

The Company has formulated and continuously implements the *Board Diversity Policy*, considering factors such as gender, age, geographic and cultural background, professional competence, and industry experience as important considerations for Board composition. The aim is to enhance the foresight and robustness of strategic decision-making through diverse perspectives, reduce the bias brought by "homogeneous judgment," and strengthen the ability to identify and supervise risks in complex business situations. Diversity not only helps the Board form more comprehensive discussions and effective checks and balances on topics such as major investments, mergers and acquisitions, compliant operations, risk management, corporate governance, and sustainable development, but also helps achieve a more prudent balance among the demands of different stakeholders, thereby enhancing the Company's long-term value creation and governance resilience.

As of the end of the Reporting Period, the Company's Board of Directors consisted of 7 directors, including 4 executive directors and 3 independent non-executive directors; 5 males and 2 females; members cover different age groups and professional backgrounds (engineering, finance, law, etc.), and also consider allocation of different geographic backgrounds, providing the necessary capability support for the Board to effectively supervise matters such as technology roadmap, product quality, operational compliance, and risk management.

Board Performance and Governance Operation

During the Reporting Period, the Board of Directors and its specialized committees conducted reviews and supervision work focusing on the Company's strategic development, periodic reports, internal control, risk management, related-party transactions, nomination and appraisal of directors and senior management, information disclosure, and other major operational management matters. The Company continuously improves mechanisms for meeting convening, proposal review, decision voting, and follow-up implementation, promoting the deepening of governance operation from "system completeness" to "execution effectiveness." For matters involving compliant operations, risk control, internal audit, safety and environmental protection, supply chain management, and ESG-related issues, the Company promotes orderly implementation and forms improvement loops through Board coordination, specialized committee research, management implementation, and functional department execution.

Shareholder Rights Protection and Information Disclosure

The Company values the protection of the legitimate rights and interests of all shareholders, especially minority shareholders. It continuously improves the mechanisms for convening, holding, and voting at Shareholders' Meetings, ensuring shareholders enjoy rights to information, participation, voting, and supervision according to law. The Company strictly fulfills its information disclosure obligations in accordance with regulatory requirements, continuously improving the timeliness, accuracy, completeness, and fairness of information disclosure. Through Shareholders' Meetings, periodic reports, interim announcements, and investor communications, it strengthens exchanges with investors and other stakeholders, enhancing corporate governance transparency and market trust.

In terms of information disclosure and compliance management, the Company has established insider information policies and information disclosure management requirements, clarifying the confidentiality responsibilities of directors, senior management, and personnel aware of material non-public information, preventing the improper use of inside information and the risk of information leakage. The Company's management continuously monitors changes in listing rules and regulatory requirements, and enhances the level of standardized operations through training, support from external professional advisors, and other means, to strengthen compliance assurance capabilities under the dual listing regulatory framework.

Risk Management and Internal Control System

The Company has established and continuously improves its risk management and internal control system, covering key operational aspects such as quality control, financial reporting, information disclosure, information systems, internal controls, human resources, and regulatory compliance. According to the disclosure in the prospectus, the Company's risk management objectives include identifying risk types, analyzing risks and setting risk tolerance levels, establishing professional risk control and compliance organizations, utilizing information technology to improve control accuracy and efficiency, and regularly reviewing risk management policies and internal monitoring systems and monitoring implementation, thereby achieving

Anti-commercial Bribery and Anti-corruption

The Group regards anti-commercial bribery and anti-corruption as baseline requirements for corporate governance and compliant operations. The Group strictly follows applicable national and local laws and regulations on anti-corruption and anti-commercial bribery, continuously improving its integrity management system and supervision mechanisms to ensure business conduct is open, transparent, legally compliant, traceable, and accountable.

The Group strengthens institutionalized constraints and contractual management around risk points in the supply chain and key positions. The Group requires all suppliers to sign the "Supplier Integrity Agreement" with the Company. The agreement explicitly prohibits suppliers from providing undue benefits in any form to the Company's personnel and their related parties, requires suppliers to proactively report related party relationships, and sets strict liability clauses for breach of integrity commitments. The Group requires relevant management personnel to sign the "Manager Integrity Self-Discipline Commitment Letter" to strengthen the integrity awareness and behavioral boundaries of key position personnel, preventing internal corruption and conflicts of interest. For overseas or Hong Kong business units, the Group explicitly specifies anti-commercial bribery, anti-corruption, and integrity requirements in the employee handbook, emphasizing the need to comply with local Hong Kong laws and regulations when conducting work, ensuring that cross-regional operations also fall under the framework of compliance and integrity.

To standardize employee complaint and report management, strengthen internal supervision, and enhance operational transparency, the Group formulates and implements the "Employee Complaint and Report Management System." The Group provides four reporting channels for complainants: mailing letters, a reporting hotline, email, and on-site reporting at designated reception offices, ensuring that internal and external parties can conveniently report issues. Reported matters are subject to timely handling and independent investigation. Information and materials related to complaints and reports are protected, and access is strictly restricted, strengthening the protection of complainant information security and anonymity, reducing concerns about reporting, and enhancing the effectiveness and credibility of the supervision mechanism.

The Group incorporates integrity and anti-corruption requirements into the governance layer's duties and conducts targeted training.

During the Reporting Period

the Group conducted various anti-corruption training sessions totaling over 110 hours

By embedding training into the Board's performance scenarios, the Group strengthened the governance layer's awareness of integrity risks and sense of responsibility, promoting a "top-down" compliance culture and achieving 100% training coverage for Board members.

the Group did not experience any corruption litigation cases.

Reporting channels

- Mail a letter
- Report hotline
- Email
- Designated reception desk on site

Anti-unfair Competition

The Group regards anti-unfair competition as an important component of compliant operations and market reputation management. It believes that fair competition is not only the baseline requirement for a company to operate according to law but also a key foundation for maintaining customer trust, protecting partner rights, and enhancing long-term competitiveness. The Group strictly complies with relevant laws and regulations such as the *Anti-Unfair Competition Law of the People's Republic of China*. Considering the Company's business characteristics and high-risk areas, it establishes the "Anti-Unfair Competition Compliance Management System," constructing an institutionalized and process-oriented anti-unfair competition compliance management mechanism. This mechanism operates in coordination with systems such as anti-commercial bribery, anti-fraud, and confidentiality management, preventing unfair competition risks such as misleading practices, false advertising, and infringement of trade secrets, and maintaining an open, transparent, honest, and orderly market order.

The Group systematically identifies key points of unfair competition risk and regularly conducts self-inspections and assessments, covering eight types of negative behaviors: confusing acts, commercial bribery, false advertising, infringement of trade secrets, illegal prize-giving sales, commercial defamation, unfair competition on the internet, and abuse of dominant position. Through risk list-based management, it achieves normalized control of "identification - prevention - correction." In terms of supervision mechanisms, the Group sets up reporting channels, encourages employees and external parties to report violations, and commits to strictly protecting the information of informants, enhancing external supervision and internal self-purification capabilities. In terms of training management, the Group regularly organizes special training on anti-unfair competition to enhance legal awareness and compliance sensitivity among all employees, with key coverage for high-risk positions such as sales and procurement, promoting the transformation of compliance requirements from system text to post behavior norms.

During the Reporting Period

the Group did not experience any unfair competition litigation cases and has never been subject to administrative penalties or pursued legal liability for unfair competition practices.

Appendix and Index

Shenzhen Stock Exchange "Self-Regulatory Guidelines for Listed Companies No. 17–Sustainability Report (Trial)" Content Index

Key Performance Indicator	Report Section No.	Report Section Name
1.Addressing Climate Change	VI (I)	Addressing Climate Change
2.Pollutant Emission	VI (II)	Pollutant Emission
3.Waste Management	VI (III)	Waste Management
4.Ecosystem and Biodiversity Protection	VI (IV)	Ecosystem and Biodiversity Protection
5.Environmental Compliance Management	VI (V)	Environmental Compliance Management
6.Energy Utilization	VI (VI)	Energy Management
7.Water Resource Utilization	VI (VII)	Water Resource Management
8.Circular Economy	VI (VIII)	Circular Economy
9.Rural Revitalization	VII (VIII)	Rural Revitalization and Social Contribution
10.Social Contribution	VII (VIII)	Rural Revitalization and Social Contribution
11.Innovation-Driven Development	VII (III)	Innovation-Driven Development
12.Technology Ethics	VII (IV)	Technology Ethics
13.Technology Ethics	VII (V)	Supply Chain Security
14.Technology Ethics	VII (VI)	Equal Treatment of SMEs
15.Product and Service Safety and Quality	VII (I)(II)	Product Safety and Quality Customer Service
16.Data Security and Customer Privacy Protection	VII (VII)	Data Security and Customer Privacy Protection
17.Employees	VII (IX)	Employees
18.Due Diligence	IV (II)	Stakeholder Engagement
19.Stakeholder Engagement	IV (II)	Stakeholder Engagement
20.Anti-commercial Bribery and Anti-corruption	VIII (II)	Anti-commercial Bribery and Anti-corruption
21..Anti-unfair Competition	VIII (III)	Anti-unfair Competition

The Stock Exchange of Hong Kong Limited "Environmental, Social and Governance Reporting Guide" Content Index

Aspects, General Disclosures, KPIs	Report Section No.	Section/Statement
Aspect A1: Emissions		
General Disclosure	VI (II)	Pollutant Emission
KPI A1.1	VI (II)	Pollutant Emission
KPI A1.3	VI (II)	Pollutant Emission
KPI A1.4	VI (II)	Pollutant Emission
KPI A1.5	VI (II)	Pollutant Emission
KPI A1.6	VI (II)	Pollutant Emission
Aspect A2: Use of Resources		
General Disclosure	VI (V)	Environmental Compliance Management
KPI A2.1	VI (VI)	Energy Management
KPI A2.2	VI (VII)	Water Resource Management
KPI A2.3	VI (V)	Environmental Compliance Management
KPI A2.4	VI (VII)	Water Resource Management
KPI A2.5	VI (III)	Waste Management
Aspect A3: Environment and Natural Resources		
General Disclosure	VI (V)	Environmental Compliance Management
KPI A3.1	VI (V)	Environmental Compliance Management
Aspect B1: Employment		
General Disclosure	VII (IX)	Employees
KPI B1.1	VII (IX)	Employees
KPI B1.2	VII (IX)	Employees

Aspects, General Disclosures, KPIs	Report Section No.	Section/Statement
Aspect B2: Health and Safety		
General Disclosure	VII (IX)	Employees
KPI B2.1	VII (IX)	Employees
KPI B2.2	VII (IX)	Employees
KPI B2.3	VII (IX)	Employees
Aspect B3: Development and Training		
General Disclosure	VII (IX)	Employees
KPI B3.1	VII (IX)	Employees
KPI B3.2	VII (IX)	Employees
Aspect B4: Labour Standards		
General Disclosure	VII (IX)	Employees
KPI B4.1	VII (IX)	Employees
KPI B4.2	VII (IX)	Employees
Aspect B5: Supply Chain Management		
General Disclosure	VII (V)	Supply Chain Security
KPI B5.1	VII (V)	Supply Chain Security
KPI B5.2	VII (V)	Supply Chain Security
KPI B5.3	VII (V)	Supply Chain Security
KPI B5.4	VII (V)	Supply Chain Security
Aspect B6: Product Responsibility		
General Disclosure	VI (I)	Product Safety and Quality
KPI B6.1	VI (I)	Product Safety and Quality
KPI B6.2	VI (II)	Customer Service
KPI B6.3	VI (III)	Innovation-Driven Development
KPI B6.4	VI (I)	Product Safety and Quality

Aspects, General Disclosures, KPIs	Report Section No.	Section/Statement
KPI B6.5	VI (VII)	Data Security and Customer Privacy Protection
Aspect B7: Anti-corruption		
General Disclosure	VIII (II)	Anti-commercial Bribery and Anti-corruption
KPI B7.1	VIII (II)	
KPI B7.2	VIII (II)	
KPI B7.3	VIII (II)	
Aspect B8: Community Investment		
General Disclosure	VIII (VIII)	Rural Revitalization and Social Contribution
KPI B8.1	VIII (VIII)	
KPI B8.2	VIII (VIII)	
Climate-related Disclosures		
Climate Change	VI (I)	Addressing Climate Change
Greenhouse Gas Emissions	VI (I)	